

Ms Anjuli Sinniah
Adviser, Listings Compliance (Perth)
ASX Compliance Pty Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Ms Anjuli,

PRICE AND VOLUME QUERY

We refer to your inquiry in relation to an increase in the share price of Argent Minerals Limited (**ASX: ARD, Argent, the Company**) on Friday 9 December 2016 together with an increase in the volume of the securities being traded, and respond as follows:

1. Argent is not aware of any information concerning the Company that has not been announced to the market and which, if known, could be reasonably regarded as an explanation for recent trading in the Company's securities.
2. Not applicable.
3. On 29 November 2016 Argent announced that the eight-hole 1,600 metre diamond drilling programme had commenced at the Company's Kempfield project, targeting silver, gold, lead and zinc volcanic-hosted massive sulphide (VHMS) mineralisation – see ASX Release dated 29 November 2016 **Kempfield Drilling Commences, Targeting Ag, Au, Pb and Zn**.

The Company is drill-testing four key areas of potential VHMS mineralisation that have been identified by previous drilling, geophysics surveys, and subsequent detailed analysis that have together resulted in significant breakthroughs in the Company's understanding of the Kempfield deposit for efficient drill-targeting – see ASX Release dated 10 October 2016 **Diamond Drilling Results in Major Breakthrough at Kempfield**.

The discovery of additional VHMS mineralisation, and in particular, massive sulphides, could result in a substantial re-rating of the Company and we believe that the drilling campaign is receiving widespread attention from a range of investors.

Additionally, the London Metals Exchange cash settlement price for zinc has recently reached highs not achieved since approximately 2008. Given that the Company's Kempfield project has a JORC 2012 compliant Mineral Resource estimate that includes 200,000 tonnes of contained zinc and 97,000 tonnes of contained lead, and based on recent investor comments in social media, Argent believes that the Company is also receiving increased attention from investors looking for specific exposure to Australian zinc exploration and production potential – see ASX Release 10 August 2016 **Annual Report to Shareholders, Mineral Resources and Ore Reserves Statement**.

Furthermore, on 26 October 2016 Argent announced the award of \$200,000 of NSW Government funding for the Company's West Wyalong project. The heavily contested funding award was granted to the Company following the evaluation by an independent expert panel of the West Wyalong project's prospectivity and technical basis, as well as the soundness of the Company's financial management.

Argent announced that the test-drilling of the Theia and Narragudgil copper-gold and epithermal gold targets at West Wyalong has been scheduled for commencement in mid-February 2017 (subject to the completion of access agreements, regulatory approvals and weather) – see ASX Release dated 26 October 2016 **\$200K NSW Govt Funding Award to Drill-test West Wyalong Gold**. The discovery of a new copper-gold and/or epithermal gold deposit at the West Wyalong project could also result in a substantial re-rating of the Company.

Finally, the announcement of the receipt of \$709,428 cash in relation to the Company's 2016 Research and Development claim, together with the \$1.4 million cash balance at 30 September 2016, has underlined the Company's strong liquidity position to fund the announced drilling schedules – see ASX Releases 5 December 2016 **\$709,428 Funds Received – Research and Development Claim**, and 24 October 2016

September 2016 Quarter Activities and Cash Flow Report.

Other than the above-mentioned ASX Announcements, the Company does not have an explanation for the increase in the share price and volume traded in the securities of the Company.

4. The Company confirms that it is in compliance with the ASX Listing Rules, and in particular, Listing Rule 3.1.
5. We confirm that the above responses to the ASX inquiry have been approved by the Company's board of directors.

Yours sincerely,

David Busch
Managing Director

Argent Minerals Limited

M: 0415 613 800

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9 December 2016

Mr Peter Nightingale
Director
Level 2, 66 Hunter Street
SYDNEY NSW 2000

By email: peter@miscorp.com.au

Dear Mr Nightingale

Argent Minerals Limited (“ARD”): price query

We note the change in the price of ARD’s securities from a low of \$0.021 on Thursday 8 December 2016 to an intraday high of \$0.027 today Friday 9 December 2016.

We also note the significant increase in the volume of ARD’s securities traded in that time period.

In light of this, ASX asks ARD to respond separately to each of the following questions and requests for information:

1. Is ARD aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is “yes”:
 - a) Is ARD relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in ARD’s securities would suggest to ASX that such information may have ceased to be confidential and therefore ARD may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.
 - b) Can an announcement be made immediately?

Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt (see below).
 - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is “no”, is there any other explanation that ARD may have for the recent trading in its securities?
4. Please confirm that ARD is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that ARD’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ARD with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **9.30 am AEDT on Monday 12 December 2016** (being **6.30am WST on Monday 12 December 2016**). If we do not have your response by then, ASX will have no choice but to consider suspending trading in ARD's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ARD's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at anjuli.sinniah@asx.com.au and tradinghaltspert@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to ARD's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that ARD's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in ARD's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Anjuli Sinniah

Adviser, Listings Compliance (Perth)