

MARCH 2017 QUARTER ACTIVITIES AND CASH FLOW REPORT

Argent at a glance

ASX-listed Company focused on the expansion and development of its significant existing base and precious metal projects in NSW and to leverage its expertise to pursue value accretive acquisitions of other significant projects identified by the Company.

Facts

■ ASX Codes:	ARD, ARDO ¹
■ Share price (26 April 2017):	\$0.037
■ Option price (26 April 2017):	\$0.012
■ Shares on issue (26 April 2017):	360.7 M
■ Market capitalisation:	\$13.3 M

¹ \$0.10 exercise price, 27 June 2019 expiry.

Directors and Officers

Stephen Gemell
Non-Executive Chairman

David Busch
Chief Executive Officer

Peter Nightingale
Non-Executive Director

Peter Michael
Non-Executive Director

Vinod Manikandan
Company Secretary

Contact details

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Highlights:

- Kempfield 1,833 metre drilling programme completed, identifying potential lateral and depth extensions up to 2X existing deposit dimensions.
- Significant intervals intersected by the Kempfield drilling include:
 - 20.3 m @ 32 g/t Ag, 1.1 g/t Au from 96.0 m by hole AKDD195
incl. 7.0 m @ 47 g/t Ag, 2.4 g/t Au, from 97.0 m
incl. 3.1 m @ 2.4% Pb, 2.3% Zn, 85 g/t Ag, 2.3 g/t Au from 100.9 m;
 - 16.0 m @ 0.6% Pb, 1.8% Zn, 83 g/t Ag, 0.1 g/t Au from 205.0 m by hole AKDD200 at the Henry Zone; and
 - 10.2 m @ 1.5 g/t Au from 28.0 m
incl. 5.0 m @ 2.6 g/t Au from 32.2 m by AKDD197.
- West Wyalong diamond drilling programme commenced to test the compelling Theia and Narragudgil geophysical targets for porphyry copper-gold and epithermal gold.
- The drilling expenditure will result in Argent increasing its interest in the West Wyalong project to 70%.
- Loch Lilly project - Strategic stake acquired in Mt. Read volcanics equivalent identified 80 km south of Broken Hill – Joint Venture entered into by Argent to earn up to 90%.
- The NSW Government has awarded merit-based 75% co-funding of up to \$150,000 for the Loch Lilly project to drill test two walk-up geophysical targets commencing June 2017.



Argent Minerals Limited (ASX: ARD, Argent, or the Company) is pleased to report on its performance for the quarter ended 31 March 2017.

KEMPFIELD DRILL PROGRAMME TARGETING SILVER, GOLD, LEAD AND ZINC

Significant potential extensions identified

The eight hole Kempfield diamond drilling programme was completed at a total of 1,833 metres in January 2017.

The exploration results announced subsequently during the quarter provided excellent information for refining the geological model at Kempfield, and for defining the prospectivity of key identified stratigraphic controls on mineralisation. Significant potential extensions to mineralisation were identified as follows:

- **1,000 metre northeast strike extension** – Probable mineralisation continuity was identified from Kempfield North to the Henry Zone where hole AKDD200 intersected five separate mineralised intervals for a total combined downhole length of 45.9 metres. This represents a potential 1,000 metre northeast strike extension of the main deposit (see Figure 1).
- **New southeast mineralised zone** – Holes AKDD195 and 196 intersected C and D Horizon respectively in Kempfield South, confirming the new southeast mineralised zone predicted by the geological model.
- **Potential 800 metre extension to the south** – Overturning historical assumptions, the geology intersected by holes AKDD198 and 199 has opened up an entire new area to the south as a further extension of the new southeast mineralised zone referred to in the above bullet point, to combine with known mineralisation at the historic Sugarloaf barite mine and the Gully Swamp copper mine (see Figure 2). This represents a potential 800 metre extension of mineralisation to the south.
- **New southwest gold zone** – a shallow gold system intersected by hole AKDD197.
- **Depth extensions** – the drilling programmes conducted in 2016 and to date in 2017 have confirmed depth extensions to more than 200 metres, where mineralisation continues to remain open at depth. This represents a significant potential extension at depth in relation the known Kempfield deposit, which was defined by historical drilling to approximately 120 metres depth.

Figure 1 - Plan view illustrating the drillhole locations in relation to the geological model, and the implied northeast extension.

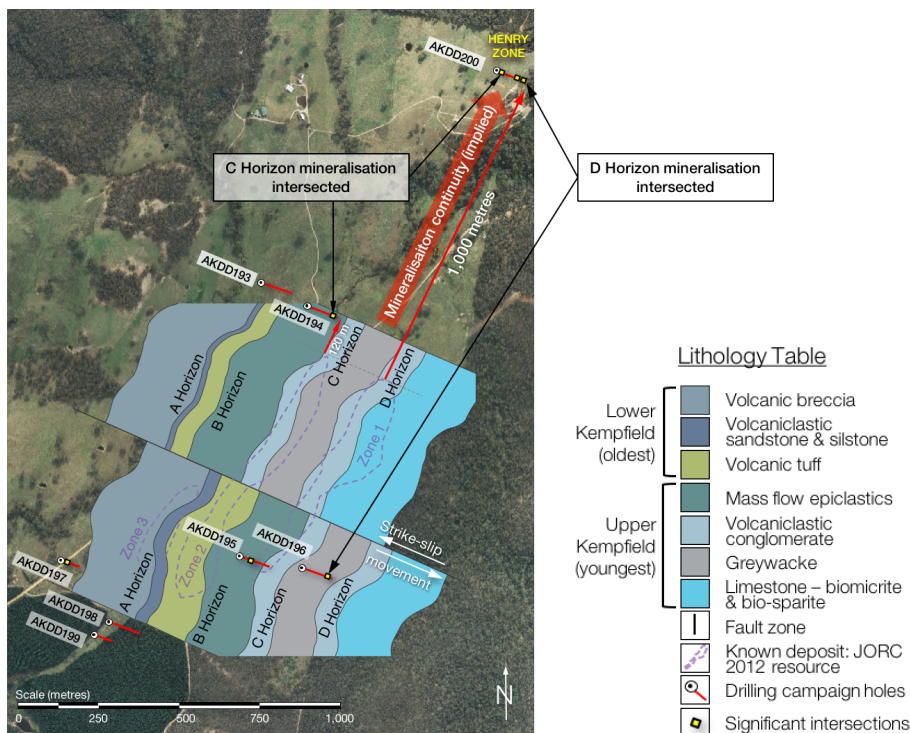
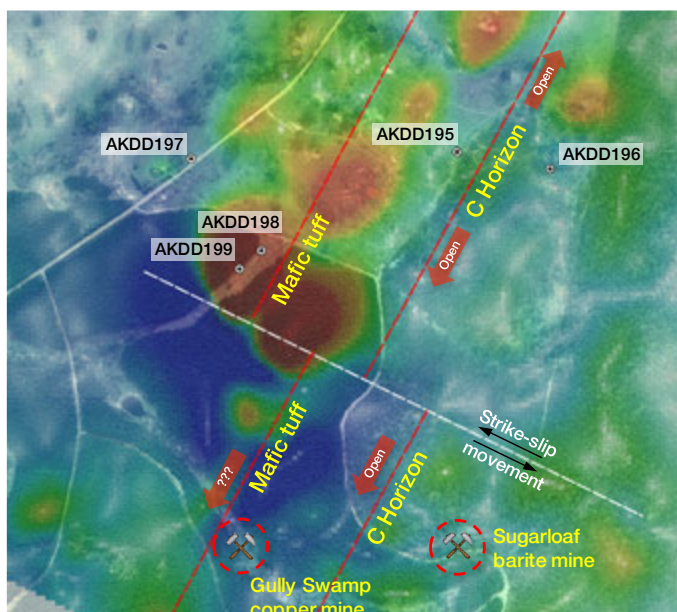


Figure 2 – Interpreted Kempfield South potential extensions illustrated over a magnetic/topographic background image



Significant intersections

Highlights of significant intervals intersected by the drilling programme include:

■ **New southeast mineralised zone**

20.3 m @ 32 g/t Ag and 1.1 g/t Au from 96.0 m by hole AKDD195

including: **7.0 m @ 47 g/t Ag, and 2.4 g/t Au, from 97.0 m;**

including: **3.1 m @ 2.4% Pb, 2.3% Zn, 85 g/t Ag, and 2.3 g/t Au from 100.9 m.**

■ **Henry Zone** – Five separate mineralised intervals with total combined downhole length 45.9 metres intersected by hole AKDD200, including:

16.0 m @ 0.6% Pb, 1.8% Zn, 83 g/t Ag, 0.1 g/t Au from 205.0 m:

including: **7.6 m @ 1.2% Pb, 3.4% Zn (Pb+Zn 4.6%), 126 g/t Ag, 0.2 g/t Au, from 212.4 m;**

including: **1.0 m @ 2.2% Pb, 8.3% Zn (Pb+Zn 10.5%), 250 g/t Ag, 0.2 g/t Au from 213.4 m;**

■ **New southwest gold zone**

10.2 m @ 1.5 g/t Au from 28.0 m by hole AKDD197

Including: **5.0 m @ 2.6 g/t Au from 32.2 m**

which includes the following individual samples:

1.0 m @ 4.4 g/t Au from 32.2 m; and

1.0 m @ 5.1 g/t Au from 34.2 m.

1.0 m @ 0.97 g/t Au from 48.4 m.

Analysis of the drilling results continues as the Company advances the project towards an update of the Kempfield mineral resource estimate.

WEST WYALONG DRILLING PROGRAMME

On 14 February 2017 Argent announced that approvals had been received for the West Wyalong diamond drilling programme, and on 3 March 2017 the Company announced that the drilling programme had successfully commenced on schedule.

Five holes were designed to test the Theia copper-gold porphyry target over a 1.8 kilometre distance in the north-south strike direction. The drillholes were generally designed to 350 metre depth and the deepest hole to 500 metres. A single hole has been designed to test the potential for epithermal gold mineralisation at the Narragudgil target to a depth of 400 metres.

All holes are being drilled to a design of 270° (True) azimuth (ie. to the west), and a dip of 70°.

Figure 3 is a plan view illustrating the position of the hole collars, the planned hole traces and depths over the combined high resolution geophysics and induced polarisation (IP) survey results, and Figure 4 illustrates an example hole design to intersect a 3D IP model derived from the geophysics survey results.

Figure 3 – Plan view illustrating the key positions of the hole collars and traces in relation to the coincident magnetic low and IP chargeability high anomalies that the 2017 drill plan has been designed to test

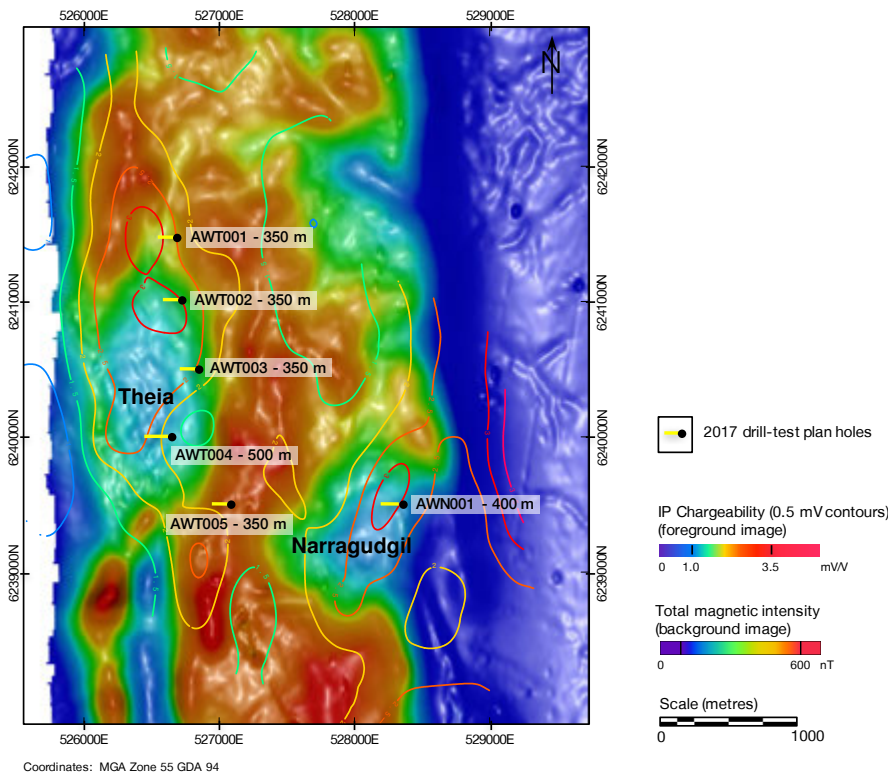
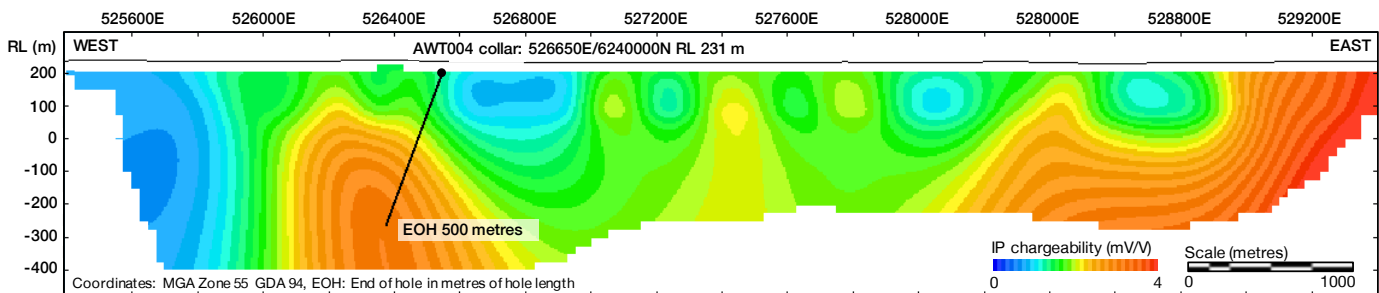


Figure 4 – 6240000N section illustrating hole AWT004 design targeting the main centre of the magnetic low, elevated IP chargeability and MIMDAS responses of the Theia anomaly at a depth >300 metres



About the 50% NSW Government Cooperative Drilling funding

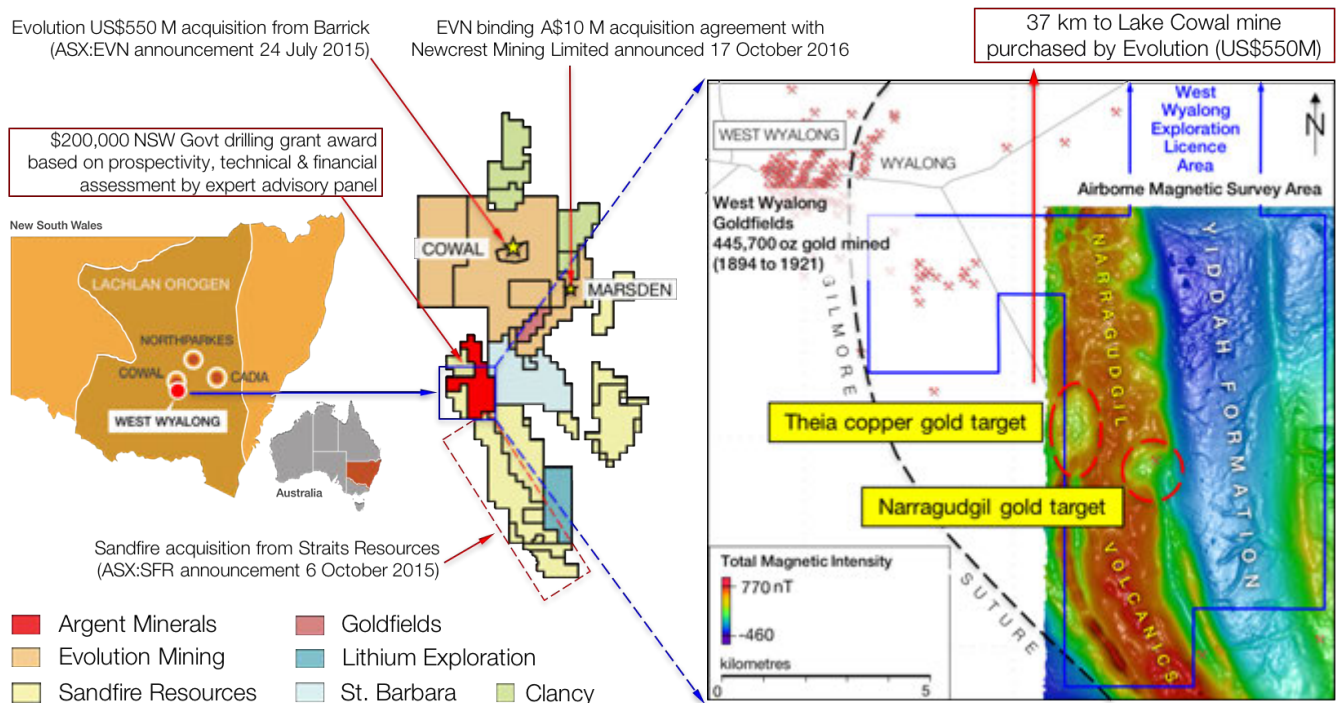
Under the Funding Deed executed by the NSW Government and Argent, NSW Cooperative Drilling will refund 50% of the direct per-metre drilling costs on the drilling contractor’s invoices up to a maximum of \$200,000 within 30 business days of the Company producing the reports required by the Funding Deed.

Assessed in a highly competitive environment, the 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.

About the strategic location of the West Wyalong gold targets and the 70% interest to be earned

Figure 5 illustrates the strategic positioning of the West Wyalong project in which Argent will have earned a 70% interest by incurring the expenditure for the drilling programme as scheduled.

Figure 5 – The strategic location of the West Wyalong copper-gold and gold targets



LOCH LILLY PROJECT – STRATEGIC STAKE IN MT. READ VOLCANICS EQUIVALENT BELT

On 20 February 2017 the Company announced that it had entered into a joint venture agreement to earn up to a 90% interest in the Loch Lilly project, with exploration licences and applications covering a significant area of the Loch Lilly - Kars Belt of more than 1,400 km².

The Loch Lilly - Kars Belt, located in western NSW approximately 80 kilometres south of Broken Hill, hosts a polymetallic volcanic-hosted massive sulphide VHMS, copper-gold porphyry and nickel sulphide mineralisation potential analogous to the Mount Read Volcanics of Western Tasmania.

Argent will earn its first 51% interest in the Loch Lilly Joint Venture by completing a drill programme to test two compelling geophysical targets – Eaglehawk and Netley. One hole will be drilled to test each target to a depth of 500 metres.

The direct per-metre drilling costs of the drilling programme will be 75% co-funded by the NSW Government up to \$150,000. The highly contested Government funding was awarded to the project based on merit as assessed by an independent expert advisory panel.

The drill programme is scheduled to commence in approximately June 2017, subject to access agreements, regulatory approvals, drilling logistics and weather.

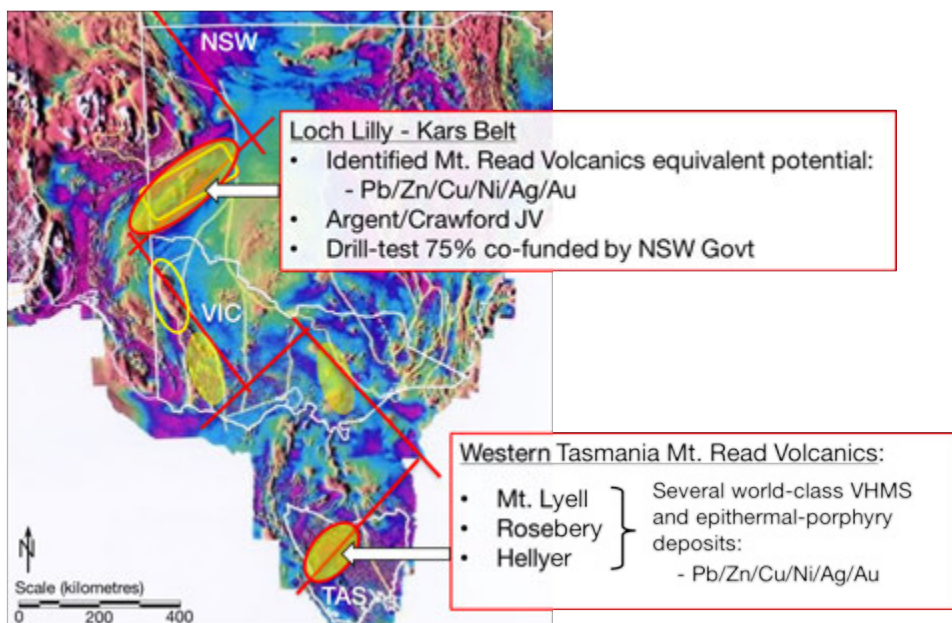
About the Loch Lilly - Kars belt and equivalent Mt. Read volcanics potential

The Loch Lilly - Kars Belt is a NE-SW belt of Late Neoproterozoic and Cambrian rocks measuring 200 by 30 kilometres in area in western NSW located approximately 80 kilometres south of Broken Hill. The belt occurs along the southern margin of the Palaeoproterozoic Broken Hill Block and forms part of the ~600Ma breakup margin of Gondwana that is represented by volcanic rocks that extend from Antarctica, through western Tasmania and western NSW to Charters Towers in Queensland.

The project area is covered by exploration licences EL8199, EL8200, EL8515 and EL8516, the combined 1,447 km² area of which covers the majority of the belt.

Research undertaken by Argent's joint venture partner, Dr. Anthony J. Crawford, has indicated that this belt, which extends from western Tasmania, through western Victoria, and easternmost South Australia before swinging northeast and into western NSW, includes rocks equivalent to western Tasmania's Mt. Read Volcanics, with potentially major discovery implications for the Loch Lilly - Kars Belt in NSW. Over a strike distance of just 80km, the Mt. Read Volcanics hosts several world-class base and precious metal deposits, including Mt. Lyell, Rosebery and Hellyer, and numerous medium-sized deposits, including the Que River and Hercules VHMS Cu-Pb-Zn deposit and the Henty gold deposit.

Figure 6 – Plan view illustrating the Loch Lilly - Kars Belt location and extension of the Mt. Read Volcanic Belt into NSW over a total magnetic intensity (TMI) background image.

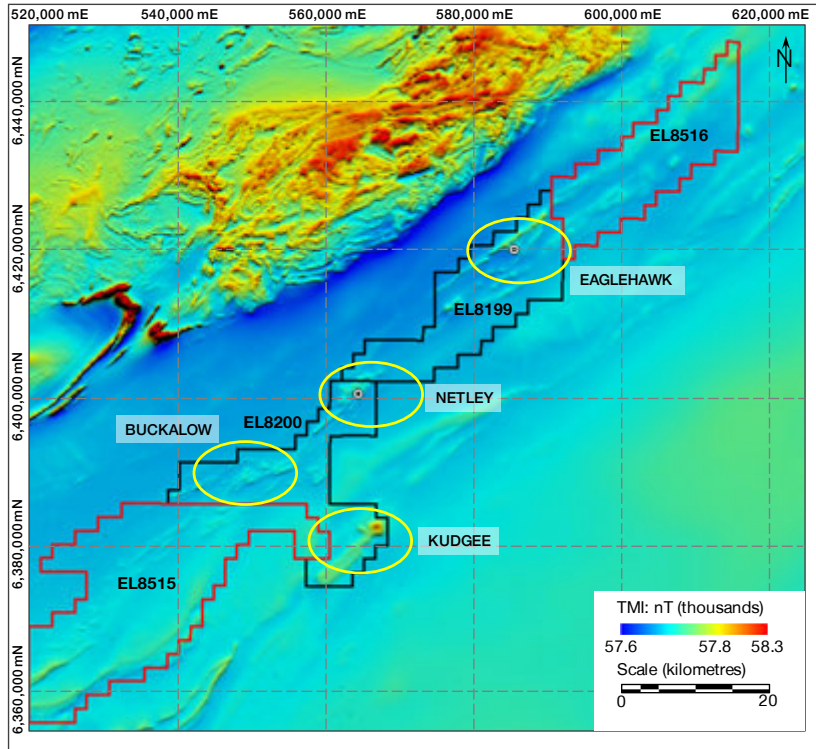


About Argent's participation in the project as JV partner and manager

Under the terms of the Joint Venture Agreement, Argent has been appointed as the Manager/Operator and is the sole contributor during the earning period during which time Argent has the right to earn a 51% interest, then 70% and 90%, in the Loch Lilly project. The joint venture continues until Argent either earns 90% or withdraws from the joint venture.

Figure 7 illustrates the project area and tenements against a magnetic image background, with the key identified targets highlighted by yellow ellipses.

Figure 7 – Plan view illustrating the Loch Lilly - Kars Belt over a total magnetic intensity (TMI) background, with the project tenements in the foreground and key identified targets highlighted with yellow ellipses, and drill-test collars indicated at Eaglehawk and Netley.



HEAVILY OVERSUBSCRIBED PRIVATE PLACEMENT RAISES \$2.28 MILLION

The Company’s cash position as at 31 March 2017 was approximately \$830,000.

On 20 April 2017 Argent announced that a private placement had been conducted to sophisticated investors to raise up to approximately \$2.28 million before costs to advance its projects in the precious and base metals sectors, featuring gold, silver, lead and zinc (Placement).

Strong demand from new and existing sophisticated investors resulted in the Placement being heavily oversubscribed.

Proceeds of the Placement will fund¹:

■ **Kempfield Polymetallic Project** (Argent interest 100%)

Work to advance the planned mineral resource estimate update:

- Metallurgical testing of existing drill core to determine base and precious metal recovery potential in separate concentrates in a flotation processing environment.
- Resource infill drilling.

■ **West Wyalong Project** (Argent interest 51%, increasing to 70%)

- Completion of the six hole 2,300 metre diamond drilling program testing for porphyry copper gold and epithermal gold at the Theia and Narragudgil targets.
- Drilling is 50% co-funded by the NSW Government Cooperative Drilling programme up to a total of \$200,000 (awarded on merit-based assessment by independent panel of experts).
- Increase of Argent interest to 70%.

■ **Loch Lilly Project** (Argent right to earn up to 90%)

- Inaugural drill test of analogous Western Tasmania Mt. Read Volcanics potential identified in the Loch Lilly – Kars Belt located approximately 80 kilometres south of Broken Hill (lead/zinc/copper/nickel/silver/gold).
- Two diamond holes will be drilled up to 500 metres depth, each to test the walk-up geophysics targets (Eaglehawk and Netley).
- The direct per-metre drilling costs are 75% co-funded by the NSW Government Cooperative Drilling programme up to a total of \$150,000 (awarded on merit-based assessment by independent panel of experts).
- Earn initial Argent interest of 51% by completing the drill test.

¹ All work programs are subject to variation at the sole discretion of the Company (refer to the ASX announcements).

Appendix 5B is attached to this announcement.

For further information please contact:

David Busch

Chief Executive Officer

Argent Minerals Limited

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APPENDIX A

The following mining tenement information is provided pursuant to Listing Rule 5.3.3:

Table 1 – Mining Tenement¹ Interest Activities for the Quarter Ended 31 March 2017

Tenement Identifier	Location	Interest Acquired During Quarter	Interest Divested During Quarter	Interest Held at End of Quarter
Kempfield				
EL5645 (1992)	NSW	-	-	100% ²
EL5748 (1992)	NSW	-	-	100% ²
EL7134 (1992)	NSW	-	-	100% ²
EL7785 (1992)	NSW	-	-	100% ²
EL7968 (1992)	NSW	-	-	100% ²
EL8213 (1992)	NSW	-	-	100% ²
PLL517 (1924)	NSW	-	-	100% ²
PLL519 (1924)	NSW	-	-	100% ²
PLL727 (1924)	NSW	-	-	100% ²
PLL728 (1924)	NSW	-	-	100% ²
West Wyalong				
EL8430 (1992)	NSW	-	-	51% ³
Loch Lilly				
EL8199	NSW	-	-	0% ⁴
EL8200	NSW	-	-	0% ⁴
EL8515	NSW	-	-	0% ⁴
EL8516	NSW	-	-	0% ⁴
Queensbury				
EL9/2016	TAS	100%	-	100%
Sunny Corner				
EL5964 (1992)	NSW	-	-	70% ⁵

Notes

1. The definition of “Mining Tenement” in ASX Listing Rule 19.12 is “Any right to explore or extract minerals in a given place”.
2. For all Kempfield tenements the tenement holder is Argent (Kempfield) Pty Ltd, a wholly owned subsidiary of Argent.
3. Under the West Wyalong Joint Venture and Farmin Agreement dated 8 June 2007 between Golden Cross Operations Pty Ltd and Argent (JVA), Argent has earned a 51% interest, and may earn 70% by investing a further \$372,570 by 30 June 2017. The tenement holder is Golden Cross Operations Pty Ltd (GCO).
4. Under the Loch Lilly Farmin and Joint Venture Agreement (JVA) dated 12 February 2017 (effective date 17 February 2017), whilst the tenement holder for EL8199 and EL8200 is San Antonio Exploration Pty Ltd (SAE), and for EL8515 and EL8516 it is Argent Minerals Limited, the respective ownership of all the tenements by the JVA Parties (SAE and Loch Lilly Pty Ltd (LLP) - a 100% owned subsidiary of Argent Minerals Limited) is according to their respective JVA Interests. LLP has the right to earn up to a 90% interest, with the 51% interest to be earned by completing the drill test for the Eaglehawk and Netley targets. For further details on Farmin terms and conditions see ASX announcement 20 February 2017 – Argent secures strategic stake in Mt. Read equivalent belt.
5. The tenement holder is Golden Cross Operations Pty Ltd.

COMPETENT PERSON STATEMENTS

Previously Released Information

This ASX announcement contains information extracted from the following reports which are available for viewing on the Company's website <http://www.argentminerals.com.au> :

- 2 February 2017 10 metre gold intersection returned by 1st Kempfield assays¹;
- 14 February 2017 Approved West Wyalong Copper-Gold Target Drill-Test Plan¹;
- 20 February 2017 20 Metre Intersection Confirms New Kempfield Southeast Zone¹;
- 20 February 2017 Argent Secures Strategic Stake in Mt. Read Equivalent Belt¹; and
- 15 March 2017 Significant Ag Pb Zn Intersections at Kempfield Henry Zone¹.

Competent Person:

1. Clifton Todd McGilvray

The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

ARGENT MINERALS LIMITED	
ABN	Quarter ended ("current quarter")
89 124 780 276	31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(656)	(1,206)
(b) development	-	-
(c) production	-	-
(d) staff costs	(37)	(79)
(e) administration and corporate costs	(95)	(463)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	13
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	709
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(784)	(1,026)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(15)	(15)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Security deposits for tenements	(28)	(28)
2.6	Net cash from / (used in) investing activities	(43)	(43)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	1,394
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(144)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	1,250

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,657	649
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(784)	(1,026)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(43)	(43)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,250
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	830	830

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	130	137
5.2 Call deposits	700	1,520
5.3 Bank overdrafts	-	-
5.4 Other – Advance monies received from Placement.	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	830	1,657

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
116
-

N/A

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
30
-

N/A

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
N/A		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	600
9.2 Development	-
9.3 Production	-
9.4 Staff costs	30
9.5 Administration and corporate costs	140
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	770

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Queensberry EL9/2016	Exploration	-	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
Company secretary

Date: 27 April 2017.

Print name: Vinod Manikandan

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.