

Form 603Corporations Law
Section 671B**Notice of initial substantial holder**

To: Company Name/Scheme

ACN/ARSN

ARGENT MINERALS LTD AU000000ARD1**1. Details of substantial holder (1)**

Name

ACN/ARSN (if applicable)

U.S. GLOBAL INVESTORS, INC.

The holder became a substantial holder on

1/27/2011**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
<u>ORDINARY</u>	<u>5,500,000</u>	<u>5,500,000</u>	<u>5.4%</u>

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
<u>APPENDIX A</u>		

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
<u>APPENDIX A</u>			

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
<u>APPENDIX A</u>				

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
APPENDIX A	

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
APPENDIX A	

Signature

print name SUSAN B. MCGEE capacity EVP

sign here *Susan B McGee* date 2'9'2011

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Law.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Law.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Law.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Appendix A

Entity Name and Address	Registration Name	Class	Number of Shares	Nature of Association
U.S. Global Investors World Precious Minerals Fund 7900 Callaghan Rd. San Antonio, TX 78229	HSBC Custody Nominees (Australia) LTD 011-506144-067	Ordinary	5,500,000	Same Ultimate Holding Company



Our Ref: SSH - ARD

3 February 2011

THE MANAGER
 BROWN BROTEHRS HARRIMAN

Dear Sir/Madam

RE: SUBSTANTIAL SHAREHOLDING

In accordance with the Substantial Shareholding provisions of the Australian Corporations Act, 2001, a review of your holdings indicates that you may have exceeded the 5% threshold, varied your substantial shareholding by more than 1%, or no longer qualify as a substantial shareholder. Your holding is listed as follows:

Client's Account No.: AU HKBA 011-506144-067 BBH WORLD PREC MINERALS FD

Company Name	Company Issued Capital (with voting rights)	5% Company Issued Capital	Client's SETTLED Holding as of 3 February 2011	Client's TRADED Holding as of 3 February 2011
ARGENT MINERALS LIMITED (AU000000ARD1)	101,891,251	5,094,562	5,500,000	5,500,000

By definition a person has a substantial holding in a body corporate, or listed registered managed investment scheme, if:

- (a) the total votes attached to voting shares in the body, or voting interests in the scheme, in which they or their associates:
- i. have relevant interests; and
 - ii. would have a relevant interest but for subsection 609(6) (market traded options) or 609(7) (conditional agreements);
- is 5% or more of the total number of votes attached to voting shares in the body or interests in the scheme; or

- (b) the person has made a takeover bid for voting shares in the body, or voting interests in the scheme, and the bid period has started and not yet ended.

A notice is required in the following situations:

- ✓ When the shareholding reaches or exceeds 5% of the voting rights of a particular company or managed investment scheme (Form 603).
- ✓ When the shareholding increases or decreases by 1% or more, a further notice is required (Form 604)
- ✓ When the shareholding ceases to be substantial - falls below the 5% threshold (Form 605).

The Substantial Shareholder Notices (when required) **need to be lodged** directly with the Australian Stock Exchange and the Company Secretary **within two business days** of the day on which the shareholder becomes aware that the above circumstances apply. We have enclosed a copy of each of the above for your information.

With respect to your holding listed above, the contacts are as follows:

Australian Stock Exchange (ASX)

Fax: +612 9778 0999
Phone: +612 9227 0334
Attn: The Manager, Company Announcements Office

ARGENT MINERALS LIMITED

Fax: (618) 9322 6610
Attn: Mr Marcus Michael

Even though HSBC Custody Nominees Sydney Limited is the registered owner of the shares it does not have the relevant interest in the shares.

Accordingly, it is possible that one of your clients (on whose behalf you hold shares that are registered in our name) could inadvertently be in breach of the Law. If any other person or company has an interest in the shares that we hold on your behalf, then you in turn should notify that person or company.

Should the situation arise where your total holding is in excess of 5%, and the holding is split amongst a number of different holders, then it is not necessary to lodge a Substantial Shareholder notice, provided that there is no "associate" relationship between those different holders. If there

is an associate relationship it will be necessary to aggregate the shares and complete a Substantial Shareholder notice if the 5% threshold is exceeded. Should the holding be above 5% and one of the holders singularly has 5% or more, then the holder with that relevant interest will have to lodge a Substantial Shareholder notice in accordance with the Corporations Act.

Sections 10 to 17 of the Corporations Act defines Associates. Broadly speaking, shareholders are classified as associates if they have made any agreement (whether express or implied, written or verbal) to jointly exercise the power to vote or to dispose of the shares. Also, where different companies have common directors, those two companies could be associates, even if there is no agreement. We suggest you contact your Legal Council, as obviously HSBC Custodian Nominees Sydney Limited can not be held liable for any breaches that you may make with respect to the Corporations Act or any other applicable legislation.

Non-compliance to the legislation could have a significant impact on your shareholding (including restraining orders on the disposal of the shares, the exercise of voting rights, or orders directing the sale of all or any of the shares). We urge you to show immediate consideration to this matter.

Should you have any queries please do not hesitate to contact me on 612 9006 5027 or email me at custodianservices@hsbc.com.au

Yours faithfully,



Tanva Dioguardi
Assistant Manager Client Services

HSBC Custody Nominees (Australia) Limited
ABN 43 003 094 568 Authorised Representative of HSBC Bank Australia Limited AFSL 232595
GPO Box 5302, Sydney NSW 2001
Level 13, 580 George Street, Sydney NSW 2000
Tel: (02) 9255-2347 Fax: (02) 9006-5067
www.hsbc.com.au