ASX ANNOUNCEMENT

31 July 2013

QUARTERLY ACTIVITIES AND CASH FLOW REPORT – FOR THE QUARTER ENDING 30 JUNE 2013

HIGHLIGHTS

- **Progress at the Kempfield Silver Project in New South Wales**
  - **Environmental Impact Statement submitted**
  - **DP&I preliminary assessment completed**
  - **Exploration advances at Kempfield massive sulphide feeder zone targets**
  - **Bathurst Regional Council approves Colo Road Proposal**
  - **Option to acquire strategic adjoining property**

- **Corporate**
  - **Placement completed to sophisticated investors**
  - **Board changes and cost savings measures**
  - **$1 Million R&D claim submitted to the Australian Tax Office**
  - **Cash of approximately $759,000 at 30 June 2013**

Argent Minerals Limited (ASX: ARD) ('Argent Minerals' or the **'Company')** is pleased to provide the following summary of its activities during the quarter ended 30 June 2013.

PROGRESS AT KEMPFIELD SILVER PROJECT IN NEW SOUTH WALES

Kempfield Silver Project Environmental Impact Statement Submitted

Argent Minerals submitted its Kempfield Silver Project Environmental Impact Statement (**EIS**) to the NSW Government Department of Planning & Infrastructure (**DP&I**) on 8 April 2013. This was a major milestone in the approval process for the Kempfield Silver Project and marked the commencement of the NSW Government's assessment phase.

The Company has engaged leading relevant industry expertise, including RW Corkery & Co, which has advised on the environmental aspects of recently approved NSW State Significant Developments (the same status granted to the Kempfield Silver Project). Environmental impacts associated with the project were assessed by twelve specialist consultancies. In all cases, the impacts were determined as being either less than the relevant criteria, capable of being offset through licensing, or not significant.

Additionally, the submitted project included a proposed biodiversity offset strategy that Argent Minerals contends will provide medium and long-term biodiversity benefits within and surrounding the site, while balancing the community's need to ensure that agricultural land remains productive.

DP&I Preliminary Assessment Completed for Kempfield Silver Project EIS

Under the development approval process, the next stage to follow the EIS submission was for Government agencies to review the project and provide comment for consideration by the Company. Those comments have now been received from the DP&I. The DP&I's role is to conduct the assessment phase of NSW State Significant Developments such as the Kempfield Silver Project.

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Argent Minerals is pleased to advise that the DP&I has completed its review of the Kempfield Silver Project EIS in consultation with relevant government agencies. In terms of adequacy, the DP&I reports that it "*is satisfied that the EIS provides a reasonable basis for assessing the environmental impacts of the project*", and that it "*believes certain aspects of the EIS should be strengthened before it is publicly exhibited*".

The DP&I has provided a list of items to be addressed in the revised EIS. These include: further detail to be provided in relation to the biodiversity plan, clarification of specifics for water resources management, traffic, noise and air quality assessments, and final long-term landforms.

The Company is advised by its environmental consultants (based on their long experience with NSW-based State Significant Developments) that the comments received are relatively minor in nature and relate to clarification of matters that were not clear or may be open to misinterpretation.

The next step is for this additional work to be performed by Argent Minerals for incorporation into a revised version of the EIS, which will then be placed on public exhibition for a six week period.

Argent Minerals and its specialist consultants are currently evaluating the scope and timeframe for completion of the additional work. At this point the Company anticipates that a commencement of the public exhibition period in the 4th quarter of 2013 is achievable. During the exhibition period, the public and NSW Government agencies will be provided with an opportunity to offer comment on the EIS. The Company will respond to each issue raised and that response, together with the Company's final statement of commitments, will be lodged with the DP&I for its final determination for development consent.

Exploration Advances at Kempfield Massive Sulphide Feeder Zone Targets

Argent Minerals is pleased to advise that during June 2013 it completed the gravity in-fill survey at Kempfield recommended by highly regarded VMS expert Professor Ross Large. A total of 540 gravity station readings were taken by Haines Surveys Pty Ltd in 100m by 50m and 50m by 50m patterns under the supervision of geophysicist ARCTAN Services Pty Ltd and Argent Minerals. Professor Large recommended that this in-fill gravity survey be undertaken for the Volcanic Hosted Massive Sulphide (**VMS**) target zones, which after integration with a previous gravity survey conducted by Geoterrex Pty Ltd on behalf of The Shell Company of Australia Limited/Metals Division in 1980, would enable drill targets to be designed more accurately.

The gravity survey data is being analysed and interpreted together with other exploration data, including historical drill core and soil geochemistry data from the Colossal Reef prospect. Argent Minerals will announce the exploration results to the ASX on completion of the analysis.

Bathurst Regional Council Approval for Colo Road Proposal

On 21 June 2013 the Bathurst Regional Council advised Argent Minerals that it had approved the Company's Colo Road Proposal in relation to the Kempfield Silver Project. Under the proposal the Company plans to partially close a 2.75 km section of Colo Road passing through the proposed project site during the mining operations period (see Figure 1). The key purpose of the closure is to ensure safety during blasting operations and to manage the interaction of local traffic with the heavy mining fleet.

Controlled access will be provided for users of that section of road for legitimate work-related purposes or emergency requirements. Recreational users of Colo Road will be redirected to alternative routes.

Also, as part of the project's development, the road will be upgraded by Argent Minerals to provide improved access for mining operations and local landowners. Under Bathurst Regional Council approval conditions, the Company will be responsible for all Colo Road maintenance costs (from Hobbys Yards

Road to the eastern boundary of Lot 2 DP773040/Forestry Corporation of NSW) following the upgrade. Public access will be re-established to the closed section of Colo Road once mining has been completed.

The Bathurst Regional Council's approval is subject to confirmation by the NSW Department of Trade and Investment Crown Lands Division (**Crown Lands**), and Council is currently referring the matter to that Department for its consideration.

Option to Acquire Property at the Kempfield Silver Project Site

During the quarter, Argent Minerals entered into a binding option term sheet with the owners of a key property within the proposed Kempfield Silver Project site. The option allows the Company to purchase the property known as Box Hill farm (comprising Lots 47 and 48 in DP753040 and Lot 63 in DP722301) on Colo Road in Kempfield, which adjoins land currently owned by Argent Minerals (Figure 2).

Following satisfaction of the term sheet conditions precedent, the option is now active for an initial term of two years, and is extendable by Argent Minerals for a further one year term. The Box Hill owners have withdrawn their objections to Argent Mineral's mining lease application (MLA418) and its proposal to close the Colo Road section during mining operations. Box Hill comprises approximately 424 hectares of predominantly agricultural land and includes substantial improvements which Argent Minerals plans to utilise as the mine manager's residence and a secondary site office.

Discussions are also in progress with both the Forestry Corporation of NSW and Crown Lands in relation to arrangements for the utilisation of portions of their land for the Kempfield Silver Project.

The Box Hill land area represents a strategic complement to the Company's existing freehold land ownership, of approximately 115.8 hectares, purchased in April 2011. In addition to accommodating the planned Quarries Zone open cut pits and related haul road access, potential power line easements, and Harvestable Rights dams, the new land will also provide significant potential to strengthen the Company's proposed biodiversity offset program.

Biodiversity is a key component of the Company's environmental rehabilitation commitments; Argent Minerals is currently working closely with the authorities on a plan that would minimise development impacts, and also improve flora and fauna biodiversity in the Kempfield Silver Project area over the long term.

The Box Hill land also hosts the Company's Colossal Reef prospect, which is situated 800 meters north west of the Causeway Zone identified by Professor Ross Large as a potential high temperature Volcanic Hosted Massive Sulphide feeder (refer to ASX announcement dated 21 February 2013).

Argent Minerals has also commenced discussions with Bathurst Regional Council and Blayney Shire Council on Voluntary Planning Agreements (VPAs), with road safety and maintenance featuring as key focus areas. The Company has indicated its preference to hire and train a local workforce, with up to 150 people for the construction period and up to 80 people during mining operations. Argent Minerals intends to work closely with both councils to promote and manage road safety in addition to providing funding for an equitable share of road maintenance out of production revenue.

Figure 1 shows the section of the Colo Road approved for partial closure by Bathurst Regional Council, and Figure 2 the Box Hill farmland subject to the option.

ARGENT MINERALS LIMITED

Figure 1 – Map showing Colo Road section closure approved by Bathurst Regional Council

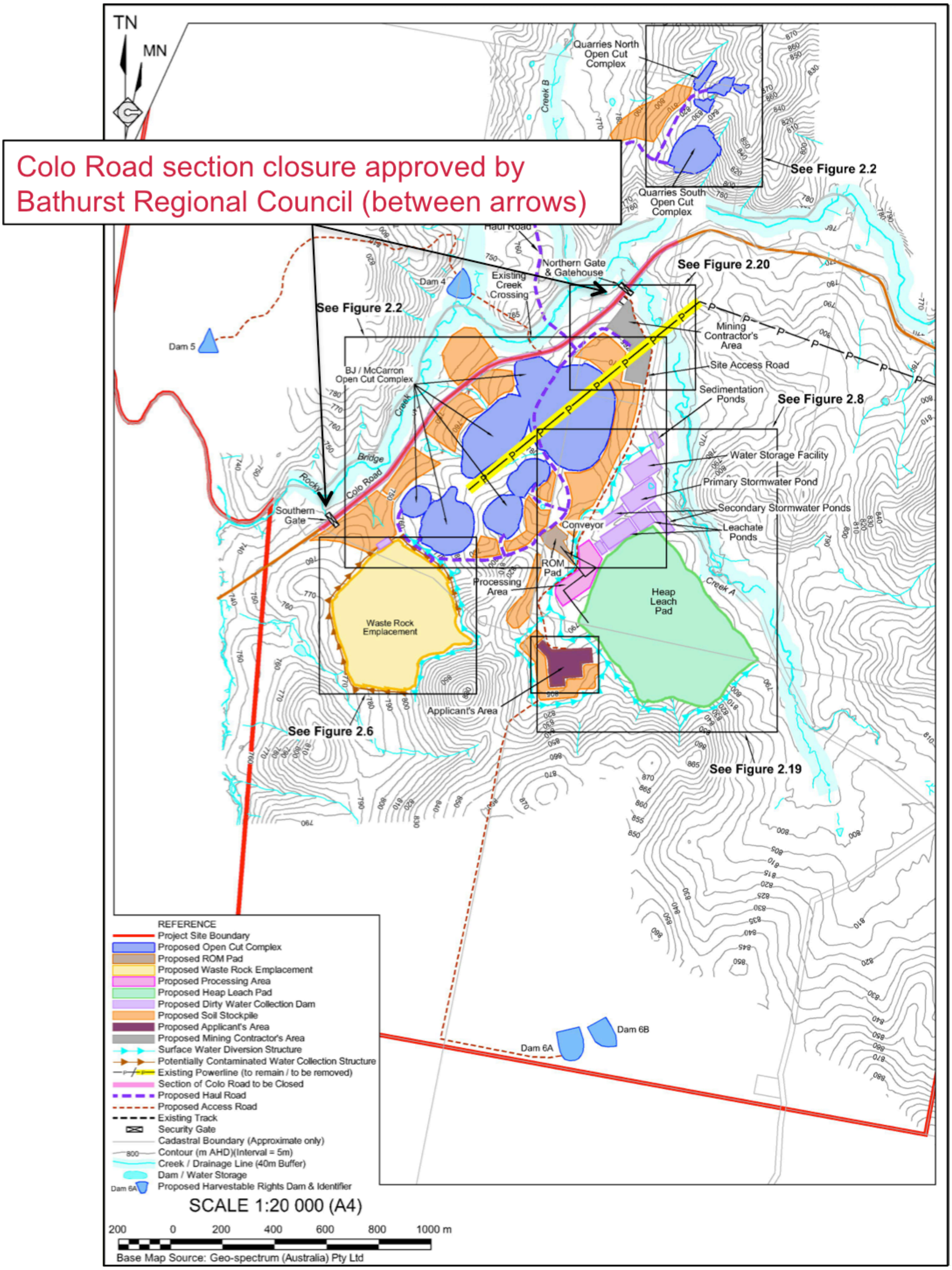
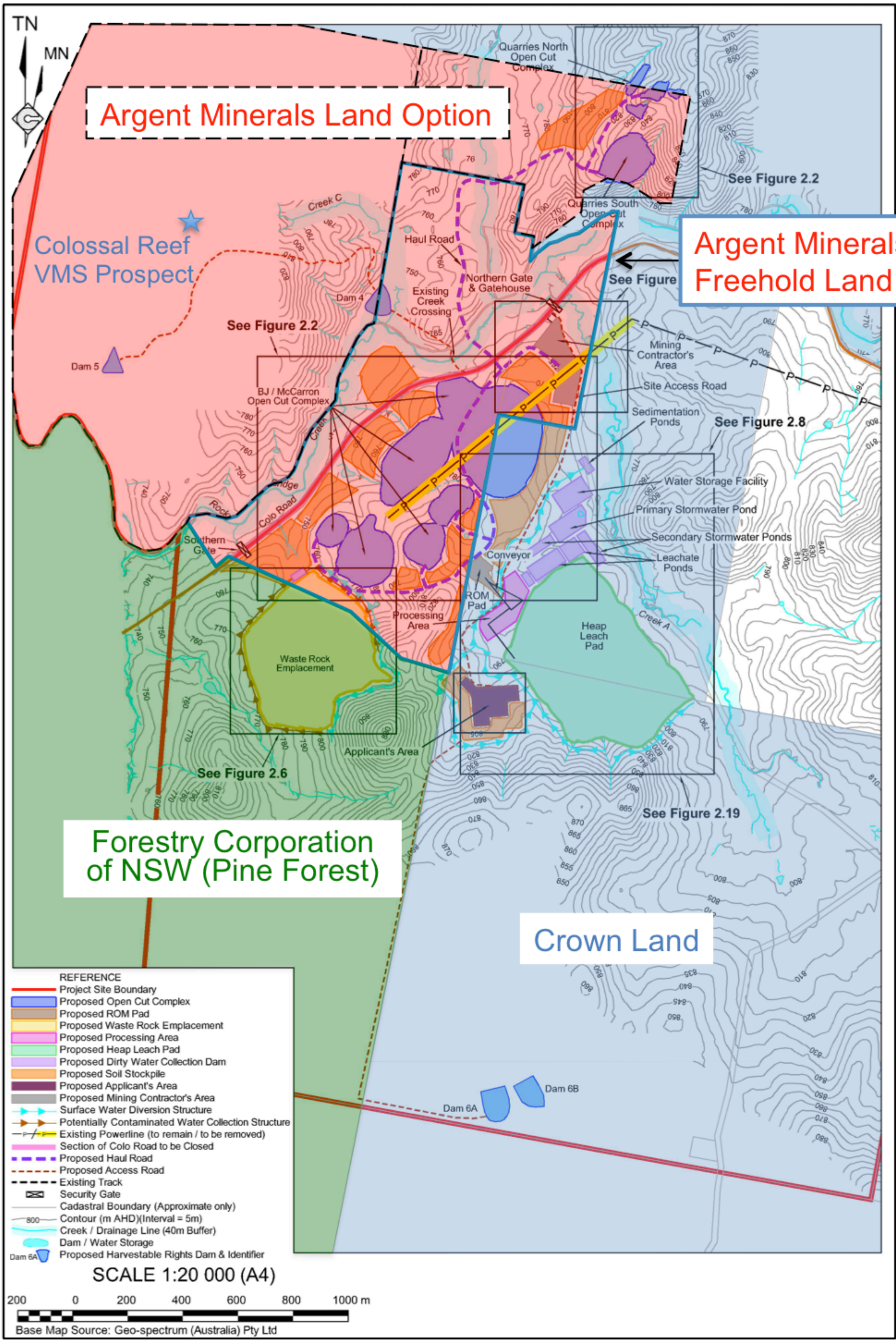


Figure 2 – Map showing Argent Minerals freehold land and the new land option area



CORPORATE

Placement to Sophisticated Investors

On 17 May 2013, the Company announced the completion of a placement to sophisticated investors with the successful issue of 10,956,667 ordinary fully paid shares at $0.06 and 10,956,667 options with a $0.175 strike price and an expiry date of 31 March 2016, raising a total of $657,400 (**Placement**). Full details of the Placement are provided in the Company's ASX announcement of 17 May 2013.

Argent Minerals was pleased with the strong support of its investors and the outcome of the Placement given the challenging market conditions, and the Company is in the process of applying the funds raised according to its publicly announced commitments:

- Progression of the NSW Government approval process for the Kempfield Silver Project;
- Acceleration of the follow-up exploration program for the Volcanic Hosted Massive Sulphide geophysical anomalies identified adjacent to the Kempfield Project; and,
- Working capital.

Argent Minerals confirms that the Placement is now closed.

Board Changes and Cost Savings Measures

On 30 May 2013, Argent Minerals announced that Mr Kerry McHugh and Mr Ross Smyth-Kirk had retired as Directors of the Company.

The Directors and management express their appreciation of Mr McHugh and Mr Smyth-Kirk's significant contributions to the Company; Mr McHugh served as Chairman of Argent Minerals from 2007, through its initial listing in 2008 and subsequently as Executive Chairman until April 2012. Mr Smyth-Kirk served as Non-Executive Director from May 2011, including service as Chairman of the Audit Committee and Chairman of the Remuneration and Nomination Committee.

Mr Stephen Gemell has assumed the role of Non-Executive Chairman and Mr Marcus Michael has assumed the role of Non-Executive Director.

Cost-saving measures implemented to date across the Company include the following:

- Reduction in Non-Executive Director fees;
- 48% reduction in the office lease cost; and
- Reduction in specialist consultancy hours to the minimum necessary for progressing the EIS and targeted exploration.

$1.0 Million Research & Development Claim

During the quarter, the Company prepared the relevant tax return to claim a refundable offset under the Federal Government's Research and Development (**R&D**) Tax Incentive Scheme, and lodged it on 29 July 2013. The Scheme is administered jointly by AusIndustry and the Australian Taxation Office (**ATO**).

The Company's 2011/2012 financial year tax return, which includes the R&D expenditure eligible for the refundable offset under the R&D Tax Incentive Scheme, was lodged on 29 July 2013 with the ATO. The claim is for approximately $1.0 million.

The claim relates to a range of technical development activities associated with the intention of bringing the Kempfield Silver Project into production.

Eligibility for the refundable offset is subject to the Company meeting all relevant taxation criteria for obtaining a refundable tax offset, and the claim may be reviewed by either the ATO or AusIndustry.

Cash Position

The available cash position for Argent Minerals as at 30 June 2013 was approximately $759,000.

Appendix 5B follows.

For further information, please contact:

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About the Kempfield Silver Project

The Kempfield Silver Project is located in New South Wales and is a major development asset. The project is classified as a State Significant Development by the NSW Government. Argent Minerals is committed to bringing the project into production via a stage-by-stage process and continues to make strong progress toward Stage 1 production. Argent Minerals plans to mine approximately 8.8 million tonnes over approximately 5 years to produce 9.9 million ounces of silver (at an approximate C1 cost of $16.6 per silver bullion ounce) in Stage 1 of the project. The Company is expecting Stage 1 of the Kempfield Silver Project to provide up to 150 jobs during the construction phase, and up to 80 full time jobs during the operations period.

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Dr Vladimir David who is a member of the Australian Institute of Geoscientists, and an employee of Argent Minerals, and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Dr. David consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Disclaimer

Certain statements contained in this announcement, including information as to the future financial or operating performance of Argent Minerals and its projects, are forward-looking statements that:

- may include, among other things, statements regarding targets, estimates and assumptions in respect of mineral reserves and mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions;

- are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Argent Minerals, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; and,

- involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.

Argent Minerals disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise. The words "believe", "expect", "anticipate", "indicate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements.

All forward looking statements made in this announcement are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

Rule 5.3

Appendix 5B

Mining 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

Name of entity

Argent Minerals Limited

ABN	Quarter ended ("current quarter")
89 124 780 276	30 June 2013

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (12 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(3)	(253)
	(b) development	(653)	(2,548)
	(c) production	-	-
	(d) administration	(66)	(751)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	6	71
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes (paid)/refunded	-	-
1.7	Other - GST	(3)	110
	- R&D Tax Incentive	-	144
	Net Operating Cash Flows	**(719)**	**(3,227)**
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(20)	(22)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – Term Deposit	43	43
	Net investing cash flows	**23**	**21**
1.13	Total operating and investing cash flows (carried forward)	**(696)**	**(3,206)**

1.13	Total operating and investing cash flows (brought forward)	**(696)**	**(3,206)**
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	657	657
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Cost from the issue of shares	(37)	(37)
	Net financing cash flows	620	620
	Net increase (decrease) in cash held	**(76)**	**(2,586)**
1.20	Cash at beginning of quarter/year to date	835	3,345
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	**759**	**759**

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	152
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

	$'000
Directors fees and remuneration	128
Accounting, corporate, bookkeeping and secretarial services	24

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	NIL	NIL
3.2	Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	120
4.2	Development	300
4.3	Production	
4.4	Administration	110
	Total	**530**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	12	6
5.2	Deposits at call	704	829
5.3	Bank overdraft	-	-
5.4	Other – Term Deposit	43	-
	Total: cash at end of quarter (item 1.22)	**759**	**835**

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	N/A	-	-	-
6.2	Interests in mining tenements acquired or increased	N/A	-	-	-

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*	-	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	**+Ordinary securities**	152,657,160	152,657,160	N/A	N/A
7.4	Changes during quarter (a) Increases through issues	10,956,667	10,956,667	$0.06	$0.06
	(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	**+Convertible debt securities** *(description)*	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	**Options** *(description and conversion factor)*	10,956,667	-	*Exercise price* $0.175	*Expiry date* 31 March 2016
7.8	Issued during quarter	10,956,667	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	**Debentures** *(totals only)*	-	-		

+ See chapter 19 for defined terms.

7.12	**Unsecured notes** *(totals only)*	-	-

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: Marcus Michael Date: 31 July 2013
Non-Executive Director and Company Secretary

Print name: Marcus Michael

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 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.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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