

DECEMBER 2018 QUARTER ACTIVITIES AND CASH FLOW REPORT

Highlights:

- Argent announces high-grade gold-focused exploration strategy.
- Gold-focused drilling programme approved by the regulator – initial 7 holes to test gold-copper footwall and feeder zone where historical drilling in the southwest area of the deposit yielded eg. 10.2 m @ 1.5 g/t Au from 28 m (AKDD197) and the spectacular 1 m @ 1,065 g/t Au and 143 g/t Ag from 97 m, and 1.8 m @ 1.21% Cu, 2.99 g/t Au and 50 g/t Ag from 136.8 m (AKDD181).
- High grade gold drilling programme for Pine Ridge Gold Mine – 4 holes testing depth extensions of high-grade historical intersections such as 21 m @ 5.6 g/t Au from 50 m including 1 m @ 62.9 g/t Au from 59 m (hole PR010).
- Major event for maiden exploration at the Pine Ridge Gold Mine.
- Non-core tenements under review for divestment.
- Cash \$1.23 million

Argent Minerals Limited (ASX: ARD, Argent, or the Company) is pleased to report its activities and cash flow for the quarter ended 31 December 2018.

HIGH GRADE GOLD-FOCUSED STRATEGY

At the Company's AGM presentation to investors on 28 November 2018 Argent issued its strategy to focus on high-grade gold exploration within and to the immediate south of the Kempfield multi-metallic project.

This announcement followed several key developments in the quarter that have enabled Argent to pursue this strategy, and in the opinion of the board and management, is also well-timed to take advantage of the renewed interest in the global precious metals markets, while the Company aggressively pursues the path to production revenue.

The gold-focused exploration strategy is complemented by key achievements during 2018. Significant breakthroughs in metallurgy have enabled a major revision to the Company's JORC-compliant Resource and Exploration Target for its Kempfield project. These achievements have advanced the project in a region that has a track record of hosting some of the largest metallic mines in Australia, including Newcrest's Cadia Ridgeway gold mine.

In addition to advancing Kempfield toward production, Argent's new high-grade gold-focused strategy provides potential for early revenue from small scale gold production.

KEMPFIELD GOLD DRILLING PROGRAMME – APPROVAL GRANTED

During the quarter Argent prepared a drilling programme for Kempfield, and submitted this to the relevant authorities for approval. On 21 January 2019 the Company announced that it has received the



regulator's approval to drill.

Out of the 37 new holes approved by NSW Planning & Environment, Resources & Geoscience, Argent is currently planning to complete an initial programme of 7 holes (1,200 m) in two main areas of the higher-grade western portion of the Kempfield deposit. The holes are prioritised as:

■ Gold-Copper footwall domain

Three diamond holes (approximately 800 metres) are planned to test the gold-copper footwall domain (6 June 2018 – Significant Kempfield Exploration Target Revision) in the southwest area of the deposit where historical drilling yielded several high grade gold intersections in an approximately north-south trend including hole AKDD197, which yielded **10.2 m @ 1.5 g/t Au from 28 m**.

Other drilling in the southwest part of the deposit has yielded numerous high-grade gold intersections, including the spectacular AKDD181 results highlights: **1 m @ 1,065 g/t Au and 143 g/t Ag from 97 m**, and **1.8 m @ 1.21% Cu, 2.99 g/t Au and 50 g/t Ag from 136.8 m**.

■ Potential feeder zone

Four diamond holes are planned to test the feeder zone area, to the west of the main Kempfield Ag-Pb-Zn deposit, to test for the gold-copper rich feeder zone, including the recently confirmed Kempfield Copper Mine where Government records reported very high historical assays ranging from **23 to 27% Cu**.

PINE RIDGE GOLD MINE DRILLING PROGRAMME

On 21 January 2019 Argent announced further details and progress for the Pine Ridge Gold Mine drilling programme, summarised as follows:

Extensions of known gold deposition

Four diamond holes are planned (800 metres) to initially evaluate the Pine Ridge gold mine. The purpose of this initial drilling is to test for potential of depth extensions to the high-grade mineralisation identified by historical drilling (24 October 2016 High Grade Au Identified in Trunkey-Kings Plain Gold Belt).

High historical intersection grades

Highlights of historical high-grade gold intersections reported by Argent for the Pine Ridge Gold Mine include:

- **21 m @ 5.6 g/t Au from 50 m (PR010)**
incl. **1.0 m @ 62.9 g/t Au from 59 m**;
- **10 m @ 4.1 g/t Au from 51 m (PR009)**
incl. **1.0 m @ 20.6 g/t Au from 52 m**;
- **10 m @ 3.7 g/t Au from 71 m (PR012)**
incl. **1.0 m @ 11.2 g/t Au from 76 m**;
- **18 m @ 2.4 g/t Au from 68 m (PR023)**
incl. **1.0 m @ 5.3 g/t Au from 77 m**.

Progress update

Substantial progress has been made in negotiating exploration access agreements with landowners. Four of eleven property owners have allowed access to their land and two are in negotiations. Three vehicle access routes into the Pine Ridge area are currently being assessed, each of which are dependent on landowner permission. The final selected route will need to be graded over sections for approximately 5 kilometres in order to provide safe travel for the drill rig.

Once all necessary agreements have been executed, the Company will finalise the road and hole details, before the drilling programme is submitted to the regulator for approval.

MAJOR EVENT FOR THE PINE RIDGE GOLD MINE

Major exploration upside

On 16 October 2018 Argent released a significant exploration update for the 2016 acquisition of the historic Pine Ridge Gold Mine and tenement area, which is located only 19 kilometres to the south of the Kempfield project.

The acquisition of the Pine Ridge Gold Mine is key to the Company's strategy to develop higher grade gold mineralisation near the central multi-metallic Kempfield project.

Argent reviewed the historical Pine Ridge Gold Mine deposit data and conducted reconnaissance exploration over an area of approximately 1.3 square kilometres surrounding the historic mine footprint. The review identified a previously unrecognised distribution of gold mineralisation in iron-rich volcanics covering a much wider area than gold-hosting quartz veins.

The Pine Ridge Gold Mine area shows strong similarities to the 2.1 Moz McPhillamys gold deposit 50 kilometres to the north, and to other examples at Ballarat and Bendigo in Victoria.

The new findings from the reconnaissance exploration have recognised substantial exploration upside at the Pine Ridge Gold Mine and within the greater area surrounding Argent's Kempfield project. Previous exploration encountered high-grade gold mineralisation, including the spectacular 1,065 g/t Au intersected during VHMS drilling. This is believed to be an orogenic gold overprint related to the regional gold system, forming later than the volcanic-hosted massive sulphide (VHMS) system at Kempfield.

Impact on Kempfield economics

The newly identified Pine Ridge project has the potential to provide a significant boost to the economics of the Kempfield project. Argent has been working diligently to advance the profitability of the Kempfield project with improvements to the metallurgical processing and increasing mineral recovery. These improvements are focused on separating out mineral extraction streams and will enhance precious metal recovery from Kempfield and/or in satellite sources such as the Pine Ridge Gold Mine.

CASH MANAGEMENT

Entitlements Issue Prospectus

On 25 October 2018 the Company released a Prospectus for an Entitlements Issue.

On 20 December 2018 Argent announced that a total of \$627,721 before costs has been received to date in relation to the Entitlements Issue, of which \$505,827 (80.6%) has been contributed by the top 20 shareholders (Top 20), Directors and senior management of Argent.

As at the close of trading on 31 December 2018 the Top 20 held 41.92% of the Company, up from 38.3% on 3 September 2018 as announced in the 2018 Annual Report to Shareholders.

Argent to seek independent review of AusIndustry R&D claim findings

On 8 January 2019 the Company announced that it would seek an independent internal review in relation to negative findings issued by AusIndustry for the Company's 2015/16 and 2016/17 financial years (R&D Claims), for which the Company may ultimately be required to repay up to \$1,402,997 plus penalties and interest.

The law provides the Company with full rights to a multi-stage review and dispute resolution process, including the right to seek an independent internal review by another state branch of AusIndustry (**Independent Review**), together with rights of appeal to both the Administrative Appeals Tribunal and thereafter the Federal Court.

The Company remains of the view that the R&D claims were made in compliance with the applicable legislation and intends to pursue its rights under the law commencing with an Independent Review as provided for under Division 5 of the IR&D Act - which AusIndustry invited Argent to request, and the Company has applied for.

Argent has engaged the services of a leading accountancy and advisory firm to assist with the AusIndustry review process, the same firm that has been advising the Company and assisting with its preparation of R&D Tax Incentive claims since December 2013.

Value-add focus and non-core project divestment

Meanwhile the board and management of Argent intend to focus the Company's efforts on generating significant additional value through the high-grade gold-focused exploration strategy.

The Company is in the process of reviewing its other projects to identify non-core projects for divestment. This will allow the Company to focus its available resources on prioritised exploration targets.

Cash position

Argent's cash position as at 31 December 2018 was approximately \$ 1,226,000.

Appendix 5B is attached to this announcement.

For further information please contact:

David Busch
Chief Executive Officer
Argent Minerals Limited
M: 0415 613 800
E: david.busch@argentminerals.com.au



APPENDIX A - TENEMENTS

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 December 2018

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	-	-	78.20% ³
Loch Lilly				
EL8199 (1992)	NSW	51%	-	51% ⁴
EL8200 (1992)	NSW	51%	-	51% ⁴
EL8515 (1992)	NSW	51%	-	51% ⁴
EL8516 (1992)	NSW	51%	-	51% ⁴
Queensberry				
EL9/2016	TAS	-	-	100%
Ringville				
EI12/2017	TAS	-	-	100%
Sunny Corner				
EL5964 (1992)	NSW	-	-	70% ⁵

Notes

- The definition of "Mining Tenement" in ASX Listing Rule 19.12 is "Any right to explore or extract minerals in a given place".
- For all Kempfield tenements the tenement holder is Argent (Kempfield) Pty Ltd, a wholly owned subsidiary of Argent.
- Under the West Wyalong Joint Venture and Farmin Agreement dated 8 June 2007 between Golden Cross Operations Pty Ltd and Argent as tenement holder (WWJVA), Argent has earned a 70% interest. The ongoing interests of the parties includes WWJVA expenditure contribution and dilution provisions commencing on a 70/30 basis.
- The tenement holder for EL8199 and EL8200 is San Antonio Exploration Pty Ltd (SAE), and for EL8515 and EL8516 it is Loch Lilly Pty Ltd (LLP), a 100% owned subsidiary of Argent Minerals Limited. Under the Loch Lilly Farmin and Joint Venture Agreement (JVA) dated 12 February 2017 (effective date 17 February 2017), the respective ownership of all the tenements by the JVA Parties (SAE and LLP) is according to their respective JVA Interests. LLP has the right to earn up to a 90% interest, with the first 51% interest 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.
- 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> :

- 22 & 24 December 2015 Significant intersections of Copper and High Grade Gold at Kempfield¹
- 24 October 2016 High grade Au Identified in Trunkey-Kings Plain Gold Belt¹
- 6 June 2018 Significant Kempfield Exploration Target Revision²
- 10 October 2018 Annual Report to Shareholders – Mineral Resources and Ore Reserves Statement².
- 16 October 2018 Major Event for Pine Ridge Gold Mine Acquisition¹
- 21 January 2019 Argent Gold Strategy Exploration Update

Competent Person:

1. Clifton Todd McGilvray
2. Arnold van der Heyden

The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, Exploration Targets, and historical Pre-JORC Code mineralisation estimates ('Historical Estimates'), that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. 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 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(209)	(438)
(b) development	-	-
(c) production	-	-
(d) staff costs	(34)	(68)
(e) administration and corporate costs	(239)	(500)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	8
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refund	-	-
1.8 Other – NSW co-operative drilling grant	-	-
1.9 Net cash from / (used in) operating activities	(478)	(998)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	-	(10)
2.6	Net cash from / (used in) investing activities	-	(10)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	627	627
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	(42)	(42)
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	585	585

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,119	1,649
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(478)	(998)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(10)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	585	585
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,226	1,226

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	54	63
5.2 Call deposits	1,172	1,056
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)	1,226	1,119

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	47
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	

Payments in 6.1 are directors' fees paid during the quarter.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	23
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	

Payments in 7.1 are to Steinepreis Paganin Lawyers & Consultants ('Steinepreis'), an entity in which Director Peter Wall hold a controlling interest. Steinepreis provides legal consulting services on ordinary commercial terms to Argent Minerals Limited.

Mining exploration entity and oil and gas exploration entity quarterly report

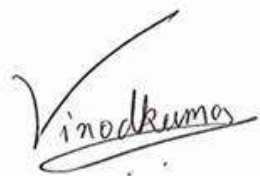
8.	Financing facilities available	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Add notes as necessary for an understanding of the position</i>		
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description 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	422
9.2	Development	-
9.3	Production	-
9.4	Staff costs	34
9.5	Administration and corporate costs	155
9.6	Other	-
9.7	Total estimated cash outflows	611

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	Nil			

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: 31 January 2019.

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.