

**ARGENT MINERALS LIMITED**  
and its controlled entities

A.B.N. 89 124 780 276

**INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2017**

# Corporate Information

## **DIRECTORS**

Klaus Eckhof – Non-Executive Chairman

Emmanuel Correia – Non-Executive Director

Peter Michael – Non-Executive Director

Tim Hronsky – Non-Executive Director

## **CEO**

David Busch

## **COMPANY SECRETARY**

Vinodkumar Manikandan

Emmanuel Correia

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## **ASX CODES:**

ARD (ordinary shares)

ARDO (options)

## **SOLICITORS**

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## **AUDITORS**

KPMG

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Brisbane QLD 4000

## **SHARE REGISTRY**

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Sydney, NSW 2000

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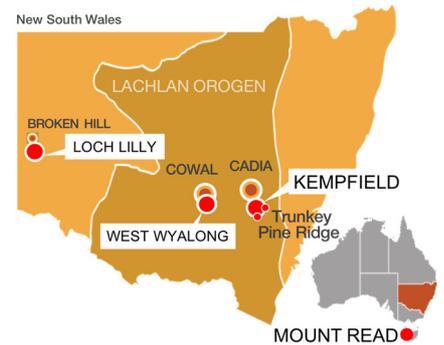
# Argent Minerals Limited and its controlled entities

## Highlights

Argent Minerals Limited ('Argent' or 'the Company') has concluded the first half of the 2018 financial year with significant advancement of the Kempfield, West Wyalong and Loch Lilly projects.

Strategic acquisitions were also completed in the world-class Mount Read Volcanics Belt of western Tasmania.

Highlights of this period include:



### EXPLORATION

#### KEMPFIELD

- JORC-Compliant Exploration Target estimate for infill drilling programme
  - Unprecedented deposit scale to multiples of current dimensions
  - 3D Kempfield geology and exploration model
- Excellent metallurgical test results
  - Kempfield economic feasibility progression

#### MOUNT READ VOLCANICS BELT

- Acquisitions in world-class mine belt
  - Ringville – next to Renison Bell Tin Mine and Rosebery Polymetallic Mine
  - Queensberry – near Mount Lyell copper mine
- Pre-JORC mineralisation estimates for tin, lead and zinc in both tenements
- Rapid kick start and strategic complement to Argent's asset portfolio

#### WEST WYALONG

- Maiden drilling yields evidence of near position to copper-gold porphyry
- Big Cadia and Ok Tedi analogy indicated
- Argent stake in project advances to 77.57%

#### LOCH LILLY

- Drilling results for first two diamond holes
- Potential outer halo of a mineralised porphyry copper system intersected

### CORPORATE

- 75% cash rebate received for Loch Lilly direct drilling costs
- \$693,748 funds received – research and development claim
- Heavily oversubscribed private placement raises \$1.2 million
- Cash position \$2.5 million

# Argent Minerals Limited and its controlled entities

## Operations Review

### EXPLORATION

#### KEMPFIELD

#### JORC-COMPLIANT EXPLORATION TARGET ESTIMATE

During the period, Argent announced that a material JORC 2012-compliant Exploration Target has been estimated by H&S Consultants Pty Ltd for potential mineralisation to be added to the existing Mineral Resource through infill drilling:

#### Mineral Resource

|       | Resource Tonnes (Mt) | Silver (Ag) |                       | Gold (Au)   |                          | Zinc (Zn) |                         | Lead (Pb) |                         | In-situ Contained Ag Equivalent |                       |
|-------|----------------------|-------------|-----------------------|-------------|--------------------------|-----------|-------------------------|-----------|-------------------------|---------------------------------|-----------------------|
|       |                      | Grade (g/t) | Contained Metal (Moz) | Grade (g/t) | Contained Metal (000 oz) | Grade (%) | Contained Metal (000 t) | Grade (%) | Contained Metal (000 t) | Grade (Ag Eq g/t)               | Contained Ag Eq (Moz) |
| Total | 21.8                 | 47          | 33.0                  | 0.12        | 86                       | N/A       | 200                     | N/A       | 97                      | 75                              | 52                    |

An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade, relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate an additional Mineral Resource and it is uncertain if further exploration will result in the estimation of an additional Mineral Resource.

#### Exploration Target

↓ + Through infill drilling programme

| Approx. Range      | Tonnes (Mt) | Silver (Ag) |                       | Gold (Au)   |                          | Zinc (Zn) |                         | Lead (Pb) |                         | In-situ Contained Ag Equivalent <sup>2</sup> |                       |
|--------------------|-------------|-------------|-----------------------|-------------|--------------------------|-----------|-------------------------|-----------|-------------------------|--|-----------------------|
|                    |             | Grade (g/t) | Contained Metal (Moz) | Grade (g/t) | Contained Metal (000 oz) | Grade (%) | Contained Metal (000 t) | Grade (%) | Contained Metal (000 t) | Grade (Ag Eq g/t)                            | Contained Ag Eq (Moz) |
| Lower <sup>1</sup> | 10          | 20          | 6.4                   | 0.1         | 20                       | 0.6       | 60                      | 0.3       | 30                      | 40   | 13                    |
| Upper <sup>1</sup> | 40          | 50          | 64                    | 0.3         | 390                      | 1.2       | 480                     | 0.6       | 240                     | 80   | 100                   |

#### Notes:

1. The upper and lower grades of the Exploration Target estimate do not necessarily correspond to the upper and lower tonnages, nor do the upper and lower grades for each element necessarily correspond. 2. AgEq is based on US\$30/oz Ag, US\$1,500/oz Au, US\$2,200/t Pb and Zn, recoverable and payable @ 80% of head grade for Ag and Au and 55% for Pb and Zn. 3. The Exploration Target estimate is based on a cutoff grade 50 g/t Ag Eq. 4. For a summary of the existing Mineral Resource refer to Appendix A of this report, and for details of the Exploration Target estimate refer to the 8 November 2017 announcement.

#### Unprecedented deposit scale to multiples of current dimensions

In the same 8 November 2017 announcement the Company reported that it has identified further additional potential for mineralisation through two broad scale regional mapping campaigns and petrological analyses of drill core conducted at Kempfield. The following potential extensions are additional to that considered by the Exploration Target estimate, with the potential dimensions significantly exceeding all historic expectations:

- Kempfield host geology continues 4 km along strike to the north – uninterrupted from the Henry Zone, containing several gossans that have yielded positive results for proximal silver-lead-zinc mineralisation;
- Additional 800 m strike length to the south. Mineralisation is considered open along strike to the south; and
- Copper-gold footwall domain identified to the west. The potential for mineralisation identified by the sitewide geological review - likelihood that hydrothermal fluids responsible for formation of the Kempfield deposit have passed through this older volcanic package and potentially mineralised the immediate geology.

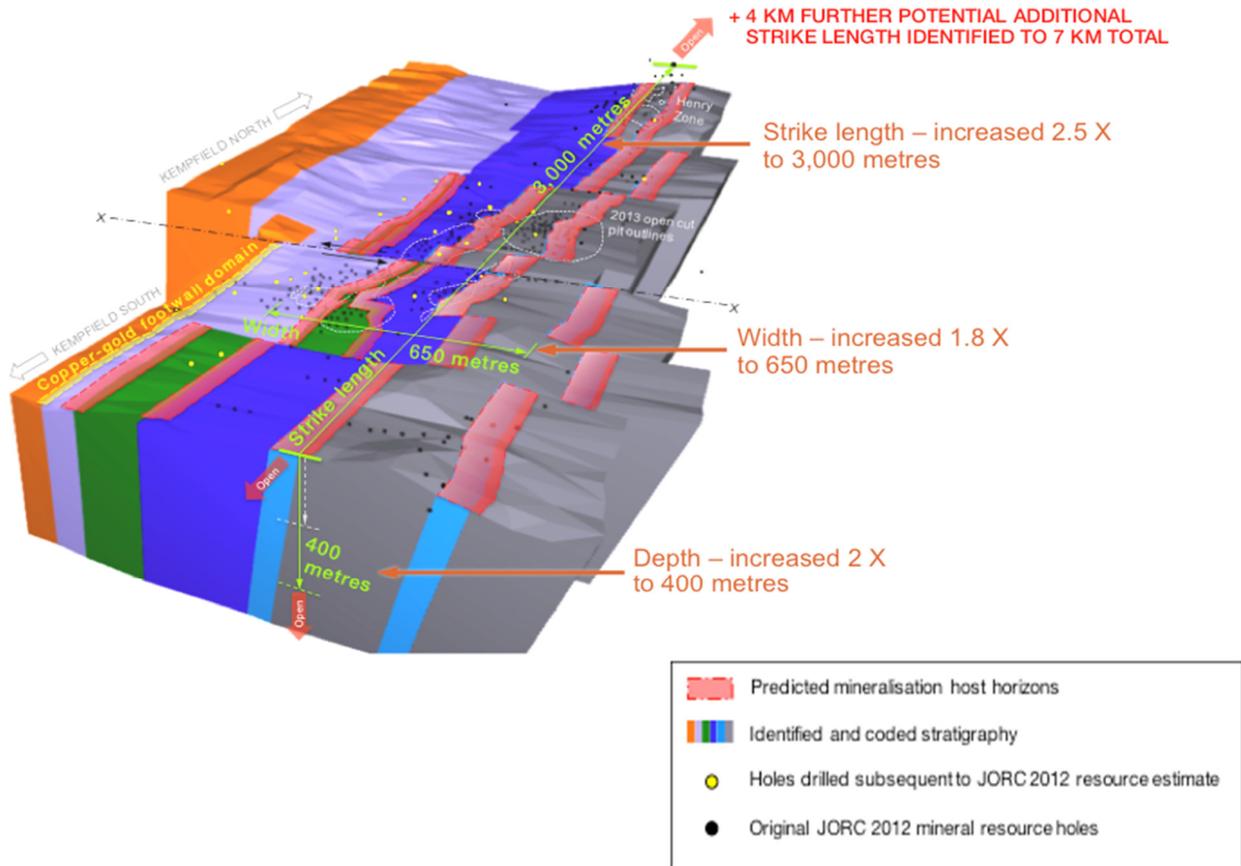
#### 3D Kempfield geology and exploration model

A key achievement during the period was the development of a revised geology and exploration model, on which the Exploration Target estimate was based. The new Kempfield 3D geological model was developed on the basis of data compiled during the review, analysis and interpretation of 49,229 metres of drilling and various soil geochemistry surveys.

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## Operations Review

The new 3D model provides vastly improved detail for the geometry of the stratigraphy and mineralisation controls for the project, taking the Company's understanding of the deposit to a new level.



**Figure 1 – Screenshot of the revised Kempfield 3D model – isometric view facing North**

Open cut pit outlines are included in Figure 1 to enable a simplified visual comparison of the increased scale to that of the existing deposit. The pit outlines were submitted to the NSW Government as part of the Company's 2013 Environmental Impact Statement (2013 open cut pit outlines) in relation to a proposed shallow silver and gold mining operation.

### Excellent metallurgical test results

On 9 November 2017 Argent announced that metallurgical testwork has yielded excellent recoveries for Kempfield silver, gold, zinc and lead in a standalone flotation processing environment. The recoveries to an initial bulk metal concentrate are substantially higher than historical feasibility study assumptions for Kempfield deposit material, as summarised in the following table:

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**Table 1 – Preliminary metallurgical recovery test results versus historical assumptions**

|        | Historical assumption | Recovery test results AF3 Rougher 1 - 6 |
|--------|-----------------------|---|
| Zinc   | 55%                   | 97.5%                                   |
| Lead   | 55%                   | 83.4%                                   |
| Silver | 80%                   | 89.5%                                   |
| Gold   | 80%                   | 88.6%                                   |

Notes

1. These are preliminary results from one test of a series of metallurgical tests yet to be completed, and therefore may not be representative of the ultimate outcome for the completed series.
2. The samples utilised for the tests may not necessarily be representative of the Kempfield deposit due to limited availability of suitable drillcore, and the samples were partially weathered.

**About the purpose of the metallurgical tests**

Whereas the historical flotation tests were performed on residue from the preceding CIL tests (which can introduce complexities for subsequent flotation recoveries), the recent tests were performed directly on drill core samples from primary material, with the key aim of separating lead and zinc into concentrates in a standalone flotation processing environment.

The metallurgical testwork will be used to devise the most effective processing flow sheet for optimal recovery of metals from Kempfield-specific material into two separate concentrates of saleable grades as the Company continues to advance the Kempfield project toward the ultimate goal of production.

**About the metallurgical testwork**

Under the supervision of metallurgical engineer Mr. Roland Nice, the first three tests (AF1, 2 and 3) showed that the sulphides float quite readily. One test incorporated a bulk flotation test AF3 with the preliminary recovery results summarised in Table A. The zinc and lead recoveries, in particular, significantly exceed the historical feasibility study assumptions of 55%.

The next test underway at the time of the announcement, AF4, was designed to investigate the ability to separate into two different concentrates. The first photograph (Fig. 2a) represents the initial Lead Rougher flotation stage and indicates good lead mineralisation in the froth. The second photograph (Fig. 2b) represents the Zinc Rougher stage and shows reasonable zinc mineralisation.



**Figure 2a – Test AF4: Lead rougher test R1**



**Figure 2b – Test AF4: Zinc rougher test R1**

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### **Kempfield economic feasibility**

In the same announcement, Argent reported that it is aggressively pursuing Kempfield economic feasibility through several programmes currently directed at the following goals:

- Increasing the Kempfield mineral resource – through the infill drilling programme that Argent is designing and executing for validation of the significant Exploration Target estimate announced 8 November 2017;
- Optimising plant feed grades – through a combination of (i) improving grades where possible through the above exploration, aided by the new 3D geological model for wireframing identified mineralisation, and (ii) ‘high grading’ the selection of material for milling and processing; and
- Optimising metal recoveries - through the continuing metallurgical testing programme, with the preliminary results reported in this announcement exceeding historical assumptions.

### **MOUNT READ VOLCANICS BELT - ACQUISITIONS**

Subsequent to the period, on 29 January 2018 Argent reported that it has acquired reported strategic acquisitions in the highly productive Mount Read Volcanics belt of Western Tasmania.

The Ringville and Queensberry tenements have been granted to Argent following merit-based assessment processes in which the Company’s proposed exploration plans and capabilities were evaluated by the Tasmanian Government in separate competitive environments.

#### **About the Ringville tenement located between Renison Bell Tin Mine and Rosebery Polymetallic Mine**

Ringville tenement EL12/2017 is strategically situated between two world class mines – 300 metres west of Mine Lease 28M/1993 containing the Rosebery high grade polymetallic mine owned by MMG Ltd (1208:HK), and immediately to the east of (and partially overlain by) Mine Lease 12M/1995 containing the Renison Bell Tin Mine.

The Renison Bell Tin Mine is one of the world’s largest and highest grade tin mines, and is considered to hold more than 85% of Australia’s economic tin resources<sup>i</sup>. Metals X Limited (ASX:MLX), which owns 50% of the project, via Bluestone Mines Tasmania Pty Ltd, has reported a prevailing tin sales price of approximately A\$26,500/tonne<sup>ii</sup>.

#### **About the Queensberry tenement located near Mt Lyell Copper Mine**

Queensberry tenement EL9/2016 is located 11 kilometres northwest of the world class Mount Lyell copper mine. Considered to be Australia’s oldest continually operating mining field<sup>ii</sup>, Mount Lyell produced more than 1.8 million tonnes of copper, 2 million ounces of gold, and 41 million ounces of silver over approximately 120 years<sup>iv</sup>.

The 82 square kilometre Queensberry tenement area is heavily populated with old mine workings and 10 recorded mineral occurrences. Four of these comprise the historic Queensberry Mine, which according to government records, achieved grades of up to 40-56% lead, and 6-7 ounces/tonne silver<sup>v</sup>.

Figure 3 illustrates the strategic positioning of the Ringville and Queensberry tenements amongst world class mines, with historical mineralisation estimates for the Pieman, Salmons, Godkin and Queensberry Mine deposits in Table 2:

# Argent Minerals Limited and its controlled entities

## Operations Review

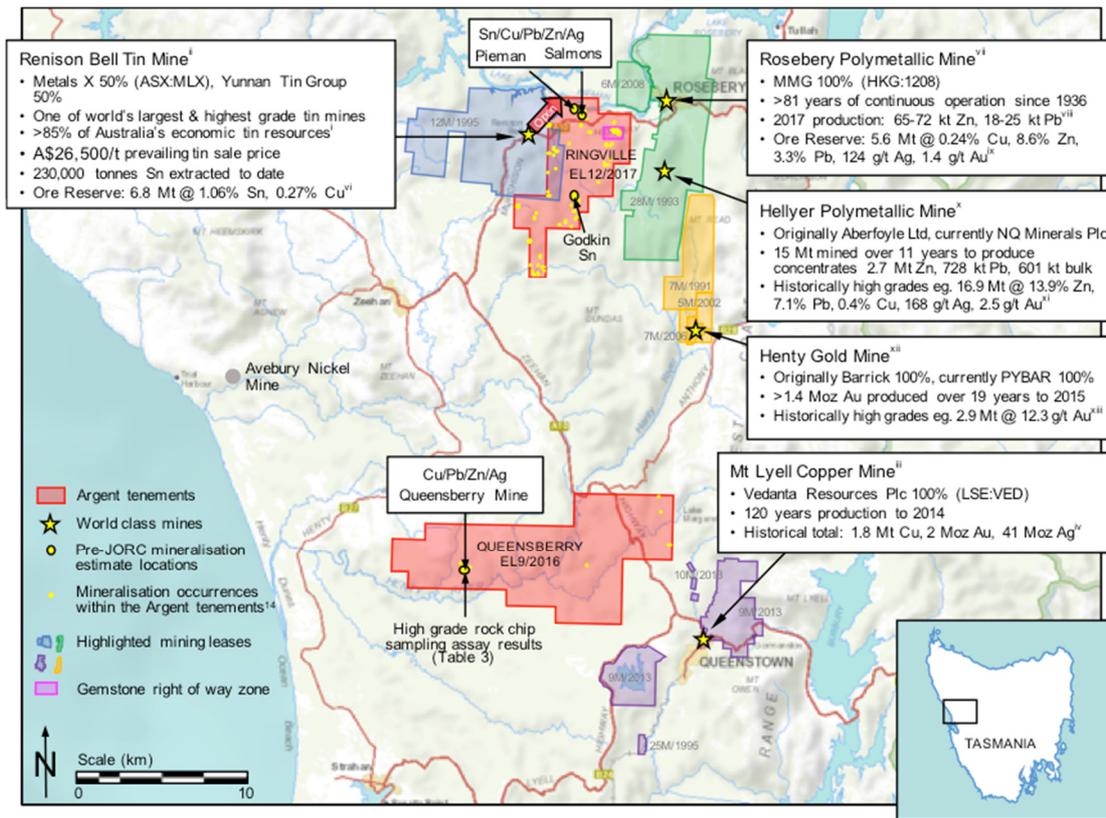


Figure 3 – Illustrating the strategic positions of Argent's Mt Read Volcanics tenements.

Table 2 – Pre-JORC Code historical mineralisation estimates.

| Pre-JORC Code Historical Mineralisation Estimates |              |                  |             |             |          |             |             |           |                   |               |
|---|--------------|------------------|-------------|-------------|----------|-------------|-------------|-----------|-------------------|---------------|
| Deposit Name                                      | Category     | Tonnes (t)       | Grade       |             |          |             |             |           | Estimation Method | Estimate Date |
|   |              |                  | Sn (%)      | Cu (%)      | Au (g/t) | Pb (%)      | Zn (%)      | Ag (g/t)  |                   |               |
| Pieman  | Probable     | 433,300          | 1.00        | 0.18        | -        | 0.06        | 0.32        | 8         | Polygonal         | 1985          |
|   | Possible     | 744,900          | 0.30        | 0.18        | -        | 0.06        | 0.32        | 8         | Polygonal         | 1985          |
|   | <b>Total</b> | <b>1,178,200</b> | <b>0.60</b> | <b>0.18</b> | -        | <b>0.06</b> | <b>0.32</b> | <b>8</b>  | Polygonal         | 1985          |
| Salmons   | Probable     | 830,200          | 0.19        | 0.62        | -        | 3.17        | 2.24        | 104       | Polygonal         | 1985          |
|   | Possible     | 1,016,000        | 0.10        | 0.10        | -        | 1.25        | 1.37        | 58        | Polygonal         | 1985          |
|   | <b>Total</b> | <b>1,846,200</b> | <b>0.14</b> | <b>0.33</b> | -        | <b>2.12</b> | <b>1.76</b> | <b>79</b> | Polygonal         | 1985          |
| Godkin  | Probable     | 299,400          | 0.91        | -           | -        | -           | -           | -         | Polygonal         | 1983          |
| Queensberry Mine                                  | Probable     | 28,300           | -           | 0.3         | -        | 11.5        | 8.8         | 52        | Polygonal         | 1983          |

### Notes:

- The estimates are historical estimates and are not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify the historical estimates as mineral resources or ore reserves in accordance with the JORC Code, and it is uncertain that following evaluation and/or further exploration work that the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code.
- The upper and lower grades of the Exploration Target estimate do not necessarily correspond to the upper and lower tonnages, nor do the upper and lower grades for each element necessarily correspond.
- AgEq is based on US\$30/oz Ag, US\$1,500/oz Au, US\$2,200/t Pb and Zn, recoverable and payable @ 80% of head grade for Ag and Au and 55% for Pb and Zn.
- The Exploration Target estimate is based on a cutoff grade 50 g/t Ag Eq.

# Argent Minerals Limited and its controlled entities

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### High-grade assay results for rock chip samples collected at Queensberry

Rock chip samples collected from in situ and mullock heap locations at the site of the historic Queensberry Mine site indicated in Figure 3 yielded the following high-grade assay results:

**Table 3 – Rock chip sampling assay results.**

| Sample IDs | Easting (mE) | Northing (mN) | Pb (%) | Zn (%) | Cu (%) | Ag (g/t) | Au (g/t) |
|------------|--------------|---------------|--------|--------|--------|----------|----------|
| ARDQ01     | 366479       | 5345117       | 16.55  | 1.76   | 0.62   | 55       | 0.01     |
| ARDQ02     | 366512       | 5345104       | 21.50  | 16.05  | 1.02   | 126      | 0.03     |
| ARDQ03     | 366422       | 5345049       | 25.20  | 26.30  | 1.23   | 83       | 0.02     |
| ARDQ04     | 366421       | 5345057       | 38.70  | 0.17   | 1.60   | 74       | 0.01     |
| ARDQ05     | 366405       | 5345039       | 11.30  | 16.15  | 0.27   | 110      | 0.05     |



**Figure 4 – Photos of rock chip samples ARDQ03 (LHS) and ARDQ04 (RHS) showing massive galena and minor chalcopyrite hosted by carbonate and shale**

### Established mining infrastructure including nearby processing facilities and offtake potential

The Argent tenements are strategically located in areas well served with roads and railway lines for transporting mined material to processing facilities and to port for shipping to smelters.

The Ringville tenement is also located adjacent to two world class operations with processing facilities for the extraction of tin (Renison Bell) and zinc/lead/copper/silver/gold (Rosebery).

The Company notes that its Pieman tin deposit is located approximately 3 kilometres northeast along strike from the Renison Bell Mine mineralisation – which is considered to be a ‘Massive system, with more to come...’, that is ‘still open in all directions’ including specifically toward the northeast<sup>2</sup> - (see the red ‘Open’ arrow illustration in Figure 3).

The Company also notes that Renison Bell, as part of its potentially significant expansion of its operations, is considering extraction of tin from mineral resources with lower grades (as low as 0.44% Sn<sup>ii</sup>) than the pre-JORC historical mineralisation estimate reported in this announcement for the Pieman and Godkin deposits.

### Rapid kick start and strategic complement to Argent’s asset portfolio

The strategically located Mount Read Volcanics belt tenements, together with the included pre-JORC Code historical mineralisation estimates, provide a rapid kick start to Argent’s entry to this highly sought after area.

The Mount Read Volcanics acquisitions further boost and complement Argent’s position in the Australian base and precious metals space to take advantage of strengthening commodity prices as global growth outperforms most predictions<sup>xv</sup>.

# Argent Minerals Limited and its controlled entities

## Operations Review

### WEST WYALONG

#### MAIDEN DRILLING YIELDS EVIDENCE OF NEAR POSITION TO COPPER-GOLD PORPHYRY

Three key announcements were made by the Company during the period for the Company's maiden drilling programme at West Wyalong.

The diamond drill core visual observations and assay results indicated that multiple porphyritic intrusives have been intersected over a north-south strike length of 2.5 kilometres and an east-west extent of 1.5 kilometres, which are associated with elevated chalcopyrite, molybdenite and gold mineralisation, and extensive zones of sulphide mineralisation – together being signature features of porphyry copper-gold-molybdenum mineralised systems.

The completed set of assays for the six holes, together with the drill core visual observations, reveal evidence of a near position to a porphyry copper-gold-molybdenum deposit in a fertile system, with a prospective area of 4 square kilometres delineated.

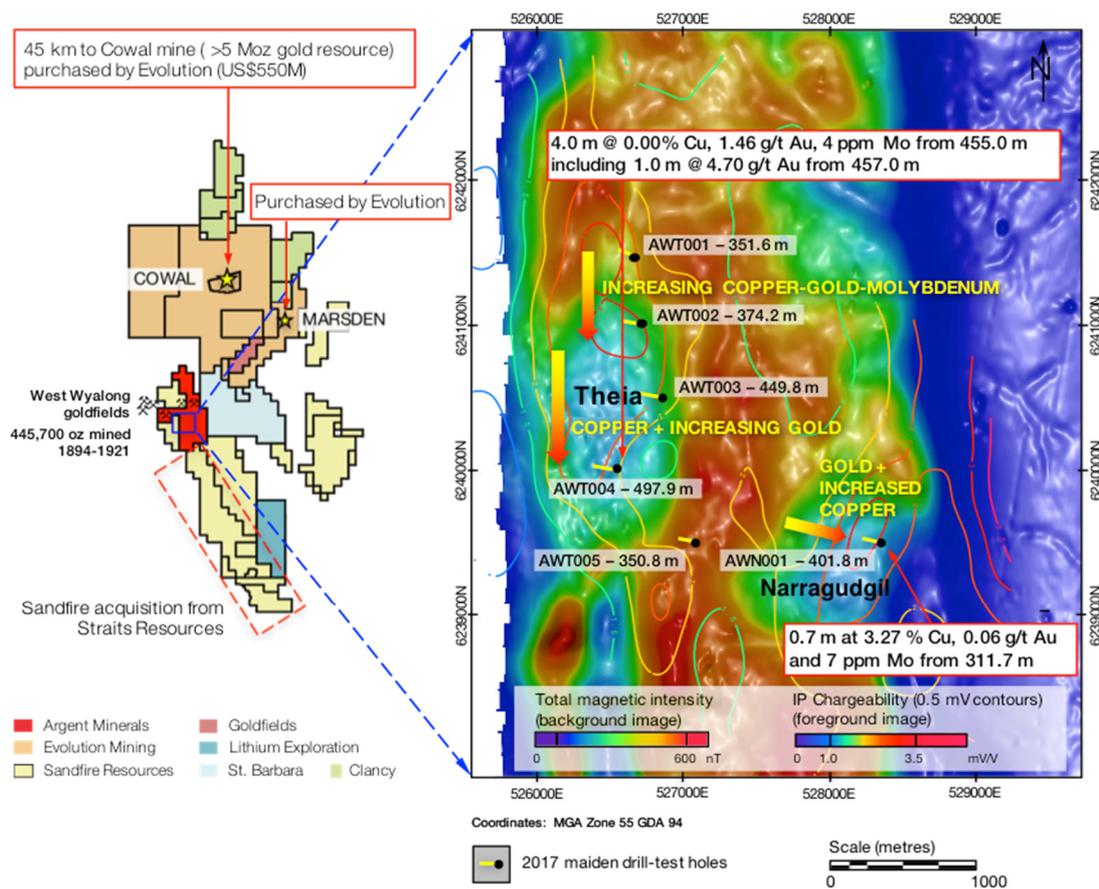


Figure 5 – Illustrating the strategic location of the project together with a plan view of the drilling programme holes and the geophysical targets they were designed to test.

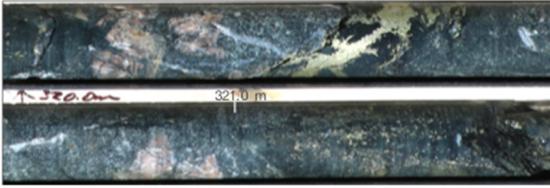
### West Wyalong Drilling results - highlights

The following selected drill core section photographs, intersections and visual observations illustrate highlights of the drilling programme results.

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Hole AWT001



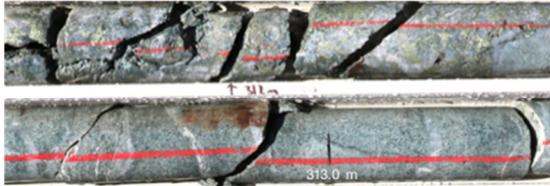
- 4.0 m @ 0.04% Cu, 0.01 g/t Au, and 174 ppm Mo from 143.5m;
- 4.0 m @ 0.23% Cu, 0.03 g/t Au and 31 ppm Mo from 223.6 m;
- 7.8 m @ 0.40% Cu, 0.01 g/t Au, and 9 ppm Mo from 313.5 m  
- incl. 0.6 m @ 1.53% Cu from 319.7 m.

Hole AWT002



- 24.1 m @ 0.25% Cu, 0.11 g/t Au and 214 ppm Mo from 161.4m  
- incl. 10.6 m @ 0.37% Cu, 0.14 g/t Au and 376 ppm Mo from 161.4m;
- 17.1 m @ 0.08% Cu, 0.02 g/t Au and 559 Mo from 197.3 m  
- incl. 0.8 m @ 3,520 ppm (0.35%) Mo from 211.6m.

Hole AWN001



- 11.0 m @ 0.17% Cu, 0.15 g/t Au and 12 ppm Mo from 43.2 m  
- incl. 7.0 m @ 0.17% Cu, 0.23 g/t Au and 14 ppm Mo from 47.2 m  
- incl. 1.0 m @ 0.39% Cu, 0.45 g/t Au and 16 ppm Mo from 49.2m;
- 1.0 m @ 0.01% Cu, 0.62 g/t Au and 8 Mo from 211.6 m;
- 0.7 m @ 3.27% Cu, 0.05 g/t Au and 7 ppm from 311.7 m.

Hole AWN001 – Magnetite skarn



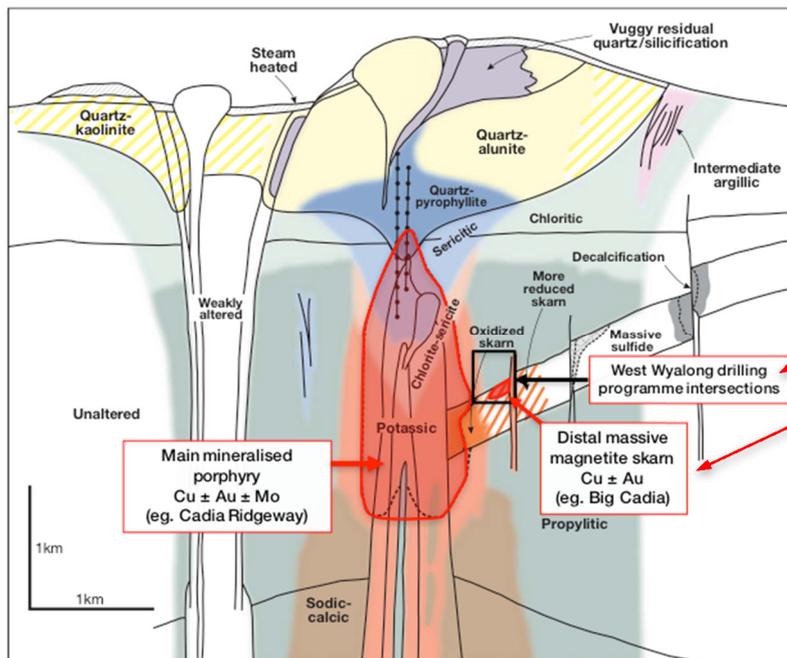
Visual observations:

- Massive brecciated magnetite skarn with strong chlorite alteration, quartz-calcite veins and fracture fill (at 273.0 and 274.0 m, each 30 cm);
- Up to 37 m (hole AWT004) over 1.5 km north-south strike length and 1.5 km east-west width.

Figure 6 – Highlights of the West Wyalong drilling programme results.

### Big Cadia and Ok Tedi analogy indicated

A strike length of 1.5 kilometres and east-west extent of 1.5 kilometres of magnetite skarn was visually observed within the deposit total 2.5 kilometre strike length, with assays confirming the presence of chromium (>0.1%) and nickel (>0.1%) - providing evidence of the West Wyalong porphyry system as being analogous to Ok Tedi in Papua New Guinea (PNG) and Big Cadia where magnetite skarns are located peripheral to the main deposit.



Skarn geochemistry and lithology at Big Cadia ultimately led to the Cadia Ridgeway deposit

Source: Sillitoe, R., H., 2010. Porphyry Copper Systems. Economic Geology v. 105, pp. 3-41, image on page 17).

Figure 7 – illustrating the interpreted location of West Wyalong intersections in relation to observed alteration and mineralogy in relation to a potential large scale deposit.

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## Operations Review

### Argent stake in West Wyalong project advances to 77.57%

Argent's interest in the West Wyalong project has increased to 77.57% as a result of the exploration expenditure.

### LOCH LILLY

#### DRILLING RESULTS FOR THE FIRST TWO DIAMOND HOLES

During the period Argent designed and drilled the first two diamond holes at the Company's new Loch Lilly project. Located in western NSW approximately 80 kilometres south of Broken Hill, the Loch Lilly – Kars Belt hosts a polymetallic volcanic-hosted massive sulphide VHMS, copper-gold porphyry and nickel sulphide mineralisation potential analogous to the Mount Read Volcanics belt of Western Tasmania. The Mount Read Volcanics belt hosts a series of world-class mines, including those highlighted in Figure 3.

Under the joint venture agreement announced on 20 February 2017 (JVA), Argent has the right to earn up to a 90% interest in the project, with exploration licences and applications covering a significant area of over 1,400 km<sup>2</sup> of the Loch Lilly - Kars Belt.

Argent's initial 51% interest was earned by drilling its first two diamond holes in the project, at Netley and Eaglehawk, the direct per-metre drilling costs of which were 75% funded by NSW Government Cooperative Drilling grants.

Netley and Eaglehawk are two of four target areas defined in the Loch Lilly - Kars Belt JV area by the collaborative effort between Anglo American Exploration (Australia) Pty Ltd (AngloAmerican) and Dr. Anthony Crawford during 2014/15 before AngloAmerican exited the project as part of a global restructuring initiative.

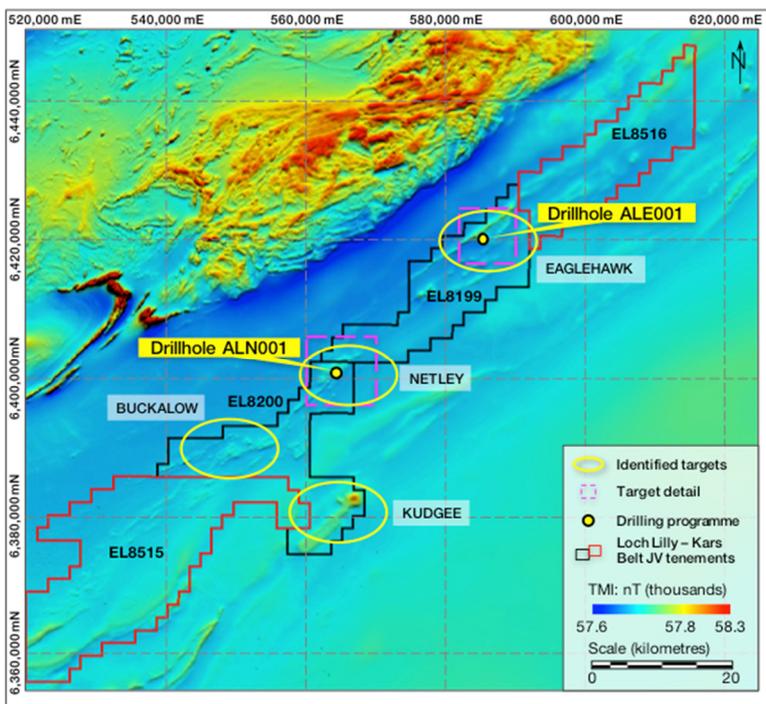


Figure 8 – Plan view illustrating the locations of the collars for drillholes ALE001 and ALN001 over a total magnetic intensity (TMI) background, with the Loch Lilly - Kars Belt project tenements in the foreground and the key identified targets highlighted with yellow ellipses.

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### Netley hole ALN001 drilling results

Diamond hole ALN001 was drilled to 483.6 metres, and intersected a series of porphyritic intrusives (monzonites and diorites), strong propylitic to skarnoid alteration with lesser zones of potassic alteration.

The diorite-gabbro dykes in the lower portion of the hole yielded assay ranges typically up to 0.01 g/t Au, 0.11% Cu, 92 ppm Zn, 136 ppm Pb, 174 ppm As, and 65 ppm Mo.

Of particular interest are the broad consistent low-level assays of the following interval (Figure 9 photo):

- **73.3 m @ 0.03% Cu from 355.7 m**  
**incl. 0.6 m @ 0.11% Cu from 393.8 m.**

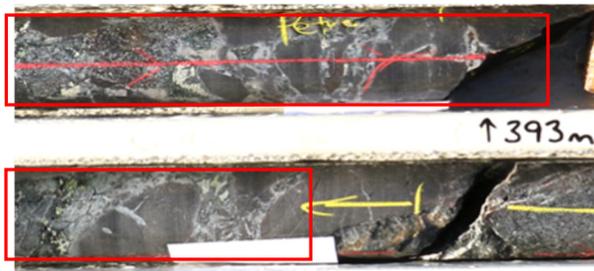


Figure 9 – Netley drillcore photo (chalcopyrite highlighted)



Figure 10 – Eaglehawk drill core photo (skarn alteration)

Based on its analysis of the drilling results, the Company determined that:

- the target magnetic and gravity anomalies cannot be fully explained by the intersected geology and magnetic susceptibility readings observed in the drill hole; and
- the anomalous copper, together with elevated zinc to 282 ppm and molybdenum to 297 ppm could suggest that the hole intersected an outer halo of a mineralised porphyry copper system.

These preliminary findings are consistent with earlier observations by AngloAmerican and Dr. Crawford, whose 2014/15 modelling revealed near-coincident magnetic high and gravity low anomalies reminiscent of the scale and detail of the Northparkes mineralised finger porphyries rising from a basal monzodiorite pluton.

### Eaglehawk hole ALE001 drilling results

Diamond hole ALE001 intersected a series of porphyritic intrusives, ranging from quartz monzonite, granodiorite and diorite in the upper section of the drillcore, to quartz monzonite, diorite and syenite in the deeper section of the drillcore. The hole was drilled to 550.5 metres.

Each of the porphyritic intrusives exhibited weak domainal propylitic alteration, and the quartz diorite intrusive from 423.4 to 536.6 metres exhibits contact skarn alteration - comparable to the Figure 10 photo of a siliciclastic mudstone with strong pervasive garnet-epidote-chlorite-barite (skarn) alteration.

The monzonite-diorite intrusives yielded assay ranges typically up to 0.04 g/t Au, 195 ppm Cu, 158 ppm Zn, 10 ppm Pb, 6 ppm As, and 3 ppm Mo, while the skarn alteration in the contact zone between the diorite and siliciclastic turbidites yielded assay ranges up to 0.04 g/t Au, 341 ppm Cu, 84 ppm Zn, 11 ppm Pb, 8 ppm As and 2 ppm Mo.

Whilst the residual gravity high anomaly in the area may be explained by the concentration of volcanic intrusives, pyrite levels were insufficient to adequately explain the observed magnitude of magnetic induced polarisation (MIP) chargeability anomaly. The drillcore petrophysical response was also insufficient to explain the magnetic high anomaly in the area.

# Argent Minerals Limited and its controlled entities

## Operations Review

Elevated zinc to 158 ppm could potentially indicate a distal position to mineralisation.

### **CORPORATE**

#### **75% cash rebate received for Loch Lilly direct drilling costs**

On 1 November 2017 the Company received bank advice that \$141,966 had been transferred to Argent's account by the NSW Government Department of Environment and Planning. The payment was settlement of the Company's claim for 75% of the direct per-metre drilling costs for the Loch Lilly project under the NSW Cooperative Drilling funding deeds (one deed for each hole).

The Loch Lilly project drilling grants were awarded on the basis of merit in a highly competitive environment where applications were assessed by an independent expert panel for demonstrated prospectivity, sound financial planning and a proven technical base.

Indicative of the quality of Argent's assets and financial management, each of Argent's projects at Kempfield, West Wyalong and Loch Lilly have been awarded NSW Government Cooperative Drilling grants on the same basis.

#### **\$693,748 funds received – research and development claim**

On 14 December 2017 Argent reported that \$693,748 had been received in relation to the Company's research and development (R&D) claim for the financial year ended 30 June 2017.

The claim relates to a range of technical development activities associated with advancing the Company's Kempfield, West Wyalong and Loch Lilly projects.

Together with the Loch Lilly \$141,966 cash rebate, this represented \$835,715 of non-dilutionary funding.

#### **Heavily oversubscribed private placement raises \$1.2 million**

On 20 December 2017 Argent announced that it had completed a heavily oversubscribed private placement to sophisticated investors that raised \$1.2 million before costs.

#### **Cash position \$2.5 Million**

Argent's cash position as at 31 December 2017 was \$2,502,026.

### **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>:

- 6 May 2014 Kempfield Mineral Resource upgraded to JORC 2012 standard<sup>1</sup>
- 30 June 2017 Annual report to shareholders – Mineral Resources and Ore Reserves Statement<sup>1</sup>
- 3 July 2017 West Wyalong Maiden Drilling Confirms Mineralised Porphyry System<sup>2</sup>
- 12 July 2017 Argent Commences Loch Lilly Drilling Programme<sup>2</sup>
- 17 July 2017 2nd Set of Assays – Increased Gold in West Wyalong Porphyry<sup>2</sup>
- 26 July 2017 Copper and Gold in West Wyalong Porphyry – Final Assays<sup>2</sup>
- 2 November 2017 Loch Lilly Drilling Results<sup>2</sup>
- 8 November 2017 Kempfield Exploration Target<sup>3</sup>

# Argent Minerals Limited and its controlled entities

## Operations Review

- 9 November 2017 Excellent Kempfield Metallurgical Test Results<sup>4</sup>
- 10 November 2017 AGM Presentation to investors
- 14 December 2017 \$693,748 Funds Received – Research and Development Claim
- 20 December 2017 Argent Cash \$2.5 M Following Completion of Private Placement
- 29 January 2018 Acquisitions in world class Mt Read Volcanics belt Tasmania<sup>2</sup>

### Competent Person:

1. Arnold van der Heyden
2. Clifton Todd McGilvray
3. Clifton Todd McGilvray (Exploration Results) and Arnold van der Heyden (Exploration Target estimate)
4. Roland Nice

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 or historical mineralisation 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.

The Company also confirms that it is not in possession of any new information or data relating to the historical mineralisation estimates that materially impacts on the reliability of the estimates or the Company's ability to verify the historical mineralisation estimates as mineral resources or ore reserves in accordance with Appendix 5A (JORC Code 2012).

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<sup>i</sup> Source: Australian Government Geoscience Australia,

[http://www.australianminesatlas.gov.au/education/fact\\_sheets/tin.html](http://www.australianminesatlas.gov.au/education/fact_sheets/tin.html).

<sup>ii</sup> Source: ASX, Metals X Limited AGM Presentation 22 November 2017.

<sup>iii</sup> Source: Vedanta Plc, Copper Mines of Tasmania Pty Ltd website [cmt.com.au](http://cmt.com.au), About Us/Overview.

<sup>iv</sup> Source: Vedanta Plc, CMT Submission to DFAT re Australia - India FTA - 2011-07-18.

<sup>v</sup> Source: Tasmanian Government, Director of Mines Preliminary Report on Queensberry Western District, 30 June 1927.

<sup>vi</sup> 0.8% Sn cutoff grade.

<sup>vii</sup> Source: MMG Ltd website, 2016 Rosebery Fact Sheet.

<sup>viii</sup> Source: MMG Ltd website, 2016 Annual Results Presentation 8 March 2017, 2017 production guidance.

<sup>ix</sup> Source: MMG Ltd website, 2016 Annual Report, Mineral Resources and Ore Reserves Statement (A\$166/t NSR cutoff grade).

<sup>x</sup> Source: <http://mininglink.com.au/site/hellyer>

<sup>xi</sup> Source: Gemmell, JB and Fulton, R (2001) Geology, Genesis, and Exploration Implications of the Footwall and Hanging-Wall Alteration Associated with the Hellyer Volcanic-Hosted Massive Sulfide Deposit, Tasmania, Australia. *Economic Geology*, 96 (5). pp. 1003-1035. ISSN 0361-0128. Mineral Resource estimate quoted (cutoff grade not stated).

<sup>xii</sup> Source: Tasmanian Government, The mining and mineral processing industry in Tasmania, A guide for investors August 2016.

<sup>xiii</sup> Source: Corbett, K.D, Quilty, P.G., & Calver, C.R., editors, 2014. Geological Evolution of Tasmania. Geological Society of Australia Special Publication 24, Geological Society of Australia (Tasmania Division): Mineral Resource as at 30/6/2009 (cutoff grade not stated).

<sup>xiv</sup> Source: Tasmanian Government, Mineral Resources Tasmania (MRT) database.

<sup>xv</sup> Source: Goldman Sachs Research, 2018 Global economic outlook *As Good As It Gets*, 15 November 2017.

# Argent Minerals Limited and its controlled entities

## Operations Review

### APPENDIX A- KEMPFIELD MINERAL RESOURCE

#### Kempfield resource

The existing Kempfield mineral resource by category (prior to the planned update) is summarised in the following table:

**Table 1 - Kempfield existing Mineral Resource summary**

|                     | Resource Tonnes (Mt) | Silver (Ag) |                       | Gold (Au)   |                          | Zinc (Zn) |                         | Lead (Pb) |                         | In-situ Contained Ag Equivalent <sup>2</sup> |                       |
|---------------------|----------------------|-------------|-----------------------|-------------|--------------------------|-----------|-------------------------|-----------|-------------------------|--|-----------------------|
|                     |                      | Grade (g/t) | Contained Metal (Moz) | Grade (g/t) | Contained Metal (000 oz) | Grade (%) | Contained Metal (000 t) | Grade (%) | Contained Metal (000 t) | Grade (Ag Eq g/t)                            | Contained Ag Eq (Moz) |
| Oxide/Transitional* | 6.0                  | 55          | 10.7                  | 0.11        | 21                       | N/A       | N/A                     | N/A       | N/A                     | -  | 11.7                  |
| Primary**           | 15.8                 | 44          | 22.3                  | 0.13        | 66                       | 1.3       | 200                     | 0.62      | 200                     | -  | 40.5                  |
| Total***            | 21.8                 | 47          | 33.0                  | 0.12        | 86                       | N/A       | 200                     | N/A       | 97                      | 75   | 52                    |

**Table 2 - Resource by Category**

| Category                 | Resource Tonnes (Mt) | Grade (g/t) |           | Grade (%) |           | In-situ Grade (Contained Ag Eq g/t)     |
|--------------------------|----------------------|-------------|-----------|-----------|-----------|---|
|                          |                      | Silver (Ag) | Gold (Au) | Zinc (Zn) | Lead (Pb) | Silver Equivalent (Ag Eq <sup>1</sup> ) |
| Oxide/Transitional       |                      |             |           |           |           |   |
| Measured                 | 2.7                  | 68          | 0.11      | -         | -         | 73                                      |
| Indicated                | 2.7                  | 47          | 0.11      | -         | -         | 52                                      |
| Inferred                 | 0.6                  | 39          | 0.08      | -         | -         | 43                                      |
| Total Oxide/Transitional | 6.0                  | 55          | 0.11      | -         | -         | 60                                      |
| Primary                  |                      |             |           |           |           |   |
| Measured                 | 4.1                  | 57          | 0.12      | 1.2%      | 0.66%     | 93                                      |
| Indicated                | 8.4                  | 41          | 0.13      | 1.2%      | 0.58%     | 76                                      |
| Inferred                 | 3.2                  | 35          | 0.13      | 1.4%      | 0.66%     | 74                                      |
| Total Primary            | 15.8                 | 44          | 0.13      | 1.3%      | 0.62%     | 80                                      |
| Total Resource           | 21.8                 | 47          | 0.12      | N/A       | N/A       | 75                                      |

**Notes:**

\* The asterisks in Table 1 correspond to \*90% \*\*79% \*\*\*82%: as % of resource tonnes in Measured or Indicated category.

1. The cutoff grades for the Mineral Resource estimate in Table 1 are 25 g/t Ag for Oxide/Transitional and 50 g/t Ag Eq for Primary.

2. Ag Eq for Table 1 and Table 2 is based on US\$30/oz Ag, US\$1,500/oz Au, US\$2,200/t Pb and Zn, recoverable and payable @ 80% of head grade for Ag and Au and 55% for Pb and Zn.

3. The company confirms that it is not aware of any new information or data that materially affects the information provided above, the company confirms that all material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply and have not materially changed. For full details please refer to the original Mineral Resources and Ore Reserves Statement announced on 6 May 2014.

# Argent Minerals Limited and its controlled entities

## Directors Report

The Directors are pleased to submit their report on Argent Minerals Limited ("Argent" or "the Company") and its consolidated entities ("the Group") for the half-year ended 31 December 2017.

### DIRECTORS

The names of the directors who held office during or since the end of half-year are:

***KLAUS PETER ECKHOF Dip.Geol.TU, AusIMM***

***Non-Executive Chairman***

Appointed 6 December 2017.

Mr Klaus Eckhof is a geologist with more than 20 years of experience identifying, exploring and developing mineral deposits around the world. Mr Eckhof worked for Mount Edon Gold Mines Ltd before it was acquired by Canadian mining company, Teck. In 1994, he founded Spinifex Gold Ltd and Lafayette Mining Ltd, both of which successfully delineated gold and base metal deposits. In 2003, Mr Eckhof founded Moto Goldmines which acquired the Moto Gold Project in the Democratic Republic of Congo. There, Mr Eckhof and his team delineated more than 20 million ounces of gold and delivered a feasibility study within four years from the commencement of exploration. Moto Goldmines was subsequently acquired by Randgold Resources, who poured first gold in September 2013.

During the past three years he has also served on the board of the following listed companies:

| <b>Company</b>          | <b>Date of Appointment</b> | <b>Date of Resignation</b> |
|-------------------------|----------------------------|----------------------------|
| Amani Gold Limited      | February 2012              | Not Applicable             |
| AVZ Minerals Limited    | May 2014                   | Not Applicable             |
| Okapi Resources Ltd     | May 2017                   | Not Applicable             |
| Carnavale Resources Ltd | January 2008               | July 2015                  |
| Panex Resources Inc.    | May 2006                   | July 2014                  |

***STEPHEN GEMELL B.Eng (Mining) (Hons), FAusIMM (CP) MAIME, MMICA***

***Non-Executive Chairman***

Appointed 7 July 2010.

Resigned 5 December 2017.

Stephen Gemell has more than 38 years' experience in the Australasian and global mining industry. His experience includes operational management of underground and open pit mines with CIP/CIL, flotation and alluvial plants. He has been Principal of Gemell Mining Engineers, an independent multi-discipline consultancy, since its formation in Kalgoorlie in 1984. Since 1987, he has served as a chairman, managing director, technical director or non-executive director of more than 20 ASX-listed mining/exploration companies or private mining companies. He is currently a member of the VALMIN Committee, which overlooks the revision and implementation of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets.

During the past three years he has also served on the board of the following listed companies:

| <b>Company</b>                 | <b>Date of Appointment</b> | <b>Date of Resignation</b> |
|--------------------------------|----------------------------|----------------------------|
| Stonewall Resources Limited    | July 2016                  | January 2017               |
| Eastern Iron Limited           | January 2010               | July 2017                  |
| Golden Cross Resources Limited | June 2012                  | October 2014               |
| Dateline Resources Limited     | October 2013               | August 2014                |

# Argent Minerals Limited and its controlled entities

## Directors Report

### **PETER MICHAEL**

#### **Non-Executive Director**

Appointed 16 September 2015.

Peter has over 20 years' experience in the property sector encompassing the arrangement and execution of commercial and residential property transactions, land development, construction and joint venture operations utilising an extensive network of contacts throughout Australia.

Peter is currently the Executive Director of a private health care business, a private property development business and privately owned Real Estate Agency business.

### **EMMANUEL CORREIA BBus, CA**

#### **Non-Executive Director and Joint Company Secretary**

Appointed 6 December 2017.

Mr Emmanuel Correia has 25 years' public company and corporate finance experience in Australia, North America and the United Kingdom and is a founding director of Peloton Capital and Peloton Advisory. He has also held various senior positions with Deloitte and other accounting firms and boutique corporate finance houses. Emmanuel's key areas of expertise include IPOs, secondary capital raisings, corporate strategy, structuring, mergers and acquisitions and corporate governance. Emmanuel is an experienced public company director/officer and, prior to establishing Peloton Capital in 2011, Emmanuel was a founder and major shareholder of Cardrona Capital which specialised in providing advisory services to the small/mid cap market in Australia. Cardrona was acquired by a UK backed private advisory firm seeking advisory capabilities in Australia.

Mr Correia is currently a non-executive director of Canyon Resources Limited and the Company Secretary of Bluglass Limited. Over the past three years, Mr Correia was also a director of Ambassador Oil and Gas Limited and Rutila Resources Limited, both of which were the subject of takeover offers at a substantial premium to the prevailing market capitalisation of each company.

During the past three years he served on the board of the following listed company:

| <b>Company</b>                 | <b>Date of Appointment</b> | <b>Date of Resignation</b> |
|--------------------------------|----------------------------|----------------------------|
| Canyon Resources Limited       | July 2016                  | Not Applicable             |
| Rutila Resources Limited       | October 2009               | July 2015                  |
| Ambassador Oil and Gas Limited | August 2011                | August 2014                |

### **TIM HRONSKY B.Eng (Geology) Mausimm, MSEG**

#### **Non-Executive Director**

Appointed 6 December 2017.

Mr Tim Hronsky has over 25 years of international experience in the mineral exploration and mining industry with a strong focus on precious metals, base metals and nickel exploration. He is highly experienced in exploration targeting for precious metals, including 15 years with Placer Dome Inc, one of the largest gold companies in the world at that time.

Tim has extensive global consulting experience in the mining industry; providing clients with unique and value-adding solutions, he specialises in the fields of business improvement and strategy and sustainable development and has a demonstrated track record in establishing new businesses and creating value in the early phases of exploration and in junior company development.

Tim has strong conceptual and analytical skills and has been able to integrate geological, exploration and operational information to create unique technical and commercial solutions.

# Argent Minerals Limited and its controlled entities

## Directors Report

During the past three years he served on the board of the following listed company:

| Company                  | Date of Appointment | Date of Resignation |
|--------------------------|---------------------|---------------------|
| St George Mining Limited | November 2009       | Not Applicable      |

**PETER J NIGHTINGALE B.Econ, CA**  
**Non-Executive Director**

Appointed 16 September 2015.  
 Resigned 5 December 2017.

Mr Nightingale graduated with a Bachelor of Economics degree from the University of Sydney and is a member of the Institute of Chartered Accountants in Australia. He has worked as a chartered accountant in both Australia and the USA.

As a director or company secretary Mr Nightingale has, for more than 25 years, been responsible for the financial control, administration, secretarial and in-house legal functions of a number of private and public listed companies in Australia, the USA and Europe including Bolnisi Gold N.L., Callabonna Uranium Limited, Cockatoo Coal Limited, Mogul Mining N.L., Pangea Resources Limited, Perseverance Corporation Limited, Sumatra Copper & Gold plc, Timberline Minerals, Inc. and Valdora Minerals N.L. Mr Nightingale is currently a director of unlisted public companies Nickel Mines Limited and Prospech Limited.

During the past three years he has also served as a director of the following listed companies:

| Company                  | Date of Appointment | Date of Resignation |
|--------------------------|---------------------|---------------------|
| Collerina Cobalt Limited | November 2009       | Not Applicable      |
| Planet Gas Limited       | December 2011       | Not Applicable      |

**VINOD MANIKANDAN**  
**Joint Company Secretary**

Appointed 4 November 2015.

Vinod Manikandan graduated with a Bachelor of Commerce degree from Mahatma Gandhi University, has attained a Graduate Certificate of Professional Accounting from Deakin University and is a member of CPA Australia. He is currently completing his post graduate studies in Applied Corporate Governance. For the past three years, Vinod has provided financial reporting, accounting and company secretarial services to a range of public listed companies in Australia.

**SUBSEQUENT EVENTS**

No matters or circumstances have arisen since the end of the reporting period, which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

# Argent Minerals Limited and its controlled entities

## Directors Report

### LEAD AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Lead Auditor's Independence Declaration on page 19 as required under Section 307C of the Corporations Act 2001 is attached to and forms part of the Directors' Report for the half-year ended 31 December 2017.

Signed in accordance with a resolution of the Directors.



Klaus Eckhof  
Chairman

SYDNEY  
6 March 2018



Emmanuel Correia  
Director



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Argent Minerals Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Argent Minerals Limited for the half-year ended 31 December 2017 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG  
BRISBANE  
6 March 2018

Adam Twemlow  
Partner

**Argent Minerals Limited and its controlled entities**  
**Condensed Consolidated Interim Statement of Profit or Loss and**  
**Other Comprehensive Income**  
**for the half-year ended 31 December 2017**

|  | <b>Note</b> | <b>31 December<br/>2017<br/>\$</b> | <b>31 December<br/>2016<br/>\$</b> |
|--|-------------|------------------------------------|------------------------------------|
| <b>CONTINUING OPERATIONS</b>                       |             |                                    |                                    |
| Other income                                       |             | 835,714                            | 709,249                            |
| Administration and Consultants' expenses           |             | (79,735)                           | (74,280)                           |
| Depreciation                                       |             | (24,435)                           | (19,075)                           |
| Employee and director expenses                     |             | (142,296)                          | (138,954)                          |
| Exploration and evaluation expenses                |             | (974,790)                          | (772,226)                          |
| Legal expenses                                     |             | (37,390)                           | (3,289)                            |
| Other expenses from ordinary activities            |             | (316,995)                          | (243,168)                          |
| <b>Operating loss before financing income</b>      |             | <b>(739,927)</b>                   | <b>(541,743)</b>                   |
| <b>Interest income</b>                             |             | <b>10,162</b>                      | <b>9,359</b>                       |
| <b>Net finance income</b>                          |             | <b>10,162</b>                      | <b>9,359</b>                       |
| <b>Loss before tax</b>                             |             | <b>(729,765)</b>                   | <b>(532,384)</b>                   |
| Income tax expense                                 |             | -                                  | -                                  |
| <b>Loss for the period</b>                         |             | <b>(729,765)</b>                   | <b>(532,384)</b>                   |
| Other comprehensive income for the period          |             | -                                  | -                                  |
| <b>Total comprehensive loss for the period</b>     |             | <b>(729,765)</b>                   | <b>(532,384)</b>                   |
| <b>EARNINGS PER SHARE</b>                          |             |                                    |                                    |
| Basic and diluted loss per share (cents per share) |             | <b>(0.17)</b>                      | <b>(0.15)</b>                      |

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**Argent Minerals Limited and its controlled entities**  
**Condensed Consolidated Interim Statement of Financial Position**  
**as at 31 December 2017**

|                                      | Note | 31 December<br>2017<br>\$ | 30 June<br>2017<br>\$ |
|--------------------------------------|------|---------------------------|-----------------------|
| <b>CURRENT ASSETS</b>                |      |                           |                       |
| Cash and cash equivalents            |      | 2,502,026                 | 2,029,005             |
| Trade and other receivables          |      | 5,447                     | 17,610                |
| Other assets                         |      | 23,526                    | 19,538                |
| <b>TOTAL CURRENT ASSETS</b>          |      | <b>2,530,999</b>          | <b>2,066,153</b>      |
| <b>NON CURRENT ASSETS</b>            |      |                           |                       |
| Other financial assets- deposits     |      | 83,100                    | 95,000                |
| Property, plant and equipment        |      | 410,871                   | 420,826               |
| <b>TOTAL NON CURRENT ASSETS</b>      |      | <b>493,971</b>            | <b>515,826</b>        |
| <b>TOTAL ASSETS</b>                  |      | <b>3,024,970</b>          | <b>2,581,979</b>      |
| <b>CURRENT LIABILITIES</b>           |      |                           |                       |
| Trade and other payables             |      | 83,193                    | 120,685               |
| Employee entitlements                |      | 63,869                    | 57,225                |
| <b>TOTAL CURRENT LIABILITIES</b>     |      | <b>147,062</b>            | <b>177,910</b>        |
| <b>NON CURRENT LIABILITIES</b>       |      |                           |                       |
| Employee entitlements                |      | 5,271                     | -                     |
| <b>TOTAL NON CURRENT LIABILITIES</b> |      | <b>5,271</b>              | <b>-</b>              |
| <b>TOTAL LIABILITIES</b>             |      | <b>152,333</b>            | <b>177,910</b>        |
| <b>NET ASSETS</b>                    |      | <b>2,872,637</b>          | <b>2,404,069</b>      |
| <b>EQUITY</b>                        |      |                           |                       |
| Issued capital                       | 4    | 29,244,380                | 28,090,527            |
| Reserves                             | 4    | 176,512                   | 143,636               |
| Accumulated losses                   |      | (26,548,255)              | (25,830,094)          |
| <b>TOTAL EQUITY</b>                  |      | <b>2,872,637</b>          | <b>2,404,069</b>      |

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

**Argent Minerals Limited and its controlled entities**  
**Condensed Consolidated Interim Statement of Cash Flows**  
**for the half-year ended 31 December 2017**

|  | Note | 31 December<br>2017<br>\$ | 31 December<br>2016<br>\$ |
|--|------|---------------------------|---------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                      |      |                           |                           |
| Expenditure on mining interests                                  |      | (973,067)                 | (542,497)                 |
| Payments to suppliers and employees                              |      | (513,061)                 | (410,625)                 |
| Interest received  |      | 10,162                    | 9,359                     |
| Receipt of R&D tax incentive                                     |      | 693,748                   | 709,249                   |
| Receipt of NSW government cooperative drilling program grant     |      | 141,966                   | -                         |
| <b>Net cash used in operating activities</b>                     |      | <b>(640,252)</b>          | <b>(234,514)</b>          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                      |      |                           |                           |
| Security deposit   |      | 11,900                    | (7,000)                   |
| Purchase of plant and equipment                                  |      | (14,480)                  | -                         |
| <b>Net cash used in investing activities</b>                     |      | <b>(2,580)</b>            | <b>(7,000)</b>            |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                      |      |                           |                           |
| Issue of shares  | 4    | 1,200,000                 | 1,394,480                 |
| Capital raising costs  | 4    | (84,147)                  | (143,778)                 |
| <b>Net cash from financing activities</b>                        |      | <b>1,115,853</b>          | <b>1,250,702</b>          |
| <b>Net increase in cash and cash equivalents</b>                 |      | <b>473,021</b>            | <b>1,009,188</b>          |
| Cash and cash equivalents at the beginning of the financial year |      | 2,029,005                 | 648,759                   |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>        |      | <b>2,502,026</b>          | <b>1,657,947</b>          |

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

**Argent Minerals Limited and its controlled entities**  
**Condensed Consolidated Interim Statement of Changes in Equity**  
**for the half-year ended 31 December 2017**

|   | SHARE<br>CAPITAL<br>\$ | ACCUMULATED<br>LOSSES<br>\$ | RESERVES<br>\$ | Total<br>Equity<br>\$ |
|---|------------------------|-----------------------------|----------------|-----------------------|
| <b>Balance as at 1 July 2017</b>                            | <b>28,090,527</b>      | <b>(25,830,094)</b>         | <b>143,636</b> | <b>2,404,069</b>      |
| Loss for the half-year                                      | -                      | (729,765)                   | -              | (729,765)             |
| Other comprehensive income                                  | -                      | -                           | -              | -                     |
| <b>Total comprehensive loss for the period</b>              | <b>-</b>               | <b>(729,765)</b>            | <b>-</b>       | <b>(729,765)</b>      |
| <b>Transactions with owners recorded directly in equity</b> |                        |                             |                |                       |
| Shares issued during the period                             | 1,238,000              | -                           | -              | 1,238,000             |
| Share based payments  | -                      | -                           | 44,480         | 44,480                |
| Share issue expenses  | (84,147)               | -                           | -              | (84,147)              |
| Transfer of expired options                                 | -                      | 11,604                      | (11,604)       | -                     |
| <b>Balance at 31 December 2017</b>                          | <b>29,244,380</b>      | <b>(26,548,255)</b>         | <b>176,512</b> | <b>2,872,637</b>      |
| <b>Balance as at 1 July 2016</b>                            | <b>24,343,436</b>      | <b>(23,771,816)</b>         | <b>61,796</b>  | <b>633,416</b>        |
| Loss for the half-year                                      | -                      | (532,384)                   | -              | (532,384)             |
| Other comprehensive income                                  | -                      | -                           | -              | -                     |
| <b>Total comprehensive loss for the period</b>              | <b>-</b>               | <b>(532,384)</b>            | <b>-</b>       | <b>(532,384)</b>      |
| <b>Transactions with owners recorded directly in equity</b> |                        |                             |                |                       |
| Shares issued during the period                             | 1,787,500              | -                           | -              | 1,787,500             |
| Share based payments  | -                      | -                           | 95,801         | 95,801                |
| Share issue expenses  | (143,778)              | -                           | -              | (143,778)             |
| Transfer of expired options                                 | -                      | 61,796                      | (61,796)       | -                     |
| <b>Balance at 31 December 2016</b>                          | <b>25,987,158</b>      | <b>(24,242,404)</b>         | <b>95,801</b>  | <b>1,840,555</b>      |

The above condensed consolidated statement of changed in equity should be read in conjunction with the accompanying notes.

# **Argent Minerals Limited and its controlled entities**

## **Notes to the Condensed Consolidated Interim Financial Statements**

### **for the half-year ended 31 December 2017**

#### **1. REPORTING ENTITY**

Argent Minerals Limited (the 'Company') is a company domiciled in Australia. The condensed interim financial statements of the Company as at and for the half-year ended 31 December 2017 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group is primarily engaged in mineral exploration in Australia.

The Consolidated annual financial statements of the Group as at and for the year ended 30 June 2017 are available upon request from the Company's registered office at Level 2, 66 Hunter Street, Sydney, NSW, 2000 or at [www.argentminerals.com.au](http://www.argentminerals.com.au).

#### **2. BASIS OF PREPARATION**

The condensed consolidated interim financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134 Interim Financial Reporting.

The condensed consolidated interim financial report is intended to provide users with an update on the latest annual financial statements of Argent Minerals Limited. It is recommended that this interim financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2017, together with any public announcements made during the half-year.

These condensed consolidated interim financial statements were approved by the Board of Directors on 6 March 2018.

#### **Going Concern**

The consolidated interim financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group incurred a loss of \$729,765 for the half-year ended 31 December 2017 and has accumulated losses of \$26,548,255 at 31 December 2017. The Group has cash on hand of \$2,502,026 at 31 December 2017 and used net cash of \$640,252 in operations including expenditure on exploration and evaluation activities for the half-year ended 31 December 2017.

These conditions give rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern. The ongoing operations of the Group is dependent upon the Group raising additional funding from shareholders or other parties and/or the Group reducing expenditure in-line with available funding.

The Directors have prepared cash flow projections that support the ability of the Group to continue as a going concern. These cash flow projections assume the Group obtains sufficient additional funding from shareholders or other parties. If such funding is not achieved, the Group plans to reduce expenditure significantly.

In the event the Group does not obtain additional funding and/or reduce expenditure in-line with available funding, it may not be able to continue its operations as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the interim financial report.

#### **3. SIGNIFICANT ACCOUNTING POLICIES**

The same accounting policies and methods of computations have been followed in this interim financial report as were applied in the most recent annual financial statements. A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2017, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

##### ***AASB 9 Financial Instruments***

AASB 9 published in July 2014, replaces the existing guidance in AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the

**Argent Minerals Limited and its controlled entities**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**for the half-year ended 31 December 2017**

**3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

AASB 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group does not plan to adopt this standard early and the standard is not expected to have a significant effect on the financial statements.

**4. ISSUED CAPITAL**

**(a) Issued and paid up capital**

|   | 31 December 2017  | 31 December 2016  |
|---|-------------------|-------------------|
|   | \$                | \$                |
| At the beginning of the reporting period                                  | 28,090,527        | 24,343,436        |
| Shares issued for services on 10 November 2017 @ \$0.03                   | 38,000            | -                 |
| Shares and attaching options issued for cash on 20 December 2017 @ \$0.03 | 1,200,000         | -                 |
| Shares issued for cash on 6 July 2016 @ \$0.03                            | -                 | 542,888           |
| Shares issued for cash on 17 August 2016 @ \$0.03                         | -                 | 1,212,112         |
| Shares issued for services on 24 October 2016 at \$0.025                  | -                 | 32,500            |
| Share issue costs   | (84,147)          | (143,778)         |
| <b>Balance at 31 December</b>   | <b>29,244,380</b> | <b>25,987,158</b> |

**(b) Movement in ordinary shares**

|   | Number             | Number             |
|---|--------------------|--------------------|
| At the beginning of the reporting period  | 421,414,516        | 300,302,689        |
| Shares issued during the reporting period | 41,240,616         | 59,800,000         |
| <b>Balance at 31 December</b>             | <b>462,655,132</b> | <b>360,102,689</b> |

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

**(c) Reserves**

|  | \$             | \$            |
|--|----------------|---------------|
| At the beginning of the reporting period     | 143,636        | 61,796        |
| Tranche 1 - Employee Share Options at \$0.03 | -              | 80,020        |
| Tranche 2 - Employee Share Options at \$0.06 | 27,181         | 9,963         |
| Tranche 3 - Employee Share Options at \$0.10 | 17,299         | 5,818         |
| Expiry of Options                            | (11,604)       | (61,796)      |
| <b>Balance at 31 December</b>                | <b>176,512</b> | <b>95,801</b> |

**Argent Minerals Limited and its controlled entities**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**for the half-year ended 31 December 2017**

**5. SHARE BASED PAYMENTS**

The Company has an executive option plan that entitles eligible employees including the key management personnel to be granted options in the Company.

During the half year, 1,000,000 options were cancelled/expired and \$11,604 (2016 - \$0) was reclassified from reserves to retained earnings.

During the half year, the Company issued 1,240,616 ordinary shares for nil consideration to Mr. Clifton McGilvray as part of his employment contract. This transaction was recorded at a fair value of \$38,000 based on the share price of \$0.03 per share on the date of issue.

The terms and conditions of the options on issue during the half-year were as follows:

| Grant date       | Expiry date       | Vesting date     | Exercise price | Fair value of options granted | Granted during the period<br>Number | Exercised/<br>cancelled during the period<br>Number | Balance at end of the period<br>Number |
|------------------|-------------------|------------------|----------------|-------------------------------|-------------------------------------|---|--|
| 24 October 2016  | 30 September 2021 | 24 October 2016  | \$0.03         | \$30,154                      | 1,500,000                           | -   | 1,500,000                              |
| 24 October 2016  | 30 September 2021 | 31 December 2017 | \$0.06         | \$26,826                      | 1,500,000                           | -   | 1,500,000                              |
| 24 October 2016  | 30 September 2021 | 31 December 2018 | \$0.10         | \$24,052                      | 1,500,000                           | -   | 1,500,000                              |
| 2 November 2016  | 30 September 2021 | 2 November 2016  | \$0.03         | \$41,982                      | 2,000,000                           | -   | 2,000,000                              |
| 2 November 2016  | 30 September 2021 | 31 December 2017 | \$0.06         | \$37,417                      | 2,000,000                           | -   | 2,000,000                              |
| 2 November 2016  | 30 September 2021 | 31 December 2018 | \$0.10         | \$50,397                      | 3,000,000                           | -   | 3,000,000                              |
| 30 November 2016 | 30 September 2021 | 30 November 2016 | \$0.03         | \$7,884                       | 500,000                             | 500,000   | -                                      |
| 30 November 2016 | 30 September 2021 | 31 December 2017 | \$0.06         | \$6,948                       | 500,000                             | 500,000   | -                                      |
|                  |                   |                  |                | \$225,660                     | 12,500,000                          | 1,000,000   | 11,500,000                             |

There were no options issued during the half-year ended 31 December 2017.

**Fair value of options**

The fair value of options granted is measured at grant date and recognised as an expense over the period during which the key management become unconditionally entitled to the options. The fair value of the options granted is measured using an option valuation methodology, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of options that vest.

The fair value of options granted on 24 October 2016 was \$81,032. The Black-Scholes formula model inputs were the Company's share price of \$0.026 at the grant date, the volatility factor of 110% based on historic share price performance, a risk free interest rate of 1.84% based on government bonds, and a dividend yield of 0%.

The fair value of options granted on 2 November 2016 was \$129,796. The Black-Scholes formula model inputs were the Company's share price of \$0.027 at the grant date, the volatility factor of 110% based on historic share price performance, a risk free interest rate of 1.87% based on government bonds, and a dividend yield of 0%.

The fair value of options granted on 30 November 2016 was \$14,832. The Black-Scholes formula model inputs were the Company's share price of \$0.021 at the grant date, the volatility factor of 111.53% based on historic share price performance, a risk free interest rate of 2.16% based on government bonds, and a dividend yield of 0%.

# **Argent Minerals Limited and its controlled entities**

## **Notes to the Condensed Consolidated Interim Financial Statements**

### **for the half-year ended 31 December 2017**

#### **5. SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

During the half-year, share based payment expense of \$44,480 in relation to options issued was recorded in the profit and loss (2016: \$95,801).

#### **6. RELATED PARTIES**

##### **Key management personnel and director transactions**

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or joint control over the financial or operating policies of those entities.

These entities transacted with the Group during the half-year as follows:

- During the half-year, Mining Services Trust an entity where Peter Nightingale held a controlling interest, provided administration services to the Group, including accounting, bookkeeping, corporate secretarial, administrative staff, services and supplies. Fees paid to Mining Services Trust during the half-year ended 31 December 2017 amounted to \$60,000 (31 December 2016 - \$60,000). At 31 December 2017 and 2016 there were no fees outstanding.

#### **7. SUBSEQUENT EVENTS**

No matters or circumstances have arisen since the end of the reporting period, which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

#### **8. ESTIMATES AND ASSUMPTIONS**

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements have not changed since the last annual reporting date, except for note 5 Share Based Payments.

##### **Future Rehabilitation**

The Group measures the cost of future rehabilitation in relation to its tenements based on probable cost estimations at the date upon which tenements are altered from their original date. Fair values are determined using local data available. No material rehabilitation provision is considered necessary at 31 December 2017.

#### **9. OPERATING SEGMENTS**

The Group operates in predominantly one business and geographical segment, being mineral exploration in Australia.

## Argent Minerals Limited and its controlled entities Directors' Declaration

In the opinion of the Directors of Argent Minerals Limited ('the Company'):

- (a) the financial statements and notes set out on pages 20 to 27 are in accordance with the Corporations Act 2001 including:
  - (i) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Klaus Eckhof  
Chairman

SYDNEY  
6 March 2018



Emmanuel Correia  
Director



# Independent Auditor's Review Report

To the members of Argent Minerals Limited

## Report on the Interim Financial Report

### Conclusion

We have reviewed the accompanying *Interim Financial Report* of Argent Minerals Limited (the Company) and its controlled entities (collectively referred to as the Group).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Argent Minerals Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the *Group's* financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The *Interim Financial Report* comprises:

- Condensed consolidated interim statement of financial position as at 31 December 2017
- Condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the half-year ended on that date
- Notes 1 to 9 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The *Group* comprises Argent Minerals Limited the Company and the entities it controlled at the half year's end or from time to time during the half-year.

### Material uncertainty related to going concern – emphasis of matter

We draw attention to Note 2 Going Concern in the interim financial report. The conditions disclosed in Note 2, indicates a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the interim financial report. Our opinion is not modified in respect of this matter.

## Responsibilities of the Directors for the Interim Financial Report

The Directors of the Group are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- for such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that is free from material misstatement, whether due to fraud or error.

## Auditor's responsibility for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Interim Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Argent Minerals Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

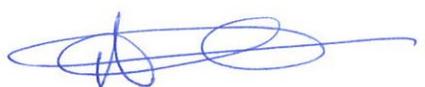
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



KPMG

BRISBANE

6 March 2018



Adam Twemlow

Partner