

ARGENT TO COMMENCE STAGE 3 DIAMOND DRILLING AT KEMPFIELD

Argent at a glance

ASX-listed mineral resource company focused on the expansion, development, extraction and marketing of its existing base and precious metals discoveries in NSW.

Facts

■ ASX Code:	ARD, ARDO
■ Share price (18 November 2016):	\$0.021
■ Shares on issue:	360.1 M
■ Market capitalisation:	\$7.56 M

Directors and Officers

Stephen Gemell
Non-Executive Chairman

David Busch
Managing Director

Peter Nightingale
Non-Executive Director

Peter Michael
Non-Executive Director

Vinod Manikandan
Company Secretary

Contact details

PRINCIPAL OFFICE
Suite 6, Level 6, 50 Clarence Street
Sydney NSW 2000
T: +61 2 9262 2211
F: +61 2 9475 5346

REGISTERED OFFICE
Level 2, 66 Hunter Street
Sydney NSW 2000
T: +61 2 9300 3390
F: +61 2 9221 6333
E: admin@argentminerals.com.au

Highlights:

- Regulatory approval granted for first 5 diamond holes out of a total of 8 planned for the next phase of drilling at Kempfield. Balance of approvals in regulatory progress.
- Site preparation scheduled to commence 22 November 2016.
- Drill rig in the process of mobilising to site.
- 24/7 drilling schedule will target completion of all 8 holes by year-end, subject to potential delays.
- Pine Ridge gold mine and West Wyalong update – scheduled for drilling mid February 2017.

Argent Minerals Limited (ASX: ARD, Argent, or the Company) is pleased to report that regulatory approval has been granted to drill the first five holes of an eight-hole diamond drill program at the Kempfield volcanic-hosted massive sulphide (VHMS) project.

Site preparation activities for the first five holes are intended to commence on Tuesday 22 November 2016 – drill pad construction, and the excavation and lining of drilling water sumps.

The drill rig has been scheduled to mobilise to site this week following completion of a prior program. Site orientation and camp setup procedures are to ensue with expected drilling to commence late in the week. The current schedule will see the drilling completed by the mandatory Christmas break, subject to a series of factors outside the control of Argent, such as further potential delays in regulatory approvals, weather, and ground conditions.

The more complex regulatory approval process for three of the holes in the eight-hole program is progressing and due for completion within the next two weeks.



ABOUT THE KEMPFIELD DIAMOND DRILLING PROGRAM

The Kempfield drilling program follows up the findings of the exploration results announced on 10 October 2016.

Figure 1 is a plan view of the drillhole collar locations on an aerial photograph of the Kempfield site.

Figure 1 – Plan view of the Kempfield drillhole collar locations.



Potential mineralisation extensions

The first four holes have been designed to test key stratigraphic positions that may host strata-bound mineralisation and potentially extend mineralisation into areas identified to the northwest (holes AKDD193 and AKDD194), and southeast of the main deposit (AKDD195 and AKDD196). This drilling is aimed at defining the bounds of the known mineralisation for following resource delineation drilling and resource estimation.

Southern magnetic anomaly

The three drill holes in the south of the Kempfield Project area (AKDD197, AKDD198 & AKDD199) have been positioned to accurately test key geophysical anomalies that remain untested. Drill hole AKDD197 is designed to intersect a strong IP anomaly overlapping a strong magnetic anomaly that will be tested by AKDD198 & AKDD199. The coincident magnetic and IP anomalies are an exciting target and implicate the presence of concentrated sulphides. These two positions will also provide valuable stratigraphic information on the genetic history of the Kempfield deposit.

Quarries Zone

The Quarries Zone has the appearance of a satellite VHMS feeder area to the main Kempfield deposit. Recent drilling has indicated that mineralisation may

extend from Kempfield North to the Quarries Zone and that mineralisation at the Quarries Zone is better developed than expected, and remains open at depth from 80 metres.

A single drillhole (AKDD200) will be targeted at a depth extension of 150 metres to guide future resource delineation drilling. Given that the Quarries Zone is rich in silver and has moderate grades of zinc and lead, it will be exciting to test the depth development of this area.

Further details of drillhole design and strategy will be provided to the ASX as they become available.



About the regulatory approval process for holes AKDD198 to AKDD200

The regulatory approval for the two holes AKDD198 and AKDD199 has been advanced by Argent through the following sequential process required by the regulations:

- Review of Environmental Factors (REF) for the site submitted to the NSW Department of Industry, Division of Resources & Energy (DRE) (Status – completed).
- 50 page access agreement negotiated and executed with the Forestry Corporation of New South Wales (FCNSW) detailing the specific hole program, and drillhole collar locations together with maps and site photographs (Status - completed);
- Obtain Minister's Consent. This is an additional requirement imposed by Section 30 of the NSW Mining Act (1992) (Mining Act) for land falling under the 'Exempted Areas' definition such as the Pennsylvania Forest area controlled by FCNSW. This step requires the FCNSW access agreement to have been executed beforehand as a prerequisite (Status - completed); and
- Submit a 43 page Application to Conduct Exploration Activities Form ESF4 (ESF4) to DRE, providing drillhole collar locations together with maps and photographs as well as detailed responses to environmental and community liaison considerations. This step required the Minister's Consent to have been granted beforehand as a prerequisite (Status – ESF4 submitted to DRE, Argent waiting for DRE approval).

The approval process for AKDD200 is simpler, involving the standard five-page access agreement required by the Mining Act to be executed with the neighbour located immediately to the North of Kempfield, and an ESF4 application submitted to the DRE. This hole has been included in the above ESF4.

PINE RIDGE GOLD MINE DRILLING AND TENEMENT EXPLORATION UPDATE

An access agreement was executed on 11 November 2016 with a significant landowner within the northern half of the exploration area covered by licence EL8213.

The process commenced in May 2016, with Argent sending a series of letters to landowners as prescribed by the regulations, and set out in the Company's website <http://www.argentminerals.com.au/contact-us/community-landholder-liaison-program/>.

Whilst this process is clearly defined, and provides the Company with the option of pursuing arbitration if required, it is time-consuming in practice under the current NSW Government systems and regulations.

Contact details on the NSW Lands Department of Land & Property Information (LPI) land titles database are often incorrect, ending up in a small portion of Argent's registered letters not being delivered to the owners, and a large portion providing no response. When subsequently contacting the LPI for the correct contact details, Argent was surprised to be advised by LPI that it is prevented from providing landowner contact details under the NSW Privacy Act.

Further delays have also been incurred as a result of incorrect LPI information in relation to the process for obtaining access to the crown land area on which the Pine Ridge gold mine is situated.

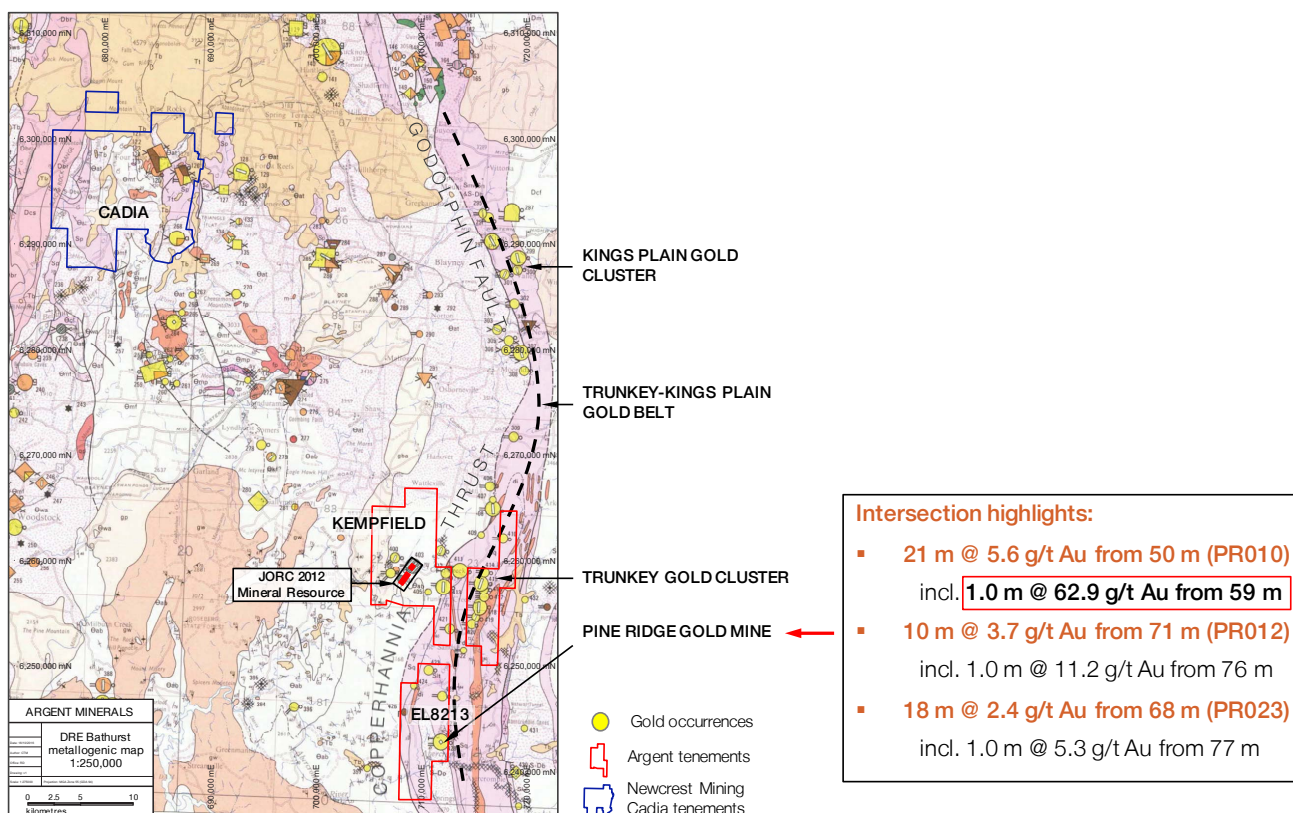
Argent plans to formally take up these matters of incorrect information and apparent regulatory discordance with the NSW Government.

Meanwhile, whilst the first two diamond holes for Pine Ridge are likely to be delayed as a result of these circumstances outside the control of Argent, the access agreement executed with the private landowner allows Argent to commence geological mapping activities in the licence area, in order to identify the potential scope of mineralisation potential within the tenement.

In addition to the strategic Pine Ridge gold mine location where significant gold grades have been intersected by historical drilling, the tenement will be investigated for further gold deposit potential as potential feedstock for a central Kempfield processing operation. The tenement will also be investigated for VHMS mineralisation potential along the Kangaloolah Volcanics.

Figure 2 illustrates the strategic location of the EL8213 tenement, including the Pine Ridge gold mine, in relation to the known JORC 2012 deposit at Kempfield, the Copperhanna Thrust, and Cadia further to the north.

Figure 2 – The strategic location of the Kempfield project and the EL8213 tenement



* For details of the JORC 2012 Resource estimate please refer to the Mineral Resources & Ore Reserves Statement in the Company's 2016 Annual Report to Shareholders.

WEST WYALONG DRILLING UPDATE

Further progress has been made with access agreements in preparation for the West Wyalong drilling program with the execution of a further agreement on 17 November 2016.

This leaves only one more agreement to be executed.

Once all of the relevant Land Access Agreements have been executed, an ESF4 will be submitted for approval and drilling can commence. This process remains on schedule for commencement of drilling in mid-February 2017.

On 26 October Argent announced that it has been awarded \$200,000 of heavily contested NSW Government funding for the West Wyalong drilling program. The purpose of the award is to fund 50% of the direct drilling costs of 6 diamond holes for a total of 2,150 metres for testing the Theia and Narragudgil copper-gold and epithermal gold targets.

This is the second award of funding to Argent by the NSW Government, having been granted \$158,400 for Kempfield in NSW Cooperative Drilling Round 1, announced by Argent on 17 September 2014.

In addition to the welcome funding, the selection of these projects by the merit-based advisory panel process is a direct reflection of the prospectivity and technical basis of the Kempfield and West Wyalong projects, as well as the soundness of the Company's financial management.

Completion of the West Wyalong drilling campaign before 30 June 2017 will also advance Argent's interest in the project from 51% to 70%.

SUMMARY

Following the regulatory approval received on 18 November 2017, Argent is about to commence its next season of drilling commencing November 2015 and into early 2017.

Drilling will commence at Kempfield with the first five holes out of a total of eight planned diamond holes, with the balance of approvals for the three remaining holes expected in a matter of weeks.

Site preparations commence Tuesday 22 November 2016, and the 24/7 drill program is scheduled for completion prior to mandatory shutdown of the drilling operations over the Christmas period.

Substantial progress has been made with access agreements for tenement EL8213 in which the Pine Ridge gold mine is located, allowing geological mapping to commence for investigating the potential scope of mineralisation within the EL8213 tenement. Meanwhile Argent continues to pursue access agreements to enable drill testing to commence at the Pine Ridge gold mine as soon as the remaining regulatory matters are resolved.

Meanwhile substantial progress has also been achieved with West Wyalong agreements, with only one remaining to be executed. At this point the Company expects the six hole, 2,150 metre West Wyalong drilling program to commence in February 2017, a date that has been arranged to fit in with West Wyalong farming schedules.

Argent looks forward to an intensified season of drilling activity and exploration results.

For further information please contact:

David Busch

Managing Director

Argent Minerals Limited

M: 0415 613 800

E: david.busch@argentminerals.com.au

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> :

- 10 October 2016 Diamond drilling results in major breakthrough at Kempfield¹
- 24 October 2016 High grade Au identified in Trunkey-Kings Plain gold belt¹

Competent Person:

1. Clifton Todd McGilvray

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