

31<sup>st</sup> January 2020

## DECEMBER 2019 QUARTER ACTIVITIES AND CASH FLOW

### Highlights

- Geophysical survey completed over the historic Pine Ridge Gold Mine
- Silver Mines Limited and Alkane Resources Limited completed their independent geophysical survey over adjoining tenements with a shared cost arrangement with Argent
- Pine Ridge Gold Mine Phase 2 RC drill targets review pending geophysical survey report due in the new year
- NSW Government Resources Regulator approval received for the extension infill RC drilling program over the Pine Ridge Gold Mine
- Sunny Corner Project Sale Agreement in progress.
- West Wyalong Porphyry Copper- Gold Project Drill Program target update and application for programme of works commenced
- \$1.9M private placement completed and Tranche 2 funds banked
- AusIndustry Independent Internal Review on 2015/16 and 2016/17 R&D tax incentive claims finalised

### REPORT

Argent Minerals Limited (ASX: ARD, Argent, or the Company) is pleased to report its activities and cash flow for the quarter ended 31 December 2019.

#### Geophysical Survey Pine Ridge Gold Mine completed

Argent completed the airborne geophysical survey over the historic Pine Ridge Gold Mine on 8 December 2019.

The historical Pine Ridge Gold Mine lies within EL8213, located 80km south of Orange in New South Wales, and within 10km of the Argent Minerals Limited Kempfield Polymetallic Deposit.

The Pine Ridge area consists of a series of historic hard rock gold mines which operated from the 1820's until the 1940's and produced grades in excess of 250g/t Au (NSW Government reports). Recent diamond drilling conducted by Argent confirmed the position and tenor of gold mineralisation that was reported in historic drill intersections and produced 19m @ 3.2g/t Au from 98.4m, including 1m @ 40.7 g/t Au from 106m in APDD031.

The Heli-borne geophysical survey flew in excess of 645-line kilometres across the entire tenement area of EL8213 (Pine Ridge) at a line spacing of 100m and was flown at approximately 30m height. The survey data collected is being annotated in the Geophysical Interpretation Report that will be completed in mid to late February 2020.

The final report will assist in infill and extension targets for the approved Phase 2 RC Drill Hole Program scheduled to commence from early March 2020.

### Geophysical survey shared cost and adjoining tenement holders

In early November 2019, Argent with Silver Mines Limited and Alkane Resources agreed to share mobilisation and associated operating costs to jointly save expenditure for the survey.

Initial discussions have commenced with Silver Mines Limited to share data sets once both companies receive their independent Geophysicist's Interpreted Data Reports. Silver Mines Limited is the adjoining tenement holder of the Tuena Project (gold-silver) EL8526.

### NSW regulatory approval Pine Ridge drilling program

On 6 December 2019, the NSW Department of Planning, Industry & Environment notified Argent that it had approved the Phase 2 RC Drill Program over the Pine Ridge Gold Mine. Once the Geophysical Interpretation Report is reviewed, Argent will design upgraded drill targets and prepare drill pads for commencement of the Phase 2 RC Drilling Program which is scheduled from mid to late March 2020.

### Sunny Corner Silver Mine Sale Agreement

The Company is pleased to announce the sale of the historic Sunny Corner Silver Mine on Exploration Licence 5964 to Sunshine Reclamation Pty Ltd (SRP).

The Company and SRP have entered into a binding agreement where SRP will pay Argent \$540,000 in instalments by 17 October 2020 as below;

- a. A non-refundable payment of \$30,000 (**Initial deposit**) on execution of the binding term sheet (which has been paid). Argent will then pay this deposit to Golden Cross Operations (GCO) to dissolve the original JV between GCO and Argent and to get GCO to transfer its 30% legal and beneficial interest in Exploration Licence 5964 into Sunny Silver Pty Ltd.
- b. A non-refundable payment of \$110,000 (**Commitment Payment**) (which the parties acknowledge includes \$10,000 as reimbursement of cash security with the regulator), This payment shall be the means by which SRP shall communicate its election to complete this transaction and;
- c. A subsequent and non-refundable payment \$400,000 to Argent's nominated bank account (**Final Payment**) as a remaining obligation of SRP falling due and payable by 17 October 2020.

The Commitment Payment was paid by SRP to Argent on 17 December 2019 and Argent is in the process of transferring the remaining 70% interest in the Exploration licence 5964 to Sunny Silver Pty Ltd. Argent will register a security on the Personal Property Security Register (**PPSR**) and with the Regulator (**Security Registration**) before the legal and beneficial interest in Sunny Silver Pty Ltd is transferred from Argent to SRP. Argent will be free carried for any current and planned expenditure by SRP.

Upon receiving the final payment, Argent shall do all things necessary to discharge both the security interest created by Security Deed and Security Registration. If SRP does not make the Final Payment by 17 October 2020, ARD will then take ownership of 100% interest in Sunny Silver Pty Ltd and in turn will own 100% of Exploration Licence 5964.

### **About Sunshine Reclamation Pty Ltd and Argent**

Sunshine Reclamation Pty Ltd is a mine reclamation and rehabilitation group specialising in complex environmental and metallurgical problems. The main Sunny Corner mine is a contaminated site with significant acid mine drainage and metal contamination issues. It has a mining history going back almost 150 years and has been classified as a derelict mine site under the Mining Act 1992.

Sunshine Reclamation plans to process the contaminated waste from the site and ameliorate the acid mine drainage as part of its site reclamation.

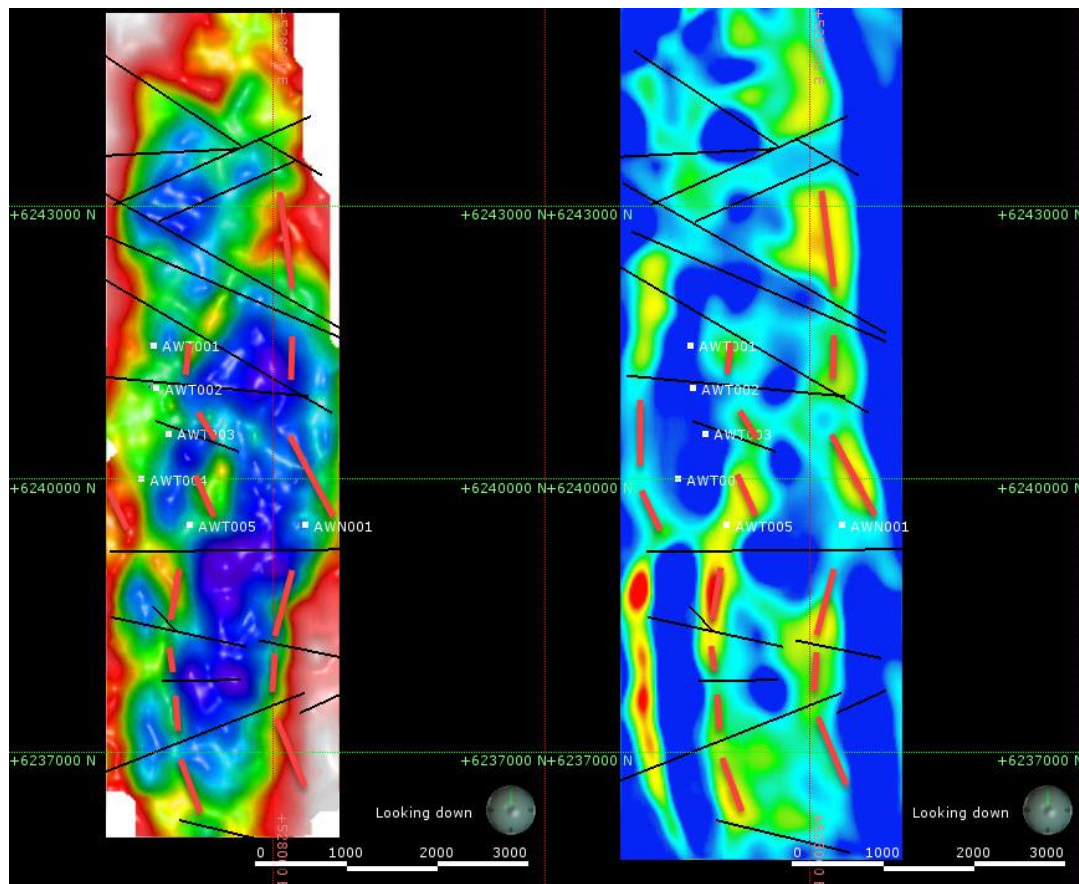
The Sunny Corner project has a small resource compared to our Kempfield Silver Project (more than 20 times larger). The Kempfield deposit has less complicated metallurgy and no legacy issues. West Wyalong and Pine Ridge projects offer outstanding upside. Sunny Corner is therefore not in Argent's core business and lower priority. The opportunity to divest this project for a significant sum is opportune and provides additional capital to commit towards Argent's core projects.

As SRP is not an exploration or mining company, potential future collaboration exists for Argent and SRP regarding exploration targets within the exploration licence or to re-acquire the project once reclamation has been undertaken. This deal allows Argent to participate in improving the environment and addressing our industry's historic legacies while keeping the Company's options open for future exploration and realise capital during this important time for the Company.

### **West Wyalong Porphyry gold copper molybdenum update**

On 26 August 2019, Argent announced the completed results of geophysical exploration activities performed by the Company at its majority-owned (78%) West Wyalong exploration Porphyry Cu-Au-Mo Project in central NSW.

Argent identified six new drill targets through a 22.5 km<sup>2</sup>, 2,200 station ground gravity geophysical survey and subsequent 3D inversion modelling by combining the Company's substantial data base on the project. The database includes results from the Company's 2017 drilling program, the 2014 high resolution airborne magnetic survey, extensive basement geochemical data and historical induced polarisation (IP) survey data, see Figure 1.



*Figure 1: Total Bouguer (TB) Gravity image (left) and Total Magnetic Intensity (TMI) image (right) with interpreted fault lines (black) and TMI trend lines (red).*

The most recent drill program design was completed late in December 2019 for the proposed midyear West Wyalong Discovery Drilling Program at target areas Hyperion, Theia, Helios and Narragudgil.

Argent has reviewed all data on hand implementing a target rationale generated by the 3D inversion modelling. See figures 2 and 3.

Argent's team has used an assessment matrix measuring the copper, gold, molybdenum, magnetic gravity intensity, chargeability and alteration mineralogical data on hand has generated the upgraded targets. See figures 2 and 3.



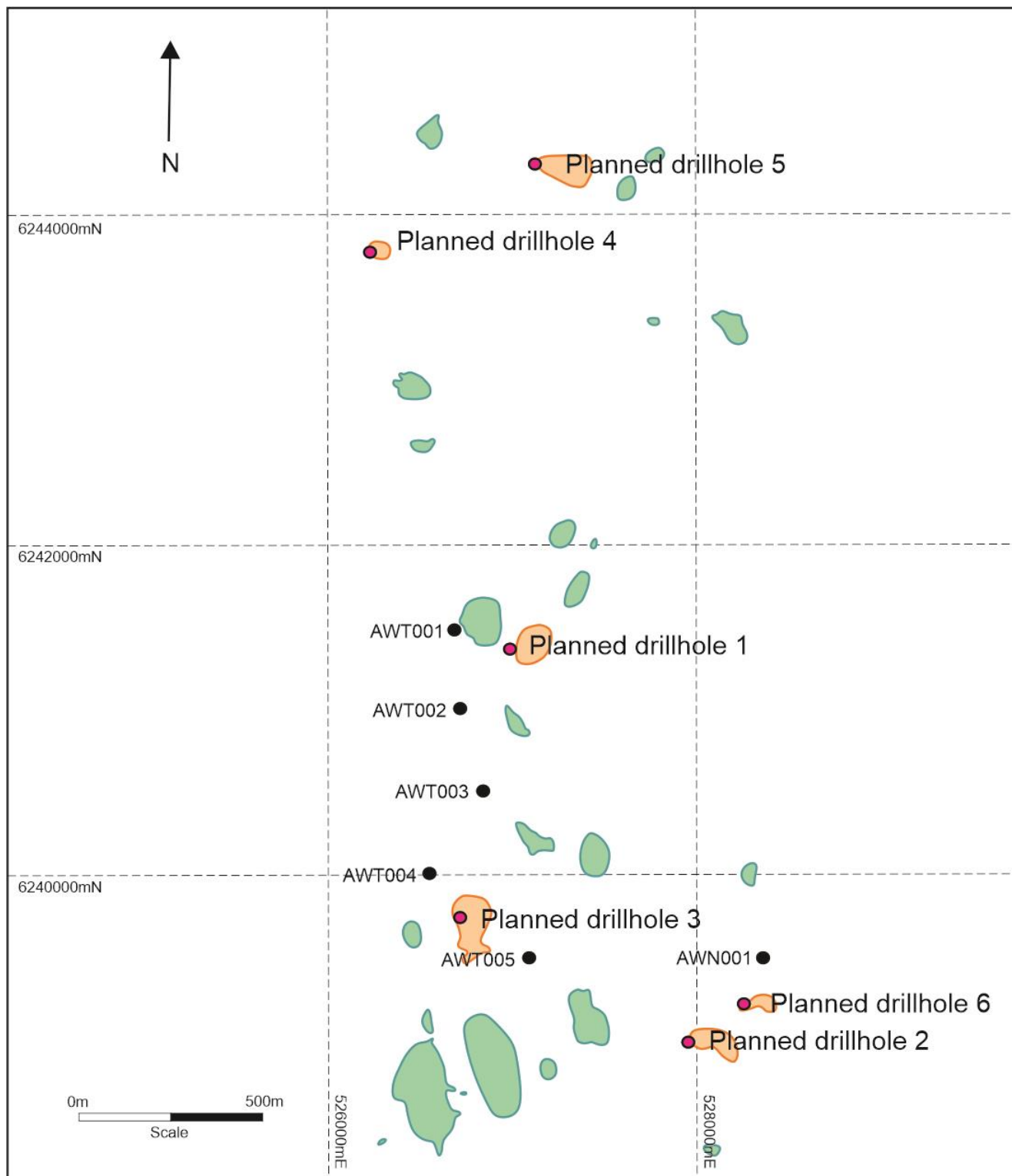


Figure 2 Surface Drill hole Location Plan showing 2017 Diamond Holes and New Target Drill holes

## West Wyalong Discovery Target Example

Argent believes the molybdenum and copper mineralisation in AWT001 and AWT002 vector west to the vicinity of a strong magnetics high-gravity high Cadia- Ridgeway -type target. Designed to 380m depth to intersect inverted gravity high  $>0.2\text{mGal}$ . See figure 3.

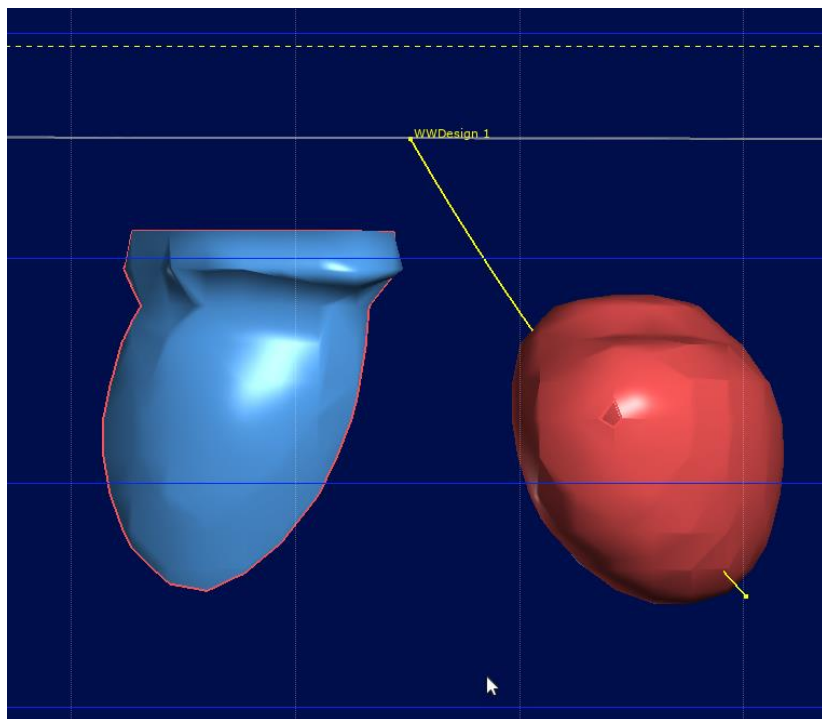


Figure 3 3D inversion Modelling Proposed Discovery Drill hole 1

## Recent share price boosting porphyry discoveries

Argent looks forward to the commencement of the next drilling program for its own porphyry prospect at West Wyalong, and the potential for a 'company maker' discovery, Spurred on by recent porphyry discoveries by Alkane Resources (ASX: ALK) and Staveley Minerals (ASX: SVY).

Alkane's share price increased from approximately \$0.375 on 4 September 2019 to \$0.840 on 17 October 2019 following its Boda discovery announcement on 9 September. Staveley's share price rose from \$0.24 on 20 September 2019 to an impressive \$1.32 (550%) on 14 October 2019 following its 26 September 2019 announcement of the copper-gold discovery at Thursday's Gossan in Victoria.

Similarly, Argent is also monitoring the recent success with juniors such as Magmatic Resources Limited rising from \$0.06 on 4 October to \$0.23 on 19 December 2019.

## **Completion of Private Placement and tranche 2 funds banked**

### **Overview**

On 25 October 2019, Argent completed the second and final tranche of the \$1.9m private placement to sophisticated investors under section 708A of the Corporations Act 2001 (COMMONWEALTH) (Placement).

A total of 90,540,475 new fully paid ordinary shares have been issued at 2.1 cents per share (Placement Shares), 22,635,119 attaching listed ASX: ARDOA options on a 1:4 basis (ARDOA Placement Options) and 90,540,475 new attaching listed options on a 1:1 basis (ARDOB Placement Options).

\$663,260 of Tranche 2 funds were received banked on 25 October 2019.

### **ARDOB – New Class of Quoted Options**

The new 90,540,475 options offered under the Placement Offer were quoted on the ASX on 30 October 2019 under the ticker code ARDOB.

The ARDOB Options have an exercise price of \$0.025 each and are exercisable at any time on or before 5.00 pm (AEST) on 29 October 2020.

### **Forward planning and field programs**

The proceeds of the Placement have boosted the Company's cash position in preparation for exploration work on its top three projects:

- Pine Ridge Gold Mine completion of the Airborne Geophysical Survey in December to identify extension to high grade gold targets along strike, east and west from the known deposit.
- Pine Ridge Gold Mine Phase 2 RC Drilling Program will be upgraded for potential higher quality drill hole targets based on the findings from the Geophysical Interpretation Report due in mid to late February.
- West Wyalong Project Phase 2 Drilling Program was internally reviewed with the NSW Resource Regulator approval process commencing in early 2020.
- Kempfield Stage 3A Drilling Program was reviewed late November post a reconnaissance site visit in early October. The new drilling program will have up to 22 RC Drill hole versus 7 diamond drill holes targeting the Cu-Au footwall and feeder zone areas to the west of the known deposit.
- Working capital funding operational expenses.

### **AUS Industry findings and The Administrative Claims Tribunal**

Argent received advice in January 2019 from AusIndustry (as the Delegate of Innovation and Science Australia) in relation to its review of the R&D Tax Incentive claims made by the Company for the 2015/16 and 2016/17 financial years (R&D Tax Claims), advising that the activities were not eligible for the R&D Tax Incentive.

Subsequent to this, the Company then requested an internal review of the negative finding.

The internal review was conducted by AusIndustry's Victorian Branch. The internal review was completed, and the Company has now been notified that all of the activities registered in 2015/16 and 2016/17 R&D Tax claims were not eligible for the Research and Development Tax Incentive.

The Company remains of the view that the R&D claims were made in compliance with the applicable legislation and is now evaluating its options.

The Company notes that the decision is a reviewable decision and that the Company has chosen to apply to the Administrative Appeal Tribunal (AAT) for a review of this decision.

Further, the Company has commenced preliminary discussions with Ernest & Young for representation at the AAT.

### **Funding Position**

Cash

Argent's cash position as at 31 December 2019 following the placement completion was:

**\$1,647,796.**

### **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>

Appendix 5B is attached to this announcement.

This announcement has been authorised by the board of directors of the Company.

For further information please contact:

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## APPENDIX A - TENEMENTS

The following mining tenement information is provided pursuant to Listing Rule 5.3.3:

Table 1 – Mining Tenement<sup>1</sup> Interest Activities for the Quarter Ended 31 December 2021.

Tenement Identifier	Location	Interest Acquired During Quarter	Interest Divested During Quarter	Interest Held at End of Quarter
<b>Kempfield</b>				
EL5645 (1992)	NSW	-	-	100% <sup>2</sup>
EL5748 (1992)	NSW	-	-	100% <sup>2</sup>
EL7134 (1992)	NSW	-	-	100% <sup>2</sup>
EL7785 (1992)	NSW	-	-	100% <sup>2</sup>
EL7968 (1992)	NSW	-	100%	- <sup>6</sup>
EL8213 (1992)	NSW	-	-	100% <sup>2</sup>
PLL517 (1924)	NSW	-	-	100% <sup>2</sup>
PLL519 (1924)	NSW	-	-	100% <sup>2</sup>
PLL727 (1924)	NSW	-	-	100% <sup>2</sup>
PLL728 (1924)	NSW	-	-	100% <sup>2</sup>
<b>West Wyalong</b>				
EL8430 (1992)	NSW	0.13%	-	79.46% <sup>3</sup>
<b>Loch Lilly</b>				
EL8199 (1992)	NSW	-	-	51% <sup>4</sup>
EL8200 (1992)	NSW	-	-	51% <sup>4</sup>
EL8515 (1992)	NSW	-	-	51% <sup>4</sup>
EL8516 (1992)	NSW	-	-	51% <sup>4</sup>
<b>Queensberry</b>				
EL9/2016	TAS	-	-	100%
<b>Ringville</b>				
EI12/2017	TAS	-	-	100%
<b>Sunny Corner</b>				
EL5964 (1992)	NSW	-	-	70% <sup>5</sup>

### Notes

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

the JVA Parties (SAE and LLP) is according to their respective JVA Interests. LLP has the right to earn up to a 90% interest, with the first 51% interest earned by completing the drill test for the Eaglehawk and Netley targets. For further details on Farmin terms and conditions see ASX announcement 20 February 2017 – Argent secures strategic stake in Mt. Read equivalent belt.

5. The tenement holder is Golden Cross Operations Pty Ltd.
6. EL7968 is in the process of being replaced by ELA5864 (1992) due to an inadvertent administration oversight by an external tenement agent, that caused EL7964 to lapse. Argent is the sole applicant for ELA5864.

## 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>:

- 27 July 2017 Copper and Gold in West Wyalong Porphyry – Final Assays<sup>1</sup>
- 26 August 2019 Maiden Pine Ridge Results – Significant Intercept Recorded<sup>1</sup>

### 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 and, in the case of estimates of Mineral Resources or Ore Reserves, Exploration Targets, and historical Pre-JORC Code mineralisation estimates ('Historical Estimates'), that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

<b>ARGENT MINERALS LIMITED</b>	
<b>ABN</b>	<b>Quarter ended ("current quarter")</b>
89 124 780 276	31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(196)	(392)
(b) development	-	-
(c) production	-	-
(d) staff costs	(172)	(194)
(e) administration and corporate costs	(147)	(354)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refund	-	-
1.8 Other – Repayment of r&d claims, Non refundable deposit received as per term sheet.	96	81
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(416)</b>	<b>(854)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – refund of security deposits	14	14
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>14</b>	<b>14</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	515	1,901
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(102)	(140)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>413</b>	<b>1,761</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,636	726
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(416)	(854)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	14	14
4.4	Net cash from / (used in) financing activities (item 3.10 above)	413	1,761

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>1,647</b>	<b>1,647</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	51	27
5.2	Call deposits	1,596	1,609
5.3	Bank overdrafts	-	-
5.4	Other – Advance monies received from Placement.	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,647</b>	<b>1,636</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

79

-

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

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

23

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

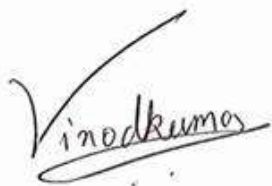
8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
N/A		

9. <b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	356
9.2 Development	-
9.3 Production	-
9.4 Staff costs	21
9.5 Administration and corporate costs	147
9.6 Other	-
<b>9.7 Total estimated cash outflows</b>	<b>524</b>

10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased	<u><b>West Wyalong</b></u> WW 8430		78.33%	79.46%

### **Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
Company secretary

Date: 31 January 2020.

Print name: Vinod Manikandan

### **Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.