

\$200K NSW GOVT FUNDING AWARD TO DRILL-TEST WEST WYALONG GOLD

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 (25 October 2016):	\$0.024
■ Shares on issue:	360.1 M
■ Market capitalisation:	\$8.64 M

Directors and Officers

Stephen Gemell
Non-Executive Chairman

David Busch
Managing Director

Peter Nightingale
Non-Executive Director

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Highlights:

- \$200,000 grant awarded by the NSW Government to Argent for diamond drill-testing the West Wyalong gold/copper-gold targets.
- The award represents the largest funding amount available to any single application out of the heavily contested 'Round 2' funding pool total of \$2 million, capped at \$200,000 per project.
- Purpose of the award is to assist private exploration drilling programs, encourage exploration, and lead to new scientific and economic discoveries.
- Argent and West Wyalong selected on the basis of technical and financial merit as assessed by an independent expert advisory panel.
- Funding deed executed 24 October 2016 provides up to 50% rebate of the direct per-metre drilling costs for a 6 hole, 2,150 metre drilling program designed to test the Theia and Narragudgil targets at West Wyalong.
- Completion of the drilling program prior to 30 June 2017 will increase Argent's West Wyalong interest from 51% to 70%.

Argent Minerals Limited (ASX: ARD, Argent, or the Company) is pleased to report that it has been awarded \$200,000 of heavily contested NSW Government funding to drill test the Company's West Wyalong project in NSW.

The award represents the largest amount available for any individual project out of the NSW Cooperative Drilling 'Round 2' funding pool total of \$2 million.

About the 2016 NSW Government 'New Frontiers NSW Cooperative Drilling Round 2' initiative

The NSW Government established the New Frontiers Cooperative Drilling program to provide grants to exploration companies to assist private exploration drilling programs, encourage exploration, and lead to new scientific and economic discoveries.

Argent participated in the confidential 'Invitation To Apply' (ITA) process with a proposal for a grant to drill-test West Wyalong. An expert advisory panel assessed each application received on the basis of merit for demonstrated prospectivity, sound financial planning and a proven technical base. Those that proposed drilling in frontier regions or in areas where there is significant cover over the target would be favoured. Drilling programs which test new geological concepts, whether in frontier regions or not, would also be considered.

The entire process is subject to the oversight of a probity auditor.

About the Argent award

On 24 October 2016, a funding deed was executed between NSW Cooperative Drilling and Argent for a grant of \$200,000 to drill test West Wyalong (**Funding Deed**).

Under the terms and conditions of the Funding Deed, Argent will be able to claim 50% of the direct-per metre drilling costs from NSW Cooperative Drilling following completion of the holes and associated reports.

Whilst the latest date for completion is 22 December 2017, Argent will be focused on completing the drilling well before 30 June 2017 in order to advance its interest in the project from 51% to 70%.

Under Funding Deed terms similar to that for Round 1 of the NSW Cooperative Drilling initiative, the Government retains its standard condition of being able to terminate without cause on the basis of any changes to Government policy. Argent considers the probability of exercise of that condition to be low, and the risk significantly outweighed by the benefits.

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.

West Wyalong prospectivity and project quality

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

The Argent/West Wyalong combination was one of 15 'preferred applicants' that were offered a NSW Cooperative Drilling Round 2 grant.

About the West Wyalong drilling program

On 13 May 2016 Argent announced that two targets had been identified and delineated for drill testing at the West Wyalong project – the previously identified Theia target, and the new target at Narragudgil.

Each target has a coincident magnetic low, an IP chargeability high, and anomalous gold geochemistry.

The coincident geophysical and geochemical anomalies are considered to be potential indicators of a broad alteration system resulting from intrusive-related hydrothermal activity consistent with a porphyry copper gold stock and associated epithermal mineralisation.

The geophysical data is now of sufficient resolution to enable efficient drill targeting and Argent's planned drill testing of the Theia porphyry copper gold target has been extended to include drill testing of the new Narragudgil gold target.

The NSW Cooperative Drilling Round 2 funding grant will be employed by Argent to drill 6 diamond holes for a total of 2,150 metres. In order to test the targets through cover of approximately 100 metres, the Company is planning 5 holes to be drilled to 350 metres, and a further hole to 400 metres.

Following discussions with local landowners, 100% diamond drilling and above-ground sumps will be employed in order to address any environmental concerns about the potential release of saline water encountered by drill holes.



About the timing of the West Wyalong drilling

As outlined in Argent's announcements on Monday 24 October 2014, Argent is in the process of rearranging its drilling programs with the aim of recommencing drilling in 2016, and continuing through early 2017.

Given the significant rainfall at West Wyalong, which resulted in widespread flooding, the Company has taken a decision during the last week to expedite drilling at Kempfield, and for that to be followed as soon as possible by the West Wyalong program after the ground has dried out. Whilst both areas have received significant rainfall, the Company is of the opinion that Kempfield, situated on higher ground with more efficient drainage, will be dried out sooner than West Wyalong for supporting heavy equipment safely.

Whilst the finalisation of access has taken longer than expected, the Company expects the two remaining West Wyalong unresolved access agreements and the subsequent regulatory approvals to be in place prior to a target drilling commencement date of mid-February 2017. This date has been scheduled to fit in with cropping activities, and remains subject to the resolution of access, completion of the regulatory approvals and statutory notification processes, as well as the weather.

The revised drilling schedule has been designed to allow a recommencement of drilling at Kempfield in 2016, which is expected to continue through the end of year and into early 2017. Land access is simpler at Kempfield, given that Argent has freehold title for a substantial portion of the land covered by the project area. Only two additional access agreements are required – one for the test of the magnetic high in the southern area, and the other with the northern neighbour over whose land Argent has an option agreement.

The Company is also continuing to work with numerous Trunkey-Kings Plain landholders to finalise access agreements that would allow exploration to commence. Recent positive progress on the access agreements for the Pine Ridge gold mine area may allow initial drilling to occur immediately following the Kempfield drilling early in 2017, prior to the scheduled West Wyalong drilling. This is highly dependent on the favourable timing and alignment of a multiplicity of factors, many of which, despite the Company's best efforts, are outside its control.

The revised Kempfield drilling schedule for all three projects is subject to timely completion of all access agreements, regulatory approvals and notifications, as well as being subject to traditional exploration controls such as the weather.

Argent's expanding project platform provides the opportunity to reschedule any activity in order to maximise utilisation of staff and equipment during the financial year.

Advancing Argent ownership toward 70%

Under the terms of the West Wyalong project joint venture agreement with Golden Cross Operations Pty Ltd (JVA), Argent is able to increase its current 51% interest by investing a further \$372,500 in JVA exploration expenditure by 30 June 2017, including \$200,000 of in-ground expenditure.

Since these amounts are referenced to 2 December 2015, subsequent qualifying expenditures such as the March 2016 IP survey and related work is deductible, leaving a decreased balance of expenditures required to achieve the 70% interest.

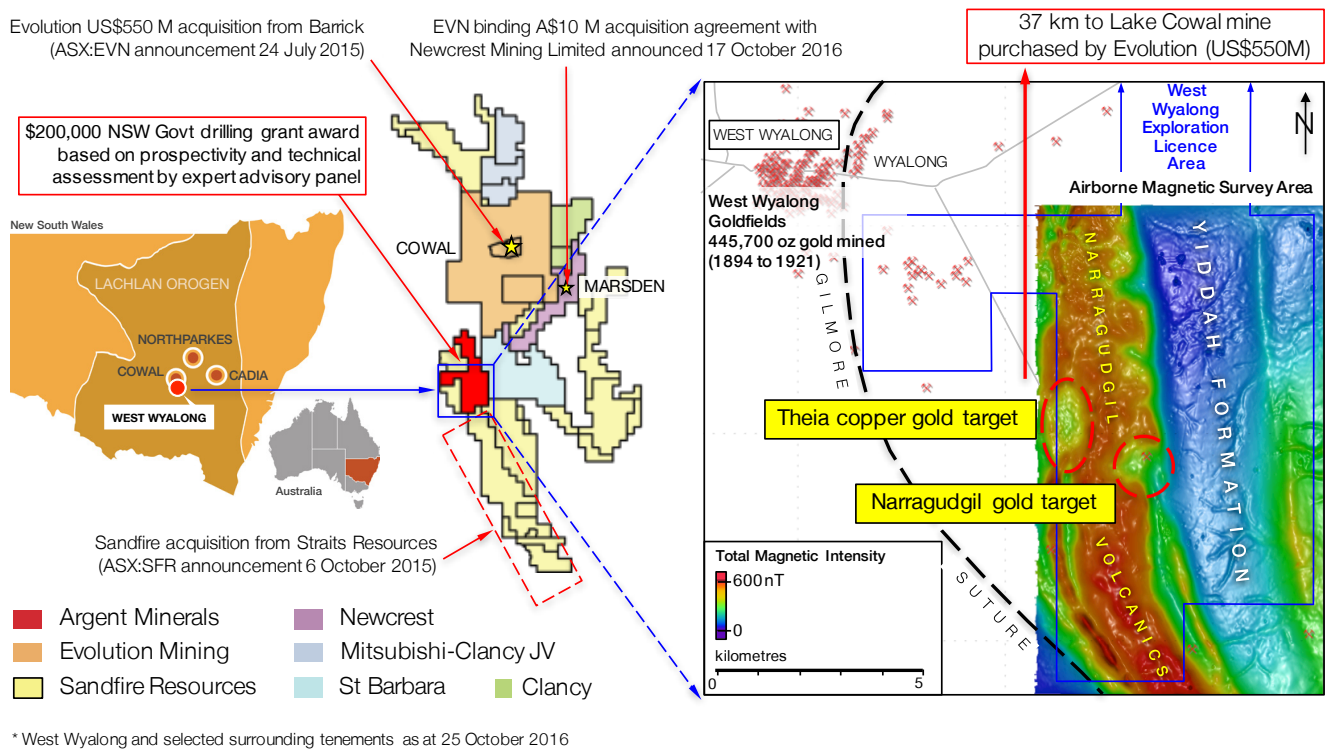
About the strategic location of the West Wyalong gold targets

Located only 7 kilometres from the West Wyalong gold fields that produced 445,700 ounces of gold between 1894 and 1921, the West Wyalong Project is situated in the Macquarie Arc of the Lachlan Orogen, which hosts world-class porphyry copper-gold mines such as Newcrest's Cadia and China Molybdenum's Northparkes, and 37 kilometres to the north of West Wyalong - the Lake Cowal gold mine (**Cowal**).

Cowal was acquired by Evolution Mining Limited (**Evolution**) in July 2015 for US\$550 million. Considered by Evolution to be "one of Australia's most attractive gold assets", the December 2015 Cowal Mineral Resource has been estimated at 5.05 million ounces of contained gold, including an Ore Reserve estimate of 2.85 million ounces of gold.

On 17 October 2016 Evolution announced that it has entered into a binding agreement with Newcrest Mining Limited (Newcrest) to purchase Newcrest's Marsden copper-gold project to the northeast of Argent's West Wyalong project for \$10 million.

Figure 1 – Strategic location of the West Wyalong targets



For further information please contact:

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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> :

- 13 May 2016 West Wyalong IP survey reveals additional gold target¹
- 10 October 2016 Diamond drilling results in major breakthrough at Kempfield¹

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.

Exploration Results

The information in this report that relates to Exploration Results is based on information compiled by Mr. Clifton Todd McGilvray who is a member of the Australasian Institute of Mining and Metallurgy, an employee of Argent Minerals, and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Mr. McGilvray consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.