

SEPTEMBER 2018 QUARTER ACTIVITIES AND CASH FLOW REPORT

Highlights:

- Major event for Pine Ridge Gold Mine acquisition.
- Low cost acquisition of mine and surrounding area is proximal to the Kempfield Ag-Zn Project, and potentially very favourable for Kempfield project economics.
- Extensive exploration prospectivity identified around the established gold mine - large gold system.
- Pine Ridge analogous to a 2 million ounce ore reserves deposit 50 km to the north.
- Historical high grades (e.g. **1 m @ 62.9 g/t Au from 59 m** in PR010) show strong gold mineralisation.
- Highly prospective gold targets ready for drill testing.
- Rights issue announced: raising up to \$1.7 million before costs for a strong cash position ahead of major drilling programmes.
- Drilling programmes of 5,000 metres announced – targeting potential higher-value Cu-Au footwall and feeder zones and further Ag-Zn-Pb-Au strike extensions at Kempfield, and high grade gold targets at the Pine Ridge Gold Mine.

Argent Minerals Limited (ASX: ARD, Argent, or the Company) is pleased to report its activities and cash flow for the quarter ended 30 September 2018.

Argent achieved a further series of significant developments during the quarter that enhance the economics of the Kempfield Project and will continue its growth as a significant large-scale silver-zinc-lead-gold project in an established NSW mining district.

MAJOR EVENT FOR PINE RIDGE GOLD MINE ACQUISITION

On 16 October 2018, Argent announced developments that have boosted the recent Pine Ridge Gold Mine acquisition to become a major event for the Kempfield Project, as the Company pursues higher grade gold and copper mineralisation as a key element of its strategy to significantly enhance the economics of the large Kempfield project on the path to production.

Argent's reconnaissance exploration and review of the historical Pine Ridge Gold Mine deposit data shows the previously unrecognised distribution of gold mineralisation in iron-rich volcanics that cover a much wider area than the previous focus limited to quartz vein-associated gold.

The new findings represent a significant increase in exploration upside at Pine Ridge Gold Mine and within the surrounding areas that also include Argent's Kempfield Project area, where high-grade gold mineralisation has been already identified, including the spectacular **1,065 g/t Au** interval intersected during base-metal drilling.

The large gold system at Pine Ridge appears to extend north towards Kempfield, along the same structural corridor that also hosts the Regis Resources 2.3 million-ounce McPhillamys gold deposit 50 kilometres further to the north.

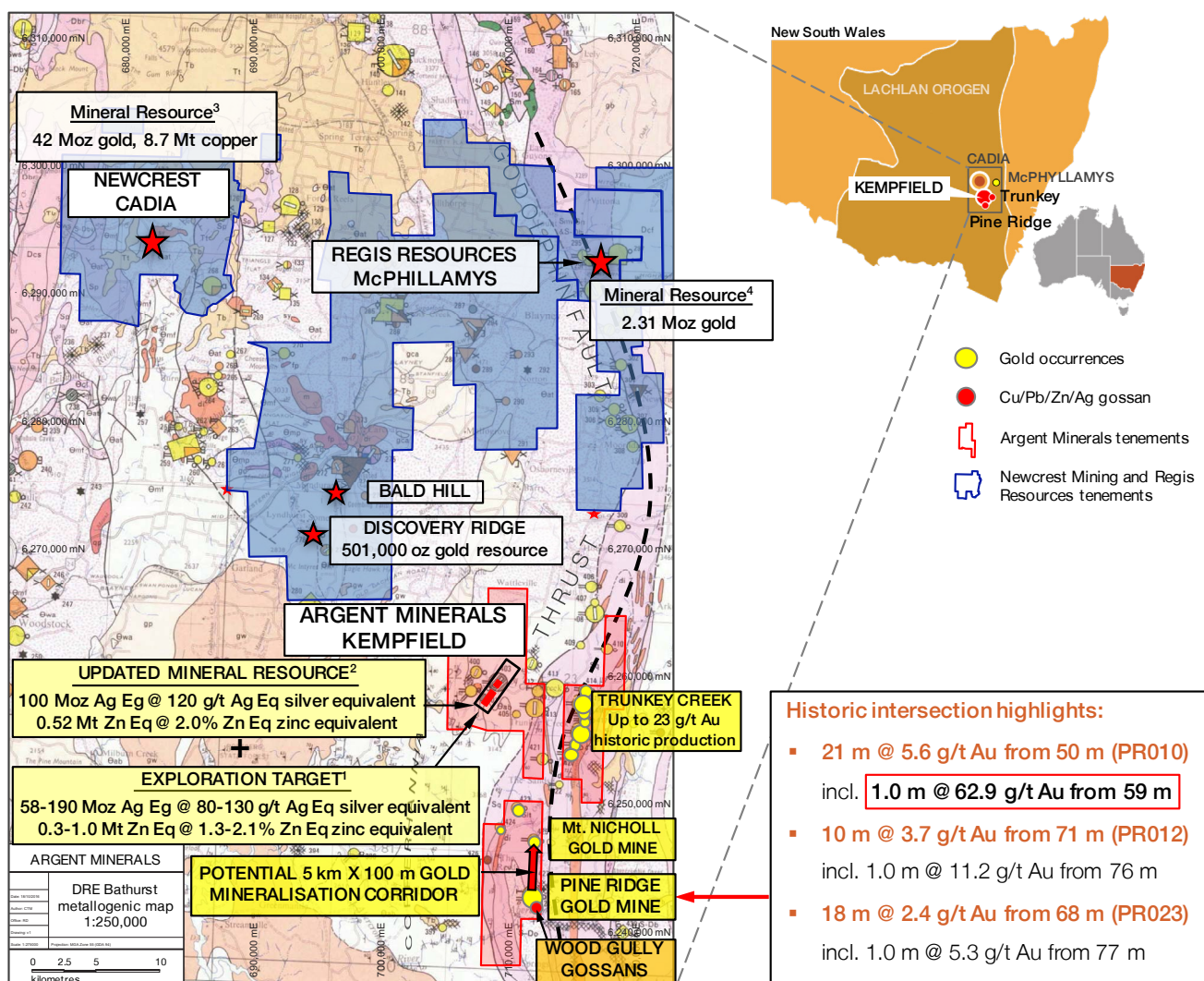


Figure 1 – Plan view illustrating the location of the potential gold mineralisation nearby to the Kempfield deposit and the large-scale mining camp.

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.

MAJOR DRILLING PROGRAMMES ANNOUNCED – TOTALLING 5,000 METRES

On 24 October 2018 Argent announced two drilling campaigns that together form one of the largest drilling programmes to be conducted by the Company at Kempfield since 2011. The drilling targets are highly prospective, based on recent significant geological understandings at the Kempfield project site and the Pine Ridge Gold Mine to the south. The programme comprises:

- **Kempfield** – 4,200 metres targeting potential copper-gold footwall, copper-gold feeder zones, and zinc/silver/lead/gold strike continuity/extensions at the Henry Zone; and
- **Pine Ridge Gold Mine** – 800 metres targeting potential high grade gold.

IMPACT ON KEMPFIELD ECONOMICS

The newly acquired Pine Ridge project and the identified drill targets in the Kempfield deposit have the potential to significantly enhance the economics of the Kempfield project.

Argent has been working diligently to advance the profitability of the Kempfield project with improvements to the metallurgical processes that increase mineral recovery. These improvements are focussed on separating out base metal extraction streams that will also allow precious metal recovery from Kempfield and other satellite sources such as the Pine Ridge Gold Mine. The Company believes it is well-positioned to exploit these new exploration opportunities in a way that will improve the overall Kempfield project.

CASH POSITION

Argent's cash position as at 30 September 2018 was approximately \$ 1,119,000.

PROSPECTUS RELEASED – TO RAISE UP TO \$1.7 MILLION

On 25 October 2018 Argent released a prospectus for raising up to \$1,739,848 before costs under a Non-Renounceable Entitlement Offer.

The purpose of the capital raising is to significantly boost the Company's cash position to fund the above drilling programmes, a wide area geochemical survey over the recently identified within the Pine Ridge tenement, and working capital.

In addition to providing existing eligible shareholders with the right to participate based on their shareholdings as at the Record Date of 31 October 2018, eligible shareholders and investors are able to apply additional securities by way of the Shortfall Offer, which will be allocated at the sole discretion of the Directors.

The 26 October 2018 Notice of Meeting for the Company's 2018 annual general meeting of shareholders includes resolutions to allow the Directors to participate in the Shortfall Offer up to the amount of \$133,000. Directors and Senior Management intend to take up their full entitlement under the offer.

David Busch (CEO of Argent) says: "We are very pleased with the significant progress made by Argent at Kempfield. The breakthroughs in 3D geological modelling and metallurgy have made possible the uplift in contained metal reporting at the Kempfield mineral resource to 100 million ounces silver equivalent, as well as the significant additional potential represented by the JORC-compliant Exploration Target. The project has continued to advance significantly during the quarter with the realisation of the upside potential at the recently acquired Pine Ridge Gold Mine. We are looking forward to commencing the largest drilling programme at Kempfield since 2011, a highly focused 5,000 metres."

ABOUT KEMPFIELD

The Kempfield Polymetallic Project has a substantial JORC 2012 Mineral Resource of 21.8 million tonnes and 100 million ounces of silver equivalent contained metal.

Additional mineralisation potential of 58 to 190 million ounces at 80 to 130 g/t contained silver equivalent has been estimated as a JORC-compliant Exploration Target.

The Exploration Target received a significant update on 6 June 2018 to incorporate the impact of significant metallurgical breakthroughs - the successful separation of Kempfield primary material into potentially marketable commercial grade zinc and lead concentrates also containing silver and gold.

The significant Mineral Resource and Exploration Target together reflect the high standard of Argent Minerals' work on the project and provides the Company with a strong foundation to aggressively pursue the significant upside potential that it has identified at Kempfield and its surrounds.

Argent drilling has intersected combined lead/zinc grades of up to 17.9% immediately to the west of the existing Mineral Resource, and numerous high-grade gold intervals including a spectacular gold intersection of 1 m @ 1,065 g/t Au from 97 m by hole AKDD181, as well as copper including 1.8 m @ 1.2% Cu from 136 m - also in hole AKDD181.

The acquisition of the Pine Ridge gold mine is a further example of Argent's value-adding strategy for the Kempfield project.

Additional details are provided in the following appendices of this announcement:

Appendix A – Tenements;

Appendix B – Kempfield Mineral Resource and Exploration Target estimates; and

Appendix 5B.

For further information please contact:

David Busch

Chief Executive Officer

Argent Minerals Limited

M: 0415 613 800

E: david.busch@argentminerals.com.au

Notes

1. Exploration Target details – Appendix B.
2. All mineral resources are illustrated as in-situ contained metals. For further details refer to the following publications, and for Kempfield, Appendix B of this announcement.
3. Newcrest Mining Limited Ore Reserves and Mineral Resources Statement 31 December 2017.
4. Regis Resources Limited Diggers and Dealers Presentation 6 August 2018 (pages 30-32).

APPENDIX A - TENEMENTS

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

Table 1 – Mining Tenement¹ Interest Activities for the Quarter Ended 30 September 2018

Tenement Identifier	Location	Interest Acquired During Quarter	Interest Divested During Quarter	Interest Held at End of Quarter
Kempfield				
EL5645 (1992)	NSW	-	-	100% ²
EL5748 (1992)	NSW	-	-	100% ²
EL7134 (1992)	NSW	-	-	100% ²
EL7785 (1992)	NSW	-	-	100% ²
EL7968 (1992)	NSW	-	-	100% ²
EL8213 (1992)	NSW	-	-	100% ²
PLL517 (1924)	NSW	-	-	100% ²
PLL519 (1924)	NSW	-	-	100% ²
PLL727 (1924)	NSW	-	-	100% ²
PLL728 (1924)	NSW	-	-	100% ²
West Wyalong				
EL8430 (1992)	NSW	0.06%	-	78.20% ³
Loch Lilly				
EL8199 (1992)	NSW	51%	-	51% ⁴
EL8200 (1992)	NSW	51%	-	51% ⁴
EL8515 (1992)	NSW	51%	-	51% ⁴
EL8516 (1992)	NSW	51%	-	51% ⁴
Queensberry				
EL9/2016	TAS	-	-	100%
Ringville				
EI12/2017	TAS	-	-	100%
Sunny Corner				
EL5964 (1992)	NSW	-	-	70% ⁵

Notes

- The definition of "Mining Tenement" in ASX Listing Rule 19.12 is "Any right to explore or extract minerals in a given place".
- For all Kempfield tenements the tenement holder is Argent (Kempfield) Pty Ltd, a wholly owned subsidiary of Argent.
- Under the West Wyalong Joint Venture and Farmin Agreement dated 8 June 2007 between Golden Cross Operations Pty Ltd and Argent as tenement holder (WWJVA), Argent has earned a 70% interest. The ongoing interests of the parties includes WWJVA expenditure contribution and dilution provisions commencing on a 70/30 basis.
- The tenement holder for EL8199 and EL8200 is San Antonio Exploration Pty Ltd (SAE), and for EL8515 and EL8516 it is Loch Lilly Pty Ltd (LLP), a 100% owned subsidiary of Argent Minerals Limited. Under the Loch Lilly Farmin and Joint Venture Agreement (JVA) dated 12 February 2017 (effective date 17 February 2017), the respective ownership of all the tenements by the JVA Parties (SAE and LLP) is according to their respective JVA Interests. LLP has the right to earn up to a 90% interest, with the first 51% interest earned by completing the drill test for the Eaglehawk and Netley targets. For further details on Farmin terms and conditions see ASX announcement 20 February 2017 – Argent secures strategic stake in Mt. Read equivalent belt.
- The tenement holder is Golden Cross Operations Pty Ltd.

APPENDIX B – KEMPFIELD MINERAL RESOURCE AND EXPLORATION TARGET ESTIMATES

Mineral Resource estimate Resource Summary

The updated Kempfield JORC 2012 Mineral Resource estimate as announced on 30 May 2018 is summarised in the following table at cut-off grades of 25 g/t Ag for Oxide/Transitional and 80 g/t Ag equivalent¹ for Primary:

Table 1 - Kempfield Mineral Resource summary - 30 June 2018

		Silver (Ag)		Gold (Au)		Lead (Pb)		Zinc (Zn)		In-situ Contained Metal Equivalents ¹			
	Resource Tonnes (Mt)	Grade (g/t)	Contained Metal (Moz)	Grade (g/t)	Contained Metal (000 oz)	Grade (%)	Contained Metal (000 t)	Grade (%)	Contained Metal (000 t)	Grade (Zn Eq %)	Contained Zn Eq (000 t)	Grade (Ag Eq g/t)	Contained Ag Eq (Moz)
Oxide/ Transitional*	6.0	55	11	0.11	21	N/R ²	N/R ²	N/R ²	N/R ²	1.0	62	64	12
Primary**	20	35	23	0.13	81	0.60	120	1.3	250	2.3	450	140	91
Total***	26	40	33	0.12	100	0.46	120	1.0	250	2.0	520	120	100

* 90% ** 76% *** 79%: % of material class tonnes in Measured or Indicated Category. 1. See Note b) below for details. 2 : Not recoverable.

Exploration Target estimate

An Exploration Target for potential mineralisation, **additional to the existing resource**, was estimated by H&S Consultants Pty Ltd (H&SC) and announced on 6 June 2018, and is restated as follows as at 30 June 2018:

		Silver (Ag)		Gold (Au)		Lead (Pb)		Zinc (Zn)		In-situ Contained Metal Equivalents ^b			
	Resource Tonnes (Mt)	Grade (g/t)	Contained Metal (Moz)	Grade (g/t)	Contained Metal (000 oz)	Grade (%)	Contained Metal (000 t)	Grade (%)	Contained Metal (000 t)	Grade (Zn Eq %)	Contained Zn Eq (000 t)	Grade (Ag Eq g/t)	Contained Ag Eq (Moz)
Lower	20	20	13	0.1	64	0.3	60	0.7	140	1.3	300	80	58
Upper	50	40	64	0.2	320	0.5	250	1.0	500	2.1	1,000	130	190

Exploration Target Notes:

a) 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.

b) Same as for the Mineral Resource, Ag Eq is based on US\$16.77/oz Ag, US\$1,295/oz Au, US\$2,402/t Pb, and US\$3,219/t Zn, recoverable at 86% of head grade for Ag, 90% for Au, 92% for Zn, and 53% for Pb. For calculation details see Note 2.

c) 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.

d) The Exploration Target estimate is based on a cutoff grade 80 g/t Ag Eq.

e) The Exploration Target has been estimated on the basis of a combination of Exploration Results and the proposed exploration programmes set out under the heading 'About the resource infill drilling programme' in the 8 November 2017 announcement – Kempfield Exploration Target. A detailed technical description of the Exploration Target estimation methodology employed by H&SC (which remains unchanged) is provided in Appendix B of that announcement.

f) The Exploration Target is based on 515 holes/49,229 metres, with drill hole spacing generally greater than 100 metres, and sample spacing (downhole) predominantly 1.0 metres.

Exploration Target drilling programme

The Company plans to test the Exploration Target through the following drilling programme schedule:

- **Stage 1 – Mineralisation and genetic model verification** – comprising approximately 4,100 metres of drilling, targeting completion before the end of FY 2019*.
- **Stage 2 – Resource category drilling.** Further resource infill drilling will be conducted to a level sufficient to estimate an additional mineral resource, if any, initially to Inferred category (contingent on satisfactory results from Stage 1). Stage 2 timing is envisaged to be completed during FY 2020*.

* The indicated timings are subject to the completion of heritage surveys where applicable, the timely finalisation of land access matters, the completion of regulatory approvals and statutory notice periods, weather, as well as all and any other operational factors that could affect the ability of the Company to perform drilling.

Resource by category

Table 2 - Kempfield Mineral Resource by category

Category	Resource Tonnes (Mt)	Grade (g/t)		Grade (%)		In-situ Grade (Contained Zn Eq and Ag Eq) ^b	
		Silver (Ag)	Gold (Au)	Lead (Pb)	Zinc (Zn)	Zinc Equivalent (Zn Eq %)	Silver Equivalent (Ag Eq g/t)
Oxide/Transitional							
Measured	2.7	68	0.11	-	-	1.2	76
Indicated	2.7	47	0.11	-	-	0.9	56
Inferred	0.6	39	0.08	-	-	0.7	45
Total Oxide/Transitional	6.0	55	0.11	-	-	1.0	64
Primary							
Measured	4.7	49	0.12	0.65	1.3	2.5	150
Indicated	10	34	0.13	0.57	1.2	2.2	140
Inferred	4.9	25	0.12	0.60	1.4	2.2	140
Total Primary	20	35	0.13	0.60	1.3	2.3	140
Total Resource	26	40	0.12	0.46	1.0	2.0	120

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 30 May 2018 announcement – Significant Kempfield Resource Update.

COMPETENT PERSON STATEMENTS

Previously Released Information

This ASX announcement contains information extracted from the following reports which are available for viewing on the Company's website <http://www.argentminerals.com.au> :

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

Competent Person:

1. Clifton Todd McGilvray
2. Arnold van der Heyden

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

ARGENT MINERALS LIMITED	
ABN	Quarter ended ("current quarter")
89 124 780 276	30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(229)	(229)
(b) development	-	-
(c) production	-	-
(d) staff costs	(34)	(34)
(e) administration and corporate costs	(261)	(261)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refund	-	-
1.8 Other – NSW co-operative drilling grant	-	-
1.9 Net cash from / (used in) operating activities	(520)	(520)

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

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

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,649	1,649
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(520)	(520)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10)	(10)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,119	1,119

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	63	134
5.2 Call deposits	1,056	1,515
5.3 Bank overdrafts	-	-
5.4 Other – Advance monies received from Placement.	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,119	1,649

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	44
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	

N/A

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

N/A

Mining exploration entity and oil and gas exploration entity quarterly report

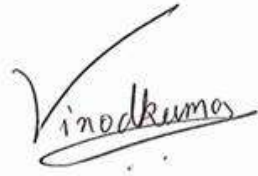
8.	Financing facilities available	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	Add notes as necessary for an understanding of the position		
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description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

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	300
9.2	Development	-
9.3	Production	-
9.4	Staff costs	34
9.5	Administration and corporate costs	150
9.6	Other – Cost of Entitlement Issue	165
9.7	Total estimated cash outflows	649

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	<u>West Wyalong</u> WW8430	Exploration	77.14%	78.20%

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 October 2018.

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.