ASX ANNOUNCEMENT

19 January 2011

NOTICE OF GENERAL MEETING AND PROSPECTUS

Argent Minerals Limited (ARD) has lodged with ASIC today the following documents:

1. The Notice of General Meeting, Explanatory Statement (including an independent expert's report) and a Proxy Form relating to the sale of Argent (Bullant) Pty Ltd to US Nickel Limited, as announced on 9 December 2010 and approval for the recent share placement and options to certain directors. The General Meeting will be held on 28 February 2011.

2. Prospectus for the transfer of the 44 million shares in US Nickel Limited to Argent Minerals Limited shareholders.

A copy of those documents is attached.

The following timetable is proposed, which is subject to change:

1	Documents dispatched to overseas shareholders	20 January 2011
2	Documents dispatched to Australian shareholders	27 January 2011
3	Date for determining shareholders entitled to vote at General Meeting	26 February 2011 (11am WST)
4	Date for proxies to be received by the Company	26 February 2011 (11am WST)
5	General Meeting held	28 February 2011 (11am WST)
6	If resolutions passed and US Nickel shareholders approve purchase of Argent (Bullant) Pty Limited by this time and issue of 44 million shares in US Nickel to Argent Minerals Limited, completion of sale and purchase occurs including issue of 44 million shares	1 March 2011
7	If item 6 occurs on 1 March, trading in Shares commences on ASX on an "ex return of capital basis" and trading in options commences on ASX on a 'deferred settlement' basis	2 March 2011
8	If item 6 occurs on 1 March, record date to determine entitlements of Shareholders to US Nickel shares under the in specie distribution	8 March 2011
9	If item 6 occurs on 1 March, in specie distribution to Shareholders of US Nickel Shares	By 16 March 2011

Marcus Michael
Executive Director
Argent Minerals Limited

www.argentminerals.com.au

ARGENT MINERALS LIMITED

ACN 124 780 276

NOTICE OF GENERAL MEETING

TIME: 11.00am (WST)

DATE: 28 February 2011

PLACE: Upstairs Function Room
Subiaco Hotel
465 Hay Street (Cnr Rokeby Road)
Subiaco WA 6008

THE INDEPENDENT EXPERT, PKF CORPORATE ADVISORY (EAST COAST) PTY LTD, HAS CONCLUDED THAT THE TERMS OF SALE OF ARGENT (BULLANT) PTY LTD TO US NICKEL LTD ARE **NOT FAIR BUT ARE REASONABLE**.

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of General Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9322 6600.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

The general meeting of the Shareholders to which this Notice of Meeting relates will be held at 11.00am (WST) on 28 February 2011 at:

Upstairs Function Room

Subiaco Hotel

465 Hay Street (Cnr Rokeby Road)

Subiaco WA 6008

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

(a) post to Argent Minerals Limited, PO Box 1305 West Leederville WA 6901; or

(b) facsimile to the Company on facsimile number (+61 8) 9322 6610; or

(c) email to the Company at info@argentminerals.com.au,

so that it is received not later than 11.00am (WST) on 26 February 2011.

Proxy Forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

The Explanatory Statement provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of General Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 11.00am (WST) 26 February 2011.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

AGENDA

Resolutions 1,2 and 3 below are presented as a package and are conditional on each other. All these resolutions must be passed for the resolutions to take effect.

1. RESOLUTION 1 – SALE OF SHARES IN ARGENT (BULLANT) PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"Resolved that, for the purposes of ASX Listing Rule 10.1 and all other purposes and conditional on (i) the passing of resolutions 2 and 3 in this Notice of General Meeting and(ii) the discontinuation of the takeover bids announced by US Nickel Limited (US Nickel) relating to the shares and options in the Company on 23 November 2010, approval is given to the sale of all the shares in Argent (Bullant) Pty Ltd from the Company to US Nickel for the issue of 44 million fully paid ordinary shares in the capital of US Nickel and the consent of US Nickel to the cancellation of 19,500,000 shares in the Company held by US Nickel by way of a buy-back and on the other terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this resolution by US Nickel Limited and any associate of US Nickel Limited. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the direction on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Independent Expert's Report: Annexure 1 to the Explanatory Statement contains the independent expert's report of PKF Corporate Advisory (East Coast) Pty Limited commissioned by the Board (*PKF Report*). The PKF Report concludes that the sale of the shares in Argent (Bullant) Pty Ltd to US Nickel as proposed in Resolution 1 **is not fair to the Shareholders other than US Nickel but on balance is reasonable to those Shareholders.**

2. RESOLUTION 2 – BUY-BACK OF SHARES HELD BY US NICKEL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"Resolved that for the purposes of section 257D of the Corporations Act 2001 and Article 2.4 of the Company's Constitution and all other purposes and conditional on;

(i) the passing of resolutions 1 and 3 in this Notice of General Meeting; and

(ii) the discontinuation of the takeover bids relating to the shares and options in the Company announced by US Nickel on 23 November 2010,

approval is given for the buy-back of the 19,500,000 fully paid ordinary shares in the capital of the Company registered in the name of US Nickel Limited on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this resolution by US Nickel Limited or its associates. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the direction on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3. RESOLUTION 3 – IN SPECIE DISTRIBUTION OF US NICKEL SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"Resolved that,

(a) for the purposes of sections 265B and 265C of the Corporations Act 2001 and Article 2.4 of the Company's Constitution and for all other purposes; and

(b) conditional on (i) the passing of resolutions 1 and 2 in this Notice of General Meeting, (ii)the cancellation of the 19,500,000 fully paid ordinary shares in the capital of the Company referred to in resolution 2 in this Notice of General Meeting and US Nickel Limited ceasing to be the registered holder of those shares in the Company's Register of Members before the record date and (iii) the issue of 44 million fully paid ordinary shares in the capital of US Nickel Limited to the Company referred to in resolution 1 of this Notice of General Meeting (US Nickel Shares),

approval is given for the share capital of the Company and the assets of the Company to be reduced by the distribution in specie of the US Nickel Shares to the Company's shareholders registered on the Company's Register of Members as at the record date, as determined in accordance with the ASX Listing Rules, in proportion to their registered shareholding in the Company on that date, with any fractional entitlements being rounded down to the *nearest whole number and on the terms set out in the Explanatory Statement."*

4. RESOLUTION 4 – APPROVAL OF SHARE PLACEMENT

To consider and, if thought it, to pass with or without amendment, the following resolution as an **ordinary resolution:**

> *"Resolved that, for the purposes of ASX Listing Rule 7.4, the Company approves and ratifies the issue of 13,290,000 fully paid ordinary shares at $0.16 per share to sophisticated investors on the terms set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this resolution by a person who participated in the issue and any associate of those persons. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the direction on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5. RESOLUTION 5 – APPROVAL OF OPTIONS FOR KERRY MCHUGH

To consider and, if thought it, to pass with or without amendment, the following resolution as an **ordinary resolution:**

> *"Resolved that, for the purposes of ASX Listing Rule 10.11, the Company approves the issue of 1,000,000 options to Kerry McHugh, the Company's Executive Chairman, on the terms set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this resolution by Kerry McHugh and any of his associates. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the direction on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides provided that the special box on the proxy form is marked.

Note: Kerry McHugh, the Company's Chairman, will be chairing the General Meeting and the special box rules apply for the appointment of the Chair as proxy – see Proxy Form.

6. RESOLUTION 6 – APPROVAL OF OPTIONS FOR MARCUS MICHAEL

To consider and, if thought it, to pass with or without amendment, the following resolution as an **ordinary resolution:**

> *"Resolved that, for the purposes of ASX Listing Rule 10.11, the Company approves the issue of 1,000,000 options to Marcus Michael, the Company's Executive Director, on the terms set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this resolution by Marcus Michael and any of his associates. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the direction on the proxy form; or

- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Directors recommendations and voting intentions

Notwithstanding the conclusions in the PKF Report that the sale of the shares in Argent (Bullant) Pty Ltd as proposed in Resolution 1 **is not fair but on balance reasonable,** the Directors recommend that Shareholders vote in favour of Resolutions 1, 2 and 3 in this Notice of General Meeting for the reasons set out in the Explanatory Statement.

The Directors recommend that Shareholders vote in favour of Resolution 4.

The Directors (excluding interested directors who did not participate in the decision) recommend that Shareholders vote in favour of Resolutions 5 and 6 in this Notice of General Meeting.

The Directors will be voting their Shares in favour of the Resolutions except where they are excluded from voting.

DATED: 19 JANUARY 2011

BY ORDER OF THE BOARD

MARCUS MICHAEL
COMPANY SECRETARY

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 11.00am (WST) on 28 February 2011 at the Upstairs Function Room, Subiaco Hotel, 465 Hay Street, Subiaco WA 6008.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. OVERVIEW

1.1 Background

On 23 November 2010, the Company announced that it had received an announcement from US Nickel that it intended to make an off-market takeover offer for the Company's ordinary shares and options. The consideration for the shares and options would be fully paid ordinary shares in US Nickel. At that time, the Board indicated that shareholders and optionholders should take no action on the bids. US Nickel had 2 months to provide a bidder's statement. A bidder's statement has not been provided to date.

The US Nickel announcement for the takeover bids focussed on the Bullant gold project (***BGP***). The BGP had been acquired by the Company in October 2010 with funds partly provided by US Nickel through a share placement approved by shareholders in September 2010. Following discussions with the US Nickel directors it became clear to the Board that if the takeover bids were successful, little attention would be given to, and little expenditure would be incurred on, the New South Wales assets of the Company (the interests and rights of the Company in Kempfield, West Wyalong and Sunny Corner Projects) (***NSW Assets***).

The Company has a 51% interest in the Kempfield Silver project and is proceeding to earn an additional 19% interest in that project and that project is currently the subject of a definitive feasibility study. The Board was of the opinion that any delays in that study would be detrimental to the Company. In these circumstances, the Board concluded that a sale of the BGP to US Nickel with the Company remaining an ASX listed company and owning the NSW Assets would be in the best interests of the Company's Shareholders.

The Board therefore had discussions with US Nickel about a possible sale of the BGP to US Nickel and this led to the Company making an offer to US Nickel for the sale of all the shares in Argent (Bullant) Pty Ltd (which is the Company's wholly owned subsidiary, which owns the BGP) on 9 December 2010. This offer was accepted by US Nickel on 9 December 2010. The resulting agreement (***BGP Agreement***) was announced on 9 December 2010. The parties also finalised the buy-back agreement for the 19.5 million Shares held by US Nickel (***BB Agreement***)on 17 January 2011 with the Company offering the buy-back by letter dated 11 January 2011 and US Nickel accepting that offer on 17 January 2011.

1.2 BGP Agreement and BB Agreement

The key elements of the BGP Agreement and BB Agreement are:

1. discontinuation of the US Nickel takeover bids for Shares and options in the Company;
2. the sale of all the shares in Argent (Bullant) Pty Ltd (which owns the BGP) to US Nickel;
3. the cancellation of the 19.5 million Shares in the Company held by US Nickel through a buy-back of those Shares;
4. the issue of 44 million fully paid ordinary shares (USN Shares) by US Nickel to the Company;
5. the pro-rata in specie distribution of the USN Shares to the Shareholders (excluding US Nickel) by way of a capital reduction;
6. Completion of the sale is conditional on item 1 above and Shareholder approval for items 2,3 and 5 above and US Nickel shareholder approval for item 4 above and the purchase of the shares in Argent (Bullant) Pty Ltd;
7. US Nickel to provide loan funding for the BGP in accordance with an agreed work program pending completion. $800,000 in loan funds have been provided by US Nickel to Argent (Bullant) Pty Ltd to 14 January 2010;
8. any loans made by the Company to Argent (Bullant) Pty Ltd will be capitalised prior to completion;
9. from completion, US Nickel will indemnify the Company in respect of any post-completion liabilities incurred by the Company as guarantor of Argent (Bullant) Pty Ltd under the Bullant asset sales agreement with Kundana Gold Pty Ltd and Barrick (PD) Australia Limited dated 26 July 2010; and
10. title warranties are provided by the Company and all other warranties and representations are excluded.

The general meeting of Shareholders has been called to seek shareholder approval for items 2,3 and 5 above.

1.3 Share placement 17 December 2010

Following the announcement of the BGP Agreement, the Company raised $2.12 million through the issue of 13,290,000 Shares to sophisticated investors to progress the Kempfield definitive feasibility study and for working capital purposes. ASX waived the ASX Listing Rule on the prohibition on share placements during a takeover bid at the Company's request.

1.4 Indicative timetable

Event	Indicative date
Date of General Meeting and advice to ASX and ASIC of General Meeting result.	**28 February 2011**
Completion of sale of shares in Argent (Bullant) Pty Ltd to US Nickel including issue of US Nickel shares to the Company and completion of buy-back. Board resolves to reduce capital as per Resolution 3 and advise ASX and ASIC	**1 March 2011**
Trading in Shares commences on ASX on an "ex return of capital basis" and trading in options commences on ASX on a 'deferred settlement' basis.	**2 March 2011**
Record date to determine entitlements of Shareholders to US Nickel shares under the in specie distribution (Record Date).	**8 March 2011**
In specie distribution to Shareholders of US Nickel Shares.	**By 16 March 2011**

This is an indicative timetable assuming Resolutions 1,2 and 3 in the Notice of General Meeting are passed and the conditions in those Resolutions are satisfied and may be changed at the discretion of the Board or as required by ASX or ASIC.

1.5 Effect of BGP Agreement and Resolutions 1,2 and 3 on Company, its Shareholders and optionholders

(a) Effect on the Company

If the BGP Agreement and BB Agreement are approved and completed, then:

(i) the Company's assets will comprise the NSW Assets only and the Company will cease to own the BGP and the Company will return to being a "pure silver play";

(ii) US Nickel will cease to be a shareholder in the Company;

(iii) the issued Shares of the Company would be reduced from 101,891,251 Shares to 82,391,251 Shares (assuming no exercise of options or new share issues in the meantime) and the net assets of the Company would be reduced from $10,168,868 to $2,515,533 based on the pro forma balance sheet of the Company in Appendix 6 of the PKF Report;

(iv) US Nickel shares issued to the Company will not be owned by the Company but will be owned by the Company's Shareholders; and

(v) the Board will have a stronger focus on the development of the Kempfield silver project.

(b) Effect on Shareholders

If the BGP Agreement is approved and completed, then:

(i) the number of Shares held in the Company by a Shareholder will remain the same though a Shareholder's percentage interest in the Company will increase by approximately 19% as a result of the share cancellation and the net assets of the Company will have been reduced;

(ii) a Shareholder will own US Nickel shares, on the basis of approximately one US Nickel share for every two Shares held in the Company; and

(iii) for tax consequences, see section 1.14.

(c) Effect on the optionholders

If the BGP Agreement is approved and completed, then:

(i) the number of options held in the Company by an optionholder will remain the same;

(ii) the exercise price of the options will not change as a result of Resolution 2;

(iii) as a result of Resolution 3, the exercise price of the options of 20 cents will be reduced by the fair value of approximately one half of a US Nickel share as determined by the Board. See section 1.7 below.

1.6 Advantages and Disadvantages of the BGP Agreement, BB Agreement and Resolutions 1,2 and 3

The Board considers that the advantages and disadvantages of the BGP Agreement, BB Agreement and Resolutions 1, 2 and 3 which are presented as a package are as follows:

(a) Advantages

(i) The Company will become a 'pure silver play' and the Board can focus exclusively on developing the NSW Assets.

(ii) The BGP will require substantial funds to be invested before it becomes a producing gold mine and the Company will be relieved of this funding obligation.

(iii) Shareholders will have shares in US Nickel while retaining their shares in the Company. They can deal with their shares in US Nickel as they think fit – they can retain them or sell them for cash on ASX at a time suitable to them.

(iv) The takeover bids for the Company's shares and options will be discontinued and the Board will not be required to prepare a target's statement or deal with other issues associated with the bids. As a result, the Board will not be distracted from the ongoing development of the Company's business.

(b) Disadvantages

(i) The Company's total and net assets and total equity in its balance sheet will decrease by the value of the shares in and loans to Argent (Bullant) Pty Ltd of $7,653,334 – see the proforma balance sheet in Appendix 6 of the PKF Report.

(ii) The Company will not receive any dividends from Argent (Bullant) Pty Ltd.

(iii) Any shareholders and optionholders interested in accepting the US Nickel takeover bids will have lost the opportunity to accept those bids (though they will be receiving some US Nickel shares).

(iv) An investment in US Nickel shares, like the Company's Shares, is speculative and their value over time is not certain.

The PKF Report has set out other advantages and disadvantages in sections 13.2.1 and 13.2.2 of that report.

1.7 Option exercise price reduction

The listed options on issue entitle a holder to subscribe for one fully paid ordinary share in the Company at an exercise price of 20 cents at any time up until 30 June 2011.

The option terms provide that if there is a reduction of the issued capital of the Company prior to the expiry date, the rights of optionholders will be changed to the extent necessary to comply with applicable ASX Listing Rules in force at the time of the reduction. The applicable ASX Listing Rule is Listing Rule 7.22.3. It provides that on a return of capital, the number of options must remain the same, and the exercise price of each option must be reduced by the same amount as the amount returned to each ordinary share.

In this instance, the amount returned to ordinary shareholders under Resolution 3 is the fair value of the US Nickel shares distributed to the ordinary shareholders. The US Nickel shares will be distributed on the basis of approximately one US Nickel share for every two Shares held. The amount returned is the fair value of the US Nickel shares distributed for one Share held ie one half of a US Nickel share. The exercise price of the options will be reduced by that value. This amount will be determined by the Board. By way of indication, if the Board adopts the preferred value of a US nickel share determined in the PFK Report of 4.4 cents, then the option exercise price reduction will be 2 cents. The Board is minded to adopt this value if there are no exceptional circumstances that arise before the issue of the 44 million US Nickel shares to the Company.

The exercise price reduction will also apply to the options the subject of Resolutions 5 and 6. as those options will be issued prior to the capital reduction in specie distribution in Resolution 3 being made.

1.8 Intentions of the Company if BGP Agreement and BB Agreement approved and implemented

The Company will revert to being a 'pure silver play'. The Board will seek to accelerate the definitive feasibility study on the Kempfield silver project with a view to a decision to mine being considered by December 2011. The Board will also revisit expenditure programs for the other NSW Assets. The Board has raised $2.12 million on 17 December 2010 for this purpose.

The proforma balance sheet of the Company after the capital raising and after the BGP Agreement and BB Agreement are implemented is set out in Appendix 6 of the PKF Report. The net assets of the Company will have changed from $10,168,868 to $2,515,533.

1.9 Intentions of the Company if BGP Agreement and BB Agreement not approved and Resolutions 1, 2 and 3 not passed

The Company will continue to own BGP and will be required to seek funding for the commissioning of the BGP. US Nickel will remain a shareholder in the Company and may launch the takeover bids again if they are discontinued prior to the general meeting being held.

1.10 Information about US Nickel and US Nickel shares

(a) Disclosing entity

US Nickel is a disclosing entity for the purposes of the Corporations Act as US Nickel shares are quoted on ASX. It is therefore subject to regular reporting and disclosure obligations. Shareholders may obtain or inspect a copy of the 2010 annual report of US Nickel and any continuous disclosure notices given by US Nickel to ASX or ASIC after 30 September 2010 from an ASX or ASIC office during normal business hours or from the ASX website www.asx.com.au [ASX code "USN"] or from the US Nickel website www.usnickel.com.au. The Company will provide a copy of any such documents to a Shareholder on request free of charge.

(b) Rights attaching to US Nickel shares

The US NIckel shares distributed to the Shareholders will rank equally with all other fully paid ordinary shares in the capital of US Nickel on issue. Full details of the rights attaching to US Nickel shares are set out in the US Nickel constitution. Those rights are described in Annexure 2, and are reproduced from page 88 of US Nickel's prospectus dated 3 March 2010 which was lodged with ASIC.

US Nickel will be applying for official quotation on ASX of the US Nickel shares issued to the Company and Shareholders will be able to trade those shares once they receive them as a result of the Company issuing a prospectus for those shares.

(c) US Nickel share price

US Nickel in its current form has been trading on ASX since 25 May 2010. From that time to the trading day before the date of the Notice of General Meeting, the highest price on ASX has been 20 cents while the lowest price has been 9 cents. As at 18 January 2011 its closing price on ASX was 18.5 cents.

(d) US Nickel risk factors

US Nickel shares should be regarded as speculative and they carry no guarantee of payment of dividends, return of capital or of their market value. There are various risk factors to which US Nickel is subject and a list of material risk factors are set out in Annexure 3. These risk factors include but are not limited to, exploration success risk, operating risk, commodity price volatility and exchange rate risk, resource estimate risk, environmental risks, title risk personnel risk and future funding risk and market risk.

1.11 Information about the Company

The Company is a disclosing entity for the purposes of the Corporations Act. It is therefore subject to regular reporting and disclosure obligations. Shareholders may obtain or inspect a copy of the 2010 annual report of the Company and any continuous disclosure notices given by the Company to ASX or ASIC after 21 September 2010 from an ASX or ASIC office during normal business hours or from the ASX website www.asx.com.au [ASX code "ARD"] or from the Company website www.argentminerals.com.au. The Company will provide a copy of any such documents to a Shareholder on request free of charge.

1.12 Overseas shareholders

Distribution of US Nickel shares to any Shareholder with a registered address outside Australia or New Zealand under the in specie distribution capital reduction in Resolution 3 will be subject to legal and regulatory requirements in the relevant jurisdictions of those Shareholders.

If the requirements of any such jurisdiction restricts or prohibits the distribution of US Nickel shares as proposed or would impose on the Company an undue obligation or burden, the US Nickel shares to which the relevant overseas Shareholder is entitled will be sold by the Company on their behalf as soon as practicable after the distribution and the Company will then account to the Shareholder for the net proceeds of sale after deducting the costs and expenses of the sale. The price of the US Nickel shares will vary from time to time and the net proceeds of sale may be more or less than the closing price for US Nickel shares on the day of distribution of the US Nickel shares to Shareholders.

1.13 Prospectus

According to ASIC Regulatory Guide 188 (Disclosure in Reconstructions), an invitation to shareholders to vote on Resolution 3 for the in specie distribution of the US Nickel shares constitutes an offer for securities under Chapter 6D of the Corporations Act and a prospectus is required unless an exemption applies.

As no exemption is currently available to the Company, a prospectus will be lodged with ASIC. The prospectus will be sent to Shareholders at the same time as this Notice of General Meeting is sent to Shareholders. The prospectus will also allow Shareholders to sell their US Nickel shares within the first 12 months of receiving them.

1.14 Tax implications for the Shareholders

(a) The following is a general summary of the potential tax consequences of the capital reduction by way of the in specie distribution of US Nickel shares to Shareholders. The comments only apply to Shareholders who are residents of Australia for tax purposes. Non resident Shareholders should obtain tax advice on the implications of the capital reduction to their Australian tax position and the tax rules in their country of residence. The comments also only apply to Shareholders who hold their Shares on capital account and for whom gains or losses are treated as capital gains or losses under Capital Gains Tax ("CGT") provisions of the income tax assessment legislation and not on revenue account (such as share traders).

(b) The summary of potential tax consequences is general in nature and Shareholders should obtain and rely on their own taxation advice in relation to the taxation consequences of the capital reduction in specie distribution in Resolution 3. Neither the Company nor any of its officers accept any responsibility or liability in respect of those consequences.

(c) Although Shareholders will not be assessable on the receipt of US Nickel shares, the reduction of capital will give rise to CGT Event G1. Shareholders will be required to reduce the CGT cost base of their Shares in the Company by the amount of the reduction in capital to be determined in proportion to their registered shareholding in the Company on the record date.

(d) If the amount of the reduction in capital is greater than the cost base of the Shares the excess will be a capital gain and the CGT cost base of Shares will be reduced to zero. The reduction in capital cannot give rise to a capital loss.

(e) The CGT cost base of shares in US Nickel received in the reduction of capital will be the amount by which the cost base of Shares is reduced.

(f) Shares in US Nickel will be taken to have been acquired, for the purposes of the CGT general 50% discount, at the time they are received.

1.15 Tax implications for the optionholders

The option exercise price reduction has no tax consequences for optionholders.

2. DIRECTORS INTERESTS, RECOMMENDATIONS AND VOTING INTENTIONS

2.1 Directors

The directors of the Company are Kerry McHugh, Marcus Michael, Douglas Daws and Steve Gemell.

2.2 Material personal interests

None of the directors has a material personal interest in the outcome of the Resolutions except as shareholders and optionholders in the Company in Resolutions 1,2,3 and 4. Kerry McHugh has a material personal interest in Resolution 5 and Marcus Michael has a material personal interest in Resolution 6. .

Marcus Michael has informed the Board that he has been informally asked by US Nickel whether he would be interested in joining the Board of US Nickel in the event that the BGP Agreement is completed and Resolution 3 is passed and implemented but that no terms have been discussed between the parties and Marcus is undecided about his interest at this time.

2.3 Shares and options in Company

The directors have a relevant interest in the following shares and options in the Company as at the date of the Notice of General Meeting.

Director	No. of shares	No. of options
Kerry McHugh	599,972	520,000
Marcus Michael	2,635,000	2,010,000
Douglas Daws	2,055,000	4,049,750
Stephen Gemell	50,000	NIL

2.4 Voting intentions

All directors have notified the Company that they intend to vote their Shares in favour of all Resolutions except where they are excluded from voting.

2.5 Board recommendations

The Board recommends that Shareholders vote in favour of Resolutions 1, 2 and 3 and approve the BGP Agreement and BB Agreement for the following reasons even though the PKF Report concludes that the agreements **are not fair but on balance reasonable** to non-associated Shareholders**:**

(a) The Board considers that the BGP Agreement and BB Agreement represent a good outcome for the Shareholders and is preferable to the US Nickel takeover bids and having US Nickel as a major shareholder which is interested only in acquiring or investing in the BGP;

(b) the Board and US Nickel at arm's length negotiated the BGP Agreement on the basis that the value of the US Nickel shares was 15 cents and that the value of the Company's Shares was 20 cents having regard to recent ASX trading. The PKF Report concludes that the ASX share price of US Nickel and of the Company is not an indicator of the fair value of their shares and that other valuation methods are more appropriate (see the PKF Report).It is noted that (i) as at 12 January 2011, the ASX prices of the Company and US Nickel were 19 cents and 15.5 cents respectively, (ii) in the 22 ASX trading days between the announcement of the BGP Agreement on 9 December 2010 and 12 January 2011, 1.5 million Shares and 3.1 million US Nickel shares were traded and (iii) in the preceding month, 3.8 million Shares and 3.1 million US Nickel shares were traded ;

(c) It is noted that on page 12 and in clause 1.5.2 of the PKF Report under the Shareholder individual circumstances heading, it is stated that some individual shareholders may place a different emphasis on various aspects of the proposed transaction from that adopted in the report and that accordingly individual shareholders may reach different conclusions as to whether or not the proposed transaction is fair and reasonable in their individual circumstances –the Board endorses these comments;

(d) it will enable the Company to focus on the NSW Assets and in particular the Kempfield silver project, now the subject of a definitive feasibility study;

(e) the Company will be relieved of the need to fund the development of the BGP;

(f) Shareholders will have the opportunity to continue to have exposure to the BGP through their ownership of US Nickel shares; and

(g) the advantages of the agreements as described in section 1.6 outweigh the disadvantages described in that section.

The Board recommends Resolution 4 to give the Board flexibility for capital raisings over the next 12 months.

The Board (with the interested directors not attending and voting) recommend Resolutions 5 and 6 because they are in the best interests of the Company and its Shareholders.

3. RESOLUTION 1 – APPROVAL OF SALE OF SHARES IN ARGENT (BULLANT) PTY LTD

Resolution 1 seeks the approval of Shareholders to the sale of the shares in Argent (Bullant) Pty Ltd to US Nickel.

ASX Listing Rule 10.1 provides that a company must ensure that it does not dispose of a substantial asset to a related party or a substantial holder with a relevant interest, in or who had a relevant interest at any time in the last 6 months in, at least 10% of the total votes attached to voting securities without the approval of holders of ordinary shares.

A substantial asset is defined as an asset with a value of at least 5% of the consolidated equity interest of the Company, as set out in the latest accounts of the Company. Argent (Bullant) Pty Ltd is the wholly owned subsidiary of the Company which owns the BGP. The shares in and loans to Argent (Bullant) Pty Ltd are a substantial asset of the Company representing well over 5% of the consolidated equity interests of the Company and US Nickel is a substantial holder with a relevant interest in well over 10% of the ordinary shares of the Company. Shareholder approval under Listing Rule 10.1 is therefore required for the sale of the shares in Argent (Bullant) Pty Ltd to US Nickel. A summary of the key sale terms of the BGP Agreement is set out in section 1.2 above.

The implications to the Company of the sale are described in section 1 above.

ASX Listing Rule 10.10 provides that the notice of meeting seeking shareholder approval under Listing Rule 10.1 must include a voting exclusion statement and a report on the transaction from an independent expert stating whether the transaction is fair and reasonable to holders of ordinary shares whose votes are not to be disregarded. Annexure 1 contains the PKF Report, the independent expert's report commissioned by the Board. It concludes that the sale terms **are not fair but on balance are reasonable** to non-associated shareholders.

4. RESOLUTION 2 – BUY-BACK OF SHARES HELD BY US NICKEL

The BGP Agreement includes the cancellation of the 19,500,000 Shares in the Company held by US Nickel. That cancellation will be effected through a selective buy-back of those Shares under the BB Agreement and requires shareholder approval.. Resolution 2 seeks that approval.

Article 2.4(a) of the Constitution provides that, subject to the Corporations Act and the ASX Listing Rules, the Company may buy-back Shares in itself on any terms and at any time.

Section 257A of the Corporations Act provides that a company may buy back its own shares if::

(a) the buy-back does not materially prejudice the company's ability to pay its creditors; and

(b) the company follows the procedures laid down in Division 2 of Part 2J.1 of the Corporations Act.

As to (a), the Board is of the view that the buy-back does not materially prejudice the Company's ability to pay its creditors. The sale of Argent (Bullant) Pty Ltd will result in the BGP and related liabilities being effectively transferred to, and assumed by, US Nickel. Argent (Bullant) Pty Ltd (as a wholly owned subsidiary of US Nickel) will remain responsible for the liabilities of the BGP and it will be the responsibility of US Nickel to provide the required funding for the BGP. The Company will be relieved of this liability. On the other hand, the Company will not receive any future dividends from Argent (Bullant) Pty Ltd. The Company has recently raised through a share placement $2.12 million which is available to pay creditors. Based on these factors, the Board considers that the Company's ability to pay its creditors is not materially prejudiced by the buy-back.

As to (b), the procedures include the requirement in section 257D(1) that the terms of the buy-back agreement ie the BB Agreement, be approved by a special resolution passed at a general meeting of the Company with no votes cast in favour of the resolution by US Nickel or its associates. Resolution 2 seeks this approval.

Section 257H of the Corporations Act provides that once a company enters into an agreement to buy back shares, all rights attaching to the shares are suspended. The 19.5 million shares held by US Nickel therefore ceased to have any voting rights after (17) January 2011.

The 19.5 million shares will be cancelled automatically by operation of section 257H(3) of the Corporations Act immediately after registration of the transfer of the 19.5 million shares from US Nickel to the Company. The transfer of those shares will be delivered to the Company at completion of the sale of the shares in Argent (Bullant) Pty Ltd assuming Resolutions 1 and 2 are passed and the conditions in those Resolutions are satisfied. The Company will arrange for registration of that transfer at that time.

All information known to the Company that is material to the decision on how to vote on Resolution 2 have been included or referred to in this Explanatory Statement other than information which has been previously disclosed to shareholders and it would be unreasonable to require the Company to disclose that information again.

5. RESOLUTION 3 – IN SPECIE DISTRIBUTION OF US NICKEL SHARES

The BGP Agreement provides for the issue of 44 million US Nickel shares to the Company. The Board considers that it is appropriate for the US Nickel shares to be distributed to the Company' shareholders and this is included in the sale terms in the BGP Agreement. This distribution requires shareholder approval and Resolution 3 seeks that approval.

The in specie distribution of the US Nickel shares is a capital reduction. Section 256B (1) of the Corporations Act applies to this distribution. The three requirements in that section are that the reduction:

(a) is fair and reasonable to the Company's shareholders as a whole;

(b) does not materially prejudice the Company's ability to pay its creditors; and

(c) is approved by shareholders under section 256C.

As to (a), as all shareholders (other than US Nickel, whose shares are to be cancelled) are being treated equally, the reduction is fair and reasonable.

As to (b), the capital reduction results in an asset of the Company, the US Nickel shares, being transferred to the Shareholders without the Company receiving any consideration for those shares and results in the value of the assets of the Company being reduced by the fair value of the US Nickel shares. The Company has raised additional capital of $2.12 million since the BGP Agreement was announced to enable it to develop the NSW Assets. The Board is confident that further capital raisings can be achieved as required. Having regard to these factors, the Board is of the view that the capital reduction does not materially prejudice the Company's ability to pay its creditors.

As to (c), the reduction is an equal reduction because in terms of section 256B(2):

(i) it relates only to ordinary shares;

(ii) it applies to each holder of ordinary shares in proportion to the number of ordinary shares they hold; and

(iii) the terms of the reduction are the same for each holder of ordinary shares.

The conditions in the resolution include the cancellation of the 19.5 million shares in the Company held by US Nickel and the issue of the 44 million shares in US Nickel to the Company. The capital reduction can not be made by the Company until US Nickel ceases to be an ordinary shareholder. Consequently, the capital reduction when made by the Board will apply to all the holders of ordinary shares at that time. In these circumstances, Resolution 3 is an equal reduction. As a result Resolution 3 in the Notice of General Meeting is included as an ordinary resolution.

It is also noted that Article 2.4 of the Constitution provides for the method of distribution of a capital reduction to include a transfer of assets and that where there is a transfer of shares in another company, each shareholder agrees to become a member of that other company and appoints the Company and each director as its agent to execute an instrument of transfer or other document required to transfer those shares to that shareholder. The Company will be utilising this provision to sign transfers of the US Nickel shares to Shareholders registered as at the record date.

All information known to the Company that is material to the decision on how to vote on Resolution 3 have been included or referred to in this Explanatory Statement other than information which has been previously disclosed to shareholders and it would be unreasonable to require the Company to disclose that information again.

6. RESOLUTION 4 – APPROVAL OF SHARE PLACEMENT

ASX Listing Rule 7.1 allows the Company to issue new securities up to 15% of the existing issued capital of the Company without prior approval of Shareholders in any 12 month period, subject to certain adjustments and permitted exceptions. As announced to ASX on 17 December 2010, the Company issued 13,290,000 Shares to sophisticated investors.

Under ASX Listing Rule 7.4, Shareholders may subsequently approve the issue of securities made within the limitation of ASX Listing Rule 7.1. The Company is seeking this approval in Resolution 4.

Following this approval, the Company will again be able to issue new securities in such number up to 15% of the existing issued capital without the prior approval of Shareholders. The Board believes that providing this flexibility is a prudent decision to make and is in the best interests of Shareholders and the Company as a whole. For the purpose of ASX Listing Rule 7.5, the following information is provided:

(a) the number of Shares issued under the placement was 13,290,000;

(b) the issue price of Shares issued was $0.16;

(c) the terms of the Shares issued are fully paid ordinary shares ranking equally with all other Shares on issue from the date of issue of the Shares;

(d) the allottees of the Shares are sophisticated investors;

(e) the intended use of the funds raised will be to progress the Kempfield definitive feasibility study and for working capital;

(f) a voting exclusion statement applies to this Resolution.

7. RESOLUTION 5 – APPROVAL OF OPTIONS TO KERRY MCHUGH

Article 6.5 of the Company's constitution authorises the Board to provide additional remuneration benefits to directors for extra or special services including for a director being on a committee or being chairman.

The Board considers that Kerry McHugh as executive chairman has provided extra services to the Company over and beyond the services contemplated by his employment contract and that it is appropriate and in the best interests of the Company and its shareholders that he be paid for those extra services by being issued 1 million options with an option entitling him to subscribe for one fully paid ordinary share in the Company at an exercise price of 20 cents per share at any time within 2 years after the issue of the options. The options will not be quoted on ASX. The other terms of the options will be the same as the terms of the listed options (ASX code ARDO).

ASX Listing Rule 10.11 provides that the Company must not issue any equity securities (including options) to any related party (which includes a director) without the approval of holders of ordinary securities, subject to certain permitted exceptions. None of the exceptions apply in this instance. Resolution 5 has been included for this purpose.

For the purpose of ASX Listing Rule 10.13, the following information is provided:

(a) the person receiving the options is Kerry McHugh, Executive Chairman and Director of the Company;

(b) the maximum number of options over fully paid shares to be issued is 1,000,000;

(c) the options will be granted within 1 month after the meeting if Resolution 5 is passed;

(d) there is no cash issue price of the options – the options are to be issued for extra services provided. The exercise price of the options is 20 cents per share;

(e) the terms of the options are that an option entitles the holder to subscribe for one fully paid ordinary share in the Company at an exercise price of 20 cents per share at any time within 2 years after the issue of the options. The options will not be quoted on ASX. The other terms of the options will be the same as the terms of the listed options (ASX code ARDO);

(f) No funds will be raised by the issue of the options. If the options are exercised, the intended use of the funds raised on exercise of the options will be for working capital;

(g) a voting exclusion statement applies to this Resolution.

It is noted that Chapter 2E of the Corporations Act provides that a public company may only give a financial benefit to a related party with shareholder approval or if a permitted exception applies. The giving of options to a director falls within this provision. One exception is where the benefit is remuneration to an officer or employee and giving the remuneration is reasonable given the circumstances of the Company and the circumstances of the related party. The Board considers that the 1 million options to Kerry McHugh is reasonable remuneration in the circumstances and as a result shareholder approval is not required under Chapter 2E.

8. RESOLUTION 6 – APPROVAL OF OPTIONS TO MARCUS MICHAEL

Article 6.5 of the Company's constitution authorises the Board to provide additional remuneration benefits to directors for extra or special services.

The Board considers that Marcus Michael as executive director has provided extra services to the Company over and beyond the services contemplated by his employment contract and that it is appropriate and in the best interests of the Company and its shareholders that he be paid for those extra services by being issued 1 million options with an option entitling him to subscribe for one fully paid ordinary share in the Company at an exercise price of 20 cents per share at any time within 2 years after the issue of the options. The options will not be quoted on ASX. The other terms of the options will be the same as the terms of the listed options (ASX code ARDO).

ASX Listing Rule 10.11 provides that the Company must not issue any equity securities (including options) to any related party (which includes a director) without the approval of holders of ordinary securities, subject to certain permitted exceptions. None of the exceptions apply in this instance. Resolution 6 has been included for this purpose.

For the purpose of ASX Listing Rule 10.13, the following information is provided:

(a) the person receiving the options is Marcus Michael, Executive Director of the Company

(b) the maximum number of options over fully paid shares to be issued is 1,000,000;

(c) the options will be granted within 1 month after the meeting if Resolution 6 is passed;

(d) there is no cash issue price of the options – the options are to be issued for extra services provided. The exercise price of the options is 20 cents per share;

(e) the terms of the options are that an option entitles the holder to subscribe for one fully paid ordinary share in the Company at an exercise price of 20 cents per share at any time within 2 years after the issue of the options. The options will not be quoted on ASX. The other terms of the options will be the same as the terms of the listed options (ASX code ARDO);

(f) No funds will be raised by the issue of the options. If the options are exercised, the intended use of the funds raised on exercise of the options will be for working capital;

(g) a voting exclusion statement applies to this Resolution.

It is noted that Chapter 2E of the Corporations Act provides that a public company may only give a financial benefit to a related party with shareholder approval or if a permitted exception applies. The giving of options to a director falls within this provision. One exception is where the benefit is remuneration to an officer or employee and giving the remuneration is reasonable given the circumstances of the Company and the circumstances of the related party. The Board considers that the 1 million options to Marcus Michael is reasonable remuneration in the circumstances and as a result shareholder approval is not required under Chapter 2E.

9. ENQUIRIES

Shareholders are requested to contact Mr Marcus Michael on (+ 61 8) 9322 6600 if they have any queries in respect of the matters set out in this document.

GLOSSARY

$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

BGP means the Bullant Gold Project owned by Argent (Bullant) Pty Ltd, a wholly owned subsidiary of the Company.

Board means the board of directors of the Company.

Company means Argent Minerals Limited (ACN 124 780 276).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of General Meeting.

General Meeting or **Meeting** means the meeting convened by the Notice.

Notice of General Meeting means this notice of general meeting including the Explanatory Statement and the Proxy Form.

NSW Assets means the New South Wales assets of the Company comprising interests and rights in the Kempfield, West Wyalong and Sunny Corner Projects as described in the Company's 2010 annual report, and late ASX announcements.

PKF Report means the independent's expert report of PKF Corporate Advisory (East Coast) Pty Limited contained in Annexure 1 to this Explanatory Statement

Proxy Form means the proxy form accompanying the Notice of General Meeting.

Resolutions means the resolutions set out in the Notice of General Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

US Nickel means US Nickel Limited (ACN 091 009 559), a company listed on the ASX.

US Nickel shares means fully paid ordinary shares in the capital of US Nickel.

WST means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE 1

Independent Expert's Report

Argent Minerals Limited

Independent Expert Report in relation to the Sale of the Bullant Gold Project by Argent Minerals Limited

17 January 2011

right size. right people. right answers.®

Financial Services Guide

This Financial Services Guide is issued in relation to an independent expert report ("**Report**") prepared by PKF Corporate Advisory (East Coast) Pty Limited (ABN 70 050 038 170) ("**PKFCA**") at the request of the directors ("**Directors**") of Argent Minerals Limited ("**Argent**") in relation to the sale of all the shares in Argent (Bullant) Pty Ltd ("**Argent (Bullant)**") which owns the Bullant tenement package, including the Bullant underground gold mine ("**Bullant Gold Project**") to US Nickel Limited ("**US Nickel**") ("**Proposed Transaction**"). The Report is intended to accompany the notice of meeting and accompanying explanatory memorandum that are to be provided by the Directors in relation to the Proposed Transaction ("**Documents**").

Engagement

PKFCA has been engaged by the Directors to prepare the Report expressing our opinion as to whether the Proposed Transaction is fair and reasonable to Argent shareholders ("**Shareholders**") other than those directly involved in the Proposed Transaction or associated with such persons ("**Non-associated Shareholders**") under the Australian Securities Exchange ("**ASX**") Listing Rules and the Corporations Act 2001 (Cth) ("**Corporations Act**").

Financial Services Guide

PKFCA holds an Australian Financial Services Licence (License No: 247420) ("**Licence**"). As a result of our Report being provided to you, PKFCA is required to issue to you, as a retail client, a Financial Services Guide ("**FSG**"). The FSG includes information on the use of general financial product advice and is issued so as to comply with our obligations as holder of an Australian Financial Services Licence.

Financial services PKFCA is licensed to provide

The Licence authorises PKFCA to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues, to carry on a financial services business to provide general financial product advice for securities and certain derivatives (limited to old law securities, options contracts and warrants) to retail and wholesale clients.

PKFCA provides financial product advice by virtue of an engagement to issue the Report in connection with the issue of securities of another person.

Our Report includes a description of the circumstances of our engagement and identifies the party who has engaged us. You have not engaged us directly but will be provided with a copy of our Report (as a retail client) because of your connection with the matters on which our Report has been issued.

Our Report is provided on our own behalf as an Australian Financial Services Licensee authorised to provide the financial product advice contained in the Report.

General financial product advice

Our Report provides general financial product advice only, and does not provide personal financial product advice, because it has been prepared without taking into account your particular personal circumstances or objectives (either financial or otherwise), your financial position or your needs.

Some individuals may place a different emphasis on various aspects of potential investments.

An individual's decision in relation to the Proposed Transaction described in the Documents may be influenced by their particular circumstances and, therefore, individuals should seek independent advice.

Benefits that PKFCA may receive

PKFCA has charged fees for providing our Report. The basis on which our fees will be determined has been agreed with, and our fees will be paid by, the person who engaged us to provide the Report. Our fees have been agreed on either a fixed fee or time cost basis. PKFCA will receive a fee based on the time spent in the preparation of this Report in the amount of approximately $40,000, (plus GST and disbursements). PKFCA will not receive any fee contingent upon the outcome of the Proposed Transaction, and accordingly, does not have any pecuniary or other interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased opinion in relation to the Proposed Transaction. In addition, fees of the independent mining valuation specialists for their reports have been paid by Argent and such fees are also on the basis as that rendered by PKFCA.

Remuneration or other benefits received by our employees

All our employees receive a salary. Employees may be eligible for bonuses based on overall productivity and contribution to the operation of PKFCA or related entities but any bonuses are not directly connected with any assignment and in particular are not directly related to the engagement for which our Report was provided.

Referrals

PKFCA does not pay commissions or provide any other benefits to any parties or person for referring customers to us in connection with the reports that PKFCA is licensed to provide.

Associations and relationships

PKFCA is the licensed corporate advisory arm of PKF (East Coast Practice), Chartered Accountants and Business Advisers. The directors of PKFCA may also be partners in PKF New South Wales, Chartered Accountants and Business Advisers.

PKF (East Coast Practice), Chartered Accountants and Business Advisers is comprised of a number of related entities that provide audit, accounting, tax and financial advisory services to a wide range of clients.

PKFCA's contact details are as set out on our letterhead.

Complaints resolution

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, PKF Corporate Advisory (East Coast) Pty Limited, Level 10, 1 Margaret Street, Sydney NSW 2000.

On receipt of a written complaint we will record the complaint, acknowledge receipt of the complaint and seek to resolve the complaint as soon as practical. If we cannot reach a satisfactory resolution, you can raise your concerns with the Financial Ombudsman Service Limited ("**FOS**"). FOS is an independent body established to provide advice and assistance in helping resolve complaints relating to the financial services industry. PKFCA is a member of FOS. FOS may be contacted directly via the details set out below.

Financial Ombudsman Service Limited
GPO Box 3
Melbourne VIC 3001

Toll free: 1300 78 08 08
Email: info@fos.org.au

17 January 2011

The Directors
Argent Minerals Limited
Level 1, 115 Cambridge Street
WEST LEEDERVILLE WA 6901

Attention: Mr K. McHugh (Executive Chairman)

Dear Sirs

INDEPENDENT EXPERT REPORT IN RELATION TO THE SALE OF THE BULLANT GOLD PROJECT BY ARGENT MINERALS LIMITED

Introduction

The independent directors ("**Directors**") of Argent Minerals Limited ("**Argent**") have requested PKF Corporate Advisory (East Coast) Pty Limited ("**PKFCA**") to prepare an independent expert report ("**Report**"), setting out its opinion as to whether the sale of all the shares in Argent (Bullant) Pty Ltd ("**Argent (Bullant)**") which owns the Bullant tenement package, including the Bullant underground gold mine ("**Bullant Gold Project**") to US Nickel Limited ("**US Nickel**") ("**Proposed Transaction**") is fair and reasonable to Argent shareholders ("**Shareholders**") other than those directly involved in the Proposed Transaction or associated with such persons ("**Non-associated Shareholders**"). The Report is intended to accompany the notice of meeting and accompanying explanatory memorandum that are to be provided to Shareholders by the Directors in relation to the Proposed Transaction ("**Documents**").

Background

Argent, formerly known as Kempfield Silver Pty Ltd, was incorporated in 2007 and is based in West Leederville, Western Australia ("**WA**"). It is listed on the Australian Securities Exchange ("**ASX**").

Argent engages in the exploration of minerals, primarily gold, silver, copper, zinc, lead, and barite minerals in New South Wales ("**NSW**"), Australia (the Kempfield tenements, Sunny Corner tenements and West Wyalong tenements, collectively known as the "**Argent Minerals Properties**"). Under agreements with Golden Cross Operations Pty Ltd ("**Golden Cross Operations**"), a subsidiary of the ASX listed Golden Cross Resources Limited and Argent's joint venture partner ("**Agreements**"), Argent may earn a 70% interest in each of these tenements. Argent also recently purchased the Bullant Gold Project, which is located approximately 65 kilometres ("**km**") north-west of Kalgoorlie, WA.

US Nickel currently owns a relevant interest of approximately 19.1% in the issued fully paid ordinary shares of Argent ("**Shares**"). It owns none of the issued options over Shares in Argent. On 23 November 2010, Argent announced that it had received an off-market takeover offer from US Nickel for all the Shares in Argent that it did not already own. However, Argent and US Nickel have agreed that pursuing an off-market takeover offer would not be beneficial to either party and US Nickel has agreed to not pursue the takeover offer and the parties have agreed to enter into the Proposed Transaction.

Tel: 61 2 9251 4100 | Fax: 61 2 9240 9821 | www.pkf.com.au
PKF Corporate Advisory (East Coast) Pty Limited | Australian Financial Services Licence 247420 | ABN 70 050 038 170
Level 10, 1 Margaret Street | Sydney | New South Wales 2000 | Australia
DX 10173 | Sydney Stock Exchange | New South Wales

The PKF East Coast Practice is a member of the PKF International Limited network of legally independent member firms. The PKF East Coast Practice is also a member of the PKF Australia Limited national network of legally independent firms each trading as PKF. PKF East Coast Practice has offices in NSW, Victoria and Brisbane. PKF East Coast Practice does not accept responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Proposed Transaction

Argent intends to sell its interests in the Bullant Gold Project to US Nickel. The proposed consideration payable by US Nickel for the Bullant Gold Project ("**Consideration**") is as follows:

- the issue to Argent of 44 million US Nickel Shares, on which Argent and US Nickel Directors have placed a value of 15 cents. Argent proposes to distribute these US Nickel Shares in specie to the Argent Shareholders; and
- cancellation of 19.5 million Argent Shares held by US Nickel through a proposed selective buy-back ("**Proposed Buy-Back and Cancellation**").

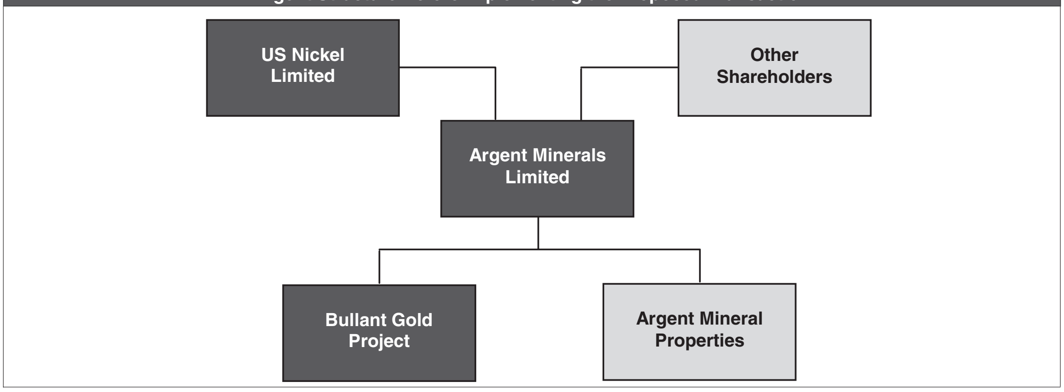
Impact of the Proposed Transaction on Argent

Before Implementing the Proposed Transaction

Illustrated below is the structure of Argent before implementing the Proposed Transaction:

Figure 1

Argent Structure Before Implementing the Proposed Transaction



Source: Argent management

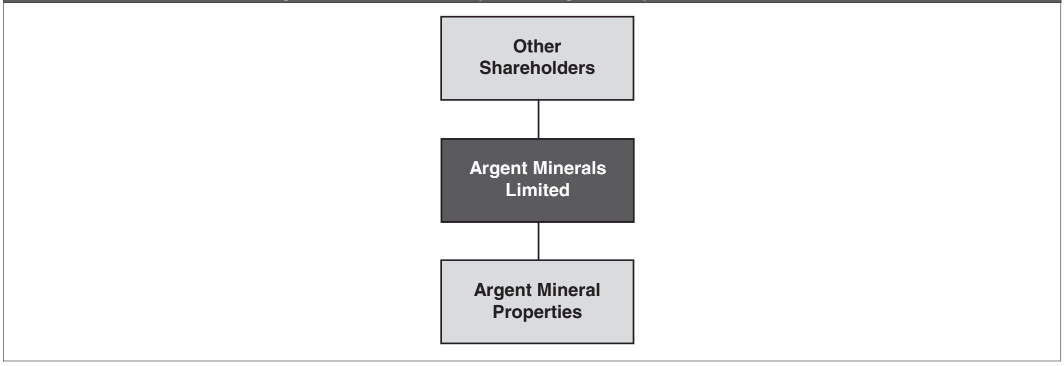
Legend: Blue denotes entities affected by the Proposed Transaction and grey denotes entities that are not directly affected by the Proposed Transaction.

After Implementing the Proposed Transaction

Illustrated below is the proposed corporate structure after implementing the Proposed Transaction:

Figure 2

Argent Structure After Implementing the Proposed Transaction



Source: Argent management

Legend: Blue denotes entities affected by the Proposed Transaction and grey denotes entities that are not directly affected by the Proposed Transaction.

Regulatory Requirements

*Australian Securities Exchange ("**ASX**") Listing Rules*

The Proposed Transaction requires the approval of the Non-associated Shareholders under ASX Listing Rule 10.1. The Documents to approve the Proposed Transaction must be accompanied by a report from an independent expert stating whether the Proposed Transaction is “fair and reasonable” to the Non-associated Shareholders.

Section 257A of the Corporations Act

The Proposed Transaction requires the approval of Non-associated Shareholders under Section 257A of the Corporations Act 2001 (Cth) (“**Corporations Act**”). While there is no mandatory requirement for an independent expert report to be prepared in relation to a buy back the directors of Argent seek an independent expert opinion to ensure that shareholders are provided with an analysis of the Proposed Buy-Back and Cancellation by an independent party with an objective and disinterested view. Further, Section 257A of the Corporations Act states that a company may buy back its own shares if the buy-back does not materially prejudice the company's ability to pay its creditors. It is common market practice, for an expert to provide an opinion as to whether a transaction of the type proposed is likely to materially prejudice a company’s creditors.

PKFCA role

PKFCA has been engaged to prepare a Report setting out our opinion as to whether:

- the Proposed Transaction is fair and reasonable to Non-associated Shareholders under ASX Listing Rule 10.1; and
- the Proposed Transaction is likely to materially prejudice a company’s creditors under Section 257A of the Corporations Act.

The Proposed Transaction has been judged in terms of its overall effect. It is not meaningful to separately assess the individual elements of the Proposed Transaction.

PKFCA Conclusions

ASX Listing Rules

In our opinion, for the purposes of ASX Listing Rule 10.1, the Proposed Transaction**:**

- is **not "fair" to the Non-associated Shareholders**; however,
- is, **on balance, "reasonable" to the Non-associated Shareholders**.

Section 257A of the Corporations Act

In our opinion, for the purposes of Section 257A of the Corporations Act, the Proposed Transaction is **"not likely to materially prejudice creditors**".

Whether The Proposed Transaction is "Fair"

Basis of assessment

In our opinion, the assessment of the fairness aspect should compare what Argent Shareholders have now with what they will have if the Proposed Transaction proceeds.

What Argent shareholders have now

In our opinion, what Argent shareholders have now is that collectively, the Argent Shareholders have control of Argent as Argent stands before the Proposed Transaction. Accordingly, the value of their Argent Shares should be assessed on a controlling interest basis, as Argent stands before the Proposed Transaction (including the Bullant Gold Project and including the Argent Shares currently held by US Nickel) and the Argent Mineral Properties).

What Argent Shareholders will have if the Proposed Transaction proceeds

Collectively, the remaining Argent Shareholders (i.e. after the buy-back and cancellation of the Argent Shares currently held by US Nickel) will have:

- control of Argent as Argent stands after the Proposed Transaction. Consequently, the value of their Argent Shares should be assessed on a controlling interest basis of Argent as Argent stands after the Proposed Transaction (excluding the Bullant Gold Project and after the buy-back and cancellation of the Argent Shares currently held by US Nickel); plus
- a minority interest in US Nickel Shares after the Proposed Transaction. In our opinion, the value of the interest in US Nickel Shares that will be held by Argent Shareholders should be assessed on a minority interest basis of US Nickel as US Nickel stands after the Proposed Transaction (including the Bullant Gold Project and after issue of the additional 44 million US Nickel Shares as part of the Proposed Transaction).

The summary of our fairness assessment is set out below:

Table 1: Fairness Assessment

$	Ref.	Low	High	Preferred
What Argent Shareholders have now				
Value of Argent before the Proposed Transaction				
Value per Argent Share (controlling interest basis)				
Without Options		0.155	0.185	0.170
Assuming Options Exercised		0.162	0.182	0.172
What Argent Shareholders will have if the Proposed Transaction proceeds				
Value of Argent after the Proposed Transaction				
Value per Argent Share (controlling interest basis)				
Without Options		0.097	0.115	0.105
Assuming Options Exercised		0.127	0.137	0.132
Value of 0.53 US Nickel Share per Argent Share (minority interest basis)		0.021	0.026	0.024
Total Value per Argent Share after the Proposed Transaction				
Without Options		0.118	0.141	0.129
Assuming Options Exercised		0.148	0.163	0.155
Difference: benefit / (detriment)				
Without Options		(0.04)	(0.04)	(0.04)
Assuming Options Exercised		(0.01)	(0.02)	(0.02)

Source: PKFCA analysis

The assessed value of the Argent Shares currently held by the Argent Shareholders is higher than the assessed value of the Argent Shares and US Nickel Shares that will be held by the Argent Shareholders following the Proposed Transaction. Accordingly, in our opinion, the Proposed Transaction is considered to be not "fair" to the Non-associated Shareholders.

In forming our opinion, we have had regard to a premium for control in relation to the valuation of Argent Shares and a minority interest value of the US Nickel Shares that will be held by the Argent Shareholders following the Proposed Transaction.

Whether The Proposed Transaction is Reasonable

For the purposes of Australian Securities and Investments Commission ("**ASIC**") Regulatory Guide 111 *Content of expert reports* ("**RG111**"), a proposal is considered to be "reasonable", if it is "fair". However, if it is not "fair", it may be considered to be "reasonable" if there are sufficient reasons to otherwise accept the proposal.

In our opinion, the Proposed Transaction will be reasonable to the Non-associated Shareholders, if the assessed advantages of approving the Proposed Transaction outweigh the assessed disadvantages to the Non-associated Shareholders.

We have set out below various factors that we believe Non-associated Shareholders should consider when deciding whether or not to accept the Proposed Transaction.

Set out below is a summary of our assessment of the various factors.

Advantages of the Proposed Transaction

Approving the Proposed Transaction has the following advantages:

Potential improved shareholder value through a focussed business

Following the Proposed Transaction, Argent will become a 'pure silver play' business and the board of directors will be able to focus exclusively on developing the NSW assets, especially the Kempfield silver project which is currently the subject of a Definitive Feasibility Study ("**DFS**"). The remaining Argent shareholders will also have an increased exposure to silver prices which have increased significantly in recent years. The sale of the Bullant Gold Project will enable the Directors to focus on developing the Kempfield, Sunny Corner and West Wyalong tenements and potentially also to look at investing in other projects.

Relief from funding obligation

The Bullant Gold Project will require substantial funds to be invested before it becomes a producing gold mine and Argent will be relieved of this funding obligation should the Proposed Transaction proceed. This will able Argent to focus its funding resources on developing the Kempfield, Sunny Corner and West Wyalong tenements and potentially also to look at investing in other projects.

Withdrawal of takeover bids

The takeover bids for Argent's shares and options will be withdrawn and the Directors will not be required to prepare a target's statement or deal with other issues associated with a takeover process. As a result, the Director's will not be distracted from the ongoing development of Argent's business.

Receipt of shares in US Nickel

Following the Proposed Transaction, Argent Shareholders will retain an interest in US Nickel while at the same time, retaining their shares in Argent. They are able to do as they please with their shares in US Nickel i.e. they can retain them with the associated risks or sell them for cash on the ASX at a time suitable to them.

Diversification of share portfolio

Following the Proposed Transaction, Argent shareholders will have shares in US Nickel while retaining their shares in Argent. This will result in a diversification of shareholders' portfolios of holdings and therefore reduce the risk associated with just holding Argent shares.

Potential improvement in the value of US Nickel shares

Following the Proposed Transaction, Argent Shareholders may be able to benefit from future upside (if any) in US Nickel's listed share price, as a result of the diversification in asset class and geography.

Retain an indirect interest in the Bullant Gold Project

The Proposed Transaction provides Argent Shareholders with the opportunity to retain an indirect interest in the Bullant Gold Project through their US Nickel shares. This will enable Argent to benefit from any future increase in gold prices and from any future increases in Bullant resources/reserves.

Proposed Buy-Back and Cancellation of US Nickel owned Argent Shares

Through the buy-back and cancellation of 19.5 million Argent Shares held by US Nickel, existing Non-associated Shareholders will collectively have a greater ownership interest in Argent. In addition, none of the remaining Argent Shareholders will hold a significant influence in Argent and its operations.

Improved shareholder value through a focussed business

The divestment of the Bullant Gold Project will enable Argent to focus on and execute development plans across its entire remaining mineral and exploration assets portfolio. This may have a positive impact on Argent's future share price and assist future fund raising activities to fund development and exploration projects.

Potential to enhance liquidity of Argent shares

Historically, trading in Argent shares has been relatively illiquid as illustrated below in **Section 3.6**. The liquidity of Argent shares may improve due to restored market confidence in the performance of the company as a more focussed business, as it is simpler for the market to understand and also to assess its value as it progresses the Kempfield DFS and moves toward a decision to mine.

Potential for reduced overheads

Following the Proposed Transaction, the remaining business will be smaller in size with reduced complexity. There may be opportunities for management and reporting cost savings such as audit fees.

Disadvantages of the Proposed Transaction

Approving the Proposed Transaction has the following disadvantages:

Decrease in net tangible assets

Following the Proposed Transaction, as a result of the sale of the Bullant Gold Project, Argent will have fewer net tangible assets ("**NTA**") and NTA per Argent Share, as set out below:

Table 2: Implications for NTA following the Proposed Transaction

($000s)	Current NTA			NTA Following Proposed Transaction		
	Low	High	Preferred	Low	High	Preferred
Fair market value of the Bullant Gold Project	7,800	9,400	8,600	0	0	0
Fair market value of the Argent Minerals Properties	5,500	7,000	6,200	5,500	7,000	6,200
Other net tangible assets	2,481	2,481	2,481	2,481	2,481	2,481
Total Net Tangible Assets	**15,781**	**18,881**	**17,281**	**7,981**	**9,481**	**8,681**
Argent Shares (number)	101,891,251	101,891,251	101,891,251	82,391,251	82,391,251	82,391,251
NTA per Argent Share ($)	**0.155**	**0.185**	**0.170**	**0.097**	**0.115**	**0.105**
Fair market value of 0.53 US Nickel Share per Argent Share (minority interest basis)	-	-	-	0.021	0.026	0.024
Total	**0.155**	**0.185**	**0.170**	**0.118**	**0.141**	**0.129**

Source: PKFCA analysis
Note 1: Based on assuming Options will not be exercised
Note 2: Refer **Appendix 6** for Argent Pro forma Balance Sheet after the Proposed Transaction
Note 3: Refer **Table 33** for an assessment of the Argent net assets after eliminating the Bullant Gold Project before Proposed Transaction

Argent Shareholders will also have received 0.53 US Nickel Share for each Argent Share, with an assessed fair market value of between $0.021 and $0.026 (minority interest basis) for each Argent Share, leading to a total NTA of between $0.118 and $0.141 per each Argent Share after the Proposed Transaction, as compared with between $0.155 and $0.185 per each Argent Share before the Proposed Transaction.

We note that if the one month average share trading price of US Nickel shares (of 14.7 cents) for the month to 9 January 2011 is adopted instead of our assessed fair market value, a total NTA of between $0.168 and $0.202 per each Argent Share after the Proposed Transaction, is calculated, as compared with between $0.155 and $0.185 per each Argent Share before the Proposed Transaction.

Potential decrease in value of Argent Shares

As set out in the above point, NTA and NTA per Argent Share will decrease as a result of the Proposed Transaction. Consequently, is it likely that the value of the Argent Share price will also decrease. We would expect the likely share market trading value of minority parcels of Argent Shares to be at a discount to the NTA per Argent Share after the Proposed Transaction.

Foregone opportunity to continue to benefit directly from Bullant Gold Project

Argent will not be able to benefit directly from any revenue or value generated by the Bullant Gold Project. However, Argent Shareholders who retain their US Nickel Shares will be able to benefit from any revenue or value generated from the Bullant Gold Project, albeit to a lesser degree (as minority shareholders in US Nickel) than if Argent retained the Bullant Gold Project.

Potential increase in illiquidity of Argent Shares

Historically, trading in Argent shares has been relatively illiquid as illustrated below in **Section 3.6**. The loss of control in the Bullant Gold Project, Argent's only near-term revenue producing asset, may adversely affect the attractiveness and therefore, the value and liquidity of Argent Shares.

Loss of ability to achieve a takeover premium

The approval of the Proposed Transaction will result in US Nickel withdrawing from the Argent share register and as a result, this removes the potential for achieving a premium for control for all assets via a takeover of Argent by US Nickel.

Lack of Diversification

Argent's portfolio of assets is currently reasonably diversified. To a certain extent, this protects Argent's financial performance against any adverse movements in particular mineral and base metal prices. Implementing the Proposed Transaction will reduce this diversification.

Increased exposure to foreign currency fluctuations

Argent shareholders will have greater exposure to foreign currency risk following the Proposed Transaction as a result of their holding of US Nickel Shares. US Nickel holds mineral and exploration assets in both Canada and the US. This increase in exposure to foreign currency fluctuations may be offset if Argent Shareholders decide to sell the US Nickel Shares that they receive.

Conclusion

Based on the above, we conclude that the Proposed Transaction is not "fair" but is, on balance, "reasonable" to the Non-associated Shareholders.

Other matters

Taxation Liability

If the Proposed Transaction proceeds, on the basis of taxation advice provided by Argent's taxation advisers to us, Argent will not incur a taxation liability in relation to any capital gains upon the sale of the Bullant Gold Project.

Option Exercise Price Reduction

There are 48,210,751 listed options on issue which entitle a holder to subscribe for one Argent Share at an exercise price of 20 cents each up until 30 June 2011 ("**Options**").

The Options terms provide that in the event of any reorganisation (including consolidation, subdivision, reduction or cancellation) of the issued capital of Argent on or prior to the expiry date, the rights of Option holders will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.

The applicable ASX Listing Rule is Listing Rule 7.22.3. It provides that on a return of capital, the number of options must remain the same, and the exercise price of each option must be reduced by the same amount as the amount returned to each ordinary security.

In the current circumstances, we are advised by Argent's legal advisers that:

- the buy-back and cancellation of the Argent Shares held by US Nickel will not trigger the requirements of the ASX Listing Rules to adjust the exercise price of the Options; and
- the distribution in specie of the 44 million US Nickel Shares to Argent Shareholders will trigger the requirements of the ASX Listing Rules to adjust the exercise price of the Options.

In this instance, the amount returned to Argent Shareholders under the distribution in specie of the 44 million US Nickel Shares to Argent Shareholders is the fair value per Argent Share of the US Nickel Shares distributed to the Argent Shareholders.

After the cancellation of the Argent Shares held by US Nickel and assuming no exercise of any Options, there will be 82,891,251 Argent Shares remaining. On this basis, the US Nickel shares will be distributed in the ratio of on the basis of 0.53 US Nickel Share for every one Argent Share held. The amount returned is the fair value of the 0.53 US Nickel Share distributed for every one Argent Share held. The exercise price of the Options will be reduced by that value. This amount will be determined by the Directors.

As a result, Optionholders, including Argent Shareholders, will be able to exercise their Options at a lower exercise price. This will be an advantage for Argent Shareholders that hold Options, but may be a disadvantage for Argent Shareholders that do not hold Options.

Shareholders' individual circumstances

Our analysis has been undertaken, and our conclusions are expressed, at an aggregate level. Accordingly, PKFCA has not considered the effect of the Proposed Transaction on the particular circumstances of individual Shareholders. Some individual Shareholders may place a different emphasis on various aspects of the Proposed Transaction from that adopted in this Report. Accordingly, individual Shareholders may reach different conclusions as to whether or not the Proposed Transaction is fair and reasonable in their individual circumstances. As the decision of an individual Shareholder in relation to the Proposed Transaction may be influenced by their particular circumstances (including their taxation position), Shareholders are advised to seek their own independent advice.

Fair market value

For the purposes of our opinion, the term "fair market value" is defined as the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious purchaser, and a knowledgeable, willing, but not anxious vendor, acting at arm's length.

Special value

We have not considered special value in forming our opinion. Special value is the amount that a potential acquirer may be prepared to pay for a business in excess of the fair market value. This premium represents the value to the particular potential acquirer of potential economies of scale, reduction in competition, other synergies and cost savings arising from the acquisition under consideration not available to likely purchasers generally. Special value is not normally considered in the assessment of fair market value as it relates to the individual circumstances of special purchasers.

Current Market Conditions

Our opinion is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time. Changes in those conditions may result in any valuation or other opinion becoming quickly outdated and in need of revision. PKFCA reserves the right to revise any valuation or other opinion, in light of material information existing at the valuation date that subsequently becomes known to PKFCA.

Summary

This Summary should be read in conjunction with the balance of the Report which sets out in full the purpose, scope, basis of evaluation, limitations, analysis and our findings.

Approval or rejection of the Proposed Transaction is a matter for individual Shareholders based on their expectations as to the expected value and future prospects and market conditions and their particular circumstances, including risk profile, liquidity preference, portfolio strategy and tax position. Shareholders should carefully consider the Documents. Shareholders who are in doubt as to the action they should take in relation to the Proposed Transaction should consult their professional adviser.

Capitalised terms used in this Report have the meanings set out in the Glossary in **Appendix 1**.

Sources of Information

Appendix 2 identifies the information referred to, and relied upon by PKFCA during the course of preparing this Report and forming our opinion.

Financial Services Guide

A financial services guide is attached at the start of this Report.

Yours sincerely

Vince Fayad
Director

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1 SCOPE AND LIMITATIONS

1.1 Regulatory Requirements

The Proposed Transaction is subject to Chapter 10 of the ASX Listing Rules and Section 257A of the Corporations Act.

ASX Listing Rules

ASX Listing Rule 10.1 requires the approval of an entity's ordinary shareholders where it is proposed to acquire a substantial asset from, or dispose of a substantial asset to:

- a related party or an associate of a related party; and
- a subsidiary or an associate of a subsidiary.

As US Nickel currently has a relevant interest of approximately 19.1% in Argent, it would be considered a related party of Argent.

ASX Listing Rule 10.2 defines an asset as being substantial if its value or the value of the consideration for it is, or in the ASX's opinion is, 5% or more of the total equity interests of the entity as set out in the latest consolidated accounts given to the ASX under the ASX Listing Rules. The Bullant Gold Project would be regarded as a substantial asset.

ASX Listing Rule 10.3 lists a number of exceptions to ASX Listing Rule 10.1. However, the Proposed Transaction does not fall within this list of exceptions.

Accordingly, as Argent is disposing of a substantial asset to a related party, being US Nickel, the Proposed Transaction requires approval of Argent's Shareholders.

ASX Listing Rule 10.10.2 states that a notice of meeting under ASX Listing Rule 10.1 must include a voting exclusion statement and a report on the transaction from an independent expert. The report prepared by the independent expert must state whether the transaction is fair and reasonable to holders of the entity's ordinary securities whose votes are not to be disregarded (i.e. the Non-associated Shareholders).

Corporations Act

The Proposed Buy-Back and Cancellation is subject to Section 257A of the Corporations Act.

A company may buy back its own shares if:

- the buy-back does not materially prejudice the company's ability to pay its creditors; and
- the company follows the procedures laid down in Chapter 2J, Division 2 of the Corporations Act.

Whilst there is no mandatory requirement for an independent expert report to be prepared in relation to a capital reduction the directors of Argent seek an independent expert opinion to ensure that shareholders are provided with an analysis of the Proposed Buy-Back and Cancellation by an independent party with an objective and disinterested view. Further, it is common market practice for an expert to provide an opinion as to whether a transaction of the type proposed is likely to materially prejudice a company's creditors.

1.2 Purpose of the Report

Listing Rule 10.10.2 requires that the Notice of Meeting to approve the Proposed Transaction ("**Notice of Meeting**") be accompanied by a report from an independent expert stating whether the Proposed Transaction is "fair and reasonable" to the Non-associated Shareholders.

As noted above, the Directors have appointed PKFCA to prepare a Report setting out its opinion as to whether or not the Proposed Transaction is 'fair and reasonable' to the holders of the entity's ordinary securities whose votes are not to be disregarded (i.e. the Non-associated Shareholders).

The Report is to accompany the Notice of Meeting required to be provided to the Non-associated Shareholders and will be prepared to assist the Directors in complying with Listing Rule 10 and fulfilling their obligation to provide Shareholders with full and proper disclosure to enable them to assess the merits of the Proposed Transaction and to decide whether to agree by resolution to the Proposed Transaction.

1.3 Scope

The procedures we have undertaken have been limited to those procedures that we believe were required in order to form our opinion. Our procedures, in the preparation of the Report, do not include verification work nor constitute an audit in accordance with Australian Auditing Standards, nor do they constitute a review in accordance with Auditing Standards on review engagements applicable to review engagements.

The assessment of whether the Proposed Transaction is fair and reasonable necessarily involves determining the "fair market value" of various securities, assets and interests.

For the purposes of our opinion, the term "fair market value" is defined as the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious purchaser and a knowledgeable, willing, but not anxious vendor, acting at arm's length.

By its very nature, the formulation of a valuation assessment necessarily contains significant uncertainties and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgement. There is therefore no indisputable value, and we normally express our opinion as falling within a likely range.

1.4 Basis of assessment

Neither the Corporations Act nor ASX Listing Rule 10.10.2 defines the expression "*fair and reasonable*". However, guidance is provided by ASIC's Regulatory Guides which establish certain guidelines in respect of independent expert reports required under the Corporations Act.

1.4.1 Regulatory Guide 111

In particular, RG111 establishes guidelines in respect of independent expert reports under the Corporations Act. However, RG111 does not specifically address the definition of "*fair and reasonable*" in the context of the ASX Listing Rules.

Essentially, RG111 establishes that an expert should analyse a control transaction as if it were a takeover bid.

In analysing a control transaction, the tests are:

- is the offer 'fair'; and
- is it 'reasonable'?

That is, the terms "fair" and "reasonable" are regarded as separate elements and are not regarded as a compound phrase.

Fair

RG111.10 indicates that an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. RG111.11 indicates that an offer is 'reasonable' if it is fair. It might also be 'reasonable' if, despite being 'not fair', the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

We understand that when applying the term "fair market value" in the context of the test of whether a proposal is "fair" under ASIC regulatory guides, ASIC's interpretation in RG111 is that:

- an expert is not permitted to have regard to the then current situation of the asset being valued, including any then current difficult financial position and the impact of measures required to rectify such a position. Instead, in assessing fairness, the expert should assume an orderly market for the asset being valued, even if such market circumstances do not exist at the time of the fairness assessment; and

  factors such as the then current difficult financial position of the asset and the then current state of the market in which the asset operates are appropriate matters to be taken into account when assessing the reasonableness of the proposal under consideration.

RG111.27 to RG111.30 provide that:

- if the bidder is offering non-cash consideration in a control transaction, the expert should examine the value of that consideration and compare it with the valuation of the target's securities, whether the transaction is effected by a takeover bid, a scheme of arrangement or an issue of shares;
- the comparison should be made between the value of the securities being offered (allowing for a minority discount) and the value of the target entity's securities, assuming 100% of the securities are available for sale. This comparison reflects the fact that:
  a) the acquirer is obtaining or increasing control of the target; and
  b) the security holders in the target will be receiving scrip constituting minority interests in the combined entity.
- if the expert uses the market price of securities as a measure of the value of the offered consideration, the expert should consider and comment on:
  a) the depth of the market for those securities;
  b) the volatility of the market price; and
  c) whether or not the market value is likely to represent the value if the takeover bid is successful.

If the expert uses the market price of securities as a measure of the value of the offered consideration, the expert should consider and comment on:

- the depth of the market for those securities;
- the volatility of the market price; and
- whether or not the market value is likely to represent the value if the takeover bid is successful.

For example, trading after a bid is announced may reflect some of the benefits of the combined entity, depending on whether the market has confidence that the transaction will proceed.

Based on the above, we have undertaken the following:

- assessed the fair value of the Bullant Gold Project, based on the report prepared by the independent expert on a fair market value basis; and

- compared the above fair value to the assessed fair value of the Consideration. In assessing the fair value of the Consideration, we have had regard to the fair value of the Argent shares held by US Nickel and the fair value of US Nickel shares. Further details in relation to the assessment of the Argent and US Nickel shares are set out in **Section 8**.

Reasonable

RG111.12 sets out some of the factors that an expert might consider in assessing the reasonableness of an offer, including:

- the bidder's pre-existing voting power in securities in the target;
- other significant security holding blocks in the target;
- the liquidity of the market in the target's securities;
- taxation losses, cash flow or other benefits through achieving 100% ownership of the target;
- any special value of the target to the bidder, such as particular technology, the potential to write off outstanding loans from the target, etc;
- the likely market price if the offer is unsuccessful; and
- the value to an alternative bidder and likelihood of an alternative offer being made.

We have taken the following matters into account in regard to the Proposed Transaction:

- liquidity and volatility of the shares, including the risk/return profile of Argent and US Nickel, assuming that the Proposed Transaction is undertaken;
- Argent's pro forma balance sheet and its ability to continue operating with its remaining asset base;
- Argent's ability to finance its remaining operations as well as undertake new acquisitions;
- the profile of US Nickel post the Proposed Transaction;
- the impact of removing any ongoing funding requirements in relation to the Bullant Gold Project;
- the likely market price and liquidity of Argent's shares in the absence of the Proposed Transaction;
- any known intentions of existing or new Argent and US Nickel significant shareholders;
- the likelihood of an alternative offer being made for the Bullant Gold Project or Argent Shares; and
- other advantages and disadvantages for Argent Shareholders of accepting or rejecting the Proposed Transaction.

Impact of the Proposed Buy-Back and Cancellation on Creditors

In addition to the above, we have also reviewed Argent's future cash flows and pro forma balance sheet in order to assess the impact of the Proposed Transaction on Argent's ability to pay its creditors so as to assess whether there is likely to be a breach of the Corporations Act.

1.5 Limitations

1.5.1 General

PKFCA has consented to the inclusion of the Report with the Documents to be issued by Argent. Apart from the Report, PKFCA is not responsible for the contents of the Documents, any other document or announcement associated with the Proposed Transaction. PKFCA acknowledges that its Report may be lodged with the ASX.

The Report should not be used for any other purpose and PKFCA does not accept any responsibility for its use outside this purpose. Except in accordance with the stated purpose, no extract, quote or copy of our Report, in whole or in part, should be reproduced without our written consent, as to the form and context in which it may appear.

1.5.2 Shareholders' individual circumstances

Our analysis has been undertaken, and our conclusions are expressed, at an aggregate level. Accordingly, PKFCA has not considered the effect of the Proposed Transaction on the particular circumstances of individual Shareholders. Some individual Shareholders may place a different emphasis on various aspects of the Proposed Transaction from that adopted in this Report. Accordingly, individual Shareholders may reach different conclusions as to whether or not the Proposed Transaction is fair and reasonable in their individual circumstances. As the decision of an individual Shareholder in relation to the Proposed Transaction may be influenced by their particular circumstances (including their taxation position), Shareholders are advised to seek their own independent advice.

1.5.3 Current Market Conditions

Our opinion is based on economic, market and other conditions prevailing at the date of this Report. Such conditions can change significantly over relatively short periods of time. Changes in those conditions may result in any valuation or other opinion becoming quickly outdated and in need of revision. PKFCA reserves the right to revise any valuation or other opinion, in the light of material information existing at the valuation date that subsequently becomes known to PKFCA.

1.5.4 Reliance on Information

This Report is based upon financial and other information provided by Argent and US Nickel. PKFCA has considered and relied upon this information. PKFCA believes the information provided to be reliable, complete and not misleading, and we have no reason to believe that any material facts have been withheld.

PKFCA's procedures, in the preparation of the Report, involved an analysis of financial information and accounting records. This did not include verification work nor constitute an audit or review in accordance with Australian Auditing and Assurance Standards and consequently does not enable us to become aware of all significant matters that might be identified in an audit or review. Accordingly, we do not express an audit or review opinion.

It was not PKFCA's role to undertake, and PKFCA has not undertaken, any commercial, technical, financial, legal, taxation or other due diligence, other similar investigative activities or valuations in respect of the Proposed Transaction. PKFCA understands that the Directors have been advised by legal, accounting and other appropriate advisors in relation to such matters, as necessary. PKFCA does not provide any warranty or guarantee as to the existence, extent, adequacy, effectiveness and/ or completeness of any due diligence or other similar investigative activities by the Directors and/or their advisors.

PKFCA does not provide any warranty or guarantee that its inquiries have identified or verified all of the matters which an audit, extensive examination or "due diligence" investigation might disclose. An opinion as to whether a corporate transaction is "fair and reasonable" is in the nature of an overall opinion, rather than an audit or detailed investigation and it is in this context that PKFCA advises that it is not in a position, nor is it practical for PKFCA, to undertake such an extensive verification exercise.

It is understood that except where noted, the accounting information provided to PKFCA was prepared in accordance with generally accepted accounting principles (including adoption of Australian Equivalents to International Financial Reporting Standards and prepared in a manner consistent with the method of accounting used by Argent and US Nickel in previous accounting periods.

1.5.5 Prospective Financial Information

In preparing the Report, PKFCA had regard to Argent's prospective financial information (being information related to estimated prospective cash flows) for the financial year ending 30 June 2011 ("**Prospective Financial Information**"). PKFCA understands that the Prospective Financial Information has been prepared as part of the ongoing management processes of Argent and has been prepared on the basis that the Proposed Transaction proceeds and Argent (Bullant) is sold.

Below is the summary Prospective Financial Information:

Table 3: Prospective Financial Information

Cash at bank		**2,496,000**
Less:		
Definitive feasibility study on Kempfield	1,100,000	
Expenditure on Sunny Corner and West Wyalong	280,000	
Corporate costs	500,000	
Notice of meeting	170,000	
Total expenditures		**2,050,000**
Net cash flow		**446,000**

Source: Argent management

For the purposes of our Report, PKFCA understands and has assumed that the Prospective Financial Information:

- has been prepared fairly and honestly, on a reasonable basis and is based on the best information available to the management and directors of Argent and within the practical constraints and limitations of such information; and
- does not reflect any material bias either positive or negative.

We understand that the Prospective Financial Information has been based on assumptions concerning future events and market conditions and while prepared with due care and attention and the directors consider the assumptions to be reasonable, future events and conditions are not accurately predictable and the assumptions and outcomes are subject to significant uncertainties. Actual results are likely to vary from the Prospective Financial Information and any variation may be materially positive or negative. Accordingly, neither the Directors, Argent, US Nickel, nor PKFCA guarantee that the Prospective Financial Information or any other prospective statement contained in the Report or otherwise relied upon will be achieved.

For present purposes, PKFCA has not been engaged to undertake an independent review of the Prospective Financial Information in accordance with Australian Auditing or Assurance standards, and has not undertaken such a review. However in order to disclose and to rely on the Prospective Financial Information in the Report, PKFCA is required to satisfy itself that the Prospective Financial Information has a reasonable basis.

We have reviewed the Prospective Financial Information and comment as follows:

- the corporate costs are consistent with the annual costs as disclosed in Argent's last annual report; (i.e. for the financial year ended 30 June 2010);
- the prospective expenditures on the tenements generally are consistent with the N H Cole Valuation Report, although the costs appear to be higher than included in the N H Cole Valuation Report; and
- the cash balance has been confirmed by Argent's external accountant;

Based on the above cash flow statement, there appears to be enough cash for Argent to trade up to 30 June 2011. The issue will be for Argent going forward beyond the above date as to whether or not it can raise additional funds.

Set out below are some of the factors that in our opinion support a conclusion that the Prospective Financial Information has a reasonable basis:

- a material portion of the Prospective Financial Information incorporates established trends in the businesses and current arrangements in place;
- Prospective Financial Information is not based on business models that have yet to be proven and/or anticipated arrangements with customers, suppliers, or other parties that have yet to be confirmed;
- the reporting and budgeting processes of Argent have been in place for some time and involve regular reporting of actual performance to budget variances, management follow up, input from senior management and that process itself is under continuous review;
- Prospective Financial Information has been endorsed by the management and Directors of Argent; and
- Prospective Financial Information makes appropriate allowance for known contingencies.

In order to ascertain the above, the scope of PKFCA's work in this regard has comprised the following:

- obtained details of the Prospective Financial Information and the process by which this information was prepared;
- discussions with management of Argent regarding the basis on which the Prospective Financial Information was formulated and where possible on a "desktop" level, undertaking evaluation of such information, by reference to past trading performance, available evidence and/or other documentation provided;
- enquired if the Prospective Financial Information is adopted by the directors of Argent;
- reviewed the most recently available monthly management accounts; and
- reviewed the information provided in the N H Cole Valuation Report.

1.6 Assumptions

In forming our opinion, we have made certain assumptions as outlined below:

- that matters such as retention of key personnel, compliance with laws and regulations and contracts in place are in good standing, and will remain so, and that there are no material legal proceedings, other than as publicly disclosed;
- any public information used in relation to Argent and US Nickel and any other publicly available information relied on by us is accurate and up to date;
- information in relation to the Proposed Transaction that is distributed to shareholders, or any information issued by a statutory body is complete, accurate and fairly presented in all material respects;
- if the Proposed Transaction is implemented, it will be implemented in accordance with its publicly stated terms;
- the legal mechanisms to implement the Proposed Transaction are valid and effective;

- we cannot rely on the trading prices of US Nickel Shares for the purposes of assessing the Proposed Transaction, due to the fact that US Nickel only commenced trading on the ASX in May 2010. This represents a lack of adequate trading history for us to appropriately determine the value of the US Nickel Shares for the purposes of the Proposed Transaction. Also, US Nickel will undergo significant changes if the Proposed Transaction is implemented (including acquisition of the Bullant Gold Project and issue of an additional 44 million US Nickel Shares), such that the trading history of US Nickel Shares cannot be used to determine their future value after the Proposed Transaction. Accordingly, a formal valuation of US Nickel Shares is required;
- we cannot rely on the trading prices of Argent Shares for the purposes of assessing the Proposed Transaction, due to the fact that Argent will undergo significant changes if the Proposed Transaction is implemented (including sale of the Bullant Gold Project and buy-back and cancellation of 19.5 million Argent Shares), such that the trading history of Argent Shares cannot be used to determine their future value after the Proposed Transaction. Accordingly, a formal valuation of Argent Shares is required;
- we have relied on the fair market valuation report prepared by N H Cole and Associates Pty Ltd ("**N H Cole**"), dated 24 December 2010, which sets out N H Cole's opinion as to the fair market values of the Bullant Gold Project and the Argent Mineral Properties ("**N H Cole Valuation Report**"). N H Cole has provided its consent for PKFCA to rely on the N H Cole Valuation Report and as at the date of this Report had not withdrawn this consent. The N H Cole Valuation Report is attached in **Appendix 4** of this Report;
- we have relied on the fair market valuation report prepared by Bruce McKnight Minerals Advisor Services and Ross Glanville and Associates Ltd. ("**McKnight and Glanville**"), dated 22 December 2010, which sets out McKnight and Glanville's opinion as to the fair market values of the US Nickel Mineral Properties of ("**McKnight and Glanville Valuation Report**"). McKnight and Glanville have provided their consent for PKFCA to rely on the McKnight and Glanville Valuation Report and as at the date of this Report had not withdrawn this consent. The McKnight and Glanville Valuation Report is attached in **Appendix 5** of this Report; and
- we have relied upon the pro-forma balance sheet of Argent after the Proposed Transaction, as advised by Argent Directors. We have also relied upon all taxation and legal advice in relation to the Proposed Transaction, as provided to us by Argent or its advisers.

2 THE PROPOSED TRANSACTION

2.1 Overview

On 9 December 2010, Argent and US Nickel announced Argent's intention to sell the Bullant Gold Project to US Nickel.

We understand that Argent and US Nickel have entered into an agreement whereby:

- Argent has agreed to sell the Bullant Gold Nickel in return for US Nickel:
  - issuing 44 million US Nickel Shares; and
  - consenting to the cancellation of 19.5 million Argent Shares held by US Nickel by way of a selective share buy-back.

  The US Nickel Shares will be distributed to Argent's Shareholders.
- US Nickel agrees to withdraw and not proceed with its previously announced proposed takeover offer for Argent.

2.2 Conditions

The Proposed Transaction is subject to the receipt of all necessary regulatory and shareholder approvals (from both Argent and US Nickel shareholders). The shareholder meetings seeking the necessary Argent and US Nickel shareholder approvals are expected to be held in February 2011 and the relevant notices of meeting, together with supporting document are expected to be sent to the respective shareholders in January 2011.

2.3 New Structure

As a result of the implementation of the Proposed Transaction, the business operations of Argent will be converted into pure silver "play". The Directors expect that this will enable Argent to focus on completing the DFS on its Kempfield silver project with the objective of being in a position to make a decision as to whether or not to mine by December 2011.

Argent will adjust the exercise price of its listed 20 cent options to reflect the capital reduction envisaged by the Proposed Transaction. The distribution of US Nickel shares to Argent Shareholders will provide them with an opportunity to continue to have exposure to the Bullant Gold Project.

2.4 Capital Raising

Argent has undertaken a capital raising by issuing approximately 13 million shares (being 15% of its issued share capital) in a placement to sophisticated investors. The shares were issued at 16 cents each and raised approximately $2.1 million. It is intended that the funds will be used to progress the Kempfield DFS and for working capital purposes.

On 10 December 2010, Argent announced that the ASX had granted it a waiver from ASX Listing Rule 7.9 to the extent necessary to permit Argent to issue up to 13,287,187 fully paid ordinary shares to sophisticated investors without seeking shareholder approval.

2.5 Offer of Sale Letter

A short form agreement in the form of an offer of sale letter was entered into between Argent and US Nickel on 9 December 2010 ("**Letter**"). We note that this Letter sets out limited warranties from Argent as follows:

> *The Seller warrants that it is the legal and beneficial owner of the Sale Shares free of any security interest and that the Company [Argent Bullant Pty Limited] is entitled to be registered as the holder of the mining tenements M16/44 and M16/45 and owns the related site facilities, motor vehicles and project equipment and office equipment at the Kalgoorlie premises, that those assets are unencumbered and that the assets and liabilities of the Company [Argent Bullant Pty Limited] comprise only assets and liabilities relating to the Bullant gold project. All other warranties and representations implied by law or otherwise are excluded. The Buyer relies on its own enquiries and investigations in buying the Sale Shares and has not relied on any representations or warranties made by the Seller expect those specified in this clause.*

3 PROFILE OF ARGENT MINERALS LIMITED

3.1 Overview

Argent, formerly known as Kempfield Silver Pty Ltd, was incorporated in 2007 and is based in West Leederville, WA. It is listed on the ASX.

Argent engages in the exploration of minerals, primarily gold, silver, copper, zinc, lead, and barite minerals in NSW, Australia (the Argent Minerals Properties). Under the Agreements with Golden Cross Operations, Argent may earn a 70% interest in each of these tenements. Argent also recently purchased the Bullant Gold Project which is located approximately 65kms north-west of Kalgoorlie, WA.

3.2 Key Milestones

Outlined below is a summary of the key milestones of Argent since its incorporation:

Table 4: Argent – Key Milestones

Date	Description
April 2007	Incorporated as Kempfield Silver Pty Ltd in 2007.
June 2007	Entered into three farm-in and joint venture agreements all effective from 1 June 2007 with Golden Cross Operations, a subsidiary of the ASX listed Golden Resources Limited.
April 2008	Listed on the ASX.
May 2008	Granted three new exploration licenses by the New South Wales Department of Primary Industries in relation to the Kempfield tenements, Sunny Corner tenements and West Wyalong tenements.
July 2010	Argent earned 51% interest in Kempfield.
October 2010	Acquired Bullant Gold Project.
November 2010	Received a takeover over from US Nickel.
November 2010	Entered into an agreement with US Nickel to sell the Bullant Gold Project.

Source: Argent ASX announcements

3.3 Operations

The following provides an overview of the tenements held by Argent:

3.3.1 Bullant Gold Project

On 28 July 2010, Argent accounts that it had executed an asset sale agreement ("**Asset Sale Agreement**") with Barrick (PD) Australia Limited ("**Barrick**"), a wholly owned subsidiary of Barrick Gold Corporation to acquire the Bullant Gold Project.

The Bullant Gold Project includes an underground gold mine and is located approximately 20 kms south-west of Ora Banda and approximately 65 kms north-west of Kalgoorlie in WA. Site facilities and equipment were also included in the transaction. Barrick ceased mining in December 2009 following underground production of 1.95 million tonnes at 5.1g/t for 322,700 ounces of gold between 2002 and December 2009. Production in 2009 was 144,750 tonnes at 5.9g/t gold for 27,400 ounces of gold.

On 5 October 2010, Argent announced to the ASX that it had completed the acquisition. The consideration for the acquisition comprised a cash payment and the lodging of environmental bonds totalling $890,000 which were funded by a placement of 40 million Argent shares at 20 cents to US Nickel and sophisticated investors raising $8.0 million and by the issue to Barrick of 350,000 Argent Shares.

The Bullant Gold Project is serviced by a network of roads, power and water with a range of mining and exploration services being readily available in the Kalgoorlie region. Argent's intention at the time of the acquisition was to re-open the mine, extend the decline and establish development drives to support the commencement of stoping within approximately six months. Argent conducted preliminary mine planning which indicated a potential mine inventory of 570,000 tonnes at 6.0 % grade of gold per tonne ("**g/t AU**") for a contained 110,000 ounces.

Exploration Potential

The following extract on the exploration potential of the Bullant Gold Project is taken from the Argent 2010 annual report:

> *Mining of the main Bullant lode ceased at RL5715 some 500m below the surface. The established resources are mainly located with the following 165m.*
>
> *A study of the gold distribution and underlying structural controls at Bullant was completed in February 2009 by Jigsaw Geoscience. Outcomes from this study showed that high grade shoots mined in the current workings continue at depth and the overall grade tenure of the gold mineralisation should not change at depth.*
>
> *Indications that the deposit is open at depth are supported by the intersection in hoe BUGDO6616 (3m true width at 8.42g/t gold including 0.5m downhole at 52.6g/t gold) located approximately 320m below RL5715 which suggests there us excellent potential for additional resources to be delineated.*
>
> *In addition to the potential for resource extensions to be delineated below the levels that have been mined to date, there are a number of near mine targets including Wattle Bird, Old Zuleika, Bullant South and the Zuleika Sands which will also require follow up exploration, including drilling.*

3.3.2 Kempfield

The Kempfield tenements are located approximately 29 kilometres south of Blayney in central-west NSW. The Kempfield tenement contains silver, lead, zinc, and barite resources with a potential for gold exploration in the wider tenement area.

Kempfield farm-in and joint venture agreement

The Kempfield farm-in and joint venture agreement between Argent and Golden Cross Operations ("**Kempfield JV Agreement**") provided for Argent to earn an initial 51% interest in the Kempfield tenements by spending $2 million over a period to 1 June 2011 (minimum $84,000 in year one, $300,000 in year two, $600,000 in year three and $1,016,000 in year four). We understand that Argent already has a 51% in the Kempfield tenements. The Kempfield JV Agreement also provides that Argent may increase its interest in the Kempfield tenements by spending a further $745,000 before 1 June 2013. As part of all the three farm-in and joint venture agreements, Argent was required to pay $100,000 to Golden Cross Operations and Golden Cross Operations was to spend the amount on exploration of the tenement areas. This $100,000 is deemed a contribution towards the joint venture expenditure obligations in year one.

On 16 July 2010, Argent announced that it had earned a 51% interest in Kempfield, under the terms of the Kempfield JV Agreement. As at 31 December 2010, Argent has spent $2.7 million and earned its 51% interest in the Kempfield tenements. We understand that Argent is required to spend only an additional $35,000 to earn a 70% interest. However, Argent intends to spend a further $45,000 to bring total expenditure to $2.745 million and thereby earn its 70% interest in the Kempfield tenements.

Kempfield silver resources

Refer to N H Cole Valuation Report attached as **Appendix 4**.

Definitive Feasibility Study

As mentioned above, the Directors expect that implementation of the Proposed Transaction will enable Argent to focus on completing the DFS on its Kempfield silver project with the objective of being in a position to make a decision as to whether or not to mine by December 2011.

We understand that work has commenced on the DFS which is budgeted to cost approximately $1.1 million and will be done to a standard designed to attract project financing. It will include:

- 3,500m of infill, metallurgical and geological drilling;
- metallurgical test work;
- preparation of an environmental impact study ("**EIS**"). Fauna, flora and heritage studies have already been completed;
- process plant engineering and site layout including tailings dam design; and
- infrastructure requirements including water and power.

Concurrently with the preparation of the DFS, Argent will seek Development Approval and the grant of a Mining Lease. As a starting point in this process, a Conceptual Project Presentation has been made to the NSW Department of Industry and Investment which has advised the NSW Planning Department that there are no technical reasons preventing the project being submitted for Development Approval. Discussions have begun to establish a Mining Agreement with the Gundungurra Tribal Council, the representative of the Native Title Claimant to the area.

3.3.3 Sunny Corner

The Sunny Corner tenement is located between Lithgow and Bathurst approximately six (6) kms north of the Great Western Highway. The Sunny Corner Tenement covers an area of approximately 200.1 square kms. The Sunny Corner Tenement contains lead, zinc, copper, gold and silver. As at August 2008, the Sunny Corner tenement contained the following:

- 32,220 tonnes of lead;
- 55,800 tonnes of zinc;
- 5,700 tonnes of copper;
- 12,640 ounces of gold; and
- 1.2 million ounces of silver.

At present, Argent is seeking markets for the minerals and metals found in the Sunny Corner tenement and will investigate alternative means, including hydrometallurgical, to liberate the individual metals.

Sunny Corner farm-in and joint venture agreement

The Sunny Corner farm-in and joint venture agreement between Argent and Golden Cross Operations ("**Sunny Corner JV Agreement**") provided for Argent to earn an initial 51% interest in the Sunny Corner tenements by spending $500,000 over a period to 1 June 2011 (minimum $68,000 in year one, $75,000 in year two, $150,000 in year three and $207,000 in year four). The Sunny Corner JV Agreement also provides that Argent may increase its interest in the Sunny Corner tenements to 70% by spending a further $186,000 before 1 June 2013. As part of all the three farm-in and joint venture agreements, Argent was required to pay $100,000 to Golden Cross Operations and Golden Cross Operations was to spend the amount on exploration of the tenement areas. This $100,000 is deemed a contribution towards the joint venture expenditure obligations in year one.

We understand that a 'base metals' marketing consultant has been retained to investigate potential markets for the bulk concentrate that previous test work has shown could be produced from the Sunny Corner deposit. That work indicated a 97% metal recovery to a 30% by weight bulk concentrate grading 2.3% copper, 8.8% lead, 20.5% zinc and 180 g/t silver.

A report of a review of previous drilling at Sunny Corner undertaken by VMS expert Rod Sainty was released to the market on 30 October 2009. In addition, a small 2 hole programme is being planned to test the historic Nevada copper mine at Sunny Corner.

Argent may earn a 70% interest in the Sunny Corner tenements from Golden Cross Resources by the expenditure of $0.686 million by July 2013. As at 31 December 2010 Argent had spent $525,000 and earned a 51% interest. Argent has advised it intends to undertake further expenditure to earn a 70% interest.

3.3.4 West Wyalong

The West Wyalong tenement is located approximately 470 kms west of Sydney. The rocks underneath the West Wyalong tenement forms part of the Palaeozoic Lachlan Geosyncline which is divided into a number of structural zones.

West Wyalong farm-in and joint venture agreement

The West Wyalong farm-in and joint venture agreement between Argent and Golden Cross Operations ("**West Wyalong JV Agreement**") provided for Argent to earn an initial 51% interest in the West Wyalong tenements by spending $750,000 over a period to 1 June 2011 (minimum $70,000 in year one, $112,500 in year two, $250,000 in year three and $317,500 in year four). The West Wyalong JV Agreement also provides that Argent may increase its interest to 70% in the West Wyalong tenements by spending a further $280,000 before 1 June 2013. There is a net smelter royalty payable on the West Wyalong tenement of 2.5%. As part of all the three farm-in and joint venture agreements, Argent was required to pay $100,000 to Golden Cross Operations and Golden Cross Operations was to spend the amount on exploration of the tenement areas. This $100,000 is deemed a contribution towards the joint venture expenditure obligations in year one.

The West Wyalong gold field historically contained a large number of reefs. The recorded average grade of 40.7g/t gold was one of the highest for any goldfield in Australia for recorded production of 445,700 ounces.

We understand that Argent may earn up to a 70% interest in the West Wyalong tenement through the expenditure of $1.03 million by July 2013.

Refer to N H Cole Valuation Report attached as **Appendix 4** for details around the drilling to date.

3.4 Key Personnel

The following table summarises the key personnel of Argent:

Table 5: Argent Key Personnel

Name	Position	Description
Mr. Kerry McHugh	Executive Chairman	Mr McHugh brings a diverse in-depth commercial knowledge to the Board of Argent. Mr McHugh was part of the senior management team that grew Plutonic Resources Limited ("**Plutonic**") from a market capitalisation of approximately $100 million in 1990 to over $1 billion in 1998. As the General Manager of Business Development at Plutonic, Mr McHugh had responsibility for identifying, undertaking and integrating acquisitions, most notably that of the Forsyth group of companies with their five operating gold mines. Mr McHugh was also closely involved in major equity raisings, other corporate issues and strategic planning. At Pioneer International Limited (1987-1990) he held a strategic planning role and was involved in acquisitions in the building products area. He successfully managed the sale of Pioneer's diverse portfolio of mining assets, including the sale of the Narbalek U3O8 stockpile and the Cable Sands companies. Prior to 1987 he held various positions in the Commonwealth Public Service, including Senior Executive Service positions in the Department of Primary Industry and Energy and its predecessors.
Mr. Marcus Michael	Executive Director and	Mr Michael has been involved with private equity consulting, capital and debt funding and corporate reconstruction since 1990. He is a Director of

Name	Position	Description
	Company Secretary	Marshall Michael Pty Ltd, Chartered Accountants, located in West Perth and was the Managing Director from 1994 to 2005. He has provided consulting services to public and private entities across a broad range of industries including engineering, resources, healthcare, retail and agriculture. Mr Michael graduated from Curtin University in 1990 and has been a member of the Institute of Chartered Accountants since 1994.
Douglas Daws	Non-executive Director	Mr Daws has 40 years diverse experience in the resources industry in particular, in exploration and mining in Australia. He started with Western Mining Corporation in 1962. Later, as Regional Manager for Eastern Goldfields for the Western Australian Government, he facilitated the governmental response to both minor and major resource development projects in the region. Between 1986 and 1991 Mr Daws was Manager of Projects for the Western Australia Mint and assisted in the establishment of the very large Kaltails tailings retreatment project and he supervised the construction and later managed the Kalgoorlie Gold Refinery. There followed several overseas resource projects in China, Romania, Myanmar, Sri Lanka and, more recently, gold projects in Ghana. A more recent venture, when Chairman of Niagara Mining Limited, was the negotiated acquisition of the Poseidon Nickel project from Western Mining Corporation, the commencement of a successful exploration program which established additional ore reserves which will lead to the recommencement of mining at the famous Windarra nickel mine north of Laverton.
Stephen Gemell	Non-executive Director	MrGemell has more than 35 years experience in the Australasian and global mining industry. He has been Principal of Gemell Mining Engineers, an independent multi-discipline consultancy, since its formation in Kalgoorlie in 1984. His experience includes operational management in underground and open pit mining and supervision of CIP/CIL, flotation and alluvial plants. He has held executive and non-executive directorships in listed mining companies and is currently a non-executive Director of Eastern Iron Limited and Uranium Exploration Australia Limited.
David Timms	Technical Consultant to the Board	Mr Timms was the founder and Managing Director of Golden Cross Resources Ltd from 1994 to 2006 and is a highly experienced minerals exploration geologist. Mr Timms led exploration teams for Amoco Minerals Australia (1972-1985) and Cyprus Minerals Australia (1985-1990) whose efforts resulted in the development of over ten mines in Australasia including Red Dome, Selwyn-Starra, Mount Elliott, Junction Reefs, Gidgee, Mt McClure, Brocks Creek, Moline, Golden Cross (New Zealand), Gold Ridge (Solomon Islands) and Dinkidi (Philippines).

Source: Argent website

3.5 Capital Structure and Ownership

As at the Valuation Date, Argent had the following securities on issue:

- 101,891,251 ordinary shares on issue; and
- 48,210,751 options outstanding.

The top 10 shareholders and total issued ordinary shares of Argent as at the valuation date are summarised in the table below:

Table 6: Top 10 Shareholders - before Proposed Transaction

Shareholder	Number of Ordinary Shares held	Percentage of Total Ordinary Shares held
US Nickel Limited	19,000,000	18.6%
Pannin Pty Ltd <The Selok Farm A/C>	8,471,500	8.3%
Moongold Pty Ltd	4,670,013	4.6%
HSBC Custody Nomniees (Australia) Limited	4,500,000	4.4%
St Barnabas Investments Pty Ltd < The Melvista Family A/C>	3,640,001	3.6%
Naminda Pty Ltd	3,125,000	3.1%
Arinya Investments Pty Ltd	3,125,000	3.1%
Riverfront Nominees Pty Ltd <MCM Family A/C>	2,625,000	2.6%

Shareholder	Number of Ordinary Shares held	Percentage of Total Ordinary Shares held
Mr Rex Harbour	2,400,000	2.4%
Yarandi Investments Pty Ltd <Griffith Family No 2 A/C>	2,076,626	2.0%
Top 10 Shareholders	53,633,140	52.6%
Other Shareholders	48,258,111	47.4%
Total Shareholders	**101,891,251**	**100.0%**

Source: Argent management

Note 1: The transaction Documents refer to 19.5 million Argent Shares currently held by US Nickel. The Top 20 Argent Shareholders listing as at 22 December 2010 provided to us ("**Top 20 Argent Shareholders listing**") discloses that US Nickel holds only 19 million Argent Shares. We have assumed that there is an additional holding of 500,000 Argent Shares, for or on behalf of US Nickel, that is not included in the Top 20 Argent Shareholders listing. The additional 500,000 Argent Shares would give US Nickel an Argent Shareholding percentage of 19.1%.

The above top 10 shareholders hold approximately 52.6% of the total shares on issue in Argent, (53.1% if the additional 500,000 Argent Shares owned by US Nickel are included) whilst the remaining shareholders hold parcels which are individually less than 2.0% of the total ordinary shares on issue.

As at valuation date, the following Argent Options were on issue:

Table 7: Argent Options - before Proposed Transaction

Option holder	Number of Options held	Percentage of Total Options Held
Pannin Pty Ltd < The Selok Farm A/C>	13,249,986	27.5%
Mr Douglas C Daws	5,000,000	10.4%
St Barnabas Investments Pty Ltd < The Melvista Family A/C>	2,440,000	5.1%
Riverfront Nominees Pty Ltd <MCM Family A/C>	2,000,000	4.1%
Vienna Holdings Pty Ltd <Ronjen Superfund A/C>	1,486,000	3.1%
Lasta Nominees Pty Ltd	1,400,000	2.9%
Moongold Pty Ltd	1,393,999	2.9%
St Barnabas Investments Pty Ltd <St Barnabas Super Fund A/C>	1,025,000	2.1%
Mrs Sally Daws	858,000	1.8%
JBM Trading Pty Ltd	760,000	1.6%
Top 10 Optionholders	29,612,985	61.4%
Other Optionholders	18,597,766	38.6%
Total Optionholders	**48,210,751**	**100.0%**

Source: Argent management

The above Options mature on 30 June 2011 and have an exercise price of $0.20 each.

Based on the current Argent share price, it is not possible to predict what the share price of Argent will be following the Proposed Transaction, and the associated timing risks with the DFS, and given that a decision as to whether or not to mine following the Kempfield DFS is not expected to be made until December 2011 (i.e. after the expiry date of the Argent Options), we are not able to determine whether the or not above options will be exercised following the Proposed Transaction.

Based on the above, for the purposes of this Report, we have considered the Proposed Transaction on the alternatives basis that the Options are and are not exercised.

The position regarding Argent Shareholdings if the Proposed Transaction is implemented (and no exercise of Options occurs before then), is as follows:

Table 8: Top 10 Shareholders - after Proposed Transaction

Shareholder	Number of Ordinary Shares held	Percentage of Total Ordinary Shares held
US Nickel Limited	0	0.0%
Pannin Pty Ltd <The Selok Farm A/C>	8,471,500	10.3%
Moongold Pty Ltd	4,670,013	5.7%
HSBC Custody Nomniees (Australia) Limited	4,500,000	5.5%
St Barnabas Investments Pty Ltd < The Melvista Family A/C>	3,640,001	4.4%
Naminda Pty Ltd	3,125,000	3.8%
Arinya Investments Pty Ltd	3,125,000	3.8%
Riverfront Nominees Pty Ltd <MCM Family A/C>	2,625,000	3.2%
Mr Rex Harbour	2,400,000	2.9%
Yarandi Investments Pty Ltd <Griffith Family No 2 A/C>	2,076,626	2.5%
US Nickel Limited	(500,000)	-0.6%
Top 10 Shareholders	34,133,140	41.4%
Other Shareholders	48,258,111	58.6%
Total Shareholders	**82,391,251**	**100.0%**

Source: Argent management

Note 1: The transaction documents refer to 19.5 million Argent Shares currently held by US Nickel. The Top 20 Argent Shareholders listing discloses that US Nickel holds only 19 million Argent Shares. We have assumed that there is an additional holding of 500,000 Argent Shares, for or on behalf of US Nickel, that is not included in the Top 20 Argent Shareholders listing. The additional 500,000 Argent Shares would give US Nickel an Argent Shareholding percentage of 19.1%.

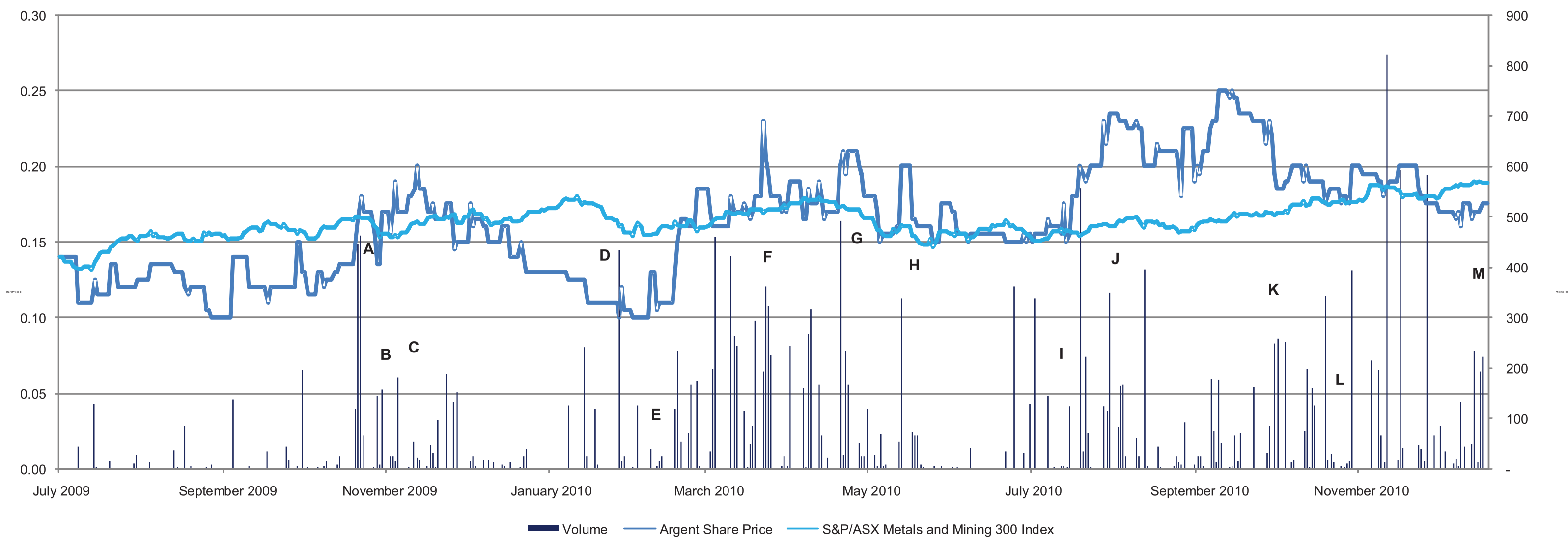
It is assumed that the Option holdings would remain unchanged.

3.6 Share Price Analysis

The chart below compares Argent Share trading price with the S&P/ASX 300 Metals and Mining Index (“**Index**”) from 1 July 2009 to 19 December 2010 (“**Argent Trading Period**”):

Figure 3

Share Price Analysis



Source: Argent company announcements/ Bloomberg
Note: Index movements have been rebased

As illustrated in the chart above, Argent’s share price performance almost matched that of the Index during the Argent Trading Period.

Notable events disclosed by Argent which may have impacted the share trading price and volumes in the Argent Trading Period are set out below:

Table 9: Market sensitive announcements

Date	Chart Reference	Announcement Details
21 October 2009	A	Deep drilling at West Wyalong commences
30 October 2009	B	Significant results from Kempfield extension drilling
10 November 2009	C	West Wyalong drilling complete
28 January 2010	D	Quarterly Activities and cash flow report
8 February 2010	E	Highest recorded silver grades at Kempfield
22 March 2010	F	Kempfield resources increased to 21.2 million ounces of silver
20 April 2010	G	Kempfield scoping study confirms robust mining potential
14 May 2010	H	Follow up drilling has started for Gold Reef at West Wyalong
16 July 2010	I	Argent earns a 51% interest in Kempfield
28 July 2010	J	Argent to buy Barrick's Goldmine
30 September 2010	K	US Nickel releases substantial shareholder notice
23 November 2010	L	US Nickel makes takeover offer for Argent; A review of the Kempfield Scoping Study outputs showed that the application of current prices for silver, gold, lead and zinc would increase operating cash flows for the Kempfield project.
9 December 2010	M	Subject to approval, Argent to sell the Bullant Gold Project to US Nickel

Source: Argent ASX announcements

The table below sets out details of the volume weighted average trading prices ("**VWAP**") of the Argent shares during the Argent Trading Period:

Table 10: Argent VWAP Summary

Period	High ($)	Low ($)	VWAP ($)
Trading Period 1			
As at 9 December 2010	0.17	0.14	0.16
1 month to 9 December 2010	0.21	0.14	0.18
3 months to 9 December 2010	0.25	0.14	0.19
6 months to 9 December 2010	0.25	0.14	0.19
12 months to 9 December 2010	0.25	0.10	0.18
Trading Period 2			
9 December 2010 to 19 December 2010	0.18	0.14	0.16

Source: Bloomberg

The table below sets out details of the trading liquidity of Argent shares during the Argent Trading Period:

Table 11: Argent Share Trading Liquidity Summary

Period	Total Value ($'000s)	Total Volume ('000s)	Turnover	Average Bid Ask Spread
Trading Period 1				
As at 9 December 2010	166	1,033	1.01%	6.25%
1 month to 9 December 2010	854	4,746	5.36%	3.60%
3 months to 9 December 2010	1,676	8,867	11.06%	4.90%
6 months to 9 December 2010	3,107	16,378	25.55%	6.37%
12 months to 9 December 2010	5,168	28,595	46.68%	8.59%
Trading Period 2				
9 December 2010 to 19 December 2010	448	2,782	2.73%	4.09%

Source: Bloomberg

We note the following in relation to the liquidity of Argent Shares during the Argent Trading Period:

- the periods reviewed demonstrate a slight increase in turnover during the lead up to the announcement, albeit over increasingly shorter trading periods up to 9 December 2010. This measure indicates that the liquidity of the stock was improving;
- during the 384 trading days covered in the period analysed above, Argent traded for 252 of these days. This represents approximately 65.6% of total trading days; and
- during the 12 month period leading up to the announcement, the average bid-ask spread was 8.59%, while during the one month period leading to 9 December 2010, the average bid-ask spread was 3.60%, another indicator of a stock improving in liquidity.

Based on the above analysis, we conclude that despite the fact that Argent received a takeover offer from US Nickel on 23 November 2010, and that it does not receive significant analyst coverage, its total turnover as well as number of trading days did not reflect those characteristics of a liquid stock. We note that over the Argent Trading Period its liquidity was improving. Our analysis above indicates that the liquidity of Argent Shares is relatively low and therefore the market price is not necessarily an indication of fair market value of an Argent Share.

3.7 Historical Financial Performance

3.7.1 Income Statement

The audited income statements of Argent, for the years ended 30 June 2008 to 2010 (inclusive), are presented in the table below:

Table 12: Argent Income Statements

Audited ($)	30 June 2008	30 June 2009	30 June 2010
Sales revenue	0	0	0
Other revenue	56,108	165,868	71,610
Total revenue	**56,108**	**165,868**	**71,610**
Administration expenses	(293,533)	(405,242)	(491,021)
Exploration expenditure written off	(711,872)	(1,362,244)	(1,119,089)
Other expenses	0	0	0
Expenses	**(1,005,405)**	**(1,767,486)**	**(1,610,110)**
Loss before income tax	**(949,297)**	**(1,601,618)**	**(1,538,500)**
Income tax expense	0	0	0
Net loss attributable to members of the company	**(949,297)**	**(1,601,618)**	**(1,538,500)**
Other comprehensive income	0	0	0
Total comprehensive income (loss) attributable to members of the company	**(949,297)**	**(1,601,618)**	**(1,538,500)**
Basic and diluted loss per share	*(4.2)*	*(3.8)*	*(3.4)*
Revenue growth %	*n/a*	*195.6%*	*(56.8%)*
Exploration expenditure growth %	*n/a*	*68.7%*	*(3.9%)*

Source: Argent Audited Annual Reports

Notes: As a result of Argent's incorporation on 4 April 2007, FY2008 figures are only representative of the period from 4 April 2007 to 30 June 2008.

We summarise below the key aspects of Argent's income statements as set out above:

- ***Other Revenue*** – relates to interest income received from cash at bank. This decreased between FY2009 and FY2010 due to a decrease in cash at bank; and

- ***Exploration Expenditure Written Off*** – exploration expenditure in relation to Argents mineral and exploration asset has been written off. The exploration expenditure is in fact typical of mineral exploration companies, similar to that of Argent. We note that FY2010's operating results do not include any of the results of the Bullant Gold Project, as the acquisition was post financial year end, on 28 July 2010.

3.7.2 Balance Sheet

The audited balance sheets of Argent as at 30 June 2008 to 2010 (inclusive) are presented in the table below:

Table 13: Argent Balance Sheets

Audited ($)	30 June 2008	30 June 2009	30 June 2010
Current Assets			
Cash and cash equivalents	3,502,785	2,305,942	1,394,248
Trade and other receivables	51,110	39,815	27,736
Other assets	0	3,366	5,457
Total Current Assets	**3,553,895**	**2,349,123**	**1,427,441**
Non Current Assets			
Other financial asset – term deposit	0	35,541	36,837
Property, Plant and Equipment	0	0	5,883
Total Non-Current Assets	**0**	**35,541**	**42,720**
TOTAL ASSETS	**3,553,895**	**2,384,664**	**1,470,161**
Current Liabilities			
Trade and other payables	97,784	124,385	155,138
Total Current Liabilities	**97,784**	**124,385**	**155,38**
TOTAL LIABILITIES	**97,784**	**124,385**	**155,138**
NET ASSETS	**3,456,111**	**2,260,279**	**1,315,023**
Issued capital	4,405,408	4,405,458	4,998,702
Reserves	0	405,736	405,736
Accumulated losses	(949,297)	(2,550,915)	(4,089,415)
TOTAL EQUITY	**3,456,111**	**2,260,279**	**1,315,023**

Source: Argent Audited Financial Statements

The following key points are noted in relation to Argent's balance sheets, as set out above:

- ***Cash and Cash Equivalents*** – cash and cash equivalents decreased by approximately 60.2% over the period reviewed. This reduction in cash levels was primarily as a result of expenditure on mining interests as well as payments made to suppliers and employees. We note that for the company to maintain the rights to tenure and exploration tenements, the company must adhere to particular exploration expenditure requirements. This reduction in cash and cash equivalents was partially offset through the issuing of shares and options in Argent;
- ***Trade and Other Payables*** – this represents liabilities for goods and services provided to Argent which are yet to be paid. Trade and other payables have increased over the period reviewed;
- ***Other Assets*** – this relates to prepayments in both FY2009 and FY2010; and
- ***Issued Capital*** – during FY2010, Argent raised $629,100 through the issue of 6,291,000 shares. We note that one free option was attached to every ordinary share issued in November 2009.

3.7.3 Cash Flow Statement

Summarised in the table below are the audited cash flow statements of Argent for the years ended 30 June 2008 to 2010:

Table 14: Argent Cash Flow Statements

Audited ($)	30 June 2008	30 June 2009	30 June 2010
Cash Flows from Operating Activities			
Expenditure on Mining Interests	0	0	(1,093,910)
Payments to Suppliers and Employees	(958,731)	(1,724,330)	(486,919)
Interest Received	56,108	165,868	71,610
Other – GST	0	0	12,177
Net Cash Provided by/(used in) Operating Activities	**(902,623)**	**(1,558,462)**	**(1,497,042)**
Cash Flows from Investing Activities			
Purchase of Plant and Equipment	0	0	(6,600)
Term Deposit	0	(35,541)	(1,296)
Net Cash Provided by/(used in) Investing Activities	**0**	**(35,541)**	**(7,896)**
Cash Flows from Financing Activities			
Issue of Shares and Options net of Capital Raising Costs	4,405,408	397,160	593,244
Net Cash Provided by/(used in) Financing Activities	**4,405,408**	**397,160**	**593,244**
Net Increase in Cash Held	**3,502,785**	**(1,196,843)**	**(911,094)**
Cash at the Start of the Financial Year	0	3,502,785	2,305,942
Cash at the End of the Financial Year	**3,502,785**	**2,305,942**	**1,394,848**

Source: Argent Audited Financial Statements

Note: As a result of Argent's incorporation on 4 April 2007, FY2008 figures are representative of the period from 4 April 2007 to 30 June 2008.

Comments made in respect of the income statements and balance sheets are also applicable to the cash flow statements.

3.7.4 Argent (Bullant) Balance Sheet

The balance sheet of Argent (Bullant) as at 9 December 2010 extracted from management accounts is presented in the table below:

Table 15: Argent (Bullant) Balance Sheet

Audited ($)	9 December 2010
Current Assets	
Cash and cash equivalents	23,130
Rental Bond	19,773
Water Corp	5,000
Total Current Assets	**47,903**
Non Current Assets	
Fixed Assets	6,751,114
Other Assets	14,097
Total Non-Current Assets	**6,765,211**
TOTAL ASSETS	**6,813,114**
Current Liabilities	
Trade and other payables	250,263
Other Current Liabilities	(54,783)
Total Current Liabilities	**195,780**
Long Term Liabilities	
Loan – Argent Minerals	268,925

Audited ($)	9 December 2010
Loan – Argent Minerals Pty Ltd	7,364,409
Novated Lease	21,694
Total Long Term Liabilities	**7,655,028**
TOTAL LIABILITIES	**7,850,807**
NET ASSETS	**(1,037,694)**
Issued capital	(52,602)
Reserves	1
Accumulated losses	(985,093)
TOTAL EQUITY	**(1,037,694)**

Source: Argent management

Currently, the sole purpose of Argent (Bullant) is to act as a holding company for the Bullant Gold Project. Accordingly, all the above items related in some way to the Bullant Gold Project. The following key points are noted in relation to Argent (Bullant)'s balance sheet as at 9 December 2010 and as set out above:

- ***Fixed Assets*** – these represent the assets acquired from Barrick and include plant and equipment (approximately $1.9 million), office equipment (approximately $95,000), motor vehicle (approximately $70,000), the tenement acquisition (approximately $3.8 million) and the tenement bonds ($890,000); and
- ***Loans from Argent Minerals*** – these loans were made from Argent Minerals for the purpose of acquiring and developing the Bullant Gold Project. Argent management has advised that these loans are not interest bearing loans and that no formal loan agreements were put in place as they were not expected to have a life of more than 20 months or so (i.e. until the Bullant Gold Project was in production and the loan could be repaid).

3.8 SWOT Analysis

Set out below is a SWOT analysis undertaken in relation to Argent:

Table 16: SWOT Analysis

Strengths	Weaknesses
• Experience and expertise of key personnel/management. • Small dynamic team. • Capacity to raise additional capital • Low overheads required to run the business which means that funds can be better used to progress projects. • Acquisition of the Bullant Gold Project • Kempfield DFS is already underway.	• Reliance on key personnel. • No assurance that the cost estimates and underlying estimates of forecasts will be realised in practice and this may materially and adversely affect the viability of Argent's projects.
Opportunities	**Threats**
• Identification of commercially feasible deposits. • Acquisitions of mines that are in production or that have already been deemed feasible.	• Volatility in commodity prices. • Volatility in foreign exchange rates. • Failure to identify commercially feasible deposits.

Source: Argent management; PKFCA analysis

4 PROFILE OF US NICKEL LIMITED

4.1 Overview

US Nickel relisted on the ASX in May 2010, following a successful capital raising.

Through its subsidiaries, US Nickel owns the rights to two (2) walk up greenfield exploration projects in North America: the Snowbird Project in North-West Territories, Canada and the Mid-continent Project in South West Minnesota, United States of America ("**US**"). The Snowbird Project is situated amid nickel and copper deposits in the Snowbird Tectonic Zone, while the Mid-Continent Project is positioned near the southern margin of the Superior Craton amongst several world-class nickel sulphide deposits.

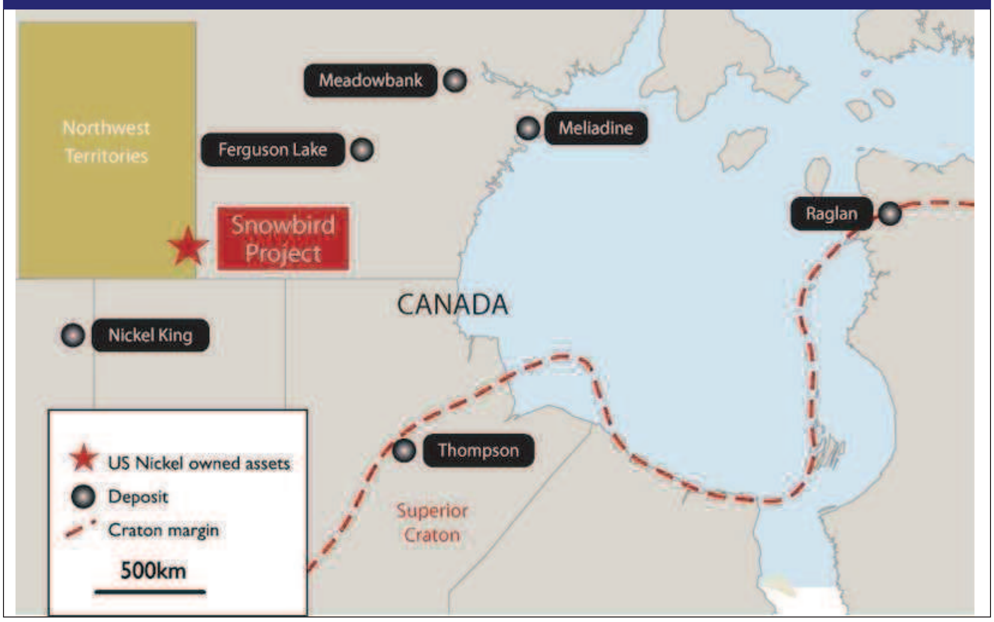
4.2 Operations

As noted above US Nickel owns two greenfield exploration projects in North America. Following is an overview of these projects:

Snowbird Project

The Snowbird Project ("**Snowbird**") has a total project area of 214 km^2 and comprises of two blocks of claims within the Snowbird Tectonic Zone, which are located approximately 625 km northwest of the city of Thompson in Canada. The following map illustrates Snowbird's location:

Figure 4



Source: US Nickel Website

In 2005, BHP Billiton Limited ("**BHP**") identified that high grade zinc, copper, lead, silver and gold mineralisation was evident in the proximity of Snowbird, in areas such as Ferguson Lake, Nickel King, Meliadine and Meadowbank.

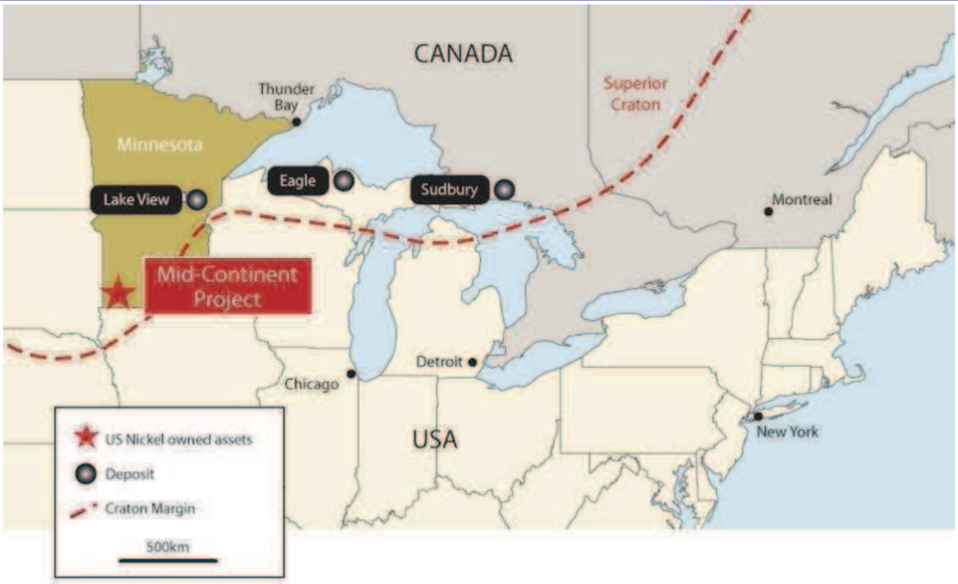
According to US Nickel, Snowbird's primary exploration targets are magmatic nickel-copper ± platinum group element, sulphide deposits and shear-zone-hosted gold deposits.

Mid Continent Project

The Mid Continent Project ("**Mid Continent**") has a total project area of 17.8 km^2 and comprises of two target areas - Cottonwood and Renville West which are held by exploration tenements (applicable to 29 tenements) and mining leases (applicable to two tenements) with 31 private mineral and surface owners. The following is a map depicting where Mid Continent is located:

Figure 5

Mid Continent Project Map



Source: US Nickel Website

BHP and WMC Resources Limited ("**WMC**") identified high quality nickel sulphide targets with the aid of modern technology in their 2005 and 2006 nickel exploration programmes. These nickel sulphide targets are located within the "Superior Craton" and this craton hosts world class nickel sulphide discoveries including Eagle, Lakeview, Thompson, Raglan, Duluth and Sudbury.

According to US Nickel, a core drilling programme is planned to test for magmatic sulphide (nickel) in the Cottonwood target area and also to test the bedrock conductor at the Renville West target.

4.3 Key Personnel

The following table summarises the key personnel of US Nickel:

Table 17: US Nickel key personnel

Name	Position	Description
Mr Alexander Hewlett	Managing Director	Mr Hewlett was appointed to the Board on 16 December 2008 as part of US Nickel's plans to re-focus their corporate activities in resources and increase shareholder value. Mr Hewlett is a qualified geologist and a member of the Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. He is also a member of the Australian Institute of Company Directors and is currently a chairperson of Groote Resources. Mr Hewlett was previously a geological consultant with CSA Global in their resource evaluation division. Mr Hewlett has also held prior positions as a geologist with Poseidon Nickel Limited and Gindalbie Metals Limited.
Mr. Christopher Daws	Executive Director	Mr Daws has a strong background in finance and economics having spent 10 years involved in Australian equities and has worked within some of the largest broking organisations in the world. Mr Daws is an Affiliate Member of the Securities Institute of Australia. Mr Daws held the role of chief executive officer ("**CEO**") for four years for ASX-listed Niagara Mining Limited (renamed Poseiden Nickel Limited) including as a Director from November 2006 to July 2007. Mr Daws is currently a non-executive director of ASX Listed Spitfire Resources Limited.
Mr. Jonathan Murray	Chairman	Mr Murray is a Partner of Steinepreis Paganin, an independent law firm based in Perth, WA. Mr Murray specialises in equity capital raisings, all forms of acquisitions and divestments, governance and corporate compliance. US Nickel believes that the appointment of Mr Murray further enhances its strategic, corporate evaluation and governance processes.
Mr. James Croser	Non-executive Director	Mr Croser is a qualified mining engineer with significant broad experience in the resources sector, particularly underground mining in hard rock. He was instrumental in the construction of the Frog's Leg Gold Mine for La Mancha Resources & has held mine management positions for La Mancha Resources & Perilya Limited as well as operational roles in some of Australia's largest underground contracting companies. Mr Croser is currently consulting to the mining industry as Operations Manager of Rock Team Pty Ltd. He brings to US Nickel a sound practical & technical knowledge critical to the evaluation of company opportunities moving forward.
Mr. Peter George	Non-executive Director	Mr George is a qualified Mining Engineer with 15 years of Australian and international experience in managerial, technical and consulting roles within the mining industry. He holds a Bachelor of Mining Engineering, a Graduate Certificate in Minerals Economics, is a holder of a WA First Class Mine Managers Certificate and is a member of the Australian Institute of Mining and Metallurgy. Mr George has held prior senior operational positions with Boliden Limited (Sweden) and since 2001 has been involved in progressing numerous projects through the feasibility study to construction process in a Senior position for consulting firm Rapallo Pty Ltd. Mr George has most recently held the positions of Managing Director for Rapallo Pty Ltd and Director of Rock Team Pty Ltd. Mr George brings to US Nickel a broad knowledge of progressing resource projects from evaluation and feasibility through to construction and operation.

Source: US Nickel website

4.4 Capital Structure and Ownership

As at the Valuation Date, US Nickel had the following securities on issue:

- 144,277,563 ordinary shares on issue; and
- 7,475,000 options outstanding.

The top 10 shareholders and total issued ordinary shares of US Nickel as at the Valuation Date are summarised below:

Table 18: Top 10 Shareholders - before Proposed Transaction

Shareholder	Number of Ordinary Shares held	Percentage of Total Ordinary Shares held
Moongold Pty Ltd	11,600,000	7.9%
Elefantino Pty Ltd <Talula A/C>	10,000,000	6.8%
Ms Nicole Gallin and Mr Kyle Haynes <GH Super Fund A/C>	4,275,000	2.9%
Oceanic Capital Pty Ltd	4,270,000	2.9%
Ms Nicole Joan Gallin	3,806,347	2.6%
Lydian Enterprises Pty Ltd <Lydian A/C>	3,333,333	2.3%
Northerly Investments Pty Ltd	3,005,000	2.1%
Chuntin Investments Limited	2,898,332	2.0%
Moongold Pty Ltd	2,745,035	1.9%
Hahn Properties Pty Ltd <Hahn Asset A/C>	2,416,667	1.7%
Top 10 Shareholders	**48,349,714**	**33.1%**
Other Shareholders (Note 1)	97,852,849	66.9%
Total Shareholders	**146,202,563**	**100.0%**

Source: US Nickel management

Note 1: Due to the recent issue of these shares (on 23 December 2010 and 10 January 2011), there is no information as to the shareholders that acquired the shares and whether or not any of the Top 10 shareholders above acquired any additional shares.

The top 10 shareholders hold approximately 33.1% of the total shares on issue in US Nickel whilst the remaining shareholders hold parcels which are individually less than 1.7% of the total shares on issue.

As at valuation date, the following US Nickel Options were on issue:

- 1,000,000 options expiring on 26 February 2013 @ 30 cents.

Based on the current traded share price of US Nickel as at the Valuation Date, given that the remaining 1,000,000 options do not expire till February 2013, it is difficult to determine whether or not they will be exercised.

The top 10 US Nickel Shareholders and total US Nickel Shares after the Proposed Transaction, assuming no sales of shares and no options are exercised are summarised below:

Table 19: Top 10 Shareholders - after Proposed Transaction

Shareholder	Number of Ordinary Shares held	Percentage of Total Ordinary Shares held
Moongold Pty Ltd	11,600,000	6.1%
Elefantino Pty Lyd <Talula A/C>	10,000,000	5.3%
Ms Nicole Gallin and Mr Kyle Haynes <GH Super Fund A/C>	4,275,000	2.2%
Oceanic Capital Pty Ltd	4,270,000	2.2%
Ms Nicole Joan Gallin	3,806,347	2.0%
Lydian Enterprises Pty Ltd <Lydian A/C>	3,333,333	1.8%
Northerly Investments Pty Ltd	3,005,000	1.6%
Chuntin Investments Limited	2,898,332	1.5%
Moongold Pty Ltd	2,745,035	1.4%
Hahn Properties Pty Ltd <Hahn Asset A/C>	2,416,667	1.3%
Top 10 Shareholders	**48,349,714**	**25.4%**
Other Shareholders (Note 1)	97,852,849	51.4%
Issued to Argent Shareholders (collectively)	44,000,000	23.1%
Total Shareholders	**190,202,563**	**100.0%**

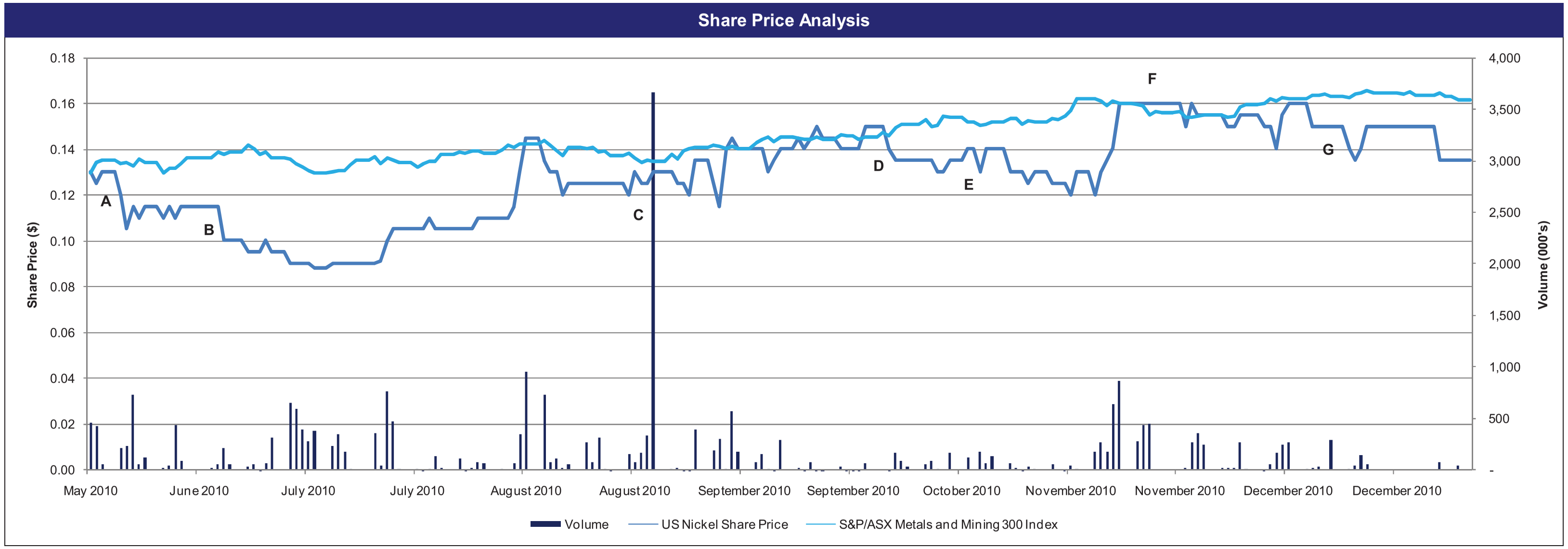
Source: US Nickel management

Note 1: Due to the recent issue of these shares (on 23 December 2010 and 10 January 2011), there is no information as to the shareholders that acquired the shares and whether or not any of the Top 10 shareholders above acquired any additional shares.

4.5 Share Price Analysis

The chart below compares US Nickel's Share trading price with the Index from 26 May 2010, (which is the date the entity relisted on the ASX) to 9 January 2011 ("**US Nickel Trading Period**"):

Figure 6



Source: US Nickel company announcements/ Bloomberg

US Nickel's share price performance relative to the Index was much the same as Argent's, in that its performance during the US Nickel Trading Period almost matched that of the Index.

Notable events disclosed by US Nickel which may have impacted the share trading prices and volumes during the US Nickel Trading Period are set out below:

Table 20: Market sensitive announcements

Date	Chart Reference	Announcement Details
26 May 2010	A	Reinstatement of US Nickel on the ASX following compliance with Chapters 1 and 2 of the ASX Listing Rules
7 July 2010	B	Announcement of New Exploration Programme in relation to the Snowbird Project
26 August 2010	C	US Nickel announced a capital raising of $8.25 million for the purpose of making a strategic investment in Argent
30 September 2010	D	US Nickel 2010 annual report was released to the ASX
19 October 2010	E	US Nickel announced the completion of the Snowbird Project 2010 exploration program
23 November 2010	F	US Nickel made an off-market takeover offer for all of the fully paid ordinary shares in Argent
7 December 2010	G	Western Metals Limited signed an exploration agreement for the Snowbird Project

Source: US Nickel ASX announcements

The table below sets out details of the volume weighted average trading prices ("**VWAP**") of the US Nickel shares during the US Nickel Trading Period:

Table 21: US Nickel VWAP Summary

Period	High ($)	Low ($)	VWAP ($)
Trading Period 1			
As at 9 December 2010	0.16	0.16	0.16
1 month to 9 December 2010	0.17	0.13	0.15
3 months to 9 December 2010	0.17	0.12	0.14
6 months to 9 December 2010	0.17	0.09	0.12
26 May 2010 to 9 December 2010	0.17	0.09	0.12
Trading Period 2			
9 December 2010 to 19 December 2010	0.16	0.14	0.15

Source: Bloomberg

The table below sets out details of the share trading liquidity of US Nickel's shares during the US Nickel Trading Period:

Table 22: US Nickel Share Trading Liquidity Summary

Period	Total Value ($'000s)	Total Volume ('000s)	Turnover	Average Bid Ask Spread
Trading Period 1				
As at 9 December 2010	38	248	0.26%	9.68%
1 month to 9 December 2010	824	5,448	5.67%	5.70%
3 months to 9 December 2010	1,445	10,063	10.80%	5.45%
6 months to 9 December 2010	3,592	29,144	31.29%	5.31%
26 May 2010 to 9 December 2010	4,084	33,307	38.02%	5.46%
Trading Period 2				
9 December 2010 to 19 December 2010	134	902	0.94%	8.36%

Source: Bloomberg

We note the following in relation to the liquidity of US Nickel shares during the US Nickel Trading Period:

- much of the turnover occurred during the first half of the period reviewed, which in our view was as a result of its relisting as a resources sector company on the ASX, this being significantly different to its previous operations as a technology based entity;
- over the 149 trading day period US Nickel traded for 137 days or 91.95%;
- US Nickel is not actively covered by analysts;
- from 26 May 2010 to 9 December 2010, the day in which the Bullant Gold Project transaction was announced, the average bid-ask spread was 5.46%, while during the one month period leading to 9 December 2010 the average bid-ask spread was 5.70%, which can indicate that the liquidity of US Nickel remained relatively unchanged;

Our analysis above indicates that the liquidity of US Nickel's share price has remained relatively unchanged. Due to the material change in operations and lack of trading history, we cannot view the market price as a viable indication of the fair market value of a US Nickel share.

4.6 Historical Financial Performance

4.6.1 Income Statement

Summarised in the following table are US Nickel's audited consolidated income statements for the years ended 30 June 2009 and 2010:

Table 23: US Nickel Income Statements

Audited ($)	30 June 2009	30 June 2010
Sales revenue	158,906	0
Cost of sales	(162,563)	0
Gross loss	**(3,657)**	**0**
Other income	116,084	75,863
Expenses from operating activities		
Administration expenses	(863,677)	(1,261,202)
Marketing expenses	0	(13,301)
Exploration costs written off	(153,990)	(362,064)
Goodwill written off	0	(105,759)
Foreign exchange gain	64,463	76,529
Expenses	**(953,204)**	**(1,665,797)**
Loss from continuing operations before income tax	**(840,057)**	**(1,589,934)**
Net loss from continuing operations after income tax	**(840,057)**	**(1,589,934)**
Discontinued operations		
Profit from discontinued operations after income tax	0	27,396
Net loss for year	**(840,057)**	**(1,562,538)**
Other comprehensive income		
Foreign currency translation reserve reclassified to profit and loss on disposal of foreign operations	0	50,707
Total comprehensive loss	**(840,057)**	**(1,511,831)**
Loss per share for loss from continuing operation attributable to the ordinary equity holders of the company (results have been based on conversion of one for ten shares)		
Basic loss per share (cents)	(1.88)	(2.34)
Diluted loss per share (cents)	(1.88)	2.34)
Loss per share		
Basic loss per share (cents)	(1.88)	(2.34)
Diluted loss per share (cents)	(1.88)	(2.34)

Source: US Nickel FY2010 Annual Report

We note the following key aspects of US Nickel's financial performance, as set out above:

- ***Sales Revenue*** – sales revenue relates to the sale of goods in FY2009. There was no sale of goods in FY2010;
- ***Other Income*** – other income during FY2010 consisted of interest income of $47,064, profits on sale of investments of $51,714 as well as a loss from the revaluation of investments of $22,915;
- ***Administrative Expenses*** – administrative expenses increased by 46.0% between FY2009 and FY2010; and
- ***Goodwill Written Off*** – in FY2010 the write-down in goodwill of $105,759 was in relation to US Nickel's acquisition of WML Exploration BC Ltd.

4.6.2 Balance Sheet

The balance sheets of US Nickel for the years ended 30 June 2009 and 2010 are presented in the table below:

Table 24: US Nickel Balance Sheets

Audited ($)	30 June 2009	30 June 2010
Current Assets		
Cash and cash equivalents	1,170,057	4,417,778
Trade and other receivables	122,405	10,064
Other assets	1,891	3,206
Investments held for trading	93,000	202,908
Total Current Assets	**1,387,353**	**4,633,956**
Non Current Assets		
Property, plant and equipment	10,034	10,724
Exploration and evaluation assets	0	621,176
Intangible assets	0	0
Total Non-Current Assets	**10,034**	**631,900**
TOTAL ASSETS	**1,397,387**	**5,265,856**
Current Liabilities		
Trade and other liabilities	181,917	125,819
Interest bearing loans and borrowings	5,010	0
Provisions	8,435	39,317
Other	0	358,472
Total Current Liabilities	**195,362**	**523,608**
TOTAL LIABILITIES	**195,362**	**523,608**
NET ASSETS	**1,202,025**	**4,742,248**
Issued capital	18,716,134	23,662,656
Reserves	15,271	171,510
Accumulated losses	(17,529,380)	(19,091,918)
TOTAL EQUITY	**1,202,025**	**4,742,248**

Source: US Nickel FY2010 Annual Report

The following key points are noted in relation to US Nickel's balance sheets, as set out above:

- ***Cash and Cash Equivalents*** – cash and cash equivalents increased significantly in FY2010 from FY2009, by approximately 277.6%, with fixed term deposits of $4,151,700 in FY2010 compared to nil in FY2009;

- ***Investments Held for Trading*** – investments held for trading increased to $202,908 in FY2010 from $93,000 in FY2009. This was due to a rise in the fair value in the firm's investment in Indago Ltd, and acquired stake in Continental Nickel Limited;
- ***Exploration and Evaluation Assets*** – exploration and evaluation assets were nil in FY2009. In FY2010, $621,176 was capitalised as exploration and evaluation as a result of the acquisition of interests in subsidiaries during FY2010; and
- ***Other Liabilities*** – other liabilities of $358,472 relate to an outstanding payment owed for the acquisition of Indago Ltd.

4.6.3 Cash Flow Statement

The following table depicts the audited cash flow statement for the year ending 30 June 2009 and 2010:

Table 25: US Nickel Cash Flow Statements

Audited ($)	30 June 2009	30 June 2010
Cash Flows from Operating Activities		
Cash Receipts in the course of Operations	296,317	33,000
Cash Payments in the Course of Operations	(1,075,662)	(1,569,100)
Interest Received	60,573	37,661
Borrowing Costs Paid	(1,575)	0
Net Cash Provided by/(used in) Operating Activities	**(720,347)**	**(1,498,439)**
Cash Flows from Investing Activities		
Payments for property, plant and equipment	(12,518)	(3,700)
Proceeds from sale of assets	1,328	0
Payments for Investors	(784,388)	(170,323)
Payments for acquisition of business	0	(200,000)
Proceeds from sale of Investments	552,671	89,214
Net Cash Provided by/(used in) Investing Activities	**(242,907)**	**(284,809)**
Cash Flows from Financing Activities		
Issue of Shares and Options net of Capital Raising Costs	572,119	4,946,522
Proceeds from Borrowings	26,594	0
Repayment of Finance Lease	(27,788)	(5,010)
Net Cash Provided by/(used in) Financing Activities	**570,925**	**4,941,512**
Net Increase in Cash Held	**(392,329)**	**3,158,264**
Cash at the Start of the Financial Year	1,541,273	1,170,057
Effects of Exchange Rate Fluctuations	21,113	89,457
Cash at the End of the Financial Year	**1,170,057**	**4,417,778**

Source: US Nickel FY2010 Annual Report

Comments made in respect of the income statements and balance sheets are also applicable to the cash flow statements.

4.7 SWOT Analysis

Set out below is a SWOT analysis undertaken in relation to US Nickel:

Table 26: SWOT Analysis

Strengths	Weaknesses
• Experience and expertise of key personnel/management. • Capacity to raise additional equity when and if required. • Small dynamic team. • Low overheads required to run the business which means that funds can be better used to progress projects.	• Reliance on key personnel. • No assurance that exploration of the Projects, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. • no assurance that the cost estimates and underlying estimates of forecasts will be realised in practice and this may materially and adversely affect the viability of US Nickel's projects.
Opportunities	**Threats**
• Identification of commercially feasible deposits. • Acquisitions of mines that are in production or that have already been deemed feasible. • The area in which the SnowBird and Mid-Continent projects are located are mineral rich and accordingly there may be potential for expansion within these areas.	• Inability to obtain a land use permit and even if the claims are renewed, there may be a delay in obtaining the necessary land use permit required to commence the exploration programme proposed by US Nickel. • Volatility in commodity prices. • Volatility in foreign exchange rates. • Failure to identify commercially feasible deposits.

Source: US Nickel management; PKFCA analysis

5 ECONOMIC OVERVIEW

5.1 Introduction

The following observations regarding economic conditions are based on our review of generally available economic analysis reports published by major Australian trading banks and economic forecasting bodies at or about the date of this Report.

5.2 Australian Economic Overview

While several major countries had one of their most serious recessions in the post-World War II period, Australia had one of its mildest, with a relatively sharp but brief downturn in aggregate demand and economic activity late in 2008, with a return to expansion during the first half of 2009.

At its meeting in November 2010, the Reserve Bank of Australia ("**RBA**") raised the cash rate by 25 basis points to 4.75%. In the statement made by the RBA Governor, Mr Glenn Stevens, reasons for the increase were as follows:

- increasing *"evidence that private demand is strengthening and offsetting the scaling back in public investment as fiscal stimulus projects are completed"*;
- the sharp rise in Australia's terms of trade (the highest since the 1890's), which in turn has produced an exponential lift in nominal income, due primarily to the mining sector;
- the rate of Australian employment has remained strong over the previous 12 months, with labour market data highlighting that unemployment declined to just over 5%. Unusual difficulties in hiring suitable labour are notable, particularly within mining related occupations. However, the RBA notes that as gross domestic product ("**GDP**") growth accelerates, this is likely to be experienced in other industries; and
- risk aversion in global markets has declined, despite sentiment remaining fragile, with ongoing concerns regarding the stability of small European economies (i.e. Ireland, Spain and Greece).

The RBA expects that with a high level of the terms of trade pushing up national income, and reasonably confident firms and households, Australia is not likely to see persistently weak economic growth.

The RBA projects that GDP is to expand by 3.5% in 2010, and 3.75% to 4.0% in 2011 and 2012, respectively. The RBA's near term inflation forecasts have been lowered due to the appreciation of the Australian Dollar, with the medium term inflation outlook remaining unchanged at 3.0% in the second half of 2012 and 2013.

The Organisation of Economic Coordination and Development ("**OECD**") Economic Outlook, released in May 2010 predicts that Australian interest rates will reach 5.7% within a year as the RBA attempts to combat inflation, pushing up variable mortgage rates and increasing pressure on financially-stressed home owners.

If the predictions come to pass, it would mean Australia's interest rate would be one of the highest in the world at a time when more countries are keeping rates low as their economies recover from the global financial crisis ("**GFC**").

On the contrary, economic analysts from other financial institutions do not believe that interest rates will reach that level, as the RBA will hold off on interest rate rises so as to enable itself to have "greater flexibility" to move either way if the economy does not recover as planned.

5.3 US Economic Overview

It started as a European debt crisis, then lurched to concerns over the extent of China's slowdown, and is now a fully-fledged fear of renewed recession in the world's largest economy, the US. There is no doubt that the rapid rebound in global growth in the 12 months to March 2010 has lost momentum. This rebound was led by fiscal stimulus augmented by a rebuild of inventories in the business sector. Without an equally impressive resurgence in final private demand, the recovery was always going to revert to a more moderate pace of growth.

In the US, the end of government incentives has seen a collapse in demand for housing, pushing up the inventory of unsold homes and raising concerns that a new round of house price declines and delinquencies is just around the corner. Corporate America appears reluctant to invest and employ until these risks have abated. The US household sector if not out of the woods but record low mortgage rates and a stable employment rate should avert a worst-case scenario. The US economy may remain troubled for some time yet, but the conditions for recovery are being put in place.

Recent US economic data shows that the economy is losing momentum at an abrupt pace, with most activity indicators coming in below expectations. The short term outlook is gloomy as the economy faces significant headwinds, namely ongoing household deleveraging, a soggy housing market and a politically hamstrung fiscal policy.

The US economy has the potential to surprise on the upside in the latter half of 2011. Indeed, the platform for a reasonable rebound is gradually failing into place. First, financial conditions (including monetary policy) will remain conducive to growth for some time. Second, the US banking system is in better shape than it was during the GFC. US banks have written off a sizeable amount of bad debts and have replenished capital. Banks are also easing their lending criteria. This suggests that the credit channel should be supportive of growth, unlike during the GFC. The final plank will be a partially revitalised household balance sheet. Although consolidation has further to run in the short term, the most intensive period of household de-leveraging is now in the past.

Although households remain at the epicentre of US economic uncertainty, the key to a sustained recovery is likely to be the willingness of corporate America to invest and employ. Given the significant cash position, corporations will seek to utilise these resources, as the return to holding cash on balance sheet with such low interest rates, is unacceptably low. The speed of the US economic recovery will be determined by the degree to which these cash assets are deployed as investment in real capital assets versus the alternative of buying back equity in the open market.

The GDP of the US economy is forecasted to be approximately 2.5% in 2010 and 2011, with a weak profile over the second half of 2010 and the first half of 2011 and an improvement in the second half of 2011. Inflation is likely to continue to fall amid weak demand and sizeable output gap. Although deflation is a possibility, headline inflation is forecasted to be 1.5% in 2010 and 1.0% in 2011.

5.4 Canadian Economic Overview

The Bank of Canada ("**BOC**") expects the economic recovery to be more gradual than it had projected earlier in its July 2010 monetary policy report, with growth of 3.0% in 2010, 2.3% in 2011 and 2.6% in 2012. This more modest growth profile reflects a more gradual global recovery and a more subdued profile for household spending.

The economy is expected to be running at its full capacity by the end of 2012, rather than at the beginning of that year, as had been anticipated in July 2010. Total consumer price index ("**CPI**") inflation is expected to rise gradually to BOC's 2% target by the end of 2012.

BOC noted that output in the economy has now exceeded its pre-recession peak, and that all 400,000 jobs lost in the recent recession have been regained. Unemployment remains high, however, reflecting a rise in the number of people looking for work. Meanwhile, in the US, only about one-fifth of the jobs lost in the recession have been regained.

Some of the domestic factors affecting growth in Canada are as follows:

- household spending growth is expected to slow, reflecting a softer housing market and moderation in the growth of labour income. High debt levels are also becoming a challenge for some households; and
- business investment is projected to rebound, reflecting efforts to improve competitiveness, firms' strong financial positions, and favourable credit conditions.

Overall, economic growth in Canada is expected to become less reliant on household spending and government stimulus measures, while business investment and exports should pick up some of the slack.

5.5 Conclusion

Based on the above it is noted that recessionary pressures have generally eased. However, a general consensus remains that ongoing improvements, globally will be slow and protracted due to the misalignment in the global economy.

6 INDUSTRY OVERVIEW

Please refer to the attached N H Cole Valuation Report and McKnight and Glanville Valuation Report (**Appendix 4** and **Appendix 5** respectively) for an overview of key industry specific parameters relevant to this Report.

7 SUMMARY OF INDEPENDENT EXPERT VALUATION REPORTS

A summary of these reports is provided below.

7.1 N H Cole Valuation Report

Set out below are extracts from the N H Cole Valuation Report, attached in **Appendix 4**:

EXECUTIVE SUMMARY

The fair market value assessment of the Argent mineral project interests as at December 2010 is set out in Table 1, referred to each of the following sections of this report, where each of the interests is described and assessed. The values shown in Table 1 are for equity interests owned or being earned by Argent.

Table 1: Fair Market Valuation of Argent's Mineral Projects Interests

	Section	Argent Equity	Low A$ million	Preferred A$ million	High A$ million
Bullant Gold Project	3, 3.3, 3.4, 3.6	100%	7.8	8.6	9.4
Argent Minerals Properties					
Kempfield	4, 4.3, 4.6	70%	4.8	5.4	6.0
Sunny Corner	4.4, 4.6	51%	0.52	0.6	0.75
West Wyalong	4.4, 4.6	51%*	0.18	0.2	0.25
Total, Argent Minerals Properties			**5.5**	**6.2**	**7.0**
Total			**13.3**	**14.8**	**16.4**

Source: N H Cole Valuation Report

Note: *Assuming requisite cumulative West Wyalong exploration expenditures of $750,000 achieved by Argent up until 1 June 2011, compared to present cumulative expenditure of approximately $350,000.

For the valuation assessments shown in Table 1, the principal underlying medium term commodity price and exchange rate assumptions adopted are as set out in Table 2 below, with forecast data sourced by PKF from Bloomberg, as at 20 December 2010.

VALUATION METHODOLOGY

For the preparation of independent expert valuation reports on mineral project interest, the appropriate professional standards are as set down in the provisions of the Valmin Code[1] of The Australasian Institute of Mining and Metallurgy ("The AusIMM"), the provisions of which have been generally observed in the preparation of this report.

As defined in the Valmin Code, the value, or fair market value, of a mineral asset or mineral project interest, is the estimated amount of money or the cash equivalent or some other consideration for which the interest should change hands on the reference date of the valuation - for this report as at December 2010 - between a willing buyer and a willing seller in an arm's length transaction, wherein each party had acted knowledgeably, prudently and without compulsion. The fair market value has two components, the underlying "technical value" of the asset, which relates to the projected net economic or cash flow derived value, and a premium relating to market, strategic or other considerations which, depending on the circumstances at the time, can be either positive, negative or zero. Value is time and circumstance specific; asset values and market premia or discounts change as overall market conditions and commodity prices and exchange rates and their future projections change, while the value of a specific asset at a particular point in time can be dependent upon the nature of the interests of the actual or potential stakeholder.

The nature of the valuations determined in this report is of fair market value, rather than technical value.

[1] "Valmin Code" is the Code and Guidelines for Technical Assessment and/or Valuation of Mineral and Petroleum Assets and Mineral and Petroleum Securities for Independent Expert Reports, 2005 Edition, which is binding on members of The AusIMM, and applies to all relevant reports issued from 29 April 2005.

For the valuation of mineral projects in production or in feasibility study stages, where mineral resources and/or ore reserves have been established, the method most commonly used for determination of such projects' future net economic benefit or technical valuation range is the after-tax discounted cash flow valuation technique. Using this technique, a net present value ("NPV") of the projected future after-tax cash flow is calculated, based on a set of input assumptions which relate to commodity prices, exchange rates, capital and operating costs, production levels, reserves, marketing, taxation and project life and scheduling. For this valuation report, the NPV method has not been adopted as the primary method for either group of interests, because of the uncertainties remaining with key input assumptions and because of the availability of other valuation methods. For the valuation of Bullant projects, reference has been made to market adjustment factors since the recent fair market value Bullant project acquisition by Argent, and the commonly applied yardstick basis, having regard to available and potential ore reserves and mineral resources, and other factors including possible capital expenditures and profitability.

The Argent Minerals Properties have been valued with regard to the relevance and past costs of, and findings from prior known exploration and pre-development activity, the assessed current prospectivity of the areas, using the past exploration expenditure method, which assesses the degree of value adding, positive or negative, arising from relevant accumulated expenditures on the subject tenements, also taking into account forward expenditure considered committed. This exploration project valuation methodology considers that the amount of money invested to date in the mineral property is a measure of the value of the property, and that the expenditure will have enhanced the prospectivity, assuming the exploration funds have been spent efficiently. A prospectivity enhancement multiplier ("PEM") is applied to the relevant expenditure base. The PEM value applied is commonly from unity to a usual maximum of 3 times or, in cases where work is judged to have downgraded the prospectivity of the property, the PEM values applied may be from less than unity to zero, with a zero PEM equivalent to abandonment of the property based on results to date.

For the purpose of definition D20 of the Valmin Code, all of the Bullant gold projects are defined as Development Projects, with the Bullant underground project to transition to a defined Operating Mine. For the Argent Minerals Properties, the Kempfield project, a defined Pre-Development Project, holds the large majority of the assessed valuation for this group. The residual Sunny Corner and West Wyalong projects are defined as Advanced Exploration Areas.

Except as noted in context, all references to mineral resources and ore reserves in this report are reported in accordance with the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves, 2004 Edition ("the JORC Code"), as defined in and required under Appendix 5A of the ASX Listing Rules, effective 17 December 2004.

The Bullant project area has recently been visited by the undersigned. No recent site visit has been made to the Argent Minerals Projects, and for those projects, in keeping with the provisions of paragraph 65 of the Valmin Code, the undersigned declares he is satisfied that there is sufficient current information available to allow an informed appraisal of the Argent Minerals Projects to be made without a site inspection.

For assessment and valuation purposes, a time datum of December 2010 has been adopted. References herein to dollars are to Australian dollars, expressed in December 2010 terms, except where otherwise indicated. For this valuation report, forecast exchange rate and metal prices as set out in Table 2 have been adopted, based on 20 December 2010 Bloomberg data provided to PKF.

Table 2: Foreign Exchange Rates Metal Prices

Calendar Year		2011	2012	2013	2014
A$ to US$		0.98	0.89	0.87	0.85
Spot gold	US$/oz	1400	1331	1215	1000
Spot gold, converted	A$/oz	1429	1496	1397	1176
Silver	US$/oz	25.03	22.00	20.00	18.31
Zinc	US$/tonne	2375	2458	2259	2425
Lead	US$/tonne	2487	2646	2168	2205

Source: N H Cole Valuation Report

7.2 McKnight and Glanville Valuation Report

Set out below are extracts from the McKnight and Glanville Valuation Report attached in **Appendix 5**:

Executive Summary

US Nickel Resources Inc. ("US Nickel" or the "Company") is an active, Perth-based, mineral exploration company who's securities trade on the Australian Securities Exchange ("ASX"), with its trading symbol being "USN". The Company's strategy is to acquire quality exploration and development projects in order to attract strong market support and increase the property values. US Nickel's most advanced projects are its indirect interest in the Bullant Gold Mine near Kalgoorlie in Western Australia (via its 22% shareholding in Argent Minerals Limited), its 100% owned Mid-Continent Ni-Cu Property in southwestern Minnesota, USA, and its 100% owned Snowbird Au-Ni-Cu Property in southeastern NWT, Canada.

In September 2009, US Nickel's predecessor had decided to enter the mineral exploration and mining business, and on December 21, 2009, the Company entered into an agreement with Indago Resources Ltd. ("Indago") to acquire the Mid-Continent and Snowbird Properties. By December 30, 2009, the Company announced it had completed its due diligence and had finalized the agreement. On February 24, 2010, the Company shareholders met and approved the purchase arrangement, and changed the Company name to US Nickel Limited.

In August 2010, US Nickel announced that it planned to raise $8.25 million1 for the purpose of making an investment in Argent Minerals Limited ("Argent"). The Company invested $3.8 million and acquired approximately 22% of Argent to help finance Argent's purchase of the redeveloping Bullant Gold Mine in Western Australia.

On November 23, 2010, US Nickel announced it intended to make a takeover offer for all of the shares of Argent which it did not already own. The consideration of the offer was four US Nickel shares for every three shares of Argent. On December 9th, 2010, Argent and US Nickel announced the execution of an agreement whereby US Nickel agreed to withdraw and not proceed with its proposed takeover offer for Argent. As part of that agreement, Argent agreed to sell the Bullant Gold Project to US Nickel in return for US Nickel issuing 44 million fully paid ordinary shares and consenting to the cancellation of 19.5 million Argent shares held by US Nickel. The US Nickel shares will be distributed to Argent's shareholders. The foregoing agreement, which is unanimously supported by both the Argent and US Nickel boards, is subject to the receipt of all necessary regulatory and approvals by shareholders of each of the companies.

Argent Minerals, through PKF Corporate Advisory (East Coast) Pty Ltd., has commissioned McKnight and Glanville to prepare an independent Opinion of Value of the Mid-Continent and Snowbird Properties of US Nickel. Depending on the exact nature of any future transactions between Argent and US Nickel, the Opinion of Value may also be required by securities commissions and other regulators.

McKnight and Glanville recognized the difficulty of providing a precise Opinion of Value for exploration stage properties, because of the subjective nature of the analysis and the scarcity of good comparables. For this reason they used three approaches to valuation in order to provide checks and corroboration for each value. The valuation methods used were:

- *Valuation based on the **adjusted book value approach,** using a multiplier to adjust the book value. The "Book Value Multiplier" ratio is derived from a number of comparable gold and base metal exploration companies, and is essentially the average of ratios of the market capitalizations attributed to mineral properties divided by the past expenditures or deferred exploration expenses, also known as the "book values".*

[1] For purposes of this report, Canadian dollars and US dollars have been assumed to be equivalent to Australian dollars. Whilst we do not necessarily agree with this approach, we do not consider that it would materially affect our conclusion and on this basis, we have accepted this approach. Considering the fact that any valuations of relatively early-stage exploration properties are only approximations (with relatively wide ranges of reasonable values), the foregoing simplification is considered to be appropriate in the circumstances.

- *Valuation based on the **attributed values** of the respective properties at the time of their acquisitions by US Nickel in late 2009, plus an increase in value due to the change in the general market over the past year, and additional exploration results.*
- *Valuation based on comparisons to other **mineral properties** in the areas of the Snowbird and Mid-Continent properties*

The resulting valuations utilizing the foregoing valuation methods are summarized in the following table:

Table 27: Valuation Summary

Valuation Method	Snowbird (millions)	Mid-Continent (millions)	Totals (millions)
Adjusted Book Value Approach	$1.5 - $2.3	$0.7 - $1.1	**$2.2 - $3.4**
Adjusted Acquisition Approach	$1.2	$0.5	**$1.7**
Other Comparable Transactions	$0.8 - $2.0	$0.8 – $1.3	**$1.6 – $3.3**

Source: McKnight and Glanville Valuation Report

As can be determined from the foregoing, the average of the mid-points of the totals ($2.8 million based on the adjusted book value approach, $1.7 million based on the adjusted acquisition approach, and $2.45 million based on other comparable transactions) is just over $2.3 million, while the median is almost $2.5 million.

Opinion of Value

This Opinion of Value is rendered for Argent Minerals Limited and may only be used and relied upon in connection with Argent's and PKF's review of US Nickel's asset values, and is valid as of the date hereof. In the event that other information material to the Opinion of Value is made available subsequent to the date of this Opinion, McKnight and Glanville reserve the right to modify or withdraw the Opinion. This Opinion of Value is rendered as of the date hereof, and McKnight and Glanville disclaim any obligation to advise any person of any change in the Opinion of Value subsequent to that date.

Subject to the foregoing, and based on a review of all factors considered relevant, the Opinion of McKnight and Glanville is that the value should be close to the mid-range of the three estimates, plus or minus one third. That is, the current value of the two US Nickel properties is estimated to be approximately $2.5 million with a range from $1.7 to $3.3 million. Such a wide range of values is not uncommon for mineral properties at this stage of development.

8 VALUATION METHODOLOGY

8.1 Overview

In arriving at our valuation conclusions for Argent (Bullant), Argent and US Nickel, we considered the following broad categories of valuation methods:

- sum of parts;
- comparable market transactions;
- capitalisation of future maintainable earnings ("**CFME**");
- discounted cash flow ("**DCF**");
- asset-based valuations; and
- the most recent quoted market price of listed securities (share market trading method).

Set out in **Appendix 3** are summary descriptions of valuation methods we have considered.

Set out below is a discussion of the valuation methods we consider appropriate for the purposes of undertaking our valuation assessment of the Argent (Bullant), Argent and US Nickel

8.2 Argent (Bullant)

We have adopted the 'sum of parts' approach with the underlying components based primarily on the fair market valuation of the Bullant Gold Project calculated in the N H Cole Valuation Report to calculate the value of Argent (Bullant). The following components have been assessed independently, and then aggregated to arrive at the equity value of Argent (Bullant):

- the fair market value of the Bullant Gold Project as assessed in the N H Cole Valuation Report;
- plus the value of any surplus assets/(liabilities) (including cash and tax losses); and
- less any liabilities, including an appropriate value of corporate overheads.

8.2.1 Valuation Cross Check

To provide additional evidence of the value of Argent (Bullant), we have assessed the reasonableness of the valuation resulting using the primary valuation method by using a valuation cross check, being comparison to the consideration paid by Argent for the acquisition of the Bullant Gold Project (a previous arm's length market transaction) in October 2010.

8.3 Argent

We have adopted the 'sum of parts' approach with the underlying components based primarily on the fair market valuations calculated in the N H Cole Valuation Report to calculate the value of Argent. The following components have been assessed independently, and then aggregated to arrive at the equity value of Argent:

- the NTA of Argent;
- the fair market value of the Bullant Gold Project as assessed in the N H Cole Valuation Report;
- the fair market value Argent Mineral Properties as assessed in the N H Cole Valuation Report;
- plus the value of any surplus assets/(liabilities) (including cash and tax losses); and
- less any liabilities, including an appropriate value of corporate overheads.

8.3.1 Valuation Cross Check

To provide additional evidence of the value of Argent Shares, we have assessed the reasonableness of the valuation resulting using the primary valuation method by using a valuation cross check, being the most recent quoted market price of listed Argent securities (share market trading method).

8.4 US Nickel

We have adopted the 'sum of parts' approach with the underlying components based primarily on the fair market valuations calculated in the McKnight and Glanville Valuation Report to calculate the value of US Nickel. The following components have been assessed independently, and then aggregated to arrive at the equity value of US Nickel:

- the NTA of US Nickel;
- the fair market values of the mineral properties of US Nickel as assessed in the McKnight and Glanville Valuation Report;
- plus the value of any surplus assets/(liabilities) (including cash and tax losses); and
- less any liabilities, including an appropriate value of corporate overheads.

8.4.1 Valuation Cross Check

To provide additional evidence of the value of US Nickel shares, we have assessed the reasonableness of the valuation resulting using the primary valuation method by using a valuation cross check, being the most recent quoted market price of listed US Nickel securities (share market trading method).

8.5 Consideration

We have adopted the 'sum of parts' approach with the underlying components based primarily on the fair market valuation range calculated in respect of Argent and the price at which US Nickel shares will be issued. The following components have been assessed independently, and then aggregated to arrive at the fair value of the Consideration:

- the fair market value of the 19.5 million Argent shares held by US Nickel which are to be cancelled; and
- the value of the 44 million US Nickel shares at a value of 15 cents that are to be issued to Argent, and which will in turn be distributed in specie to the shareholders

9 VALUATION OF ARGENT (BULLANT) PTY LIMITED

9.1 Valuation Summary

In our opinion, the fair market value of Argent (Bullant) is in the range of $7.4 million and $9.0 million, with a preferred value of $8.2 million, as set out below:

Table 28: Valuation Summary – Argent (Bullant)

($000s)	Ref.	Low	High	Preferred
Fair market value of the Bullant Gold Project	9.3	7,800	9,400	8,600
Add: surplus assets ($000s)	9.4	0	0	0
Less: surplus liabilities ($000s)	9.4	(373)	(373)	(373)
Equity value ($000s)		**7,427**	**9,027**	**8,227**

Source: N H Cole Valuation Report; PKFCA analysis

9.2 Valuation Approach

As mentioned above in **Section 8.2**, we have adopted the 'sum of parts' approach with the underlying components based primarily on the fair market valuation of the Bullant Gold Project calculated in the N H Cole Valuation Report to calculate the value of Argent (Bullant). The following components have been assessed independently, and then aggregated to arrive at the equity value of Argent (Bullant):

- the fair market value of the Bullant Gold Project as assessed in the N H Cole Valuation Report;
- plus the value of any surplus assets/(liabilities) (including cash and tax losses); and
- less any liabilities, including an appropriate value of corporate overheads.

9.3 Fair Market Value of the Bullant Gold Project

We have adopted the fair market valuation as assessed in the annexed N H Cole Valuation Report and as set out in **Section 7.1** for the Bullant Gold Project, as follows:

Table 29: Fair Market Valuation of the Bullant Gold Project

	Low A$ million	High A$ million	Preferred A$ million
Bullant Gold Project	7.8	9.4	8.6

Source: N H Cole Valuation Report

9.4 Other Assets/(Liabilities)

Argent management have advised that there are no surplus assets or liabilities in the Argent (Bullant) balance sheet set out above in **Section 3.7**.

Based on Argent (Bullant)'s balance sheet, as set out above in **Section 3.7**, and discussions with Argent management, Argent (Bullant) did not have any interest bearing liabilities as at 23 December 2010. As noted above, the loan from Argent to Argent (Bullant) was not an interest bearing loan and accordingly does not fall into this category.

We have included in our valuation an assessment of the net liabilities after eliminating assets and liabilities directly related to the Bullant Gold Project as valued by the N H Cole Valuation Report, as set out below:

Table 30: Assessment of the Argent (Bullant) net liabilities after eliminating the Bullant Gold Project

$	Actual 23/12/2010	Adjustments to exclude Bullant tenement 23/12/2010	Adjusted to exclude Bullant tenement 23/12/2010
Current Assets			
Cash and cash equivalents	132,532		132,532
Trade and other receivables	0		0
Total Current Assets	**132,532**	**0**	**132,532**
Non-current Assets			
Plant and equipment	2,112,123	(2,112,123)	0
Rental bond	19,773	(19,773)	0
Tenement	4,677,594	(4,677,594)	0
Borrowing costs	13,098	(13,098)	0
Formation expenses	1,000	(1,000)	0
Total Non-current Assets	**6,823,587**	**(6,823,587)**	**0**
TOTAL ASSETS	**6,956,119**	**(6,823,587)**	**132,532**
Current Liabilities			
Trade and other payables	505,321		505,321
Total current liabilities	**505,321**	**0**	**505,321**
Non Current Liabilities			
Loan-Argent	7,653,333	(7,653,333)	0
Loan - US Nickel	300,000	(300,000)	0
Novated Lease	21,694	(21,694)	0
Total Non Current Liabilities	**7,975,028**	**(7,975,028)**	**0**
TOTAL LIABILITIES	**8,480,349**	**(7,975,028)**	**505,321**
NET ASSETS	**(1,524,230)**	**1,151,441**	**(372,789)**

Source: Argent; PKFCA analysis

9.5 Valuation Cross Check

To provide additional evidence of the value of Argent (Bullant), we have assessed the reasonableness of the valuation resulting using the primary valuation method by using a valuation cross check, being comparison to the consideration paid by Argent for the acquisition of the Bullant Gold Project (a previous arm's length market transaction) in October 2010.

The consideration paid by Argent for the acquisition of the Bullant Gold Project comprised a cash payment and associated stamp duty amounting to $5.545 million and the lodging of environmental bonds totalling $890,000.

We are satisfied that the fair market valuation calculated using our primary valuation methodology is reasonable.

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10 VALUATION OF ARGENT MINERALS LIMITED

10.1 Valuation Summary

In our opinion, the fair market value of Argent before the Proposed Transaction (on a controlling interest basis) (and assuming that none of the Argent Options is exercised) is in the range of $15.8 million and $18.9 million, with a preferred value of $17.3 million, as set out below:

Table 31: Valuation Summary – Argent - assuming Argent Options not exercised

($000s)	Ref.	Low	High	Preferred
Net tangible assets excluding tenements held	10.4	2,516	2,516	2,516
Fair market value of the Bullant Gold Project	10.3	7,800	9,400	8,600
Fair market value of the Argent Minerals Properties	10.3	5,500	7,000	6,200
Add: surplus assets	10.4	0	0	0
Less: surplus liabilities	10.4	(35)	(35)	(35)
Equity value		**15,781**	**18,881**	**17,281**

Source: N H Cole Valuation Report; PKFCA analysis

10.2 Valuation Approach

As mentioned above in **Section 8.3**, we have adopted the 'sum of parts' approach with the underlying components based primarily on the fair market valuations calculated in the N H Cole Valuation Report to calculate the value of Argent. The following components have been assessed independently and then aggregated to arrive at the equity value of Argent:

- the NTA of Argent;
- the fair market value of the Bullant Gold Project and Argent Mineral Properties as assessed in the N H Cole Valuation Report; and
- the value of any other net assets/(liabilities).

10.3 Fair Market Value of the Bullant Gold Project and the Argent Mineral Properties

We have adopted the fair market valuations as assessed in the annexed N H Cole Valuation Report and as set out in **Section 7.1** for the Bullant Gold Project and the Argent Minerals Properties, as follows:

Table 32: Fair Market Valuation of Argent's Mineral Projects Interests

A$ million	Low	High	Preferred
Bullant Gold Project	7.8	9.4	8.6
Argent Minerals Properties	5.5	7.0	6.2
Total	**13.3**	**16.4**	**14.8**

Source: N H Cole Valuation Report

10.4 Other Assets/(Liabilities)

Based on Argent's balance sheet, as set out above in **Section 3.7**, Argent does not have any interest bearing liabilities.

We note that as at 30 June 2010, Argent had substantial tax losses for which no deferred tax asset was recognised as the directors considered that recovery was not probable (refer Note 5 to the Argent 2010 Annual Report). Given that the recovery of the tax losses remains uncertain, including satisfying the continuity of ownership test and possibly, the same business test and is dependent upon Argent having taxable income in the future, we have not attributed any value to any tax losses.

We have included in our valuation an assessment of the net assets/(liabilities) after eliminating assets and liabilities directly related to the Bullant Gold Project as valued by the N H Cole Valuation Report, as set out below:

Table 33: Assessment of the Argent net assets /(liabilities) after eliminating the Bullant Gold Project-before Proposed Transaction

$	Actual 23/12//2010	Pro Forma Transactions A	Ref	Pro Forma Balance Sheet
Current Assets				
Cash and cash equivalents	2,469,166			2,469,166
Trade and other receivables	33,167			33,167
Other assets	5,457			5,457
Other financial asset - term deposit	37,624			37,624
Total Current Assets	**2,545,414**	**0**		**2,545,414**
Non-current Assets				
Plant and equipment	5,883			5,883
Investments - US Nickel shares	0			0
Investments - Argent (Bullant)	1	(1)		0
Loan - Argent Bullant	7,653,333	(7,653,333)		0
Total Non-current Assets	**7,659,217**	**(7,653,334)**		**5,883**
TOTAL ASSETS	**10,204,631**	**(7,653,334)**		**2,551,297**
Current Liabilities				
Trade and other payables	35,764			35,764
Total current liabilities	**35,764**	**0**		**35,764**
Non Current Liabilities	**0**	**0**		**0**
TOTAL LIABILITIES	**35,764**	**0**		**35,764**
NET ASSETS	**10,168,868**	**(7,653,334)**		**2,515,533**
Equity				
Issued Capital	14,626,917		1	14,626,917
Reserves (options)	419,400			419,400
Accumulated (losses)/profits	(4,877,449)	(7,653,334)		(12,530,784)
TOTAL EQUITY	**10,168,868**	**(7,653,334)**		**2,515,533**

Source: Argent; PKFCA analysis

We have also included in our valuation the amount of $35,000 required to be, and assumed to be, expended in the future to earn the 70% interest in the Kempfield Project that is included in the NH Cole Valuation Report.

As noted above in **Section 3.5**, Argent currently has 101,891,251 ordinary shares on issue. Accordingly, the above calculated fair market valuation range equates to a range of $0.155 to $0.185 with a midpoint of $0.170, as set out below:

Table 34: Valuation per Argent Share - assuming Argent Options not exercised

	Ref.	Low	High	Mid
Equity value ($000s)	Table 31	**15,781**	**18,881**	**17,281**
No. of ordinary shares on issue	3.5	101,891,251	101,891,251	101,891,251
Value per Argent Share ($)		**0.155**	**0.185**	**0.170**

Source: PKFCA analysis

10.5 Valuation Cross Check

To provide additional evidence of the value of Argent shares, we have assessed the reasonableness of the valuation resulting using the primary valuation method by using a valuation cross check, being the most recent quoted market price of listed Argent securities (share market trading method).

As set out in **Section 3.6**, the 6 month VWAP to 9 December 2010 was $0.18. Arguably, the VWAP should be lesser than our assessed fair value to take into account minority interest status. However, there is no doubt that VWAP included an element of speculation of takeover activity of Argent. Accordingly, we are satisfied that the fair market valuation calculated using our primary valuation methodology is reasonable.

10.6 Valuation assuming exercise of Options

The above valuation assumes that the Argent Options are not exercised. We have considered the potential position if all the Argent Options are assumed to be exercised, as follows:

Table 35: Valuation Summary – Argent - assuming all Argent Options exercised

($000s)	Ref.	Low	High	Preferred
Net tangible assets excluding tenements held	10.4	2,516	2,516	2,516
Fair market value of the Bullant Gold Project	10.3	7,800	9,400	8,600
Fair market value of the Argent Minerals Properties	10.3	5,500	7,000	6,200
Add: surplus assets	Table 36	8,610	8,407	8,497
Less: surplus liabilities	10.4	(35)	(35)	(35)
Equity value		**24,391**	**27,287**	**25,778**

Source: PKFCA analysis

The cash arising from the assumed exercise of the Argent Options is set out below, as is the adjusted value per Argent Share:

Table 36: Cash arising from assumed Options exercise & adjusted value per Argent Share

($)	Ref	Low	High	Preferred
Cash arising from assumed Options exercise				
- No. Options		48,210,751	48,210,751	48,210,751
- Adjusted Options exercise price		0.179	0.174	0.176
Cash arising from assumed Options exercise		**8,610,045**	**8,406,599**	**8,497,493**
No. of ordinary shares on issue		101,891,251	101,891,251	101,891,251
Shares arising from assumed Options exercise		48,210,751	48,210,751	48,210,751
Expanded number of Shares		150,102,002	150,102,002	150,102,002
Value per Argent Share (controlling interest basis) ($)		**0.162**	**0.182**	**0.172**

Source: PKFCA analysis

The adjusted value per Argent Share of between $0.162 and $0.182 (in **Table 36**) compares with the unadjusted value per Argent Share of between $0.155 and $0.185 (in **Table 39**). From this analysis, we conclude that it will likely make little difference as to whether or not the Argent Options are exercised.

The adjusted Options exercise price (reduced from the stated 20 cents per Option) is calculated on the basis that only the proposed distribution in specie of the 44 million US Nickel Shares will trigger the requirement for an adjustment in the Argent Option exercise price and that the Proposed Buy-Back and Cancellation of the 19.5 million Argent Shares held by US Nickel will not trigger the requirement for an adjustment in the Argent Option exercise price. This approach has been adopted by us on the basis of legal advice provided by Argent's legal advisers.

The adjusted Options exercise price (reduced from the stated 20 cents per Option) is calculated as shown below:

Table 37: Adjusted Argent Options exercise price

	Note	Low	High	Preferred
Options exercise price Before adjustment		0.200	0.200	0.200
Adjustment (amount returned in relation to each ordinary security)	1			
Fair market value of 44 million US Nickel shares received (minority interest basis)		1,763,847	2,111,533	1,956,197
No. Argent ordinary securities after Proposed Transaction; (i.e. after cancellation of Argent Shares held by US Nickel and assuming no exercise of any Options)		82,391,251	82,391,251	82,391,251
Adjustment amount per Argent ordinary securities	Table 38	(0.021)	(0.026)	(0.024)
After adjustment		**0.179**	**0.174**	**0.176**

Source: PKFCA analysis

Note1:

Term (xi) of the *Terms and Conditions of the Options expiring 30/06/2011 @$0.20*

In the event of any reorganisation (including consolidation, subdivision, reduction or cancellation) of the issued capital of the Company on or prior to the Expiry Dates, the rights of Option holders will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.

Listing Rule 7.22.3: In a return of capital - the number of options must remain the same and the exercise price of each option must be reduced by the same amount as the amount returned in relation to each ordinary security.

The *Adjustment amount per Argent ordinary security* required to calculate the adjusted Options exercise price (reduced from the stated 20 cents per Option) is calculated as shown below:

Table 38: Adjustment amount per Argent ordinary securities

	Ref	Low	High	Preferred
US Nickel Shares to be distributed (million)		44	44	44
Distribution of US Nickel Shares per Argent Shares (No.)		0.53	0.53	0.53
Fair market value of US Nickel Share ($) (minority interest basis)	Table 40	0.04	0.05	0.04
Value of 0.53 US Nickel Share per Argent Share (minority interest basis)		**0.021**	**0.026**	**0.024**

Source: PKFCA analysis

11 VALUATION OF US NICKEL LIMITED

11.1 Valuation Summary

In our opinion, the fair market value of US Nickel on a control basis following the Proposed Transaction will be in the range of $9.0 million and $12.2 million, with a midpoint of $10.6 million, as set out below:

Table 39: Valuation Summary – US Nickel

($000s)	Ref.	Low	High	Mid
Net tangible assets/(liabilities) (excluding Bullant & mineral properties)	Table 42	(57)	(57)	(57)
Fair market value of the US Nickel mineral properties	11.3	1,700	3,300	2,500
Fair market value of Argent (Bullant) (incl. the Bullant Gold Project)	Table 29	7,427	9,027	8,227
Add: surplus assets	11.4	0	0	0
Less: surplus liabilities	11.3	(100)	(100)	(100)
Equity value		**8,970**	**12,170**	**10,570**

Source: PKFCA analysis

On that basis the Non Associated Shareholders are receiving the value per US Nickel Share is as set out below:

Table 40: Valuation Summary – US Nickel Share

	Ref.	Low	High	Mid
No. of ordinary shares on issue (after Proposed Transaction)		190,202,563	190,202,563	190,202,563
Value per ordinary share (control value)		**0.047**	**0.064**	**0.056**
Discount for minority interest (%)		(15.0%)	(25.0%)	(20.0%)
Discount for minority interest ($)		(0.007)	(0.016)	(0.011)
Value per ordinary share (minority interest value)		**0.040**	**0.048**	**0.044**

Source: PKFCA analysis

Based on the above, we have calculated that the value of a US Nickel Share after the Proposed Transaction will be between 4.7 cents and 6.4 cents (on a controlling interest basis) and between 4.0 cents and 4.8 cents (on a minority interest basis). We have adopted the minority interest valuate as the basis for assessing the value of the US Nickel Shares that will be acquired by Argent Shareholders if the Proposed Transaction proceeds.

11.2 Valuation Approach

As mentioned above in **Section 8.4**, we have adopted the 'sum of parts' approach with the underlying components based primarily on the fair market valuations calculated in the McKnight and Glanville Valuation Report to calculate the value of US Nickel. The following components have been assessed independently, and then aggregated to arrive at the equity value of US Nickel:

- the NTA of US Nickel;
- the fair market values of the mineral properties of US Nickel as assessed in the McKnight and Glanville Valuation Report;
- plus the value of any surplus assets/(liabilities) (including cash and tax losses); and
- less any liabilities, including an appropriate value of corporate overheads.

11.3 Fair Market Value of the Mineral Properties of US Nickel

We have adopted the fair market valuations as assessed in the annexed McKnight and Glanville Valuation Report and as set out in **Section 7.2** for the mineral properties of US Nickel, as follows:

Table 41: Valuation Summary

Valuation Method	Snowbird (millions)	Mid-Continent (millions)	Totals (millions)
Adjusted Book Value Approach	$1.5 - $2.3	$0.7 - $1.1	**$2.2 - $3.4**
Adjusted Acquisition Approach	$1.2	$0.5	**$1.7**
Other Comparable Transactions	$0.8 - $2.0	$0.8 – $1.3	**$1.6 – $3.3**

Source: McKnight and Glanville Valuation Report

McKnight and Glanville have estimated that the current value of the two US Nickel properties is approximately $2.5 million with a range from $1.7 to $3.3 million.

This value is determined after assuming the expenditure of an additional amount of $100,000, which we have incorporated in **Table 39** as a surplus liability of this amount.

We note that McKnight and Glanville have indicated in their valuation report that the currency units utilised (being US dollars, Canadian dollars and Australian dollars) are regarded as being interchangeable. For the purposes of this report, we have taken the currency units of the above valuation summary as being Australian dollars.

11.4 Other Assets/(Liabilities)

US Nickel management have advised that there are no surplus assets or liabilities in the US Nickel balance sheet set out above in **Section 4.6**.

Based on US Nickel's balance sheet, as set out above in **Section 4.6**, US Nickel does not have any interest bearing liabilities.

We note that as at 30 June 2010, US Nickel had substantial tax losses for which no deferred tax asset was recognised as the directors considered that recovery was not probable (refer Note 6 to the US Nickel 2010 Annual Report). Given that the recovery of the tax losses remains uncertain, including satisfying the continuity of ownership test and possibly, the same business test and is dependent upon US Nickel having taxable income in the future, we have not attributed any value to any tax losses.

We have included in our valuation an assessment of the net liabilities after eliminating assets and liabilities directly related to the US Nickel Mineral Properties as valued by the McKnight and Glanville Valuation Report, as set out below:

Table 42: Assessment of the US Nickel net assets after eliminating US Nickel Mineral Properties

$	30/11/2010	Adjustments 30/11/2010 to exclude Argent & mineral properties	Adjusted 30/11/2010 Exclude Argent & mineral properties
Current Assets			
Cash and cash equivalents	790,727		790,727
Trade and other receivables	1,419		1,419
Other assets	(6,766)		(6,766)
Investments held for trading	0		0
Total Current Assets	**785,380**	**0**	785,380
Non-current Assets			0
Investment in Argent	3,920,620	(3,920,620)	0
Investment in other shares	202,908		202,908
Loans	550,445	(550,445)	0
Property, plant and equipment	11,701		11,701
Exploration and evaluation asset	921,176	(921,176)	0
Intangible assets	0		0
Total Non-current Assets	**5,606,850**	**(5,392,241)**	**214,609**
TOTAL ASSETS	**6,392,230**	**(5,392,241)**	**999,989**
Current Liabilities			0
Trade and other liabilities	1,009,067		1,009,067
Interest bearing loans and borrowings	0		0
Provisions	28,005		28,005
Other	19,853		19,853
Total current liabilities	**1,056,925**	**0**	**1,056,925**
TOTAL LIABILITIES	**1,056,925**	**0**	**1,056,925**
NET ASSETS	**5,335,305**	**(5,392,241)**	**(56,936)**

Source: US Nickel management financial statements; PKFCA analysis

11.5 Valuation Cross Check

To provide additional evidence of the value of US Nickel shares, we have assessed the reasonableness of the valuation resulting using the primary valuation method by using a valuation cross check, being the most recent quoted market price of listed US Nickel securities (share market trading method).

As set out in **Section 4.5**, the 6 month VWAP to 9 December 2010 was $0.12. This falls outside our valuation range of between 4.7 cents and 6.4 cents (on a controlling interest basis) and between 4.0 cents and 4.8 cents (on a minority interest basis) as calculated above.

We have reviewed the US Nickel share trading history to 9 December 2010 and in our opinion, the trading is not liquid. We believe that the premium of the share trading price to our assessed value may be explained by the illiquidity in the share trading, speculation as to the future prospects of US Nickel (including that we understand some of the directors have a "following" among some investors).

We note that the average trading price of US Nickel shares for the month from 10 December 2010 to 9 January 2011 was 14.7 cents.

12 FAIRNESS ASSESSMENT

12.1 Assessment Approach

In our opinion, the assessment of the fairness aspect should compare what Argent Shareholders have now with what they will have if the Proposed Transaction proceeds.

What Argent shareholders have now

In our opinion, what Argent shareholders have now is that collectively, the Argent Shareholders have control of Argent as Argent stands before the Proposed Transaction and accordingly, the value of their Argent Shares should be assessed on a controlling interest basis, as Argent stands before the Proposed Transaction (including the Bullant Gold Project and including the Argent Shares currently held by US Nickel) and the Argent Mineral Properties).

What Argent Shareholders will have if the Proposed Transaction proceeds

Collectively, the remaining Argent Shareholders (i.e. after the buy-back and cancellation of the Argent Shares currently held by US Nickel) will have control of Argent as Argent stands after the Proposed Transaction and accordingly, the value of their Argent Shares should be assessed on a controlling interest basis of Argent as Argent stands after the Proposed Transaction (excluding the Bullant Gold Project and after the buy-back and cancellation of the Argent Shares currently held by US Nickel).

Collectively, the remaining Argent Shareholders will also hold a minority interest in US Nickel Shares after the Proposed Transaction and accordingly, the value of their US Nickel Shares should be assessed on a minority interest basis of US Nickel as US Nickel stands after the Proposed Transaction (including the Bullant Gold Project and after issue of the additional 44 million US Nickel Shares as part of the Proposed Transaction).

12.2 Fairness Assessment Summary

In our opinion, The summary of our fairness assessment is set out below:

Table 43: Valuation Summary – fairness assessment

$	Ref.	Low	High	Preferred
What Argent Shareholders have now				
Value of Argent before the Proposed Transaction				
Value per Argent Share (controlling interest basis)				
Without Options		0.155	0.185	0.170
Assuming Options Exercised		0.162	0.182	0.172
What Argent Shareholders will have if the Proposed Transaction proceeds				
Value of Argent after the Proposed Transaction				
Value per Argent Share (controlling interest basis)				
Without Options		0.097	0.115	0.105
Assuming Options Exercised		0.127	0.137	0.132
Value of 0.53 US Nickel Share per Argent Share (minority interest basis)		0.021	0.026	0.024
Total Value per Argent Share after the Proposed Transaction				
Without Options		0.118	0.141	0.129
Assuming Options Exercised		0.148	0.163	0.155
Difference: benefit / (detriment)				
Without Options		(0.04)	(0.04)	(0.04)
Assuming Options Exercised		(0.01)	(0.02)	(0.02)

Source: PKFCA analysis

As mentioned above in **Section 8.4**, we have adopted the 'sum of parts' approach with the underlying components based primarily on the fair market valuation range calculated in respect of Argent and the fair market valuation range calculated in respect of the 44 million US Nickel Shares that will be issued.

In forming our opinion, we have had regard to a premium for control in relation to the valuation of Argent Shares and a minority interest value of the US Nickel Shares that will be held by the Argent Shareholders following the Proposed Transaction.

13 EVALUATION

13.1 Fairness

ASX Listing Rules

The assessed value of the Argent Shares currently held by the Argent Shareholders is higher than the assessed value of the Argent Shares and US Nickel Shares that will be held by the Argent Shareholders following the Proposed Transaction and accordingly, in our opinion, the Proposed Transaction is considered to be not "fair" to the Non-associated Shareholders.

The assessed value of the Argent Shares currently held by the Argent Shareholders is higher than the assessed value of the Argent Shares and US Nickel Shares that will be held by the Argent Shareholders following the Proposed Transaction and accordingly, in our opinion, the Proposed Transaction is considered to be not "fair" to the Non-associated Shareholders.

Currently Argent has cash of approximately $2.5 million and creditors of approximately $36,000 as set out in **Section 3.7.** The Proposed Transaction will not significantly decrease Argent's cash balance. If anything, Argent may incur immaterial transaction costs. Accordingly, it is highly unlikely that the Proposed Transaction will prejudice the company's ability to pay its creditors.

13.2 Reasonableness

For the purposes of RG111, an offer is considered to be "reasonable", if it is "fair". However, even if it is not "fair" it may be reasonable if there are sufficient reasons for the shareholders to accept the proposal.

We have also considered various factors that we believe Non-associated Shareholders should consider when deciding whether or not to accept the Proposed Transaction.

Set out below is a summary of our assessment of the various factors.

13.2.1 Advantages of the Proposed Transaction

Approving the Proposed Transaction has the following advantages:

Potential improved shareholder value through a focussed business

Following the Proposed Transaction, Argent will become a 'pure silver play' business and the board of directors will be able to focus exclusively on developing the NSW assets, particularly the Kempfield silver project which is currently the subject of a DFS. The remaining Argent shareholders will also have an increased exposure to silver prices which have increased significantly in recent years. The sale of the Bullant Gold Project will enable the Directors to focus on developing the Kempfield, Sunny Corner and West Wyalong tenements and potentially also to look at investing in other projects.

Relief from funding obligation

The Bullant Gold Project will require substantial funds to be invested before it becomes a producing gold mine and Argent will be relieved of this funding obligation should the Proposed Transaction proceed. This will able Argent to focus its funding resources on developing the Kempfield, Sunny Corner and West Wyalong tenements and potentially also to look at investing in other projects.

Withdrawal of takeover bids

The takeover bids for Argent's shares and options will be withdrawn and the Directors will not be required to prepare a target's statement or deal with other issues associated with a takeover process. As a result, the Director's will not be distracted from the ongoing development of Argent's business.

Receipt of shares in US Nickel

Following the Proposed Transaction, Argent shareholders will have shares in US Nickel while retaining their shares in the Argent. They are able to do as they please with their shares in US Nickel i.e. they can retain them with the associated risks or sell them for cash on the ASX at a time suitable to them.

Diversification of share portfolio

Following the Proposed Transaction, Argent shareholders will have shares in US Nickel while retaining their shares in Argent. This will result in a diversification of shareholders' portfolios of holdings and therefore reduce the risk associated with just holding Argent shares.

Potential improvement in the value of US Nickel shares

Following the Proposed Transaction, Argent shareholders may be able to benefit from future upside (if any) in US Nickel's listed share price, as a result of the diversification in asset class and geography.

Retain an indirect interest in the Bullant Gold Project

The Proposed Transaction provides Argent shareholders with the opportunity to retain an indirect interest in the Bullant Gold Project through their US Nickel shares. This will enable Argent to benefit from any future increase in gold prices and any increases in Bullant's resources/reserves.

Proposed Buy-Back and Cancellation of US Nickel owned Argent Shares

Through the buy-back and cancellation of 19.5 million Argent shares held by US Nickel, existing Non-associated Shareholders will collectively have a greater ownership interest in Argent. In addition, none of the remaining shareholder will hold a significant influence in Argent and its operations.

Improved shareholder value through a focussed business

The divestment of the Bullant Gold Project will enable Argent to focus on and execute development plans across its entire remaining mineral and exploration assets portfolio. This may have a positive impact on Argent's future share price and assist future fund raising activities to fund development and exploration projects.

Potential to enhance liquidity of Argent shares

Historically, trading in Argent shares has been relatively illiquid as illustrated above in **Section 3.6**. The liquidity of Argent shares may improve due to restored market confidence in the performance of the company as a more focussed business, as it is simpler for the market to understand and also to assess its value as it progresses the Kempfield DFS and moves towards a decision to mine.

Potential for reduced overheads

Following the Proposed Transaction, the remaining business will be smaller in size with reduced complexity. There may be opportunities for management and reporting cost savings such as audit fees.

13.2.2 Disadvantages of the Proposed Transaction

Approving the Proposed Transaction has the following disadvantages:

Decrease in net tangible assets

Following the Proposed Transaction, as a result of the sale of the Bullant Gold Project, Argent will have fewer NTA and NTA per Argent Share, as set out below:

Table 44: Implications for NTA following the Proposed Transaction

($000s)	Current NTA			NTA Following Proposed Transaction		
	Low	High	Preferred	Low	High	Preferred
Fair market value of the Bullant Gold Project	7,800	9,400	8,600	0	0	0
Fair market value of the Argent Minerals Properties	5,500	7,000	6,200	5,500	7,000	6,200
Other net tangible assets	2,481	2,481	2,481	2,481	2,481	2,481
Total Net Tangible Assets	**15,781**	**18,881**	**17,281**	**7,981**	**9,481**	**8,681**
Argent Shares (number)	101,891,251	101,891,251	101,891,251	82,391,251	82,391,251	82,391,251
NTA per Argent Share ($)	**0.155**	**0.185**	**0.170**	**0.097**	**0.115**	**0.105**
Fair market value of 0.53 US Nickel Share per Argent Share (minority interest basis)	-	-	-	0.021	0.026	0.024
Total	**0.155**	**0.185**	**0.170**	**0.118**	**0.141**	**0.129**

Source: PKFCA analysis
Note 1: Based on assuming Options will not be exercised
Note 2: Refer **Appendix 6** for Argent Pro-forma Balance Sheet after the Proposed Transaction
Note 3: Refer **Table 33** for and assessment of the Argent net assets after eliminating the Bullant Gold Project before Proposed Transaction

Argent Shareholders will also have received 0.53 US Nickel Share for each Argent Share, with an assessed fair market value of between $0.021 and $0.026 (minority interest basis) for each Argent Share, leading to a total NTA of between $0.118 and $0.141 per each Argent Share after the Proposed Transaction, as compared with between $0.155 and $0.185 per each Argent Share before the Proposed Transaction.

We note that if the one month average share trading price of US Nickel shares (of 14.7 cents) is adopted instead of our assessed fair market value, a total NTA of between $0.168 and $0.202 per each Argent Share after the Proposed Transaction, is calculated, as compared with between $0.155 and $0.185 per each Argent Share before the Proposed Transaction.

Potential decrease in value of Argent Shares

As set out in the above point, NTA and NTA per Argent Share will decrease as a result of the Proposed Transaction. Consequently, is it likely that the value of the Argent Share price will also decrease. We would expect the likely share market trading value of minority parcels of Argent Shares to be at a discount to the NTA per Argent Share after the Proposed Transaction.

Foregone opportunity to continue to benefit directly from Bullant Gold Project

Argent will not be able to benefit directly from any revenue or value generated by the Bullant Gold Project. However, Argent Shareholders who retain their US Nickel Shares will be able to benefit from any revenue or value generated from the Bullant Gold Project, albeit to a lesser degree (as minority shareholders in US Nickel) than if Argent retained the Bullant Gold Project.

Potential increase in illiquidity of Argent Shares

Historically, trading in Argent shares has been relatively illiquid as illustrated below in **Section 3.6**. The loss of control in the Bullant Gold Project, Argent's only near-term revenue producing asset, may adversely affect the attractiveness and therefore, the value and liquidity of Argent Shares.

Loss of ability to achieve a takeover premium

The approval of the Proposed Transaction will result in US Nickel withdrawing from the Argent share register and as a result, this removes the potential for achieving a premium for control for all assets via a takeover from US Nickel.

Lack of Diversification

Argent's portfolio of assets is currently reasonably diversified. To a certain extent, this protects Argent's financial performance against any adverse movements in particular mineral and base metal prices. Implementing the Proposed Transaction will reduce this diversification.

Increased exposure to foreign currency fluctuations

Argent shareholders will have greater exposure to foreign currency risk following the Proposed Transaction as a result of their holding of US Nickel Shares. US Nickel holds mineral and exploration assets in both Canada and the US. This increase in exposure to foreign currency fluctuations may be offset if Argent Shareholders decide to sell the US Nickel Shares that they receive.

13.2.3 Other matters

Taxation Liability

If the Proposed Transaction proceeds, on the basis of taxation advice provided by Argent's taxation advisers to us, Argent will not incur a taxation liability in relation to any capital gains upon the sale of the Bullant Gold Project.

Option Exercise Price Reduction

There are 48,210,751 listed Options on issue which entitle a holder to subscribe for one Argent Share at an exercise price of 20 cents each up until 30 June 2011.

The Options terms provide that in the event of any reorganisation (including consolidation, subdivision, reduction or cancellation) of the issued capital of Argent on or prior to the expiry date, the rights of Option holders will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.

The applicable ASX Listing Rule is Listing Rule 7.22.3. It provides that on a return of capital, the number of options must remain the same, and the exercise price of each option must be reduced by the same amount as the amount returned to each ordinary security.

In the current circumstances, we are advised by Argent's legal advisers that:

- the buy-back and cancellation of the Argent Shares held by US Nickel does not trigger the requirements of the ASX Listing Rules to adjust the exercise price of the Options; and

- the distribution in specie of the 44 million US Nickel Shares to Argent Shareholders will trigger the requirements of the ASX Listing Rules to adjust the exercise price of the Options.

In this instance, the amount returned to Argent Shareholders under the distribution in specie of the 44 million US Nickel Shares to Argent Shareholders is the fair value per Argent Share of the US Nickel Shares distributed to the to Argent Shareholders.

After the cancellation of the Argent Shares held by US Nickel and assuming no exercise of any Options, there will be 82,891,251 Argent Shares remaining. On this basis, the US Nickel shares will be distributed in the ratio of on the basis of 0.53 US Nickel Share for every one Argent Share s held. The amount returned is the fair value of the 0.53 US Nickel Share distributed for every one Argent Share held. The exercise price of the Options will be reduced by that value. This amount will be determined by the Directors.

As a result, Option holders, including Argent Shareholders, will be able to exercise their Options at a lower exercise price. This will be an advantage for Argent Shareholders that hold Options, but may be a disadvantage for Argent Shareholders that do not hold Options.

13.3 Conclusion

Based on the above, we conclude that the Proposed Transaction is **not “fair” but is, on balance, "reasonable” to the Non-associated Shareholders.**

14 IMPACT OF PROPOSED BUY-BACK AND CANCELLATION ON CREDITORS

14.1 Review undertaken

In forming our view of whether the potential impact of the Proposed Transaction is likely to "**materially prejudice creditors**" for the purposes of Section 257A of the Corporations Act, we have undertaken the following:

- taken into account Argent's current working capital position;
- reviewed the Prospective Financial Information of Argent assuming that the Proposed Transaction is approved;
- considered the obligations in respect of the Kempfield and Sunny Corner JV, in light of the comments made in the N H Cole Valuation Report;
- considered Argent's ability to pay expected creditors;
- considered the potential to control expenses, including to reduce expenditure for Argent in respect of the remaining assets; and
- considered Argent's ability to raise capital, assuming that the Proposed Transaction is implemented.

14.1.1 Comments

Overall, it is our view that Proposed Transaction will only improve Argent's ability to meet its obligations to creditors, as it relieves the burden of the obligations likely to arise from development of the Bullant Gold Project.

In addition, due to the recent capital raising, Argent has a fairly strong working capital position, which should see it through the next twelve months. Beyond that period, Argent's ability to meet its obligations will be a result of its success (or otherwise) in relation to exploration and development of its remaining assets and continued sound economic and market conditions for raising money by junior public companies.

14.1.2 Conclusion

In our opinion, for the purposes of Section 257A of the Corporations Act, the Proposed Transaction is "not likely to materially prejudice creditors".

15 QUALIFICATIONS AND DECLARATIONS

15.1 Qualifications

PKFCA is the licensed corporate advisory arm of PKF East Coast Practice, Chartered Accountants and Business Advisers. PKFCA provides advice in relation to all aspects of valuations and has extensive experience in the valuation of corporate entities and provision of expert reports.

Mr Vince Fayad B.Bus, CA, is a Director of PKFCA and the head of the corporate advisory practice. Mr Fayad is also a partner of PKF East Coast Practice. Mr Fayad is the Director responsible for this Report. Mr Vince Fayad has over 25 years experience in a number of specialist corporate advisory activities including company valuations, due diligence investigations, preparation and review of business feasibility studies, public company floats, accounting, advising on transactions and acquisitions, preparation of independent expert reports, preparation of information memoranda and other corporate investigations. Based on his experience, Mr. Fayad is considered to have the appropriate expertise and professional qualifications to provide the advice offered.

15.2 Independence

PKFCA is unaware of any matter or circumstance that would preclude it from preparing this Report on the grounds of independence under regulatory or professional requirements. In particular, PKFCA has had regard to the provisions of applicable pronouncements and other guidance statements relating to professional independence issued by Australian professional accounting bodies and ASIC.

PKFCA was not involved in advising on, negotiating, setting, or otherwise acting in any capacity for Argent in relation to the Proposed Transaction, other than the preparation of this Report. Further, PKFCA has not held and, at the date of this Report, does not hold any shareholding in, or other relationship with Argent that could be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Transaction.

PKFCA considers itself to be independent in terms of RG 112 *Independence of experts* (“**RG 112**”), issued by ASIC.

PKFCA will receive a fee based on the time spent in the preparation of this Report in the amount of approximately $40,000, (plus GST and disbursements). PKFCA will not receive any fee contingent upon the outcome of the Proposed Transaction, and accordingly, does not have any pecuniary or other interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased opinion in relation to the Proposed Transaction. In addition, fees for the reports of the independent mining valuation specialists have been paid by Argent and such fees are also on the same basis as that rendered by PKFCA

Five (5) drafts of this Report were provided to the Directors for review of factual accuracy. Certain changes were made to the Report as a result of the circulation of the draft Reports. However, no changes were made to the methodology, conclusions or recommendations made to the Shareholders.

15.2.1 Disclaimer

This Report has been prepared at the request of the Directors and was not prepared for any purpose other than that stated in this Report. This Report has been prepared for the sole benefit of the Directors and Shareholders. Accordingly, this Report and the information contained herein may not be relied upon by anyone other than the Directors and Shareholders without the written consent of PKFCA. PKFCA accepts no responsibility to any person other than the Directors, and Shareholders in relation to this Report. The statements and opinions contained in this Report are given in good faith and are based upon PKFCA’s consideration and assessment of information provided by the Directors, executives and management of Argent.

APPENDIX 1 GLOSSARY

Table 45: Glossary

Term	Definition
AAS	Australian Auditing Standards
Agreements	Agreements with Golden Cross Operations, Argent's joint venture partner
Argent	Argent Minerals Limited
Argent (Bullant)	Argent (Bullant) Pty Ltd
Argent Minerals Properties	Collectively the Kempfield tenements, Sunny Corner tenements and West Wyalong tenements
Argent Trading Period	1 July 2009 to 19 December 2010
ASIC	Australian Securities and Investments Commission
ASRE	Auditing Standard on Review Engagements
Asset Sale Agreement	An asset sale agreement executed by Argent with Barrick to acquire the Bullant Gold Project
ASX	Australian Securities Exchange
ASX Listing Rules	Australian Securities Exchange Listing Rules
Barrick	Barrick (PD) Australia Limited, a wholly owned subsidiary of Barrick Gold Corporation
BOC	Bank of Canada
Bullant Gold Project	Argent's interests in the Bullant tenement package, including the Bullant underground gold mine
CFME	Capitalisation of future maintainable earnings
Consideration	The proposed consideration payable by US Nickel for the Bullant Gold Project, as follows: • the issue of 44 million US Nickel shares at a value of 15 cents to Argent, which in turn will be distributed in specie to the shareholders; and • Proposed Buy-Back and Cancellation.
Corporations Act	Corporations Act 2001 (Cth)
CPI	Consumer price index
DCF	Discounted cash flow
DFS	Definitive feasibility study
Directors	Directors of Argent
Documents	Notice of meeting and accompanying explanatory memorandum that are to be provided by the Directors in relation to the Proposed Transaction
EIS	Environmental impact study
FOS	Financial Ombudsman Service Limited
FSG	Financial Services Guide
FY20XX	Financial year ending 30 June 20XX
g/t AU	Gold per tonne
GDP	Gross domestic product
GFC	Global financial crisis
Golden Cross Operations	Golden Cross Operations Pty Ltd, a subsidiary of the ASX listed Golden Cross Resources Limited
Index	S&P/ASX 300 Metals and Mining Index
Kempfield JV Agreement	Joint venture agreement between Argent and Golden Cross Operations in relation to the Kempfield tenement
km	Kilometres
Letter	Offer of sale letter was entered into between Argent and US Nickel on 9 December 2010
Licence	Australian Financial Services Licence (License No: 247420)
McKnight and Glanville	Bruce McKnight Minerals Advisor Services and Ross Glanville and Associates Ltd.
McKnight and Glanville Valuation Report	Fair market valuation report prepared by McKnight and Glanville, dated 22 December 2010, which sets out McKnight and Glanville's opinion as to the fair market values of the mineral properties of US Nickel
Mid Continent	The Mid Continent Project owned by US Nickel
N H Cole	N H Cole and Associates Pty Ltd
N H Cole Valuation Report	Fair market valuation report prepared by N H Cole, dated 24 December 2010, which sets out N H Cole's opinion as to the fair market values of the Bullant Gold Project and the Argent Mineral Properties

Term	Definition
Non-associated Shareholders	Shareholders other than those directly involved in the Proposed Transaction or associated with such persons
Notice of Meeting	Notice of Meeting to approve the Proposed Transaction
NSW	New South Wales
OECD	Organisation of Economic Coordination and Development
PFKCA	PKF Corporate Advisory (East Coast) Pty Limited (ABN 70 050 038 170)
Plutonic	Plutonic Resources Limited
Proposed Buy-Back and Cancellation	Cancellation of 19,500,000 Argent shares held by US Nickel through a selective share buy-back
Proposed Transaction	Sale of Argent's interests in the Bullant Gold Project to US Nickel
Prospective Financial Information	prospective financial information for the financial year ending 30 June 2011 in relation to each of Argent and US Nickel
RBA	Reserve Bank of Australia
Report	Independent expert report
RG 111	ASIC Regulatory Guide 111 *Content of expert reports*
RG 112	ASIC RG 112 *Independence of experts*
RG 74	ASIC Regulatory Guide 74 *Acquisitions Agreed to by Shareholders*
Shareholders	Argent Shareholders
Shares	Issued fully paid ordinary shares of Argent.
Snowbird	The Snowbird Project owned by US Nickel
Sunny Corner JV Agreement	Joint venture agreement between Argent and Golden Cross Operations in relation to the Sunny Corner tenement
Top 20 Argent Shareholders listing	Top 20 Argent Shareholders listing as at 22 December 2010 provided to PKFCA
US	United States of America
US Nickel	US Nickel Limited
US Nickel Trading Period	26 May 2010, (which is the date the entity relisted on the ASX) to 19 December 2010
VWAP	Volume weighted average trading prices
WA	Western Australia
West Wyalong JV Agreement	Joint venture agreement between Argent and Golden Cross Operations in relation to the West Wyalong tenement
WMC	WMC Resources Limited

Source: PKFCA

APPENDIX 2 SOURCES OF INFORMATION

In preparing this Report PKFCA had access to and relied upon the following principal sources of information:

- Argent draft notice of meeting and accompanying draft explanatory;
- Argent audited annual financial statements for the years ended 30 June 2008 to 2010;
- US Nickel audited annual financial statements for the years ended 30 June 2008 to 2010;
- Argent ASX announcements;
- US Nickel ASX announcements;
- Argent website, http://www.argentminerals.com.au;
- US Nickel website, http://www.usnickel.com.au/;
- Argent internal management documents;
- US Nickel internal management documents;
- various discussions with Argent management;
- various discussions with US Nickel management
- information and research sourced from Bloomberg and Capital IQ; and
- information generally available and provided by major Australian economic forecasting bodies.

APPENDIX 3 VALUATION METHODS

In arriving at our valuation conclusions for Argent and US Nickel, the following commonly used business valuation methods have been considered:

Discounted Cash Flow Method

The DCF method is based on the premise that the value of a business or any asset is represented by the present value of its future cash flows. It requires two essential elements:

- the forecast of future cash flows of the business asset for a number of years (usually five (5) to 10 years); and
- the discount rate that reflects the riskiness of those cash flows used to discount the forecast cash flows back to net present value ("**NPV**").

DCF is appropriate where:

- the businesses' earnings are capable of being forecast for a reasonable period (preferably five (5) to 10 years) with reasonable accuracy;
- earnings or cash flows are expected to fluctuate significantly from year to year;
- the business or asset has a finite life;
- the business is in a 'start up' or in early stages of development;
- the business has irregular capital expenditure requirements;
- the business involves infrastructure projects with major capital expenditure requirements; or
- the business is currently making losses but is expected to recover.

Capitalisation of Future Maintainable Earnings Method

This method involves the capitalisation of estimated future maintainable earnings by an appropriate multiple. Maintainable earnings are the assessed sustainable profits that can be derived by the vendor's business and excludes any one off profits or losses. An appropriate earnings multiple is assessed by reference to market evidence as to the earnings multiples of comparable companies.

This method is suitable for the valuation of businesses with indefinite trading lives and where earnings are relatively stable or a reliable trend in earnings is evident.

Net Realisable Value of Assets

Asset based valuations involve the determination of the fair market value of a business based on the net realisable value of the assets used in the business.

Valuation of net realisable assets involves:

- separating the business or entity into components which can be readily sold, such as individual business units or collection of individual items of plant and equipment and other net assets; and
- ascribing a value to each based on the net amount that could be obtained for the asset if sold.

The net realisable value of the assets can be determined on the basis of:

- *orderly realisation*: this method estimates fair market value by determining the net assets of the underlying business including an allowance for the reasonable costs of carrying out the sale of assets, taxation charges and the time value of money assuming the business is wound up in an orderly manner. This is not a valuation on the basis of a forced sale where the assets might be sold at values materially different from their fair market value;
- *liquidation*: this is a valuation on the basis of a forced sale where the assets might be sold at values materially different from their fair market value; or

- *going concern*: the net assets on a going concern basis estimates the market value of the net assets but does not take into account any realisation costs. This method is often considered appropriate for the valuation of an investment or property holding company. Adjustments may need to be made to the book value of assets and liabilities to reflect their going concern value.

The net realisable value of a trading company's assets will generally provide the lowest possible value for the business. The difference between the value of the company's identifiable net assets (including identifiable intangibles) and the value obtained by capitalising earnings is attributable to goodwill.

The net realisable value of assets is relevant where a company is making sustained losses or profits but at a level less than the required rate of return, where it is close to liquidation, where it is a holding company, or where all its assets are liquid. It is also relevant to businesses which are being segmented and divested and to value assets that are surplus to the core operating business. The net realisable assets methodology is also used as a check for the value derived using other methods.

These approaches ignore the possibility that the company's value could exceed the realisable value of its assets.

Share Market Trading History

The application of the price that a company's shares trade on the ASX is an appropriate basis for valuation where:

- the shares trade in an efficient market place where 'willing' buyers and sellers readily trade the company's shares; and
- the market for the company's shares is active and liquid.

Constant Growth Dividend Discount Model

The dividend discount model works best for:

- firms with stable growth rates;
- firms which pay out dividends that are high and approximate free cash flow to equity;
- firms with stable leverage; and
- firms where there are significant or unusual limitations to the rights of shareholders.

Special Value

Special value is the amount which a potential acquirer may be prepared to pay for a business in excess of the fair market value. This premium represents the value to the potential acquirer of potential economies of scale, reduction in competition or other synergies arising from the acquisition of the asset not available to likely purchasers generally. Special value is not normally considered in the assessment of fair market value as it relates to the individual circumstances of special purchases.

N H Cole and Associates Pty Ltd

PROJECT INVESTMENT AND MINERAL INDUSTRY ADVISORS

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24 December 2010

PKF Corporate Advisory (East Coast) Pty Ltd
Level 10, 1 Margaret Street
SYDNEY NSW 2000

Attention: Mr Vince Fayad, Director

Dear Sirs

VALUATION OF BULLANT GOLD PROJECT AND ARGENT MINERALS PROPERTIES

This valuation report assesses the fair market value as at December 2010 of the mineral project interests owned by Argent Minerals Ltd ("Argent"), formerly known as Kempfield Silver Pty Ltd. The sole and restricted purpose of this report is for use and reference by PKF Corporate Advisory (East Coast) Pty Ltd ("PKF") which is to be included in an independent expert ("IER")addressed to the Directors of Argent, to which this report is appended, on a proposed corporate transaction involving Argent and US Nickel Ltd ("US Nickel"). The present report should not be used or relied upon by any other party for any purpose.

There are two groups of Argent's mineral project considered in this valuation report:

- The Bullant gold project, 65 kilometres north-west of Kalgoorlie, in the Western Australian Goldfields which was acquired by Argent earlier in 2010 at a price of approximately $5.6 million from Barrick (PD) Australia Limited ("Barrick"), includes the Bullant underground gold mine, soon to be re-opened, and two other pre-development gold projects, Bullant South and Wattlebird, both near to Bullant on the same leases.

- The three Argent Minerals Properties are all in the Lachlan Fold Belt of New South Wales. The Kempfield silver project with defined mineral resources and currently the subject of a definitive feasibility study is located approximately 80 kilometres south-west of Bathurst. The Sunny Corner project, with defined resources, covers Australia's first silver mine, approximately 45 kilometres east of Bathurst. The West Wyalong exploration project is located in an historic gold field, 130 kilometres south-west of Parkes.

1. EXECUTIVE SUMMARY

The fair market value assessment of the Argent mineral project interests as at December 2010 is set out in Table 1, referred to each of the following sections of this report, where each of the interests is described and assessed, with the values shown being for Argent's equity interests now owned or being earned.

Table 1
FAIR MARKET VALUATION OF ARGENT'S MINERAL PROJECTS INTERESTS

	Sections	Argent Equity	Low Value A$ million	Preferred Value A$ million	High Value A$ million
Bullant Gold Project	3, 3.3, 3.4, 3.6	100%	7.8	8.6	9.4
Argent Minerals Properties					
Kempfield	4, 4.3, 4.6	70%	4.8	5.4	6.0
Sunny Corner	4.4, 4.6	51%	0.52	0.6	0.75
West Wyalong	4.4, 4.6	51%*	0.18	0.2	0.25
Total, Argent Minerals Properties			5.5	6.2	7.0

* Assuming requisite cumulative West Wyalong exploration expenditures of $750,000 achieved by Argent up until 1 June 2011, compared to present cumulative expenditure of approximately $350,000.

Argent's equity interests in the Bullant gold project are net of the McVerde 10 per cent net profit interest described in Section 3.3 and Footnote 2.

For the valuation assessments shown in Table 1, the principal underlying medium term commodity price and exchange rate assumptions adopted are as set out in Table 2 below, with forecast data sourced by PKF from Bloomberg, as at 20 December 2010.

2. VALUATION METHODOLOGY

For the preparation of independent expert valuation reports on mineral project interest, the appropriate professional standards are as set down in the provisions of the Valmin Code [1] of The Australasian Institute of Mining and Metallurgy ("The AusIMM"), the provisions of which have been generally observed in the preparation of this report.

As defined in the Valmin Code, the value, or fair market value, of a mineral asset or mineral project interest, is the estimated amount of money or the cash equivalent or some other consideration for which the interest should change hands on the reference date of the valuation - for this report as at December 2010 - between a willing buyer and a willing seller in an arm's length transaction, wherein each party had acted knowledgeably, prudently and without compulsion. The fair market value has two components, the underlying "technical value" of the asset, which relates to the projected net economic or cash flow derived value, and a premium relating to market, strategic or other considerations which, depending on the circumstances at the time, can be either positive, negative or zero. Value is time and circumstance specific; asset values and market premia or discounts change as overall market conditions and commodity prices and exchange rates and their future projections change, while the value of a specific asset at a particular point in time can be dependent upon the nature of the interests of the actual or potential stakeholder.

The nature of the valuations determined in this report is of fair market value, rather than technical value.

For the valuation of mineral projects in production or in feasibility study stages, where mineral resources and/or ore reserves have been established, the method most commonly used for determination of such projects' future net economic benefit or technical valuation range is the after-tax discounted cash flow valuation technique. Using this technique, a net present value ("NPV") of the projected future after-tax cash flow is calculated, based on a set of input assumptions which relate to commodity prices, exchange rates, capital and operating costs, production levels, reserves, marketing, taxation and project life and scheduling.

1 "Valmin Code" is the Code and Guidelines for Technical Assessment and/or Valuation of Mineral and Petroleum Assets and Mineral and Petroleum Securities for Independent Expert Reports, 2005 Edition, which is binding on members of The AusIMM, and applies to all relevant reports issued from 29 April 2005.Contract terms agreed between Argent and McVerde include a 10 per cent net profits interest in the Bullant underground mine operation in favour of McVerde.

For this report, we have not adopted the NPV methodology as the primary valuation method for either group of interests, because of the uncertainties remaining with key input assumptions and because of the availability of other valuation methods. For the valuation of Bullant projects, reference has been made to market adjustment factors since the recent fair market value Bullant project acquisition by Argent, and the commonly applied yardstick basis, having regard to available and potential ore reserves and mineral resources, and other factors including possible capital expenditures and profitability.

The Argent Minerals Properties have been valued with regard to the relevance and past costs of, and findings from prior known exploration and pre-development activity, the assessed current prospectivity of the areas, using the past exploration expenditure method, which assesses the degree of value adding, positive or negative, arising from relevant accumulated expenditures on the subject tenements, also taking into account forward expenditure considered committed. This exploration project valuation methodology considers that the amount of money invested to date in the mineral property is a measure of the value of the property, and that the expenditure will have enhanced the prospectivity, assuming the exploration funds have been spent efficiently. A prospectivity enhancement multiplier ("PEM") is applied to the relevant expenditure base. The PEM value applied is commonly from unity to a usual maximum of 3 times or, in cases where work is judged to have downgraded the prospectivity of the property, the PEM values applied may be from less than unity to zero, with a zero PEM equivalent to abandonment of the property based on results to date. For Kempfield check valuation purposes, reference has also been made to the yardstick basis.

For the purpose of definition D20 of the Valmin Code, the Bullant underground gold project is defined as a Development Project, in transition to a defined Operating Mine. The Bullant South and Wattlebird projects are Pre-Development Projects. For the Argent Minerals Properties, the Kempfield project, a defined Pre-Development Project, holds the large majority of the assessed valuation for this group. The Sunny Corner and West Wyalong projects are defined as a Pre-Development Project and an Advanced Exploration Area respectively.

Except as noted in context, all references to mineral resources and ore reserves in this report are reported in accordance with the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves, 2004 Edition ("the JORC Code"), as defined in and required under Appendix 5A of the ASX Listing Rules, effective 17 December 2004.

The Bullant project area has recently been visited by the undersigned. No recent site visit has been made to the Argent Minerals Projects, and for those projects, in keeping with the provisions of paragraph 65 of the Valmin Code, the undersigned declares he is satisfied that there is sufficient current information available to allow an informed appraisal of the Argent Minerals Projects to be made without a site inspection.

For assessment and valuation purposes, a time datum of December 2010 has been adopted. References herein to dollars are to Australian dollars, expressed in December 2010 terms, except where otherwise indicated. For this valuation report, forecast exchange rate and metal prices as set out in Table 2 have been adopted, based on 20 December 2010 Bloomberg data available to PKF. The current exchange rate is A$1.00 = US$1.00.

Table 2
FORECAST EXCHANGE RATE AND METAL PRICES

Calendar Year		**2011**	**2012**	**2013**	**2014**
A$ to US$		0.98	0.89	0.87	0.85
Spot gold	US$/oz	1400	1331	1215	1000
Spot gold, converted	A$/oz	1429	1496	1397	1176
Silver	US$/oz	25.03	22.00	20.00	18.31
Zinc	US$/tonne	2375	2458	2259	2425
Lead	US$/tonne	2487	2646	2168	2205

Source: Bloomberg – as provided by PKF

The principal information sources used in the preparation of this valuation report are listed in the appendix hereto.

3. BULLANT GOLD PROJECT, VIA KALGOORLIE, WESTERN AUSTRALIA

The proposed corporate transaction to which the PKF IER relates involves, *inter alia*, the proposed divestment of Argent's 100 per cent owned Bullant gold project to US Nickel, via the sale of Argent's wholly owned subsidiary Argent (Bullant) Pty Ltd, the owner of the Bullant Tenement Package acquired from Barrick in October 2010.

3.1 Bullant Project History and Overview

The Bullant Tenement Package, 65 kilometres north-west of Kalgoorlie and 20 kilometres south-west of Ora Banda, is located in the Coolgardie Mineral Field, within the Kunanalling District, as shown in Figure 1.

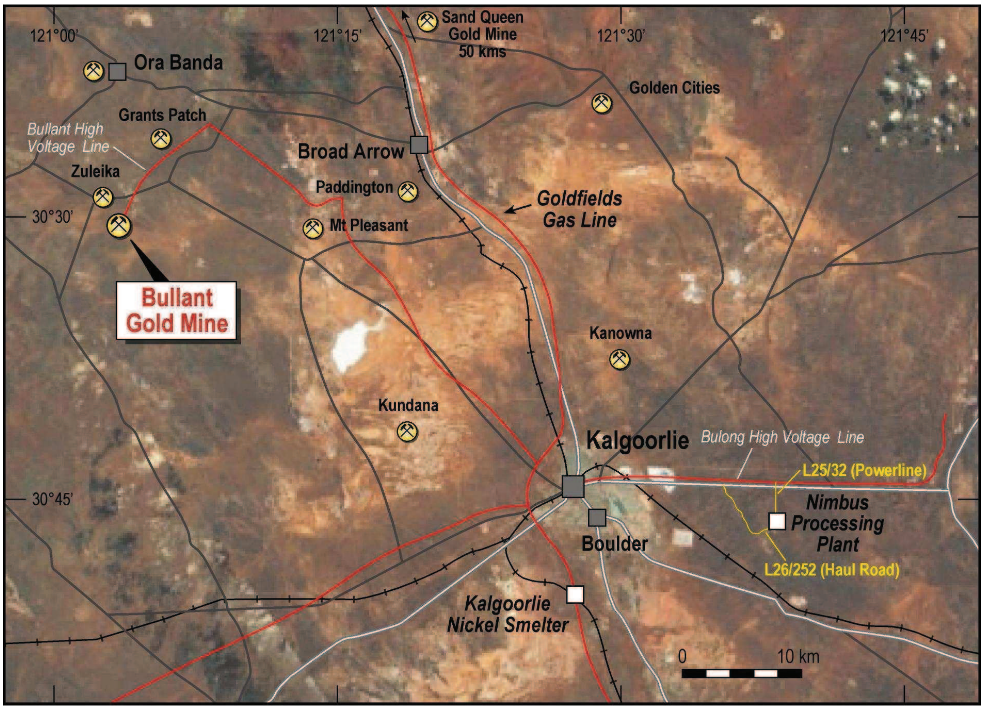

Figure 1
BULLANT PROJECT LOCATION PLAN
Source: Bullant Underground Gold Mine Project Management Plan (draft)

The project covers an area of 1208 hectares over two contiguous mining leases, Wattlebird M16/44 of 593.35 hectares and Bullant/Rocky Dam M16/45 of 614.45 hectares, where several mainly small gold open pit projects have been mined since around the mid-1980s, with some earlier small scale production intermittently since the early 1900s.

While certain reports indicate the initial development of the Bullant open pit was by BHP Minerals Pty Ltd in the 1980s, which merged in 1990 to become part of Newcrest Mining Ltd ("Newcrest"), Barrick's disclosures describe Bullant open pit commencement in 1998.

After several years' operation as described in Section 3.1.1, Barrick closed the Bullant underground mine in December 2009 and soon after offered the project for sale. The first proposed sale by tender was aborted because of funding difficulties occasioned by the adverse financial climate of May 2010, when the severe new Australian mining tax proposal was announced. When the Bullant Tenement Package was re-offered for sale soon after, Argent was the successful tenderer, with the following key event dates:

- 24 June 2010 — Argent tender lodged, for total consideration detailed below
- 23 July 2010 — Asset sale agreement date, payment of 10 per cent deposit

- 4 October 2010 Completion of sale from Barrick to Argent

The consideration paid by Argent for the Bullant Tenements Package involved three elements, totalling $5.555 million, comprising a cash payment to Barrick of $5.276 million, stamp duty payable to the state government of $225,000 and the issue of Argent shares to Barrick having the then value of some $54,000. Argent also assumed responsibility for environmental bonds totalling $890,000.

Since Completion, Argent's Bullant project management group in Kalgoorlie has been able to obtain copies of a range of historical information about Barrick's Bullant operations that was not available during the sale process, including earlier summary resources assessments by Centaur, information about Bullant sample testwork demonstrating high metallurgical recoveries and detailed production and cost details for the Bullant mine in 2008.

Argent's near term planning for the Bullant Tenement Package includes

- dewatering and reopening the underground mine, for a likely further operational mine life of at least three years
- investigating the potential for additional ore to be sourced from the Bullant underground upper levels, including and following removal of the crown pillar
- delineating additional at-depth mineral resources at Bullant in the zones of good earlier drilling intercepts below currently defined mineral resources zones
- investigating additional gold ore production from the adjacent Bullant South and Wattlebird gold projects, and
- exploring high interest projects elsewhere on the leases, including the Old Zuleika, Zuleika Sands and Rocky Dam prospects.

Maintenance costs for the two mining leases are not high, with an annual total of $152,365 payable for lease rentals, expenditure commitments and shire rates.

3.1.1 Recent Bullant Mine Ownership and Production

Newcrest sold a package of regional areas, including Bullant, in July 1996 to Centaur Mining and Exploration Ltd ("Centaur"), for $17 million. After success with other areas, Centaur commenced a small Bullant open pit in 1998 which was completed in mid-2000, with planning underway through the then owners Goldfields Limited for the Bullant underground operation. Underground Bullant operations commenced in September 2002, under the then ownership of Aurion Gold Ltd, the merged vehicle of Goldfields Limited and Delta Gold Limited. Merger activity saw later successive owners as Placer Dome Asia Pacific Ltd ("PDAP") and finally Barrick from late 2005.

In 2006/2007, Barrick divested of many of the regional holdings but retained the Bullant leases, as the underground ore was one of the feed streams to Barrick's Kanowna Belle mill, which had originally been built around the major underground gold mine of the same name by Delta Gold Limited.

Bullant production statistics up until 2008 provided by Barrick to Argent are as set out in Table 3.

Table 3
BULLANT MINE PRODUCTION STATISTICS, 1998 TO 2008

Years	Years	Tonnes Mined	Grade g/t gold	Gold Ounces Production
Open pit	Underground			
1998 – 2000		388,809	2.24	25,907
	2002	28,488	3.29	3,016
	2003	367,551	4.78	56,514
	2004	344,075	5.31	58,737
	2005	356,205	5.05	57,840
	2006	298,272	4.92	47,220
	2007	189,627	5.61	34,187
	2008	222,975	5.28	37,845
Totals		**2,196,002**	**4.55**	**321,266**

Source: Bullant Underground Gold Mine Project Management Plan (draft)

Separate Barrick data shows Bullant 2009 underground production 111,992 tonnes mined at a grade of 6.04 g/t gold, for 21,754 recovered gold ounces, prior to the December 2009 shutdown.

3.2 Bullant Project Geology, Mineralisation, Resources and Reserves

The regional geology of the Bullant area is shown in Figure 2.

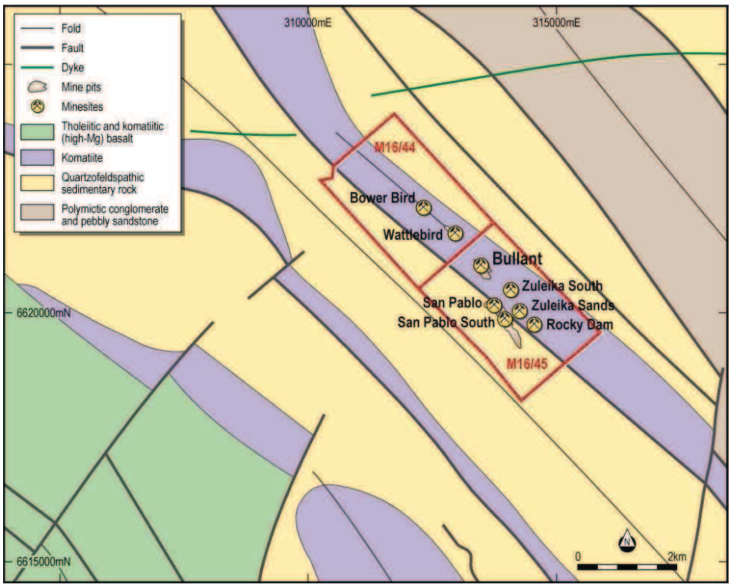

Figure 2
BULLANT TENEMENT PACKAGE AND LOCAL GEOLOGY
Source: Bullant Underground Gold Mine Project Management Plan (draft)

The geology is dominated by a major synclinal structure which comprises a sequence of folded mafic and ultramafic rocks and interflow sediments constrained by the Zuleika Shear Zone in the east and by the Kunanalling Shear Zone in the west. These two shear zones are major crustal fault structures traceable for hundreds of kilometres along strike. In Figure 2, the minesite shown as Zuleika South is correctly identified as Bullant South, which can be interpreted from Figure 5 in Section 3.4.

The gold mineralisation at the Bullant project is hosted in four main reefs which include Main Lode, East Lode, West Lode and Cross Lode, shown in Figures 3 and 4 in plan and cross section. The Main and East lodes to date have hosted the majority of the gold mineralisation mined at the project, and are hosted in a biotite altered basalt unit. The two lodes strike at 320° and dip steeply to the east. The Cross Lode is a linking structure between the Main and East; is more brittle in nature and is characterised by a mineralised quartz vein. The West Lode is located 10 to 20 metres to the west of the Main Lode and was discovered when intersected in the underground development decline.

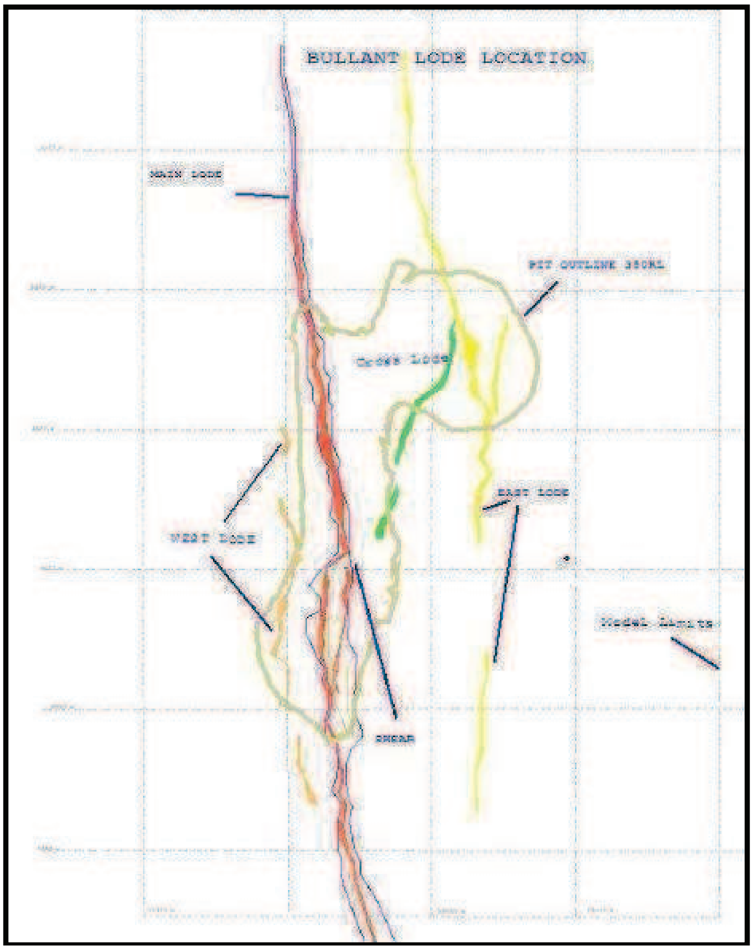

Figure 3
BULLANT MINE LODE SYSTEM – PLAN VIEW
Source: Bullant Underground Gold Mine Project Management Plan (draft)

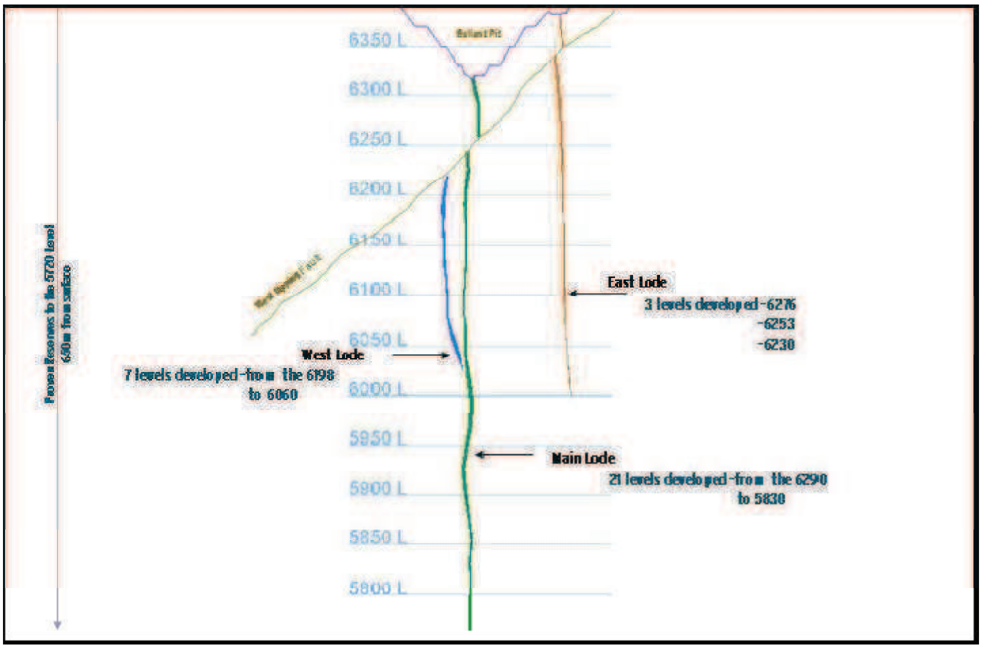

Figure 4
BULLANT MINE CROSS SECTION SHOWING WEST, MAIN AND EAST LODES
Source: Bullant Underground Gold Mine Project Management Plan (draft)

There are no current defined ore reserves estimated for the Bullant project. Argent has however reported in its 2010 annual report, dated 21 September 2010, and separately as an ASX Release on 5 October 2010, the mineral resources listed in Table 4 as estimated by Barrick as at 31 December 2009, with a total of 149,200 ounces of contained gold.

Table 4
BULLANT MINERAL RESOURCES AS AT 31 DECEMBER 2009

Mining	**Measured Resources**			**Indicated Resources**			**Inferred Resources**		
Block	**Tonnes**	**g/t gold**	**gold ounces**	**Tonnes**	**g/t gold**	**gold ounces**	**tonnes**	**g/t gold**	**gold ounces**
East Lode	28,000	3.9	3,500	14,000	4.9	2,200	62,000	4.7	9,400
West Lode	13,000	4.6	1,900	243,000	5.8	45,000	534,000	5.1	87,200
Total	41,000	4.1	5,400	257,000	5.7	47,200	596,000	5.0	96,600

Source: Argent 30 June 2010 annual report, after Barrick

Under the provisions of the JORC Code, with due adjustments arising *inter alia* from mine planning and cost and environmental factors, at least part of the tonnages categorised as measured and indicated mineral resources in Table 4 will be able to be translated to ore reserves.

From preliminary mine planning for the resumption of underground operations, Argent reported on 5 October 2010, an estimated "potential mine inventory" of 570,000 tonnes at a grade of 6.0 g/t gold, with 110,000 contained gold ounces. Such an estimate is not a JORC Code classified mineral resource or proved or probable ore reserve, but there is locally high level of confidence in such estimates because of the historical knowledge of the mine, good underground mining conditions and a high level of reconciliation from past monthly operating records recently sourced from Barrick between ore reserves estimates and actual production.

3.3 Bullant Underground Mine Project Parameters

The Bullant project involves three different mining zones, being the upper levels including the early planned removal of the crown pillar zone, mining at the base of the existing decline and later anticipated mining of known surface and near surface resources, covered in Section 3.4.

Argent's planning for the near term re-opening of the Bullant underground mine, with management services provided by locally experienced project managers McVerde Minerals Pty Ltd ("McVerde")[2], which is shown in longitudinal section in Figure 5, includes the following parameters:

- Extending the 1 in 7 mine 4.5 metre by 5 metre access decline a further vertical depth of 50 metres in the short term at approximately $4000 per lineal metre; established by Barrick to a vertical depth of 600 metres; generally good ground conditions requiring minor ground support, i.e. roof bolts and mesh, anticipated, with possible rehabilitation required for part of the existing decline.

- Changing underground stoping methods from the prior ore mining widths of 4.5 metres to the planned currently 2.6 metres width, to allow more selective mining of ore and less country rock dilution, using the longhole retreat underground mining method, with 20 vertical metres between development levels, leaving about a 15 metre drilling depth between levels.

- Removing the low grade crown pillar material of about 10,000 tonnes for safety, with the collapsed ore removed by remote-control boggers and the area then backfilled.

- Dewatering of the mine, now flooded to about 150 metres vertical depth from the bottom of the existing decline; trial pumping has recently commenced, with a water discharge permit awaited, into one of the old nearby pits on the Bullant leases; pumping is anticipated to take two to three months to complete, if no significant contingent adverse factors are encountered such as the need for rectification of power reticulation, local ground support or accumulated underground mud and debris.

- Completing negotiations for toll milling of Bullant ore for at least several months with a range of several proponents within economical trucking distance of the mine.

- Considering options for establishment of a mill on site, owned by Argent, with a capacity of around 500,000 tonnes per annum for milling ores from the Bullant properties and for toll milling of third party ores; preliminary cost estimates in the range of $11 million to $13 million were discussed with the undersigned at the time of the recent site visit.

- Planning for on-lease tailings disposal into the northern part of the San Pablo Pit, shown in Figure 2, also known as the Paleochannel Pit.

- Mining on a steady state basis for at least three years from April 2011, with the aim of producing at least 150,000 tonnes per annum of approximately 6.2 g/t gold grade from Bullant underground (McVerde Minerals Pty Ltd Consultancy Agreement, Schedule 2).

Because the mine was previously fully developed, relatively small capital costs are involved for the resumption of underground mining operations, with a recent estimate from Argent's cash flow forecasts of around $2.0 million, inclusive of $890,000 for rehabilitation bonds. With some 55 to 60 underground personnel planned, underground mining costs are fairly high at a forecast level of $114 per tonne. A significant component of total cash operating costs relates to offsite ore haulage and toll milling costs. Considerable operating cost reductions would be possible if and when a milling facility is established on site at Bullant.

Under arrangements agreed between Argent and US Nickel, work on the crown pillar extraction can be commenced within the next few weeks, with such work to be funded by US Nickel. No re-opening plan has yet been approved by the board of Argent.

[2] Contract terms agreed between Argent and McVerde include a 10 per cent net profits interest in the Bullant underground mine operation in favour of McVerde.

3.4 Other Bullant Tenements Package Projects

The location of other potential mining centres is seen along strike in the north-westerly striking komatiite zone shown in Figure 2. The following Figure 5, sourced from Argent's draft October 2010 Bullant Underground Gold Mine Project Management Plan, shows the other projects to the south-east and north-west of the Bullant underground mine in longitudinal section, looking south-west, in relation to the main Bullant underground workings.

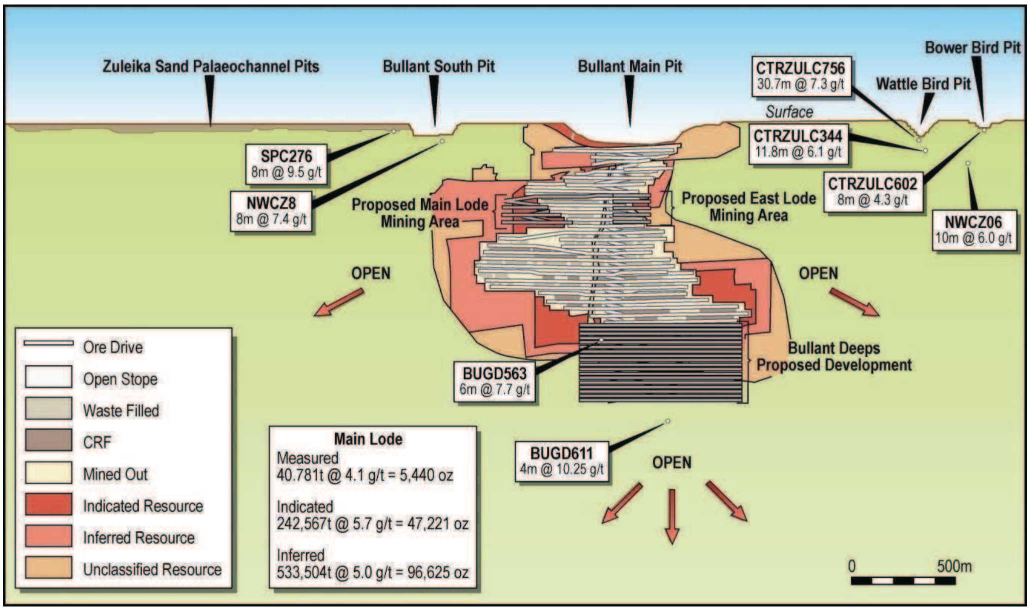

Figure 5
BULLANT TENEMENT PACKAGE LONGITUDINAL SECTION
Source: Bullant Underground Gold Mine Project Management Plan (draft)

For the purposes of the present assessment and valuation report, the main additional resources which are currently assessed by the undersigned, based on historical report summaries from Centaur and PDAP, as likely to be mined are the following:

- Bullant South open pit, with mineable resources, not classified according to the JORC Code, of 48,321 tonnes at 5.02 g/t gold with 7800 contained gold ounces and a moderate open pit stripping ratio of 8.1:1 overburden to ore tonnes (Centaur, December 1998).

- Bullant South underground, measured, indicated and inferred resources tonnes totalling 310,327 tonnes at 4.5 g/t gold with 44,852 contained gold ounces (Centaur, December 2000).

- Wattlebird open pit, with mineable resources, not classified according to the JORC Code, of 212,270 tonnes at 3.0 g/t gold with 20,476 contained gold ounces and a moderate open pit stripping ratio of 8.7:1 overburden to ore tonnes (Centaur, December 1998)[3].

Earlier reports indicate fairly low cash costs per ounce of gold recovered for each of these projects, and while they are not currently at any stage of feasibility study definition, they are assessed by the undersigned as economically viable and valuable components to the Bullant Tenements Package.

[3] As a further point of reference for Wattlebird, PDAP undertook a brief open pit update study in May 2003, showing 205,733 tonnes at 1.86 g/t gold, with a stripping ratio of 5.5:1 for a US$583 per ounce gold price, involving a mixed heap leach and agitated leach operation, but with cut-off grades in the range of 0.7 g/t gold to 1.79 g/t gold, much higher than would currently be applied.

3.5 Bullant Project Risk and Upside Factors

For the Bullant Tenements Package, the main risk factors are currently assessed as the present lack of any defined ore reserves across the leases with the possibility that some of the 65 per cent of contained gold in inferred resources may not be able to be upgraded to better categories or into ore reserves, potential reductions in planned mined ore grades, the possibility or likelihood for adverse operating cost movements, for example in previously assumed toll-milling and project administration costs, possible delays in the achievement of steady state underground ore production[4], and the lack of current feasibility study assessments on the incremental mineral resources to which value is now ascribed.

Counterpoint to the identified risk factors, there are upside factors which may provide incremental value for the future of Bullant, including the potential for additional resources and reserves to be delineated, at the Bullant Underground Deeps shown on Figure 5 and also elsewhere on the tenements, for example at the Rocky Dam prospect and other prospect areas shown on Figure 2 and the potential for the local Argent management team to establish its own mill at Bullant and to take advantage of other regional opportunities outside the leases, including both toll milling of third party gold ores and direct project participation.

3.6 Bullant Project Valuation Assessment

In the experience and opinion of the undersigned, the key point of reference for fair market valuation purposes is the consideration bid by Argent on 24 June 2010, totalling $5.555 million as detailed in Section 3.1 which related principally to the defined resources being acquired in the Bullant underground mine property, set out in Table 4, with a total of 149,200 contained gold ounces. As at that date, in the opinion of the undersigned, the fair market value to be ascribed to the Bullant underground mine was $5.555 million.

On a yardstick valuation basis[5], each of the total contained gold ounces in the Bullant underground resources has a fair market value equivalent to $37 per ounce, i.e. $5.555 million divided by 149,200 gold ounces in resources. On a more detailed basis, reflecting the decreasing level of confidence in different categories of resources, this can be reallocated as $60, $45 and $32 per ounce of gold contained in measure, indicated and inferred resources respectively.

Since 24 June 2010, the market values for Australian gold projects have increased, as reflected in the recovery since then in gold share prices. In June 2010, gold share prices were in the shadow of the severe mining taxation imposition foreshadowed the prior month by the Australian government. From 23 June until 23 December, the S&P/ASX All Ordinaries Gold Index rose 21.1 per cent, from 6545.4 to 7923.9, across a period with minimal change in the Australian dollar gold price. This was for the whole gold group of 35 constituent shares, but for 15 of the smaller shares in that index, which are more representative of a small to medium sized gold project such as Bullant, the average increase in the same period was 31.6 per cent.

Since Argent's 24 June 2010 bid for the Bullant Tenements Package, there has been a quite significant reduction in the attributable risk profile to the package, from numerous positive factors including the following:

- Recruitment by Argent of competent, experienced underground gold project management personnel in Kalgoorlie and at site.
- Conditional Mines Department approval dated 1 November 2010 to the resumption of underground mining operations, with the crown pillar extraction permitted to commence shortly.
- Solid progress made towards offtake toll milling arrangements with a range of third parties within economical trucking distance of Bullant.

[4] Argent's ASX Release of 5 October 2010 referred to "the commencement of stoping within approximately six months" i.e. by around April 2011.

[5] To amplify the abbreviated reference in Section 2 to the commonly applied yardstick basis, this method is widely used for ranking and valuing gold mining projects and companies in many countries. Higher yardstick values are attributed to gold projects with ore reserves rather than mineral resources or exploration results, to projects with lower operating and/or capital costs, and to projects with lower assessed operating, environmental or technical risks.

- Preliminary or informal mid-December price indications received from two experienced engineering company sources in Kalgoorlie for building an on-site mineral processing facility to service Bullant and other gold projects.

- The option for seeking approval for the on-lease tailings disposal into part of the old San Pablo pit on M16/45, approximately 700 metres SSE of Bullant.

- Strategically important new post-tender information sourced by Argent's Bullant project management group from Barrick about better than previously assumed metallurgical performance with higher gold recoveries, about Barrick's historical underground mining costs at Bullant, detailed monthly mining reconciliation data from December 2007 to September 2009, and Centaur 2000 estimates of resources for potential open pit and underground projects at Bullant South, Wattlebird and Rocky Dam.

The conclusion of the undersigned from these factors is that there has been significantly more value-adding for the Bullant project in the past five months than for the gold index sample of 15 smaller constituent companies. Compared to the 24 June 2010 yardstick values, with a weighted average of $41 per ounce, it is the opinion of the undersigned that attributable value increases of 40 per cent, 60 per cent and 50 per cent are appropriate, i.e. increased values of $7.8 million, $9.0 million and $8.4 million for the low, high and preferred value cases, compared to the 31.6 per cent for the 15 sample average.

As an alternative primary method of valuation for the Bullant project, based on the yardstick approach, assessed values are shown in Table 5, before rounding, as at December 2010.

Table 5
BULLANT PROJECT YARDSTICK VALUE METHOD VALUATIONS

Project	**Low Value A$ million**	**Preferred Value A$ million**	**High Value A$ million**	**Value A$ per ounce**
Bullant underground	6.16	6.84	7.53	46
Bullant South open pit	0.18	0.28	0.39	37
Bullant South underground	0.79	0.86	0.93	19
Wattlebird open pit	0.46	0.75	1.01	37
Totals	**7.57**	**8.74**	**9.86**	

The values per ounce in the final column in Table 5 are for the Preferred Values, with different attributed values reflecting the development status and relative assessed capital and operating costs.

Having regard for the range of value-adding assessed values discussed above, with a preferred value derived of $8.4 million, and the value of $8.74million derived from the yardstick method, it is the conclusion of the undersigned that the fair market value range for the Bullant project as at December 2010 is in the range of $7.8 million to $9.4 million, with a preferred fair market value of $8.6 million.

4. ARGENT MINERALS PROPERTIES, NEW SOUTH WALES

The 4 January 2008 IPO prospectus from Argent (formerly named Kempfield Silver Pty Ltd) recorded that it had negotiated three parallel farm-in and joint venture agreements dated 8 June 2007 with Golden Cross Operations Pty Ltd ("GCO") covering arrangements for the three Argent Minerals Properties, i.e. Kempfield, Sunny Corner and West Wyalong, all located in the Lachlan Fold Belt in central western New South Wales, as shown in Figure 6. The 2007 annual report for Golden Cross Resources Ltd, the listed parent company of GCO, reflected increased corporate attention on its Copper Hill project with quite minor expenditures on Kempfield ($17,000 in 2006, and $39,000 in 2007) and apparently lesser amounts on Sunny Corner and West Wyalong.

Kempfield has been the flagship project for Argent since the time of its ASX listing in early 2008. It is located south-west of Bathurst and approximately 30 kilometres south of the town of Blayney, centred at 33°49'S, 149°15'E, about 7 kilometres west north-west of the village of Trunkey Creek. The land affected by the Kempfield project includes Portions 8, 17, 32, 54 and 55, all in the Parish of Kempfield, County of Georgiana.

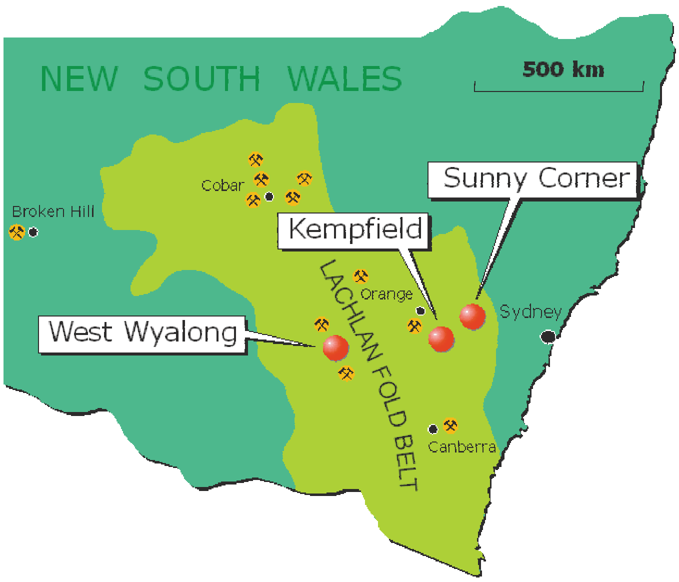

Figure 6
LOCATION MAP, ARGENT MINERALS PROPERTIES, NSW
Source: Argent IPO Prospectus, 4 January 2008

The June 2007 commitments agreed between Argent and GCO are summarised in Table 6, with the final column based on Argent ASX releases and Argent's advice to the undersigned.

Table 6
ARGENT MINERALS PROPERTIES, NSW, EXPENDITURES

Project	Total Area Square Kilometres	Minimum Annual Expenditure Commitment	Expenditure by Argent by 1 June 2011 to earn 51%	Cum. Expenditure by Argent by 1 June 2013 to earn 70%	Expenditure to date
Kempfield	125	$91,500	$2,000,000	$2,745,000	$2,710,000
Sunny Corner	201	$129,000	$500,000	$686,000	$525,000
West Wyalong	116	$70,000	$750,000	$1,030,000	$350,000

For the purposes of this report, Argent's joint venture interest in Kempfield is based on 70 per cent, with the $2,745,000 threshold anticipated to be met within the next approximately four weeks. The joint venture interest for Argent is 51 per cent at Sunny Corner. Argent may or may not reach the $750,000 project expenditure to realise its 51 per cent interest in West Wyalong by 1 June 2011.

The tenements covering the three projects are listed hereunder.

- Kempfield — EL5748, EL5645, EL7134, ALA (Assessment Lease Application) 41 Orange, the four principal Kempfield tenements, the relative locations of which are shown in Figure 7 below, plus the much smaller PLLs (private lands leases) 517, 519, 727 and 728 which carry no incremental labour or expenditure commitments or conditions.
- Sunny Corner — EL5964, EL7135
- West Wyalong — EL5915

The West Wyalong Exploration Licence is subject to a 2.5% net royalty return to Lac Minerals (Australia) NL.

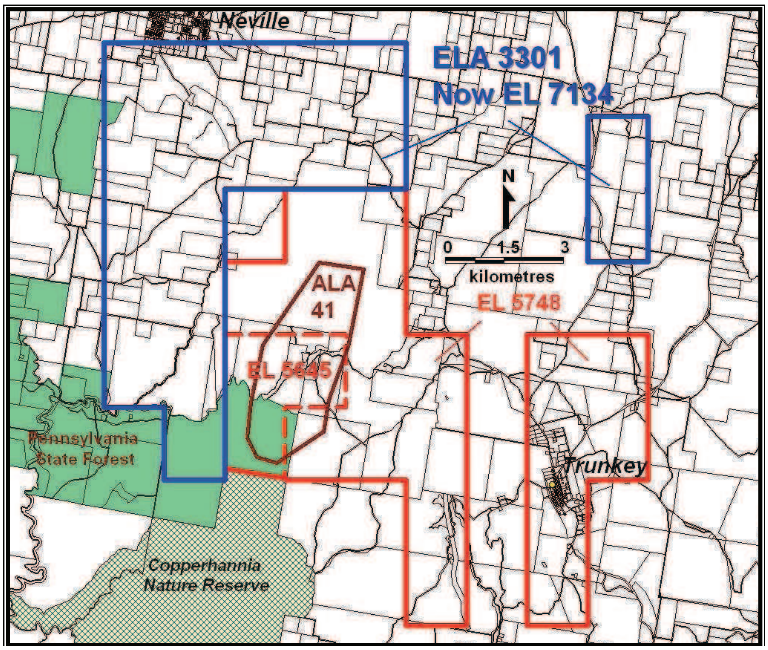

Figure 7
PRINCIPAL KEMPFIELD PROJECT TENEMENTS
Source: Mining Title Services Pty Ltd report, 24 December 2010

The main Kempfield mineral resources zones are located within the red-dashed boundary of EL5645. The Mt Dudley and Trunkey gold prospects, with numerous old gold workings, are located in the western and eastern portions of EL5748 respectively.

4.1 Argent Minerals Properties Geology, Mineralogy, Resources and Reserves

4.1.1 Kempfield Silver Project

The Kempfield silver and barite project is hosted in a VMS (volcanogenic massive sulphide) mineralised system. It lies within a north-south corridor approximately three kilometres long, with several zones of barite/sulphide mineralization, some of which host silver, lead and zinc mineralisation, as shown in Figure 8. To date, the Quarries, BJ and McCarron are assessed as containing economic resources, with the largest BJ and also McCarron zones identified by Argent as the two principal ore zones (refer also Figure 11). These are located on the gradual western flank of a ridge which trends in the same direction.

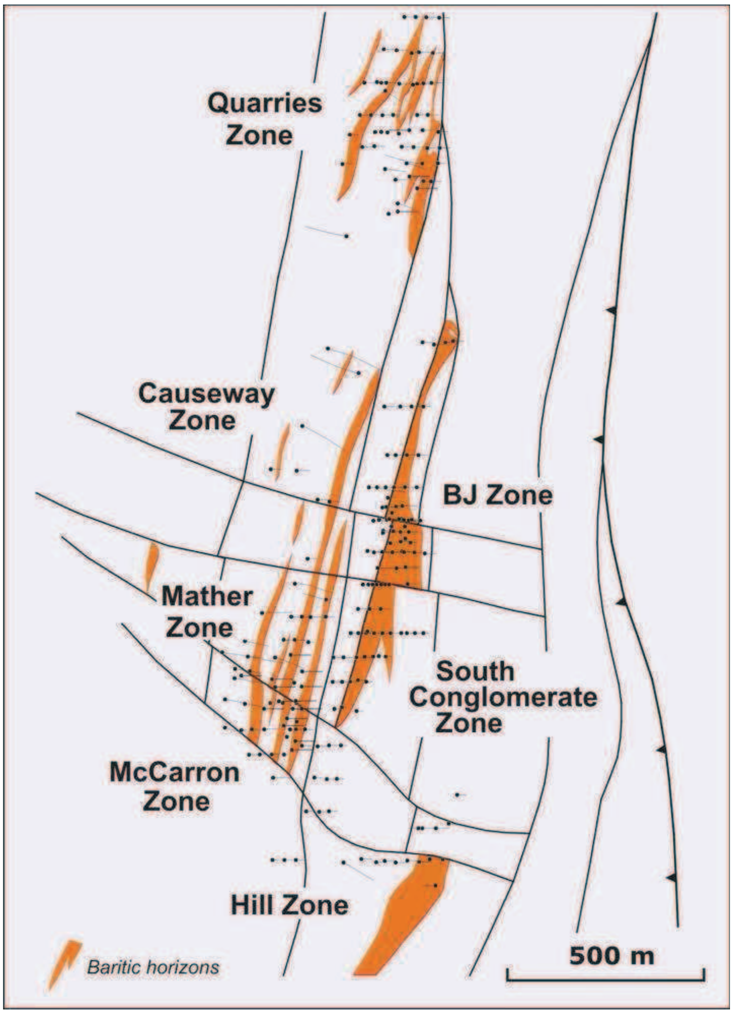

Figure 8
PLAN OF BARITE/SULPHIDE ZONES AT KEMPFIELD
Source: Argent IPO Prospectus, 4 January 2008

The Kempfield project mineralisation is located within and in proximity of the barite horizons, which dip at about 70º to the west. In general, the deposits contain currently small quantities of lead and zinc in the higher elevations, with grades gradually improving with depth.

A characteristic of the Kempfield mineralisation is the variability throughout the different deposits, with the mineralisation and different mineral resources areas now sub-divided into oxide ore, mixed ore and primary ore types. Various mineralogical analyses have shown that the silver occurs as native silver, and in several different silver sulphides forms. In contrast to many other silver occurrences, silver at Kempfield is commonly associated with zinc mineralisation (from mineralogical analysis of BJ zone cyanidation tailings) and much less so with galena which only carries about 5 to 6 per cent of the total silver. The metallurgical response has been shown to be different for the different deposits at Kempfield, with very high silver recoveries from McCarrons zone oxide and mixed ore types but poor recoveries for McCarrons zone primary ore. Further metallurgical testwork, refinement and optimisation are still to be undertaken.

For resources estimation, the December 2007 Independent Geologist's Report prepared for Argent's 4 January 2008 IPO prospectus reported a total of 3.72 million tonnes of resources at a cut-off grade of 60 g/t silver, with total contained silver of 11.3 million ounces. This estimate[6] included

- Measured plus indicated mineral resources of 2.75 million tonnes at 96 g/t silver and 27 per cent barite, and

- Inferred mineral resources of 0.97 million tonnes at 91 g/t silver and 24 per cent barite.

For the 31 March 2010 Kempfield project Scoping Study, the Kempfield mineral resources estimates adopted the estimates shown in Table 7.

In Table 7, silver equivalence grades assume that 1 per cent lead or zinc is equivalent to 20 g/t silver. There are minor lead and zinc grades reported in the primary mineralisation, and minor gold credits throughout. The total contained metal in the overall 9.85 million tonnes is 21.3 million ounces, 110,000 tonnes of zinc, 55,000 tonnes of lead and 30,000 ounces of gold.

No ore reserves were estimated in the Scoping Study, but preliminary open pit plans were examined base, inter alia, on silver prices of US$16 per ounce. From six separate open pits and eight ancillary trenches, a "mining inventory" of 6.27 million tonnes was estimated at a grade of 70 g/t silver, containing 14.1 million silver ounces, 43,000 tonnes of zinc, 21,000 tonnes of lead and 18,000 ounces of gold, and with a low waste to ore open pit stripping ratio of 1.9:1.

Table 7
KEMPFIELD PROJECT MINERAL RESOURCES ESTIMATES, MARCH 2010

Zone and Cut-Off Grade	Resources Classification	Million Tonnes	Silver Grade g/t Ag
Oxide ore type	Measured	0.709	83
40 g/t Ag	Indicated	0.770	76
	Inferred	0.284	67
	Total	1.763	77
Mixed ore type	Measured	0.727	91
40 g/t Ag	Indicated	0.547	73
	Inferred	0.130	64
	Total	1.404	81
Primary ore type	Measured	1.161	81
80 g/t Ag equivalent	Indicated	3.465	61
	Inferred	2.037	51
	Total	6.663	62

Source: 31 March 2010 Kempfield project Scoping Study

The 31 March 2010 Kempfield project Scoping Study did not take into account any processing, recovery and sale of barite as a by-product.

Summary data from the Table 7 estimate of Kempfield mineral resources were presented by Argent to the New South Wales government Department of Industry and Investment in May 2010, in the Kempfield Project Development Plan.

6 Not summarily reported here exactly in conformity with the JORC Code, but correctly recorded in keeping with the JORC Code in a large tabulation in the referenced report.

On 23 November 2010, Argent announced the results of new mining studies based on higher silver metal prices and commensurately lower silver cut-off grades, referring to silver prices as at 9 November of US$26.84 per ounces, compared to the April 2010 Scoping Study price assumption of US$16.00 per ounce. The updated mining study reported in November quoted revised mineral resources of 20.2 million ounces of 20.2 million tonnes at 49 g/t silver, with 31.6 million contained silver ounces.

Having regard to the likely scheduling of the Kempfield project considered in Section 4.3 and the long term silver price forecast shown in Table 2 above of US$18.31 per ounce, for the purposes of the present assessment that the mineral resources estimates included in Table 7 are not unreasonable.

The Kempfield tenements also take in the adjacent Mt Dudley and Trunkey gold prospects. Argent has done little or no recent work on these projects. Based on currently available information, they are considered to be of nominal incremental value to the core Kempfield silver project.

4.1.2 Sunny Corner Pre-Development Project

The Sunny Corner tenements, shown in Figure 9, contains the historic Sunny Corner mine, where silver was mined from 1881 until 1893, and also the Nevada mine, previously mined as a small copper mine. In recent years, drilling by GCO intersected massive sulphide mineralization as shown in the Figure 10 longitudinal section.

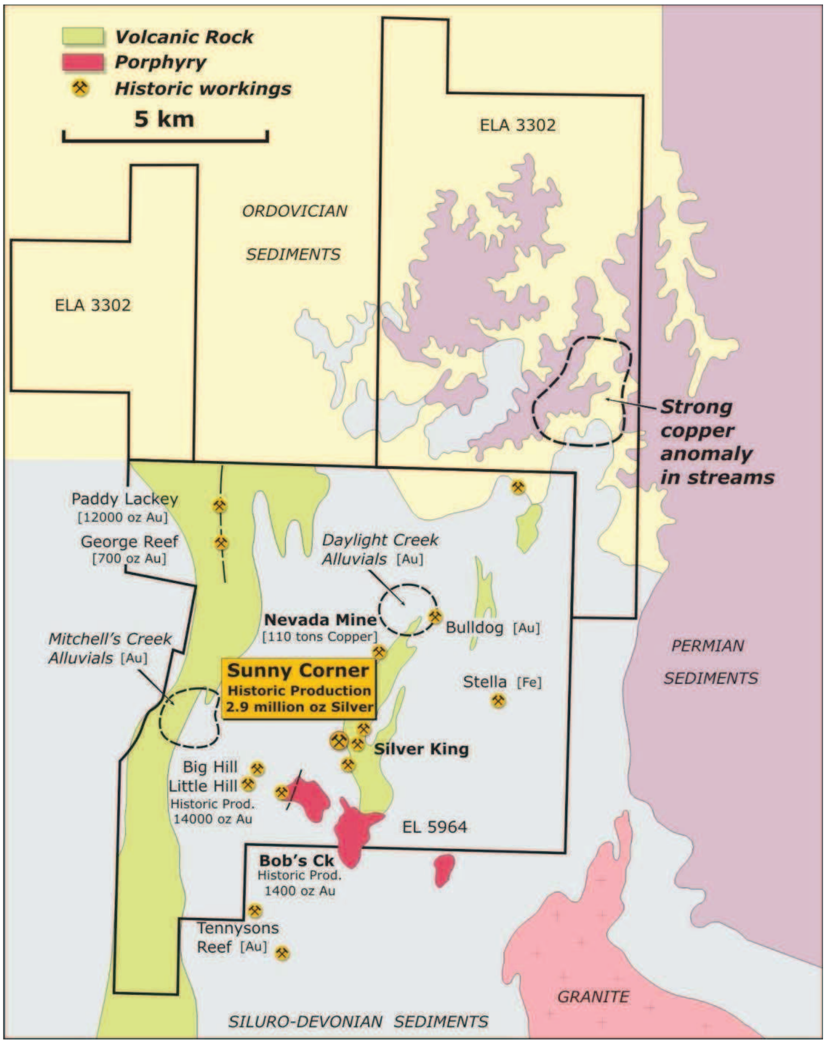

Figure 9
SUNNY CORNER EXPLORATION PROJECT
Source: Argent IPO Prospectus, 4 January 2008

The Sunny Corner project was reasonably described by Argent in a September 2009 presentation as a "VMS deposit with JORC Resources, challenging metallurgy and good exploration potential".

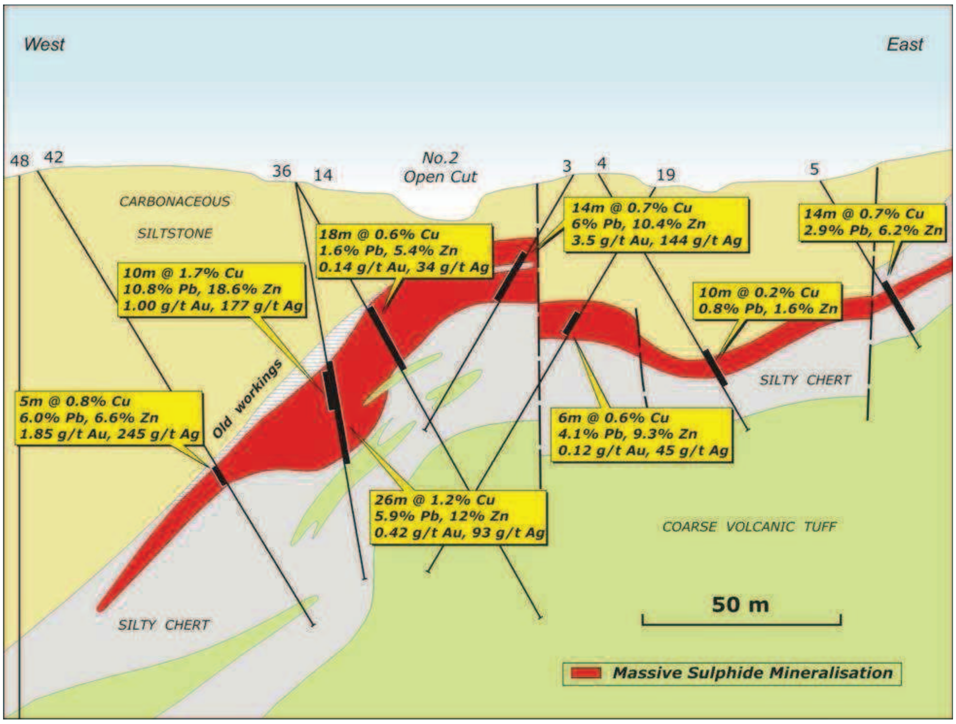

Figure 10
SUNNY CORNER EXPLORATION PROJECT LONGITUDINAL SECTION
Source: Argent IPO Prospectus, 4 January 2008

The inferred mineral resource for Sunny Corner most recently reported by Argent is 1.5 million tonnes with grades of 2.1 per cent lead, 3.7 per cent zinc, 0.4 per cent copper, 0.3 g/t gold and 24 g/t silver. No ore reserves have yet been reported for Sunny Corner.

4.1.3 West Wyalong Exploration Project

The West Wyalong project takes in an historical gold field, where more than 25 gold reefs have been mined in the past. The recorded average grade of 40.7 g/t gold was one of the highest for any goldfield in Australia, with substantial recorded production of 445,700 ounces of gold.

Relatively little recent work has been reported by Argent for West Wyalong, except for two new drillhole results reported in July 2010, following up an earlier intercept in the same region of 2 metres at 22.7 g/t gold which had been targeted on porphyry copper-gold mineralisation. The best follow-up results are interpreted by the undersigned as disappointing, with 2 metres at 4.3 g/t gold and 8 metres at 1.9 g/t gold. For the three holes, the vertical depth from Argent's reported information is in the range of about 40 to 60 metres from the surface.

There are no mineral resources or ore reserves reported to date for West Wyalong.

4.2 Kempfield Silver Project Conceptual Project Development

Barite mining at Kempfield commenced in 1918, with intermittent production recorded up until 1969. While the Kempfield silver project has been the subject of investigation by various companies[7] since the early 1970s, the most significant work was undertaken by GCO when it acquired the project in 1998.

Following Argent's 8 June 2007 farm-in and joint venture agreements with, Argent's early work was oriented towards heap leach recovery of silver, with the possibilities of additional heap leach feed from the adjacent Mt Dudley and Trunkey gold prospects and also of barite concentrate recovery for by-product sale.

A more definitive approach toward project definition resulted from the 31 March 2010 Kempfield Silver Project Scoping Study, which involved the participation of and contributions from several leading Australian mining industry consultants, the conclusions from which were detailed in Argent's 19 April 2010 ASX Release, summarised below:

- Local VMS geological system hosting silver, lead and zinc only partially drilled, with potential to add more mineable resources.
- Project concept of crushing, grinding and agitated cyanide leach to produce silver, followed by flotation of leach operation tailings to produce silver-bearing zinc and lead concentrates, with very good overall silver recoveries estimated at 93 per cent.
- Mining and treatment at 600,000 tonnes per annum for a 10½ year mine life.
- Overall payable production of 12 million ounces of silver, plus 31,000 tonnes of zinc and 11,000 tonnes of lead in concentrates.
- Estimated mine life operating costs, net of other metal credits, of A$10.27 (then US$9.24) per ounce of silver, with a project IRR (internal rate of return) in excess of 20 per cent per annum.
- From results of Scoping Study, Argent board of directors committed to undertaking a $1.1 million definitive feasibility study for the project towards silver production in the first half of 2012.
- Potential for barite concentrates production advised by Argent, but "No potential future extraction of barite has been included" in the actual Scoping Study.
- Good regional infrastructure, road access and services, but further work required on water and power supplies.

The Kempfield project layout as envisaged in the Scoping Study is shown in Figure 11.

[7] Including International Nickel Australia Ltd, Shell Company of Australia Ltd, Jones Mining Ltd and Plutonic Resources Ltd.

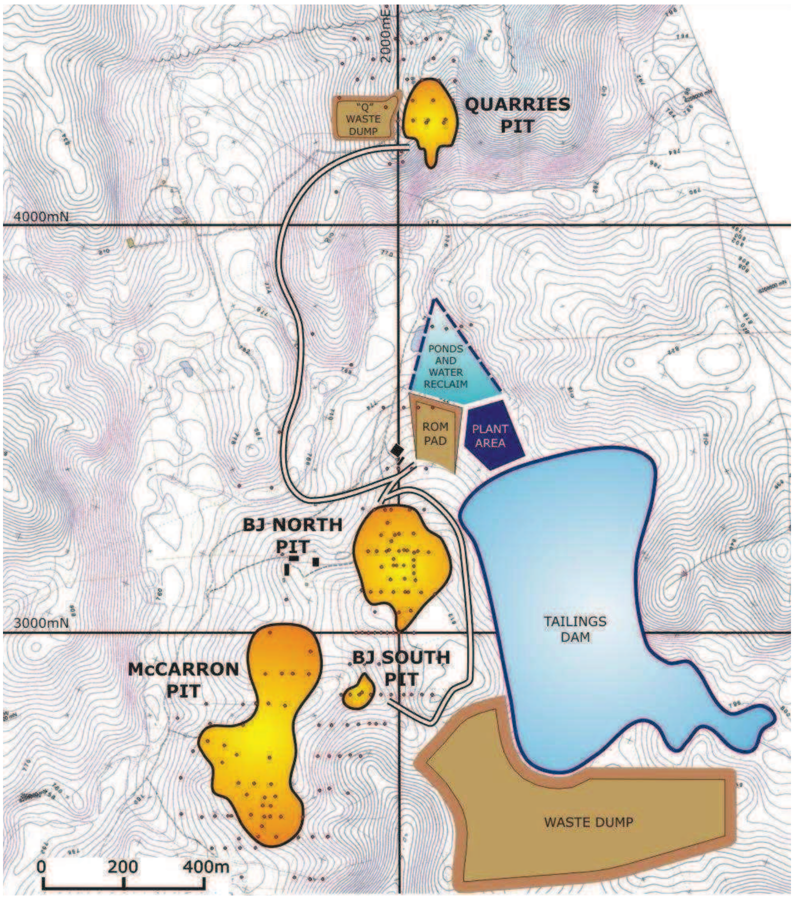

Figure 11
KEMPFIELD PROJECT CONCEPTUAL LAYOUT, APRIL 2010
Source: Argent ASX Release 19 April 2010

Argent's definitive feasibility study for the Kempfield silver project which was started earlier in 2010 will bring the project forward to a suitable level of detail for project planning and engineering. It is to include a further 3500 metres of infill, metallurgical sample and geotechnical drilling.

4.3 Kempfield Silver Project Conceptual Project Scheduling

Various forward estimates relating to the scheduling of the Kempfield project have been announced progressively by Argent since the second half of 2009, including the latest estimate as at November 2010:

- June 2011 Definitive feasibility study finalised
- September 2011 Decision to mine
- October 2012 Commence silver/gold production

The Kempfield project currently lacks final definition as to size, scheduling and whether or not the recovery and sale of barite products are to form part of the Kempfield business plan. The scope and tonnage rate[8] of the Kempfield project are now assessed as unlikely to be defined before the middle of 2011, with the timing contingent on arranging project funding and on the achievement of financial closure.

Based on progress to date, it now appears silver production from Kempfield may be possible by around the end of the 2012 year. Based on all information reviewed by the undersigned, a high level of confidence is expressed as to the development of the Kempfield project around this time, unless some serious adverse contingencies emerge, which are presently not expected.

4.4 Other Argent Minerals Properties: Sunny Corner and West Wyalong

At Sunny Corner, Argent has reported metallurgical performance of 97 per cent recovery to a very low grade bulk sulphide concentrate totalling 31.6 per cent copper plus lead plus zinc, with 180 g/t silver. Along with a small 1.5 million tonne and low grade inferred mineral resource, this translates to a requirement for considerably more work to be undertaken to bring Sunny Corner closer to the threshold of economic viability. However, the project is well located and the results are far from negative, with further ongoing exploration expenditures justified.

At West Wyalong, Argent plans to undertake soil surveys, followed by drill testing to test the possibility that the reef system may be continuous for up to 2 kilometres. Argent's expenditure to date has been approximately $350,000. Taking the longer view, to earn 70 per cent in EL5915, Argent will need to spend a further approximately $780,000 before June 2013, for a project where recent results have been disappointing. It is quite possible, and considered quite likely by the undersigned that a significantly better investment return and payoff will be available to Argent by applying such an expenditure of around $780,000 at its Kempfield project.

4.5 Argent Minerals Properties Risk and Upside Factors

For the Kempfield silver project, the main risk factor appears to be the possibility that any as yet unidentified adverse contingency may emerge in the final drilling, EIS and other feasibility study stages. No single conspicuous risk factor can be identified at the present time. The upside factors rest with possibly improved tonnage mineral resources and ore reserves results from the further planned 3,500 metres of drilling, a possible move to a 1,000,000 tonnes per annum project and an enhanced final metallurgical test result outcome.

For the Sunny Corner exploration project, the risks are that it will not be possible to find a metallurgical flowsheet solution to achieve marketable concentrate grades and that further exploration expenditures will not be able to demonstrate an economically viable combination of resources tonnage and resources grade, with reasonable metallurgical performance, in terms of the potential for the production of marketable concentrates. The upside factors are simply the converse of such metallurgical and tonnage/grade factors.

For the West Wyalong exploration project, the main risk is that further work will lead to the conclusion that ongoing expenditures can no longer be justified by Argent. The upside is that the planned work will assist in delineating good prospects for demonstration of a continuous repetition along strike of the historically mined gold reefs in what was a very high grade gold field.

4.6 Argent Minerals Properties Valuation Assessments

As indicated in Section 2, the primary valuation method applied for the Argent Minerals Properties is the PEM or prospectivity enhancement multiplier method, having regard to the degree of value-adding brought about by the Argent exploration and development activities and expenditures since June 2007.

Based on the experience of the undersigned, and having regard to Argent's exploration and development success on the projects, the range of prospectivity enhancement multipliers assigned to the three Argent Minerals Properties is as under.

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8 While former studies had been based on an ore mining and treatment rate of 600,000 tonnes per annum, the recent 23 November 2010 ASX Release, described in Section 4.1.1, referred to new studies towards a possible ore throughput rate of 1,000,000 tonnes per annum, based on the assumption of higher metal prices, with attendant lower silver cut-off grades for mining development and operations.

- Kempfield low PEM 1.8 preferred PEM 2.0 high PEM 2.2
- Sunny Corner low PEM 1.0 preferred PEM 1.2 high PEM 1.4
- West Wyalong low PEM 0.5 preferred PEM 0.6 high PEM 0.7

The resulting range of values derived for the Argent Minerals Properties is set out in Table 8. The low, preferred and high valuations in Table 8 are derived by multiplying the relevant expenditures to date for PEM application purposes shown for each of the three projects shown in Table 6 by the foregoing low, preferred and high PEM factors.

Table 8
VALUATION RANGES FOR ARGENT MINERALS PROPERTIES

Project	Assumed Argent JV Equity	Relevant Expenditure for PEM application A$ million	Low Value A$ million	Preferred Value A$ million	High Value A$ million
Kempfield	70%	2.71	4.8	5.4	6.0
Sunny Corner	51%	0.525	0.5	0.6	0.73
West Wyalong	51%	0.35	0.18	0.2	0.25
Totals			**5.5**	**6.2**	**7.0**

As a cross-check on the range of values derived for the Kempfield silver project, reference has also been made to the unit yardstick values, expressed as the ratio of the enterprise value per ounce of silver reported in mineral resources or ore reserves, for nine operating and earlier stage silver mining companies set out in a 7 December 2010 ASX Release by Cobar Consolidated Resources Ltd ("CCR"). All except CCR are listed on TSX. Share prices for each were shown up until early December 2010.

CCR has a silver open pit mine project at Wonawinta, 80 kilometres south of Cobar, NSW, on a large tenement area covering 1300 square kilometres. The CCR project is more advanced than Kempfield, with a feasibility study completed in June 2010 and initial silver metal production scheduled for December 2011. Wonawinta's mineral resources are estimated at a total of 21.9 million tonnes with a grade of 71.8 g/t silver and 0.97 per cent lead. 57 per cent of the silver is in indicated mineral resources, with the remaining 43 per cent of the silver in inferred mineral resources.

With these project parameters, the CCR presentation shows an enterprise yardstick value of US$0.60 per silver resource ounce, on an enterprise value basis, i.e. with market capitalisation values adjusted for reported net current or recent cash levels reported. It is noted this yardstick value is almost three times the level of six months ago, reflecting the advancing status of the Wonawinta project and the increase in the silver price from US$19 per ounce in late June 2010 to the recent price of $29 per ounce.

By comparison, the preferred value of $5.4 million for Kempfield shown in Table 8 above reflects an enterprise value equivalent to US$0.17 per silver resource ounce, based on the latest data shown in Section 4.1 derived from a current high silver price assumption for resources estimation, which shows a total of 20.2 million tonnes at a grade of 49 g/t silver, with 31.6 million ounces of contained silver. At Kempfield, 77 percent of the silver is contained in measured and indicated mineral resources, with the balance of contained silver in inferred mineral resources, although these ratios could alter with the further planned 3,500 metres of drilling during the definitive feasibility study phase.

As a valuation cross-check, the relativity of US$0.60 per silver resource ounce for CCR compared to US$0.17 per silver resource ounce for Kempfield is considered as not unreasonable in the opinion of the undersigned, having regard for the relative development stage of the two projects and the fact that CCR will be in production during the 2011 to 2013 period when forecast silver prices as shown in Table 2 are higher than in the years thereafter. The relativity also reflects the scope available to Argent for market appreciation in the value of the Kempfield market as it reaches a better level of project definition and more certain project scheduling.

Having regard to the foregoing factors, it is the conclusion of the undersigned that the fair market value range for the Argent Mineral Properties as at December 2010 is in the range of $5.5 million to $7.0 million, with a preferred fair market value of $6.2 million.

5. PRIOR VALUATIONS AND ASSESSMENTS

In keeping with paragraph 40 of the Valmin Code, from due enquiry, N H Cole and Associates Pty Ltd and the undersigned report that no prior technical, valuation or similar assessment reports pertaining to the Bullant project or the Argent Minerals Properties have previously been undertaken and/or been made available to N H Cole and Associates Pty Ltd.

6. VERIFICATION OF TENEMENTS AND TITLES

Verification of the tenements reviewed in this report has been undertaken in keeping with the requirements of paragraphs 68 to 70 of the Valmin Code.

For the two Bullant gold project mining leases outside Kalgoorlie, M16/44 and M16/45, Austwide Mining Title Management Pty Ltd, a specialist firm of mining title consultants, has provided a report dated 21 December 2010 on the standing of the leases. From that report, it is concluded that the leases are in good standing.

Mining Title Services Pty Ltd, a specialist firm of mining title consultants, has provided a letter report dated 24 December 2010 to N H Cole and Associates Pty Ltd on the standing of the several exploration licences and other titles associated with the group of three Argent Minerals Properties in New South Wales, detailed in the introductory paragraphs to Section 4 above.

7. STATEMENT OF CAPABILITY

The undersigned is a Fellow and past Councillor of The AusIMM, with experience of more than 30 years in the financial analysis, valuation, and investment appraisal of resources projects. Specifically, more than 100 separate projects have been assessed or valued, the majority of which have related directly to the determination of a consideration which could fairly or reasonably be paid by interested purchasers for mining or mineral projects or project interests. The undersigned previously has been responsible for the provision of independent expert reports in the assessment of takeover bids or other proposals involving resources companies, as required under corporate regulatory guidelines and Australian Stock Exchange Listing Rule requirements for independent expert valuation and assessment opinions, and has contributed to all sections of this report. The undersigned is responsible for and is a contributor to all sections of this report.

8. PRIOR INVOLVEMENT AND INDEPENDENCE

N H Cole and Associates Pty Ltd and the undersigned have had no prior client relationship with any of the parties currently or historically involved with the projects reviewed in this report and are independent of all parties involved with the project activities described in this report.

N H Cole and Associates Pty Ltd, the undersigned and members of the undersigned's immediate family have no interest or entitlement in the securities of Argent or in any of the project areas the subject of this report.

N H Cole and Associates Pty Ltd will receive a fixed professional fee plus reimbursement for out of pocket costs for the preparation of this report, payment for which is not contingent on the outcome of the corporate transaction assessed by PKF in its IER. There is no pecuniary or other interest which could reasonably be regarded as being capable of affecting the independence of N H Cole and Associates Pty Ltd or the undersigned.

9. INDEMNITY, DECLARATION AND CONSENT

An advanced draft copy of this valuation report was submitted to Argent for comment as to any errors of fact or misunderstandings or misinterpretations, or substantive disagreements as to the assumptions made explicitly or implicitly in this report, but expressly not in relation to the valuation methodology or valuation conclusions drawn in the report. No substantive changes to this report have been made as a result of the review by Argent.

This assessment and valuation has been based largely on a detailed examination of information about the Bullant and Argent Minerals Properties' projects, largely on the basis of reports and other information made available by officers of Argent. The statements and opinions contained herein are given in good faith and represent our own independent assessment of the information provided. All of such information has been presented in a professional manner and is believed to be true, complete as to material details and not misleading.

The assistance provided by Argent and its officers in facilitating the preparation of this report is acknowledged. The work undertaken for the purpose of this report in no way constitutes a technical or any other form of audit of any of the mineral project interests reviewed in this valuation report.

Preparation of this valuation report is subject to an indemnity from Argent in favour of N H Cole and Associates Pty Ltd, in respect of any consequential damages, costs and expenses arising from the circulation or use of this report other than from proven wilful misconduct or negligence.

The undersigned hereby declares that this report has been prepared independently and in accordance with the Valmin Code, and further declares that he is a Fellow and Corporate Member of The Australasian Institute of Mining and Metallurgy, and is subject to the Code of Ethics of that body.

N H Cole and Associates Pty Ltd hereby consents to the inclusion of the present report in the form and context in which it is referred to in the PKF IER.

Yours faithfully
N H Cole and Associates Pty Ltd

N H Cole

N H Cole
Principal and Managing Director

Appendix 1

PRINCIPAL INFORMATION SOURCES

In addition to the tenement reports referred to in Section 6 and the specific source references listed below, N H Cole and Associates Pty Ltd has made reference to all public record corporate (annual and quarterly reports, ASX Releases, presentations, 4 January 2008 IPO prospectus,3 etc) and other source reports from Argent in respect of the mineral project interests described and assessed in this report.

A. Bullant Gold Project, Western Australia

1. Abbott, J, Placer Dome Asia Pacific, Wattlebird open pit potential memorandum report, 13 May 2003
2. Capsanis, S, Placer Dome Asia Pacific, January 2006 Bullant Reserves memorandum report, undated [2006]
3. Smith, R and Angove, B, AMMTEC Ltd, Flotation Testwork conducted upon Two (2) Samples of Gold Ore from Kanowna Belle Gold Mine for Barrick (Kanowna) Limited, Report No A11525, September 2008
4. Standing, J, Jigsaw Geoscience Pty Ltd, Completion of the Bullant Near-Mine Structural Targeting Study, 23 February 2009
5. Mapleson, D, BM Geological Services Pty Ltd, report to Argent Minerals Ltd on Bullant Gold Project, 2 August 2010
6. Argent Minerals Ltd, draft presentation on Bullant project, 16 August 2010
7. Argent Minerals Ltd, Bullant Underground Gold Mine, Project Management Plan (draft), October 2010
8. Player, J, Western Australian School of Mines, Curtin University, Kalgoorlie, Crown Stability Bullant Project – East and West Pits, 7 December 2010
9. Mitchell, M, CPC Engineering Pty Ltd, Budget Estimate for supply of 500,000 tonnes per annum gold ore processing plant, memorandum report, 9 December 2010
10. Argent (Bullant) Pty Ltd, McVerde Minerals Pty Ltd *et al*, agreed draft Consultancy Agreement, 12 December 2010

B. Argent Minerals Properties, New South Wales

11. AMDEL, report on Beneficiation of Kempfield Barite-Silver Ores from BJ Zone (incomplete copy), January 2010 interpretation notes from B Scerisini, Australian Mining Advisors Pty Ltd, December 1981
12. Appleton, J, Archaeological Surveys & Reports Pty Ltd, An Archaeological Assessment of the Indigenous Heritage Significance of the Site of Proposed Mining Operations at "Kempfield", June 1999
13. McElroy, S, C M Jewell & Associates Pty Ltd, Kempfield Prospect Hydrogeological Study, 6 September 1999
14. Members of the Gundungarra People and Golden Cross Operations Pty Ltd, Land Access and Heritage Protection Agreement, 31 August 2001
15. Argent Minerals Ltd, IPO Prospectus, 4 January 2008, including Geological and Management Services Pty Ltd, Dr I Blayden, Independent Geologist's Report on Kempfield, Sunny Corner and West Wyalong Project Areas, December 2007
16. Gemell, S G, Gemell Mining Engineers, Kempfield Silver Project Scoping Study, 31 March 2010

17. Argent Minerals Ltd, Conceptual Project Development Plan for the Kempfield Silver-Lead-Zinc Project, presentation to the Department of Industry and Investment, May 2010

18. Clements, AM, Anne Clements & Associates Pty Ltd, Flora Assessment: Kempfield Silver-Barite Mine Project, 22 July 2010

19. Harrison, R, Mining Title Services Pty Ltd, Report on Tenements in NSW held by Argent Minerals Limited and its associated companies, 24 December 2010

APPENDIX 5 MCKNIGHT AND GLANVILLE VALUATION REPORT

Bruce McKnight Minerals Advisor Services	Ross Glanville and Associates Ltd.
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604-209-8131	Tel: 604-291-6731
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	Email: glanville@telus.net

December 22nd, 2010

Mr. Vince Fayad
Director
PKF Corporate Advisory (East Coast) Pty Limited
Level 10, 1 Margaret Street
Sydney, New South Wales
Australia 2000

Re: Opinion of Value of US Nickel Limited's North American Mineral Exploration Projects – Snowbird and Mid-Continent

Dear Sir:

Executive Summary

US Nickel Resources Inc. ("US Nickel" or the "Company") is an active, Perth-based, mineral exploration company who's securities trade on the Australian Securities Exchange ("ASX"), with its trading symbol being "USN". The Company's strategy is to acquire quality exploration and development projects in order to attract strong market support and increase the property values. US Nickel's most advanced projects are its indirect interest in the Bullant Gold Mine near Kalgoorlie in Western Australia (via its 22% shareholding in Argent Minerals Limited), its 100% owned Mid-Continent Ni-Cu Property in southwestern Minnesota, USA, and its 100% owned Snowbird Au-Ni-Cu Property in southeastern NWT, Canada.

In September 2009, US Nickel's predecessor had decided to enter the mineral exploration and mining business, and on December 21, 2009, the Company entered into an agreement with Indago Resources Ltd. ("Indago") to acquire the Mid-Continent and Snowbird Properties. By December 30, 2009, the Company announced it had completed its due diligence and had finalized the agreement. On February 24, 2010, the Company shareholders met and approved the purchase arrangement, and changed the Company name to US Nickel Limited.

In August 2010, US Nickel announced that it planned to raise $8.25 million [1] for the purpose of making an investment in Argent Minerals Limited ("Argent"). The Company subsequently invested $3.8 million and acquired approximately 22% of Argent to help finance Argent's purchase of the redeveloping Bullant Gold Mine in Western Australia.

[1] All dollars in this report are Australian dollars, except where specifically stated otherwise. However, it should be noted that at the time of preparation of this report, the Australian dollar was approximately equal to both the Canadian and US dollars.

Re: Opinion of Value of US Nickel Limited's North American Mineral Exploration Projects – Snowbird and Mid-Continent

On November 23, 2010, US Nickel announced it intended to make a takeover offer for all of the shares of Argent which it did not already own. The consideration of the offer was four US Nickel shares for every three shares of Argent. On December 9th, 2010, Argent and US Nickel announced the execution of an agreement whereby US Nickel agreed to withdraw and not proceed with its proposed takeover offer for Argent. As part of that agreement, Argent agreed to sell the Bullant Gold Project to US Nickel in return for US Nickel issuing 44 million fully paid ordinary shares and consenting to the cancellation of 19.5 million Argent shares held by US Nickel. The US Nickel shares will be distributed to Argent's shareholders. The foregoing agreement, which is unanimously supported by both the Argent and US Nickel boards, is subject to the receipt of all necessary regulatory and approvals by shareholders of each of the companies.

Argent Minerals, through PKF Corporate Advisory (East Coast) Pty Ltd. ("PKF"), has commissioned McKnight and Glanville to prepare an independent Opinion of Value of the Mid-Continent and Snowbird Properties of US Nickel. Depending on the exact nature of any future transactions between Argent and US Nickel, the Opinion of Value may also be required by securities commissions and other regulators.

McKnight and Glanville recognized the difficulty of providing a precise Opinion of Value for exploration stage properties, because of the subjective nature of the analysis and the scarcity of good comparables. For this reason they used three approaches to valuation in order to provide checks and corroboration for each value. The valuation methods used were:

- Valuation based on the **adjusted book value approach,** using a multiplier to adjust the book value. The "Book Value Multiplier" ratio is derived from a number of comparable gold and base metal exploration companies, and is essentially the average of ratios of the market capitalizations attributed to mineral properties divided by the past expenditures or deferred exploration expenses, also known as the "book values".

- Valuation based on the **attributed values** of the respective properties at the time of their acquisitions by US Nickel in late 2009, plus an increase in value due to the change in the general market over the past year, and additional exploration results.

- Valuation based on comparisons to other **mineral properties** in the areas of the Snowbird and Mid-Continent properties

The resulting valuations utilizing the foregoing valuation methods are summarized in the following table:

Valuation Summary
($ millions)

Valuation Method	Snowbird	Mid-Continent	Totals
Adjusted Book Value Approach	**$1.5 - $2.3**	**$0.7 - $1.1**	**$2.2 - $3.4**
Adjusted Acquisition Approach	**$1.2**	**$0.5**	**$1.7**
Other Comparable Transactions	**$0.8 - $2.0**	**$0.8 – $1.3**	**$1.6 – $3.3**

As can be determined from the foregoing, the average of the mid-points of the totals ($2.8 million based on the adjusted book value approach, $1.7 million based on the adjusted acquisition approach, and $2.45 million based on other comparable transactions) is just over $2.3 million, while the median is almost $2.5 million.

Re: Opinion of Value of US Nickel Limited's North American Mineral Exploration Projects – Snowbird and Mid-Continent

Opinion of Value

This Opinion of Value is rendered for Argent Minerals Limited and may only be used and relied upon in connection with Argent's and PKF's review of US Nickel's asset values, and is valid as of the date hereof. In the event that other information material to the Opinion of Value is made available subsequent to the date of this Opinion, McKnight and Glanville reserve the right to modify or withdraw the Opinion. This Opinion of Value is rendered as of the date hereof, and McKnight and Glanville disclaim any obligation to advise any person of any change in the Opinion of Value subsequent to that date.

Subject to the foregoing, and based on a review of all factors considered relevant, the Opinion of McKnight and Glanville is that the value should be close to the mid-range of the three estimates, plus or minus one third. That is, the current value of the two US Nickel properties is estimated to be approximately $2.5 million with a range from $1.7 to $3.3 million. Such a wide range of values is not uncommon for mineral properties at this stage of development.

Introduction

US Nickel Resources Inc. ("US Nickel" or the "Company") is an active, Perth-based, Australian mineral exploration company who's securities trade on the Australian Securities Exchange ("ASX"), with its trading symbol being "USN". The Company's announced strategy is to acquire quality, advanced exploration/development projects with the ability to attract strong market support and generate upside value. US Nickel's most advanced projects are its indirect 22% interest in the Bullant Gold Mine near Kalgoorlie in Western Australia (which it holds through its 22% ownership of Argent), its 100% owned Mid-Continent Ni/Cu Property in southwestern Minnesota, USA, and its 100% owned Snowbird Au/Ni/Cu Property in southeastern NWT, Canada.

In September 2009 US Nickel's predecessor had decided to enter the mineral exploration and mining business, and on December 21, 2009, the Company entered into an agreement with Indago Resources Ltd. ("Indago") to acquire Indago's Mid-Continent and Snowbird Properties. By December 30, 2009, the Company announced it had completed its due diligence and had finalized the agreement. Indago had two operating subsidiaries, Western Metals (MN) Limited and WML Exploration BC Ltd., which held the respective interests in Mid-Continent and Snowbird, and which were subsequently acquired by US Nickel. On February 24, 2010, the Company shareholders met and approved the purchase arrangement and changed the Company name to US Nickel Limited.

The total purchase price was $621,171 with the allocation between the two properties as follows:

1. Snowbird: $359,234
2. Mid-Continent: $261,943

Since then, US Nickel carried out an exploration program on the Snowbird property and recently announced it was commencing a drilling program on the Mid-Continent property. In August 2010, the Company agreed to subscribe to 19.5 million shares in Argent (at a total cost of $3.8 million) to help finance Argent's purchase of the Bullant Gold Mine, located near Kalgoorlie, Western Australia. On November 23, 2010, US Nickel announced that it intended to make a takeover offer for all of the shares of Argent Minerals Limited ("Argent") which it did not already own. The offer was to exchange four US Nickel shares for every three shares of Argent. On December 9th, 2010, Argent and US Nickel announced the execution of an agreement whereby US Nickel agreed to withdraw and not proceed with its proposed takeover offer for Argent. As part of that agreement, Argent agreed to sell the Bullant Gold Project to US Nickel in return for US Nickel issuing 44 million fully paid ordinary shares and consenting to the cancellation of 19.5 million Argent shares held by US Nickel. The US Nickel shares will be distributed to Argent's shareholders. The foregoing agreement, which is unanimously supported by both the Argent and US Nickel boards, is subject to the receipt of all necessary regulatory and approvals by shareholders of each of the companies.

Re: Opinion of Value of US Nickel Limited's North American Mineral Exploration Projects – Snowbird and Mid-Continent

Engagement of Glanville & McKnight

Pursuant to an engagement letter dated December 6th, 2010 (the "Engagement Letter"), Argent Minerals (through PKF Corporate Advisory (East Coast) Pty Limited ("PKF")) has retained the services of McKnight and Glanville in connection with the Opinion of Value of the two US Nickel Properties. McKnight's and Glanville's services include the preparation and delivery to the Board of Directors of the Company an opinion (the "Opinion of Value") as to the value of US Nickel's Snowbird and Mid-Continent Properties. McKnight and Glanville express no opinion, nor have they been requested to do so, as to the expected trading price of Argent Minerals or US Nickel should some financial transaction take place based in part on the Opinion of Value of the US Nickel properties.

Glanville and McKnight will be paid a fee for their services as financial advisors to Argent, but none of the fees are contingent on the value of the two US Nickel properties or on the conclusion of any subsequent transaction. In addition, Glanville and McKnight are to be indemnified in respect of certain liabilities that might arise out of the engagement.

Credentials of McKnight and Glanville

Bruce McKnight has a B.A.Sc. in Geological Engineering from the University of B.C., an M.Sc. in Engineering Geoscience from the University of California, Berkeley, a Mineral Economics Diploma from McGill University and an MBA from Simon Fraser University. He is a Member of the Association of Professional Engineers and Geoscientists of British Columbia (P.Eng.) and a Fellow of the Canadian Institute of Mining and Metallurgy (FCIM). McKnight is a former Executive Director of the B.C. and Yukon Chamber of Mines (now renamed Association for Mineral Exploration B.C. or AME BC) and a former Corporate Vice-President of Westmin Resources Limited. He has over 40 years of senior-level, international and domestic, mining industry experience and has been an active participant in the exploration, valuation, financing and development of several mines in British Columbia, Canada, and elsewhere. In addition, he has acted as a consultant to mining and brokerage firms, as well as to mining associations and First Nations and as an "expert witness" to law firms.

Glanville is a company specializing in valuations of public and private companies and mineral exploration and development properties, as well as providing fairness opinions and litigation support (such as being an expert witness in court cases involving valuation disputes) related to financial and technical issues. The president, Ross Glanville, graduated from the University of British Columbia in 1970 with a Bachelor of Applied Science Degree (Mining Engineering) and became a member of the Association of Professional Engineers of British Columbia in 1972 (P.Eng.). In 1974, Glanville obtained a Master of Business Administration Degree (MBA), specializing in finance and securities analysis. In 1980, Glanville became a member of the Certified General Accountants of B.C. (CGA). He was also a member of the former Canadian Association of Mineral Valuators.

Glanville has provided a large number of fairness opinions (more than 200) for mergers, amalgamations, and acquisitions of public and private companies. These assignments were undertaken for investment dealers, regulatory bodies (including stock exchanges), banks, various government agencies, venture capital firms, forestry companies, mining and exploration companies, oil and gas companies, and others. Glanville has valued more than five hundred mining and exploration companies in Canada, the U.S.A., Australia, and Mexico, as well as over two hundred in many other areas of the world, including Africa, South America, Europe, and Asia. He has formed public companies (listed on the Toronto Stock Exchange, the Australian Stock Exchange, NASDAQ, and the TSX Venture Exchange) and has served on the Boards of Directors of four companies with producing mines. Glanville has also acted in more than 50 court cases and assessment appeal board hearings in Canada, the U.S.A., Australia, and the U.K. He has written several articles, and given many presentations, related to the valuation of exploration and mining companies. Some of these articles were published by the United Nations, the Society of Mining Engineers, and by various Canadian magazines and newspapers.

Independence

McKnight and Glanville confirm that they are free from current and/or potential conflicts of interest in preparing this Opinion. They have no direct or indirect, past or current interests in Argent Minerals Limited, US Nickel Limited or the two US Nickel Properties, nor do they expect to acquire or receive such interests, securities or benefits in future, other than the professional services fee from Argent Minerals for delivering this Opinion.

Re: Opinion of Value of US Nickel Limited's North American Mineral Exploration Projects – Snowbird and Mid-Continent

Scope of this Report

In order to prepare their Opinion of Value of the two US Nickel properties, McKnight and Glanville read the press release describing the terms of acquisition of the two US Nickel properties by US Nickel; reviewed the website and several dozen ASX filings or reports of US Nickel; read the Annual Report and Audited Financial Statements for the year ended June 30, 2010; reviewed Quarterly Financial Statement for the period ended September 30, 2010; and read a technical report on the two US Nickel properties which was included as part of a prospectus dated March 5, 2010. McKnight and Glanville also researched other active gold and base metal exploration projects (owned by other exploration companies) in northern Canada and the USA in order to examine market conditions such as financing activity and market capitalizations to book value ratios.

Specific items reviewed and relied upon, or carried out (as the case may be) by Glanville and McKnight, include the following, among other things:

- data related to other transactions of a comparable or similar nature, which Glanville and McKnight considered to be relevant
- a Prospectus, dated March 5, 2010, which included technical reports on the Snowbird and Mid-Continent properties
- joint venture and option terms on similar or comparable mineral projects
- certain publicly available financial and other information concerning US Nickel
- relevant stock market information relating to US Nickel, as well as that for other companies which have similar portfolios of exploration properties
- certain industry reports and statistics that Glanville and McKnight deemed appropriate
- discussions/conversations with PKF and Mr. Neil Cole
- ASX filings for US Nickel
- a number of marketing reports related to the supply/demand balance and price outlooks for nickel, copper, zinc, gold and silver
- news releases of US Nickel over the past year
- a US Nickel Presentation dated November 23, 2010
- information on the website of US Nickel (www.usnickel.com.au)
- a number of transactions related to the purchase/sale of mineral exploration projects
- the annual financial statement of US Nickel for the period ended June 30th, 2010
- the quarterly statement for US Nickel dated September 30, 2010
- prior expenditures by US Nickel on its Snowbird and Mid-Continent properties
- market capitalizations of listed companies with similar or comparable mineral exploration properties
- data related to other transactions of a comparable or similar nature, which Glanville and McKnight considered to be relevant
- such other reviews, calculations, analyses, research and investigations deemed appropriate and relevant in the circumstances

Key Assumptions and Limitations

In arriving at their Opinion of Value, McKnight and Glanville have relied on the material completeness and accuracy of the information, data and report on the two US Nickel properties; accordingly, McKnight and Glanville's Opinion is conditional upon the foregoing. McKnight and Glanville conducted such investigations, research and analyses as they deemed necessary and appropriate to the circumstances, and their Opinion is rendered within the context of general business and market conditions prevailing now and at the time of acquisition of the two US Nickel properties.

It should be emphasized that this report is an Opinion of Value, and is not intended to be a Technical Report as defined in the CIMVAL Standards (similar to the VALMIN Code). As a result, Glanville and McKnight have only provided summaries of some of the key information provided in the technical reports reviewed by them.

Re: Opinion of Value of US Nickel Limited's North American Mineral Exploration Projects – Snowbird and Mid-Continent

McKnight and Glanville's Opinion of Value must be considered as a whole. Extracting or considering only portions of the valuation may lead to incorrect or misleading conclusions, for which McKnight and Glanville take no responsibility. This Opinion of Value should not be construed as a recommendation for outside investors or for shareholders of either of the companies to purchase or sell securities of US Nickel Limited or Argent Minerals Limited.

Approaches to Valuation of Mineral Properties

For mineral exploration projects, the approach to valuation normally entails assessing the value of the properties using as many techniques as are applicable, in order to check them against each other and to determine the most reasonable values. There are three basic methods of mineral property valuation:

- **Book Value Approach** (arms length purchase price plus invested capital plus either a premium for encouraging results and strong markets or minus a discount for discouraging results and weak markets)

- **Comparable Transactions** (includes examining the buying or selling of other similar properties, market capitalizations of companies with similar assets and market ratios of *in situ* resources, if present)

- **Net Asset Value** (also called Income or Discounted Cash Flow (DCF) approach)

Net Asset Value approaches such as DCF may not be formally used if the property has no reserves or resources as defined by the *CIM Standards On Mineral Resources And Reserves*, dated August 20, 2000, as required by NI 43-101 and by VALMIN. For this reason, the Comparable Transaction and the Book Value Approaches were the two main ones utilized.

Although transactions involving exploration properties and undeveloped mineral resources are commonplace (but seldom involve all-cash purchases), such properties and resources are often difficult to value by objective means. As a result, a number of different methods have been utilized as reasonable indicators of value and are discussed below. There are also standards for valuations published by the CIM and by the TSX-V. According to Appendix 3G (Valuation Standards and Guidelines for Minerals Properties) of the TSX Venture Exchange "Most valuation methods of mineral properties are highly subjective, and often arbitrary in their application, making it difficult to obtain reproducible valuations. It is the Exchange's view that valuation methods utilized must be appropriate to the subject and be prudently applied in order to maintain fairness and consistency, and avoid misuse, bias and misapplication of valuation methods." Based on the foregoing, the Exchange accepts the use of the following primary valuation methods for properties without mineral reserves:

- **Appraised Value** whereby only the retained past expenditures (also known as "book value", "historical costs" or "replacement costs") are included.

- **Comparable Transactions** whereby properties similar in all aspects are incorporated into the analysis, whereby fair market value can be determined.

Although the Exchange does not specifically exclude other valuation approaches, they are considered secondary valuation methods. These other approaches include the modified appraisal method and the values of similar (but not truly comparable) property portfolios (since there are no two properties similar in all respects).

For purposes of this valuation, Glanville and McKnight have utilized the following valuation methods (as well as the option/joint venture approach for the Mid-Continent property):

- Valuation based on the **adjusted book value approach,** using a multiplier to adjust the book value. The "Book Value Multiplier" ratio is derived from a number of comparable gold and base metal exploration companies, and is essentially the average of ratios of the market capitalizations attributed to mineral properties divided by the past expenditures or deferred exploration expenses, also known as the "book values".

- Valuation based on the **attributed values** of the properties at the time of their acquisitions by US Nickel in late 2009, plus an increase in values due to the change in the general market over the past year, and due to additional exploration results.

- Valuation based on comparisons to other **mineral properties** in the area

Book (Appraised) Value Approach

The book value or appraised value approach utilizes past expenditures, including acquisition costs, as a base, with the valuator 'adjusting the expenditures' based on the results of the exploration. The utilization of adjusted prior expenditures has been considered by several mineral property valuators to be an acceptable approach to valuing mineral exploration properties. However, only expenditures that relate to significant and relevant exploration should be included, and the quality of past work itself must be evaluated.

A problem in this basic approach is that it tends to ignore the results of the exploration, and properties with poor or good exploration results would have the same values if the same amount had been expended on each. To overcome this deficiency, the valuator must apply a "premium" or "discount". Since the same data can be regarded or interpreted differently by different valuators, these factors are determined by a personal assessment of the exploration results. Either a premium or discount may be applied, depending upon whether the valuator perceives the available results as encouraging (positive contribution) or discouraging (negative "contribution"), respectively.

An additional matter must be considered where there is a significant time lapse between when the exploration was carried out (that is, when the actual expenditures were incurred) and when the valuation is prepared. In that situation, the incurred expenditures could be indexed to the current costs of repeating the exploration that contributed to value. Again, either positive or negative factors would be applied, depending upon the current state of the exploration industry and the general economy. Estimating the costs (at the date of valuation) of duplicating the past exploration also assists in determining the relevance and quality of the exploration costs as opposed to the indirect costs such as variable administration and questionable allocation of head office, group, or regional project charges, which all vary greatly from company to company, and which may have little relevance to the value of the property.

The historic or book value of mineral property expenditures, if known or estimated, can also be compared with a suite of comparable companies to examine the ratios of market capitalizations (adjusted to eliminate working capital, and other assets and liabilities) to book values of the exploration properties. The ratios for gold and other exploration companies have been periodically compiled by investment dealers such as Canaccord Genuity and BMO Nesbitt Burns.

Acquisition Value Approach

The provisional acquisition fair values of identifiable net assets attributable to Snowbird and Mid-Continent near the end of 2009 provide indications of values at that time. These values were then adjusted to account for the change in market conditions over the past year (up to the current time), as well as to account for additional exploration results incurred by US Nickel on each of the two mineral exploration properties.

Comparisons to other Mineral Properties in the Areas

Indicated values of mineral exploration properties in the vicinity of the two properties can be utilized (with adjustments) as a guide to the values of Snowbird and Mid-Continent. In the Snowbird Property area there are several other companies exploring for base metals and gold deposits. In the Mid-Continent Property area, there are also other companies exploring and developing mineral resources, most of which are much more advanced than the Mid-Continent Property.

US Nickel properties

Snowbird Property[2]

Introduction

The Snowbird Property is located in the southeastern part of the Northwest Territories, Canada, and consists of 21 contiguous mineral claims (Wendy Claim Block: 5 claims to the north and Kasba Claim Block: 16 claims to the south) comprising approximately 22,000 hectares in total. As pointed out earlier, the claims were acquired from Indago Resources in December 2009.

The property can be accessed by air from Thompson and Lynn Lake, Manitoba, or Stony Rapids, Saskatchewan. There is no road access, and the closest road-accessible community is Stony Rapids, approximately 150 km away to the south.

Geology and Mineralization

The Snowbird Property is situated within the Snowbird Tectonic Zone, which is a Proterozoic boundary between two Archaean crustal blocks, the Rae and Hearne, which form part of the Churchill craton. The Property is underlain primarily by Archaean volcanic, sedimentary and intrusive rocks that are known to host nickel sulphide and base/precious metal occurrences within the region, although bedrock exposure is limited because glacial deposits cover the area. The predominant rocks are amphibolite to granulite-facies contorted Archaean gneisses and granitoids, with intrusions being gabbros and ultramafics of unknown age.

Exploration

There has been no drilling on the property, but reconnaissance exploration, prospecting and ground electromagnetic "EM") and magnetic surveys of the area during the period 1959 to 2000 by Phelps Dodge resulted in the discovery of small gabbroic dykes and mafic intrusive glacial boulders containing magmatic Ni/Cu $\pm$ Platinum Group Element ("PGE") sulphides. In 2005, BHP Billiton acquired the property and conducted additional reconnaissance geology and prospecting plus a VTEM (time domain airborne EM) survey (over the Kasba Claims area) which located several weak to moderate conductors in the vicinity of the sulphide showings, which may indicate the conductors are massive sulphides. In addition, the earlier prospecting work on the property led to the discovery of some sulphide quartz veins associated with gold and base metal mineralization in amphibolites and greenstones. Subsequent to BHP Billiton's tenure on the property, it was optioned out to two other groups, and surface reviews of the geology and check sampling of outcrops and boulders were conducted by Jaguar Nickel in 2006 and Indago Resources in 2008. In February 2010, Indago completed the sale of the property to US Nickel.

During the 2010 summer season US Nickel carried out prospecting, geological mapping, and rock geochemistry studies to verify the historic work and to help improve the geological understanding of the region. This work suggested the geology was not indicative of significant nickel targets, but rather was more conducive to the presence of polymetallic VMS-style targets because of strongly anomalous zinc, copper, lead, gold and PGEs encountered in outcrop and boulder samples.

The Company also contracted a 1,599 line-km helicopter-borne TEM plus magnetometer survey over the property, which identified eight EM anomalies which were considered worthy of ground follow-up.

2: All dollars in this report are Australian dollars, except where specifically stated otherwise. However, it should be noted that at the time of preparation of this report, the Australian dollar was approximately equal to both the Canadian and US dollars.

Mid-Continent Property

Introduction

The Mid-Continent Property is located in south-western Minnesota, USA, approximately 150 km west of Minneapolis-St Paul, the state capitol. The property consists of two target areas, Cottonwood (1580 ha) and Renville West (200 ha), both of which are held under exploration / lease-option agreements with a total of 32 private mineral and surface property owners. The property has excellent road access via paved highway from the state capitol and then via a grid of gravelled country roads on one mile (1.6 km) section lines.

Geology and Mineralization

The Mid-Continent Property lies within the Paleoproterozoic Yellow Medicine zone boundary between two distinct Precambrian cratonic blocks, the Middle Archaean Morton Gneiss Block to the south and an unnamed block in the north comprised of the Montevideo gneiss. The boundaries between such accreted blocks are often the site of Proterozoic tectonic activity, including mafic/ultramafic intrusions particularly along the edges of the Superior Craton. These boundaries have been identified through geologic mapping in areas of good rock exposure or, in areas covered by up to 100 m of glacial deposits like the Mid-Continent Property, by interpretation of magnetic and gravity data.

The Yellow Medicine boundary or suture zone contains metamorphosed and deformed Neoarchaean to Paleoproterozoic volcanic, intrusive and sedimentary rocks, including oxide and sulphide facies iron formation, collectively termed the Taunton volcanic or greenstone belt. Intrusive rocks within the suture include the Cottonwood intrusive (a large body of peridotite composition) as well as several gabbroic intrusive bodies assigned Paleoproterozoic ages. Mafic and ultramafic intrusions along with mafic volcanic rocks are interpreted to cover a large part of the project area

Several of the igneous complexes near the margins of the Superior Craton in other areas host significant magmatic Ni-Cu ± PGE sulphide deposits such as the world-class Thompson and Raglan Districts. The Duluth mafic complex occurs along the southern Superior Craton, and is associated with several Ni-Cu ± PGE sulphide deposits, such as the Eagle and Lakeview discoveries made by Kennecott Minerals and the Birch Lake, Maturi, and Spruce Road Cu-Ni ± PGE discoveries made by Franconia Minerals Corp.

The Cottonwood and Renville West target areas are considered by Western Mining Services ("WMS") to be potentially prospective for magmatic Ni-Cu ± PGE sulphide deposits. The Cottonwood area is underlain by a "blind" (interpreted 16 km-long) mafic intrusion (serpentinized peridotite), which was intersected by the Minnesota Geological Survey ("MGS") in the course of reconnaissance drill testing of magnetic anomalies. The intrusion was emplaced into a mafic volcanic and sedimentary rock sequence that includes banded oxide and sulphide-facies iron formations.

Magnetic and EM anomalies in the Renville West area are located along a major NE-trending structure parallel to the interpreted tail of the Cottonwood intrusive. The Renville West target is a 400 m-long EM conductor which is located adjacent to an 8 km-long magnetic high of unknown origin. These anomalies are located along a major NE-trending structure parallel to the interpreted tail of the Cottonwood intrusive. Due to complete cover and lack of reconnaissance MGS drilling in the area, the geology that hosts the geophysical anomalies is unknown.

Exploration

The south-western portion of Minnesota has received scant exploration and prospecting primarily because thick glacial overburden has obscured bedrock geology. During the 1950's and 1960's the region was explored for iron ore deposits. There was no significant non-ferrous metals exploration history until Western Mining Corporation ("WMC") initiated nickel sulphide exploration in 2003. WMC selected the mid-continent area of the USA for nickel exploration because of its tectonic setting and evidence of numerous large mafic and ultramafic intrusive complexes.

In 2004, WMC completed a reconnaissance-scale airborne EM survey that identified Cottonwood and Renville West as areas of interest along with several other target areas. The airborne EM survey did not identify any significant conductors associated with the interpreted Cottonwood intrusive; however, interference from power lines in the area may have obscured the EM results in that area.

In 2005, BHP Billiton, which had acquired the WMC assets, continued exploration in the area until 2006, when it decided to farmout its North American nickel exploration projects to junior exploration companies. In 2007, an indirect subsidiary of Indago Resources acquired an option from
BHP Billiton to explore the Mid-Continent property. Subsequently, an Indago strategy shift resulted in a decision to sell the property. In February 2010, US Nickel, through its wholly owned subsidiary, finalized the acquisition of the Indago subsidiary that holds the Mid-Continent Property.

WMS, the US Nickel consultants, have recommended a four hole, 1,050-metre diamond drill program, with an estimated all-in cost of $660,000 to test the Cottonwood and Renville West Targets.

Valuation of US Nickel's Interest in the two properties

Valuation by Adjusted Book Value Approach: Snowbird Property

As pointed out earlier, the book value or appraised value approach utilizes past expenditures, results of the exploration, and market conditions to establish a value estimate. However, only expenditures that relate to significant and relevant exploration should be included, provided the quality of past work is adequate. One way of adjusting the book values is through establishing a "book value multiplier" by comparing the company with a suite of comparable companies to examine the ratios of attributed market capitalizations to book value. (This method actually combines some aspects of the Appraised Value and Comparable Transaction including acquisition costs, as a base, with the valuator 'adjusting the expenditures' based on the Approaches.). The suite of comparable companies was taken from one compiled periodically by investment dealer Canaccord Genuity.

From Canaccord's research lists published in October and November of 2010, McKnight and Glanville have calculated the attributed market capitalization to book value ratios for over 50 selected junior companies exploring primarily for gold and base metals. Those companies with higher ratios tended to be ones with properties containing NI 43-101 or JORC-compliant resource estimates; the lower ratio ones tended to be ones with early stage properties or those which encountered negative results. The ratios were generally in the range of 1 to 10 (with a few outside this range), with an average (arithmetic mean) of approximately 5.0. The median ratio was approximately 2.6, so in the opinion of McKnight and Glanville an appropriate ratio for the Snowbird property would be in the range of 2.0 to 3.0.

Snowbird Property adjusted "Book Value" $ 752,232 [3]

Applying book value multipliers ranging from 2.0 to 3.0 results in a value in the range of approximately $1.5 million to $2.3 million for the Snowbird Property as of December 15, 2010.

Valuation by Adjusted Book Value Approach: Mid-Continent Property

The same book value multiplier approach was taken for the Mid-Continent Property as for the Snowbird. It is estimated that, as of September 30, 2010, the Mid-Continent book value would have been approximately $262,000 (i.e. the purchase price), because very little had been spent on exploration of the property by US Nickel up to September 30, 2010. The Company announced it was preparing to start drilling during the current quarter, and so an additional $100,000 of spending to date has been assumed to bring the estimated book value up to $362,000.

Mid-Continent Property adjusted "Book Value" **$ 362,000**

Applying book value multipliers ranging from 2.0 to 3.0 results in a value in the range of approximately $0.7 million to $1.1 million for the Mid-Continent Property, as of December 15, 2010.

Acquisition Value Approach: Snowbird Property

Snowbird Property

On February 25th, 2010, US Nickel (via a wholly-owned subsidiary) acquired 100% of WML Exploration BC Ltd (which owns the Snowbird Property) for $140,000 (a non-refundable deposit), $210,000 payable on November 25th, 2010 (paid), seven million unlisted options (700,000 post consolidation), and $2.0 million upon commercial production provided that Group (the consolidated group of US Nickel Ltd and its controlled entities at that time) has delineated ore reserves of greater than 250,000 ounces of gold or gold equivalent.

The provisional acquisition fair value of identifiable net assets attributable to Snowbird around the end of 2009 (when the foregoing acquisition was agreed to) is another indicator of value. That value was about $465,000 [4], but it should be increased by the change in the market indices since then, plus exploration spending by US Nickel. The TSX-Venture exchange index averaged approximately 1450 during December 2009 and on Dec 15, 2010 it closed at 2101, for an increase of 45 percent. The McEwen Junior Gold index of a group of 30 diversified junior exploration companies averaged approximately 8.5 in December 2009, and in December 2010 it averaged about 13.3, for an increase of 56%. These two indices suggest the purchase price should be inflated by roughly 50% (to approximately $700,000), and added to the US Nickel summer 2010 spending of $393,000 (increased to about $500,000 to allow for the increase in the general market since the expenditures occurred and the recent signing of an exploration agreement with two First Nations bands) to generate a value estimate of approximately $1.2 million.

Acquisition Approach: Mid-Continent Property

On February 25th, 2010, US Nickel (via a wholly-owned subsidiary) acquired 100% of Western Metals (MN) LLC (which owns the Mid-Continent Property) for $60,000 (a non-refundable deposit), $90,000 payable on November 25th, 2010 (paid), three million unlisted options (300,000 post consolidation), and $2.0 million upon commercial production provided that Group has delineated ore reserves of greater than 250,000 ounces of gold or gold equivalent.

The purchase price (carrying value) of the Mid-Continent Property at around the end of 2009 is another indicator of value. That value was approximately $262,000 [5], but it should be inflated by the change in the market indices since then plus exploration spending by US Nickel. The TSX-Venture exchange index averaged approximately 1450 during December 2009 and on Dec 15, 2010 it closed at 2101, for a percentage increase of 45%. The McEwen Junior Gold index, comprising a group of 30 diversified junior exploration companies, averaged approximately 8.5 in December 2009 and in December 2010 it averaged about 13.3, for an increase of 56%.

These suggest the purchase price should be inflated by roughly 50% (to almost $400,000), plus the US Nickel late fall 2010 estimated spending of $100,000 to date, to generate a value estimate of approximately $500,000 as of mid-December 2010.

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[3]: US Nickel's past consideration (carrying value) for acquisition and exploration/valuation of the property is reported as $359,232. Adding the $393,000 (exploration and evaluation) assumed attributed to Snowbird from the September 30, 2010, quarterly statements results in a total of $752,232.

[4]: It should be noted that the carrying value was only about $359,000, since the $465,000 number includes goodwill of $106,000 arising on acquisition.

Other Indicators of Value

In the Snowbird Property area there are several other companies exploring for base metals and gold deposits. For example, Strongbow Exploration has been, for many years, exploring the Nickel King deposit and other deposits in the area, and Starfield Resources Ltd. (referred to by US Nickel) has been working extensively on its Ferguson Lake Ni-Cu-PGE deposit.

Strongbow has spent over C$9.3 million exploring its Nickel King deposit and surrounding area, and has defined a NI 43-101 resource on it. The company has an adjusted market capitalization of approximately C$24 million, but holds approximately 12 major projects. If it is assumed that the average attributed market capitalization per project is C$2 million (not unreasonable, based on a preliminary review of the properties), the Nickel King might be valued at three times the average, or C$6 million, because of its defined resource and numerous showings and targets.

The Nickel King property is far more advanced than US Nickel's Snowbird, and so on a comparative basis Snowbird might be worth about one quarter or one third of Nickel King, or about C$1.5 million to C$2 million (also equivalent to approximately A$1.5 million to A$2.0 million).

Starfield Resources has worked for over 10 years on the Ferguson Lake Ni-Cu-Co-PGE deposit, and has expended about C$110 million on it, including drilling over 135,000 metres, completing several resource estimates, as well as commissioning preliminary economic assessments, metallurgical tests and process flow sheet designs. Starfield management has estimated that roughly one third of that company's market capitalization, or approximately C$15 million, would be attributed to Ferguson Lake.

Ferguson Lake is far more advanced than the Snowbird property and so it is estimated that Snowbird would be valued at between 5% and 10% of the attributed market capitalization of the Ferguson Lake property, or between C$750,000 and C$1.5 million (also equivalent to approximately A$750,000 to A$1.5 million).

Franconia Minerals Corporation is an exploration group actively exploring a 6,000 ha Ni-Cu-PGE property in the Duluth Mafic Complex area of Minnesota. This company has expended more than US $30 million in exploring its property and has identified large NI 43-101 resources of low-grade mineralization on the Birch Lake, Spruce Road, and Maturi Deposits. Franconia's market capitalization is currently about C$44 million, and when the value of working capital and its TSX-V listing is deducted, the portion of market capitalization attributed to its Duluth Complex project is estimated to be approximately C$42 million.

Based on a comparison of the Mid-Continent Property with Franconia's Project it is estimated that the Mid-Continent would be valued at about 2% to 3% of Franconia's value, or between $0.8 million and $1.3 million (also equivalent to approximately A$0.8 million to A$1.3 million).

Option Value of Mid-Continent Property

Another indication of property value is a non-binding letter of intent signed on February 26, 2010 by US Nickel and Minerals and Metals Group (USA) Limited ("MMG"), which is an affiliate of China Minmetals Corporation. That letter provided that MMG could earn an initial 70% interest in the Mid-Continent Property by paying US Nickel US$ 100,000 and spending US$ 4 million on the property over four years. **Because of the non-guaranteed nature of MMG's future expenditures, it is estimated that this letter implied a value of approximately A$1.0 million for the Mid-Continent property.** The agreement between US Nickel and MMG was subsequently cancelled, but it did provide another indication of value.

[5]: It should be noted that the provisional fair value of the consideration was actually $216,000, based on the discount arising on acquisition of $46,000. For purposes of this valuation, the higher number of $262,000 has been utilized.

Re: Opinion of Value of US Nickel Limited's North American Mineral Exploration Projects – Snowbird and Mid-Continent

Valuation Summary

It is very difficult to derive precise Opinions of Value for early stage mineral properties because of the challenge of finding close comparables and the subjective nature of the analysis. The table below provides a summary of the valuations of the Snowbird and Mid-Continent properties carried out by three methods, and, as can be seen, there is a reasonably large variation between the ranges, although the averages are closer.

Valuation Summary
($ millions)

Valuation Method	Snowbird	Mid-Continent	Totals
Adjusted Book Value Approach	$1.5 - $2.3	$0.7 - $1.1	$2.2 - $3.4
Adjusted Acquisition Approach	$1.2	$0.5	$1.7
Other Comparable Transactions	$0.8 - $2.0	$0.8 – $1.3	$1.6 – $3.3

As can be determined from the foregoing, the average of the mid-points of the totals ($2.8 million based on the adjusted book value approach, $1.7 million based on the adjusted acquisition approach, and $2.45 million based on other comparable transactions) is just over $2.3 million, while the median is almost $2.5 million.

Other Factors

McKnight and Glanville also considered a number of other factors in assessing the value of the two US Nickel properties, including the following:

- The Snowbird Property is situated in a remote part of northern Canada with no nearby infrastructure to support the venture if a deposit were to be developed. As a result, even if a resource were to be delineated, the grades would have to be sufficiently high to overcome the high costs of required infrastructure and operating costs.
- The Mid-Continent Property has good infrastructure available for potential development but the numerous land owners and a myriad of regulatory processes may make development onerous and thus depress property values. In addition, there is substantial glacial overburden covering the property, making a potential lower-cost open pit operation less likely than a more costly underground operation.
- No resources have been delineated on either the Mid-Continent property or the Snowbird property, so they are both relatively early-stage exploration properties.

Disclaimer

This Opinion of Value of the two US Nickel properties was prepared by independent mineral consultants, McKnight and Glanville, based on a review of private and public documents, press releases and reports posted on the Company's and Argent's websites, other company websites, and on McKnight's and Glanville's general knowledge of business conditions in the minerals industry.

This report relies in part on information not within the control of McKnight and Glanville, and while it is believed that the information and assumptions are reliable and valid as of the date hereof, and under the stated conditions and limitations, McKnight and Glanville cannot guarantee its accuracy. In particular, it is noted that neither of the two US Nickel properties, at the current stage of assessment, contains any mineral reserves as defined in the guidelines of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) presented in the *CIM Standards on Mineral Resources and Reserves*, dated August 20, 2000, or the JORC guidelines, nor have either of the properties been subject of a NI 43-101 or VALMIN-compliant scoping study assessment.

In addition, McKnight and Glanville disclose that they have not conducted any independent reviews of the mineral titles, ownership, reserves, resources or environmental obligations, nor have they visited the two US Nickel properties, or carried out independent geological investigations and consequently McKnight and Glanville have not expressed any opinion on these subjects. They are basing their Opinion of Value on information provided by Argent Resources Limited, US Nickel Limited, and their consultants, on their examination of market conditions and on their experience in the industry and in the exploration of these types of properties. The use of this Opinion of Value and/or any information contained in it shall be at the user's sole risk, regardless of any fault or negligence of McKnight and Glanville, and shall be solely for the use of PKF, Argent Resources Limited, and any regulatory bodies. PKF and Argent Minerals Limited have acknowledged that the services of McKnight and Glanville are provided in an advisory capacity only, and that McKnight and Glanville are not liable for losses, damages, or other claims that may result from or be alleged to result from any application or use that PKF, Argent and/or others may make of such information, data and opinions of McKnight and Glanville. PKF and Argent Minerals Limited have waived, released, indemnified and agreed to hold McKnight and Glanville harmless from any and all liability for losses, damages, legal costs, and other claims arising from the Opinion of Value and/or related issues. McKnight and Glanville do not accept any responsibility for errors or omissions pertaining to information provided by PKF, Argent Mineral Limited, US Nickel Limited and their lawyers, advisors, directors, agents, or other related parties.

This report does not constitute a recommendation, either explicit or implicit, to buy, sell or trade securities of Argent Minerals Limited, US Nickel Limited, or any other companies.

Opinion of Value

This Opinion of Value is rendered for Argent Mineral Limited and may only be used and relied upon in connection with PKF's review of the US Nickel's asset values, and any regulatory oversight of either company's activities, and is valid as of the date hereof. In the event that other information material to the Opinion of Value is made available subsequent to the date of this Opinion, McKnight and Glanville reserve the right to modify or withdraw the Opinion. This Opinion of Value is rendered as of the date hereof and McKnight and Glanville disclaim any obligation to advise any person of any change in the Opinion of Value subsequent to that date.

Subject to the foregoing, and based on a review of all factors considered relevant, the Opinion of McKnight and Glanville is that the value should be close to the mid-range of the three estimates, plus or minus one third. That is, the current value of the two US Nickel properties is estimated to be approximately $2.5 million with a range from $1.7 to $3.3 million. Such a wide range of values is not uncommon for mineral properties at this stage of development.

Respectfully Submitted

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APPENDIX 6 ARGENT ADJUSTED PRO FORMA BALANCE SHEET AFTER PROPOSED TRANSACTION

Table 46: Argent Adjusted Pro Forma Balance Sheet After Proposed Transaction

Account name	Actual 23/12/2010	Pro Forma Transactions A	Ref	Pro Forma Transactions B	Ref	Pro Forma Transactions C	Ref	Pro Forma Balance Sheet
Current Assets								
Cash and cash equivalents	2,469,166							2,469,166
Trade and other receivables	33,167							33,167
Other assets	5,457							5,457
Other financial asset - term deposit	37,624							37,624
Total Current Assets	**2,545,414**	**0**		**0**		**0**		**2,545,414**
Non-Current Assets								
Plant and equipment	5,883							5,883
Investments - US Nickel shares	0			1,956,197	5	(1,956,197)	6	0
Investments - Argent (Bullant)	1	5,263,353	1b, 2	(5,263,354)	3			0
Loan - Argent Bullant	7,653,333	(7,653,333)	1a					0
Total Non-Current Assets	**7,659,217**	**(2,389,980)**		**(3,307,157)**		**(1,956,197)**		**5,883**
TOTAL ASSETS	**10,204,631**	**(2,389,980)**		**(3,307,157)**		**(1,956,197)**		**2,551,297**
Current Liabilities								
Trade and other payables	35,764							35,764
Total Current Liabilities	**35,764**	**0**		**0**		**0**		**35,764**
Non Current Liabilities	**0**	**0**		**0**		**0**		**0**
TOTAL LIABILITIES	**35,764**	**0**		**0**		**0**		**35,764**
NET ASSETS	**10,168,868**	**(2,389,980)**		**(3,307,157)**		**(1,956,197)**		**2,515,533**
Equity								
Issued Capital	14,626,917			(3,307,157)	5	(1,956,197)	6	9,363,563
Reserves (options)	419,400							419,400
Accumulated (losses)/profits	(4,877,449)	(2,389,980)	4					(7,267,430)
TOTAL EQUITY	**10,168,868**	**(2,389,980)**		**(3,307,157)**		**(1,956,197)**		**2,515,533**

	Account name	Actual 23/12/2010	Pro Forma Transactions A	Ref	Pro Forma Transactions B	Ref	Pro Forma Transactions C	Ref	Pro Forma Balance Sheet
Notes									
A	**Revaluation Argent (Bullant)**								
1a	Argent (Bullant) Loan	7,653,333							
1b	Investment in Argent (Bullant)	1							
2	Fair market value of Argent (Bullant)(preferred)	5,263,354							
	Profit on Sale of Argent (Bullant)								
	- Value received (preferred)	5,263,354							
	- Cost	(5,544,926)							
	- Additional Expenditure Incurred	(2,108,408)							
	Profit on Sale of Argent (Bullant)	(2,389,980)							
3	Tax Payable	0							
4	Actual Profit	**(2,389,980)**							
B	**Sale Argent (Bullant)**								
5	Consideration received for Argent (Bullant)								
	- Fair market value of the 44 million US Nickel Shares at a value per US Nickel share of $0.044 on a significant influence basis as assessed by PKFCA	1,956,197							
	- Fair market value of the 19.5 million Argent shares at a value per Argent share of $0.17 on a controlling interest basis as assessed by PKFCA	3,307,157							
	Total Consideration received for Argent (Bullant)	5,263,354							
	We understand that for tax purposes, the cancellation of the 19.5 million shares does not form part of the consideration received for Argent (Bullant).								
C	**Distribution in specie of US Nickel Shares to shareholders**								
6	Fair market value of the 44 million US Nickel Shares at a value per US Nickel share of $0.044 on a significant influence basis as assessed by PKFCA	1,956,197							

Rights attaching to US Nickel shares

FROM US NICKEL PROSPECTUS

13 Additional Information

13.1 Rights Attaching to Shares

The rights, privileges and restrictions attaching to Shares can be summarised as follows:

(a) **General Meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at General Meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of shareholders:

(i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

(iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid shares shall have a fraction of a vote for each partly paid share.

(c) **Dividend Rights**

The Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend. No dividend shall be payable except out of profits. A determination by the Directors as to the profits of the Company shall be conclusive.

(d) **Winding-Up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

Subject to the rights of Shareholders (if any) entitled to shares with special rights in a winding up, all monies and property that are to be distributed among Shareholders on a winding up shall be distributed in proportion to the shares held by them respectively, irrespective of the amount paid up or credited as paid up on such Shares.

(e) **Transfer of Shares**

A Shareholder may transfer all or any of his or her shares by:

(i) market transfer in accordance with any computerised or electronic system established or recognised by the ASX Listing Rules or the Corporations Act for the purpose of facilitating dealings in shares, including a transfer that may be effected pursuant to the SCH Business Rules or other electronic transfer process; or

(ii) an instrument which is:

(A) in writing in any usual or common form or in any other form that the Directors approve;

(B) a sufficient instrument of transfer of marketable securities under the Corporations Act;

(C) in a form approved by ASX; or

(D) in any other usual or common form.

(f) **Variation of Rights**

Subject to the ASX Listing Rules, if at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied, whether or not the Company is being wound up, with the consent in writing of holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class. Any variation of rights shall be subject to Sections 246B to 246E of the Corporations Act.

ANNEXURE 3

Risk factors for US Nickel shares

Shareholders should be aware that investment in US Nickel is speculative and US Nickel is subject to various risk factors. Based on the information available including the prospectus of US Nickel dated 3 March 2010, a list of the identified major risk factors is set out below. The list is not exhaustive.

1. Exploration Success

There can be no assurance that exploration of any of US Nickel's claims, mineral properties and tenements (collectively "Titles") will result in the discovery of economic deposits. Even if an apparently viable deposit is identified, there is no guarantee it can be economically exploited.

2. Operating Risks

The operations of US Nickel may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted tonnes or qualities in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the cost of consumables, spare parts, plant and equipment.

No assurances can be given that US Nickel will achieve commercial viability through the successful exploration and/or mining of its titles. Until US Nickel is able to realise value from its projects, it is likely to incur ongoing losses.

3. Resource estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans that may, in turn, adversely affect US Nickel's operations.

4. Landowner compensation risk for Mid-Continent Project

US Nickel is required to pay compensation to land owners of the Mid-Continent Project for the loss of agricultural production, land value and the value of the owner's improvement on the property. In the event US Nickel is unable to resolve such compensation claims on economic terms, this could have a material adverse effect on the business, results or operations and financial condition of US Nickel.

5. Commodity Price Volatility and Exchange Rate Risks

If US Nickel achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of US Nickel to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of US Nickel. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of US Nickel are and will be taken into account in Australian, Canadian or United States currency, exposing US Nickel to the fluctuations and volatility of the rate of exchange between the US dollar, the Canadian dollar and the Australian dollar as determined in international markets.

6. Environmental Risks

The operations and proposed activities of US Nickel are subject to Provincial, State and/or Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, US Nickel's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on US Nickel's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on US Nickel for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

US Nickel may become liable for environment damage caused by previous owners of any Titles US Nickel holds an interest in or acquires in the future. As a result, substantial liabilities to third parties or governmental entities may be incurred, the payment of which could reduce or eliminate funds available for acquisitions, exploration and development.

7. Insurance Risks

US Nickel intends to insure its operations in accordance with industry practice. However, in certain circumstances, US Nickel's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect of the business, financial condition and results of US Nickel.

Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

8. Competition Risk

The industry in which US Nickel will be involved is subject to domestic and global competition. US Nickel will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of US Nickel's projects and business.

9. Title Risk

Interests in Titles are governed by the federal, State or provincial legislation of Canada, the United States and Australia. Each Title is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, US Nickel could lose title to or its interest in the Titles if its conditions are not met or if insufficient funds are available to meet expenditure commitments.

10. Future Capital Requirements

Future funding may be required by US Nickel to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain finance will adversely affect the business and financial condition of US Nickel and its performance.

11. Personnel

The loss of any one or more of the directors of US Nickel could have an adverse impact on the performance and the prospects of US Nickel. US Nickel's activities require personnel with appropriate industry experience and qualifications. The inability to recruit or retain those personnel may have an impact on the performance and prospects of US Nickel.

12. Market Risk

Share market conditions may affect the value of US Nickel's quoted securities regardless of US Nickel's operating performance. Share market conditions are affected by many factors such as:

(a) general economic outlook;

(b) interest rates and inflation rates;

(c) currency fluctuations;

(d) commodity price fluctuations;

(e) changes in investor sentiment toward particular market sectors;

(f) the demand for, and supply of, capital; and

(g) terrorism and other hostilities.

13. Regulatory Risk

US Nickel's mining operations and exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. US Nickel requires the Titles and other permits from regulatory authorities to authorise US Nickel operations. These Titles and other permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that US Nickel will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict US Nickel from proceeding with the development of a project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of US Nickel's activities or forfeiture of one or more of the claims or tenements.

GENERAL

The above list of risk factors ought not to be taken as exhaustive of the risks faced by US Nickel or by investors in US Nickel. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of US Nickel and the value of the US Nickel Shares. The US Nickel Shares carry no guarantee with respect to the payment of dividends, return of capital or their market value.

PROXY FORM

APPOINTMENT OF PROXY
ARGENT MINERALS LIMITED
ACN 124 780 276

GENERAL MEETING

I/We ______________________________

of ______________________________

being a member of Argent Minerals Limited entitled to attend and vote at the General Meeting, hereby

Appoint ______________________________

Name of proxy

OR ☐ the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at 11.00 am (WST) on 28 February 2011 at the Upstairs Function Room, Subiaco Hotel, 465 Hay Street, Subiaco WA 6008, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of Resolution 5, please place a mark in the special box alongside this paragraph. ☐ (Special box).

By marking this special box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of Resolution 5 and that the votes cast by the Chair of the meeting for that Resolution 5 other than as proxy holder will be disregarded because of that interest.

If you do not mark this special box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolution 5 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 5.

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Approval of sale of shares in Argent (Bullant) Pty Ltd	☐	☐	☐
Resolution 2 – Buy-back of shares held by US Nickel (special resolution)	☐	☐	☐
Resolution 3 – In specie distribution of US Nickel shares	☐	☐	☐
Resolution 4 – Approval of share placement	☐	☐	☐
Resolution 5 – Approval of options to Kerry McHugh	☐	☐	☐
Resolution 6 – Approval of options to Marcus Michael	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is %

Signature of Member(s): **Date:** ______________________

Individual or Member 1	**Member 2**	**Member 3**
Sole Director/Company Secretary	**Director**	**Director/Company Secretary**

Contact Name: ________________________________ **Contact Ph (daytime):** ____________________________

ARGENT MINERALS LIMITED
ACN124 780 276

Instructions for Completing 'Appointment of Proxy' Form

1. (**Appointing a Proxy**): A member entitled to attend and vote at the General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes .A duly appointed proxy need not be a member of the Company.

2. (**Direction to Vote**): A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose except that if the Chair has an interest in Resolution 5 and is appointed as proxy for Resolution 5 and you have not marked the special box in the Proxy Form and have not directed the proxy how to vote, the Chair will not cast your votes, and your votes will not be counted if a poll is called, on Resolution 5. Where more than one box is marked on an item the vote will be invalid on that item.

3. (**Signing Instructions**):

   - (**Individual**): Where the holding is in one name, the member must sign.

   - (**Joint Holding**): Where the holding is in more than one name, all of the members should sign.

   - (**Power of Attorney**): If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

   - (**Companies**): Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.

4. (**Attending the Meeting**): Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.

5. (**Return of Proxy Form**): To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
   (a) post to Argent Minerals Limited, PO Box 1305 West Leederville WA 6901; or
   (b) facsimile to the Company on facsimile number +61 8 9322 6610; or
   (c) email to the Company at info@argentminerals.com.au,
   so that it is received not later than 11,00 am(WST) on 26 February 2011.
   Proxy forms received later than this time will be invalid.

ARGENT MINERALS LIMITED

ACN 124 780 276

PROSPECTUS

For an offer to transfer 44 million fully paid ordinary shares in the capital of US Nickel Limited to shareholders of Argent Minerals Limited pursuant to a reduction of capital by way of in specie distribution contained in Resolution 3 in the Argent Minerals Limited Notice of General Meeting dated 19 January 2011 and to facilitate secondary trading of those shares

This Prospectus is important and requires your immediate attention. You should read this Prospectus in its entirety and consult their professional advisers in respect of the contents of this Prospectus.

This Prospectus is a prospectus for continuously quoted securities in accordance with Section 713 of the Corporations Act 2001.

The Directors consider shares in US Nickel Limited which will be transferred under this Prospectus to be speculative.

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Important Notice

This Prospectus is dated 19 January, 2011 and a copy of the Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

No securities will be issued or transferred on the basis of this Prospectus later than 13 months after the date of this Prospectus.

This Prospectus including each of the documents which is incorporated by reference into this Prospectus is important and should be read in its entirety. If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional advisers.

This Prospectus does not constitute an offer in any place in which or to any person to whom it would not be lawful to make such an offer.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult. This Prospectus is issued pursuant to section 713 of the Corporations Act. That section allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities.

Defined terms and abbreviations used in this Prospectus are explained in **Section 8** of this Prospectus.

1. THE OFFER

1.1 Terms and conditions of the Offer

Resolution 3 of the Notice of Meeting is as follows:

"Resolved that,

(a) for the purposes of sections 265B and 265C of the Corporations Act 2001 and Article 2.4 of the Company's Constitution and for all other purposes; and

(b) conditional on (i) the passing of resolutions 1 and 2 in this Notice of General Meeting, (ii) the cancellation of the 19,500,000 fully paid ordinary shares in the capital of the Company referred to in resolution 2 in this Notice of General Meeting and US Nickel Limited ceasing to be the registered holder of those shares in the Company's register of members before the record date and (iii) the issue of 44 million fully paid ordinary shares in the capital of US Nickel Limited to the Company referred to in resolution 1 of this Notice of General Meeting (US Nickel Shares),

approval is given for the share capital of the Company and the assets of the Company to be reduced by the distribution in specie of the US Nickel Shares to the Company's shareholders registered on the Company's Register of Members as at the record date, as determined in accordance with the ASX Listing Rules, in proportion to their registered shareholding in the Company on that date, with any fractional entitlements being rounded down to the nearest whole number and on the terms set out in the Explanatory Statement."

Pursuant to Resolution 3 in the Notice of Meeting, the Company is inviting Shareholders to vote on a reduction of capital by way of an in specie distribution of 44 million US Nickel Shares to Shareholders (excluding US Nickel) on a pro-rata basis. This represents approximately one US Nickel Share for every two Shares held.

The in Specie Distribution will proceed only if the conditions in Resolution 3 are satisfied. Those conditions include Resolutions 1 and 2 in the Notice of Meeting being passed, the 19.5 million Shares held by US Nickel being cancelled and the Register of Members altered to no longer show US Nickel as a registered shareholder and US Nickel issuing 44 million shares to the Company. Once these matters are completed, the Company will have also sold its shares in Argent (Bullant) Pty Ltd to US Nickel.

Based on ASIC Regulatory Guide 188, the invitation to vote contained in Resolution 3 in the Notice of Meeting constitutes an offer to transfer US Nickel Shares for the purposes of section 707(3) of the Corporations Act (the Offer). Accordingly, the Company has prepared this Prospectus.

Distribution of US Nickel shares to any Shareholder with a registered address outside Australia or New Zealand under Resolution 3 will be subject to legal and regulatory requirements in the relevant jurisdictions of those Shareholders. If the requirements of any such jurisdiction restricts or prohibits the distribution of US Nickel shares as proposed or would impose on the Company an undue obligation or burden, the US Nickel shares to which the relevant overseas Shareholder is entitled will be sold by the Company on their behalf as soon as practicable after the distribution and the Company will then account to the Shareholder for the net proceeds of sale after deducting the costs and expenses of the sale. The price of the US Nickel shares will vary from time to time and the net proceeds of sale may be more or less than the closing price for US Nickel shares on the day of distribution of the US Nickel shares to Shareholders.

1.2 Effect of the Offer on the Company

The Offer will result (a) in the Company ceasing to own the 44 million US Nickel shares issued to it under the BGP Agreement and (b) the Company's share capital and total and net assets being reduced by the fair value of those shares, as determined by the Directors. The Directors will notify shareholders of the actual reduction amount in due course.

1.3 US Nickel Shares Rights and Liabilities

The rights and liabilities of US Nickel Shares are set out in the constitution of US Nickel. Annexure 2 of the Notice of Meeting sets out those rights and liabilities and that Annexure is incorporated by reference into this Prospectus.

US Nickel Shares proposed to be distributed to Shareholders will be quoted on ASX and will be able to be traded on ASX once the shares are registered in the name of the Shareholder as a result of this Prospectus being issued by the Company.

Section 5 of the Explanatory Statement included in the Notice of Meeting relating to Resolution 3 is incorporated by reference into this Prospectus.

1.4 US Nickel disclosing entity

US Nickel is a disclosing entity under the Corporations Act and as such is subject to regular reporting and disclosure obligations. A copy of documents lodged with ASIC in relation to US Nickel may be obtained from, or inspected at, an ASIC office.

Shareholders have the right to obtain a copy of the US Nickel 2010 annual financial report, any half year financial report since the annual report and any continuous disclosure notices given by US Nickel lodged with ASIC since the annual report free of charge from the Company at its registered office during normal business hours before the General Meeting is held or before the In Specie Distribution is undertaken. Annexure 1 sets out the list of documents lodged with ASIC since the annual report was lodged with ASIC.

For the purposes of section 713(5) of the Corporations Act, the Company states that it is not aware of any information about the Offer or in relation to US Nickel which has been excluded from continuous disclosure notices in accordance with the ASX Listing Rules

1.5 Action Required by Shareholders

No action is required by Shareholders under this Prospectus.

Should Shareholder approval be obtained for the In Specie Distribution, then the US Nickel Shares will be transferred to Shareholders in accordance with the terms set out in the Notice of Meeting.

A prospectus is normally required to include an application form for shares. ASIC has granted relief from the requirement in ASIC Class Order [CO 07/10] so that the application form is not required to be included in this prospectus. As noted in the Notice of Meeting, if Resolution 3 is passed and the conditions in Resolution 3 are satisfied, the Company will sign the share transfer forms for the transfer of the US Nickel shares to shareholders on behalf of shareholders. Shareholders will receive a holding statement for the US Nickel shares to which they are entitled.

If you have any queries regarding this Prospectus, please contact the Company Secretary on (08) 9322 6600.

2. MARKET INFORMATION ON US NICKEL SHARES

Since 25 May 2010, when the suspension of trading in US Nickel Shares was lifted following compliance by US Nickel with Chapters 1 and 2 of the ASX Listing Rules, the closing price of US Nickel Shares on ASX has varied from a low of 9 cents to a high of 20 cents. The closing price of US Nickel Shares on the last ASX trading day prior to the date of this Prospectus was 18.5 cents.

3. RISK FACTORS FOR US NICKEL SHARES

Shareholders should be aware that investment in US Nickel is speculative and US Nickel is subject to various risk factors. A list of the identified major risk factors is set out in Annexure 3 to the Notice of Meeting and that Annexure is incorporated by reference into this Prospectus.

The list of risk factors ought not to be taken as exhaustive of the risks faced by US Nickel or by investors in US Nickel. Those factors, and others not specifically referred to, may in the future materially affect the financial performance of US Nickel and the value of the US Nickel Shares offered under this Prospectus. The US Nickel Shares offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or their market value.

4. TAX IMPLICATIONS FOR SHAREHOLDERS

There are tax implications for Shareholders arising from the In Specie Distribution and a general summary of the potential tax consequences is set out in section 1.14 of the Explanatory Statement which forms part of the

Notice of Meeting. That section is incorporated by reference into this prospectus. That summary is general in nature and Shareholders should obtain and rely on their own taxation advice in relation to the In Specie Distribution. The Company does not accept any responsibility or liability in respect of the tax consequences for Shareholders.

5. US NICKEL DIRECTORS' CONSENT

The directors of US Nickel as at the date of this Prospectus are Jonathan Murray, Alexander Hewlett, Christopher Daws, James Croser and Peter George. Each US Nickel director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

6. DIRECTORS' CONSENT

Each Director of the Company has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

7. SIGNATURE

This Prospectus is signed for and on behalf of the Company by:

Kerry McHugh
Director

8. GLOSSARY

ASIC	Australian Securities and Investments Commission
ASX	ASX Limited ACN 008 129 164
ASX Listing Rules	the official Listing Rules of ASX
Company	Argent Minerals Limited ACN 124 780 276
Corporations Act	Corporations Act 2001 (Cth)
Directors	the directors of the Company as at the date of this Prospectus
In Specie Distribution	the capital reduction by way of in specie distribution of US Nickel Shares to Shareholders for which approval is sought in Resolution 3 in the Notice of Meeting
Notice of Meeting	the Notice of General Meeting of the Company dated 19 January, 2011
Offer	the offer of US Nickel Shares pursuant to the Notice of Meeting
Prospectus	this prospectus dated 19 January 2011
Share	a fully paid ordinary share in the capital of the Company
Shareholder	a holder of Shares
US Nickel	US Nickel Limited ACN 091 009 559
US Nickel Share	a fully paid ordinary share in the capital of US Nickel
WST	Western Standard Time

ANNEXURE 1 TO ARGENT MINERALS LIMITED PROSPECTUS DATED 19 JANUARY 2011

Date	Announcement
October 1, 2010	Change of Interests of Substantial Holder
October 1, 2010	Change of Director's Interest Notice
October 1, 2010	Change of Director's Interest Notice
October 1, 2010	Change of Director's Interest Notice
October 7, 2010	Progress Report Business Objectives
October 8, 2010	Form 603 Notice of Initial Substantial Holder
October 19, 2010	Progress Report 2010 Snowbird Exploration Program Update
October 19, 2010	Change of Director's Interest Notice
October 19, 2010	Appendix 3B Issued Capital – Other
October 20, 2010	Notice of Annual General Meeting Proxy Form
October 21, 2010	Change of Director's Interest Notice
October 27, 2010	First Quarterly Activities Report First Quarter Cash Flow Report
November 1, 2010	Annual Report Top 20 Shareholders Annual Audited Accounts Annual Audit Review Annual Director’s Statement, Full Year Accounts
November 5, 2010	Change of Director's Interest Notice
November 10, 2010	Change of Director’s Interest Notice

Date	Announcement
November 15, 2010	Progress Report - Commencement of Drilling Mid-Continent Project, USA
November 16, 2010	Progress Report
November 17, 2010	Results of Annual General Meeting
November 18, 2010	Trading Halt
November 18, 2010	Progress Report – Other Chairman's Address – Other
November 22, 2010	Suspension From Official Quotation
November 23, 2010	Intention to make takeover offer ASX Reinstatement to Official Quotation
November 26, 2010	Change of Director's Interest Notice
November 26, 2010	Appendix 3B Issued Capital – Other
December 2, 2010	Change of Director's Interest Notice
December 3, 2010	Change of Director's Interest Notice
December 7, 2010	Change of Director's Interest Notice
December 7, 2010	Variation of Takeover Offer Takeover - Other Issued Capital – Other Asset Acquisition
December 9, 2010	Progress Report
December 9, 2010	Variation of Takeover Offer Takeover – Other Asset Acquisition

Date	Announcement
	Asset Disposal
December 17, 2010	Change of Director's Interest Notice
December 29, 2010	Issued Capital – Other Appendix 3B
December 29, 2010	Change of Director's Interest Notice
December 29, 2010	Issued Capital – Other
January 10, 2011	Trading Halt
January 10, 2011	Issued Capital – Other Appendix 3B
January 10, 2011	Change of Director's Interest Notice
January 10, 2011	Change of Director's Interest Notice
January 11, 2011	Application For Reservation of a New Name Upon Change Of Name
January 12, 2011	Placement Trading Halt Lifted Progress Report
January 13, 2011	Asset Acquisition
January 14, 2011	Change of Director's Interest Notice