



**TIM BOREHAM**  
CRITERION

## All that glisters not always gold

### Argent Minerals (ARD) 8.1c

FOR those who like their metals more precious, here's a silver-plated proposition that has the imprimatur of the NSW government's significant project status.

Argent's single-minded focus is on its Kempfield silver project near Bathurst, a rarity in that silver is usually the by-product of mining other minerals.

Kempfield is now rated a 52 million-ounce (equivalent) resource at an average equivalent grade of 75 grams a tonne. This includes 86,000 ounces of gold.

Argent is striving for environmental approvals for the project, tentatively scoped out for stage-one production of 9.9 million ounces over five years.

A feasibility study is due to be completed in the third quarter. "We are confident about the timelines because the state government is determined to have the project up and running," Argent chief David Busch says.

Busch envisages project finance as a combination of debt and equity, probably in a ratio of 60-40. "We have already had a positive smell test and we are seeing some positive feedback," he says.



Source: Bloomberg

Like Dannii Minogue, silver has been overshadowed by its more famous "golden" sister. More so than gold, silver is a widely used industrial component with new applications emerging all the time (such as photovoltaic cells and antibiotic uses). While we have plenty of exposure to Dannii via "Australia's Got the X Factor Voice" (or whatever), a decent silver leverage is more elusive. BHP Billiton's Cannington mine in Queensland ranks as the world's third-biggest producer, but it's a mere line item within BHP.

### Cobar Consolidated (CCU) 22c

COBAR Consolidated started producing at its Wonawinta mine near Cobar in mid 2012, producing 277,000 ounces so far. But it's encountered processing issues because of harder-than-expected material.

With a \$11m market cap relative to Cobar's \$63m, Argent is worth a dekho, if only because management has rewarded investors in the past, such as a 2.2c-a-share dividend in 2011 after selling its Bullant gold project to US Nickel.

"As a percentage of the share price at the time shareholders did reasonably well out of it," says Busch. [borehamt@theaustralian.com.au](mailto:borehamt@theaustralian.com.au)

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