



## ASX ANNOUNCEMENT

9 December 2010

### ARGENT TO SELL BULLANT GOLD PROJECT TO US NICKEL LIMITED

In what Argent Minerals Limited's Executive Chairman Mr Kerry McHugh and US Nickel Limited's Chairman Mr Jonathan Murray described as a good outcome for both Argent and US Nickel shareholders, the board of directors of both Argent and USN are pleased to announce the execution of an agreement whereby:

- (a) Argent agrees to sell the Bullant Gold Project to US Nickel in return for US Nickel issuing 44,000,000 fully paid ordinary shares and consenting to the cancellation of 19,500,000 Argent shares held by US Nickel. The US Nickel Shares will be distributed to Argent's shareholders; and
- (b) US Nickel agrees to withdraw and not proceed with its proposed takeover offer for Argent.

The Agreement, which is unanimously supported by both the Argent and US Nickel boards, 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 USN shareholder approvals are expected to be held in February 2011 and the relevant Notices of Meeting, together with supporting documentation will be sent to the respective shareholders in January 2011.

The new structure is intended to convert Argent into a pure silver "play." This will enable Argent to focus on completing the Definitive Feasibility Study (DFS) on its Kempfield silver project with the objective of being in a position to take a decision 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 Agreement. The distribution of USN shares to Argent shareholders will provide them with an opportunity to continue to have exposure to the Bullant gold mine.

Argent will also undertake a capital raising by issuing, subject to all necessary approvals, approximately 13 million shares (being 15% of its issued capital) in a placement to sophisticated investors. The shares will be issued at 16 cents each and will raise approximately \$2.1 million. The funds will be used to progress the Kempfield DFS and for working capital purposes.

For more information:

[www.argentminerals.com.au](http://www.argentminerals.com.au)

Kerry McHugh

Executive Chairman

**Argent Minerals Limited**

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