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**ARGENT MINERALS LIMITED**

**ACN 124 780 276**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 11:00 am (AEDT)

**DATE:** 20 November 2013

**PLACE:** North Sydney Harbourview Hotel  
Bradfield Room 2 Ground Floor  
17 Blue Street  
North Sydney NSW 2060

*This Notice of 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 Meeting please do not hesitate to contact the Company Secretary on +61 8 9322 6600.*

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## IMPORTANT INFORMATION

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### Time and place of Meeting

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Notice is given that the Meeting will be held at 11:00 am (AEDT) on 20 November 2013 at:

North Sydney Harbourview Hotel  
Bradfield Room 2 Ground Floor  
17 Blue Street  
North Sydney NSW 2060

### Your vote is important

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

### Voting eligibility

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00 pm (AEDT) on 18 November 2013.

### Voting in person

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

### Voting by proxy

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2013 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2013.”*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – STEPHEN GEMELL

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

*“That, for the purpose of clauses 6.3(c) and (d) of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Stephen Gemell, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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4. **RESOLUTION 3 –APPROVAL OF 10% PLACEMENT CAPACITY**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions 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.

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5. **RESOLUTION 4 – RE-APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY – DAVID BUSCH**

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

*"That, in accordance with the ASX Letter, Shareholders re-approve the issue of 1,500,000 Tranche 1 Performance Rights and 1,000,000 Tranche 2 Performance Rights to David Busch (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by David Busch (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions 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.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

**Dated: 10 October 2013**

**By order of the Board**

**Marcus Michael  
Director and Company Secretary**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2013 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.argentminerals.com.au](http://www.argentminerals.com.au).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

### 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

### 2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

*If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy*

*You must direct your proxy how to vote on this Resolution.* Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

*If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member).*

You **do not** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, **you must mark the acknowledgement on the Proxy Form to expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.**

*If you appoint any other person as your proxy*

You **do not** need to direct your proxy how to vote on this Resolution, and you **do not** need to mark any further acknowledgement on the Proxy Form.

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## 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – STEPHEN GEMELL

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 year, whichever is the longer.

Clause 6.3 of the Constitution provides that:

- (a) at the Company's annual general meeting in every year, one-third of the Directors for the time being (rounded down to the nearest whole number), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting of the Company following his or her appointment, whichever is the longer, without submitting himself or herself for re-election;
- (b) The Directors to retire at an annual general meeting are those who have held their office as Director the longest period of time since their last election or appointment to that office, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots;

- (c) A Director who retires by rotation under clause 6.3 of the Constitution is eligible for re-election; and
- (d) if more than one Managing Director has been appointed by the Directors, only one of them (determined by the Directors) is entitled to be excluded from retirement by rotation.

The Company currently has 3 Directors and accordingly 1 must retire.

Stephen Gemell, the Director longest in office since his last election, retires by rotation and seeks re-election.

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## **4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY– SHARES**

### **4.1 General**

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 3, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 4.2 below).

The effect of Resolution 3 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

### **4.2 ASX Listing Rule 7.1A**

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$5,953,629.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has 1 class of quoted Equity Security on issue, being the Shares (ASX Code: ARD).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
  - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
  - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
  - (iv) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

#### 4.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 4.3(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and

- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

**(10% Placement Capacity Period).**

**(c) Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	0.02 50% decrease in Issue Price	0.04 Issue Price	0.08 100% increase in Issue Price
152,657,160 (Current Variable A)	Shares issued - 10% voting dilution	15,265,716 Shares	15,265,716 Shares	15,265,716 Shares
	Funds raised	\$305,314.32	\$610,628.64	\$1,221,257.28
228,985,740 (50% increase in Variable A)	Shares issued - 10% voting dilution	22,898,574 Shares	22,898,574 Shares	22,898,574 Shares
	Funds raised	\$457,971.48	\$915,942.96	\$1,831,885.92
305,314,320 (100% increase in Variable A)	Shares issued - 10% voting dilution	30,531,432 Shares	30,531,432 Shares	30,531,432 Shares
	Funds raised	\$610,628.64	\$1,221,257.28	\$2,442,514.56

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

1. There are currently 152,657,160 existing Shares on issue as at the date of this Notice of Meeting.
2. The issue price set out above is the closing price of the Shares on the ASX on 8 October 2013.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

**(d) Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), to fund continued exploration expenditure on the Company's Kempfield Silver Project and its other projects, to fund project feasibility studies and ongoing project administration and for general working capital; or
- (ii) as non-cash consideration for the acquisition of new assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

**(e) Allocation policy under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 22 November 2012 (**Previous Approval**).

The Company has issued 10,956,667 Shares pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 20 November 2012, the Company also issued a further 17,530,667 Options and 2,500,000 Performance Rights which represents approximately 13.94% of the total diluted number of Equity Securities on issue in the Company on 20 November 2012, which was 143,700,493.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and

- (ii) the information required by Listing Rule 3.10.5A for release to the market.

#### 4.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

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### 5. RESOLUTION 4 – RE-APPROVAL OF ISSUE OF PERFORMANCE RIGHTS - DAVID BUSCH

#### 5.1 Background

On 24 July 2013, a general meeting of the Company was held, the notice of meeting for which contained a resolution for Shareholders to approve the issue of 1,500,000 Tranche 1 performance rights and 1,000,000 Tranche 2 performance rights (the **Performance Rights**) to David Busch, a director of the Company. Approval of the issue of the Performance Rights was sought under ASX Listing Rule 10.11. Approval under Chapter 2E of the Corporations Act was not sought, as the issue of the Performance Rights was considered reasonable remuneration by the non-interested members of the Board. The terms and conditions of the Performance Rights are set out in Schedule 2.

In the explanatory memorandum to the notice of general meeting, the required information was provided pursuant to Listing Rule 10.13 including that the Performance Rights would be issued to David Busch within one (1) month of the meeting or such later date as the ASX may allow.

The Performance Rights were issued on 29 August 2013. The one (1) month period within which to issue the Performance Rights as required under Listing Rule 10.13 expired on 23 August 2013 and as at that date, the Company had not issued the Performance Rights to David Busch.

#### 5.2 ASX Letter

The Company received a letter from ASX on 20 September 2013 (**ASX Letter**) with respect to the Performance Rights.

The ASX Letter requires the Company to re-obtain shareholder approval for the issue of the Performance Rights to David Busch at the next general meeting of the Company's Shareholders on the following conditions:

- (a) with David Busch's consent, have a holding lock applied to the Performance Rights until such time as shareholder approval is re-obtained, and provide confirmation of the imposition of the holding lock to ASX;
- (b) if shareholder approval is not re-obtained at the next general meeting, the Performance Rights are to be cancelled within five Business Days of that meeting;
- (c) the Performance Rights are not to be exercised, unless and until shareholder approval for their issue has been re-obtained at the next general meeting;
- (d) the Company is to make, as soon as reasonably practicable, an appropriate announcement concerning the issue of the Performance

Rights later than the one month time limit set out in the resolution in the notice of General Meeting, and the steps that it is taking in relation to that late issue,

(together the "**ASX Requirements**").

### **5.3 Action by the Company**

The Company hereby seeks Shareholder approval of the issue of 1,500,000 Tranche 1 Performance Rights and 1,000,000 Tranche 2 Performance Rights to David Busch in accordance with the ASX Letter under Resolution 4.

The Company has complied with the ASX Requirements set out above in section 5.2 (a), (c) and (d).

If Shareholder approval is not obtained at this Meeting under Resolution 4, the Company will cancel the Performance Rights within five Business Days of the date of this Meeting.

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## GLOSSARY

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**\$** means Australian dollars.

**10% Placement Capacity** has the meaning given in section 4.1 of the Explanatory Statement.

**AEDT** means Eastern Daylight Savings Time as observed in Sydney, New South Wales.

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

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**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.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2013.

**Resolutions** means the resolutions set out in the Notice, 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 registered holder of a Share.

**Variable A** means "A" as set out in the calculation in section 4.3(c) of the Explanatory Statement.

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

**SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 22 NOVEMBER 2012**

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Form of consideration
Issue – 29 August 2013  Appendix 3B – 30 August 2013	6,574,000	Unlisted options <sup>2</sup>	Zenix Nominees Pty Ltd	No issue price (non-cash consideration)	Non-cash  Consideration: Management services provided to the Company in respect of the May 2013 capital raising. Current value <sup>8</sup> = \$36,157
Issue – 29 August 2013  Appendix 3B – 30 August 2013	1,500,000	Unlisted Performance Rights <sup>3</sup>	Director - David Busch	No issue price (non-cash consideration)	Non-cash  Consideration: Performance based remuneration for services provided to the Company. Current value <sup>8</sup> = \$63,000
Issue – 29 August 2013  Appendix 3B – 30 August 2013	1,000,000	Unlisted Performance Rights <sup>4</sup>	Director - David Busch	No issue price (non-cash consideration)	Non-cash  Consideration: Performance based remuneration for services provided to the Company. Current value <sup>8</sup> = \$42,000
Issue – 17 May 2013	10,956,667	Shares <sup>6</sup>	Sophisticated investors	\$0.06	For Cash only  Amount raised = \$657,400  Amount spent = \$618,556  Use of funds <ul style="list-style-type: none"> <li>• Progression of the NSW Government approval process for the Kempfield Silver Project in the NSW Government's assessment phase in relation to the Environmental Impact Statement submitted by the Company to the NSW Department of Planning &amp; Infrastructure on 8 April 2013;</li> <li>• Acceleration of the follow-up exploration program recommended by Professor Ross Large for the Volcanic Hosted Massive Sulphide ("VMS") geophysical anomalies identified immediately adjacent to Kempfield Silver Project deposit and within the proposed project area – representing high temperature VMS feeder zone potential;</li> <li>• Working capital.</li> </ul> Amount remaining = \$38,844  Proposed use of remaining funds <sup>7</sup> <ul style="list-style-type: none"> <li>• Working Capital</li> </ul>

Issue – 17 May 2013	10,956,667	Unlisted options <sup>5</sup>	Sophisticated investors	No issue price (free attaching to the Shares)	Non-cash Consideration: Free attaching to the Shares issued 17 May 2013. Current value <sup>8</sup> = \$65,740
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**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Unquoted Options, exercisable at \$0.25 each, on or before 29 August 2016. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 24 July 2013.
3. Unquoted Tranche 1 performance rights, the full terms and conditions of which are set out in Schedule 2.
4. Unquoted Tranche 2 performance rights, the full terms and conditions of which are set out in Schedule 2.
5. Unquoted Options, exercisable at \$0.175 each, on or before 31 March 2016. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 24 July 2013.
6. Fully paid ordinary shares in the capital of the Company, ASX Code: ARD (terms are set out in the Constitution).
7. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
8. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.039) as the context requires on the ASX on 9 October 2013. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

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## SCHEDULE 2 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

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The terms and conditions of the Performance Rights are set out below:

- (a) **(Vesting)**: Subject to the satisfaction of the vesting conditions set out in paragraph (b), each Performance Right vests to one Share.
- (b) **(Vesting conditions – Tranche 1 Performance Rights)**: The Tranche 1 Performance Rights shall vest upon:
- (i) the Company receiving all necessary Approvals for the commencement of the Kempfield Project;
  - (ii) the Company making a public announcement to ASX of its intent to mine for the Kempfield Project;
  - (iii) the Company entering into legally binding arrangements for debt funding for the Kempfield Project; and
  - (iv) the Company entering into a construction contract with a principal contractor in respect of the Kempfield Project (together, the **Tranche 1 Vesting Conditions**).

For the avoidance of doubt, the Tranche 1 Vesting Conditions will not be taken to have been met unless and until all of the above events have occurred.

- (c) **(Vesting conditions – Tranche 2 Performance Rights)**: The Tranche 2 Performance Rights shall vest upon:
- (i) the Tranche 1 Vesting Conditions having been met; and
  - (ii) receipt by the Company of written confirmation of Completion by the provider of the Kempfield Project debt funding (referred to in (b)(iii) above) (together, the **Tranche 2 Vesting Conditions**).

For the avoidance of doubt, the Tranche 2 Vesting Conditions will not be taken to have been met unless and until all of the above events have occurred.

### **Vesting Conditions Definitions:**

**Approval** means all approvals necessary for the commencement of mining operations on the Kempfield Project, including without limitation receipt of all relevant licences, planning permissions and any other approvals required for the Company to lawfully commence mining and processing operations in respect of the Kempfield Project.

**Completion** means receipt by the Company of advice from the provider of the Kempfield Project debt funding that the relevant EPC (or EPCM “Engineering Procurement and Construction Management”) Contract has been completed.

**Kempfield Project** means a project to mine and process, on a commercial scale, ore containing silver located on the Kempfield tenements in New South Wales.

- (d) **(Expiry Date)**: The Performance Rights shall expire at 5.00 pm (WST) on that date which is 36 months after the date of issue of the Performance Rights (**Expiry Date**). Any Performance Right not vested before the Expiry Date shall automatically lapse on the Expiry Date and the holder shall have no entitlement to Shares pursuant to those Performance Rights.

- (e) **(Consideration)**: The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the Performance Rights on the satisfaction of the Tranche 1 and Tranche 2 Vesting Conditions.
- (f) **(Automatic vesting)**: The Board may, in its absolute discretion, determine that all or a specified number of a holder's Performance Rights automatically vest in the event of:
- (i) a takeover bid in respect of the Company under Chapter 6 of the Corporations Act is made;
  - (ii) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
  - (iii) any person becomes bound or entitled to acquire shares in the Company under:
    - (A) section 414 of the Corporations Act; or
    - (B) Chapter 6A of the Corporations Act;
  - (iv) the Company passes a resolution for voluntary winding up; or
  - (v) an order is made for the compulsory winding up of the Company, and
- such a determination shall be notified to the holder in writing. If no determination is made or if the Board determines that some or all of a holder's Performance Rights do not vest, those Performance Rights shall automatically lapse.
- (g) **(When employment ceases)**: In the event the holder ceases to be a Director, or employee prior to the satisfaction of the Tranche 1 or Tranche 2 Vesting Conditions (as the case may be), all Performance Rights shall automatically lapse unless the holder ceases to be a Director as a result of being removed from office by Shareholders other than for misconduct in which case the Board may, in its absolute discretion, determine that all or a specified number of a holder's Performance Rights automatically vest.
- (h) **(Lapse of a Performance Right)**: A Performance Right will lapse upon the earlier to occur of:
- (i) failure to meet the Performance Right's Tranche 1 and/or Tranche 2 Vesting Conditions;
  - (ii) the Expiry Date (defined above);
  - (iii) the Performance Right lapsing in accordance with rule (g); or
  - (iv) the Performance Right lapsing in accordance with rule (n).
- (i) **(Ceasing to satisfy relevant conditions – vested Performance Right)**: If for any reason a holder ceases to be Director or otherwise ceases to satisfy any other relevant condition imposed by the Board after a Performance Right has vested but before a Performance Right has been exercised, the holder may exercise those vested Performance Rights within the 6 month period following cessation of employment or ceasing to satisfy any other relevant conditions (as

appropriate) or such other period (longer or shorter) as the Board determines, after which they lapse.

- (j) **(Notification)**: Immediately following the Expiry Date, the Company shall notify the holder of that proportion of Performance Rights that have vested and shall, unless otherwise directed by the holder, issue the associated number of Shares within 10 Business Days of the Expiry Date.
- (k) **(Share ranking)**: All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.
- (l) **(Listing of Shares on ASX)**: The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of Performance Rights on ASX within 10 Business Days after the date of issue of those Shares.
- (m) **(Transfer of Performance Rights)**: A Performance Right is only transferable:
  - (i) with the consent of the Board; or
  - (ii) by force of law upon death to the holder's legal personal representative or upon bankruptcy to the holder's trustee in bankruptcy.
- (n) **(Lapse on incorrect transfer)**: Where the holder purports to transfer a Performance Right other than in accordance with rule (m) the Performance Right immediately lapses.
- (o) **(Adjustment for bonus issue)**: If Shares are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation or reserves or distributable profits, the number of Performance Rights to which each holder is entitled, or any amount payable on vesting of the Performance Rights, or both as appropriate, will be adjusted in the manner determined by the Board to ensure that no advantage accrues to the holder as a result of the bonus issue and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.
- (p) **(Adjustment for re-organisation)**: In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Performance Rights to which each holder is entitled, or any amount payable on vesting of the Performance Rights, or both as appropriate, will be adjusted in the manner determined by the Board to ensure that no advantage or disadvantage accrues to the holder as a result of such corporate actions and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (q) **(No other participation)**: Subject to paragraphs (o) and (p), during the currency of any Performance Rights and prior to vesting, the holder is not entitled to participate in any new issue of securities of the Company as a result of his/her holding Performance Rights. In addition, the holder is not entitled to vote nor to receive dividends as a result of his/her holding Performance Rights.



