



ASX ANNOUNCEMENT

23 November 2010

TAKEOVER BID ANNOUNCEMENT RECEIVED SHAREHOLDERS AND OPTIONHOLDERS SHOULD TAKE NO ACTION

The Company received today an announcement from US Nickel Limited (ABN 44 091 009 565) (ASX:USN) that it intends to make an off-market takeover offer for all the fully paid ordinary shares in the Company that it does not already own for a consideration of 4 US Nickel shares for every 3 shares in the Company and an offer for all of the options for a consideration of 1 US Nickel share for every 5 options held.

US Nickel is now required to provide a Bidder's Statement and written offers to shareholders and optionholders within 2 months.

The Board is considering the terms of the takeover offers and intends to engage an independent expert to prepare a report on whether the takeover offers are fair and reasonable.

At this stage, shareholders and optionholders are advised to take no action with respect to the takeover offers. As mentioned, shareholders and optionholders will be receiving written offers from US Nickel that include a Bidder's Statement. The Company will also be providing to shareholders and optionholders a Target's Statement, which will include the independent expert's report, in due course.

For more information:

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23 November 2010

Via ASX Online

TAKEOVER OFFER FOR ARGENT MINERALS LIMITED

Takeover Offer

US Nickel Limited (ABN 44 091 009 559) (**US Nickel**) intends to make an off-market takeover offer for all of the fully paid ordinary shares in Argent Minerals Limited (ABN 89 124 780 726) (**Argent**) which it does not already own.

Consideration for the share offer will be four (4) US Nickel shares for every three (3) shares in Argent (**Share Offer**). The Share Offer is subject to conditions which are set out in the Schedule to this Announcement. US Nickel currently has a relevant interest in 27.4% of Argent.

US Nickel is also offering to acquire Argent's 20 cent 30 June 2011 options (**June 2011 Options**) on the basis of one (1) US Nickel share for every five (5) June 2011 Options (**Option Offer**).

Based on the closing price of US Nickel shares as at 17 November 2010, the Share Offer values an Argent share at 21.3 cents each.

This represents a premium of:

- 6.7% to Argent's closing price on 17 November 2010;
- 8.7% to the five (5) day VWAP of Argent shares prior to the date of this Announcement; and
- 11.9% to the one (1) month VWAP of Argent shares prior the date of this Announcement.

Transaction Synergies

If the Share Offer and Option Offer (together the **Offer**) are successful, the transaction will provide:

- operational and corporate synergies for the proposed re-commencement of operations at the Bullant Gold Project (located in Kalgoorlie, Western Australia);
- project diversification and exposure to US Nickel's North American projects;

US NICKEL LIMITED

- access to a motivated board and management team focussed on project advancement and identification of new opportunities;
- reduced corporate overheads; and
- increased liquidity and access to capital necessary for the ongoing development at the Bullant Gold Project.

Working Capital

US Nickel also intends to offer Argent an unsecured loan advance of \$4 million to assist with ongoing development at the Bullant Gold Project (**Advance**). It is proposed that the Advance will not be repayable within the first twelve (12) months of drawdown and otherwise will be made on commercial terms.

US Nickel intends to raise additional working capital pursuant to its existing placement capacity to meet these obligations.

Timing

US Nickel is in the process of preparing a formal bidder's statement in relation to the Offer and intends to lodge that document as soon as practicable.

Contact Details

For further information, please contact:



Mr Alex Hewlett
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US NICKEL LIMITED

SCHEDULE 1 – CONDITIONS OF THE OFFER

1. Takeover Offer

US Nickel will make an off-market takeover offer to acquire all of the Argent Shares which are not already held by US Nickel. The offer will extend to Argent Shares which are issued during the period from the date set by US Nickel under section 633(2) (the Register Date) of the Corporations Act to the end of the offer period due to a conversion or exercise of rights attached to securities which exist, or will exist, as at the Register Date including without limitation, any of the Argent Options.

2. Share Offer Consideration

Four (4) US Nickel Shares for every three (3) Argent Shares, with any fractional entitlements to US Nickel Shares rounded to the nearest whole US Nickel Share.

3. Share Offer Period

The Share Offer will remain open for a minimum period of 1 month (unless withdrawn during that period under section 652B of the Corporations Act).

4. Share Offer Conditions

The Share Offer is subject to the fulfilment of the following conditions:

(a) **90% minimum acceptance**

At or before the end of the offer period, US Nickel has a relevant interest in at least 90% of all Argent Shares.

(b) **Prescribed occurrences**

Between the date of this announcement and the end of the offer period (each inclusive), none of the events listed in sub-sections 652C(1) and (2) of the Corporations Act occurs.

(c) **No action by government agency adversely affecting the Takeover Bid**

During the period from the date of this announcement to the end of the offer period:

- (i) there is not in effect any preliminary or final decision, order or decree issued by a government agency;
- (ii) no action or investigation is instituted, or threatened by any government agency; or
- (iii) no application is made to any government agency (other than an application by US Nickel or any company within the US Nickel Group, an application under section 657G of the Corporations Act, or an application commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Takeover Bid),

in consequence of, or in conjunction with, the Takeover Bid, which restrains or prohibits or threatens to restrain or prohibit, or may otherwise materially adversely impact upon, the making of the Takeover Bid or the completion of any transaction contemplated by the Bidder's Statement (including implementing the intentions expressed therein)

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or seeks to require the divestiture by US Nickel of any Argent Shares, or the divestiture of any assets by Argent or by any subsidiary of Argent or by any company within the US Nickel Group.

(d) Necessary approvals

During the offer period, US Nickel receives all necessary shareholder and regulatory approvals:

- (i) to permit the Share Offers to be made to and accepted by Argent Shareholders or its Shareholders; or
- (ii) as a result of the Share Offers or the successful acquisition of the Argent Shares and which are necessary for the continued operation of the business of Argent and its subsidiaries or of US Nickel and its subsidiaries,

and those approvals are on an unconditional basis and remain in force in all respects and there is no notice or indication of intention to revoke, suspend, restrict, modify or not renew those approvals.

(e) No material acquisitions, disposals, etc.

Except for any proposed transaction publicly announced by Argent before this announcement or as contemplated by paragraph 6 below, none of the following events occur during the period from that date to the end of the offer period without the written consent of US Nickel:

- (i) Argent, or any subsidiary of Argent, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$250,000 or makes an announcement about such an acquisition;
- (ii) Argent, or any subsidiary of Argent, disposes, offers to dispose or agrees to dispose of, or creates, or offers to create an equity interest in one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$250,000 or makes an announcement about such a disposal;
- (iii) Argent, or any subsidiary of Argent, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$250,000 or dual listed company structure, or makes an announcement about such a commitment; or
- (iv) Argent, or any subsidiary of Argent, incurs or commits to, or grants to another person a right the exercise of which would involve Argent or any subsidiary of Argent incurring or committing to any capital expenditure or liability for one or more related items of greater than \$250,000 or makes an announcement about such a commitment.

(f) No material failings in filings

US Nickel does not become aware, during the offer period, that any document filed by or on behalf of Argent with ASX or ASIC contains a statement which is incorrect or misleading in any material respect or from which there is a material omission.

(g) Non-existence of certain rights

No person has any right (whether subject to conditions or not) as a result of US Nickel acquiring Argent Shares to:

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- (i) acquire, or require Argent or a subsidiary of Argent to dispose of, or offer to dispose of, any material asset of Argent or a subsidiary of Argent;
- (ii) terminate or vary any material agreement with Argent or a subsidiary of Argent; or
- (iii) accelerate or adversely modify the performance of any obligations of Argent or any of its subsidiaries in a material respect under any material agreements, contracts or other legal arrangements.

(h) **No force majeure event**

During the offer period, no outbreak of hostilities (whether war is declared or not) or terrorism, mobilisation of armed forces, civil or political unrest or labour disturbance, fire or natural disaster, material increase in the intensity of any of the above events or other event beyond the control of Argent or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Argent or any of its subsidiaries.

(i) **No material adverse change to Argent**

During the offer period no event, change or condition occurs that has, or could reasonably be expected to have a material adverse effect on:

- (i) the business, assets, liabilities, financial or trading position, profitability or prospects of the Argent Group, taken as a whole, since 30 June 2010 by an amount of \$250,000 or more; or
- (ii) the status or terms of any of the exploration or mining tenements owned by Argent or its subsidiaries,

except for events, and conditions publicly announced by Argent or otherwise disclosed in public filings in Australia by Argent or any of its subsidiaries prior to the date of this announcement provided that the relevant announcement or disclosure is not, and is not likely to be, incomplete, incorrect untrue or misleading.

5. **Option Offer Conditions**

The Option Offer and any contracts resulting from acceptance of the Option Offer are subject to fulfilment of the following conditions:

- (a) that during, or at the end of, the Offer Period, US Nickel has a relevant interest in such number of Argent Shares which represents at least 90 per cent of the aggregate of all Argent Shares on issue at the end of the Offer Period; and
- (b) before the end of the Offer Period, the Share Offer is, or has been declared, unconditional in all respects.

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