



ASX Announcement

27 April 2012

QUARTERLY ACTIVITIES AND CASH FLOW REPORT – FOR QUARTER ENDING 31 MARCH 2012

HIGHLIGHTS

- **Managing Director appointed**
- **Revised Resource estimate containing 33 million oz of silver - 82 % Measured or Indicated**
- **Kempfield Silver project accorded “State Significant Development” status by NSW Government Department of Planning & Infrastructure**
- **Application for the grant of a Mining Lease at Kempfield lodged on 24 January 2012**
- **Available cash of approximately \$ 4.558 million as at 31 March 2012**

MANAGING DIRECTOR APPOINTED

On 4 April 2012, Argent Minerals Limited announced the appointment of Mr David Busch as Managing Director of the Company.

Mr Busch is a qualified engineer (BEng (Elec), BSc) with more than 25 years experience in strategic leadership roles including business and project management on behalf of Australian majors BHP Billiton and Macquarie Bank, and international process control and automation leader Honeywell.

Mr. Busch brings with him broad senior management experience from operational to board levels including founder and managing director of Australian minerals exploration companies, and as chairman of a publicly listed equipment finance company in Indonesia. Mr. Busch most recently led the development of Goodrich Resources Ltd and its listing on the ASX. Mr. Busch is a member of the Australian Institute of Mining and Metallurgy.

Commenting on the appointment, Chairman, Mr Kerry McHugh, said “We are delighted to have someone of David Busch’s calibre and experience to join us and we are confident that he will make a great contribution in leading the development of the Company. This appointment complements the Board and positions the Company for this important phase in its growth. We look forward to together creating value for our shareholders.”

REVISED RESOURCE ESTIMATE

On 26 April 2012 Argent Minerals Limited announced a revised Mineral Resource estimate featuring the following highlights:

- **33 million ounces of silver hosted in 22 million tonnes**
- **82% of Resource now classed as Measured or Indicated (up from 71%)**
- **Significant increase in Measured and Indicated contained metals:**
 - **silver +17%, gold +52%, lead +32% and zinc +36%**

The full text of the announcement follows:



Australia-based Argent Minerals Limited (ASX: ARD) ("**Argent**") is pleased to announce a significant upgrade to its Kempfield Silver Project as a result of its 2011 drilling campaign.

The project is strategically located just 30 km south of the town of Blayney in NSW Australia.

Blayney provides key transportation infrastructure to mines in the area including Newcrest's Cadia Ridgeway operations, the largest underground mine in Australia and links the area by rail to the major shipping terminal of Port Kembla on the east coast of Australia, south of Sydney.

The Kempfield Silver Project is 100% owned by Argent and was awarded "State Significant Development" status by the NSW Government Planning & Infrastructure Department on 14 December 2011.

As at 26 April 2012, Argent has upgraded its Kempfield Mineral Resource to 33 million ounces¹ of silver, 86,000 ounces of gold, 97,000 tonnes of lead and 200,000 tonnes of zinc.

The Resource extends from surface to a depth of approximately 150 to 200 metres depth (varying by deposit) and is the subject of a feasibility study currently underway.

This resource upgrade represents a significant improvement on the previous resource statement issued by Argent on 23 November 2010 (see Table 4).

Commenting on the upgrade, Argent's Managing Director David Busch said, "We are delighted with the results of Argent's drilling investment which confirms our confidence in the quality of the Kempfield Resource. Analysis of the additional 12,500 metres of drilling, including quality assurance and quality control, has resulted in an increase in the Measured and Indicated categories to 82% of the total Resource, a significant improvement on the previously reported 71%.

"In contained metal terms this represents an increase of 17% silver, 52% gold, 32% lead and 36% zinc in the Measured and Indicated categories. This is a vital input to the feasibility study and increases our confidence level in the Resource on which the study is based", said Mr. Busch.

Under the JORC Code 2004 reporting guidelines Measured and Indicated categories of a Resource provide the potential for Proven and Probable Reserves respectively, whilst those in the Inferred category do not.



Table 1: Upgraded Kempfield Resources as at 26 April 2012

(Cutoff grades 50 g/t Ag equivalent² and 25 g/t Ag for the Primary and Oxide/Transitional respectively)

	Resource Tonnes (Mt)	Silver (Ag)		Gold (Au)		Lead (Pb)		Zinc (Zn)	
		Grade (g/t)	Contained Metal (Moz)	Grade (g/t)	Contained Metal ('000oz)	Grade %	Contained Metal ('000t)	Grade %	Contained Metal ('000t)
Oxide/ Transitional*	6.0	55	10.7	0.11	21	N/A	N/A	N/A	N/A
Primary **	15.8	44	22.3	0.13	66	0.62%	97	1.3%	200
TOTAL***	21.8	47	33.0	0.12	86	N/A	97	N/A	200

* Approximately 90% of the Oxide and Transitional material is Measured or Indicated (Resource tonnes basis)

** Approximately 79% of the Primary material is Measured or Indicated (Resource tonnes basis)

*** Approximately 82% of the Total Resource is Measured or Indicated (Resource tonnes basis)

“The portion of Measured and Indicated categories of the oxide and transitional material has increased to an impressive 90% from 83%, and we are particularly pleased with the portion of Measured and Indicated Resource categories in the deeper primary - now 79%, up from 67%³”, Mr. Busch said.

Table 2 below summarises the Resource by category and Table 3 sets out the contained metals in the Measured and Indicated categories.

Table 2: Resource by Category

(Cutoff grades as noted for Table 1 above)

	Resource Tonnes (Mt)	Grade (g/t)		Grade (%)	
		Silver (Ag)	Gold (Au)	Lead (Pb)	Zinc (Zn)
Oxide / Transitional					
Measured	2.7	68	0.11		
Indicated	2.7	47	0.11		
Inferred	0.6	39	0.08		
Total Oxide / Transitional	6.0	55	0.11		
Primary					
Measured	4.1	57	0.12	0.66%	1.2%
Indicated	8.4	41	0.13	0.58%	1.2%
Inferred	3.2	35	0.13	0.66%	1.4%
Total Primary	15.8	44	0.13	0.62%	1.3%
Total Resource	22	47	0.12	N/A	N/A



Table 3: Measured and Indicated: Resource Tonnes and Contained Metal
(Cutoff grades as noted for Table 1 above)

	Resource Tonnes Mt*	Contained Metal			
		Moz Silver (Ag)	'000oz Gold (Au)	'000t Lead (Pb)	'000t Zinc (Zn)
Oxide / Transitional					
Measured	2.7	5.8	9.3		
Indicated	2.7	4.1	9.9		
Measured + Indicated	5.4	10	19		
As % of Total Oxide /Transitional	90%	93%	93%		
Primary					
Measured	4.1	7.5	16	27	51
Indicated	8.4	11	36	49	103
Measured + Indicated	12.5	19	51	76	154
As % of Total Primary	79%	83%	79%	78%	77%
Oxide / Transitional + Primary					
Measured	6.8	13	25	27	51
Indicated	11	15	46	49	103
Total Measured + Indicated	18	28	71	76	154
As % of Total Resource	82%	86%	82%	78%	77%

* Mt except where noted otherwise ie. as %

The Resource remains open along strike and at depth and some induced polarisation geophysical anomalies are yet to be drill-tested.

Details of the basis for this Resource announcement follow under the heading, "Resource Estimation Details".

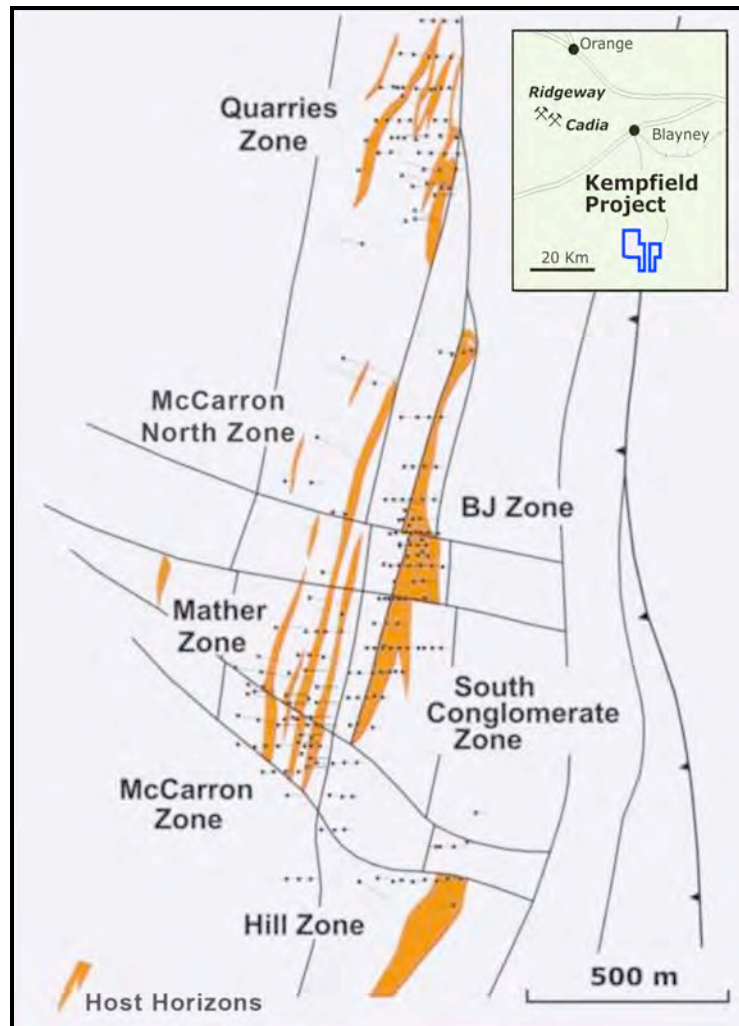
RESOURCE ESTIMATION DETAILS

Mineral Resource estimates for Kempfield were prepared by H&S Consultants Pty Ltd.

The Kempfield project area contains a number of volcanogenic sulphide deposits that have been divided into four separate areas for resource estimation:- BJ, McCarron-Mather, South Conglomerate and Quarries zones. Each of these areas was further divided into a number of separate mineralised lenses.



Figure 1: Kempfield Mineralised Zones



The drill hole database for Kempfield contains around 480 holes totalling 41,000m, including 195 holes totalling 21,450m drilled by Argent over the last 4 years. Holes are commonly drilled on 25m intervals along and across the mineralised zones.

The mineralised lenses are divided into oxide, transition and primary mineralisation. The oxide and transition mineralisation contains silver and gold but little or no recoverable lead or zinc, while in the the primary zone silver, gold, lead and zinc are all recoverable as sulphides.

Resource grades (for silver, gold, lead, zinc and barium) were estimated using ordinary kriging as the estimation method. Drill hole samples were composited into nominal 2.0m composites for estimation into 5.0 x 12.5 x 10m blocks (in easting, northing and elevation respectively). Blocks were divided into half these dimensions at the various boundaries, such as topography, mineralisation and oxidation.



The estimates used a 3 pass search strategy, with initial search radii of 5 x 25 x 25m (in easting, northing and elevation respectively), using a minimum of 8 and maximum of 24 sample composites, and data from a minimum of 4 octants. Search radii were doubled for the second pass, while retaining the same sample criteria as pass one. The third pass used the same radii as pass 2, with a minimum of 4 sample composites and data from a minimum of 2 octants. The estimation search passes formed the basis of the resource classification scheme.

Rock density (dry bulk density) was estimated using formulas based on heavy mineral content (galena, sphalerite and barite) and oxidation. These formulas were based on over 300 samples that were tested for density and assayed.

H&S Consultants Pty Ltd has reviewed the drill hole database and quality control data relating to the Kempfield project.

Mineral resources for Kempfield are reported according to JORC Code 2004 guidelines.

KEMPFIELD SILVER PROJECT DEVELOPMENT APPROVAL

The NSW Planning Department has advised that the Kempfield Project has been accorded “State Significant Development” status and has provided the Director General’s requirements (DGRs) that will need to be addressed in the Environmental Impact Statement (EIS) as part of the Development Approval process.

The EIS being developed for the project incorporates an updated process plant layout, preliminary designs for the tailing storage facility (TSF), wall and tailings drainage system, preliminary open pit layouts with associated haul roads and waste rock emplacements and soil stockpiling designs. Environmental impact assessment is ongoing.

An application for the grant of a Mining Lease at Kempfield was lodged on 24 January 2012. The application will trigger the provisions of the Native Title legislation as there is a native title application over parts of the proposed Mining Lease area. Argent has been in regular contact with the Native Title claimant since the company listed on the ASX in 2008.

DEFINITIVE FEASIBILITY STUDY (DFS) UPDATE

The DFS has continued to advance and a summary is provided under the headings below.

Mine Design

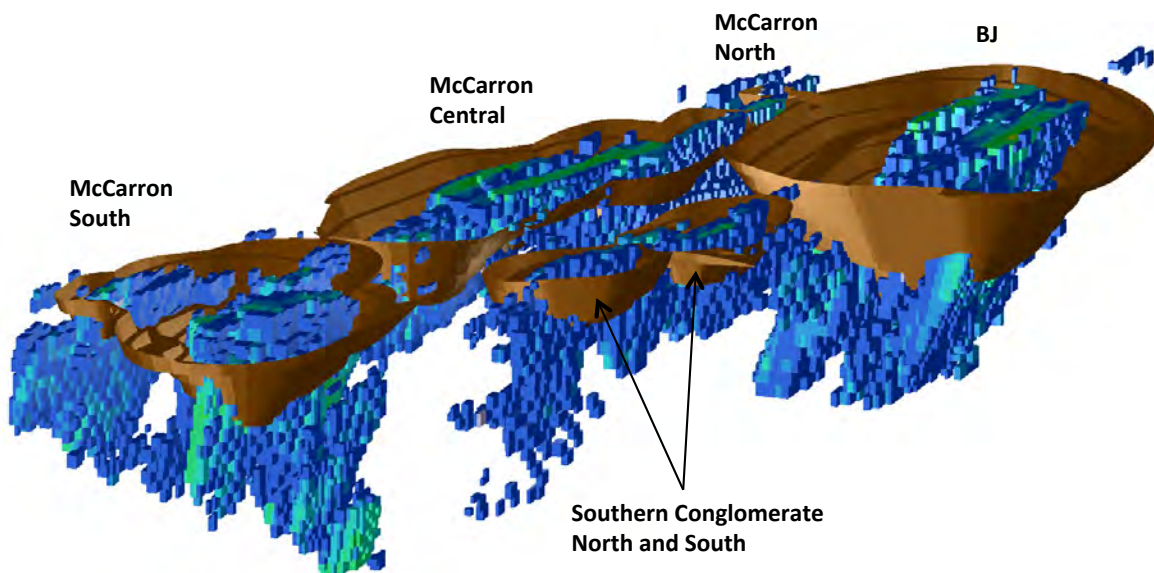
- Preliminary open pit designs have been completed and include a haul road layout, ROM pad and waste emplacement designs. These designs will be fine-tuned and will incorporate the revised resource information and the results of the geotechnical evaluation.



- Acid generation and heavy metals test work has been completed on the various waste rock zones to allow the finalisation of waste emplacement designs.
- Following the upgraded Resources estimate the company is now also assessing the improved potential to mine the deposit in two stages in order to optimise cash flows, the company's capital requirements, and shareholder returns. The oxide and transitional layers, being from surface to an approximate depth of 40 metres, present an opportunity for the company to mine and extract leachable materials as a first stage, and match outgoing cash for the flotation plant investment and associated mine development closer to when it will actually be required for the deeper and larger primary layer as the second stage. This presents several potential benefits, the foremost of which is the generation of positive cash earlier in the project, and improved potential for a quantum of self-financing. Other potential benefits include optimised environmental impact, and reduced operational and capital expenditures.

The following diagram shows a block model of mineralisation in the context of a preliminary pit design option as a basis for mine scheduling and cash flow analysis. It should be noted that the pit designs have not yet been finalised and therefore the final design could vary from this example.

Figure 2: Preliminary Pit Design Showing Resource Blocks





Metallurgy

Metallurgical testing has continued with key activities being:

- Bottle roll tests on lower grade oxide and transitional material to provide a full range of grade versus leach recovery figures for final design purposes.
- Consideration being given to the production of mixed lead/zinc concentrates rather than separate concentrates to establish whether preliminary indications of capital and operating cost savings entailed in this process route would more than offset expected reductions in gross revenue.
- Initial locked cycle tests completed on BJ ore with the assessment waiting on assay results.

Water Supply

The sourcing of the project's water requirements continues to be investigated including:

- Groundwater evaluation;
- Assessment of harvestable water rights;
- Availability of surface and groundwater licences

Tailing Storage Facility (TSF)

- Designs for the TSF and associated waste rock emplacements have been developed and will be finalised once the final mine design and production schedule is available.

Process Engineering

- Design of the comminution section of the process plant has been completed. Final design of the remainder of the plant is awaiting completion of the leach and flotation test work

Infrastructure

- Discussions continued with Essential Energy
- Telstra is preparing a proposal for a data connection to the site from its fibre network.



EXPLORATION

The company is continuing to explore its tenements, including with an emphasis on exploring areas within proximity of, and the potential to feed into the Kempfield Silver Project.

WEST WYALONG

No activity was undertaken on the West Wyalong tenements in the March quarter.

SUNNY CORNER

Approval is being sought from the NSW Forests Department and the Department of Trade and Investment Regional Infrastructure Services to drill 8 RC holes proposed to test for extensions to the known Sunny Corner VMS deposit and to drill test the historic Nevada copper mine located some 3kms to the north of the Sunny Corner mine. The holes will be drilled as soon as approval is received.

APPENDIX 5B CASH FLOW REPORT

The Appendix 5B cash flow report is attached.

For more information:

David Busch
Managing Director
Argent Minerals Limited
Ph: 0415 613 800

Competent Person Statements

The information in this report that relates to mineral resources on the Kempfield Tenements is based on information compiled by Mr Arnold van der Heyden who is a Member of the Australian Institute of Geoscientists and a full time employee of H & S Consultants Pty Ltd ("**Information**"). Mr van der Heyden has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as "Competent Persons" as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr van der Heyden consents to the inclusion in this Report of the Information in the form and context in which it appears.



Notes:

¹ Definitions.

Ag, Au, Pb, Zn:	Chemical symbols for silver, gold, lead and zinc
Moz:	Millions of ounces
Mt:	Millions of tonnes
Ounces:	Troy ounces (31.1034768 g)
Tonnes :	Metric tonnes

² **50 g/t Silver Equivalent Cutoff Grade.** This Resource is only reported in Resource tonnes and contained metal (ounces of silver and gold, and tonnes for lead and zinc). However, both the 2012 and 2010 Resource estimations for the Primary material were based on a silver equivalent cutoff grade of 50g/t. A silver equivalent was not employed for the oxide/transitional material estimation and was based on a 25 g/t silver only cutoff grade.

Whilst the 2010 estimates of the Primary material were based on a 50g/t silver equivalent cut off grade where 1% lead or zinc = 20 g of silver and 1 g gold = 40 g silver, the 2012 equivalence formula has been changed so that 1% lead or zinc = 15 g/t silver and 1 g gold = 50 g silver, mainly to reflect the change in lead and zinc prices since 2010. The change in the equivalence formula from 2010 to 2012 has resulted in a reduction of the number of Resource tonnes and contained metal in the reported Resource.

The 2012 silver equivalence formula is based on the following assumptions made by Argent:

Silver price:	\$ 30/oz (\$0.9645/g)
Gold price:	\$1,500/oz
Lead price:	\$2,200/tonne
Metallurgical recoveries:	Silver & gold - 80%
	Lead & zinc recoverable & payable - 55% of head grade

Based on metallurgical testing to date, Argent is of the opinion that silver and gold recoveries will be 80%, and recoverable and payable lead and zinc at 55% of the head grade. Argent is also of the opinion that this is consistent with current industry practice. These metallurgical recoveries were included in the calculation of silver equivalent cutoff grades used for reporting of mineral resources.

³ **2012/2010 Comparison.** Details of comparisons with the 23 November 2010 announcement (same as reported in November 2011 Annual Report) referred to in this announcement are set out below in Table 4:



Table 4 – 26 April 2012 and 23 November 2010 Resource Announcement Comparisons

	Resource Tonnes Mt*	Contained Metal			
		Moz Silver (Ag)	'000oz Gold (Au)	'000t Lead (Pb)	'000t Zinc (Zn)
2010 Resource Announcement					
Measured + Indicated ("M+I")	14	24	46.4	58	113
Total Resource (including Inferred)	20	32	65.0	86	175
(M+I) / Total Resource (%)	71%	77%	71%	67%	65%
2012 Resource Announcement					
M+I	18	28	71	76	154
Total Resource (including Inferred)	22	33	86	97	200
(M+I) / Total Resource (%)	82%	86%	82%	78%	77%
2012 / 2010 Comparison					
M+I (% Increase)	24%	17%	52%	32%	36%
Total Resource (% Increase)	8%	4%	33%	13%	14%

* Mt except where noted otherwise ie. as %

** Portion of M+I for the Oxide/Transitional in 2012 is now 90% (see Table 3 above) versus 2010 = $(2.1+2.7)/5.8 = 83\%$

*** Portion of M+I for the Primary in 2012 is now 83% (see Table 3 above) versus 2010 = $(2.1+7.5)/14.4 = 67\%$

The following table from the 23 November 2010 Resource announcement is reproduced below for ease of reference:

Table 5 – 2010 Resources by Category

	Resource Tonnes Mt	Grade (g/t)		Grade (%)	
		Silver	Gold	Lead	Zinc
Oxide and Mixed					
Measured	2.1	70.3	0.1		
Indicated	2.7	52.4	0.1		
Inferred	1.0	45.5	0.1		
Primary					
Measured	2.1	60.2	0.1	0.64	1.08
Indicated	7.5	45.7	0.1	0.59	1.21
Inferred	4.8	38.5	0.1	0.60	1.31

(Cutoff grades - See note 2 above)

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Argent Minerals Limited

ABN

89 124 780 276

Quarter ended ("current quarter")

31 March 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(70)	(151)
(b) development	(1,348)	(4,062)
(c) production	-	-
(d) administration	(103)	(696)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	62	245
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - GST	34	(19)
Net Operating Cash Flows	(1,425)	(4,683)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	(1,000)
(b) equity investments	-	-
(c) other fixed assets	(3)	(13)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	(3)	(1,013)
1.13 Total operating and investing cash flows (carried forward)	(1,428)	(5,696)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,428)	(5,696)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	5,724
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – cost from issue of shares	-	(215)
	Net financing cash flows	-	5,509
	Net increase (decrease) in cash held	(1,428)	(187)
1.20	Cash at beginning of quarter/year to date	5,986	4,745
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	4,558	4,558

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	153
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

	\$'000
Directors fees and remuneration	125
Accounting, corporate, bookkeeping and secretarial services	27
Engineering Consulting	1

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,120
4.2 Development	
4.3 Production	
4.4 Administration	280
Total	1,400

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	17	17
5.2 Deposits at call	4,541	5,969
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	4,558	5,986

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	N/A		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2 Interests in mining
tenements acquired or
increased

N/A			
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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	141,700,493	141,700,493	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	2,000,000	2,000,000	<i>Exercise price</i> \$0.178	<i>Expiry date</i> 28 February 2013
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

7.12	Unsecured notes (<i>totals only</i>)	-	-
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Marcus Michael
 Director

Date: 27 April 2012

Print name: Marcus Michael

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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