



ABN 89 124 780 276

FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2011

THIS INTERIM FINANCIAL REPORT DOES NOT INCLUDE ALL THE NOTES OF THE TYPE NORMALLY INCLUDED IN AN ANNUAL FINANCIAL REPORT. ACCORDINGLY, THIS REPORT IS TO BE READ IN CONJUNCTION WITH THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2011 AND ANY PUBLIC ANNOUNCEMENTS MADE BY ARGENT MINERALS LIMITED DURING THE INTERIM REPORTING PERIOD IN ACCORDANCE WITH THE CONTINUOUS DISCLOSURE REQUIREMENTS OF THE *CORPORATIONS ACT 2001*.

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FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

DIRECTORS' REPORT

The Directors are pleased to submit their report on Argent Minerals Limited for the half-year ended 31 December 2011.

DIRECTORS

The names of the directors who held office during or since the end of the half-year are:

Director	Title	Date of Appointment	Date of Retirement
Kerry McHugh	Executive Chairman	21 September 2007	N/A
Marcus Michael	Executive Director	4 April 2007	N/A
Stephen Gemell	Non Executive Director	7 July 2010	N/A
Ross Smyth-Kirk	Non Executive Director	25 May 2011	N/A

REVIEW AND RESULTS OF OPERATIONS

A summary of revenues and results for the half-year is set out below:

	2011	
	Revenues	Results
	\$	\$
Revenues and (Loss)	192,720	(3,303,179)

During the six months period the exploration and evaluation expenditure was \$3,045,945. In accordance with the Company's accounting policy these costs were written off. Net administration costs were \$449,954 resulting in a total loss for the six months of \$3,303,179.

JULY - DECEMBER 2011 REVIEW OF OPERATIONS

The Board is pleased to provide the following half yearly activities report.

KEMPFIELD SILVER PROJECT

The Company has made solid progress on the DFS and Development Approval process over the half year period. The Company is also pleased to report that the Company is making good progress towards the completion of the Definitive Feasibility Study (DFS), targeted for the end of June 2012 Quarter.

Subject to a satisfactory outcome of the DFS, the proposed timetable would see conditional bank finance arranged by September 2012 and Development Approval being granted December 2012 followed by a decision to mine. The Company is targeting first silver production in early 2014.

Regulatory

The NSW Planning Department has advised that the Kempfield Project has been accorded "State Significant Project" 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.

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 claimants since the company listed on the ASX in 2008.

The Company has also held Community Information Meetings with residents of Trunkey Creek and Neville.

Resource Evaluation

A revised resource estimate will be undertaken incorporating all available drilling information.

Mine Design

Geotechnical drilling in the open pit area has been completed and core logging and associated testwork is well advanced to provide the final design parameters for the open pits.

Preliminary open pit designs have been completed and these will be fine-tuned once the revised resource information and geotechnical evaluation is completed. These preliminary designs include a proposed haul road layout, ROM pad and waste emplacement designs.

Acid generation testwork is underway on the various waste rock zones to allow the development of final waste emplacement designs.

Metallurgy

Silver leaching has been completed on all the available ore classifications. Flotation testwork on the sulphide flotation feed is continuing with new highlights including the successful production of a silver rich lead concentrate and a separate zinc concentrate from the McCarron primary ore with average grades and recoveries from the latest four lead and zinc cleaner runs producing;

- Lead Cleaner Con – 44% Pb @ 66.8% Pb recovery and 71.8% Ag recovery,
- Zinc Cleaner Con – 59.7% Zn @ 65.3% Zn recovery;

These recoveries for the lead concentrate are higher than those included in the Scoping Study (51% Pb and 49% Ag) but lower than those used for the zinc concentrate, 83% Zn);

- Full locked cycle tests on both BJ and McCarron zone ores will form part of the ongoing testwork to produce marketable grade lead and zinc concentrates at the highest possible metal recoveries;
- Carbon leaching and elution testwork has been conducted which indicates that good recoveries of silver and gold to bullion can be achieved for the oxide and transitional material (81.5% Ag and 80% Au on average), and acceptable recoveries to bullion for the sulphide feed (34.5% Ag and 72% Au on average). The combined silver recoveries for the McCarron primary ore from the leaching and flotation processes amounts to approximately 81%;
- Comminution test results have confirmed that the ore is soft to moderately hard. Plant design work is proceeding on the basis that a single stage crusher and a single stage grinding circuit (SAG mill) will be sufficient to achieve design throughput.

Water Supply

A site visit was held for the NSW Office of Water (NOW) to discuss the potential impacts of the project on both surface and groundwater, and to review possible approaches to mitigation and management of these impacts.

Water balance estimates indicate that the TSF will provide a large proportion of the project's water needs. Additional "make-up" water requirements will depend on rainfall conditions, but are modelled to range from nil in a "wet" year and to 485MLs in the second year of production if a 1 in 100 year drought should coincide with the project life. The requirement in an "average rainfall" year would range between zero and 175MLs over the project life.

A 300mm diameter groundwater test bore was drilled between the BJ and McCarron pit locations and drawdown tests began in October 2011. The results indicated that approximately 30-50MLs per annum of ground water would be available from that bore, which would also be used to de-water the pits. A number of other potential sources of both ground and surface water in the project's vicinity have been identified. Surface water studies are under way and water licensing needs and availability are being investigated.

Tailings Storage Facility (TSF)

Preliminary designs have been completed for inclusion in the draft EIS. These will be updated as the physical parameters of the TSF floor, the process plant tailings and the waste rock are determined.

Test pitting and soil sample collections have been carried out on site as the first steps in establishing the geotechnical properties of the TSF floor. Geotechnical drilling has also been conducted to aid in the design of the TSF dam wall. Geochemical and geophysical testwork is underway to establish the properties of the tailings for both drainage characteristics and acid generation potential.

Process Engineering

An overall process plant layout has been developed and detailed design work has commenced, with the early focus being on the comminution and precious metal leaching sections. Engineering design work has begun on the comminution section of the plant and pricing enquiries have been issued for key pieces of equipment in this area. Work has commenced on preliminary process engineering for the CIL and flotation stages.

Infrastructure

Power requirements have been determined and several alternative routes have been identified for the construction of a 66kV line to bring power from the State electricity grid. A connection application has been lodged with Essential Energy to trigger the detailed design process for this power supply.

Meetings were held with Bathurst Regional Council and Blayney Council to discuss their requirements regarding road upgrades, and a detailed survey of Colo Road is being prepared. Engineering design work for an upgrade of this access road has commenced

WEST WYALONG

A programme of 6 short RC holes was undertaken at the Pine Ridge prospect. Two holes intersected gold. Hole AWGC011 intersected 4m @ 4.06g/t gold from 78m. Hole AWGC004 intersected 4m @ 0.38g/t from 62 metres.

SUNNY CORNER

Approval is being sought from the NSW Forests Department and the Department of Industry and Investment to drill 5 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 forthcoming. The expenditure involved in drilling and assaying these holes is expected to take Argent to the level of expenditure required to earn a 70% interest in the tenements.

CAPITAL STRUCTURE

The Company has on issue 141,700,493 ordinary shares and 2,000,000 unlisted options exercisable on or before 28 February 2013 at an exercise price of \$0.178 per share.

COMPETENT PERSON STATEMENTS

The information in this Report that relates to Exploration is based on information compiled by David Timms who is a member of the Australian Institute of Geoscientists, and a Technical Consultant to Argent, and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Timms consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

This report is made in accordance with a resolution of directors.



Kerry McHugh

Executive Chairman

22 February 2012

22 February 2012

Board of Directors
Argent Minerals Limited
Level 1
115 Cambridge Street
WEST LEEDERVILLE WA 6007

Dear Sirs

RE: ARGENT MINERALS LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Argent Minerals Limited.

As Audit Director for the review of the financial statements of Argent Minerals Limited for the period ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)



JP Van Dieren
Director

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

Australian Dollar (\$)	Note	31 December 2011	Consolidated 31 December 2010
REVENUE FROM CONTINUING OPERATIONS		192,720	26,927
EXPENDITURE			
Administration expenses		449,954	434,039
Exploration expenditure written off		3,045,945	529,710
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX		(3,303,179)	(936,822)
Income tax benefit / (expense)		-	-
LOSS FROM CONTINUING OPERATIONS AFTER INCOME TAX		(3,303,179)	(936,822)
Discontinued operations			
Loss from discontinued operations after income tax	8	-	(2,957,378)
NET LOSS FOR THE PERIOD		(3,303,179)	(3,894,200)
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(3,303,179)	(3,894,200)
LOSS AFTER INCOME TAX ATTRIBUTABLE TO MEMBERS OF THE COMPANY		(3,303,179)	(3,894,200)
COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY		(3,303,179)	(3,894,200)
EARNINGS PER SHARE			
From continuing and discontinued operations			
Basic and diluted loss per share (cents)		(2.28)	(5.58)
From continuing operations		(2.28)	(1.34)
From discontinued operations		-	(4.24)

The above statement of comprehensive income should be
read in conjunction with the accompanying notes

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

Australian Dollar (\$)	Note	31 December 2011	Consolidated 30 June 2011
CURRENT ASSETS			
Cash and cash equivalents		5,985,686	4,744,794
Trade and other receivables		173,782	5,831,995
Other assets		14,540	10,177
TOTAL CURRENT ASSETS		6,174,008	10,586,966
NON-CURRENT ASSETS			
Other financial asset – term deposit		40,112	38,744
Property, plant and equipment		536,290	546,085
TOTAL NON-CURRENT ASSETS		576,402	584,829
TOTAL ASSETS		6,750,410	11,171,795
CURRENT LIABILITIES			
Trade and other payables		432,986	2,549,662
TOTAL CURRENT LIABILITIES		432,986	2,549,662
TOTAL LIABILITIES		432,986	2,549,662
NET ASSETS		6,317,424	8,622,133
EQUITY			
Contributed equity	3	20,813,972	19,815,502
Reserves		123,991	123,991
Accumulated losses		(14,620,539)	(11,317,360)
TOTAL EQUITY		6,317,424	8,622,133

The above statement of financial position should be read in conjunction with the accompanying notes

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

CONDENSED STATEMENT OF CHANGES IN EQUITY

Australian Dollar (\$)	Share	Share Option	Accumulated	Total
Consolidated	Capital	Reserve	Losses	Equity
Balance at 1 July 2010	4,998,702	405,736	(4,089,415)	1,315,023
Profit or (loss) for the period	-	-	(3,894,200)	(3,894,200)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(3,894,200)	(3,894,200)
Shares and options issued during the period	10,200,600	(200)	-	10,200,400
Shares and options issue expenses	(496,709)	-	-	(496,709)
Balance at 31 December 2010	14,702,593	405,536	(7,983,615)	7,124,514
Company				
Balance at 1 July 2011	19,815,502	123,991	(11,317,360)	8,622,133
Profit or (loss) for the period	-	-	(3,303,179)	(3,303,179)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(3,303,179)	(3,303,179)
Shares issued during the period	1,000,000	-	-	1,000,000
Share issue expenses	(1,530)	-	-	(1,530)
Balance at 31 December 2011	20,813,972	123,991	(14,620,539)	6,317,424

The above statement of changes in equity should be read in conjunction with the accompanying notes

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

CONDENSED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2011

AUSTRALIAN DOLLAR (\$)	31 December 2011	Consolidated 31 December 2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Expenditure on mining interests	(2,885,863)	(888,804)
Payments to suppliers and employees	(506,898)	(420,629)
Interest received	184,581	26,927
Other – GST	(55,880)	(172,963)
Net cash outflow from operating activities	(3,264,060)	(1,455,469)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(2,249)	(2,100,473)
Purchase other non-current asset	(1,000,000)	(5,181,164)
Term deposit	(1,369)	(787)
Cash classified as held for sale	-	(618,403)
Net cash outflow from investing activities	(1,003,618)	(7,900,827)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares and options net of capital raising costs	5,508,570	9,633,669
Proceeds from borrowings	-	800,000
Net cash inflow from financing activities	5,508,570	10,433,669
Net increase in cash and cash equivalents	1,240,892	1,077,373
Cash and cash equivalents at the beginning of the half-year	4,744,794	1,394,248
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	5,985,686	2,471,621

The above statement of cash flows should be read
in conjunction with the accompanying notes

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standard ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Argent Minerals Limited. It is recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2011, together with any public announcements made during the half-year.

The accounting policies applied by the Company in this half year report are the same as those applied by the Company in its financial report for the period ended 30 June 2011, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Company include:

For the half-year reporting to 31 December 2011, a number of new and revised Accounting Standard requirements became mandatory for the first time.

- AASB 124 (December 2009) Related Party Disclosures introduces a number of changes to the accounting treatment of related parties compared to AASB 124 (December 2005, as amended);
- AASB 2010-4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 12]
- AASB 1054: Australian Additional Disclosures and AASB 2011-1: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113].

The adoption of these amendments has not resulted in any changes to the Company's accounting policies and has no effect on the amounts reported for the current or prior periods.

The Company has not elected to early adopt any new standards or amendments.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

Going Concern Basis

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The going concern of the Company is dependant upon it maintaining sufficient funds for its operations and commitments. The directors continue to monitor the ongoing funding requirements of the Company.

The directors are confident that sufficient funding can be secured if required to enable the Company to continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

NOTE 2: OPERATING SEGMENTS

The Company operates in predominantly one business and geographical segment, being mineral exploration in Australia.

NOTE 3: ISSUED CAPITAL

Australian Dollar (\$)	31 December 2011	Consolidated 31 December 2010
(a) Issued and paid up capital		
At the beginning of the reporting period	16,389,497	4,998,702
Shares issued pursuant to exercise of options which expired 30 June 2011	3,426,005	-
	<u>19,815,502</u>	<u>4,998,702</u>
Shares issued pursuant to capital risings	-	10,126,400
Shares issued pursuant to acquisition of assets	1,000,000	70,000
Shares issued pursuant to exercise of options	-	4,200
Transactions costs arising from issue of shares	(1,530)	(496,609)
At reporting date 141,700,493 (30 June 2011: 137,420,184) fully paid ordinary shares	<u><u>20,813,972</u></u>	<u><u>14,702,693</u></u>
Movements in Ordinary Shares	Number	Number
At the beginning of reporting period	118,172,966	48,231,251
Shares issued pursuant to exercise of options which Expired 30 June 2011	19,247,218	-
	<u>137,420,184</u>	<u>48,231,251</u>
Shares issued pursuant to capital raisings	-	53,290,000
Shares issued pursuant to acquisition of assets	4,280,309	350,000
Shares issued pursuant to exercise of options	-	20,000
Balance at 31 December 2011	<u><u>141,700,493</u></u>	<u><u>101,891,251</u></u>

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

(b) Share options

Options to take up ordinary shares in the capital of the Company are as follows:

Exercise Period	Exercise Price	Opening Balance 1 July 2011	Options Issued/ (exercised)	Closing Balance 31 December 2011
	Number	Number	Number	Number
On or before 30 June 2011	\$0.178	19,247,218	(19,247,218)	-
On or before 28 February 2013	\$0.178	2,000,000	-	2,000,000

NOTE 4: CONTINGENCIES AND COMMITMENTS

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

Mineral exploration commitment

In order to maintain the current rights of tenure to exploration tenements, the Company has discretionary expenditure of approximately \$277,000 relating to exploration expenditure requirements. If the Company decides to relinquish certain joint-venture or annual exploration expenditure obligations, the joint-venture will terminate and the Company will have no further expenditure obligations.

NOTE 5: SUBSEQUENT EVENTS

No matter or circumstance has arisen since 31 December 2011, which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

NOTE 6: ESTIMATES & ASSUMPTIONS

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Future Rehabilitation

The Company measures the cost of future rehabilitation in relation to its tenements based on probable cost estimations at the date upon which tenements are altered from their original state. Fair values are determined using local data available. No rehabilitation provision is considered necessary at 31 December 2011.

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

NOTE 7: SUBSIDIARIES

The parent entity, Argent Minerals Limited, disposed of its 100% interest in Argent (Bullant) Pty Ltd on 31 March 2011.

Subsidiaries of Argent Minerals Limited	Country of Incorporation	Percentage Owned %	
		2011	2010
Argent (Bullant) Pty Ltd	Australia	-	100%

NOTE 8: DISCONTINUED OPERATIONS

(a) Details of operations disposed and held for sale

On the 31 March 2011 Argent Minerals Limited completed the sale of Argent (Bullant) Pty Ltd, a 100% owned subsidiary of the Company.

(b) Financial performance of operations disposed and held for sale

As at 31 December 2011	2011 \$	2010 \$
Revenue	-	-
Expenses	-	(200,000)
Loss recognised on re-measurement to fair value	-	(2,757,378)
Loss before tax for the period from discontinued operations	-	(2,957,378)
Income tax (benefit)/ expense	-	-
Loss for the period from discontinued operations	-	(2,957,378)

(c) Reconciliation of carrying amounts

As at 31 December 2011	Non Current Assets \$	Other Assets \$	Total \$
Cost or fair value	-	-	-
Accumulated depreciation and impairment	-	-	-
Net carrying amount	-	-	-

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

As at 31 December 2010	Non Current Assets	Other Assets	Total
	\$	\$	\$
Cost or fair value	8,021,772	1,714,645	9,736,417
Accumulated depreciation and impairment	(2,757,378)	-	(2,757,378)
Net carrying amount	5,264,394	1,714,645	6,979,039

(d) Assets and liabilities – held for sale operations

The major carrying value after impairment of classes of assets and liabilities of Argent (Bullant) Pty Ltd as 31 December 2011 are as follows:

	31 December 2011	31 December 2010
	\$	\$
Assets		
Cash and cash equivalents	-	618,403
Trade and other receivables	-	206,242
Property, plant and equipment	-	1,378,464
Tenements	-	2,862,071
Tenement bonds	-	890,000
Capitalised development costs	-	1,023,859
Assets classified as held for sale	-	6,979,039
 Liabilities		
Trade and other payables	-	(1,265,686)
Loans and borrowings	-	(800,000)
Liabilities directly associated with assets classified as held for sale	-	(2,065,686)
 Net assets attributable to discontinued operations	-	4,913,353

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

(e) Consideration received or receivable

Consideration received for Argent (Bullant) Pty Ltd

	2011	2010
	\$	\$
Fair market value of 44 million US Nickel Shares at a value per US Nickel share of \$0.0446 on a significant influence basis as assessed by the Independent Expert.	-	1,956,197
Fair market value of the 19.5 million Argent Minerals' shares at a value per Argent share of \$0.169 on a controlling interest basis as assessed by the Independent Expert.	-	3,307,157
Total consideration receivable by Argent (Bullant) Pty Ltd	-	5,263,354
Net cash inflow (outflow) disposal		
Cash and cash equivalents consideration		-
Less cash and cash equivalents balance disposed of	-	(618,403)
Reflected on the consolidated statement of cash flows	-	(618,403)

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 8 to 17 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 December 2011 and of the performance for the 6 months ended on that date of the Company;
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Kerry McHugh
Executive Chairman
Argent Minerals Limited

Sydney, 22 February 2012

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
ARGENT MINERALS LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Argent Minerals Limited, which comprises the condensed statement of financial position as at 31 December 2011, the condensed statement of comprehensive income, condensed statement of changes in equity, and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Argent Minerals Limited ("the Company").

Directors' Responsibility for the Half-Year Financial Report

The directors of Argent Minerals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Argent Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Argent Minerals Limited on 22 February 2012.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Argent Minerals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd


Director

West Perth, Western Australia
22 February 2012



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