



ASX ANNOUNCEMENT

28 October 2011

QUARTERLY ACTIVITIES AND CASHFLOW REPORT

HIGHLIGHTS

- Kempfield Definitive Feasibility Study (DFS) progressed
- State Significant Development application lodged for Kempfield Silver Project
- Extensive infill and extensional drilling undertaken at Kempfield
- Available cash at 30 September 2011 of \$8.2 million

KEMPFIELD SILVER PROJECT

Good progress has been made on the DFS and the Development Approval process over the current reporting period. The Argent Minerals Limited's ("Argent" or "Company") objective is to have the DFS finalised in March 2012. Subject to a satisfactory outcome of the DFS, the proposed timetable would see conditional bank finance arranged by June 2012 and Development Approval being granted in August / September 2012 followed by a decision to mine. The Company is targeting first silver production in early 2014.

Mineralisation and Resources

On 24 October 2011 the Company released to the ASX details of the infill and extensional drilling undertaken at Kempfield as part of the DFS drilling programme.

A précis of the drilling is set out below together with a drill plan showing the key north/north-eastern McCarron zone drill holes (Figures 1 and 2). A full list of both infill and extensional drill holes was included in the ASX release.

The following holes drilled within and beyond the current north and north eastern boundaries of the McCarron pit intersected high grade ore and are likely to extend the proposed pit:

Hole ID	Interval	From			
	(m)	(m)	Au (g/t)	Ag (g/t)	Pb+Zn (%)
AKRC81	4	94	0.25	40.1	11.6
AKRC99	10	4	0.37	141.8	0.6
	10	46	0.21	64.7	1.3
AKRC100	61	24	0.13	102.7	1.6
<i>Including</i>	10	32	0.15	290.4	3.6
AKRC103	28	4	0.39	107.4	1.8
AKRC118	52	24	0.12	70.5	1.7
<i>Including</i>	20	24	0.14	128.8	1.3
AKRC124	80	32	0.11	35.0	0.9
<i>Including</i>	8	32	0.23	93.3	1.8
AKRC127	14	40	n/a	55.0	2.7



The following significant intersections were encountered in the south western corner of the McCarron Zone:

Hole ID	Interval	From			
	(m)	(m)	Au (g/t)	Ag (g/t)	Pb+Zn (%)
AKRC86	4	40	n/a	63.3	6.9
AKRC95	4	66	n/a	53.2	5.5
	8	48	n/a	36.6	2.9
	6	84	n/a	29.3	3.8
AKRC136	48	58	0.62	42.1	4.3
<i>Including</i>	4	72	1.75	129.0	8.3

Two short holes, AKRC87 and AKRC88 tested the possible eastern extension of the McCarron Zone with no significant results.

Hole AKRC84 tested a postulated extension of the BJ Zone north of a major cross fault. No significant intersections were encountered. Three short holes (AKRC104, 105 and 106) tested, and closed off, the eastern extent of the BJ Zone. Holes AKRC119, 122, 126 and 128 successfully tested the depth continuity within the proposed BJ pit.

Hole AKRC115 intersected high grade silver in the Quarries Zone, averaging 120g/t over 40m, confirming the high grade intersected in one of the early percussion hole (3PD84) drilled 20m to the north. Another hole has been drilled some 40m to the south of AKRC115 to test for further continuity of the high grade silver and assays are awaited.

Approximately 900m of diamond drilling remains in this campaign, and this is expected to be completed in December 2011. A revised resource estimate will be prepared after all the outstanding drilling is completed and the assay results have been received.

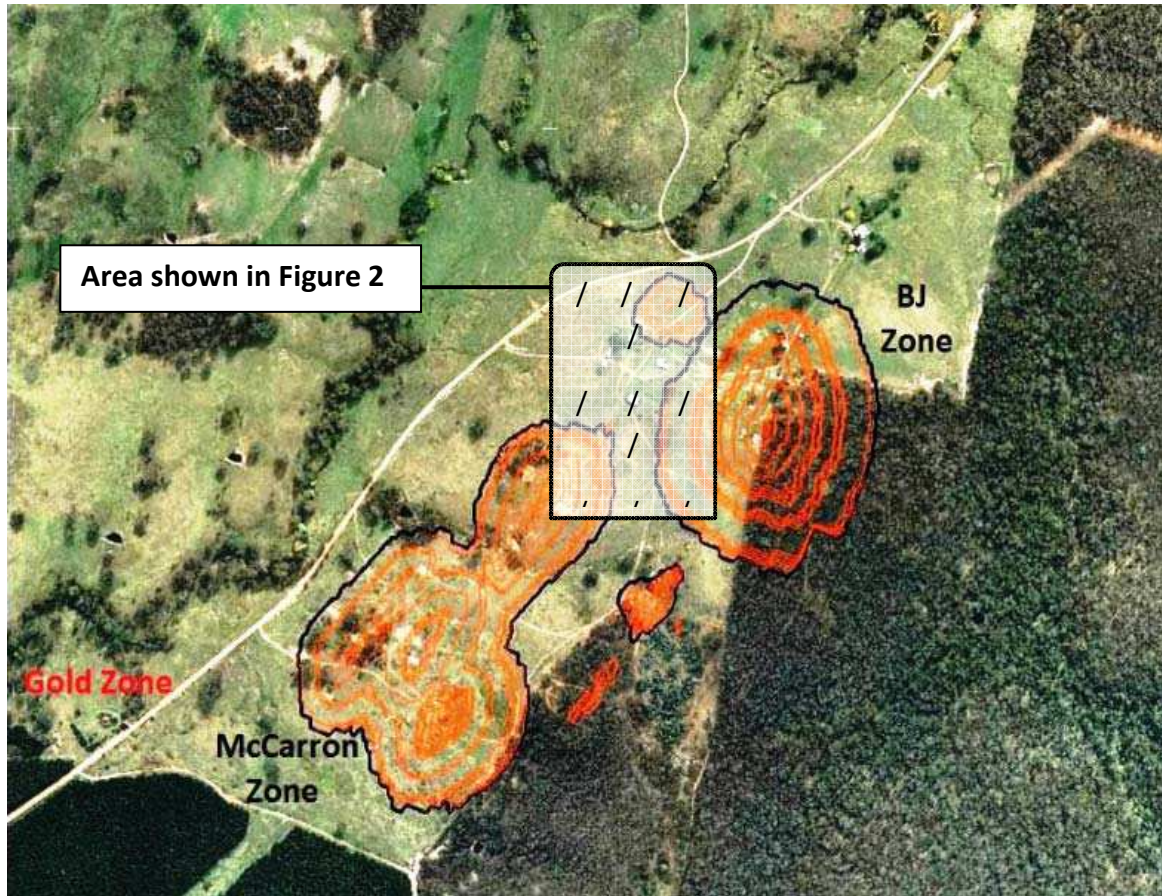
As reported in the 30 June 2011 Quarterly Activities Report, a vertical water monitoring hole (KMB7b) intersected 20m @ 0.72g/t Au from 29m, including 4m @ 2.6g/t Au from 36m. The hole is located approximately 150m south west of the McCarron pit. The intersection has been described as being in "hard fresh rock - silicified schist with minor quartz veins and some sulphides".

Three short follow-up holes were drilled along the interpreted strike with each of them intersecting intermittent low grade gold including, in hole AKRC121, 4m @ 0.75g/t Au from 8m and 2m @ 1.6g/t Au from 34m.

An earlier explorer drilled a hole at the Causeway prospect, approximately 800m to the north of KMB7b, which returned 50m @ 0.37g/t Au.



Figure 1 - BJ & McCarron Optimised Pit Shell Outlines



Numerous intersections containing low grade gold have been identified in the McCarron zone including broad intersections such as 102m @ 0.35g/t Au from 14m in hole AKRC74, including 6m @ 1.07g/t Au and 4m @ 1.10 g/t Au and some narrow higher grade intersections such as 2m @ 8.4g/t Au in hole AKRC117 and 2m @ 6.49 g/t Au in hole AKRC92.

Further work will be undertaken over coming months with the objective of identifying any controlling geological features that could provide some specific gold targets for further drill testing.

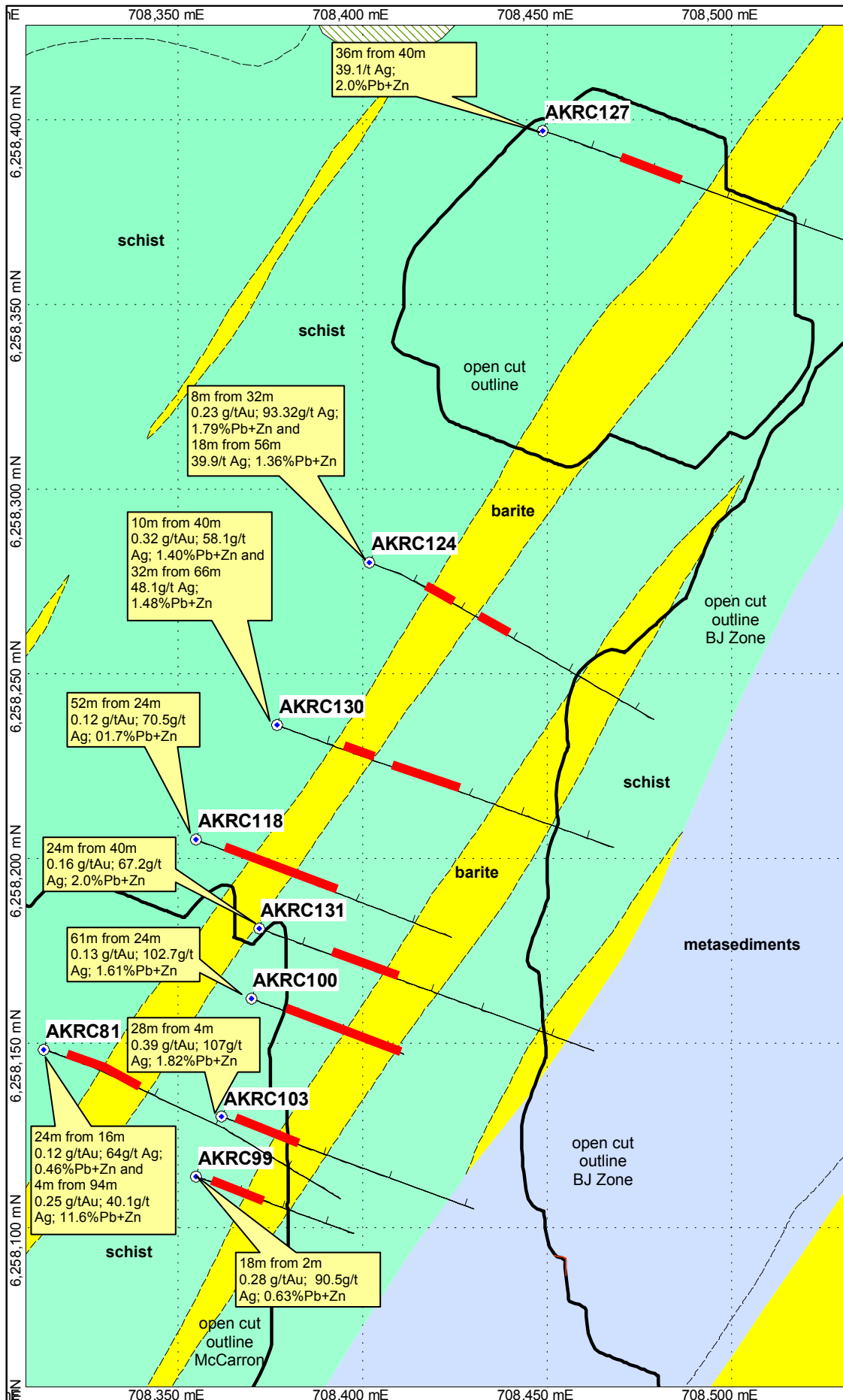
Open Pit Design

A number of pit optimisation studies have been conducted and a preliminary open pit design is being completed for inclusion in the Environmental Impact Statement (EIS). This design work includes the examination of various haul road configurations to access the process plant and the waste rock emplacements effectively and safely.

A series of cored geotechnical holes are being drilled through the various ore zones to confirm the open pit design parameters. Final mine design work will then be completed once the resource block model is updated to include the results of the remaining drilling.



Figure 2 – North McCarron Drill Plan





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 successful production of a silver-rich lead concentrate and a separate zinc concentrate. This testwork has so far concentrated on McCarron sulphide feed until a flotation process is developed against which the other zones can be evaluated. Lead flotation concentrates of greater than 50% Pb carrying much of the residual silver have been produced, along with zinc concentrates of nearly 50% Zn.

Development work is continuing to improve the grade and recovery of the flotation concentrates. Additional testwork will primarily focus on adjusting the reagent regime at the current grind sizes and locked cycle tests will be completed as soon as the reagent mix has been optimised.

Comminution test results have confirmed that the ore is soft to moderately hard, indicating that it should be possible to achieve design throughput using a single stage crusher and a single stage grinding circuit (SAG mill).

Process Engineering

Engineering design work has begun on the comminution section of the plant. The design work for the CIL and flotation stages will be commenced as soon as final metallurgical parameters are established.

A preliminary process plant layout has been completed (see Figure 3) to allow air quality and noise impact modelling to be carried out for inclusion in the draft EIS.

Water

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 sourcing studies have been undertaken, with preliminary modelling indicating that ground water sources could well be sufficient to meet a large part of the makeup water requirements for the Project. A 300mm diameter groundwater test bore has been drilled between the BJ and McCarron pit locations, and drawdown tests commenced on 25 October 2011. The results will be included in a water modelling exercise to more accurately estimate the groundwater quantities that would be available for the Project.

Tailings Storage Facility (TSF)

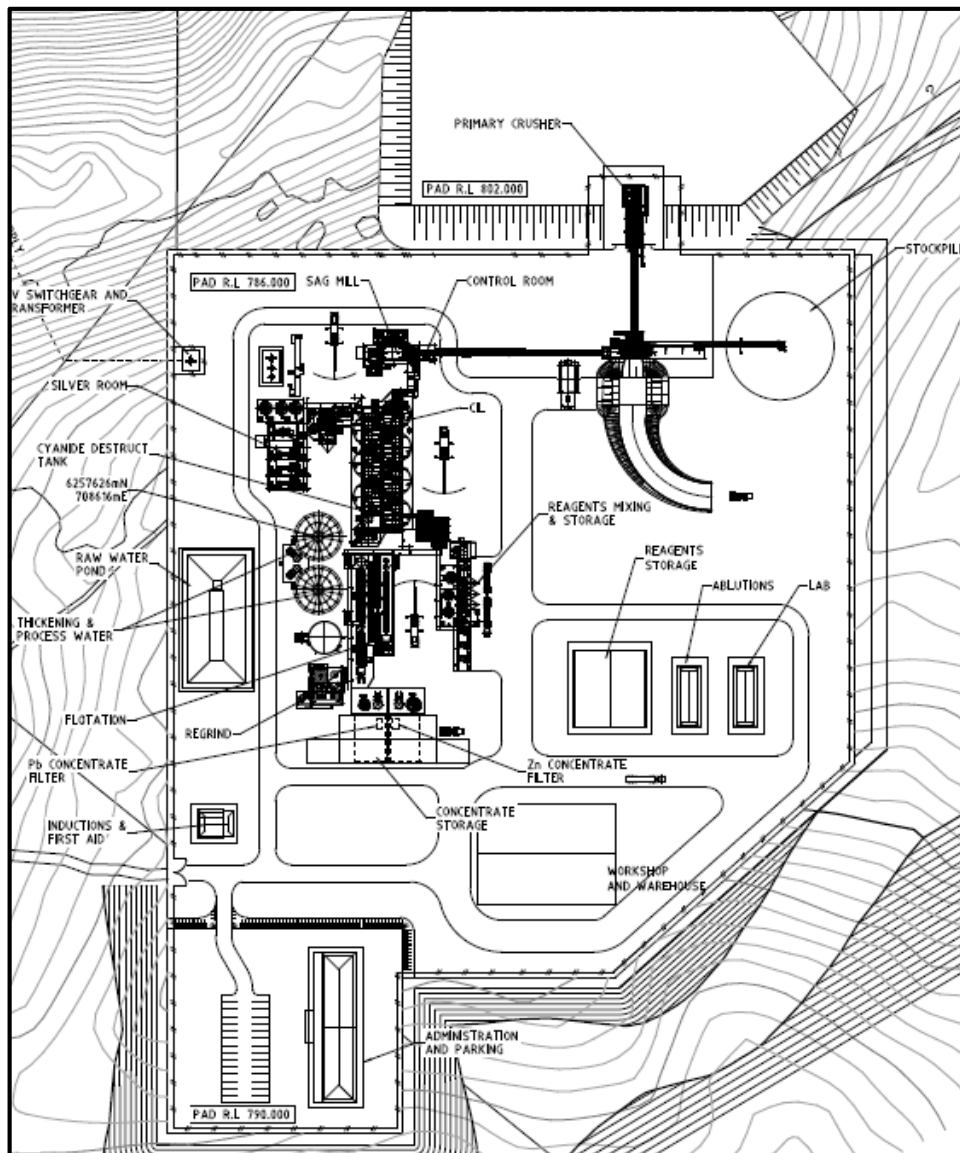
Preliminary designs have been completed for inclusion in the draft EIS (see Figure 1). These will be updated as the physical parameters of the TSF floor, the process plant tailings and the waste rock are determined.

Test pitting and soil sample collection 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.



Figure 3 – Preliminary Process Plant Layout



Infrastructure

Power requirements have been determined and alternative routes identified for a 66kV line to be constructed to bring power from the State electricity grid. A connection application has been lodged with Essential Energy to trigger the detailed design process for the high tension 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 to enable engineering design work to be undertaken.

Discussions were held with both Telstra and Optus regarding options for providing additional long term phone and internet capacity at Kempfield.



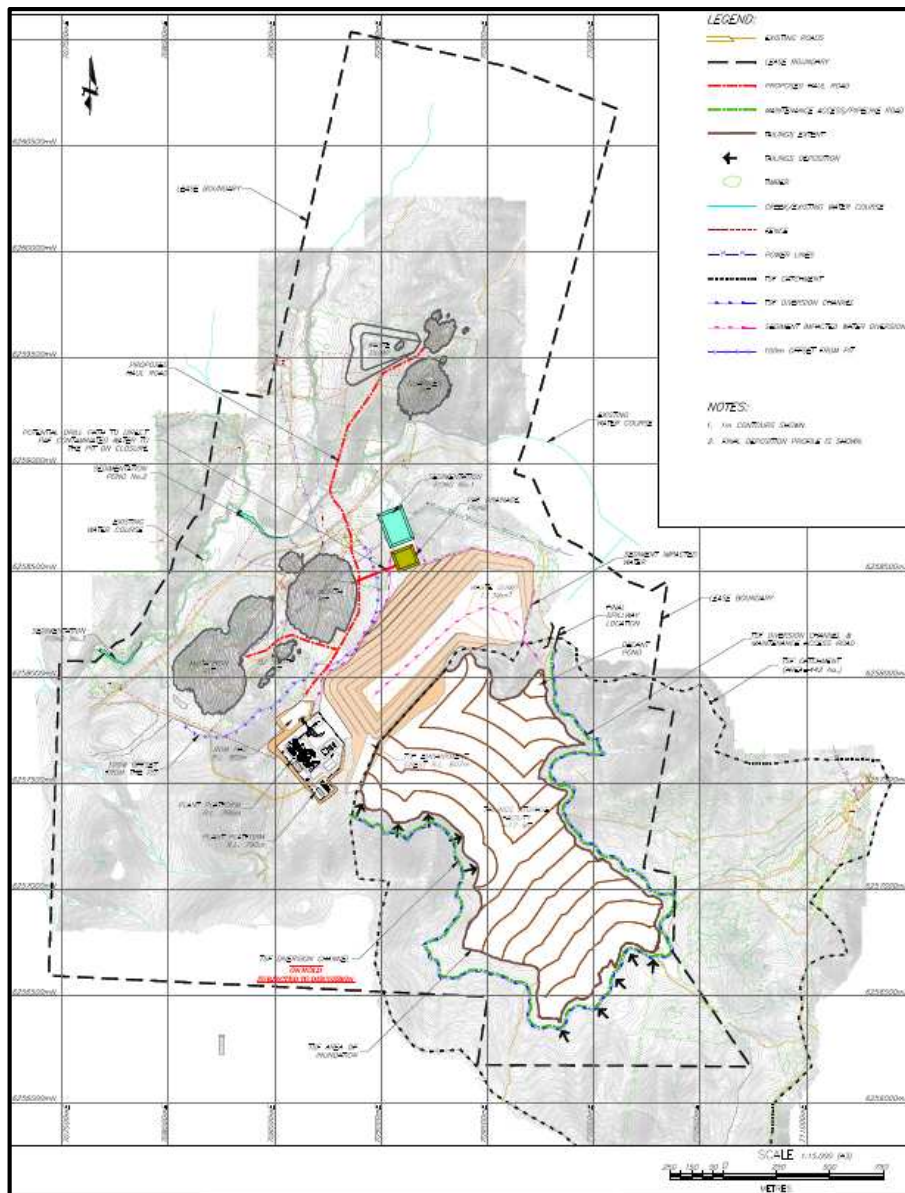
Development Approval Process

The NSW Government announced the introduction of a new State Significant Development approvals process from 1 October 2011. On 6 October 2011, draft Director General's Requirements (DGRs) from all relevant Departments were collated and submitted to the Department of Planning as part of the Development Approval application in accordance with Part 4 of the *Environmental Planning & Assessment Act 1979*.

The Department has subsequently advised that the application for approval as a State Significant Development is being processed, and will be dealt with within the 28 day period from lodgement as allowed for in the legislation.

Drafting of the EIS has commenced and, as part of this activity, various layouts have been developed for the site (see Figure 4). These include the updated process plant layout, preliminary designs for the TSF wall and tailings drainage system and soil stockpiling designs.

Figure 4: Kempfield Silver Project Site





OTHER PROJECTS

No work was undertaken on the Sunny Corner, West Wyalong or Louth projects during the quarter.

CAPITAL STRUCTURE

As at 28 October 2011 the Company had 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.

For more information contact:

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Argent Minerals Limited
Ph: 0404 465 154

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.

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")

30 September 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(77)	(77)
(b) development	(812)	(812)
(c) production	-	-
(d) administration	(261)	(261)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	92	92
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - GST	(6)	(6)
Net Operating Cash Flows	(1,064)	(1,064)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	(1,000)	(1,000)
(b) equity investments	-	-
(c) other fixed assets	-	-
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 (provide details if material)	-	-
Net investing cash flows	(1,000)	(1,000)
1.13 Total operating and investing cash flows (carried forward)	(2,064)	(2,064)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,064)	(2,064)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	5,724	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)	(215)
	Net financing cash flows	5,509	5,509
	Net increase (decrease) in cash held	3,445	3,445
1.20	Cash at beginning of quarter/year to date	4,745	4,745
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	8,190	8,190

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	112
Accounting, corporate, bookkeeping and secretarial services	35
Engineering Consulting	6

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

On 12 September 2011 Argent Minerals Limited (Argent) completed the acquisition of Golden Cross Resource Limited's (GCR) 30% interest in the Kempfield Silver Project. Argent now has a 100% interest in the Kempfield Silver Project. The following was payable to GCR at settlement:

- \$1.0 million in cash; and
- \$1.0 million in fully paid Argent shares, issued at the VWAP over 5 days prior to signing the sale agreement.

The Company issued on 12 September 2011 4,280,309 shares to GCR at approximately \$0.234 per share.

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

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+ 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	
3.2 Credit standby arrangements	NIL	

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	165
4.2 Development	1,758
4.3 Production	-
4.4 Administration	253
Total	2,176

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	11	16
5.2 Deposits at call	8,179	4,729
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	8,190	4,745

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	N/A	N/A	N/A

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2 Interests in mining tenements acquired or increased	EL5748 (1992)	Exploration Licence	70%	100%
	EL5645 (1992)	Exploration Licence	70%	100%
	EL7134 (1992)	Exploration Licence	70%	100%
	EL5964 (1992)	Exploration Licence	70%	100%
	EL7135 (1992)	Exploration Licence	70%	100%
	EL7785 (1192)	Exploration Licence	70%	100%
	ELA 4382	Exploration Licence Application	70%	100%
	ALA41 Orange (1992)	Assessment Lease Application	70%	100%
	PLL519 (1924)	Private Lands Lease		
	PLL517 (1924)	Private Lands Lease	70%	100%
	PLL727 (1924)	Private Lands Lease	70%	100%
	PLL728 (1924)	Private Lands Lease	70%	100%

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		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	19,247,218 4,280,309	19,247,218 4,280,309	\$0.178 \$0.234	\$0.178 \$0.234
7.5 *Convertible debt securities <i>(description)</i>				

+ See chapter 19 for defined terms.

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	19,247,218	19,247,218	\$0.178	30 June 2011
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

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: 28 October 2011

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.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly 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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+ See chapter 19 for defined terms.