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ARGENT MINERALS LIMITED
and its controlled entities

A.B.N. 89 124 780 276

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2020

Corporate Information

DIRECTORS

Peter Michael – Non-Executive Chairman

George Karageorge – Managing Director/CEO

Stuart Till – Non-Executive Director

COMPANY SECRETARY

James Bahen

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ABN: 89 124 780 276

ASX CODES:

ARD (ordinary shares)

ARDOA (options)

SOLICITORS

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16 Milligan Street

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AUDITORS

BDO Audit (WA) Pty Ltd

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Argent Minerals Limited and its controlled entities

Highlights

Argent Minerals Limited ('Argent' or the 'Company') has concluded the first half of the 2021 financial year with advancement of the Kempfield project, securing exploration rights on Sunny Corner project, land access granted at Pine Ridge and drilling permits received at West Wyalong.

Highlights of this period include:

EXPLORATION

Kempfield

- Project drilling programme.
 - Completion of a 23 hole, 2,624m reverse circulation (RC) drilling program at Kempfield (Stage 2 RC drilling program).
 - Geophysical review and structural analysis undertaken at Kempfield.

North West Tasmania

- Geophysical review

Sunny Corner

- Rights secured to earn a 90% interest in Sunny Corner Exploration Area of EL5964 and option agreement signed with MinRex Resources Limited (MRR) over this Joint Venture.

Pine Ridge Gold Mine

- Land access to the prospect granted by local property owners.

West Wyalong

- Regulatory approvals for drilling received.

CORPORATE

- \$2,200,000 before costs raised through private placement.
- Conversion of 90,531,474 ARDOB listed options at \$0.025 each which raised approximately \$2.2M
- Strategic Co-operation agreement executed with MinRex Resources Limited
- Change of Auditor
- Cash position \$5.18 million.

Argent Minerals Limited and its controlled entities

Operations Review

Exploration

KEMPFIELD PROJECT

KEMPFIELD PROJECT DRILLING PROGRAMME

Argent completed a 23 hole, 2,624m reverse circulation (RC) drilling program at Kempfield (Stage 2 RC drilling program). The main focus of the program was improving resource definition and accelerating the project to pre-development stage together with reconnaissance drilling over the western footwall zone.

Mineralisation remains open over 3,000 meters along strike, 200 meters down dip and up to 650 meters across strike.

High-grade intersections in drill hole AKRC 219 (north of the Henry Zone) were intersected and mineralisation continued to the bottom of the hole at 111m. AKRC 207 (south of the Southern Zone) also ended in mineralisation at 131m. The holes were abandoned within mineralisation due to difficult ground conditions which will be rectified in the next program.

The Kempfield RC drilling results continue to support and validate the accuracy of the resource model and has identified important new base metal intercepts over the Kempfield resource and mineralisation remains open both along strike and down dip.

GEOPHYSICAL REVIEW AND STRUCTURAL ANALYSIS UNDERTAKEN AT KEMPFIELD

Argent undertook a review of the existing geophysical data within the Kempfield and Trunkey Creek project areas capturing over 50 years of geophysical surveys. Geophysical surveys and reports completed over the Kempfield deposit included gravity, radiometric, aeromagnetic, electromagnetics, resistivity, IP and magnetometric (SAM). Since 2008 the Company has invested directly or has contributed to almost two dozen geophysical surveys in the Kempfield-Trunkey Creek area which includes the Pine Ridge Gold Mine Project area to the south of Kempfield.

In December 2020, Argent received a draft report which presented newly processed magnetics over Argent's 100% owned Kempfield project area and the historical Pine Ridge Gold Mine and Trunkey Creek gold mining area.

Argent also commenced a structural analysis project to model the 3D sub-surface structure with a view to guiding the upcoming resource drilling program in mid-2021. The analysis is based on with 40 years of drilling data from ~600 drillholes.

NORTH WEST TASMANIA GEOPHYSICAL REVIEW

Argent was granted the Mt Farrell tenement EL12/2019 and the initial results from an ongoing geophysical desktop study of existing high-resolution geophysical data for all three of its tenements covering part of the Mt Read Volcanic sequence in Tasmania.

The geophysical review has identified multiple geophysical targets over Argent's Tasmanian tenements which are regarded as a highly prospective province for mineral exploration. Extensive historic mineral production has also been identified in the area.

A comprehensive historical database has been compiled by key technical consultants who are currently reprocessing and reinterpreting the existing high-quality airborne magnetic, 2D seismic, LiDAR, SAR datasets together with radiometric, gravity data and 3D inversion modelling.

Argent Minerals Limited and its controlled entities

Operations Review

The four principal prospectivity factors governing the exploration program are the spatial proximity of major faults, Devonian granites, Cambrian Mt Read Volcanics and existing/historical mineralisation.

The company has conducted a thorough desktop review of the three exploration tenements prospective for gold and base metals as summarised below:

- 100% owned Mt Farrell EL12/2019, covering 71 kms is adjacent to Rosebery Pb-Zn mine;
- 100% owned Ringville EL12/2017, covering 33 square kms is adjacent to Renison Bell Sn mine and
- 100% owned Queensberry EL09/2016, covering 82 square km is adjacent to Mt Lyell Cu-Au mine.

The tenements cover areas with well-established access, mining infrastructure, nearby processing facilities and offtake potential. Tasmania's miner friendly legislation enables a streamlined approvals process, minimising delays, and accelerated timelines.

Analysis of the reprocessed datasets guided by exploration framework and modelling has already identified new priority targets. Argent envisages adding further prioritised targets in the following quarter.

From this work previously unidentified major fault structures beneath the densely forested terrain have been delineated. These are currently the site of further investigation and may represent secondary structures linking the Henty and Rosebery Fault zones. They are considered to be highly prospective exploration targets.

JOINT VENTURE HEADS OF AGREEMENT WITH SUNSHINE RECLAMATION PTY LTD

Argent entered into a Joint-Venture Heads of Agreement with Sunshine Reclamation Pty Ltd (SRP) and its wholly owned subsidiary Sunny Silver Pty Ltd in relation to the Lachlan Fold Belt exploration licence over Sunny Corner EL5964.

Argent Minerals sold the Sunny Corner Exploration Licence to Sunshine Reclamation in September 2019 under the Sunny Corner Sale Agreement on the basis that a part of the area required significant environmental rehabilitation.

SRP has completed an assessment and isolated the parts of the tenement which are the primary focus of its planned reclamation and rehabilitation work.

EL5964 OPTION AGREEMENT WITH MRR

Subsequent to Argent entering into a Joint-Venture Heads of Agreement with Sunshine Reclamation Pty Ltd (SRP) and its wholly owned subsidiary Sunny Silver Pty Ltd, Argent entered into an Option Agreement with MinRex Resources Limited (ASX: MRR) relation to its Joint Venture interest in Lachlan Fold Belt exploration licence EL5964 (Sunny Corner).

Under the Agreement, MRR upon payment of a \$10,000 option fee will receive a 3-month exclusive option to review the tenement with the right to acquire Argent Minerals' farm-in rights under the Sunny Corner Joint Venture Binding Heads of Agreement with SRP.

If MRR exercises its option rights, Argent will receive:

1. Reimbursement \$100,000 cash paid to SRP under the Sunny Corner Joint Venture Binding Heads of Agreement.
2. 80 million fully paid ordinary shares in MRR payable, subject to MinRex shareholder approval, upon completion of the following milestones:
 - a. 25 million shares on execution of the Joint Venture Agreement on terms acceptable to MRR;

Argent Minerals Limited and its controlled entities

Operations Review

- b. 25 million shares upon access being granted to the Tenement for drilling including the receipt of all approvals, consents and authorisations from the Regulator and any associated landowners; and
- c. 30 million shares upon MRR (or its nominee) acquiring legal title to the Tenement and a 90% beneficial interest in the Tenement.

PINE RIDGE PROJECT

Argent received land access approval with stage 2 and stage 3 drill programs planned for the coming period.

WEST WYALONG PROJECT

Argent received regulatory approvals for drilling the West Wyalong project and an RC drilling program has now been completed.

CORPORATE

OVERSUBSCRIBED PLACEMENT RAISED \$2.2 MILLION

In August 2020, Argent completed a heavily oversubscribed placement of \$2,200,000 before costs through the issue of 40,000,000 fully paid ordinary shares at \$0.055 per share (Placement shares) to sophisticated and professional investors.

The Placement Shares also attracted a 1 for 2 free attaching ARDOA listed option, each with an exercise price of \$0.05 and expiry date of 29 October 2021 (Placement Options), totalling 20,000,000 Options.

CONVERSION OF ARDOB OPTIONS

Argent's ARDOB \$0.025 listed options expired on 29 October 2020. Argent received conversion notices from option holders totalling 90,531,474 ARDOB options, resulting in approximately \$2.2M being received by the Company during the period.

STRATEGIC CO-OPERATION AGREEMENT

The Company signed a strategic co-operation agreement with MinRex Resources Limited (ASX: MRR) outlining the commitment of both companies to work together to consider and exploit opportunities for potential synergies across their businesses in the prospective East Lachlan Fold Belt of NSW.

The Strategic Co-operation Agreement has already yielded exploration traction, with Argent and MinRex securing a X350 RC drill rig in the Lachlan Fold belt from Strike Drilling for 12 months of exploration campaigns in 2021.

CASH POSITION

Argent's cash position as at 31 December 2020 was \$5.18M.

CHANGE OF AUDITOR

The Company changed its auditor to BDO Audit (WA) Pty Ltd during the period.

Argent Minerals Limited and its controlled entities

Operations Review

COMPETENT PERSON STATEMENTS

PREVIOUSLY RELEASED INFORMATION

This Quarterly Activities Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (2012 JORC Code). Further details (including 2012 JORC Code reporting tables where applicable) of exploration results referred to in this Report can be found in the following announcements lodged on the ASX:

- Drill Rig Arrives at West Wyalong Copper-Gold Project - 27 January 2021
- Strategic Co-Op Agreement with MinRex and Exploration Update -18 December 2020
- Change of Auditor - 2 December 2020
- Drilling Advances Kempfield for Development Opportunity - 11 November 2020
- Sunny Corner JV Option with MinRex - 22 October 2020
- Argent Secures Sunny Corner Joint-Venture Rights -14 October 2020
- Exploration and Drilling Program Update - 24 September 2020
- Heavily Oversubscribed Placement to Fast Track Drilling - 12 August 2020
- Exploration and Drilling Program Update - 22 July 2020

These announcements are available for viewing on the Company’s website www.argentminerals.com.au under the Investors tab. Argent confirms that it is not aware of any new information or data that materially affects the information included in any original ASX announcement.

Competent Person:

1. Stuart Leslie Till

The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, Exploration Targets, and historical Pre-JORC Code mineralisation estimates (‘Historical Estimates’), that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Argent Minerals Limited and its controlled entities

Directors' Report

The Directors are pleased to submit their report on Argent Minerals Limited ("Argent" or "the Company") and its consolidated entities ("the Group") for the half-year ended 31 December 2020.

DIRECTORS

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

Peter Wall LLB BComm MAppFin FFin
Non-Executive Chairman

Appointed: 23 April 2018.
Resigned: 5 March 2021

Mr Wall is a corporate lawyer and has been a Partner at Steinepreis Paganin (Perth based corporate law firm) since July 2005. Mr Wall graduated from the University of Western Australia in 1998 with a Bachelor of Laws and Bachelor of Commerce (Finance). He has also completed a Master of Applied Finance and Investment with FINSIA.

Mr Wall has a wide range of experience in all forms of commercial and corporate law, with a particular focus on resources (hard rock and oil/gas), technology companies, equity capital markets and mergers and acquisitions. He also has significant experience in dealing in cross border transactions.

George Karageorge BAppSc. Geology, MAusIMM
Managing Director and Chief Executive Officer

Appointed: 21 October 2019

Mr Karageorge is a geologist and is a rare, base and precious metal exploration expert with over 25 years' experience in the mining sector. He has worked in senior technical and executive management roles for exploration and mining companies across the globe, including Western Mining Corporation, ASARCO, Anglo Gold Ashanti, Barrick Mines, Pilbara Minerals and Bluebird Battery Metals.

Mr Karageorge has had multiple management and technical roles as Project Geologist, Project Manager, and most recently President and Chief Executive Officer of TSX listed company Bluebird Battery Metals. He has extensive expertise in taking projects from exploration through to development and production stages.

Mr. Karageorge is best known for his role as the founding geologist and registered mine manager of lithium producer, Pilbara Minerals Limited (ASX: PLS). He was instrumental in the discovery of the Pilbara Minerals multi-Billion Dollar Pilgangoora Lithium and Tantalum Deposit. His role was paramount in developing the project from the first drill hole through to the first Lithium Concentrate, taking the company into production and growing it into a A\$1.5B market cap mining company in less than 4 years.

In addition to his technical and corporate leadership roles, Mr. Karageorge has occupied the position of company director for a number of private, public listed and unlisted public companies over the last 30 years. He holds a Bachelor Degree, BAppSc. (Geology) and is a senior member of the Australasian Institute of Mining and Metallurgy (AUSIMM).

EMMANUEL CORREIA BBus, CA
Non-Executive Director and Joint Company Secretary

Appointed: 6 December 2017.
Resigned: 5 March 2021

Mr Emmanuel Correia has over 25 years' public company and corporate finance experience in Australia, North America and the United Kingdom and is a founding director of Peloton Capital and Peloton Advisory.

Mr Correia is an experienced public company director/officer and, prior to establishing Peloton Capital in 2011, he was a founder and major shareholder of Cardrona Capital which specialised in providing advisory services to the small/mid cap market in Australia. Cardrona was acquired by a UK backed private advisory firm seeking advisory capabilities in Australia.

Argent Minerals Limited and its controlled entities

Directors' Report

Mr Correia has also held various senior positions with Deloitte and other boutique corporate finance houses. Mr Correia's key areas of expertise include IPOs, secondary capital raisings, corporate strategy, structuring, mergers and acquisitions and corporate governance.

Mr Correia is currently a non-executive director of Canyon Resources Limited. Mr Correia is also the Company Secretary of Bluglass Limited.

PETER MICHAEL
Interim Non-Executive Chairman
Appointed: 16 September 2015.

Peter has over 20 years' experience in the property sector encompassing the arrangement and execution of commercial and residential property transactions, land development, construction and joint venture operations utilising an extensive network of contacts throughout Australia.

Peter is currently the Managing Director of a private aged care business, a private property development business and privately-owned Real Estate Agency. Peter is also the Managing Director of a private investment firm, based in Subiaco, specialising in developing resource exploration companies. He is also a director of a not for profit group that specialises in delivering exercise programs for people with diabetes in WA and Vanuatu.

STUART TILL BApp Sc. Geology, MAusIMM
Non-Executive Director
Appointed: 6 March 2020.

Mr Till has more than 35 years' experience as a successful geologist in mineral exploration and mining for numerous commodities including, but not limited to, precious metals, base metals and industrial minerals.

For the last 12 years Mr Till has been a consultant and director to numerous companies. He has held roles as an Exploration Manager with Thor Mining PLC & Consultant Chief Geologist with Tennant Creek Gold, Davenport Resources, Orion Minerals, Bardoc Gold, and more recently Chief Geologist for Pilbara Minerals during the DFS resource definition of the world class Pilgangoora Lithium deposit.

James Bahen B.Comm, GIA
Joint Company Secretary
Appointed: 16 April 2020

Mr Bahen is a Chartered Secretary with over 5 years company secretary and public company experience. Mr Bahen has experience in assisting company boards with navigating ASX listing rule requirements in matters such as acquisitions/disposals and capital raisings. Mr Bahen is a member of the Governance Institute of Australia and holds a Graduate Diploma of Applied Finance and a Bachelor of Commerce degree majoring in Accounting and Finance.

SUBSEQUENT EVENTS

The impact of the Coronavirus (COVID-19) pandemic is ongoing, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 5th of March 2021, Peter Wall and Emmanuel Correia have resigned as Non-Executive Chairman and Non-Executive Director and Joint Company Secretary respectively. Peter Michael, was appointed as interim Non-Executive Chairman.

Argent Minerals Limited and its controlled entities

Directors' Report

Except for the above, no other matters or circumstances have arisen since the end of the reporting period, which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Lead Auditor's Independence Declaration on page 9 as required under Section 307C of the Corporations Act 2001 is attached to and forms part of the Directors' Report for the half-year ended 31 December 2020.

This report has been signed in accordance with a resolution of the directors made pursuant to section 306(3)(a) of the Corporations Act 2001 and is dated 15 March 2021.



Peter Michael
Chairman

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF ARGENT MINERALS LIMITED

As lead auditor for the review of Argent Minerals Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Argent Minerals Limited and the entities it controlled during the period.



Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 15 March 2021

Argent Minerals Limited and its controlled entities
Condensed Consolidated Interim Statement of Profit or Loss and
Other Comprehensive Income
for the half-year ended 31 December 2020

	Note	31 December 2020 \$	31 December 2019 \$
CONTINUING OPERATIONS			
Research & Development claim – income	7	632,348	-
Administration and Consultants' expenses		(349,835)	(254,207)
Depreciation		(20,356)	(22,115)
Employee and director expenses		(189,277)	(251,496)
Exploration and evaluation expenses		(697,916)	(495,620)
Legal expenses		(18,083)	(15,332)
Share based payment		-	(163,861)
Operating loss before financing income		(643,119)	(1,202,631)
Interest income		252	5,186
Interest expense	7	(33,802)	(59,093)
Net finance income		(33,550)	(53,907)
Loss before tax		(676,669)	(1,256,538)
Income tax expense		-	-
Loss for the period		(676,669)	(1,256,538)
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		(676,669)	(1,256,538)
EARNINGS PER SHARE			
Basic and diluted loss per share (cents per share)		(0.09)	(0.21)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Argent Minerals Limited and its controlled entities
Condensed Consolidated Interim Statement of Financial Position
as at 31 December 2020

	Note	31 December 2020 \$	30 June 2020 \$
CURRENT ASSETS			
Cash and cash equivalents		5,176,807	1,956,724
Trade and other receivables		30,953	8,751
Other assets		-	10,090
Asset licence held for sale		-	39,000
TOTAL CURRENT ASSETS		5,207,760	2,014,565
NON CURRENT ASSETS			
Other financial assets- security deposits		119,750	96,000
Property, plant and equipment		298,029	318,477
Right of use asset		-	40,216
TOTAL NON CURRENT ASSETS		417,779	454,693
TOTAL ASSETS		5,625,539	2,469,258
CURRENT LIABILITIES			
Trade and other payables		309,714	483,227
Employee entitlements		12,017	6,884
Lease liabilities		-	14,124
R&D claims repayable	7	804,504	1,428,050
TOTAL CURRENT LIABILITIES		1,126,235	1,932,285
NON-CURRENT LIABILITIES			
Lease liabilities		-	26,353
TOTAL NON-CURRENT LIABILITIES		-	26,353
TOTAL LIABILITIES		1,126,235	1,958,638
NET ASSETS		4,499,304	510,620
EQUITY			
Issued capital	4	38,033,451	33,368,098
Reserves	4	249,220	249,220
Accumulated losses		(33,783,367)	(33,106,698)
TOTAL EQUITY		4,499,304	510,620

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

Argent Minerals Limited and its controlled entities
Condensed Consolidated Interim Statement of Cash Flows
for the half-year ended 31 December 2020

	Note	31 December 2020 \$	31 December 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Expenditure on mining interests		(791,429)	(432,279)
Payments to suppliers and employees		(448,340)	(546,744)
Interest received		252	5,186
Net cash used in operating activities		(1,239,517)	(973,837)
CASH FLOWS FROM INVESTING ACTIVITIES			
Sunny Corner asset licence		-	(30,000)
Payment from Sunny Corner divestment		-	130,000
Security deposit		(23,750)	14,100
Net cash from/(used) in investing activities		(23,750)	114,100
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares	4	4,613,827	1,901,350
Capital raising costs	4	(130,477)	(119,750)
Net cash from financing activities		4,483,350	1,781,600
Net increase/(decrease) in cash and cash equivalents		3,220,083	921,863
Cash and cash equivalents at the beginning of the financial period		1,956,724	725,933
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		5,176,807	1,647,796

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

Argent Minerals Limited and its controlled entities
Condensed Consolidated Interim Statement of Changes in Equity
for the half-year ended 31 December 2020

	SHARE CAPITAL \$	RESERVES \$	ACCUMULATED LOSSES \$	Total Equity \$
Balance as at 1 July 2020	33,368,098	249,220	(33,106,698)	510,620
Loss for the half-year	-	-	(676,669)	(676,669)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(676,669)	(676,669)
Transactions with owners recorded directly in equity				
Shares issued during the period	2,350,000	-	-	2,350,000
Issue of shares from exercise of options	2,263,827	-	-	2,263,827
Share based payment	138,322	-	-	138,322
Share issue costs	(130,477)	-	-	(130,477)
Balance at 31 December 2020	38,033,451	249,220	(33,783,367)	4,499,304
Balance as at 1 July 2019	30,462,609	211,515	(31,051,482)	(377,358)
Loss for the half-year	-	-	(1,256,538)	(1,256,538)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(1,256,538)	(1,256,538)
Transactions with owners recorded directly in equity				
Shares issued during the period	1,901,350	-	-	1,901,350
Share based payments	40,000	163,861	-	203,861
Share issue expenses	(119,750)	-	-	(119,750)
Balance at 31 December 2019	32,284,209	375,376	(32,308,020)	351,565

The above condensed consolidated statement of changed in equity should be read in conjunction with the accompanying notes.

Argent Minerals Limited and its controlled entities

Notes to the Consolidated Half-Year Financial Report for the period ended 31 December 2020

1. REPORTING ENTITY

Argent Minerals Limited (the 'Company') is a company domiciled in Australia. The condensed interim financial statements of the Company as at and for the half-year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group is primarily engaged in mineral exploration in Australia.

The Consolidated annual financial statements of the Group as at and for the year ended 30 June 2020 are available upon request from the Company's registered office at 25 Colin Street, West Perth, WA 6005 or at www.argentminerals.com.au.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134 Interim Financial Reporting.

The condensed consolidated 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 interim financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2020, together with any public announcements made during the half-year.

These condensed consolidated interim financial statements were approved by the Board of Directors on 15 March 2020.

Going Concern

The consolidated interim financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group recorded a loss attributable to equity holders of the Company of \$676,669 for the half year ended 31 December 2020 and has accumulated losses of \$33,783,367 at 31 December 2020. The Group has cash and cash equivalents of \$5,176,807 at 31 December 2020 and used \$1,239,517 of cash in operations, including payments for exploration and evaluation, for the half year ended 31 December 2020.

The Directors have prepared cash flow projections that support the ability of the Group to continue as a going concern. These cash flow projections assume the Group obtains sufficient additional funding from shareholders or other parties, maintains expenditure in line with available funding and either successfully resolves the review of the R&D claims at the AAT or it negotiates a repayment plan with the ATO. If such funding is not achieved and the Group does not successfully resolve the R&D Claims, the outcome of which is uncertain at the date of this report, the Group plans to reduce expenditure significantly.

These conditions give rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern. The ongoing operations of the Group are significantly dependent upon the Group raising additional funding from shareholders or other parties and the Group reducing expenditure in-line with available funding.

In the event the Group does not obtain additional funding and reduce expenditure in-line with available funding, including successfully resolving the review of the R&D claims at the AAT or negotiates a repayment plan with the ATO, it may not be able to continue its operations as a going concern and therefore may not be able to realise its

Argent Minerals Limited and its controlled entities
Notes to the Consolidated Half-Year Financial Report for the period
ended 31 December 2020

2. BASIS OF PREPARATION (Cont.)

assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the interim financial report.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2020.

4. ISSUED CAPITAL

(a) Issued and paid up capital

	31 December 2020	30 June 2020
	\$	\$
At the beginning of the reporting period	33,368,098	30,462,609
Shares issued for cash on 9 October 2019 @ \$0.012	-	1,238,089
Shares and attaching options issued for cash on 25 October 2019	-	663,261
Issue of Shares to Directors in Lieu of Director Fees 25 October 2019	-	40,000
Shares and attaching options issued for cash on 28 November 2018 @ \$0.015	-	1,150,000
Shares issued for cash on 25 May 2020 @ \$0.012	-	
Director placement on 17 July 2020	150,000	-
Issue of Shares to Directors in Lieu of Director Fees and box hill option agreement approved by shareholders	182,002	-
Conversion of Options on 31 July 2020 @ \$0.025	75,000	-
Conversion of Options on 19 August 2020 @ \$0.025	76,589	-
Share placement on 19 August 2020 @ 0.055	2,200,000	-
Conversion of Options on 26 August 2020 @ \$0.025	40,093	-
Conversion of Options on 1 September 2020 @ \$0.025	56,677	-
Conversion of Options on 7 September 2020 @ \$0.025	113,140	-
Conversion of Options on 7 September 2020 @ \$0.050	540	-
Conversion of Options on 16 September 2020 @ \$0.025	104,888	-
Conversion of Options on 22 September 2020 @ \$0.025	54,875	-
Conversion of Options on 29 September 2020 @ \$0.025	118,750	-
Conversion of Options on 6 October 2020 @ \$0.025	99,712	-
Conversion of Options on 14 October 2020 @ \$0.025	206,393	-
Conversion of Options on 21 October 2020 @ \$0.025	435,552	-
Conversion of Options on 28 October 2020 @ \$0.025	692,520	-
Conversion of Options on 3 November 2020 @ \$0.025	189,099	-
Share issue costs	(130,477)	(185,861)
Balance at end of reporting period	38,033,451	33,368,098

Argent Minerals Limited and its controlled entities
Notes to the Consolidated Half-Year Financial Report for the period
ended 31 December 2020

4. ISSUED CAPITAL (Cont.)

(b) Movement in ordinary shares

	31 December 2020	30 June 2020
	Number	Number
At the beginning of the reporting period	728,463,885	539,561,347
Shares issued during the reporting period	146,682,319	188,902,538
Balance at 31 December	875,146,204	728,463,885

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(c) Reserves

	31 December 2020	30 June 2020
	\$	\$
At the beginning of the reporting period	249,220	211,515
Employee Share Options at \$0.031	-	160,181
Employee Share Options at \$0.03	-	3,270
Employee Share Options at \$0.06	-	1,830
Employee Share Options at \$0.10	-	2,220
Expiry of Options		(129,796)
Balance at end of reporting period	249,220	249,220

5. SHARE BASED PAYMENTS

During the half-year, share based payment expense of \$182,002 in relation to director fees settled by shares and fees associated to the box hill option agreement. Directors were issued 2,040,021 shares in lieu of Director fees with a fair value of \$102,001 which was expensed to employee and director fees and the Box hill option agreement were issued 1,600,017 shares with a fair value of \$50,001 which was directly expensed to exploration and evaluation.

Other than the above, there were no share-based payments issued during the period.

6. RELATED PARTIES

Key management personnel and director transactions

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or joint control over the financial or operating policies of those entities.

These entities transacted with the Group during the half-year as follows:

- During the half-year, Peter Wall had a beneficial interest in an entity, Steinepreis Paganin Lawyers & Consultants, which provided legal consulting services on ordinary commercial terms. Fees paid to Steinepreis Paganin Lawyers & Consultants amounted to \$17,182 (2019 - \$34,145). There was \$1,318 outstanding at 31 December 2020 (2019 – \$3,485).
- As per note 4, Directors had participated in the share placement which was approved by shareholders.
- As per note 5, shares were issued in lieu Directors Fees.

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Argent Minerals Limited and its controlled entities
Notes to the Consolidated Half-Year Financial Report for the period
ended 31 December 2020

7. R&D CLAIMS REPAYABLE

	31 December 2020	30 June 2020
	\$	\$
R&D Claim repayable	804,504	1,428,050

The Group has been undergoing a review by AusIndustry in relation to the R&D claims it made for the 2016 and 2017 financial years totalling \$1,402,997.

On 24 January 2020, the Commissioner agreed to the proposal submitted by Argent whereby the Company continues to make nominal \$5,000 monthly payments until there is an outcome on the Company's AAT review with respect to its R&D claims. Upon finalisation of the AAT review, Argents' payment of the R&D claim will be renegotiated and the payment arrangement with the ATO, and the Company will need to consider how payment can be made within the shortest possible timeframe whilst taking into its account its financial position.

The Company accrued a General Interest Charge (GIC) for interest incurred from 1 July 2020 to 31 December 2020 of \$33,802.

During the period, the company has lodged their 2016 and 2017 amended R&D claims and lodged their 2018 and 2019 R&D claims which has resulted in \$632,348 being applied against the R&D Payable amount payable during the period.

As at 31 December 2020, a provision for \$804,504 has been recognised equal to the amount repayable (including general interest charges) in relation to the R&D claim for the 2016 and 2017 financial years.

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Argent Minerals Limited and its controlled entities
Notes to the Condensed Consolidated Interim Financial Statements
for the half-year ended 31 December 2020

8. SUBSEQUENT EVENTS

The impact of the Coronavirus (COVID-19) pandemic is ongoing, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Except for the above, no other matters or circumstances have arisen since the end of the reporting period, which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

9. ESTIMATES AND 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 judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements have not changed since the last annual reporting date, except for note 5 Share Based Payments.

Future Rehabilitation

The Group 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 date. Fair values are determined using local data available. No material rehabilitation provision is considered necessary at 31 December 2020.

10. OPERATING SEGMENTS

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

11. CONTINGENCIES AND COMMITMENTS

There has been no material change to commitments or contingencies since 30 June 2020.

Argent Minerals Limited and its controlled entities Directors' Declaration

In the opinion of the Directors of Argent Minerals Limited ('the Company'):

- (a) The interim financial statements and notes set out on pages 10 to 18 are in accordance with the Corporations Act 2001 including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Regulations 2001; and
- (b) 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 report has been signed in accordance with a resolution of the directors pursuant to section 303(5)(a) of the Corporations Act 2001 and is dated 15 March 2021.



Peter Michael
Chairman

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Argent Minerals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Argent Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards 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 for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 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*.

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.

BDO Audit (WA) Pty Ltd

BDO


Jarrad Prue

Director

Perth, 15 March 2021