

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97

Name of entity

Argosy Minerals Inc

ACN or ARBN

ARBN 073 391 189

Quarter ended ("current quarter")

31 March 2005

Consolidated statement of cash flows

	Current quarter \$C	Year to date (3 months) \$C
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(28,481)	(28,481)
(b) development	-	-
(c) production	-	-
(d) administration	(108,190)	(108,190)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	25,706	25,706
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid (capital taxes paid)	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(110,965)	(110,965)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments-marketable securities	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-

See chapter 19 for defined terms.

1.12	Other (provide details if material)	-	-
	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	(110,965)	(110,965)
	Cash flows related to financing activities	-	-
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(110,965)	(110,965)
1.20	Cash at beginning of quarter/year to date	4,616,407	4,616,407
1.21	Exchange rate adjustments to item 1.20	(540)	(540)
1.22	Cash at end of quarter (see note 1)	4,504,902	4,504,902

Note 1: C\$4,504,902 converted at the exchange rate applicable at March 31, 2005 of 0.9349 equals A\$4,819,000.

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 \$C
1.23	Aggregate amount of payments to the parties included in item 1.2	95,279
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

Payments to Directors and associates of the Directors are for directors' fees, for management and consulting fees and for the provision of staff and office facilities in Canada. The provision of office facilities and staff in Canada is charged at cost. In addition the Company re-imburses expenses incurred on Company business.

Non-cash financing and investing activities

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

N/A

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

N/A

Financing facilities available

Add notes as necessary for an understanding of the position

	Amount available \$C'000	Amount used \$C'000
3.1 Loan facilities	N/A	N/A
3.2 Credit standby arrangements	N/A	N/A

Estimated cash outflows for next quarter

	\$C
4.1 Exploration and evaluation	150,000
4.2 Development	-
Total	

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 \$C	Previous quarter \$C
5.1 Cash on hand and at bank	349,563	4,616,407
5.2 Deposits at call	4,155,339	-
5.3 Bank overdraft	NIL	NIL
5.4 Other (provide details)	NIL	NIL
Total: cash at end of quarter (item 1.22)	4,504,902	4,616,407

Changes in interests in mining tenements

	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Albetros	Option to Acquire the Albetros Project	Option to acquire 85%
6.2	Interests in mining tenements acquired or increased	-	-	-

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.

	Number issued	Number quoted	Par value (cents)	Paid-up value(cents)
7.1	Preference +securities <i>(description)</i>	N/A		
7.2	Issued during quarter	N/A		
7.3	+Ordinary securities	95,969,105	95,969,105	N/A
7.4	Issued during quarter	NIL		N/A
7.5	+Convertible debt securities <i>(description and conversion factor)</i>	N/A		
7.6	Issued during quarter	N/A	N/A	
7.7	Options <i>(description and conversion factor)</i>		<i>Exercise Price</i>	<i>Expiry Date</i>
			See Appendix I	

7.8	Issued during Quarter	Nil	Nil	See Appendix I	
7.9	Exercised during quarter	Nil	Nil		
7.10	Expired/cancelled during quarter	Nil	Nil		
7.11	Debentures <i>(totals only)</i>	Nil	Nil	Nil	Nil
7.12	Unsecured notes <i>(totals only)</i>	Nil	Nil		

Compliance Statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards in Canada except that exploration expenses, if any, are treated as investing activities under Canadian GAAP, have been deducted in determining net operating cash flows.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: April 28, 2005
(Director/Company secretary)

Print name: Cecil R. Bond

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (Items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 4 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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.

== == == == ==

**Argosy Minerals Inc
Additional Information
APPENDIX I**

Item 7.7 – Options

<u>Granted / Exercised</u>	<u>Expiry Date</u>	<u>Exercise Price (\$)</u>	<u>Number of Options</u>	<u>Balance Outstanding at March 31, 2005</u>
Granted June 20, 2002	May 24, 2006	A0.35	4,175,000	
Cancelled 2002			(600,000)	
Cancelled 2003			(500,000)	
Cancelled 2004			(350,000)	
				<u>2,725,000</u>
Balance outstanding March 31, 2005				<u>2,725,000</u>

ARGOSY

M I N E R A L S I N C

ARBN 073 391 189

April 28, 2005

The Appendix 5B Report for this quarter is an integral part of this summary and is attached.

Quarter Ending March 31, 2005 - Summary of Activities and Expenditures

During the quarter ended 31st March 2005 Argosy continued with its planned corporate and strategic changes aimed at revitalising the company following the end of the debilitating arbitration settled last quarter.

To this end Argosy has initiated certain corporate changes that will ultimately, subject to shareholder approval, see the company change its domicile from Canada to Australia, appoint new directors and management, acquire new projects / investments and reduce its exposure to projects where there has been limited progress due to political or legislative barriers.

The highlight of the quarter has been the acquisition of the Lac Panache Project, a prospective nickel sulphide / platinum group metal project in Canada. In addition, due diligence continued at the Mexican gold property Argosy is looking at as a potential exploration target.

Summary of Expenditures

Legal, Administrative, Consultants	\$ 22,491
Drilling and Assessment	4,990
Project Option Fees	1,000
	<u>\$ 28,481</u>

PROJECT ACQUISITION – Nickel, Copper, Platinum Group Metals, Canada

As part of its quest for new projects Argosy personnel attended the recent Prospectors and Developers Association (PDAC) in Toronto, Canada in order to review specific project opportunities. As indicated previously, Argosy has been evaluating new project opportunities in base and precious metals in North America for some time.

Recently, Argosy announced the agreement over prospective tenements that host outcropping base metal sulphide - platinum group metal (“PGM”) mineralisation – the Lac Panache Project, close to Sudbury, Ontario, Canada.

The project comprises the main Lac Panache project area, and the smaller Brazil Lake, Little Panache and Norwest areas.

The properties are situated south of one of the world’s largest nickel copper PGM concentrations, the Sudbury Igneous Complex. Three recent discoveries on former INCO properties in the Sudbury region have fuelled speculation that the region is still a world class mining area.

Previous rock chip sampling in the Lac Panache area has resulted in the collection of samples of sulphide-bearing gabbros, quartz-sulphide veins and massive sulphides with previously reported assays of 1.47% nickel, 6% copper, 1.1% cobalt, 8.0 g/t gold, 1.4g/t palladium and 0.9g/t platinum.

Recent sampling by Argosy has returned anomalous grades of 0.11% cobalt and 0.37% nickel from a 2 to 3 metre thick outcrop of massive pyrrhotite-pyrite. Outcropping coarse gabbro with disseminated clots of sulphide to 1.5cm returned previously reported assays of 1.15 g/t palladium, 0.47 g/t platinum, 0.25 g/t gold and 0.3% copper.

The Brazil Lake area is host to pyrrhotite-cobaltite mineralisation where previously reported grades of 9.16% cobalt and 3.56% nickel were recorded by the Ontario Geological Survey. At Norwest anomalous polymetallic grades have been encountered (0.21% cobalt, 0.87% nickel and 1.89% copper).

Argosy has entered into an agreement whereby it can earn 100% of the Project through staged cash payments totaling C\$300,000 and completing staged work commitments over three years of C\$455,000. On production, the vendor will retain a 3% net smelter return (“NSR”). This NSR is subject to buy-back provisions of 1% for \$1,000,000, a further 1% for \$2,000,000 and the remaining 1% subject to first right of refusal.

PROJECT DUE DILIGENCE – Gold, Mexico

During the quarter, Argosy personnel again visited gold prospective tenements in Mexico and signed off on a two month due diligence agreement over two blocks of claims. Argosy is conducting due diligence over a package of gold prospective tenements in the State of Sinaloa, Mexico. These tenements make up the Don Jorge Gold Project area.

The project area under investigation is an early stage exploration project that has returned very encouraging gold and silver assays from several zones of mineralisation located in a reconnaissance prospecting program in 2004. The area has no previous history of systematic exploration by modern professional standards.

Epithermal deposits have a wide distribution in Sinaloa State, and it is a prime target for gold exploration by several Canadian gold explorers including Meridian Gold and Nevada Pacific. Gold mineralisation has been exploited historically since pre-European times but it was the Spanish who initiated larger scale mining – the remains of which are the focus of much modern exploration.

As part of the due diligence process, Argosy conducted reconnaissance chip sampling in areas of reported high grade gold mineralization. Mineralisation is hosted by quartz stockwork veins and in locally sheared mafic intrusives. The high tellurium grades suggest that some of the gold may be tied up as gold tellurides.

The initial reconnaissance samples collected by Argosy were assayed by Acme Analytical Laboratories in Vancouver, Canada, and results are tabulated below. Assays range up to 129 g/t Au with visible gold apparent in the highest grade sample.

Table 1: Don Jorge Assay Results

Sample	gold ppm	gold oz/short ton	silver ppm	tellurium ppm
A3308	0.07	0.00	0.3	0.1
A3309	29.33	0.86	2.2	>100
A3310	31.48	0.92	3.1	14.9
A3311	0.74	0.02	0.6	2.2
A3312	21.10	0.62	2.1	11.2
A3313	40.85	1.19	4.3	>100
A3314	128.97	3.76	15.3	21.2
A3317	0.05	0.00	1.1	0.3

A3308	1.8m vertical chip-channel sample through subhorizontally sheared basic intrusive
A3309	Grab outcrop sample; green silicified intrusive with ~20% disseminated sulphides (arsenopyrite-pyrite)
A3310	Outcrop grab sample of red-brown limonite at base of small excavation
A3311	Outcrop grab sample of oxidised green intrusive with limonite and Mn oxides on fractures
A3312	Outcrop grab sample of quartz-limonite altered intrusive
A3313	Grab outcrop sample; green grey altered intrusive; ~3-5% disseminated pyrite + black sulphides
A3314	Quartz veined altered intrusive; 3-5% sulphides; <u>small grain visible gold</u>
A3317	Outcrop sample; amphibole-quartz-feldspar monzonite showing zeolite alteration

During the due diligence period the claims will be prospected by means of a ridge and spur rock chip sampling program in conjunction with reconnaissance scale geological mapping. This program will help to identify areas of anomalous mineralization for later trenching, sampling and drilling.

Should a decision be made to exercise the option, exploration will be fast tracked in order to identify early drill targets.

EXPLORATION – Gold, Nevada, USA

Gold Creek Project

Argosy is awaiting approval on drilling permits for its Gold Creek Project near Elko, Nevada. Once the Heritage Resource Survey and Environmental reports are approved a drill program can be undertaken. It is likely that cold temperatures and snow cover will restrict any activities at Gold Creek until late Spring 2005.

Subsequent to the end of the quarter, Argosy has been informed that despite positive recommendations based on detailed work by the consulting archaeologists, the final report requires some further amendments as instructed by the United States Forestry Services, consequently the proposed program will be delayed.

Investigation of New Opportunities

In addition to the Lac Panache and Mexican opportunities, the following new opportunities were reviewed:

- (i) data reviews were carried out on several gold-silver properties in Nevada. A decision was made to not proceed; and
- (ii) the Company investigated an opportunity to acquire a nickel sulphide exploration project in Zambia. The decision not to proceed was taken after limited due diligence taking into account the expenditure commitments for what was considered a remote, greenfields exploration opportunity.

PROJECT UNDER FORCE MAJEURE – Musongati, Burundi

Argosy has maintained its Musongati Project during a tumultuous period in Burundi's history and the project remains under force majeure. As part of its revised corporate strategy Argosy is reviewing its involvement in the project.

Argosy has previously held discussions regarding advancing this project should the political environment settle down from its current state. With the current level of metal prices the Musongati nickel laterite has attracted some recent interest from companies.

PROJECT DISPOSAL - Diamonds, South Africa

During the quarter, Argosy announced its termination of the agreement with Albetros Inland Diamond Exploration Pty Ltd over its alluvial diamond project in Namaqualand, South Africa. The reason for this decision stems from the inability to have the exploration permit renewed by the South African Department of Minerals and Energy, despite waiting over 15 months for an approval for the permit. In the interim there was also the introduction of a change in the requirement pertaining to black economic empowerment ("BEE") participation which was increased to 51%, a level that was not envisaged in Argosy's original agreement with its BEE partner. Recent comments from South Africa have indicated rising disquiet with the application process with over 3,000 licence applications currently outstanding.

CORPORATE

For some time now Argosy has been investigating corporate compliance costs in the different jurisdictions in which it operates. As the majority of its shareholders are Australian based and its shares are listed on the Australian Stock Exchange, Argosy would benefit from a change in the company's domicile from Canada. This will serve to reduce the rising administration costs of compliance which are becoming increasingly onerous.

The directors of Argosy resolved that the company will, subject to shareholder's approval, change its domicile from Canada to Australia. Details of the proposed resolution will be included in the Information Circular and voting forms will accompany the Annual Report.

As a consequence there will be a staged reduction in the Canadian corporate activities, including closing the Canadian office after a transition period. Mr Cecil Bond, has stepped down as CEO. However, Mr Bond will remain as a director and company secretary.

In the interim, Argosy's Chairman, Mr Peter Lloyd will assume the role of President of Argosy.

Other changes to the board will eventuate during the transition period and these will be linked to Argosy's revised corporate strategy.