



Argosy Minerals Limited

ACN 073 391 189

Level 4, 100 Albert Road,
South Melbourne, VIC 3205

Phone: (03) 9692 7222 Fax: (03) 9077 9233

22 January 2014

December 2013 Quarterly Activities Report

Board of Directors

Mr Philip Thick
(Chairman/Director)

Mr Danie Van Den Bergh
(Director)

Mr Kevin Nichol
(Director)

Company Secretary

Melanie Leydin

Securities on Issue:

AGY: 126,029,105 ordinary
shares

Highlights:

Argosy Minerals Limited (ASX: AGY) ("the Company") provides the following update on the review of operations for the quarter ended 31 December 2013.

Off-market Takeover Bid by Baru Resources Limited

Following the Takeover Bid Implementation Deed entered into with Discovery Africa Limited (ASX: DAF and DAFO), formerly Baru Resources Limited (ASX: BAC) ('Baru' or 'BAC') on 2 July 2013, the offer closed on 30 November 2013.

On 10 December 2013 DAF announced that it has issued 1,851,602 fully paid ordinary shares to the shareholders of AGY following their acceptance of the Offer and increasing DAF's holding in AGY to **88.64%**.

Exploration Update

On 22 November 2013 DAF provided an update on the progress of AGY's Area 51 Graphite Project exploration activities as noted below:

- Geological mapping exercise has been completed;
- The geophysics program was completed by mid-December 2013;
- Both the initial geology and geophysics results indicate both higher and lower grade areas which will provide the Company with defined drilling targets;
- A Drilling contractor was appointed with the first 10 Diamond drill holes to begin in January 2014; and
- The strike length of the outcropping formation area is approximately 5 kilometres.



Argosy Minerals Limited

ACN 073 391 189

Level 4, 100 Albert Road,
South Melbourne, VIC 3205

Phone: (03) 9692 7222 Fax: (03) 9077 9233

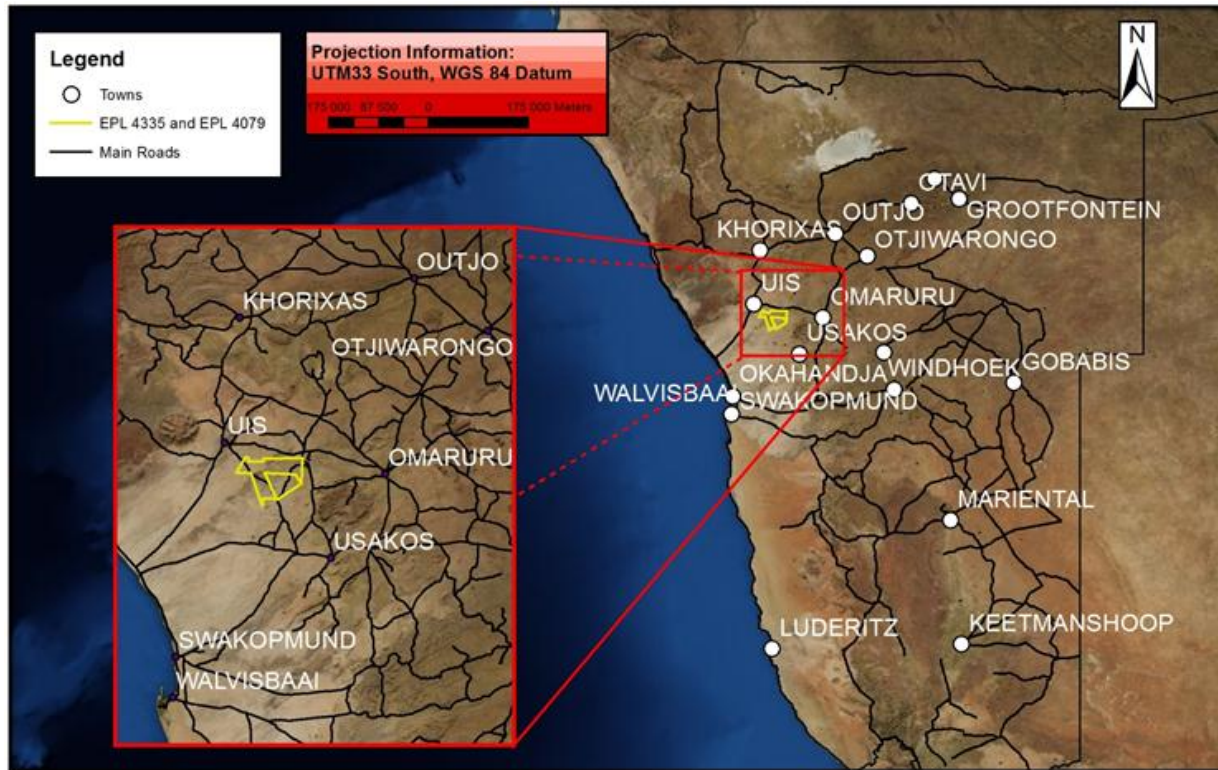


Figure 1: Location Map of the Area 51 Graphite Project in Namibia



Figure 2: Outcropping formation at Area 51 Graphite Project



Argosy Minerals Limited

ACN 073 391 189

Level 4, 100 Albert Road,
South Melbourne, VIC 3205

Phone: (03) 9692 7222 Fax: (03) 9077 9233

Figure 2 represents the typical outcropping formation which occurs extensively over the project area and hosts the Graphite in marble.

Drilling on the Company's Area 51 Project is currently being planned with the following indicative dates:

Date	Activity
18 January 2014	Site Establishment
20 January 2014	Drilling to commence
12 February 2014	Proposed completion of drilling
7 March 2014	Proposed receipt of core analysis

It is advised that the first 1,000 metres drilling will include 10 holes for an average depth of 100 metres each. Results from these drill holes will determine the extent of the future drilling program.

Schedule of Mining Tenements

Below is a schedule of Mining Tenements held by the Company at the end of the quarter:

Mining Tenement	Location	Beneficial Percentage held
EPL4079	Namibia, Africa	100%
EPL4335	Namibia, Africa	100%

The beneficial interests in the above Mining Tenements were acquired during the quarter. There were no Mining Tenements disposed of during the quarter.

Funding of the Company

AGY has entered into a funding arrangement with DAF to fund all outgoing expenditure commitments of the Company.

For further details, please contact:

Kevin Nichol
Director

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

ARGOSY MINERALS LIMITED

ABN

27 073 391 189

Quarter ended ("current quarter")

31 December 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(170)	(495)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	-	8
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other – Net GST (paid)/refunded	-	(7)
Net Operating Cash Flows	(530)	(1,425)
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 (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other		
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(530)	(1,425)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(530)	(1,425)
	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		
1.18	Dividends paid		
1.19	Other – Loans from other entities	475	475
	Net financing cash flows	475	475
	Net increase (decrease) in cash held	(55)	(950)
1.20	Cash at beginning of quarter/year to date	59	950
1.21	Exchange rate adjustments to item 1.20	-	4
1.22	Cash at end of quarter	4	4

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	281
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Payments include director's fees, management fees (including reimbursement of salaries for personnel in Australia), and consulting fees paid to Directors and also Employee pay-outs.

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

NIL

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

NIL

+ 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		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	195
4.2 Development	
4.3 Production	
4.4 Administration	50
Total	245*

* Cash outflow funded through a funding arrangement with Discovery Africa Limited (an 88.64% shareholder at 10 December 2013)

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	4	59
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	4	59

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				
6.2 Interests in mining tenements acquired or increased	EPL4079	Exploration licence	-	100%
	EPL4335	Exploration licence	-	100%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

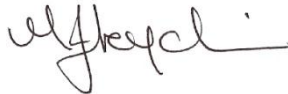
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	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	126,029,105	126,029,105		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	<i>Unlisted Options</i> 12,500,000		<i>Exercise price</i> \$0.09	<i>Expiry date</i> 13/06/2017
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

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:

(Company secretary)

Date: 22 January 2014

Print name: Melanie Leydin

Notes

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

== == == == ==

+ See chapter 19 for defined terms.