



**ARGOSY MINERALS**  
**LIMITED**

ABN | 27 073 391 189

## **INTERIM FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED 30 JUNE 2019**

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## CORPORATE DIRECTORY

### Directors

Mr Alex Molyneux – Non-Executive Chairman  
Mr Jerko Zuvela – Managing Director  
Mr Ranko Matic – Non-Executive Director  
Mr Malcolm Randall – Non-Executive Director

### Secretary

Ms Andrea Betti

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### Solicitors

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Australian Securities Exchange Limited  
Home Branch: Perth

ASX Code: AGY

## DIRECTORS' REPORT

The Directors of Argosy Minerals Limited present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the "Group") consisting of Argosy Minerals Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2019.

### Directors

The following persons were directors of Argosy Minerals Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Jerko Zuvela  
Alexander Molyneux  
Ranko Matic  
Malcolm Randall

### Principal Activities

The principal activity of the Group during the period was the development of the Rincon Lithium Project. No significant change in the nature of this activity occurred during the financial period.

### Consolidated Results

	<b>Half-Year Ended 30 June 2019</b>	<b>Half-Year Ended 30 June 2018</b>
	\$	\$
Consolidated loss before income tax expense	<b>(1,322,620)</b>	<b>(1,668,972)</b>
Income tax benefit expense	-	-
Net loss	<b>(1,322,620)</b>	<b>(1,668,972)</b>

### Dividends Paid or Recommended

No dividends have been declared, provided for or paid in respect of the half-year (30 June 2018: Nil).

### Corporate

The Company raised a total of ~\$9.1 million from a significantly oversubscribed entitlement offer, shortfall shares and oversubscriptions. The proceeds will be used to progress next stage development works at Rincon and put the Company in a strong financial position to progress toward a strategic relationship/partnership for the commercial development of the Rincon Lithium Project.

The Company held its Annual General Meeting on 29 May 2019.

### Review of Operations

Argosy has a current 77.5% (and ultimate 90%) interest in the Rincon Lithium Project. The Rincon Lithium Project is the flagship asset in Argosy's lithium development strategy, and is located in Salta Province, Argentina.

The milestones achieved this Reporting Period establish that Argosy is genuinely delivering on its 'fast-track' lithium development strategy and remains confident of achieving key upcoming milestones. Argosy is committed to building a sustainable lithium production company, highly leveraged to the forecast growth in the lithium-ion battery sector.

## DIRECTORS' REPORT



Argosy Minerals Limited – Rincon Lithium Project Location Map

Subsequent to the reporting period, Argosy executed a Sale Agreement with LCME Holdings Inc. (a subsidiary of Lithium Consolidated Ltd – ASX:Li3), Big Smokey Exploration LLC, ProspectOre LLC and ProspectOre Inc. for the acquisition of 100% of the tenements comprising the Tonopah Lithium Project, located in Nevada, USA.

### Rincon Lithium Project

The Rincon Lithium Project is the flagship asset in Argosy's lithium development strategy, and is located within the Salar del Rincon in Salta Province, Argentina, in the world renowned "lithium triangle". The Project comprises up to 2,794 hectares of mining concessions and mining easement right landholdings, and is a JV partnership with pre-eminent lithium processing expert Pablo Alurralde. The Company has established a well-defined pathway to target commercial production of LCE product.

During the reporting period and to date, the Company made substantial progress at the Project, with the major 2019 project milestones accomplished being:

- Argosy joins the exclusive list of international lithium carbonate producers – chemical process tested and proven to produce  $\geq 99.5\%$   $\text{Li}_2\text{CO}_3$  product;
- Sales Agreement executed with Mitsubishi Corporation RtM Japan Ltd, a subsidiary of Mitsubishi Corporation;
- Lithium carbonate production operations from industrial scale pilot plant commenced to supply high-value  $\geq 99.5\%$   $\text{Li}_2\text{CO}_3$  product into executed Sales Agreement;
- Submitted permitting applications to Salta Province regulatory authorities, for the construction of an initial ~2,000tpa commercial lithium carbonate processing plant module – as part of staged scale-up development of the Rincon Lithium Project;
- Non-binding Heads of Agreement executed with Mitsubishi Corporation RtM Japan Ltd for the supply of 2,000tpa of lithium carbonate product from the Rincon Lithium Project for a term of 3-years with an option to extend for a further 2-years;
- High purity lithium hydroxide (LiOH) processing works conducted at pilot plant and in-house laboratory for customer sample testing.
  - o Laboratory analysis results confirm 56.84% LiOH content value (note: standard battery grade LiOH is 56.5%) that corresponds to a purity of 99.61% lithium hydroxide monohydrate;
- Works being carried out for preparation of applications for full scale (~10,000tpa) project development approvals/permits; and
- Continued progress with Asian based LCE end-users for potential commercial scale off-take and investment.

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## DIRECTORS' REPORT

### Lithium Carbonate Production Operations

The Company recently commenced lithium carbonate production operations from the Company's industrial scale pilot plant using the Company's proprietary and exclusive successful chemical process to produce 99.5% lithium carbonate product. The production operations comprise the continuous processing of concentrated lithium brine, sourced from the operational evaporation ponds at the Project area, utilising the industrial scale pilot plant.

The Company will produce and store the  $\text{Li}_2\text{CO}_3$  product until ready for shipment, then arrange the transport of product parcels for sale under the Sales Agreement executed in March 2019.

The strategic arrangement will enable Argosy to utilise the industrial scale pilot plant for small-scale commercial lithium carbonate production and product sales to a major international conglomerate, whilst reinforcing the long-standing customer relationship for future larger product sales and off-take arrangements from the planned commercial scale production operations and future potential commercial associations.

The industrial scale pilot plant was first commissioned in April 2018, with first battery grade 99.5% lithium carbonate product confirmed in August 2018, and commenced continuous production operations in July 2019.

### Mitsubishi RtM Sales Agreement

Argosy executed a Sales Agreement with Mitsubishi Corporation RtM Japan Ltd for the supply of an initial 100 metric tonnes of lithium carbonate product over a 12-month period from the Rincon Lithium Project.

The sales price for each cargo will be determined using a set formula agreed between the parties that references an industry standard benchmark index LCE product price, netting off in-country taxes, adjustments for product specifications, all associated shipping costs and Mitsubishi RtM commission fees.

The strategic arrangement will enable Argosy to utilise the industrial scale pilot plant for small-scale commercial lithium carbonate production and product sales to a major international conglomerate, utilising the Company's proven industrial scale proprietary chemical process solution.

The Company confirmed the flexibility of the Sales Agreement to extend the terms of the contract by mutual agreement for additional deliveries, following preliminary customer integration of the initial lithium carbonate product delivered.

The Sales Agreement reinforces the relationship Argosy has established with Mitsubishi RtM following their first site visit in November 2017, and further strengthens the commitment for future potential commercial associations.

### 2,000tpa Commercial Project Development Works & Approvals/Permitting Process

The Company outlined a strategy for a ~2,000tpa modular commercial lithium carbonate processing plant operation as the next step in the scale-up development of the Project. As part of this stage of works, the Company submitted permitting applications to the regulatory authority, to construct and develop the 2,000tpa plant operation.

Based on the Company's plans, and pending all necessary approvals being received, development of the 2,000tpa processing plant is estimated for a 12-15 month construction timeframe, with an ~3-4 month commissioning period. The budgeted capital expenditure is estimated at US\$14.3 million (plus contingency & VAT).

The 38 hectares of evaporation ponds constructed to supply concentrated lithium brine to the planned 2,000tpa processing plant are currently in operation concentrating lithium brine.

The Company is also in ongoing discussions with a number of potential capital providers for the 2,000tpa processing plant capital requirements.

### 10,000tpa Commercial Project Development Works & Approvals/Permitting Process

Argosy's strategy is to ultimately advance to the full 10,000tpa scale development, thus the Company has commenced works for the associated approvals and permitting requirements.

The Company engaged its evaporation pond construction contractor (who constructed the existing 38 hectares of evaporation ponds) to complete evaporation pond design plans and cost estimation works for the 10,000tpa scale operation requirements. These plans will be part of the applications process submission documents.

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## DIRECTORS' REPORT

These design plans estimate a total of ~300 hectares of evaporation ponds comprising 21 ponds. Ponds 1 – 9 are designed to receive the raw lithium brine via pumping operations from the production wells, where the lithium brine then becomes further concentrated via several concentration stages in the remaining evaporation ponds (10 – 21).

### Strategic Investment & Commercial Off-take Arrangements

The Company has continued to focus on securing a strategic relationship/partnership(s) to ensure the successful commercial development of the Rincon Lithium Project.

As part of this process, Company executives attended strategic meetings in Asia to further advance interest from such strategic parties for product off-take and the potential modular scale and/or full commercial scale project development with associated capex funding/investment. The meetings were focussed on procuring off-take arrangements for the 2,000tpa lithium carbonate product planned for the next stage of development at the Rincon Lithium Project.

In addition, several Japanese and European battery industry groups have expressed interest in further reviewing the potential for full 10,000tpa scale strategic arrangements. This may focus on confirming the viability of an economic pathway for long-term commercial scale production of LCE product, supported via the independent validation of estimated project capital expenditure items and steady-state production operation costs.

Current factors under consideration with these groups involves off-take product pricing particulars, terms and related arrangements, LCE product specification requirements, scale of initial and longer-term commercial operations and associated funding requirements, and structure and framework of the strategic relationship.

### 2,000tpa Offtake Heads of Agreement with Mitsubishi Corporation RtM Japan Ltd

Subsequent to the current reporting period, the Company announced it had executed an Offtake Heads of Agreement with Mitsubishi Corporation RtM Japan Ltd (Mitsubishi RtM). The Agreement provides the principal commercial terms upon which the parties will enter into a detailed definitive offtake supply agreement for lithium carbonate ( $\text{Li}_2\text{CO}_3$ ) product from the Rincon Lithium Project in Argentina.

The HOA outlines terms for the supply of 2,000tpa of Argosy's  $\text{Li}_2\text{CO}_3$  product for an initial term of three-years, plus a further two-year extension option. The purchase price for the product will be market price, subject to agreement by the parties prior to first delivery.

The HOA covers the essential commercial elements of the arrangements. The commencement of the sale and supply of product by Argosy to Mitsubishi RtM will be subject to fulfilment of general commercial conditions for an agreement of this nature.

The parties will continue ongoing discussions to enter into a definitive offtake supply agreement. If a definitive supply agreement is not executed, then either party will have the option to terminate the Heads of Agreement based on pre-agreed conditions.

The agreement further reinforces the long-standing relationship Argosy has formed with Mitsubishi RtM following their first Rincon site visit in November 2017 and the current product sales agreement in place for the industrial scale pilot plant production operations. Argosy will look to further strengthen the commitment for future potential commercial associations with Mitsubishi RtM.

### Lithium Hydroxide Processing and Testing Works

During meetings in South Korea during the reporting period, the Company received interest to prepare high purity lithium hydroxide samples.

From chemical processing works and generating a build-up of lithium carbonate product at the industrial scale pilot plant, the Company prepared lithium hydroxide customer samples from its in-house laboratory.

The first test sample confirmed a laboratory analysis result of 56.84% LiOH content value, using an industry standard indirect calculation method (determined by ICP, gravimetric and titration analysis), and confirms a purity of 99.61% lithium hydroxide monohydrate  $\{\text{Li}(\text{OH})\cdot\text{H}_2\text{O}\}$ . These results compare favourably to the industry standard of 56.5% for battery grade LiOH.

This may provide the Company with a potential complementary lithium hydroxide production pathway, in addition to the lithium carbonate strategy and successful chemical process solution achieved to date.



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## DIRECTORS' REPORT

This further reinforces the Company's lithium processing expertise and forms a strong position to establish its credentials well before many other lithium companies, given the successful development milestones achieved to-date by Argosy at the Rincon Lithium Project.

### Lithium Product Market Update

The lithium supply chain faced challenging market conditions during the reporting period, with lithium prices coming under pressure in recent months. This is mainly due to lithium supply, particularly spodumene outstripping demand and creating an abundance of feedstock at both producer level and at conversion sites in China. In addition, the Chinese government has wound back its subsidy program for electric vehicles, placing further pressure on demand. Notwithstanding current market weakness, growth in battery and cathode manufacturers continues, laying the foundations for a strong future demand profile.

Lithium carbonate prices out of South America (FOB) averaged \$10,375/tonne during August 2019, largely a result of Chinese suppliers offering increasingly competitive prices to clear stocks and ROW producers forced to lower prices in response.

General lithium prices are now at levels below production costs for many, so further major decreases seem unlikely. Short-term demand issues have seen cathode producers hold back from short-term purchases, compounding the excess of material in the market. As the future of many of the industry's newest producers hangs in the balance, established chemical producers have also adjusted their expansion strategies in response to lower than expected demand growth.

With industry majors pulling back from major capacity expansions in the short-term, new chemical volumes in H2 2019 are expected to be limited, however the market is still likely to be in oversupply due to slower than anticipated demand growth.

Despite the current subdued sentiment in the lithium sector, the strong forecast growth in megafactories is a leading indicator to strong lithium demand in the medium to long-term. Benchmark Minerals Intelligence currently forecasts 1,189.4GWh of total megafactory capacity in the pipeline to 2023. In addition, battery and cathode companies have continued to lay foundations for expanded output and technology improvements into H2 2019, with major cathode projects continuing to be supported by growing downstream interest as EV and battery producers lay the long-term foundations for exponential growth.

Given Argosy is working on and achieving battery quality product specification, the Company is confident in the longer term market fundamentals and sustainable lithium price forecasts, to continue its fast-track development of the Rincon Lithium Project.

**Forward Looking Statements:** *Statements regarding plans with respect to the Company's mineral properties are forward looking statements. There can be no assurance that the Company's plans for development of its mineral properties will proceed as expected. There can be no assurance that the Company will be able to confirm the presence of mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties.*

*Argosy confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Argosy 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.*

### **Competent Person's Statement – Rincon Lithium Project**

*Chemical Engineer's Statement: The information in this announcement that relates to lithium carbonate processing is based on information compiled and/or reviewed by Mr Pablo Alurralde. Mr Alurralde is a chemical engineer with a degree in Chemical Engineering from Salta National University in Argentina. Mr Alurralde has sufficient experience which is relevant to the lithium carbonate and lithium hydroxide processing and testing undertaken to evaluate the data presented.*

### **Tonopah Lithium Project**

Subsequent to the current reporting period, the Company announced it had executed a Sale Agreement for the acquisition of 100% of the tenements comprising the Tonopah Lithium Project (TLP), located in Nevada, USA.

TLP provides a relatively very cheap and low-risk opportunity to take an early stage lithium brine project and apply the Argosy strategy – as demonstrated at our Rincon Lithium Project, to similarly advance TLP. The project is located in one of the world's most favourable and stable mining jurisdictions and home to the USA's burgeoning electric vehicle industry, with well-developed infrastructure and a skilled local workforce.



## DIRECTORS' REPORT



**Argosy Minerals Limited – Tonopah Lithium Project Location Map (relative to Silver Peak Lithium Mine)**

The Project has the following key characteristics:

- ✦ The Project is located within the Big Smokey Valley region in Nevada, USA, and comprises 425 claims covering an area of ~34.25km<sup>2</sup>.
- ✦ The Project is directly analogous to the neighbouring Silver Peak Lithium Mine deposit model, both geologically and structurally.
- ✦ SRK completed a technical review of the Project and provided positive validation of the lithium brine resource potential.
- ✦ Geophysical survey data available over the Project area, identifying lithium brine targets areas.
- ✦ The lithium brine deposit model has the following key geological features:
  - Closed basin structures, with lithium bearing host rocks in an area of high evaporation;
  - Basin fill that includes clay, sand and ash horizons that can act as traps and lithium-brine reservoirs;
  - Expected presence of key stratigraphic marker horizons, including the Bishop Tuff, which is the key lithium brine-hosting horizon at Silver Peak Mine;
  - Known active and paleo geothermal activity and recent faulting;
  - Anomalous lithium in the surface sediments and near-surface waters;
  - Little to no drilling has penetrated the key buried, paleo brine targets; and
  - The commercial viability of the in-situ lithium mineralisation is established by continuous production at the Silver Peak Mine.
- ✦ There is considerable data on the geology, hydrology and structural controls on the mineralisation of the Silver Peak Mine, as a result of its long history.
- ✦ High quality regional and site infrastructure will facilitate project development. The Project is within a 40 minute drive from the regional mining centre of Tonopah - located 336km from Las Vegas and 380km from Reno, Nevada.

## **DIRECTORS' REPORT**

### **Events after Reporting Date**

On 5 July 2019, the Company announced the commencement of lithium carbonate production operations from the Company's industrial scale pilot plant at the Rincon Lithium Project, to supply high-value LCE Product into the executed Sales Agreement.

On 14 August 2019, the Company announced it had executed a Sale Agreement with LCME Holdings Inc. (a subsidiary of Lithium Consolidated Ltd – ASX:Li3), Big Smokey Exploration LLC, ProspectOre LLC and ProspectOre Inc. for the acquisition of 100% of the tenements comprising the Tonopah Lithium Project, located in Nevada, USA. The acquisition was completed on 11 September 2019.

On 23 August 2019, the Company announced it had executed an Offtake Heads of Agreement with Mitsubishi Corporation RtM Japan Ltd.

Other than the above, no matters or circumstances have arisen since the end of the half-year 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.

### **Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required by section 307C of the Corporations Act 2001 is set out immediately after this Directors' Report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



**Jerko Zuvela**  
**Managing Director**  
Perth, Western Australia

14 September 2019

**RSM Australia Partners**

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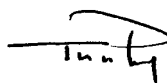
**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Argosy Minerals Limited for the half-year ended 30 June 2019, 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.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 14 September 2019



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

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Argosy Minerals Limited, which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

*Directors' Responsibility for the Half-Year 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*

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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 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 Argosy 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.

**THE POWER OF BEING UNDERSTOOD**  
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### *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*, which has been given to the directors of Argosy Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

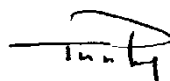
### *Conclusion*

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 Argosy Minerals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 14 September 2019

## DIRECTORS' DECLARATION

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, *Australian Accounting Standard AASB 134 'Interim Financial Reporting'*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



**Jerko Zuvela**  
**Managing Director**  
Perth, Western Australia

14 September 2019

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 JUNE 2019

	Note	Consolidated	
		30 June 2019	30 June 2018
		\$	\$
Other income	4	35,896	76,857
Accounting and corporate secretarial		(60,000)	(62,500)
ASX/ASIC fees		(36,057)	(26,842)
AGM/GM fees		(18,227)	(19,575)
Audit fees		(13,000)	(17,500)
Bank charges		(3,150)	(3,537)
Depreciation		(21,144)	(379)
Directors' fees		(195,675)	(180,675)
Exploration and project assessments		(134,236)	-
Finance costs		(10,343)	-
Office costs and rental expenses		(27,657)	(16,452)
Professional fees		(149,218)	(149,775)
Share registry costs		(6,130)	(10,699)
Share based payments		(171,889)	-
Foreign exchange gain		164,227	121,054
Other expenses		(44,907)	(156,208)
Share of loss of joint venture accounted for using the equity method	9	(631,110)	(1,222,741)
<b>Loss before income tax</b>		<b>(1,322,620)</b>	<b>(1,668,972)</b>
Income tax expense		-	-
<b>Loss attributable to Owners of Argosy Minerals Limited</b>		<b>(1,322,620)</b>	<b>(1,668,972)</b>
<b>Other comprehensive income for the half-year</b>			
<i>Items that may be reclassified subsequently to profit and loss</i>			
Foreign currency translation	9	1,467,935	(1,077,850)
<b>Total comprehensive gain/(loss) for the half-year attributable to owners of Argosy Minerals Limited</b>		<b>145,315</b>	<b>(2,746,822)</b>
<b>Loss per share for loss attributable to ordinary equity holders of the Group:</b>			
Basic and diluted loss per share (cents per share)	11	(0.14)	(0.18)

The above consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes of the Financial Statements.



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	Consolidated	
		30 June 2019	31 December 2018
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents		7,624,951	2,714,213
Trade and other receivables		68,606	34,372
Other assets		4,260	4,260
<b>Total current assets</b>		<b>7,697,817</b>	<b>2,752,845</b>
<b>Non-current assets</b>			
Plant and equipment		3,247	3,950
Right-of-use assets		128,458	148,898
Exploration and evaluation		1,536,786	1,353,800
Advance to Puna Mining S.A.		6,314,484	3,741,981
Investment accounted for using the equity method - Puna Mining S.A.	9	11,436,532	10,599,707
<b>Total non-current assets</b>		<b>19,419,507</b>	<b>15,848,336</b>
<b>Total assets</b>		<b>27,117,324</b>	<b>18,601,181</b>
<b>Current liabilities</b>			
Trade and other payables		88,661	344,530
Lease liabilities		37,685	34,460
<b>Total current liabilities</b>		<b>126,346</b>	<b>378,990</b>
<b>Non-current liabilities</b>			
Lease liabilities		105,313	124,954
<b>Total non-current liabilities</b>		<b>105,313</b>	<b>124,954</b>
<b>Total liabilities</b>		<b>231,659</b>	<b>503,944</b>
<b>Net assets</b>		<b>26,885,665</b>	<b>18,097,237</b>
<b>Equity</b>			
Contributed equity	5	88,654,018	80,461,794
Reserves		5,644,185	3,725,361
Accumulated losses		(67,412,538)	(66,089,918)
<b>Total equity</b>		<b>26,885,665</b>	<b>18,097,237</b>

The above consolidated Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 30 JUNE 2019

	Consolidated				
	Share Capital Ordinary \$	Share Based Payment and Options Reserve \$	Foreign Currency Reserve \$	Accumulated Losses \$	Total \$
<b>Balance at 1 January 2018</b>	<b>77,093,353</b>	<b>7,159,996</b>	-	<b>(63,547,413)</b>	<b>20,705,936</b>
Loss for the half-year	-	-	-	(1,668,972)	(1,668,972)
Other comprehensive income	-	-	(1,077,850)	-	(1,077,850)
<b>Total comprehensive loss for the half-year</b>	-	-	(1,077,850)	(1,668,972)	(2,746,822)
<b>Transactions with owners in their capacity as owners</b>					
Share issue – January 2018	900,000	-	-	-	900,000
Share issue – January 2018	130,000	(130,000)	-	-	-
Share issue costs	(10,645)	-	-	-	(10,645)
<b>Total contributions by owners</b>	<b>1,019,355</b>	<b>(130,000)</b>	-	-	<b>889,355</b>
<b>Balance as at 30 June 2018</b>	<b>78,112,708</b>	<b>7,029,996</b>	<b>(1,077,850)</b>	<b>(65,216,385)</b>	<b>18,848,469</b>
<b>Balance at 1 January 2019</b>	<b>80,461,794</b>	<b>4,675,094</b>	<b>(949,733)</b>	<b>(66,089,918)</b>	<b>18,097,237</b>
Loss for the half-year	-	-	-	(1,322,620)	(1,322,620)
Other comprehensive income	-	-	1,467,935	-	1,467,935
<b>Total comprehensive loss for the half-year</b>	-	-	1,467,935	(1,322,620)	145,315
<b>Transactions with owners in their capacity as owners</b>					
Share issue – April 2019	9,100,557	-	-	-	9,100,557
Share issue costs	(908,333)	-	-	-	(908,333)
Share based payments	-	450,889	-	-	450,889
<b>Total contributions by owners</b>	<b>8,192,224</b>	<b>450,889</b>	-	-	<b>8,643,113</b>
<b>Balance as at 30 June 2019</b>	<b>88,654,018</b>	<b>5,125,983</b>	<b>518,202</b>	<b>(67,412,538)</b>	<b>26,885,665</b>

The above consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 30 JUNE 2019

	Consolidated	
	30 June 2019	30 June 2018
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(997,546)	(638,725)
Payments for exploration and development expenditure	(190,754)	(680,770)
Interest received	14,139	76,857
Other receipts	21,757	-
<b>Net cash used in operating activities</b>	<b>(1,152,404)</b>	<b>(1,242,638)</b>
<b>Cash flows from investing activities</b>		
Advance to Puna Mining S.A.	(2,425,390)	-
Investment in Puna Mining S.A.	-	(7,696,155)
<b>Net cash used in investing activities</b>	<b>(2,425,390)</b>	<b>(7,696,155)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares	9,100,557	900,000
Transaction costs relating to issue of shares	(629,333)	(10,645)
<b>Net cash from financing activities</b>	<b>8,471,223</b>	<b>889,355</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>4,893,430</b>	<b>(8,049,438)</b>
Effect of foreign exchange on cash and cash equivalents	17,308	185,611
Cash and cash equivalents at the beginning of the financial half-year	2,714,213	15,200,589
<b>Cash and cash equivalents at the end of the financial half-year</b>	<b>7,624,951</b>	<b>7,336,762</b>

The above consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2019

### 1. Basis of Preparation

The financial report consists of consolidated financial statements for Argosy Minerals Limited and its subsidiaries (the 'Group').

These general purpose financial statements for the interim half-year reporting period ended 30 June 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2018 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

#### *New or amended Accounting Standards and Interpretations adopted*

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

It has been determined by the Group that there was no impact, material or otherwise, of the new or amended Accounting Standards and Interpretations on its business and, therefore, no change was necessary to Group accounting policies.

### 2. Segment Information

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The entity does not have any operating segments with discrete financial information. The Group does not have any customers, and all the Group's assets and liabilities, as included in the Statement of Financial Position, are located within Australia and Argentina.

The Board of Directors review internal management reports on a monthly basis that is consistent with the information provided in the statement of comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required because the information as presented in the face of the financial statements is what is used by the Board to make strategic decisions.

### 3. Dividends

No dividend has been paid or is proposed in respect of the half-year ended 30 June 2019 (2018: None).

### 4. Other Income

Other income for the half-year includes the following items, which are significant because of their nature, size or incidence:

	<b>Consolidated</b>	
	<b>30 June 2019</b>	<b>30 June 2018</b>
	\$	\$
<b>Other Income</b>		
Interest	14,139	76,857
Other income	21,757	-
<b>Total other income</b>	<b>35,896</b>	<b>76,857</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2019

### 5. Contributed Equity

Movements in share capital during the current and prior half-years are as follows:

	Date	Number of Securities	Issue Price	\$
<b>Period ended 30 June 2018</b>				
Balance at 1 January 2018		<b>893,496,575</b>		<b>77,093,353</b>
Shares issued during the half-year	25 January 2018	20,000,000	\$0.045	900,000
	25 January 2018	5,000,000	\$0.026	130,000
Share Issue costs				(10,645)
Balance at 30 June 2018		<b>918,496,575</b>		<b>78,112,708</b>
<b>Period ended 30 June 2019</b>				
Balance at 1 January 2019		<b>923,496,575</b>		<b>80,461,794</b>
Shares issued during the half-year	4 April 2019	91,005,566	\$0.100	9,100,557
Share Issue costs				(908,333)
Balance at 30 June 2019		<b>1,014,502,141</b>		<b>88,654,018</b>

### 6. Options and Share Appreciation Rights

During the half-year, the following options and share appreciation rights were also issued:

Class	Grant date	Quantity	Exercise price	Expiry date	Terms
Share appreciation rights	28 Feb 2019	5,000,000	\$0.22	28 Feb 2022	1
Unlisted options	28 Mar 2019	1,000,000	\$0.1104	10 Oct 2020	2
Listed options	4 Apr 2019	39,334,670	\$0.20	31 Mar 2022	3

<sup>1</sup> 5,000,000 share appreciation rights were issued under the Company's Employee Equity Incentive Plan and have the following vesting conditions:

Tranche 1: 1,500,000 vested immediately upon issue

Tranche 2: Subject to the consultant remaining engaged on vesting date:

- 1,500,000 to vest upon the Company securing funding for the construction of a processing plant with capacity of 2,000tpa LCE product
- 2,000,000 to vest upon the Company securing funding for the development of a commercial scale stage (being an operation of 10,000tpa LCE product)

<sup>2</sup> 1,000,000 options were issued to a consultant for providing advisory services for the Mitsubishi RtM sales agreement.

<sup>3</sup> 30,334,670 were issued as free attaching options at 1 option for every 3 shares issued under the Rights Issue completed on 4 April 2019. The remaining 9,000,000 options were issued to Consultants under the terms of the Underwriting Agreement.

### 7. Commitments

There have been no material changes to the Group's capital or other expenditure commitments since 31 December 2018.

### 8. Contingencies

There are no material contingent liabilities or contingent assets of the Group at the reporting date.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2019

### 9. Joint Venture accounted for using the Equity Method

In the prior period, Argosy obtained a 77.5% interest in Puna Mining S.A. - the entity that owns the Rincon Lithium Project located in the "Lithium Triangle" in Salta Province, Argentina.

The Company has joint control over this investment, which as a joint venture is accounted for using the equity method.

The carrying amount of equity-accounted investments has changed as follows in the six months to June 2019:

Name	Reporting entity's percentage holdings	
	30 June 2019	31 December 2018
Puna Mining S.A.	77.5 %	77.5%
	<b>Consolidated</b>	
	\$	
	<b>For the Half-Year Ended 30 June 2019</b>	
	\$	
Opening balance		10,599,707
Share of losses of joint venture		(631,110)
Foreign exchange translation differences		1,467,935
<b>Closing balance</b>		<b>11,436,532</b>

The Company has the right to ultimately earn a 90% interest in Puna Mining S.A, subject to terms and conditions outlined in the Second Earn-In Joint Venture Agreement.

### 10. Events after Reporting Date

On 5 July 2019, the Company announced the commencement of lithium carbonate production operations from the Company's industrial scale pilot plant at the Rincon Lithium Project, to supply high-value LCE Product into the executed Sales Agreement.

On 14 August 2019, the Company announced it had executed a Sale Agreement with LCME Holdings Inc. (a subsidiary of Lithium Consolidated Ltd – ASX:Li3), Big Smokey Exploration LLC, ProspectOre LLC and ProspectOre Inc. for the acquisition of 100% of the tenements comprising the Tonopah Lithium Project, located in Nevada, USA. The acquisition was completed on 11 September 2019.

On 23 August 2019, the Company announced it had executed an Offtake Heads of Agreement with Mitsubishi Corporation RtM Japan Ltd.

Other than the above, no matters or circumstances have arisen since the end of the half-year 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2019**

**11. Earnings Per Share**

	<b>30 Jun 2019</b>	<b>30 Jun 2018</b>
	<b>\$</b>	<b>\$</b>
<i>Earnings per share for loss</i>		
Loss after income tax	<u>(1,322,620)</u>	<u>(1,668,972)</u>
Loss after income tax attributable to the owners of Argosy Minerals Limited	<u><u>(1,322,620)</u></u>	<u><u>(1,668,972)</u></u>
	<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings per share	(0.14)	(0.18)
	<b>Number</b>	<b>Number</b>
<i>Weighted average number of ordinary shares</i>		
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	967,239,582	915,053,952