

Argosy Minerals Inc.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Quarter Ended September 30, 2010

(expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management.

The Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

ARGOSY MINERALS INC

(An Exploration Stage Corporation)

CONSOLIDATED BALANCE SHEETS

(Unaudited, Prepared by Management)

As at September 30, 2010 and December 31, 2009

(Expressed in Canadian Dollars)

| | September 30, 2010 | (Audited) December 31, 2009 |
|--|---------------------|--------------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 802,892 | \$ 1,500,935 |
| Accounts receivable and prepaids | 18,848 | 14,388 |
| | <u>821,740</u> | <u>1,515,323</u> |
| Office equipment and furniture | 7,560 | 5,373 |
| | <u>\$ 829,300</u> | <u>\$ 1,520,696</u> |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities | \$ 37,244 | \$ 42,601 |
| SHAREHOLDERS' EQUITY | | |
| Capital Stock | | |
| Authorised - unlimited | | |
| Issued - 99,919,105 common shares (2008: 99,919,105) | 46,991,751 | 46,991,751 |
| Contributed Surplus | 3,013,073 | 3,013,073 |
| Deficit | <u>(49,212,768)</u> | <u>\$ (48,526,729)</u> |
| | <u>792,056</u> | <u>1,478,095</u> |
| | <u>\$ 829,300</u> | <u>\$ 1,520,696</u> |

The accompanying notes are an integral part of these consolidated financial statements.

ARGOSY MINERALS INC

(An Exploration Stage Corporation)

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

(Unaudited, Prepared by Management)

For the Three and Nine Months ended September 30, 2010 and 2009

| | 3 Months ended September 30 | | 9 Months ended September 30 | |
|-------------------------------------|-----------------------------|-----------------|-----------------------------|-----------------|
| | 2010 | 2009 | 2010 | 2009 |
| Income: | | | | |
| Interest income and other | \$ 7,021 | \$ 10,349 | \$ 24,812 | \$ 34,439 |
| | \$ 7,021 | \$ 10,349 | \$ 24,812 | \$ 34,439 |
| Expenses: | | | | |
| Accounting and audit | 3,476 | 5,459 | 18,932 | 16,016 |
| Arbitration expenditures | - | (5,299) | - | 22,207 |
| Bank charges | 1,297 | 342 | 2,403 | 1,066 |
| Depreciation | 1,191 | 1,051 | 3,434 | 3,153 |
| Directors' fees | 16,452 | 15,953 | 48,770 | 45,880 |
| Foreign exchange loss/(gain) | (75,437) | (12,822) | (32,796) | (142,694) |
| Insurance | 14 | - | 2,371 | 772 |
| Legal | 1,787 | - | 10,283 | 4,343 |
| Management and consulting fees | 85,321 | 80,906 | 256,089 | 242,858 |
| Office | 908 | 1,827 | 11,014 | 5,315 |
| Project assessment | Note 2 | 130,642 | - | 185,494 |
| Rent | 20,542 | 5,445 | 43,276 | 20,469 |
| Salaries and benefits | 28,391 | 29,420 | 87,705 | 84,576 |
| Shareholder communications | 631 | 1,208 | 35,636 | 24,375 |
| Telecommunications | 1,017 | 1,532 | 5,599 | 3,808 |
| Transfer agent and stock exchange | 1,379 | 17,760 | 32,641 | 36,681 |
| Travel | - | 141 | - | 6,552 |
| | \$ 217,611 | \$ 142,923 | \$ 710,851 | \$ 375,377 |
| Loss for the period | \$ (210,590) | \$ (132,574) | \$ (686,039) | \$ (340,938) |
| Deficit, beginning of period | \$ (49,002,178) | \$ (48,234,749) | \$ (48,526,729) | \$ (48,026,385) |
| Deficit, end of period | \$ (49,212,768) | \$ (48,367,323) | \$ (49,212,768) | \$ (48,367,323) |
| Basic & Diluted Loss per | | | | |
| Common Share | (\$0.002) | (\$0.001) | (\$0.007) | (\$0.003) |
| Weighted Average Number of | | | | |
| Common Shares Outstanding | 99,919,105 | 99,919,105 | 99,919,105 | 99,919,105 |

The accompanying notes are an integral part of these consolidated financial statements.

ARGOSY MINERALS INC
(An Exploration Stage Corporation)

CONSOLIDATED CASH FLOW STATEMENTS

(Unaudited - Prepared by Management)

For the Three and Nine Months ended September 30, 2010 and 2009

| | 3 Months Ended Sept. 30 | | 9 Months Ended Sept.30 | |
|--|-------------------------|---------------------|------------------------|---------------------|
| Cash Provided From (Used For): | 2010 | 2009 | 2010 | 2009 |
| Operating Activities | | | | |
| Loss for the period | \$ (210,590) | \$ (132,574) | \$ (686,039) | \$ (340,938) |
| Adjustments for: | | | | |
| Depreciation | 1,191 | 1,051 | 3,434 | 3,153 |
| Foreign exchange (gain) / loss | (75,437) | (12,822) | (32,796) | (142,694) |
| | (284,836) | (144,345) | (715,401) | (480,479) |
| Changes in Non-cash working capital | | | | |
| Decrease/(increase) in accounts receivable & prepaids | (6,689) | 2,570 | (4,460) | 10,714 |
| Increase / (decrease) in accounts payable & accrued liabilities | (11,729) | (9,395) | (5,357) | (70,491) |
| Cash Flows from Operating Activities | (303,254) | (151,170) | (725,218) | (540,256) |
| Cash Flows from Investing Activities | | | | |
| Acquisition of Equipment | - | - | (5,621) | - |
| | - | - | (5,621) | - |
| Cash Flows from Financing Activities | | | | |
| | - | - | - | - |
| Foreign Exchange Gain/(Loss) on Cash held in Foreign Currency | 75,437 | 12,822 | 32,796 | 142,694 |
| Decrease in Cash & Cash Equivalents | (227,817) | (138,348) | (698,043) | (397,562) |
| Cash & Cash Equivalents at Beginning of Period | 1,030,709 | 1,831,936 | 1,500,935 | 2,091,150 |
| Cash & Cash Equivalents at End of Period | \$ 802,892 | \$ 1,693,588 | \$ 802,892 | \$ 1,693,588 |
| Cash Paid during the Period for Interest | \$ - | \$ - | \$ - | \$ - |
| Cash Paid during the Period for Taxes | \$ - | \$ - | \$ - | \$ - |

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - Prepared by Management)

For the Three Months ended September 30, 2010

1. *Basis of Preparation*

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and, except where noted, follow the same accounting policies and methods of their application as the most recent annual financial statements of the Corporation dated December 31, 2009 and should be read in conjunction with those statements. These notes do not include all of the information and disclosures required by GAAP for annual financial statements. In the opinion of the Corporation, these unaudited interim financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim period presented.

2. *New Accounting Developments*

(i) Goodwill and intangible assets, Section 3064

The CICA issued the new Handbook Section 3064, "Goodwill and Intangible Assets", which replaces Section 3062, "Goodwill and Other Intangible Assets". The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of preproduction and start-up costs and requires that these costs be expensed as incurred. The new standard applies to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. This new accounting standard has not had any effect on the Corporation's consolidated financial statements.

(ii) International financial reporting standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement, for comparative purposes, of amounts reported by the Corporation for the year ended December 31, 2010. While the Corporation has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

(iii) Mining Exploration Costs

In March 2009, the CICA issued EIC 174 "Mining Exploration Costs". This EIC provides guidance on accounting for and impairment of exploration costs. The Corporation adopted this EIC effective January 1, 2009. As the Corporation's policy is to expense early stage exploration expenditures, application of this EIC does not have an impact on the financial statements.

3. *Significant Accounting Policies*

Principles of Consolidation

The consolidated financial statements include the accounts of the Corporation and its wholly owned subsidiaries after elimination of inter-company accounts and transactions:

| Company Name | Country |
|-------------------------------------|--------------|
| Argosy Mining Corporation Pty. Ltd. | South Africa |
| Andover Resources N.L. ("Andover") | Australia |
| Argosy Energy Zambia Ltd | Zambia |

4. *Capital Stock, Contributed Surplus and Stock Based Compensation*

The Corporation is authorised to issue an unlimited number of common shares without par value.

Issued

| | Number of Shares | Amount |
|---|---------------------|-------------------|
| Total issued - September 30, 2010 and December 31, 2009 | <u>99,919,105</u> | <u>46,991,751</u> |

Contributed Surplus

Balance – September 30, 2010 and December 31, 2009 - \$3,013,073

Stock Options

The Corporation grants stock options to employees as determined by the Corporation's Board of Directors. Stock options granted to the directors of the Corporation are granted subject to approval of the Corporation's shareholders.

The status of stock options granted to employees and directors at September 30, 2010 and December 31, 2009 and the changes during the periods ended on those dates is presented below:

| | Sept 30, 2010 | | December 31, 2009 | |
|--|----------------------|---------------------------------------|--------------------------|---------------------------------------|
| | Number of Options | Weighted Average Exercise Price | Number of Options | Weighted Average Exercise Price |
| Options outstanding and exercisable - Beginning of Year | 14,350,000 | \$0.25 | 14,350,000 | \$0.25 |
| Options outstanding and exercisable - End of period | <u>14,350,000</u> | <u>\$0.25</u> | <u>14,350,000</u> | <u>\$0.25</u> |

Options Outstanding

| <u>Number</u> | <u>Exercise Price</u> | <u>Remaining Life</u> |
|---------------|-----------------------|-----------------------|
| 5,100,000 | A\$0.10 (\$0.09) | 1 years |
| 2,750,000 | A\$0.50 (\$0.47) | 2 years |
| 6,500,000 | A\$0.35 (\$0.33) | 3 years |

5. *Management of Capital*

The Corporation's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the acquisition and potential development of mineral properties and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk.

In the management of capital, the Corporation includes the components of shareholders' equity as well as cash and cash equivalents.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Corporation may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Corporation prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

In order to maximize ongoing development efforts, the Corporation does not pay out dividends.

The Corporation's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with initial maturity terms of 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Corporation expects that its current capital resources will be sufficient to carry out its exploration plans and operations through its current operating period.

6. *Financial Instruments*

a) *Fair Value*

The fair value of financial instruments at September 30, 2010 and December 31, 2009 is summarized as follows:

| | September 30, 2010 | | December 31, 2009 | |
|--|--------------------|------------|-------------------|--------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial Assets | | | | |
| <i>Held for trading</i> | | | | |
| Cash and cash equivalents | \$ 802,892 | \$ 802,892 | \$ 1,500,935 | \$ 1,500,935 |
| Accounts receivable | 18,848 | 18,848 | 14,388 | 14,388 |
| Financial Liabilities | | | | |
| Accounts payable and accrued liabilities | \$ 37,244 | \$ 37,244 | \$ 42,601 | \$ 42,601 |

Fair value estimates are made at the balance sheet date, based on relevant market information and other information about the financial instruments.

b) *Financial Risk Management*

The Corporation's activities potentially expose it to a variety of financial risks, including credit risk, foreign exchange risk (currency), liquidity and interest rate risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Corporation to credit risk consist of cash and cash equivalents and accounts receivable. The Corporation deposits the majority of its cash and cash equivalents with high credit quality financial institutions in Canada and Australia.

Currency risk

The Corporation operates in a number of countries, including Canada and Australia and is therefore exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

The Corporation's cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are held in several currencies (mainly Canadian and Australian dollars) and are therefore subject to fluctuation against Canadian dollar.

The Corporation had the following balances in foreign currency as at September 30, 2010:

| | Australian Dollar |
|--|----------------------|
| Cash and cash equivalents | \$ 765,712 |
| Accounts receivable | 17,793 |
| Accounts payable and accrued liabilities | (23,355) |
| Net balance | \$ 760,150 |
| Equivalent in Canadian dollars | \$ 754,753 |

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Corporation manages liquidity by maintaining adequate cash and cash equivalent balances.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term maturity.

7. Related Party Transactions

During the quarter ended September 30, 2010, \$100,546 was paid or accrued to four directors of the Corporation, or to companies controlled by them, for director's fees, management consulting services and project management and assessment services.

In addition, \$16,964 was paid or accrued to an Australian company and \$11,178 to a Canadian company, each controlled by a director of the Corporation, for the provision of office facilities and personnel in Australia and personnel in Canada respectively. These services are reimbursed at cost, which approximate fair value.

At September 30, 2010, management and consulting fees, directors' fees and amounts due for the provision of office facilities and personnel amounted to \$15,772. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Fees paid to each non-executive director do not exceed Australian \$30,000 per annum except for fees paid to the Chairman which are set at Australian \$40,000 per year.

ARGOSY MINERALS INC.

(the “Corporation”)

Management Discussion and Analysis

Quarter Ended September 30, 2010

November 14, 2010

The selected consolidated financial information set out below and certain comments which follow are based on, and derived from, the consolidated financial statements of the Corporation, and should be read in conjunction with them. The Management Discussion and Analysis has been prepared as at November 14, 2010.

Description of Business

Since incorporation the Corporation has been exclusively a natural resource Corporation engaged in exploration for precious metals, base metals and diamonds. At this stage of its development, the Corporation has no producing properties and, consequently, has no current operating income or cash flow. The Corporation is a reporting issuer in British Columbia, Alberta and Ontario and trades on the Australian Stock Exchange under the symbol AGY.

Outlook

New Projects

The Corporation continues to seek additional projects through which shareholder value may be enhanced and has focused on precious metals. In particular the Corporation is pursuing projects that have the potential for early cash flow and has reviewed a number of precious metals, base metals and energy related projects located in Africa. Expenditure on these evaluations has been kept to a minimum as most of the work has been completed in house; however expenditure has increased in the current quarter as this evaluation work required site visits. The evaluation of projects in Africa is ongoing and consequently expenditures are expected to increase during the next quarter.

Forward Looking Statements

This MD&A contains forward looking statements and information. Forward looking statements can in certain instances be identified by the words “plans”, “expects” “believes” Such forward looking statements are based on the Corporation’s plans and expectations and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any performance or achievement expressed or implied by such forward looking statement. *See Risk Factors below.*

Risk Factors

The exploration and development of mineral deposits involves significant financial risks. The success of the Corporation will be influenced by a number of factors including the availability of suitable projects and its ability to secure such projects on acceptable terms, financing, exploration and extraction risks, political uncertainty and regulatory issues, environmental and other regulations.

In addition, the Corporation will periodically have to raise additional funds to continue operations from the sale of equity or the sale of some or all of its projects and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Small companies like Argosy have been severely negatively impacted by the decline in commodity prices and the ongoing global economic crisis. The ability of small companies to raise funding to advance mineral projects has been reduced significantly and in some cases is not available at all. Should the Corporation be successful in finding suitable new projects it would need to raise additional funds to advance those projects and such funding may not be available when required.

Additional risk factors relating to the Corporation's activities are discussed in detail in its Annual Information and 20F filings. These filings may be reviewed at www.sedar.com.

Overall Performance

September 30, 2010 and June 30, 2010

The Corporation incurred a loss of approximately \$211,000 for the quarter ended September 30, 2010 compared to a loss of \$306,000 for the quarter ended June 30, 2010. The decreased loss is mostly due to an increased foreign exchange gain of approximately \$75,000 compared to a loss of approximately \$26,000 in the second quarter; decreased shareholder communication costs and transfer agent and stock exchange fees of approximately \$34,000 and \$25,000 respectively in the June quarter. The foreign exchange gain arose due to the Australian dollar strengthening further during the quarter and the Corporation holding substantial balances in Australian dollars; shareholder communication expenditures which were high in the second quarter due to expenditures relating to the Corporation's annual general meeting; stock exchange and transfer agent fees were lower due to annual fees being paid in the second quarter.

During the quarter ended September 30, 2010 cash required for operating activities amounted to approximately \$303,000, an increase of approximately \$43,000 over the \$260,000 required for the quarter ended June 30, 2010.

Results of Operations

Third Quarter 2010 to Third Quarter 2009

The Corporation incurred a loss of approximately \$210,600 for the quarter ended September 30, 2010 compared to a loss of \$132,600 for the quarter ended September 30, 2009.

The increased loss in the quarter ended September 30, 2010 is mainly due to increased project assessment expenditures offset by a foreign exchange gain of \$75,000 due to the Australian dollar continuing to strengthen against the Canadian dollar.

Summary of Quarterly Results

| Year 3 months ended | 2010 | | | 2009 | | | | 2008 |
|--|------------|---------|--------|--------|---------|---------|--------|--------|
| | Sept 30 | June 30 | Mar 31 | Dec 31 | Sept 30 | June 30 | Mar 31 | Dec 31 |
| Interest Income | 7 | 9 | 9 | 11 | 10 | 11 | 13 | 17 |
| Foreign Exchange Gain / (Loss) | 75 | (26) | (17) | (7) | 13 | 104 | 26 | 21 |
| Total Income | 82 | (17) | (8) | 4 | 23 | 115 | 39 | 39 |
| Administration Expenditures | (162) | (234) | (169) | (169) | (156) | (207) | (155) | (197) |
| Project Assessment, net of Recoveries | (131) | (54) | (1) | 4 | - | - | - | (16) |
| Loss | (211) | (305) | (170) | (159) | (133) | (92) | (116) | (176) |
| Basic and Diluted Loss per Common Share of Dollars/Share | (.002) | (.003) | (.002) | (.002) | (.001) | (.001) | (.001) | (.003) |
| Weighted Average Number of Common Shares (000's) | ← 99,919 → | | | | | | | |

Other Quarterly Results

Project assessment expenditures in 2009 were less than 2008 expenditures as the Corporation terminated its interests in the Sudbury projects in November 2007. Project assessment expenditures in 2010 have increased

as the Corporation has intensified its review of new opportunities and future expenditures will depend on the success of securing such opportunities.

The fluctuation in income over the past eight quarters is mainly due to the foreign exchange gains and losses as a result of the fluctuating rate of exchange between the Australian and Canadian dollar and the Corporation holding a substantial portion of its cash balances in Australian dollars. Interest income has declined in recent quarters as cash balances have declined and the rate of interest payable on those balances have also declined in line with declining rates of interest due to the ongoing global credit crisis.

Administrative expenses are expected to increase later in 2010 should the Corporation be successful in securing new opportunities.

Liquidity and Capital Resources

The Corporation's cash deposits at September 30, 2010 totaled approximately \$803,000 compared to \$1,030,000 at June 30, 2010. The Corporation continues to utilize its cash resources to fund project assessment activities and administrative requirements. Aside from such cash the Corporation has no material unused sources of liquid assets. As the Corporation does not have a source of income, cash balances will continue to decline as the Corporation utilizes these funds to conduct its operations.

The Corporation does not have any loans or bank debt and there are no restrictions on the use of its cash resources.

With cash balances of approximately \$0.8 million and current planned expenditures of approximately \$0.75 million, the Corporation will be required to reduce expenditures or raise additional cash in the future. In addition, should the Corporation acquire new projects or increase its expenditure it will also be required to raise additional financing. Although the Corporation has been successful in raising the necessary finance in the past there can be no assurance that such funds will be available to the Corporation in the future.

Commitments and Property Option Payments

The Corporation has no current property option or expenditure commitments.

Related Party Transactions

During the quarter ended September 30, 2010, \$100,546 was paid or accrued to four directors of the Corporation, or to companies controlled by them, for director's fees, management consulting services and project management and assessment services.

In addition \$16,964 was paid or accrued to an Australian company and \$11,178 to a Canadian company, each controlled by a director of the Corporation for the provision of personnel in Australia and in Canada respectively. These services are reimbursed at cost, which approximate fair value.

At September 30, 2010, management and consulting fees, directors' fees and amounts due for the provision of personnel and office facilities amounted to \$15,772. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Fees paid to each non-executive director do not exceed Australian \$30,000 per annum except for fees paid to the Chairman which are set at Australian \$40,000 per year.

Proposed Transactions

The Corporation is currently evaluating new opportunities. Should it enter into agreements over any of these opportunities it may be required to make cash payments and complete work expenditure commitments.

Critical Accounting Estimates

The detailed accounting policies are discussed in the Corporation's annual financial statements however, the following accounting policies require the application of management's judgment:

- (a) *Mineral property valuations* – Management uses its best estimate for recording any mineral property value based on the results of any exploration conducted, prevailing market conditions, similar transactions and factors such as stability of the country in which the asset may be located.
- (b) *Contingent Liabilities* – Management evaluates any claims against the Corporation and provides for those claims, where necessary, based on information available to it, including in some instances, legal advice.
- (c) *Income Tax* – Income taxes are calculated using the liability method of accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the consolidated balance sheet are used to calculate future income tax assets or liabilities. Future income tax assets or liabilities are calculated using the tax rates anticipated to apply in the periods that the temporary differences are expected to reverse. Valuation allowances are established when necessary to reduce future income tax assets arising from loss carry-forwards to amounts expected to be realized.

International Financial Reporting Standards (“IFRS”) – Transition Update

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five-year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. The changeover date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Corporation’s transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Corporation for the fiscal year commencing January 1, 2010.

The Corporation is investigating the need to engage an accounting firm to assist and provide project management advice with the implementation process to transition from current Canadian GAAP to IFRS. The transition process consists of three primary phases: scoping and diagnostic phase; impact analysis, evaluation and design phase; and implementation and review.

- Scoping and diagnostic phase – A preliminary diagnostic review is planned to be completed in concert with an external accounting firm including the determination, at a high level, of the financial reporting differences under IFRS and the key areas that may be impacted. The areas with the highest potential impact have been identified to include the basis of consolidation, impairment, foreign currency translation, income taxes, related party transactions, stock based compensation, financial instruments and initial adoption of IFRS under the provisions of IFRS 1. This phase is expected to be completed December 31, 2010.
- Impact analysis, evaluation and design phase – In this phase, each area identified from the scoping and diagnostic phase is being addressed in order of descending priority. This phase involves specification of changes required to existing accounting policies, information systems and business processes, together with an analysis of policy alternatives allowed under IFRS and development of draft IFRS financial statement content. The Corporation anticipates that there will be changes in accounting policies and that these changes may materially impact the financial statements. The full impact on future financial reporting is not reasonably determinable or estimable at this time. The Corporation plans to complete this phase together with an initial draft of the IFRS opening balance sheet in early 2011.
- Implementation and review phase – This phase includes execution of any changes to information systems and business processes and completing formal authorization processes to approve recommended accounting policy changes. It will also include the collection of financial information necessary to compile IFRS-compliant financial statements and audit committee approval of IFRS financial statements. The Corporation plans to complete this phase as part of its preparation of the interim financial statements ending March 31, 2011.

IFRS 1, “First-Time Adoption of International Financial Reporting Standards”, provides entities adopting IFRS for the first time with a number of optional exemptions and mandatory exceptions, in certain areas, to the general requirement for full retrospective application of IFRS. The various accounting policy choices available are being assessed and those determined to be most appropriate to the Corporation’s circumstances will be implemented. The Corporation plans to complete this phase during the fourth quarter of 2010.

The potential impact of these areas of difference on the Corporation’s financial reporting is currently being evaluated, and that evaluation is expected to be completed in the fourth quarter of 2010. To date no quantification of the differences has been determined.

The Corporation expects to draft pro forma IFRS compliant March 31, 2011 interim consolidated financial statements during the fourth quarter of 2010 and plans to have its IFRS compliant opening balance sheet as at December 31, 2010 prepared and audited by the end of the first quarter of 2011.

The International Accounting Standard Board currently has projects underway that are expected to result in new pronouncements and as a result, IFRS as at the transition date is expected to differ from its current form. The final impact of IFRS on the Corporation’s financial statements will only be determined once all applicable standards at the conversion date are known.

Interim Controls over Financial Reporting

There have been no changes in the Corporation’s internal control over financial reporting during the **Corporation’s most recent interim period that has materially affected, or is reasonably likely to materially affect**, the issuer’s internal control over financial reporting.

Contingent Liabilities

Management evaluates any claims against the Corporation and provides for those claims, where necessary, based on information available to it, including in some instances, legal advice.

Changes in accounting policies and new accounting developments

(i) Goodwill and intangible assets, Section 3064

The CICA issued the new Handbook Section 3064, “Goodwill and Intangible Assets”, which replaces Section 3062, “Goodwill and Intangible Assets”. The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of preproduction and start-up costs and requires that these costs be expensed as incurred. The new standard applies to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. The adoption of this new accounting standard has not had any material impact on the Corporation’s consolidated financial statements.

(ii) International financial reporting standards (“IFRS”)

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada’s own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement, for comparative purposes, of amounts reported by the Corporation for the year ended December 31, 2010. While the Corporation has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

(iii) Mining Exploration Costs

In March 2009, the CICA issued EIC 174 “Mining Exploration Costs”. This EIC provides guidance on accounting for and impairment of exploration costs. The Corporation adopted this EIC effective January 1, 2009. As the Corporation’s policy is to expense early stage exploration expenditures, application of this EIC does not have an impact on the financial statements.

Financial Instruments and Other Instruments

The Corporation holds certain cash balances in Australian dollars which are subject to exchange rate fluctuations and could give rise to exchange losses.

Other

Capitalization

The Corporation has 99,919,105 shares outstanding at September 30, 2010.

In addition, at September 30, 2010, the Corporation had 5,100,000 director and employee stock options outstanding and exercisable at Australian \$0.10 per share, 2,750,000 director stock options outstanding and exercisable at Australian \$0.50 per share and 6,500,000 director stock options outstanding and exercisable at Australian \$0.35 per share.

Management's Responsibility and Oversight

The disclosures and information contained in this MD&A have been prepared by the management of the Corporation. Management has implemented and maintained a system of controls and procedures to ensure the timeliness and accuracy of information disclosed in the MD&A.

The Corporation's audit committee and Board of Directors review the disclosures made in the MD&A to ensure the integrity thereof.

List of Directors and Officers at Signature and Filing Date

| | |
|-----------------|-------------------------------------|
| *Peter H. Lloyd | President and CEO |
| Cecil R. Bond | Director |
| *John Maloney | Non-executive Director and Chairman |
| *Philip Thick | Non-executive Director |

*Denotes member of audit committee.

Additional information regarding the Corporation is available from its materials filed on Sedar at www.sedar.com.

Form 52-109F2

Certification of interim filings - full certificate

I, **Peter H. Lloyd, Chief Executive Officer of Argosy Minerals Inc.** certify the following:

1. **Review:** I have reviewed the interim financial statements and interim MD&A (together, the “interim filings”) of Argosy Minerals Inc. (the “issuer”) for the interim period ended September 30, 2010.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. **Responsibility:** The issuer’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*, for the issuer.
5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer’s other certifying officer(s) and I have, as at the end of the period covered by the interim filings
 - (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
 - (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
 - (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.
- 5.1 **Control framework:** The control framework the issuer’s other certifying officer(s) and I used to design the issuer’s ICFR is COSO.
- 5.2 N/A
- 5.3 N/A
6. **Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer’s ICFR that occurred during the period beginning on July 1, 2010 and ended on September 30, 2010 that has materially affected, or is reasonably likely to materially affect, the issuer’s ICFR.

Date: **November 14, 2010**


Peter H. Lloyd
Chief Executive Officer


Form 52-109F2

Certification of interim filings - full certificate

I, Cecil R. Bond, Acting as Chief Financial Officer of Argosy Minerals Inc. certify the following:

1. **Review:** I have reviewed the interim financial statements and interim MD&A (together, the “interim filings”) of Argosy Minerals Inc. (the “issuer”) for the interim period ended September 30, 2010.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. **Responsibility:** The issuer’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings, for the issuer.
5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer’s other certifying officer(s) and I have, as at the end of the period covered by the interim filings
 - (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
 - (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
 - (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.
- 5.1 **Control framework:** The control framework the issuer’s other certifying officer(s) and I used to design the issuer’s ICFR is COSO.
- 5.2 N/A
- 5.3 N/A
6. **Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer’s ICFR that occurred during the period beginning on July 1, 2010 and ended on September 30, 2010 that has materially affected, or is reasonably likely to materially affect, the issuer’s ICFR.

Date: November 14, 2010



Cecil R. Bond
Acting Chief Financial Officer