



ARGOSY MINERALS
LIMITED

ABN 27 073 391 189

ANNUAL REPORT
31 DECEMBER 2021

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CORPORATE DIRECTORY

Directors

Mr Alexander Molyneux – Non-Executive Chairman
Mr Jerko Zuvela – Managing Director
Mr Malcolm Randall – Non-Executive Director

Secretary

Ms Andrea Betti

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Auditors

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Solicitors

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Home Exchange

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Home Branch: Perth

ASX Code: AGY

DIRECTORS' REPORT

The directors 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 for the year ended 31 December 2021.

Directors

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

Mr Alexander Molyneux
Mr Jerko Zuvela
Mr Malcolm Randall
Mr Ranko Matic (resigned 3 September 2021)

Principal activities

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

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The net profit for the consolidated entity after providing for income tax amounted to \$2,008,541 (31 December 2020: \$3,084,619 loss).

CORPORATE

On 3 February 2021, the Company converted 333 listed options exercisable at \$0.20 and expiring 31 March 2022 into 333 fully ordinary paid shares.

On 16 February 2021, the Company raised \$30,000,000 before costs following the issue of 230,769,230 fully paid ordinary shares at an issue price of \$0.13.

During 1 November 2021 to 22 December 2021, the Company converted 16,189,236 unlisted options exercisable at \$0.25 and expiring 29 October 2022 into 16,189,236 fully paid ordinary shares, and converted 69,587 listed options exercisable at \$0.20 and expiring 31 March 2022 into 69,587 fully ordinary paid shares.

OPERATIONS

Argosy has a current 77.5% (and ultimately 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 Company also has a 100% interest in the Tonopah Lithium Project in Nevada, USA.

The milestones achieved during the 2021 Financial 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

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

- ✓ \$30 million capital raising completed to fully fund the construction of the 2,000tpa lithium carbonate operation and through to lithium carbonate production and cash-flow generation;
- ✓ 2,000tpa plant designed and being constructed in modular process to accommodate planned expansion toward the 12,000tpa operation;
- ✓ Rincon 2,000tpa Li_2CO_3 operation development – 61% of total construction works complete (at 1 March 2022) and first production of battery quality Li_2CO_3 product targeted from H2-2022;
- ✓ Environmental Impact Assessment approval process in progress – to develop an additional 10,000tpa Li_2CO_3 operation, supplementing the 2,000tpa operation currently in construction;
- ✓ Well advanced in progressing strategic investment for next stage 10,000tpa capex funding solution – with associated 2,000tpa and 10,000tpa off-take arrangements;
- ✓ Renewable solar energy to power Rincon's clean lithium technology with low energy use & raw water consumption for a low emissions / low carbon footprint operation;
- ✓ Sustained validation of the Company's exclusive and proprietary successful environmentally clean and conventional chemical process technology to produce high purity battery quality lithium carbonate product acceptable for high-specification international markets;
- ✓ Delineated a JORC Exploration Target¹ of 262,000 tonnes to 479,000 tonnes of contained Li_2CO_3 from depth interval between 102.5m to 300m below ground level;
- ✓ Current JORC indicated resource supports a 10,000tpa operation for 16.5 years (or 15,000tpa for 11.5 years);
- ✓ Salta government provided their support for the full development of the Rincon Project following meetings with Salta government officials;
- ✓ CSR program initiatives continued at Rincon;

DIRECTORS' REPORT

- ✓ Milestone 20 tonne cargo of high-purity battery quality >99.5% lithium carbonate product from Argosy's industrial scale pilot plant sold and delivered to Korean customer;
- ✓ Conducted exploration works, via geophysical surveying to test lithium brine targets at Tonopah Lithium Project in Nevada, USA; and
- ✓ Lithium carbonate prices increased 432% during 2021 and have already soared 56% in 2022 – very positive lithium market sentiment supporting Argosy's multi-project development and production strategy (as at 27/1/2022).

¹ *An Exploration Target is not a Mineral Resource. The potential quantity and grade of an Exploration Target is conceptual in nature. A Mineral Resource has been identified above the Exploration Target, but there has been insufficient exploration to estimate any extension to the Mineral Resource and it is uncertain if further exploration will result in the estimation of an additional Mineral Resource.*

Key objectives for Argosy during 2022 include:

- Progressing construction works for the 2,000tpa high purity battery quality Li₂CO₃ processing plant and associated operations to commence production operations in H2-2022;
- Formalise strategic investment arrangements for Li₂CO₃ product off-take and the 10,000tpa expansion capex funding solution;
- Progress resource expansion drilling works to upgrade the current JORC indicated resource estimate at Rincon, with the combined JORC Indicated Mineral Resource and Exploration Target estimates outlining the potential for a range of up to 507,000 tonnes to 724,000 tonnes of contained lithium carbonate to a depth of 300m;
- Commence feasibility works to materially increase the project mine life and provide scope to considerably increase the annual production capacity currently defined for Rincon;
- Conduct further exploration works – including geophysical surveying and drill-testing of targets identified at the Tonopah Lithium Project;
- Consider new strategic opportunities and acquisitions; and
- Our foremost priority is the health, safety and wellbeing of our staff, partners and community during the COVID-19 pandemic.

In addition, the Company will continue low-scale lithium carbonate production operations from the industrial scale pilot plant to continue producing high-purity battery quality >99.5% lithium carbonate product for the Argentina domestic market, where the Company is ensuring local product supply.

With the continued concerns relating to the COVID-19 pandemic, the Company is taking appropriate safety measures and actions to protect our staff and business operations, including precautions advised and regulated by the Australian and Argentine Governments. As a result, the objectives noted above may be delayed or extended.

Rincon CSR Programme

The Company has undertaken broad range CSR initiatives within the Salta Province, and following the commencement of construction works for the 2,000tpa operation, Argosy has reinforced its CSR strategies with a focus on local communities in the Puna region as a priority.

Argosy is committed to supporting the local communities through jobs and training. The Company is also focused on procuring goods and services locally as it undertakes construction of the 2,000tpa operation.

Argosy is proud of its valuable contribution through its CSR programme, and will continue supporting local communities in developing a sustainable economic environment with long lasting benefits.

Tonopah Lithium Project

The Company has a 100% interest in the tenements comprising the Tonopah Lithium Project (TLP), located in Nevada, USA.

TLP provides a relatively 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.

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The Project has the following key characteristics:

- ✦ Located within the Big Smokey Valley region in Nevada, USA, and comprises 425 claims covering an area of ~34.25km².
- ✦ Directly analogous to the neighbouring Silver Peak Lithium Mine deposit model, both geologically and structurally.
- ✦ 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.



Argosy Minerals Limited – Tonopah Lithium Project Location Map

During the annual reporting period and to date, the Company progressed the Project via completing a magnetotelluric (MT) resistivity survey, which covered forty-one (41) MT sites acquired on a 500-meter nominal station spacing along three profile lines totalling ~20 linear kilometres.

The Company arranged for an MT specialist geophysical consultant to process the MT survey data for analysis and interpretation works and produce preliminary electrical resistivity models.

The Company completed interpretation and analysis of the MT resistivity survey data for Tonopah, with modelling works defining a major conductive anomaly – interpreted as a potential lithium brine aquifer, with depth to the top of this feature varying between 300m to 700m (along the profile). The variations in depth (and compartmentalisation within the unit) may be attributable to basin faults, which are important targets for lithium brine accumulation.

The main anomaly identified three MT targets that may constitute a closed basin with potential for lithium brine accumulation. Argosy has commenced preparation of next stage exploration targeting works to identify lithium brine prospectivity, and progress to drilling works to test the MT targets to determine the lithium brine potential at Tonopah.

The delineated MT targets correlate very well when overlain with the previously interpreted gravity targets, providing further confidence for future drill testing works.

DIRECTORS' REPORT

Argosy will now consider additional exploration targeting works to assist with delineating the lithium brine prospectivity at Tonopah, and then consider drilling works to test the MT targets, to determine the lithium brine potential within the project area.

The Company considers the opportunity to develop a USA based project in a jurisdiction supportive of the commercial development of lithium, and which is listed on the US Government's 2018 Final List of 35 Minerals Deemed Critical to U.S. National Security and the Economy, as a strategic position to further develop Argosy into a world-class lithium producer. Furthermore, the US Department of Commerce has previously reported that "unprecedented action" would be taken to strengthen the USA's critical mineral supply chains, including via support for domestic resource development.

Covid-19 Update

Regarding the Covid-19 pandemic, the Company is taking appropriate safety measures and actions to protect our staff and business operations, including precautions advised and regulated by the Australian, Argentine and USA Governments.

First and foremost, our priority is the health, safety and wellbeing of our staff, partners and community, and as such, the Company is actively monitoring the Covid-19 situation.

The Company's Puna Mining operations team in Argentina endured an escalation of Covid-19 cases in 2021, resulting in increasing staff numbers requiring isolation periods and increased biosecurity protocols at our work locations.

Whilst the Company continues to actively plan for and manage Covid-19 impacts, it is likely that continued increases in Omicron-related Covid-19 cases across Argentina will impact Puna's operations and development activity in the near term.

The Company will continue with regular on-going works, operating within safe control measures and following government regulations.

Statement of Resources & Reserves – Rincon Lithium Project

Aquifer Unit	Aquifer Volume (Mm ³)	Average Thickness (m)	Average Specific Yield (%)	Drainable Brine Volume (Mm ³)	Li (Grade) (mg/L)	LCE (T)
Fractured Halite	161	10	10.4%	16.7	334	29,772
Clay	387	24	3.0%	11.6	320	19,892
Mixed Clastics	570	35	11.6%	66.1	313	110,493
Clay	76	5	1.0%	0.8	333	1,361
Black Sand	360	22	13.2%	47.7	316	80,442
Gravel	1	0.09	10%	0.1	307	235
Competent Halite	138	8	1%	1.4	398	2,926
Argosy Rincon Totals	1693	103		144	325	245,120

Rincon Lithium Project - JORC Indicated Mineral Resource Estimate

Notes:
 Mineral Resource Estimates are to JORC (2012) standards.
 Specific Yield is a measure of drainable porosity.
 Lithium Grade is calculated as a weighted mean average grade for each aquifer unit.
 LCE (Lithium Carbonate Equivalent) is derived from the Li grade assuming 1 T of Li equals 5.3 T of LCE.
 No cut-off grades have been applied to the Mineral Resource Estimates.
 Mineral Resource Estimates are limited by Argosy Minerals Ltd.'s tenement boundaries and / or aquifer boundaries.

DIRECTORS' REPORT

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.

Cautionary Statements:

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.

ASX Listing Rules Compliance

The Mineral Resources information contained in this ASX release is extracted from the report entitled "Argosy Upgrades Lithium Rincon Lithium Project JORC resource" dated 13 November 2018 and the Exploration Target information contained in this ASX release is extracted from the report entitled "Rincon Project JORC Exploration Target" dated 11 January 2021, are available at www.argosyminerals.com.au and www.asx.com. Argosy confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of Exploration Targets, Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements 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.

Argosy advises references to the Company's current target of producing 2,000tpa of high purity battery quality lithium carbonate product at the Rincon Lithium Project should be read subject to and clarified by the Company's current intention that the 2,000tpa production target does not extend beyond a two-year period from the Clarifying Announcement (lodged 10th February 2021, available at www.argosyminerals.com.au and www.asx.com).

At the conclusion of the two-year period, it is the Company's current intention that, subject to feasibility, finance, market conditions and completion of development works at the Rincon Lithium Project, the Company's 10,000tpa production target will apply. The current 2,000tpa production target is intended to form a modular part of the 10,000tpa operation from its commencement.

Argosy further advises that references in this ASX release in relation to the 10,000tpa production target are extracted from the report entitled "Argosy delivers exceptional PEA results for Rincon Project" dated 28 November 2018, available at www.argosyminerals.com.au and www.asx.com. Argosy confirms that it is not aware of any new information or data that materially affects the information included in the Announcement and, in the case of the Production Target, Mineral Resources or Ore Reserves contained in the Announcement, that all material assumptions and technical parameters underpinning the estimates in the PEA 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 PEA announcement.

Reference to Previous ASX Releases:

This document refers to the following previous ASX releases:

13th Nov 2018 - Argosy Upgrades Lithium Rincon Lithium Project JORC Resource

28th Nov 2018 - Argosy delivers exceptional PEA results for Rincon Project

11th Jan 2021 - Rincon Project JORC Exploration Target

8th Feb 2021 - \$30M Placement to Fund 2,000tpa Production

10th Feb 2021 - Clarifying Announcement

Competent Person's Statement – Rincon Lithium Project

The information contained in this ASX release relating to Exploration Targets, Exploration Results and Mineral Resource Estimates has been prepared by Mr Duncan Storey. Mr Storey is a Hydrogeologist, a Chartered Geologist and Fellow of the Geological Society of London (an RPO under JORC 2012). Mr Storey has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a competent

DIRECTORS' REPORT

person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Duncan Storey is an employee of AQ2 Pty Ltd and an independent consultant to Argosy Minerals Ltd. Mr Storey consents to the inclusion in this announcement of this information in the form and context in which it appears. The information in this announcement is an accurate representation of the available data from exploration at the 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 the President of Puna Mining S.A. and consents to the inclusion in this announcement of this information in the form and context in which it appears. 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.

Competent Person's Statement – Tonopah Lithium Project

The information contained in this ASX release relating to Exploration Results has been prepared by Mr Jerko Zuvela. Mr Zuvela is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Zuvela is the Managing Director of Argosy Minerals Ltd and consents to the inclusion in this announcement of this information in the form and context in which it appears. The information in this announcement is an accurate representation of the available data from exploration at the Rincon Lithium Project.

Schedule of Tenements

The schedule of tenements held by the Company as at 30 March 2022 is shown below.

Tenement	Location	Beneficial Percentage held
File 7272 (Telita) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 14342 (Chiquita 2) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 22850 (Romulo) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 22955 (Frodo) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 1414 (Talisman) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 1904 (Nelly) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 1905 (Angelica) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 2889 (Maria) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 2890 (Irene) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 6343 (Tigre) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 6345 (Puma) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 100561 (Praga I) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 100562 (Praga II) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 100625 (Praga III) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 10626 (Praga IV) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 17902 (Reyna) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 62308 (Tincal) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 6681 (San Marcos)	Salta, Argentina	77.5% (JV, earning up to 90%)
File 7215 (Jujuy) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 14970 (San Jose) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 4128 (Mining easement right) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 15698 (Mining easement right) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
NMC1162672 - 1162935	Nevada, USA	100%
NMC1131801 - 1131815	Nevada, USA	100%
NMC1131817 - 1131827	Nevada, USA	100%
NMC1131830 - 1131837	Nevada, USA	100%
NMC1131842 - 1131852	Nevada, USA	100%
NMC1131856 - 1131868	Nevada, USA	100%
NMC1131871 - 1131973	Nevada, USA	100%

¹ Interest in mining tenement held by Puna Mining S.A.

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Matters subsequent to the end of the financial year

During 1 January 2022 to 25 March 2022, the Company converted 27,123,740 listed options exercisable at \$0.20 and expiring 31 March 2022 into 27,123,740 ordinary fully paid shares, and converted 46,220,691 unlisted options exercisable at \$0.25 and expiring 29 October 2022 into 46,220,691 ordinary fully paid shares.

On 18 February 2022, the Company converted 1,500,000 Share Appreciation Rights (SARs) with an exercise price of \$0.22, on a cashless basis, with the conversion resulting in the issue of 624,743 ordinary fully paid shares.

On 28 February 2022, the Company announced that 2,000,000 SARs lapsed due to the vesting conditions not being met and were cancelled.

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

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operation of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

The consolidated entity holds participating interests in a number of mining and exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. There have been no known breaches of the tenement conditions, and no such breaches have been notified by any government agency during the year ended 31 December 2021.

Information on directors

Name:	Alexander Molyneux
Title:	Non-Executive Chairman
Qualifications:	B. Ec, Grad. Dip. MinExplGeoSc
Experience and Expertise:	Mr Molyneux is an experienced metals and mining industry executive and financier. He currently serves as Executive Director of Galena Mining Ltd (ASX:G1A) (2018 – present) and was previously CEO of Paladin Energy Ltd (ASX:PDN) (2015 – 2018), where he presided over a US\$700M successful recapitalisation and re-listing of the company. Mr. Molyneux is also Non-Executive Chairman of Tempus Resources Ltd (ASX: TMR / TSX-V: TMRR), and Non-Executive Director of Metalla Royalty & Streaming Ltd. (NYSE: MTA / TSX-V:MTA) and Comet Resources Ltd (ASX: CRL). He was previously a Non-Executive Director of Goldrock Mines Corp. (2012 – 2016), a company that was developing a gold project in Salta Province, Argentina until its successful sale to Fortuna Silver Inc., and was CEO and Director of SouthGobi Resources Ltd. (2009 – 2012), an Ivanhoe Mines Group company. Prior to these mining industry executive and director roles, Mr Molyneux was Managing Director - Head of Metals and Mining Investment Banking, Asia Pacific for Citigroup. As a specialist resources investment banker, he spent approximately 10 years providing advice and investment banking services to natural resources corporations. Mr Molyneux continues to be based in Asia where he has an extensive network within the institutional investment community and local participants in the metals and mining industry. Mr Molyneux holds a Bachelor Degree in Economics from Monash University in Australia.

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Other current directorships: Galena Mining Ltd (ASX:G1A)
Tempus Resources Ltd (ASX:TMR / TSX-V:TMRR)
Metalla Royalty & Streaming Ltd. (NYSE:MTA / TSX-V:MTA)
Comet Resources Ltd (ASX:CRL)
Azarga Metals Corporation (TSX-V:AZR) (2016-2021)

Former Directorships (in last 3 years)

Special Responsibilities: None

Interests in Shares: 21,783,333 Ordinary Shares

Interests in Options: Nil

Name: **Jerko Zuvela**

Title: Managing Director

Qualifications: B.Sc (Applied Geology)

Experience and Expertise: Mr Jerko Zuvela has over 25 years mineral and resources industry experience in Australia and internationally, during which time he has held senior executive positions in public listed and unlisted companies including for Kangaroo Resources Limited as Chief Geologist, Strike Resources Limited as General Manager Operations and Fireside Resources Limited as Chief Geologist. Mr Zuvela is a Chartered Professional (Geology) Member of the Australian Institute of Mining and Metallurgy.

Other current directorships: Discovery Alaska Limited (ASX:DAF)
Ragusa Minerals Limited (ASX:RAS)

Former Directorships (in last 3 years) Nil

Special Responsibilities: None

Interests in Shares: 69,401,739 Ordinary Shares

Interests in Options: 166,666 Listed Options exercisable at \$0.20 and expiring 31/3/2022

Name: **Malcolm Randall**

Title: Non-Executive Director

Qualifications: B.ApChem FAICD

Experience and Expertise: Malcolm Randall holds a Bachelor of Applied Chemistry degree and is a Fellow of the Australian Institute of Company Directors. He has more than 45 years' of extensive experience in corporate, management and marketing in the resources sector, including more than 25 years with the Rio Tinto group of companies. His experience has covered a diverse range of commodities including potash (brine), iron ore, base metals, uranium, mineral sands and coal.

Mr Randall has held the position of Chairman and director of a number of ASX listed companies.

Other current directorships: Hastings Technology Metals Ltd (ASX:HAS)
Ora Gold (ASX:OAU) previously Thundelarra Limited
Magnetite Mines Limited (ASX:MGT)

Former Directorships (in last 3 years) Kalium Lakes Limited (ASX:KLL) appointed 14/7/2016, resigned 26/11/2020

Special Responsibilities: None

Interests in Shares: 5,330,501 Ordinary Shares

Interests in Options: Nil

DIRECTORS' REPORT

Meetings of directors

The following table sets out the number of Directors' meetings held during the year ended 31 December 2021 and the number of meetings attended by each director. There were three Directors' meetings held during the financial year, with the majority of business conducted via circular resolution. The number of meetings attended by each Director during the year was:

Director	Meetings Eligible to Attend	Meetings Attended
Jerko Zuvela	3	3
Malcolm Randall	3	3
Alexander Molyneux	3	3
Ranko Matic	2	2

Remuneration report (audited)

The remuneration policy of Argosy Minerals Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long term incentives based on key performance areas affecting the Group's financial results. The board of Argosy Minerals Limited believes the remuneration policy is appropriate and effective in its ability to attract and retain high calibre executives and directors to run and manage the Group.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

Non-executive directors' remuneration

The Group's policy is to remunerate non-executive directors at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to individual performance. From time to time the Group may grant options to non-executive directors. The grant of options is designed to recognise and reward efforts as well as to provide non-executive directors with additional incentive to continue those efforts for the benefit of the Group. The maximum aggregate amount of fees (including superannuation payments) that can be paid to non-executive directors is subject to approval by shareholders at a General Meeting.

Executive remuneration

Executive pay and reward consists of a base salary and performance incentives. Long term performance incentives may include options granted at the discretion of the Board and subject to obtaining the relevant approvals. The grant of options is designed to recognise and reward efforts as well as to provide additional incentive and may be subject to the successful completion of performance hurdles.

Consolidated entity performance and link to remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. Currently, this is facilitated through the issue of options to executives to encourage the alignment of personal and shareholder interests. The Group believes this policy will be effective in increasing shareholder wealth. For details of directors and executives interests in options at year end. No market based performance remuneration has been paid in the current year.

Group performance, shareholder wealth and directors' and executives' remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and directors and executives' performance. Currently, this is facilitated through the issue of options to executives to encourage the alignment of personal and shareholder interests. No market based performance remuneration has been paid in the current year.

DIRECTORS' REPORT

Voting and comments made at the company's 2021 Annual General Meeting ('AGM')

At the 2021 AGM, 89.3% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2021. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of the key management personnel of the consolidated entity are set out in the following tables.

	Short-term benefits			Post-emp benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Bonus	Non-Monetary	Super-annuation	Long Service Leave	Payments	
2021	\$	\$	\$	\$	\$	\$	\$
<i>Non-Exec Directors</i>							
Alexander Molyneux	60,000	-	-	-	-	-	60,000
Ranko Matic*	29,565	-	-	-	-	-	29,565
Malcolm Randall	40,000	-	-	3,800	-	-	43,800
<i>Executive Directors</i>							
Jerko Zuvela	273,750	85,000	-	-	-	-	358,750
	403,315	85,000	-	3,800	-	-	492,115

* Mr Ranko Matic is a director and shareholder of Consilium Corporate Pty Ltd (Consilium). Consilium was also entitled to an additional \$80,000 in relation to corporate secretarial and accounting services performed during 2021. Mr Ranko Matic resigned as Non-Executive Director effective from 3 September 2021.

	Short-term benefits			Post-emp benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Bonus	Non-Monetary	Super-annuation	Long Service Leave	Payments	
2020	\$	\$	\$	\$	\$	\$	\$
<i>Non-Exec Directors</i>							
Alexander Molyneux	60,000	-	-	-	-	-	60,000
Ranko Matic*	43,800	-	-	-	-	-	43,800
Malcolm Randall	40,000	-	-	3,800	-	-	43,800
<i>Executive Directors</i>							
Jerko Zuvela	273,750	-	-	-	-	-	273,750
	417,550	-	-	3,800	-	-	421,350

* Mr Ranko Matic is a director and shareholder of Consilium Corporate Pty Ltd (Consilium). Consilium was also entitled to an additional \$120,000 in relation to corporate secretarial and accounting services performed during 2020.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk – STI		At risk – LTI	
	2021	2020	2021	2020	2021	2020
<i>Non-Executive Directors:</i>						
Alexander Molyneux	100%	100%	0%	0%	0%	0%
Ranko Matic*	100%	100%	0%	0%	0%	0%
Malcolm Randall	100%	100%	0%	0%	0%	0%
<i>Executive Directors</i>						
Jerko Zuvela	100%	100%	0%	0%	0%	0%

*Mr Ranko Matic resigned as Non-Executive Director effective from 3 September 2021.

DIRECTORS' REPORT

Service agreements

The employment conditions of the Managing Director, Mr Jerko Zuvela, are formalised in an executive service agreement. The agreement continues until a party terminates it by giving notice.

Mr Zuvela may terminate the agreement, without cause, by giving 3 months' notice. The Company may terminate the agreement, without cause, by giving 6 months' notice. The Company can also terminate the agreement summarily, and without notice or compensation, in circumstances of serious misconduct or breach by the Executive.

Upon termination, the Executive is subject to a 12 month non-competition covenant, whereby the Executive must not: engage in, directly or indirectly, through any person in an enterprise, company or firm; or carry on a substantially similar activity to that of the Company's business. The Executive is also subject to covenants prohibiting the solicitation of Company personnel.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2021 (2020: nil).

Options

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 31 December 2021 was nil (2020: nil).

Performance Rights

The number of performance rights granted to and vested by directors and other key management personnel as part of compensation during the year ended 31 December 2021 was nil (2020: nil).

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ Other *	Balance at the end of the year
2021					
<i>Ordinary shares</i>					
Alexander Molyneux	21,700,000	-	-	-	21,700,000
Jerko Zuvela	69,401,739	-	-	-	69,401,739
Ranko Matic	27,703,768	-	-	(27,703,768)	-
Malcolm Randall	5,320,000	-	-	-	5,320,000
	<u>124,125,507</u>	<u>-</u>	<u>-</u>	<u>(27,703,768)</u>	<u>96,421,739</u>

* Mr Ranko Matic resigned as Non-Executive Director effective from 3 September 2021.

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Exercised/ Cancelled*	Balance at the end of the year
2021					
<i>Options</i>					
Alexander Molyneux	83,333	-	-	-	83,333
Jerko Zuvela	166,666	-	-	-	166,666
Ranko Matic	264,660	-	-	(264,660)	-
Malcolm Randall	10,501	-	-	-	10,501
	<u>525,160</u>	<u>-</u>	<u>-</u>	<u>(264,660)</u>	<u>260,500</u>

* Mr Ranko Matic resigned as Non-Executive Director effective from 3 September 2021.

DIRECTORS' REPORT

Other transactions with key management personnel and their related parties

During the financial year, to date of Mr Matic's resignation, payments of \$80,000 were made to Consilium Corporate Pty Ltd (director-related entity of Ranko Matic) for corporate secretarial and accounting services. There were no payments owing to Consilium Corporate Pty Ltd as at 31 December 2021. All transactions were made on normal commercial terms and conditions and at market rates.

This concludes the remuneration report, which has been audited.

Additional information

The earnings of the consolidated entity for the six years to 31 December 2021 are summarised below:

	2021	2020	2019	2018	2017	2016
	\$	\$	\$	\$	\$	\$
Profit/(Loss) after income tax	2,008,541	(3,084,619)	(2,394,308)	(2,452,505)	(5,712,005)	(665,268)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2021	2020	2019	2018	2017	2016
Share price at financial year end (\$)	0.32	0.08	0.076	0.14	0.26	0.029
Basic earnings/(loss) per share (cents per share) - undiluted	0.17	(0.30)	(0.24)	(0.28)	(0.72)	(0.12)
Basic earnings/(loss) per share (cents per share) - diluted	0.15	(0.30)	(0.24)	(0.28)	(0.72)	(0.12)

Shares under option

Unissued ordinary shares of Argosy Minerals Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
4 April 2019	31 March 2022	\$0.20	12,141,010
29 April 2021	29 October 2022	\$0.25	52,974,651

Share appreciation rights

Share appreciation rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
4 April 2019	8 February 2024	\$0.22	1,500,000

Shares issued on the exercise of options

During the financial year, the Company issued 69,920 fully paid ordinary shares upon exercise of options at an exercise price of \$0.20 and 16,189,236 fully paid ordinary shares upon exercise of options at an exercise price of \$0.25.

Refer to the "Matters subsequent to the end of the financial year" section of this Directors' Report for shares issued upon the exercise of options subsequent to the year ended 31 December 2021 and up to the date of this report.

DIRECTORS' REPORT

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor

RSM Australia Partners continues in office in accordance with section 327 of the *Corporations Act 2001*.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 24 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in Note 24 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the company who are former audit partners of RSM Australia Partners

There are no officers of the company who are former audit partners of RSM Australia Partners.

DIRECTORS' REPORT

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the next page.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



Mr Jerko Zuvela
Managing Director
30 March 2022
Perth



RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Argosy Minerals Limited for the year ended 31 December 2021, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 30 March 2022

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RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

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CORPORATE GOVERNANCE REPORT

APPROACH TO CORPORATE GOVERNANCE

As an integral part of its preparations to list on the Australian Securities Exchange (“ASX”), the Consolidated Entity has considered and set up a framework for embracing the ASX Corporate Governance Principles and Recommendations Fourth Edition (“**Recommendations**”). The Group has followed each of the Recommendations where the Board has considered the practices appropriate, taking into account factors such as size of the Group and the Board, the resources available to the Group and the activities of the Group. Where, after due consideration the Group’s corporate governance policies depart from the Recommendations, the Board has outlined the nature of, and reason for, the adoption of its own practice.

Further information about the Company’s corporate governance practices is available on the Company’s web site at www.argosyminerals.com.au.

The Board sets out below its “if not why not” report in relation to those matters of corporate governance where the Group’s practices depart from the Recommendations. As the Group’s activities develop in size, nature and scope, further consideration will be given by the Board to the implementation of additional corporate governance structures.

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
	Recommendation	Argosy Minerals Ltd Current Practice
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Adopted The Board is responsible for the overall corporate governance of the Company. The Board has adopted a Board Charter that formalises its roles and responsibilities and defines the matters that are resolved for the Board and specific matters that are delegated to management. A copy of the Corporate Governance Statement and associated policies are available on the Company’s website – www.argosyminerals.com.au
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Adopted Material information in relation to a director up for re-election is provided in the Notice of Meeting for each AGM including background, other material directorships, term and the Board’s consideration of them as independent or non-independent director. There were no new appointments during the reporting period.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Adopted All directors have a written agreement with the Company setting out the terms of their appointments.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Adopted The Company Secretary is directly accountable to the Board on all matters related to the proper functioning of the Board. The Company Secretary is appropriately qualified with a Graduate Diploma in Applied Corporate Governance and is a member of the Governance Institute of Australia.
1.5	A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the	Not Adopted The Company has yet to adopt a Diversity Policy. Although there are no immediate plans to develop a Diversity policy with specific measurable objectives, the Company intends to undertake a complete review of all its corporate

CORPORATE GOVERNANCE REPORT

	<p>composition of its board, senior executives and workforce generally;</p> <p>(c) disclose in relation to each reporting period:</p> <p>(i) the measurable objectives set for that period to achieve gender diversity;</p> <p>(ii) the entity's progress towards achieving those objectives; and</p> <p>(iii) either:</p> <p>(a) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(b) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>governance and associated policies and will determine if a diversity policy is appropriate at this development stage of the business.</p> <p>The Company makes the following disclosures regarding the proportion of women employed in the organisation:</p> <ul style="list-style-type: none"> - Women on Board: 0% - Women in Senior Management: 20% - Women in whole organisation: 20%
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>Not Adopted</p> <p>The Company does not currently have a performance evaluation policy. It is the Company's intention to eventually develop and adopt a process for periodic board and director evaluations.</p> <p>An evaluation has not taken place within the financial period.</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>Not Adopted.</p> <p>The Company does not currently have an executive performance evaluation policy. It is the Company's intention to eventually develop and adopt a process for periodic senior executive evaluations.</p> <p>An evaluation has not taken place within the financial period.</p>
PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE		
	Recommendation	Argosy Minerals Limited Current Practice
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director;</p> <p>and disclose:</p>	<p>Partially Adopted</p> <p>The Company does not have a separate nomination committee, however the full board will consider the matters and issues arising that would usually fall to the nomination committee in accordance with the Nomination Committee Charter.</p>

CORPORATE GOVERNANCE REPORT

	<ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met through the period and the individual attendances of the members at those meetings; or (vi) If it does not have a nomination committee disclose that fact and the processes it employs to address board succession issue and to ensure that the board has the appropriate balance of skills, knowledge experience, independence and diversity to enable it to discharge its duties and responsibilities effectively. 	<p>The Company has adopted a Nomination Committee Charter setting out the board process to raise the issues that would otherwise be considered by the Nomination Committee.</p> <p>The Board consider that at this stage, no efficiencies or other benefits would be gained by establishing a separate nomination committee and that the current Board has the right structure to add value in this process.</p> <p>The Nomination Committee Charter is available on the Company's website.</p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	<p>Not Adopted</p> <p>The Company currently has a mixture of skills on the Board, including technical, financial, business, management and leadership. There is no immediate plans to develop and disclose a Board Skills Matrix.</p>
2.3	<p>A listed entity should disclose:</p> <ul style="list-style-type: none"> (a) the names of the directors considered by the board to be independent directors (b) if a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director. 	<p>Adopted.</p> <ul style="list-style-type: none"> (a) Alexander Molyneux - Independent Malcolm Randall – Independent (b) n/a n/a (c) Alexander Molyneux – appointed 15/8/2016 – 5 years Malcolm Randall – appointed 3/3/2017 – 5 years
2.4	A majority of the Board of a listed entity should be independent directors.	<p>Adopted.</p> <p>There are two directors that are considered to be independent – Alexander Molyneux and Malcolm Randall.</p>
2.5	The chair of a board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<p>Adopted.</p> <p>Alexander Molyneux is the current Chairman of the Company with Jerko Zuvela the Managing Director.</p>
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<p>Adopted.</p> <p>The induction of new directors is currently completed by the Company Secretary. All Directors have access to professional development opportunities to improve on their skills and knowledge to assist in their roles as directors.</p>

CORPORATE GOVERNANCE REPORT

PRINCIPLE 3 – PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING		
	Recommendation	Argosy Minerals Limited Current Practice
3.1	A listed entity should articulate and disclose its values.	Partially Adopted. The Board approved on 30 March 2022 (after the end of the reporting period) a revised code of conduct that now includes a set of corporate values. In future statements, this will be recorded as an adoption of the recommendation.
3.2	A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code. 	Adopted. The Company has a Code of Conduct which is published on the Company's website: www.argosyminerals.com.au
3.3	A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy. 	Adopted. The Company has a Whistleblower Policy which is published on the Company's website: www.argosyminerals.com.au
3.4	A listed entity should: <ul style="list-style-type: none"> (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material breaches of that policy. 	Partially Adopted. The Board approved on 30 March 2022 (after the end of the reporting period) a new anti-bribery and corruption policy. In future statements, this will be recorded as an adoption of the recommendation.
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING		
	Recommendation	Argosy Minerals Limited Current Practice
4.1	The board of a listed entity should: <ul style="list-style-type: none"> (a) have an audit committee which: <ul style="list-style-type: none"> (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board; <p>And disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the relevant qualifications and experience of the member of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the 	Partially Adopted The Company does not have a separate audit committee and the full board will consider the matters and issues arising that would usually fall to the audit committee in accordance with the Audit and Risk Committee Charter. The Company has adopted an Audit and Risk Committee Charter setting out the board process to raise the issues that would otherwise be considered by the Audit and Risk Committee. The Board consider that at this stage, no efficiencies or other benefits would be gained by establishing a separate audit committee. The Charter of the Audit and Risk Committee is on the Company's website.

CORPORATE GOVERNANCE REPORT

	<p>individual attendances of the member at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>Adopted</p> <p>The Company has obtained a sign off on these terms for each of its financial statements.</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p>Adopted</p> <p>The Company ensures that before the finalisation and disclosure of any periodic corporate report, it has passed through and been reviewed at several levels within the organisation and also by the Board. The reviews are undertaken by suitably qualified accounting and corporate governance professionals.</p>
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE		
	Recommendation	Argosy Minerals Limited Current Practice
5.1	<p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>	<p>Adopted.</p> <p>The Company has a written Continuous Disclosure Policy, a copy of which is available on its website – www.argosyminerals.com.au</p>
5.2	<p>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>	<p>Adopted.</p> <p>All ASX announcements are automatically circulated to all directors upon release via ASX online.</p>
5.3	<p>A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p>	<p>Adopted.</p> <p>All presentations are released on the ASX ahead of any investor or conference presentations.</p>
PRINCIPLE 6 – RESPECT THE RIGHTS OF SHAREHOLDERS		
	Recommendation	Argosy Minerals Limited Current Practice
6.1	<p>A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>Adopted</p> <p>Refer to the Company's Corporate Governance page on its website - www.argosyminerals.com.au</p>

CORPORATE GOVERNANCE REPORT

6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Adopted The Company has a Shareholder Communication strategy, which is available on the Company's Corporate Governance page on its website – www.argosyminerals.com.au
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Adopted The Company encourages participation at General Meetings upon the dispatch of its Notice of Meeting and advises security holders that they may submit questions they would like to be asked at the meeting to the Board and to the Company's auditors.
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Adopted. All resolutions at General Meetings are determined by poll.
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Adopted The Shareholder Communication Strategy provides that security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to ASX is immediately posted. Shareholders' queries should be referred to the Company Secretary at first instance.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

	Recommendation	Argosy Minerals Limited Current Practice
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, <p>And disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>Partially Adopted</p> <p>The Company does not have a separate risk committee and the full board will consider the matters and issues arising that would usually fall to the risk committee in accordance with the Audit and Risk Committee Charter.</p> <p>The Company has adopted an Audit and Risk Committee Charter setting out the board process to raise the issues that would otherwise be considered by the Audit and Risk Committee.</p> <p>The Board consider that at this stage, no efficiencies or other benefits would be gained by establishing a separate risk committee.</p> <p>The Charter of the Audit and Risk Committee is on the Company's website.</p>

CORPORATE GOVERNANCE REPORT

7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>Adopted.</p> <p>The Board reviews risk on a regular basis, following policies and procedures forming part of the Company's Audit and Risk Committee Charter.</p> <p>A review has taken place in the reporting period.</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p>Adopted</p> <p>The Company does not have a structured formalised internal audit function, however historically the Board has reviewed the internal control systems and risk management policies on an annual basis.</p> <p>Internal controls are reviewed on an annual basis.</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p>Adopted.</p> <p>The Company's Corporate Governance Plan requires the Company to disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. The Company does not currently have any material exposure to economic, environmental and social sustainability risks.</p>

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

	Recommendation	Argosy Minerals Limited Current Practice
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p>	<p>Partially Adopted.</p> <p>The Company does not have a separate Remuneration Committee.</p> <p>The role of the remuneration committee is currently undertaken by the full board. The Company has adopted a Remuneration Committee Charter which is published on the Company's website. The Board follows the Remuneration Committee Charter which provides for dealing with board remuneration issues.</p>

CORPORATE GOVERNANCE REPORT

	(b) if does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Adopted. The Company discloses its policies and practices regarding the remuneration of Directors and senior executives, which is disclosed on the in the remuneration report contained in the Company's Annual Report.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	Not Applicable The Company has an Employee Incentive Plan however does not have a structured equity based remuneration scheme. The Company does not have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise), which limit the economic risk of participating in the scheme.
PRINCIPLE 9 – ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES		
	Recommendation	Argosy Minerals Limited Current Practice
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	Not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	Not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Not applicable

Corporate Governance Statement dated 30 March 2022
Approved by the Board 30 March 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

		Consolidated	
	Note	2021	2020
		\$	\$
Revenue	5	42,571	44,937
Other income	5	68,506	50,270
Expenses			
Accounting and company secretary fees		(125,000)	(126,448)
ASX and ASIC fees		(111,975)	(45,109)
AGM and GM fees		(12,247)	(21,519)
Audit fees		(41,460)	(34,000)
Bank charges		(6,605)	(5,683)
Depreciation	6	(34,016)	(38,594)
Directors fees	7	(492,216)	(421,350)
Share-based payments	20	(3,963)	3,541
Exploration and project assessment		(47,830)	(164,368)
Insurance		(61,368)	(32,707)
Interest		(9,652)	(14,220)
Legal fees		(152,044)	(141,671)
Office costs and rental expenses		(63,170)	(43,469)
Professional fees		(185,447)	(299,176)
Share registry costs		(43,432)	(13,840)
Foreign exchange loss		805,196	(783,630)
Other expenses		(35,995)	(79,826)
Share of profit/(loss) of joint venture accounted for using the equity method	15	2,518,688	(917,757)
Profit/(loss) before income tax expense		2,008,541	(3,084,619)
Income tax expense	8	-	-
Profit/(loss) after income tax expense for the year attributable to the owners of Argosy Minerals Limited	19	2,008,541	(3,084,619)
Other comprehensive income/(loss) for the year, net of tax		2,079,650	(1,133,278)
Total comprehensive income/(loss) for the year attributable to the owners of Argosy Minerals Limited		4,088,191	(4,217,897)
Basic earnings/(loss) per share (cents)	32	0.17	(0.30)
Diluted earnings/(loss) per share (cents)	32	0.15	(0.30)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying note

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	Consolidated	
		2021	2020
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	9	23,093,132	2,892,293
Trade and other receivables	10	34,177	162,443
Other assets		77,345	22,993
Total current assets		23,204,654	3,077,729
Non-current assets			
Plant and equipment	11	1,348	1,633
Right-of-use assets	12	38,912	72,643
Exploration, evaluation and development	13	2,980,604	2,374,982
Advances to Puna Mining S.A.	14	18,374,156	7,502,925
Investment accounted for using the equity method – Puna Mining S.A.	15	12,368,311	7,753,331
Total non-current assets		33,763,331	17,705,514
Total assets		56,967,985	20,783,243
Liabilities			
Current liabilities			
Trade and other payables	16	182,934	188,615
Lease liabilities	12	50,390	49,032
Total current liabilities		233,324	237,647
Non-current liabilities			
Lease liabilities	12	6,640	57,038
Total non-current liabilities		6,640	57,038
Total liabilities		239,964	294,685
Net assets		56,728,021	20,488,558
Equity			
Issued capital	17	121,170,573	89,023,264
Reserves	18	4,160,636	2,077,023
Accumulated losses	19	(68,603,188)	(70,611,729)
Total equity		56,728,021	20,488,558

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

Consolidated	Issued capital	Accumulated losses	Reserves	Total
	\$	\$	\$	\$
Balance at 1 January 2020	89,023,264	(68,484,226)	4,170,958	24,709,996
Loss after income tax expense for the year	-	(3,084,619)	-	(3,084,619)
Other comprehensive income for the year, net of tax	-	-	(1,133,278)	(1,133,278)
Total comprehensive income for the year	-	(3,084,619)	(1,133,278)	(4,217,897)
<i>Transactions with owners in their capacity as owners:</i>				
Transfer to accumulated losses on expiry of options and share appreciation rights	-	957,116	(957,116)	-
Share based payments	-	-	(3,541)	(3,541)
Balance at 31 December 2020	89,023,264	(70,611,729)	2,077,023	20,488,558

Consolidated	Issued capital	Accumulated losses	Reserves	Total
	\$	\$	\$	\$
Balance at 1 January 2021	89,023,264	(70,611,729)	2,077,023	20,488,558
Profit after income tax expense for the year	-	2,008,541	-	2,008,541
Other comprehensive income for the year, net of tax	-	-	2,079,650	2,079,650
Total comprehensive income for the year	-	2,008,541	2,079,650	4,088,191
<i>Transactions with owners in their capacity as owners:</i>				
Share issue	30,000,000	-	-	30,000,000
Share issue costs	(1,913,983)	-	-	(1,913,983)
Conversion of options	4,061,292	-	-	4,061,292
Share based payments	-	-	3,963	3,963
Balance at 31 December 2021	121,170,573	(68,603,188)	4,160,636	56,728,021

The above statement of changes in equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

		Consolidated	
	Note	2021	2020
		\$	\$
Cash flows from operating activities			
Receipts from customers		72,713	26,063
Payments to suppliers and employees		(1,487,365)	(1,347,349)
Payments for exploration and development expenditure		(622,263)	(495,163)
Other income		-	20,000
Interest paid		(9,650)	(14,221)
Interest received		43,580	55,657
		<hr/>	<hr/>
Net cash used in operating activities	31	(2,002,985)	(1,755,013)
Cash flows from investing activities			
Advance to Puna Mining S.A.		(10,022,810)	(1,289,120)
Purchase of plant and equipment		-	(1,454)
		<hr/>	<hr/>
Net cash used in investing activities		(10,022,810)	(1,290,574)
Cash flows from financing activities			
Proceeds from issue of shares		34,061,293	-
Share issue costs		(1,913,984)	(1,922)
Proceeds for shares not yet issued		34,177	-
Repayment of lease liabilities		(49,041)	(20,090)
		<hr/>	<hr/>
Net cash from/(used in) financing activities		32,132,445	(22,012)
Net increase/(decrease) in cash and cash equivalents		20,106,648	(3,067,599)
Effect of foreign exchange on cash on hand		94,192	(7,506)
Cash and cash equivalents at the beginning of the financial year		2,892,292	5,967,398
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	9	23,093,132	2,892,293

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Note 1. General information

The financial report covers Argosy Minerals Limited as a consolidated entity consisting of Argosy Minerals Limited and the entities it controlled. The financial report is presented in Australian dollars, which is Argosy Minerals Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Argosy Minerals Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 2
22 Mount Street
Perth WA 6000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 30 March 2022. The directors have the power to amend and reissue the financial report.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all standards which became effective for the first time for the year ended 31 December 2021. The adoption of new accounting standards applicable to the Group for the first time in 2021 has not had a material impact on the financial statements.

The Group has chosen not to early-adopt any accounting standards that have been issued, but are not yet effective. The impact of accounting standards that have been issued, but are not yet effective, is not material to these financial statements.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 28.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 2. Significant accounting policies (continued)

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Argosy Minerals Limited ('company' or 'parent entity') as at 31 December 2021 and the results of all subsidiaries for the year then ended. Argosy Minerals Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity' or 'Group'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Argosy Mineral Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 2. Significant accounting policies (continued)

unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 2. Significant accounting policies (continued)

Trade and other receivables

Other receivables are recognised at amortised cost, less allowance for expected credit losses.

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The depreciable amount of fixed assets are depreciated on a diminishing value basis over their useful lives to the Group, commencing from the time the assets are held ready for use. The depreciation rates used for each class of depreciable assets are:

- Property, plant and equipment: 3-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 2. Significant accounting policies (continued)

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint ventures is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

Leases

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including:

- interest on short-term and long-term borrowings
- interest on leases

Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 2. Significant accounting policies (continued)

Long service leave

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares or options over shares that are provided in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using an appropriate valuation model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined using an appropriate valuation model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or the recipient, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or the recipient and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 2. Significant accounting policies (continued)

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings/loss per share

Basic earnings/loss per share

Basic earnings/loss per share is calculated by dividing the profit/loss attributable to the owners of Argosy Minerals Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings/loss per share

Diluted earnings/loss per share adjusts the figures used in the determination of basic profit/loss per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate valuation model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Exploration, evaluation and development

The consolidated entity's accounting policy for exploration and evaluation expenditure results in expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to profit and loss.

Note 4. Operating segments

Identification of reportable operating segments

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The consolidated entity does not have any operating segments with discrete financial information. The Board of Directors review internal management reports on a monthly basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions. The information reported to the CODM is on at least a monthly basis.

Note 5. Revenue and other income

	Consolidated	
	2021	2020
	\$	\$
Interest	42,571	44,937
Other income	68,506	50,270
	<u>111,077</u>	<u>95,207</u>

Note 6. Depreciation

	Consolidated	
	2021	2020
	\$	\$
Depreciation of plant and equipment	285	2,353
Depreciation of right-of-use assets	33,731	36,241
	<u>34,016</u>	<u>38,594</u>

Note 7. Expenses

	Consolidated	
	2021	2020
	\$	\$
Profit/(loss) before income tax includes the following specific expenses:		
Directors' fees including bonuses	<u>492,216</u>	<u>421,350</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 8. Income tax expense

	Consolidated	
	2021	2020
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit/(loss) before income tax expense	2,008,541	(3,084,619)
Tax at the statutory tax rate of 30% (2020: 30%)	602,562	(925,386)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income	(1,002,266)	507,486
	(399,704)	(417,900)
Current year tax losses not recognised	399,704	417,900
Current year temporary differences not recognised	-	-
Income tax expense	-	-
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	19,189,607	17,857,260
Potential tax benefit at 30%	5,756,882	5,357,178

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 9. Cash and cash equivalents

	Consolidated	
	2021	2020
	\$	\$
Cash at bank	23,093,132	2,892,293

Deposits at calls are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group. Information about the Group's exposure to interest rate risk is disclosed in Note 22.

Note 10. Trade and other receivables

	Consolidated	
	2021	2020
	\$	\$
Interest receivable	1,227	2,236
GST receivable	32,950	21,600
Other receivables	-	138,607
	34,177	162,443

Impairment of receivables

As at 31 December 2021, trade and other receivables that were past due or impaired were nil (2020: nil). Refer to Note 22 for details of credit risk and fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 11. Plant and equipment

	Consolidated	
	2021	2020
	\$	\$
Plant & equipment – at cost	2,379	2,379
Accumulated Depreciation	(1,703)	(1,585)
	676	794
Office equipment – at cost	3,864	3,864
Accumulated Depreciation	(3,192)	(3,025)
	672	839
Total plant and equipment	1,348	1,633

Note 12. Lease assets and liabilities

	Consolidated	
	2021	2020
	\$	\$
<i>Right-of-use assets</i>		
At cost	166,001	166,001
Accumulated Depreciation	(127,089)	(93,358)
	38,912	72,643

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Balance at 1 January	72,643	107,678
Additions	-	-
Lease adjustments	-	1,206
Depreciation	(33,731)	(36,241)
Balance at 31 December	38,912	72,643

	Consolidated	
	2021	2020
	\$	\$
<i>Lease liabilities</i>		
Current	50,390	49,032
Non-current	6,640	57,038
	57,030	106,070

Lease arrangements with terms of less than 12 months have been excluded from the above. The total expenditure in relation to such leases amounted to nil (2020: nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 13. Exploration, evaluation and development

	Consolidated	
	2021	2020
	\$	\$
Exploration, evaluation and development	2,980,604	2,374,982

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Balance at 1 January	2,374,982	1,935,736
Acquisitions during the year	-	-
Expenditure during the year	584,066	471,840
Foreign exchange movement	21,556	(32,594)
Balance at 31 December	<u>2,980,604</u>	<u>2,374,982</u>

The recoverability of the carrying amount of the exploration and evaluation assets is dependent upon the successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

Note 14. Advance to Puna Mining JV

	Consolidated	
	2021	2020
	\$	\$
Balance 1 January	7,502,925	7,125,928
Loans provided	10,152,975	1,154,630
Foreign currency movement	718,256	(777,633)
Balance 31 December	<u>18,374,156</u>	<u>7,502,925</u>

The Company provides funding to Puna Mining via cash calls and paid expenditure to fund development and expenditure in Argentina. Puna Mining is the operating vehicle for the Rincon Project located in Argentina. As per the Agreement between these two entities, the advance converts into equity in the project upon Argosy fulfilling all its funding and other requirements. The loan is designated in US dollars.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 15. Joint venture accounted for using the equity method

The Company has 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.

<i>Name of associate</i>	<i>Principal activity</i>	<i>Place of incorporation and operation</i>	Portion of ownership interest	
			2021	2020
Puna Mining S.A.	Mining exploration	Argentina	77.5%	77.5%

The carrying amount of the investment in Puna Mining S.A. has changed as follows during the year:

	2021	2020
	\$	\$
Beginning of the period	7,753,331	9,773,470
Additions	-	-
Share of profits/(losses) in joint venture	2,518,688	(917,757)
Foreign exchange translation	2,096,292	(1,102,382)
Balance at 31 December	<u>12,368,311</u>	<u>7,753,331</u>

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.

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures that are material to the consolidated entity are set out below, these have been translated from Argentinian Peso:

	2021	2020
	\$	\$
Current assets	3,948,006	376,806
Non-current assets	25,743,872	13,803,443
Total assets	<u>29,691,878</u>	<u>14,180,249</u>
Current liabilities	192,357	330,219
Non-current liabilities	18,495,003	7,642,097
Total liabilities	<u>18,687,360</u>	<u>7,972,316</u>
Net assets	<u>11,004,518</u>	<u>6,207,933</u>
Revenue	264,121	23,615
Profit/(loss) from continuing operations	3,249,920	(1,184,203)
Loss from discontinued operations	-	-
Profit/(loss) for the year	<u>3,249,920</u>	<u>(1,184,203)</u>
Other comprehensive income/(loss)	-	-
Total comprehensive income/(loss) for the year	3,249,920	(1,184,203)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 15. Joint venture (continued)

Reconciliation of share of income/(loss) in interest in Puna Mining S.A. is as follows:

	2021	2020
	\$	\$
Total comprehensive income/(loss) for the year	3,249,920	(1,184,203)
Proportion of the Group's ownership interest	77.5%	77.5%
Share of income/(loss) in joint venture	<u>2,518,688</u>	<u>(917,757)</u>

The investment in Puna Mining S.A. has been accounted for as an investment in a joint venture based on the composition of the Puna Mining S.A. board and the terms of the Second Earn-in Joint Venture Agreement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss.

Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture.

The share of the movements in equity is recognised in other comprehensive income and relates to exchange differences arising from translation of foreign operations to Australia dollars.

No impairment was recognised as no objective evidence exists that the net investment in the joint venture is impaired.

Note 16. Trade and other payables

	Consolidated	
	2021	2020
	\$	\$
Trade payables	81,095	125,801
Other payables	101,839	62,814
	<u>182,934</u>	<u>188,615</u>

Note 17. Issued capital

	Consolidated			
	2021	2020	2021	2020
	Shares	Shares	\$	\$
Ordinary shares – fully paid	<u>1,266,530,527</u>	<u>1,019,502,141</u>	<u>121,170,573</u>	<u>89,023,264</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 17. Issued capital (continued)

Movements in ordinary share capital

Details	Date	No of shares	Issue price	\$
Balance	1 January 2021	1,019,502,141		89,023,264
Exercise of options	3 February 2021	333	\$0.20	66
Rights issue	16 February 2021	230,769,230	\$0.13	30,000,000
Exercise of Options	1 November 2021 to 26 November 2021	16,189,236	\$0.25	4,047,309
Exercise of Options	1 November 2021 to 22 December 2021	69,587	\$0.20	13,917
Share issue costs				(1,913,983)
Balance	31 December 2021	<u>1,266,530,527</u>		<u>121,170,573</u>

There were no movements in share capital during the prior year.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2020 Annual Report.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 18. Reserves

	Consolidated	
	2021	2020
	\$	\$
Options reserve	3,612,406	3,612,406
Share based payments reserve	461,310	457,347
Foreign currency translation reserve	86,920	(1,992,730)
	<u>4,160,636</u>	<u>2,077,023</u>

Options reserve

This reserve is used to recognise the value of option equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Share based payments reserve

This reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Foreign currency translation reserve

This reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Movements in reserves

Options reserve	Consolidated	
	2021	2020
	\$	\$
Balance 1 January	3,612,406	3,612,406
Balance 31 December	<u>3,612,406</u>	<u>3,612,406</u>

Share based payments reserve	Consolidated	
	2021	2020
	\$	\$
Balance 1 January	457,347	1,418,004
Share-based payments	3,963	(3,541)
Expired options and share appreciation rights	-	(957,116)
Balance 31 December	<u>461,310</u>	<u>457,347</u>

Foreign currency translation reserve	Consolidated	
	2021	2020
	\$	\$
Balance 1 January	(1,992,730)	(859,452)
Translation of foreign operations	2,079,650	(1,133,278)
Balance 31 December	<u>86,920</u>	<u>(1,992,730)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 18. Reserves (continued)

Options

Set out below are the options exercisable at the end of the financial year:

Issue Date	Expiry date	Exercise Price	2021 Number	2020 Number
4 April 2019	31 March 2022	\$0.20	39,264,750	39,334,670
29 April 2021	29 October 2022	\$0.25	99,195,342	-
			<u>138,460,092</u>	<u>39,334,670</u>

Share Appreciation Rights

Set out below are the share appreciation rights exercisable at the end of the financial year:

Issue Date	Expiry date	Exercise Price	2021 Number	2020 Number
4 April 2019	8 February 2024	\$0.22	5,000,000	5,000,000

Note 19. Accumulated losses

	Consolidated	
	2021	2020
	\$	\$
Accumulated losses at the beginning of the financial year	(70,611,729)	(68,484,226)
Loss after income tax expense for the year	2,008,541	(3,084,619)
Transfer to accumulated losses on expiry of options and share appreciation rights	-	957,116
Accumulated losses at the end of the financial year	<u>(68,603,188)</u>	<u>(70,611,729)</u>

Note 20. Share-based payments

	Consolidated	
	2021	2020
	\$	\$
Recognised in share-based payments expense	<u>3,963</u>	<u>(3,541)</u>

Share-based payments expense recognised during the year was in relation to share appreciation rights previously issued that were subject to vesting conditions. The expense recognised during the year is impacted by estimates in relation to timing and likelihood of vesting.

Note 21. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 22. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity manages risk using a variety of methods, dependent upon the nature of the risk and the options available to the consolidated entity.

Risk management is carried out by the Board of Directors ('the Board') using policies that include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 22. Financial instruments (continued)

Market risk

Foreign currency risk

Foreign exchange risks arise when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the entity's functional currency.

The consolidated entity is primarily exposed to the fluctuations in the US dollar and the Argentinian Peso, as the consolidated entity up holds US dollar bank deposits and much of the consolidated entity's exploration costs and contracts are denominated in US dollars and Argentinian Pesos.

The consolidated entity aims to reduce and manage its foreign exchange risk by holding the majority of its funds in its US dollar account so that the exchange rate is crystallised early and future fluctuations in rates for settlement of USD denominated payables are avoided. As the consolidated entity's operations develop and expand, the consolidated entity will develop and implement a more sophisticated foreign exchange risk strategy, which will include the use of Forward Exchange Contracts and sophisticated treasury products.

Price risk

The consolidated entity is not exposed to any significant price risk.

Interest rate risk

Exposure arises predominantly from assets and liabilities bearing variable interest rates as the consolidated entity only holds fixed rate liabilities. Financial assets held are cash at bank balances and do not give rise to significant interest income. Interest rate risk is not considered to be material.

Sensitivity analysis

At 31 December 2021, if interest rates had changed by +/-100 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for both the consolidated entity and the parent entity would have been \$224,820 (2020: \$42,198) lower/higher as a result of lower/higher interest income from cash and cash equivalents. Management have deemed a movement of 100 basis points to be an appropriate measure for this sensitivity analysis.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 22. Financial instruments (continued)

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2021						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade and other payables	-	182,934	-	-	-	182,934
<i>Interest-bearing – fixed rate</i>						
Lease liabilities	12%	50,390	6,640	-	-	57,030
Total non-derivatives		<u>233,324</u>	<u>6,640</u>	<u>-</u>	<u>-</u>	<u>239,964</u>
Consolidated - 2020						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade and other payables	-	188,615	-	-	-	188,615
<i>Interest-bearing – fixed rate</i>						
Lease liabilities	12%	58,686	58,840	1,853	-	119,379
Total non-derivatives		<u>247,301</u>	<u>58,840</u>	<u>1,853</u>	<u>-</u>	<u>307,994</u>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 23. Key management personnel

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2021 \$	2020 \$
Short-term employee benefits	403,315	417,550
Post-employment benefits	3,800	3,800
Share-based payments	-	-
Bonus	85,000	-
	<u>492,115</u>	<u>421,350</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditors of the company:

	Consolidated	
	2021	2020
	\$	\$
<i>RSM Australia Partners</i>		
Audit or review of the financial statements	40,000	35,000
Non-audit services – tax compliance	5,000	5,000
Total	45,000	40,000

Note 25. Contingent liabilities

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

Note 26. Commitments

Licence Expenditure Commitments

As part of its exploration activities the Company has entered into various agreements where it has the opportunity to earn into projects upon the satisfaction of performance milestones. These agreements contain various expenditure commitments which are dependent upon particular future events occurring.

Renewal fees are required to be paid annually to the U.S. Department of the Interior Bureau of Land Management for tenements held as part of the Tonopah Lithium Project.

Capital commitments

There are no capital commitments contracted for at balance date.

Note 27. Related party transactions

Parent entity

Argosy Minerals Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 29.

Joint ventures

Interests in joint ventures are set out in note 15.

Key management personnel

Disclosures relating to key management personnel are set out in note 23 and the remuneration report in the directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2021	2020
	\$	\$
Payment for company secretarial and accounting services: Consilium Corporate Pty Ltd	80,000	120,000

Receivable from and payable to related parties

There were no amounts payable to related parties at 31 December 2021 (2020: \$15,612).

Loans to/from related parties

The were no loans outstanding at the reporting date in relation to loans with related parties (2020: nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 28. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2021	2020
	\$	\$
Profit/(loss) after income tax	2,008,541	(3,082,230)
Other comprehensive income	2,096,291	(1,102,381)
Total comprehensive income/(loss)	4,104,832	(4,184,611)

Statement of financial position

	Parent	
	2021	2020
	\$	\$
Current assets	23,204,653	3,077,728
Non-current assets	33,813,259	17,738,802
Total assets	57,017,912	20,816,530
Current liabilities	233,324	237,646
Non-current liabilities	6,640	57,038
Total liabilities	239,964	294,684
Equity		
Issued capital	121,170,573	89,023,264
Reserves	4,208,174	2,107,921
Accumulated losses	(68,600,798)	(70,609,339)
Total equity	56,777,949	20,521,846

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2021 and 2020.

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2021 and 2020.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2021 and 2020.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries, associates and joint ventures are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 29. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2021 %	2020 %
Andover Resources NL	Australia	100%	100%
Argosy Minerals US Inc	United States of America	100%	100%

Note 30. Events after the reporting period

During 1 January 2022 to 25 March 2022, the Company converted 27,123,740 listed options exercisable at \$0.20 and expiring 31 March 2022 into 27,123,740 ordinary fully paid shares, and converted 46,220,691 unlisted options exercisable at \$0.25 and expiring 29 October 2022 into 46,220,691 ordinary fully paid shares.

On 18 February 2022, the Company converted 1,500,000 Share Appreciation Rights (SARs) with an exercise price of \$0.22, on a cashless basis, with the conversion resulting in the issue of 624,743 ordinary fully paid shares.

On 28 February 2022, the Company announced that 2,000,000 SARs lapsed due to the vesting conditions not being met and were cancelled.

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

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 31. Reconciliation of profit/(loss) after income tax to net cash used in operating activities

	Consolidated	
	2021 \$	2020 \$
Profit/(loss) after income tax expense for the year	2,008,541	(3,084,619)
Adjustments for:		
Depreciation	34,016	38,594
Share of (profit)/loss of JV accounted for using equity method	(2,518,688)	917,757
Share based payments	3,963	(3,541)
Share funds held in trust	(34,177)	-
Foreign exchange (gain)/loss	(808,212)	785,229
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(6,133)	6,585
(Increase) in other assets	(54,352)	(2,263)
(Decrease)/increase in trade and other payables	(5,680)	57,389
(Increase) in exploration, evaluation and development	(622,263)	(470,144)
Net cash used in operating activities	<u>(2,002,985)</u>	<u>(1,755,013)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 32. Earnings/(loss) per share

	Consolidated	
	2021	2020
	\$	\$
Profit/(loss) after income tax attributable to the owners of Argosy Minerals Limited	2,008,541	(3,084,619)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share	1,223,077,083	1,019,502,141
Weighted average number of ordinary shares used in calculating diluted earnings/(loss) per share	1,361,537,175	1,019,502,141
	Cents	Cents
Basic earnings/(loss) per share (cents)	0.17	(0.30)
Diluted earnings/(loss) per share (cents)	0.15	(0.30)

DIRECTORS DECLARATION


In the directors' opinion:

- the attached financial statements and notes thereto comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial 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.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Mr Jerko Zuvela
Managing Director
30 March 2022
Perth



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

Opinion

We have audited the financial report of Argosy Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
<p>Exploration, evaluation and development Refer to Note 13 in the financial statements</p>	
<p>The Group has capitalised exploration, evaluation and development expenditure with a carrying value of \$2,980,604 as at 31 December 2021.</p> <p>We considered this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the asset including:</p> <ul style="list-style-type: none"> ▪ Determining whether the expenditure can be associated with finding specific mineral resources and the basis on which that expenditure is allocated to an area of interest; ▪ Assessing whether exploration and evaluation activities have reached a stage at which the existence of economically recoverable reserves may be determined; and ▪ Assessing whether any indicators of impairment are present. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> ▪ Obtaining evidence that the Group has valid rights to explore the specific area of interest; ▪ Agreeing a sample of additions to capitalised exploration, evaluation and development expenditure to supporting documentation and ensuring that the amounts were capital in nature and relate to the area of interest; ▪ Reviewing and enquiring with management the basis on which they have determined that the exploration and evaluation of mineral resources has not yet reached the stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves; ▪ Enquiring with management and reviewing budgets and other documentation as evidence that active and significant operations in, or relation to, the area of interest will be continued in the future; and ▪ Critically assessing and evaluating management's assessment that no indicators of impairment existed at the reporting date.
<p>Investment in Puna Mining S.A. Refer to Note 14 and 15 in the financial statements</p>	
<p>The Group owns 77.5% of the shares in Puna Mining S.A. This investment is accounted for under the equity method in accordance with AASB 128 Investments in Associates and Joint Ventures. The Group has also advanced \$18,374,156 at the reporting date, which will convert to additional equity in Puna Mining S.A. upon fulfilment of all requirements in the joint venture agreement.</p> <p>This is considered a key audit matter due to proportion of the Group's net assets it represents, the judgment involved in determining the correct accounting treatment, and the consideration of the existence of any impairment indicators.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> ▪ Review of agreements between Argosy Minerals Limited and Puna Mining S.A. to ensure the investment continues to be accounted for under AASB 128 Investments in Associates and Joint Ventures; ▪ Reviewing the evidence supporting management's conclusion that the investment in Puna Mining S.A. is not impaired; and ▪ Reviewing the disclosure included in the financial statements to ensure compliance with Australian Accounting Standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2021 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 31 December 2021.

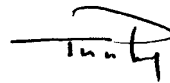
In our opinion, the Remuneration Report of Argosy Minerals Limited for the year ended 31 December 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 30 March 2022

SHAREHOLDER INFORMATION

The following information about the Company's issued capital was applicable as at 15 March 2022:

FULLY PAID ORDINARY SHARES

Top 20 Shareholders

The names of the twenty largest holders of quoted ordinary shares are listed below:

Holder Name	Holding	% IC
CITICORP NOMINEES PTY LIMITED	51,643,065	3.90%
MR JERKO PETER ZUVELA <JAKKZ DISCRETIONARY A/C>	47,155,759	3.57%
DIHNA NADA ZUVELA <DNZ DISCRETIONARY A/C>	32,277,469	2.44%
MR STEVEN MARIN ZUVELA <TAEZ A/C>	25,964,731	1.96%
MR ALEXANDER ALAN MOLYNEUX	21,783,333	1.65%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	19,505,965	1.47%
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	18,759,590	1.42%
MR WEIMIN CHEN	18,680,606	1.41%
OSF NOMINEES PTY LTD <FREDERICKSON SUPER FUND A/C>	16,660,011	1.26%
MRS XIAOLI CAI	15,894,000	1.20%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,215,625	1.07%
OLIVER SCARLETT RESOURCES PTE LTD	12,000,000	0.91%
TSD 98 INVESTMENTS PTY LTD <WHITE HORSE SUPERFUND A/C>	11,842,819	0.90%
MR JERKO PETER ZUVELA	11,122,990	0.84%
MRS ANITA DRAGANA ZUVELA	11,122,990	0.84%
MR STEVEN CAMARDA <S C A/C>	8,922,890	0.67%
CAVALIER CORPORATE PTY LTD <THE CAVALIER A/C>	8,260,000	0.62%
NEPTUNE FISHING CO PTY LTD <CAMARDA SUPER FUND A/C>	7,822,474	0.59%
LYCKA PTY LTD <LYCKA A/C>	7,600,000	0.57%
MR JIANZHU GENG	7,000,000	0.53%
Total	368,234,317	27.84%

Distribution of shareholders

Analysis of number of shareholders by size of holding:

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	208	30,536	0.00%
1,001 - 5,000	2,507	7,631,520	0.58%
5,001 - 10,000	1,780	14,133,425	1.07%
10,001 - 100,000	4,576	167,984,733	12.70%
100,001 and over	1,509	1,132,808,909	85.65%
Totals	10,580	1,322,589,123	100.00%

Holders of less than a marketable parcel 430

SHAREHOLDER INFORMATION

LISTED OPTIONS EXPIRING 31 MARCH 2022 @ \$0.20

Top 20 Listed Optionholders

The names of the twenty largest holders of quoted options are listed below:

Holder Name	Holding	% issued
BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	4,170,000	15.96%
MR DAVID COX	3,606,000	13.80%
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	1,997,333	7.65%
MS MADALEINE JOANNA D'AVIGDOR	1,000,000	3.83%
MR MICHAEL PAUL BRBICH & MRS JOANNE BRBICH INVESTMENT A/C	970,000	3.71%
MR STEPHEN MICHAEL BONNOR & MRS MONIKA KARAPETYAN <BONNOR FAMILY SUPERFUND A/C>	903,220	3.46%
MR PAUL VENDA DIVIN	886,289	3.39%
MR DAVID FRANCIS SORGIOVANNI & MRS SHANNON LOUISE SORGIOVANNI <D & S SORGIOVANNI A/C>	738,237	2.83%
MR NIGEL PETER CLARK & MS HAZEL ANN PEARCE	500,000	1.91%
MR POH SENG TAN	500,000	1.91%
UBS NOMINEES PTY LTD	499,333	1.91%
MARJAN MANAGEMENT (AUST) PTY LTD <MARJAN FAMILY SUPERFUND A/C>	305,706	1.17%
MR MICHAEL JAMES WOODFORD	300,000	1.15%
MR LEWIS ROBERT CHRISTIE	285,996	1.09%
ORCA CAPITAL GMBH	280,103	1.07%
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	259,998	1.00%
MR WESLEY JAMES HALL & MR MICHAEL OLIVER HALL <WHALL79 SUPER FUND A/C>	250,825	0.96%
ONE INVEST FINANCIAL PTY LTD	246,000	0.94%
MR LEE CRAIG CROMBIE	225,000	0.86%
MR KENNETH GEORGE GRAYSON	200,555	0.77%
Total	18,124,595	69.39%

Distribution of listed optionholders

Analysis of number of listed optionholders by size of holding:

Holding Ranges	Holders	Total Units	% Issued
1 - 1,000	326	112,770	0.43%
1,001 - 5,000	180	423,528	1.62%
5,001 - 10,000	44	324,229	1.24%
10,001 - 100,000	121	4,382,001	16.78%
100,001 and over	39	20,878,738	79.93%
Totals	710	26,121,266	100.00%

SHAREHOLDER INFORMATION

UNLISTED OPTIONS EXPIRING 29 OCTOBER 2022 @ \$0.25

There were 56,904,973 unlisted options outstanding as at 15 March 2022. There are 179 holders of these options.

The names of holders with 20% or more of the unlisted options are:

Holder Name	Holding	% issued
CS THIRD NOMINEES PTY LTD <HSBC CUST NOM AU LTD 13 A/C>	20,192,308	35.48%

Analysis of number of listed optionholders by size of holding:

Holding Ranges	Holders	Total Units	% Issued
1 - 1,000	1	1	0.00%
1,001 - 5,000	5	16,378	0.03%
5,001 - 10,000	5	39,615	0.07%
10,001 - 100,000	114	5,978,216	10.51%
100,001 and over	54	50,870,763	89.40%
Totals	179	56,904,973	100.00%

SHARE APPRECIATION RIGHTS (SARS)

There are 1,500,000 SARs outstanding with an exercise price of \$0.22 and expiring 8 February 2024. There is 1 holder of these SARs, which were issued under an employee incentive scheme.

SUBSTANTIAL HOLDERS

The Substantial holders in the company as disclosed in their most recent substantial shareholder notice are set out below:

Holder name	Shares held
Mr Jerko Zuvela	69,401,739

VOTING RIGHTS

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Listed Options, Unlisted Options and SARs

There are no voting rights attached to these classes of equity securities, until converted into fully paid ordinary shares.

ON MARKET BUY BACK

There is no current on market buy back of Argosy shares.