Argosy Minerals Limited

ABN 27 073 391 189

Annual Report - 31 December 2015

Argosy Minerals Limited
Corporate Directory
31 December 2015

Directors	Ranko Matic	Non-Executive Chairman
	Jerko Zuvela	Non-Executive Director
	Andrea Betti	Non-Executive Director
Company Secretary	Andrea Betti	
Registered Office	Level 3 216 St Georges Terrace Perth WA 6000	
Contacts	Ph: 08 9226 4500 Fx: 08 9226 4300 www.argosyminerals.com.au	
Auditors	Rothsay Chartered Accountants Level l, Lincoln Building 4 Ventnor Avenue WEST PERTH WA 6005	
Share Registry	Automic Registry Services Suite 1A, Level 1 7 Ventnor Avenue West Perth WA 6005 08 9324 2099	
ASX Listing	ASX:AGY	

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 2015.

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 Ranko Matic
Mr Jerko Zuvela
Ms Andrea Betti (appointed 28 October 2015)
Mr Frank Knezovic (resigned 28 October 2015)

Principal activities
The principal activity of the Group during the period was the development of exploration projects for graphite, copper, lithium, base metals and other mineral commodities. 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 loss for the consolidated entity after providing for income tax amounted to $321,565 (31 December 2014: $67,270 profit).

CORPORATE

Capital Raisings and Loan Repayments

On 13 August 2015, Discovery Africa Limited (ASX:DAF) announced to the market that they had sold their entire shareholding in Argosy Minerals (28.6%) and therefore on this date ceased to be an associate of Argosy Minerals Ltd.

On 14 August 2015, the Company closed out the $100,000 loan owing to Discovery Africa Limited by the issue of 50,000,000 ordinary fully paid shares in the Company at an issue price of $0.02. This repayment was in line with the previously agreed recapitalisation of the Company conducted in 2014 and represented the full and final settlement of any monies owed to Discovery Africa Limited.

Board Changes
On 28th October 2015, the Company accepted the resignation from Mr Frank Knezovic as the Non-Executive Chairman and the Company then appointed Ms Andrea Betti as a new Non-Executive Director. On this date Ms Betti was also appointed as Argosy's Company Secretary, to replace Mr Matic who resigned from this role. Mr Matic then simultaneously took up the role as the Company's Non-Executive Chairman.

EXPLORATION

Argosy Minerals Limited is an Australian based mineral exploration company with an option to purchase the Mt Paris Lithium Project in Tasmania, has a farm-in joint venture agreement (earning up to 80%) in the rapidly emerging Wee MacGregor Copper-Gold Project in Queensland, and also has a 100% interest in the Erongo Graphite Project in Namibia.

Mt Paris Lithium Project

The Mt Paris Lithium Project comprises one granted exploration licence covering an area of 115km², located approximately 60km northeast of Launceston with access via the sealed Tasman Highway. Argosy executed a Heads of Agreement with Geotech International Pty Ltd in February 2016, granting the Company a two-year option period to purchase the Project.

The Project targets lithium mineralisation within the extensive greisen swarms located within the exploration licence. Previous explorers, all targeting tin mineralisation, classified the hard rock deposits into quartz-greisen veins, stanniferous greisen lodes surrounded by zones of kaolinite-altered granite, and flat-lying greisen sheets, which are all associated with the undulating granite roof-zone/cupola. The greisens and associated pegmatites are prospective for lithium micas (zinnwaldite), lithium pyroxene (spodumene) and lithium clays (hectorite).

The Company considers the Mt Paris Project may have an analogous geological setting to the Cinovec Project (owned by ASX-listed European Metals Holdings Limited) – Europe's largest lithium deposit. Cinovec is a pervasively altered and greisenised lithium-albite granite (with quartz, topaz, zinnwaldite and cassiterite), occurring in the upper part of a cupola, (European Metals, 2016).

The largest single known body of greisen in the Project area is at the Mt Paris Mine (located at Mt Terror), with its dimensions proven by surface mapping and drilling by Union Corp (a cross section of the mineralisation is shown in Figure 1), whilst the best known swarm of greisen veins within the Project appears to be at Rattler Hill. No previous exploration works targeting lithium have been conducted at these sites.

The Company's near-term strategy to advance the Project is:
- Conduct preliminary exploration works targeting the greisens at Mt Paris Mine (Mt Terror) and Rattler Hill to test for lithium; and
- Collect, re-log and analyse the historic samples of drill cores from the Project area stored at the MRT core library in Hobart for lithium.

The Company considers the Project to be highly prospective for lithium mineralisation, given the presence of fertile greisens and the indication of lithium mineralisation within those greisens and background granites, a similar geological setting to the Cinovec lithium deposit, and that no previous lithium exploration has been conducted within the Project.

Wee MacGregor Copper-Gold Project

Argosy announced the Farm-in Joint Venture Agreement with Mining International Pty Ltd in November 2015 to earn up to an 80% interest in the Wee MacGregor Copper-Gold Project located in the world class Mt Isa base metals province in north-west Queensland. The Wee MacGregor Project comprises three granted mining licences located approximately 60km southeast of Mt Isa with access via the sealed Barkly Highway.

In December, the Company announced a maiden JORC 2012 compliant Mineral Resource estimate had been completed for the Wee MacGregor Project (refer to ASX announcement 9 December 2015 - Maiden JORC Resource for Wee Macgregor Project).

The Company conducted a reconnaissance site visit to the Project and collected composite grab samples, with high grade copper (Cu), gold (Au), and cobalt (Co) sample analysis results received (refer to ASX announcement 4 December 2015 - Wee Macgregor Project Results Update).

The Company was notified that two of the mining leases forming part of the Project were renewed by the Queensland Government Department of Natural Resources and Mines for further 21 year terms. Mining Leases (ML) 2504 and 2773 have now been extended until 31 December 2034 and 31 August 2031 respectively.

Erongo Graphite Project (Area 51)

The Erongo (Area 51) Graphite Project is located in Namibia, approximately 275km northwest of the capital Windhoek. The Company advised in October 2015 that tenement EPL4335 was not renewed and had expired.

The company has not made any final decision on its strategy for the Project, pending further review and considering funding opportunities.

Schedule of Tenements

The schedule of tenements held by the Company is shown below.

Tenement	Location	Beneficial Percentage held
EL19/2014[1]	Tasmania	0% (option to purchase 100%)
EPL4079	Namibia	100%
ML90098[2]	Queensland	0% (JV, earning up to 80%)
ML2504[2]	Queensland	0% (JV, earning up to 80%)
ML2773[2]	Queensland	0% (JV, earning up to 80%)

[1] Interest in tenement held by Geotech International Pty Ltd.
[2] Interest in tenement held by Mining International Pty Ltd.

The Company also intends to proactively identify and review new project or asset acquisition opportunities, to enhance its project portfolio and increase the overall value proposition of AGY. The Company will also consider other mineral commodities to ensure it is best placed to deliver value and upside potential for all its shareholders.

Matters subsequent to the end of the financial year

On 8 February 2016 the Company advised that it had entered into a Heads of Agreement with Geotech international Pty Ltd which granted Argosy a two year option to purchase the Mt Paris Lithium Project in Tasmania. Details on this project are detailed above under Exploration.
On 29 February 2016, the Company advised it had changed its registered office and principal place of business to Level 3, 216 St Georges Terrace, Perth.

No other matter or circumstance has arisen since 31 December 2015 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.

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 2015.

Information on directors

Name:	Ranko Matic
Title:	Non-Executive Chairman
Qualifications:	B. Bus, CA
Experience and Expertise:	Mr Matic is a Chartered Accountant with over 25 years experience in the areas of financial and executive management, accounting, audit, business and corporate advisory. Mr Matic is a director of a chartered accounting firm and a corporate advisory company based in West Perth, and has specialist expertise and exposure in areas of audit, corporate services, due diligence, mergers and acquisitions, and valuations. Mr Matic is currently a director of several ASX listed companies and has also acted as Chief Financial Officer and Company Secretary for companies in the private and public sector. Mr Matic currently holds company secretarial roles with publicly listed companies including Antilles Oil and Gas NL, Paladin Energy Ltd, Summit Resources Ltd, Celsius Coal Limited, Vonex Ltd, Valmec Ltd, East Energy Resources Ltd and Discovery Africa Limited.
Other current directorships:	Valmec Ltd (ASX:VMX) appointed 6/2/2012 Celsius Coal (ASX:CLA) appointed 23/12/12 East Energy Resources Ltd (ASX:EER) appointed 13/7/2007 Antilles Oil and Gas NL (ASX:AVD) appointed 12/02/2016
Former Directorships (in last 3 years)	Antilles Oil and Gas NL (ASX:AVD) appointed 11/4/14, resigned 15/8/14, re-appointed 12/02/2016
Special Responsibilities:	None
Interests in Shares:	17,170,310 Ordinary Shares

Name:	Jerko Zuvela
Title:	Non-Executive Director
Qualifications:	B.Sc (Applied Geology)
Experience and Expertise:	Mr Jerko Zuvela has over 20 years 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 Africa Limited (ASX:DAF) appointed 24/11/2014
Former Directorships (in last 3 years)	Dromana Estate Limited (ASX:DMY) now known as Fastrack Robotics Limited (ASX:FBR) appointed 15/11/2011, resigned 14/01/2015.
Special Responsibilities:	None
Interests in Shares:	14,670,305 Ordinary Shares

Name:	Andrea Simone Betti
Title:	Non-Executive Director and Company Secretary
Qualifications:	BCom, MBA, Grad Dip in Finance/Investment; Grad Dip in Corporate Governance
Experience and Expertise:	Ms Betti is an accounting and corporate governance professional with over 18 years experience in accounting, corporate governance, finance and corporate banking. She has a Bachelor of Commerce, Graduate Diploma in Corporate Governance, Graduate Diploma in Applied Finance and Investment and a Masters of Business Administration. Ms Betti has acted as Chief Financial Officer and Assistant Company Secretary for companies in the private and public sector, as well as senior executive roles in the banking and finance industry.
Other current directorships:	None
Former Directorships (in last 3 years)	Nil
Special Responsibilities:	None
Interests in Shares:	Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 December 2015, and the number of meetings attended by each director were:

Director	Meetings Eligible to Attend	Meetings Attended
Jerko Zuvela	4	4
Ranko Matic	4	4
Andrea Betti	1	1
Frank Knezeovic	3	3

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

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.

Voting and comments made at the company's 2015 Annual General Meeting ('AGM')
At the 2015 AGM, 99.99% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2014. 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**	
	Cash salary and fees	**Termination**	**Non-Monetary**	**Super-annuation**	**Long Service Leave**	**Equity-settled**	**Total**
2015	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Non-Exec Directors							
Frank Knezovic*	-	-	-	-	-	-	-
Ranko Matic	-	-	-	-	-	-	-
Jerko Zuvela	-	-	-	-	-	-	-
Andrea Betti	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

* Mr Frank Knezovic resigned on 28 October 2015.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	**Termination**	**Non-Monetary**	**Super-annuation**	**Long-Service Leave**	**Equity-settled**	**Total**
2014	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Non-Exec Directors							
Frank Knezovic	-	-	-	-	-	-	-
Ranko Matic	-	-	-	-	-	-	-
Jerko Zuvela	-	-	-	-	-	-	-
Peter Lloyd**	-	-	-	-	-	-	-
Graham Walker**	-	-	-	-	-	-	-
Philip Thick *	15,000	-	-	-	-	-	15,000
Executive Directors							
Kevin Nichol*	15,000	-	-	-	-	-	25,000
Danie Van Den Bergh*	25,000	-	-	-	-	-	15,000
	55,000	-	-	-	-	-	55,000

* Mr Phil Thick, Mr Danie van den Burgh and Mr Kevin Nichol all resigned on 24 April 2014
** Mr Peter Lloyd and Mr Graham Walker resigned on 17 July 2014.

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

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2015	2014	2015	2014	2015	2014
Non-Executive Directors:						
Jerko Zuvela	0%	0%	0%	0%	0%	0%
Ranko Matic	0%	0%	0%	0%	0%	0%
Andrea Betti	0%	-	0%	-	0%	-
Frank Knezovic	0%	0%	0%	0%	0%	0%
Peter Lloyd	-	-	-	-	-	-
Graham Walker	-	-	-	-	-	-
Philip Thick	-	100%	-	0%	-	0%
Executive Directors:						
Kevin Nichol	-	100%	-	0%	-	0%
Danie Van Den Bergh	-	100%	-	0%	-	0%

Service agreements
Currently there are no formalised service agreements for key management 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 2015.

Options
There were no options issued to directors and other key management personnel as part of compensation during the year ended 31 December 2015.

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 2015 was nil.

There were no options over ordinary shares granted, exercised or lapsed for directors and other key management personnel as part of compensation during the year ended 31 December 2015.

Additional information
The earnings of the consolidated entity for the five years to 31 December 2015 are summarised below:

	2015 $	2014 $	2013 $	2012 $	2011 $
Profit/Loss after income tax	(321,565)	67,269	(1,645,529)	(941,378)	(1,241,747)

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

	2015	2014	2013	2012	2011
Share price at financial year end ($)	0.002	0.001	0.02	0.09	0.12
Basic earnings per share (cents per share)	(0.08)	0.03	(1.31)	(0.78)	(1.06)

This concludes the remuneration report, which has been audited.

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
30 May 2013	13 June 2017	$0.09	12,500,000

Shares issued on the exercise of options
There were no ordinary shares of Argosy Minerals Limited issued on the exercise of options during the year ended 31 December 2015 and up to the date of this 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.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former audit partners of Rothsay Chartered Accountants
There are no officers of the company who are former audit partners of Rothsay Chartered Accountants.

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.

Auditor

Rothsay Chartered Accountants continues in office in accordance with section 327 of the Corporations Act 2001.

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 Ranko Matic
Non-Executive Chairman
31 March 2016
Perth

ROTHSAY

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Phone 9486 7094 www.rothsayresources.com.au

The Directors
Argosy Minerals Limited
PO Box 7775
CLOISTERS SQUARE WA 6850

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 31 December 2015 financial statements; and

ii) no contraventions of any applicable code of professional conduct in relation to the review.

GRSwan

Graham R Swan (Lead auditor)

Rothsay Auditing

Dated 31st March 2016

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 Third 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 disclose: (a) 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 deleted to manager. 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 person, or putting forward to security holders a candidate 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.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Not Adopted Currently directors do not have a written agreement with the Company setting out the terms of their appointments. This will be addressed in the short term.
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 appropriate 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 a diversity Policy which includes requirements for Board/Committee to set measurable objectives for achieving gender diversity and assess them and achieving them annually	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

	(b) disclose that policy (c) disclose at end of reporting period how objectives are being achieved via: (i) respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how senior exec is defined); or (ii) if entity is a "relevant employer" under the Workplace Gender Equality Act, the entities most recent "Gender Equality	governance and associated policies and will determine if a diversity policy is appropriate at this development stage of the business. The Company makes the following disclosures regarding the proportion of women employed in the organisation: - Women on Board: 33% - Women in Senior Management: 0% - Women in whole organisation: 33%
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Not Adopted 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. An evaluation has not taken place within the financial period.
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Not Adopted. The Company does not currently have an executive performance evaluation policy as the Company does not currently have any executives. It is the Company's intention to eventually develop and adopt a process for periodic senior executive evaluations. An evaluation has not taken place within the financial period.
	PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE	
	Recommendation	**Argosy Minerals Limited Current Practice**
2.1	The board of a listed entity should: (a) Have a nomination committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director; and disclose: (i) the charter of the committee; (ii) the members of the committee; and (iii) 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 (b) 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.	Not Adopted The Company does not have a separate nomination committee and 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. The Company has adopted a Nomination and Remuneration Committee Charter setting out the board process to raise the issues that would otherwise be considered by the Nomination Committee. The Board consider that at this stage, no efficiencies or other benefits would be gained by establishing a separate nomination committee. The Nomination Committee Charter is available on the Company's website www.argosyminerals.com.au
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills	Not Adopted

	and diversity that the board currently has or is looking to achieve in its membership.	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.
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors (b) if a director has an interest, position, association or relationship as described in Box 2.3 (Factors relevant to assessing independence) but the board is of the opinion that it doesn't compromise the independence of the director, nature of the interest, position, association or relationship and an explanation as to why the board is of that opinion; and (c) the length of service of each director.	Adopted. (a) Andrea Betti – Independent (b) n/a n/a (c) Andrea Betti - appointed 28 October 2015 – 2 months
2.4	A majority of the Board of a listed entity should be independent directors.	Not Adopted. There is only one director that is considered to be independent – Andrea Betti. Therefore only one third of the board is considered independent.
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.	Adopted. Ranko Matic is the current Chairman of the Company and as there is currently no appointed CEO in the Company, this recommendation is satisfied.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Adopted. 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.
	PRINCIPLE 3 – PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING	
	Recommendation	**Argosy Minerals Limited Current Practice**
3.1	A listed entity should: (a) Have a code of conduct for its directors, senior executives and employees; and (b) disclose that code of conduct or a summary of it.	Adopted. The Company has a Code of Conduct which is published on the Company's website: www.argosyminerals.com.au
	PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING	
	Recommendation	**Argosy Minerals Limited Current Practice**
4.1	The board of a listed entity should: (a) have an audit committee which: (i) has at least 3 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; And disclose:	Not Adopted The role of the audit committee is currently undertaken by the full board. The Company has adopted an Audit Committee Charter which is published on the Company's website www.argosyminerals.com.au The Board follows the Audit Committee Charter which provides for integrity of corporate reporting and the removal of the external auditor and the rotation of the audit engagement partner.

	(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 individual attendances of the member at those meetings; or (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.	
4.2	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.	Adopted
4.3	A 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.	Adopted
	PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE	
	Recommendation	**Argosy Minerals Limited Current Practice**
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	Adopted. The Company has a written Continuous Disclosure Policy, a copy of which is available on its website – www.argosyminerals.com.au
	PRINCIPLE 6 – RESPECT THE RIGHTS OF SHAREHOLDERS	
	Recommendation	**Argosy Minerals Limited Current Practice**
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Adopted Refer to the Company's Corporate Governance page on its website - www.argosyminerals.com.au
6.2	A listed entity should design and implement an investor relations program to facilitate 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 the policies and processes it has in place to facilitate and encourage 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 give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Adopted
	PRINCIPLE 7 – RECOGNISE AND MANAGE RISK	
	Recommendation	**Argosy Minerals Limited Current Practice**
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, And disclose: (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 (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.	Not Adopted The Company does not currently have a Risk Committee. The role of the risk committee is undertaken by the whole board. The Board reviews risk on a regular basis and adopts mitigation processes as required.
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	Not Adopted. The Board reviews risk on a regular basis, however has not developed a formal risk management framework. A review has not taken place in the reporting period.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or	Not Adopted 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. Internal controls are reviewed on an annual basis.

	(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 risk management and internal control processes.	
7.4	A listed entity should 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.	Not Adopted. The Company does not have a sustainability policy.
-		
	PRINCIPLE 8 – REMUNERATE FARILY AND RESPONSIBLY	
	Recommendation	**Argosy Minerals Limited Current Practice**
8.1	The board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (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 (b) if it 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.	Not Adopted. The Company does not have a Remuneration Committee, although the company does have a remuneration policy, a copy of which is available on the Company's website – www.argosyminerals.com.au. The Board follows the Remuneration Policy which provides for dealing with board remuneration issues.
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. This information is contained within the Remuneration Report of the Annual Report. Setting remuneration for executives is set out in the Remuneration Committee Charter.
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

Corporate Governance Statement dated 31 March 2016
Approved by the Board 31 March 2016

Argosy Minerals Limited
Consolidated Statement of profit or loss and other comprehensive income
For the year ended 31 December 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Revenue	5	5,552	304,533
Expenses			
Compliance costs		(45,340)	(91,960)
Bank charges		(444)	(200)
Rental expenses		(304)	(1,502)
Directors fees	6	-	(45,000)
Legal fees		(4,701)	(2,405)
Audit Fee	20	(15,000)	(19,000)
Office expenses		-	(566)
Exploration and project assessment expenditure		(35,661)	-
Impairment of Exploration assets		(179,893)	-
Other expenses		(9,772)	(21,253)
Finance costs		(36,002)	(55,377)
Profit/(Loss) before income tax expense		(321,565)	67,270
Income tax expense	7	-	-
Profit/(Loss) after income tax expense for the year attributable to the owners of Argosy Minerals Limited	16	(321,565)	67,270
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(loss) for the year attributable to the owners of Argosy Minerals Limited		(321,565)	67,270
		Cents	**Cents**
Basic earnings/(loss) per share	28	(0.08)	0.03
Diluted earnings/(loss) per share	28	(0.08)	0.03

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

Argosy Minerals Limited
Consolidated Statement of financial position
As at 31 December 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Assets			
Current assets			
Cash and cash equivalents	8	264,000	396,604
Trade and other receivables	9	3,588	1,012
Total current assets		267,588	397,616
Non-current assets			
Exploration and evaluation	10	169,991	328,172
Total non-current assets		169,991	328,172
Total assets		437,579	725,788
Liabilities			
Current liabilities			
Trade and other payables	11	21,734	22,724
Loans Payable	12	350,597	100,000
Total current liabilities		372,331	122,724
Non-current liabilities			
Borrowings	13	-	314,597
Total non-current liabilities		-	314,597
Total liabilities		372,331	437,321
Net assets/(liabilities)		65,248	288,467
Equity			
Issued capital	14	53,547,982	53,449,636
Reserves	15	3,612,406	3,612,406
Accumulated losses	16	(57,095,140)	(56,773,575)
Total equity/(deficiency)		65,248	288,467

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

Argosy Minerals Limited
Consolidated Statement of changes in equity
For the year ended 31 December 2015

Consolidated	Issued capital $	Accumulated Losses $	Reserves $	Total equity $
Balance at 1 January 2014	52,948,890	(56,840,845)	3,612,406	(279,549)
Loss after income tax expense for the year	-	67,270	-	67,270
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	67,270	-	67,270
Transactions with owners in their capacity as owners:				
Share Issues	504,117	-	-	504,117
Share Issue Costs	(3,371)	-	-	(3,371)
Balance at 31 December 2014	53,449,636	(56,773,575)	3,612,406	288,467

Consolidated	Issued capital $	Accumulate d losses $	Reserves $	Total Equity $
Balance at 1 January 2015	53,449,636	(56,773,575)	3,612,406	288,467
Loss after income tax expense for the year	-	(321,565)	-	(321,565)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	(321,565)	-	(321,565)
Transactions with owners in their capacity as owners:				
Share issues	100,000	-	-	100,000
Share issue costs	(1,654)	-	-	(1,654)
Balance at 31 December 2015	53,547,982	(57,095,140)	3,612,406	65,248

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

Argosy Minerals Limited
Consolidated Statement of cash flows
For the year ended 31 December 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(114,790)	(179,361)
Interest received		5,552	5,325
Net cash used in operating activities	27	(109,238)	(174,036)
Cash flows from investing activities			
Payments for exploration and evaluation	10	(21,712)	(143,537)
Net cash used in investing activities		(21,712)	(143,537)
Cash flows from financing activities			
Proceeds from borrowings		-	508,704
Loan Repayments		-	(300,000)
Proceeds from issue of shares	14	-	504,117
Share issue transaction costs		(1,654)	(3,371)
Net cash from financing activities		(1,654)	709,450
Net decrease in cash and cash equivalents		(132,604)	391,877
Cash and cash equivalents at the beginning of the financial year		396,604	4,727
Cash and cash equivalents at the end of the financial year	8	264,000	396,604

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

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 3
216 St Georges Terrace
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 31 March 2015. 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 consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

The adoption of new accounting standards applicable to the Group for the first time in 2015 has not had a material 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 24.

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 2015 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'.

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. Refer to the 'business combinations' accounting policy for further details. 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.

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.

Note 2. Significant accounting policies (continued)

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.

Trade and other receivables
Other receivables are recognised at amortised cost, less any provision for impairment.

Property, 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 property, 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.

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.

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-

Note 2. Significant accounting policies (continued)

generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

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

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.

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 to employees 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 either the Binomial or Black-Scholes option pricing 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.

Note 2. Significant accounting policies (continued)

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing 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 employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee 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.

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 per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit 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 per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings 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.

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes 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.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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 entity does not have any operating segments with discrete financial information. The Group does not have any customers, and all the group’s assets and liabilities, as recorded in the Statement of Financial Position, are located within Australia.

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

	Consolidated 2015 $	Consolidated 2014 $
Debt Forgiveness	-	299,208
Interest	5,552	5,325
	5,552	304,533

Note 6. Expenses

	Consolidated 2015 $	Consolidated 2014 $
Loss before income tax includes the following specific expenses:		
Directors' fees	-	45,000
Total Directors payments	-	45,000

Note 7. Income tax expense

	Consolidated 2015 $	Consolidated 2014 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit/(Loss) before income tax expense	(321,565)	67,270
Tax at the statutory tax rate of 30%	(96,470)	20,181
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Project assessment expenses not deductible	(11,306)	(94,654)
	(107,775)	(74,473)
Current year tax losses not recognised	96,975	70,273
Current year temporary differences not recognised	10,800	4,200
Income tax expense	-	-

	Consolidated 2015 $	Consolidated 2014 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	741,493	671,926

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 8. Current assets - cash and cash equivalents

	Consolidated 2015 $	Consolidated 2014 $
Cash at bank	264,000	396,604

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 disclosure in Note 15.

Note 9. Current assets - trade and other receivables

	Consolidated 2015 $	Consolidated 2014 $
BAS receivable	3,588	1,012
	3,588	1,012

Impairment of receivables
As at 31 December 2015, trade receivables that were past due or impaired were nil (2014: nil).

Refer to Note 18 for details of credit risk and fair value.

Note 10. Non-current assets - exploration and evaluation

	Consolidated 2015 $	Consolidated 2014 $
Exploration and evaluation	169,991	328,172

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

Consolidated	Exploration & Evaluation $	Total $
Balance at 1 January 2014	184,635	184,635
Expenditure during the year	143,537	143,537
Balance at 31 December 2014	328,172	328,172
Impairment of exploration expenditure*	(179,893)	(179,893)
Expenditure during the year	21,711	21,711
Balance at 31 December 2015	169,991	169,991

* The Company advised in October 2015 that tenement EPL4335 was not renewed and had expired and subsequently impaired an amount of $179,893.

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 11. Current liabilities - trade and other payables

	Consolidated 2015 $	Consolidated 2014 $
Trade payables	7,734	8,724
Other payables	14,000	14,000
	21,734	22,724

Note 12. Current liabilities – Loans Payable

	Consolidated 2015 $	Consolidated 2014 $
Loans Payable/Convertible Notes	300,000	100,000
Accrued Interest on Convertible Notes	50,597	-
	350,597	100,000

During the year the Company issued 50,000,000 fully paid ordinary shares at a deemed issue price of $0.002 as full and final satisfaction of the remaining loan outstanding of $100,000 to Discovery Africa Ltd. During the year the Company re-classified the Convertible Notes and accrued interest to a current liability. The Convertible Notes were issued on 13 August 2014 with a term of 24 months from the issue date, or at any such date as agreed in writing between the noteholder and the Company. The interest rate applicable to the notes is 12% p.a. The convertible notes plus any interest accrued will convert into fully paid ordinary shares based on the conversion price of $0.002. Notes may be converted by the noteholder any time after the Company receives shareholder approval to convert the notes which was received on 29 May 2015. The Company may convert the notes at the repayment date. The convertible notes are unsecured.

Note 13. Non-current liabilities - borrowings

	Consolidated	
	2015	2014
	$	$
Convertible notes and accrued interest	-	314,597

Refer to note 18 for further information on financial instruments.

Note 14. Equity - issued capital

	Consolidated			
	2015	2014	2015	2014
	Shares	Shares	$	$
Ordinary shares - fully paid	428,087,315	378,087,316	53,547,982	53,449,636

Movements in ordinary share capital

Details	Date	No of shares	Issue price	$
Balance	1 January 2015	378,087,315		53,449,636
Share Issue	14 August 2015	50,000,000	$0.002	100,000
Share issue costs				(1,654)
Balance	31 December 2015	428,087,315		53,547,982

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 2014 Annual Report.

Note 15. Equity - reserves

	Consolidated 2015 $	Consolidated 2014 $
Options reserve	3,612,406	3,612,406

Options reserve
The 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.

Movements in reserves
There have been no movements in any class of reserve during the current and previous financial year.

Note 16. Equity - accumulated losses

	Consolidated 2015 $	Consolidated 2014 $
Accumulated losses at the beginning of the financial year	(56,773,575)	(56,840,845)
Profit/(Loss) after income tax expense for the year	(321,565)	67,270
Accumulated losses at the end of the financial year	(57,095,140)	(56,773,575)

Note 17. Equity - dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Note 18. 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.

Market risk
Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The consolidated entity does not currently hold any financial assets in foreign currencies, and its only foreign currency liabilities are trade payables arising from expenditure incurred in Namibia on exploration and evaluation assets. These expenses are settled within 30 days, minimising the risk of foreign exchange losses.

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.

Note. 18 Financial instruments (continued)

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.

Consolidated - 2015	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade and other payables	21,734	-	-	-	21,734
Loans Payable	-	-	-	-	-
Interest bearing					
Convertible Notes	350,597	-	-	-	350,597
Total non-derivatives	372,331	-	-	-	372,331

Consolidated - 2014	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade and other payables	22,724	-	-	-	22,724
Interest bearing	100,000	-	-	-	100,000
Borrowings					
Total non-derivatives	-	314,597	-	-	314,597
	122,724	314,597	-	-	437,321

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 19. Key management personnel disclosures

Directors
The following persons were directors of Argosy Minerals Limited during the financial year:
Mr Jerko Zuvela
Mr Ranko Matic
Ms Andrea Betti (appointed 28 October 2015)
Mr Frank Knezovic (resigned 28 October 2015)

Note 19. Key management personnel disclosures (continued)

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

	Consolidated 2015 $	Consolidated 2014 $
Short-term employee benefits	-	55,000
	-	55,000

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:

2015	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Ranko Matic*	17,170,310	-	-	-	17,170,310
Jerko Zuvela*	14,670,305	-	-	-	14,670,305
	31,840,615	-	-	-	31,840,615

*These shares acquired at share issue on 10 July 2014 before the directors were appointed

2014	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Ranko Matic*	-	-	17,170,310	-	17,170,310
Jerko Zuvela*	-	-	14,670,305	-	14,670,305
	-	-	31,840,615	-	31,840,615

Option holding
There were no options over ordinary shares in the company held during the financial year by any director or other members of key management personnel of the consolidated entity, including their personally related parties.

Note 20. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Rothsay Chartered Accountants, the auditor of the company:

	Consolidated 2015 $	Consolidated 2014 $
Audit services - Rothsay Chartered Accountants		
Audit or review of the financial statements	15,000	19,000

Note 21. Contingent liabilities

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

Note 22. Commitments

There are currently no commitments for the Group.

Note 23. Related party transactions

Parent entity
Argosy Minerals Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 25.

Key management personnel
Disclosures relating to key management personnel are set out in note 19 and the remuneration report in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2015	**2014**
	$	**$**
Payment for goods and services:		
Payments to Bentleys Corporate Advisory (WA) Pty Ltd	18,000	14,586
Payments to Nova Legal	2,895	2,405
Payments to Jerko Zuvela ATF the JAKKZ discretionary trust	20,000	-

Bentleys Corporate Advisory (WA) Pty Ltd provided accounting, company secretarial and corporate advisory services. Bentleys Corporate Advisory (WA) Pty Ltd is a related party of Ranko Matic.
Nova Legal provided legal services. Nova Legal is a related entity party of Frank Knezovic.
Jerko Zuvela as trustee for the JAKKZ discretionary trust provided geological services to the Company. The JAKKZ discretionary trust is a related party of Jerko Zuvela.

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2015	**2014**
	$	**$**
Current payables:		
Bentleys Corporate Advisory (WA) Pty Ltd	1,650	3,300

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2015	**2014**
	$	**$**
Current borrowings:		
Loan from Associate – Discovery Africa*	-	100,000
Ranko Matic – Convertible Note	15,000	-
Jerko Zuvela- Convertible Note	67,500	-
Non-current borrowings		
Ranko Matic – Convertible Note	-	15,000
Jerko Zuvela – Convertible Note	-	67,500
Frank Knezovic – Convertible Note	-	20,000

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates. See note 12 for details regarding the terms and conditions of the Convertible Notes.

Note 24. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2015	**2014**
	$	**$**
Profit/(Loss) after income tax	(321,565)	67,270
Total comprehensive income/(loss)	(321,565)	67,270

Statement of financial position

	Parent	
	2015	**2014**
	$	**$**
Total current assets	267,588	397,616
Total non-current assets	169,991	328,172
Total assets	437,579	725,788
Total current liabilities	372,331	122,724
Total non-current liabilities	-	314,597
Total liabilities	372,331	437,321
Equity		
Issued capital	53,547,982	53,449,636
Options reserve	3,612,406	3,612,406
Accumulated losses	(57,095,140)	(56,773,575)
Total equity/(deficiency)	65,248	288,467

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 2015 and 2014.

Contingent liabilities
The parent entity had no contingent liabilities as at 31 December 2015 and 2014.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 31 December 2015 and 2014.

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 are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates 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.

Note 25. 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 2015 %	Ownership interest 2014 %
Andover Resources NL	Australia	100.00%	100.00%
Argosy Energy Zambia Ltd	Zambia	100.00%	100.00%
Argosy Minerals (S.L.) Ltd	Sierra Leone	100.00%	100.00%
Yucca Investment Sixty Three Corporation	Namibia	100.00%	100.00%
Rhino Mining and Exploration Close Company	Namibia	100.00%	100.00%
Hallie Investments Number Three Thousand One Hundred and Seven Pty Ltd	Australia	100.00%	100.00%
Manmar Investments One Hundred and Five Pty Ltd	Australia	100.00%	100.00%

All subsidiaries incorporated overseas are currently dormant.

Note 26. Events after the reporting period

On 8 February 2016 the Company advised that it had entered into a Heads of Agreement with Geotech international Pty Ltd which granted Argosy a two year option to purchase the Mt Paris Lithium Project in Tasmania. Details on this project are detailed in the Operations Report under Exploration.

On 29 February 2016, the Company advised it had changed its registered office and principal place of business to Level 3, 216 St Georges Terrace, Perth.

No other matter or circumstance has arisen since 31 December 2015 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 27. Reconciliation of profit/(loss) after income tax to net cash used in operating activities

	Consolidated 2015 $	Consolidated 2014 $
Loss after income tax expense for the year	(321,565)	67,270
Adjustments for:		
Debt forgiveness	-	(299,208)
Interest Payable	36,000	55,377
Impairment of exploration and evaluation expenditure	179,893	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	(2,576)	14,287
Decrease in trade and other payables	-	(11,762)
Net cash used in operating activities	(174,036)	(174,036)

Note 28. Earnings per share

	Consolidated 2015 $	Consolidated 2014 $
Profit/(Loss) after income tax attributable to the owners of Argosy Minerals Limited	(321,565)	67,269

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	397,128,411	241,290,790
Weighted average number of ordinary shares used in calculating diluted earnings per share	397,128,441	241,290,790

	Cents	Cents
Basic earnings per share	(0.08)	0.03
Diluted earnings per share	(0.08)	0.03

Argosy Minerals Limited
Directors' declaration
31 December 2015

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 as described in note 2 to the financial statements;

- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2015 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 Ranko Matic
Non-Executive Chairman
31 March 2016
Perth

ROTHSAY

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ARGOSY MINERALS LTD

Report on the financial report

We have audited the accompanying financial report of Argosy Minerals Ltd (the Company") which comprises the balance sheet as at 31 December 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flow state for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the period.

Directors Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The Directors are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used in and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial report.

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

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical requirements and the *Corporations Act 2001*.

Audit opinion

In our opinion the financial report of Argosy Minerals Ltd is in accordance with the *Corporations Act 2001*, including:

a) (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of their performance for the period ended on that date; and
(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

b) the consolidated financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the period ended 31 December 2015. 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.

Audit opinion

In our opinion the remuneration report of Argosy Minerals Ltd for the period ended 31 December 2015 complies with section 300A of the *Corporations Act 2001*.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Argosy Minerals Ltd for the year ended 31 December 2015 included on Argosy Minerals Ltd's website. The company's directors are responsible for the integrity of the website. We have not been engaged to report on the integrity of the website. This auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this website.

Rothsay Auditing

Graham R Swan
Partner

Dated 31st March 2016

Chartered Accountants

The shareholder information set out below was applicable as at 23 March 2016.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

Range	Number of holders of ordinary shares	Number of holders of options over ordinary shares
1 to 1000	348	-
1001 to 5000	282	-
5001 to 10,000	121	-
10,001 to 100,000	215	-
100,001 and over	213	1
Total	1,179	
Holding less than a marketable parcel	863	0

Equity security holders
Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary Shares	
	Number held	% of total shares issued
DISCOVERY AFRICA LIMITED	50,000,000	11.68
SL INVESTORS PTY LTD <SL SUPERFUND A/C>	31,111,111	7.27
MR PETER ANDREW PROSKA	24,470,044	5.72
STEVEN MARIN ZUVELA <TAEZ DISCRETIONARY A/C>	21,360,000	4.99
DIHNA NADA ZUVELA <DNZ DISCRETIONARY A/C>	21,360,000	4.99
OSF NOMINEES PTY LTD <FREDERICKSON SUPER FUND A/C>	15,666,667	3.66
JERKO ZUVELA <JAKKZ DISCRETIONARY A/C>	14,670,305	3.76
JOHN ANTHONY ZAMBONI	13,333,333	3.11
CAVALIER RESOURCES PTY LTD <THE CAVALIER A/C>	13,170,310	3.08
MR OLAF FREDERICKSON	8,555,555	2.00
MS CARISSA MATIC	7,500,000	1.75
MS TANIKA MATIC	7,500,000	1.75
MR ROBERT ZUPANOVICH	6,865,000	1.60
MICALE CONSULTING PTY LTD <THE MICALE FAMILY A/C>	6,250,000	1.46
ROBERT LUNDIE & JUDITH LUNDIE <PAROUSIA SUPER FUND A/C>	6,250,000	1.46
MR RODNEY RONALD CHATFIELD	5,800,000	1.35
ERINELLA PTY LTD <KILLIGREW SUPER FUND A/C>	5,000,000	1.17
STEVEN CAMARDA <THE SC A/C>	5,000,000	1.17
PORT BATEMAN PTY LTD <THE PAGE SUPER FUND A/C>	5,000,000	1.17
CATAALNA PTY LTD <MATIC SUPER FUND A/C>	4,000,000	0.93
	272,862,325	63.74

Options
There are no listed options. There are 12,500,000 unlisted options over unissued shares on issue.

Argosy Minerals Limited
Shareholder information
31 December 2015

Substantial holders
Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares Issued
DISCOVERY AFRICA LIMITED	50,000,000	11.68
SL INVESTORS PTY LTD <SL SUPERFUND A/C>	31,111,111	7.27
MR PETER ANDREW PROSKA	24,470,044	5.72

Voting rights
The voting rights attached to ordinary shares are set out below:

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.

There are no other classes of equity securities.