



ARGOSY MINERALS
LIMITED

ACN | 073 391 189

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2016

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Corporate directory

Directors

Mr Alex Molyneux – Non-Executive Chairman
Mr Jerko Zuvela – Executive Director
Mr Ranko Matic – Non-Executive Director
Mrs Andrea Betti – Non-Executive Director

Secretary

Mrs Andrea Betti

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Auditors

Rothsay Chartered Accountants
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West Perth WA 6005

Solicitors

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Home Exchange

Australian Securities Exchange Limited
Home Branch: Perth

ASX Code: AGY

Directors' report

The Directors of Argosy Minerals Limited present their report on the consolidated entity (the "Group") consisting of Argosy Minerals Limited and the entities it controlled at the end of, or during, the half-year ended 30 June 2016.

Directors

The names of the Group's directors in office at any time during the financial period or since the end of the financial period are:

Alexander Molyneux (appointed 15 August 2016)
Ranko Matic
Jerko Zuvela
Andrea Betti

Unless otherwise stated each director held their office from 1 January 2016 until the date of this report.

Review of operations

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.

Consolidated Results

	<u>Half-Year Ended 30 June 2016</u>	<u>Half-Year Ended 30 June 2015</u>
	\$	\$
Consolidated loss before income tax expense	(136,324)	(254,003)
Income tax benefit / (expense)	-	-
Net loss	(136,324)	(254,003)

Dividends Paid or Recommended

No dividends have been declared, provided for or paid in respect of the half-year (30 June 2015: Nil).

Corporate

The Company announced to the market on 24th May 2016 that it was undertaking a placement with sophisticated and professional investors to raise \$800,000 in order to advance projects. As a result 26,666,668 shares were issued at \$0.03 to raise \$800,000 on 26 May 2016 under the Company's 7.1A placement capacity. At this time the Company also issued 1,000,000 shares with a deemed issue price of \$0.021 in lieu of cash for services rendered to the Company. These shares were issued under the Company's 7.1 placement capacity. On 2nd June 2016 the company converted 3 Convertible Notes to unrelated parties upon receipt of conversion notices and as a result, 58,698,900 shares were issued at an issue price of \$0.002. Subsequent to the half year end, the Company also announced on 12 August 2016 that it had issued 130,297,905 Fully Paid Ordinary Shares with a deemed issue price of \$0.002 as conversion of 15 of the Company's Convertible Noteholders. Shareholder approval for the issue of conversion shares was obtained at the Company's Annual General Meeting on 29th May 2015.

Exploration

Argosy Minerals Limited is an Australian based mineral exploration company with interests in the Rincon, Mina Teresa and Pocitos Lithium Projects in Argentina, the Mt Paris Lithium Project in Tasmania, the Wee MacGregor Copper-Gold (& Cobalt) Project in Queensland and the Erongo Graphite Project in Namibia.

The Company has a binding HOA for a Farm-In JV on the Rincon Lithium Project (earning up to 90%) in Argentina, exclusive Option Agreements to purchase the Mina Teresa and Pocitos Lithium Projects in Argentina, and the Mt Paris Lithium Project in Tasmania. The Company also has a farm-in joint venture agreement (earning up to 80%) in the Wee MacGregor Copper-Gold (and Cobalt) Project in Queensland, and a 100% interest in the Erongo Graphite Project in Namibia.

Directors' report



Argosy Minerals Limited – Argentina Lithium Project Location Map

Rincon Lithium Project

The Company executed a Heads of Agreement with Mr Francisco Menendez and Mr Pablo Alurralde (the “Vendors”) pursuant to which the Company and the Vendors will establish an Argentinian joint venture company (the “JV Entity”) to own the Rincon Lithium Project in Salta Province, Argentina, and the Company will have the right to earn up to a 90% interest in the JV Entity. Refer to the announcement on 1 July 2016 – “Argosy Signs HOA to Earn Interest in Argentinian Lithium Company”.

The Rincon Lithium Project currently consists of two mining concessions (Telita and Chiquita II – File Numbers 7272 and 14342 respectively) in Salta Province and currently covers an area of approximately 74Ha within the Salar del Rincon.

The Project has the following key characteristics:

- The Project lies within the Salar del Rincon.
- The Salar is located in the elevated and arid Puna region of Argentina and forms part of a number of highly mineralized Salar’s in production and development, including, amongst others, NYSE-listed FMC Corp’s Fenix operations at Hombre Muerto Salar, ASX-listed Orocobre Ltd’s Olaroz operation, Lithea Inc’s Pozuelos Project, Western Lithium Corp’s Cauchari-Olaroz Project and Sentient Group’s Rincon Project.
- Geological studies within the Salar show historical sample values that are promising for further studies to determine a potential development perspective.
- Historical data and records within the Project area has been investigated by Mr Alurralde, and will be used to assist with the Company’s work programs.
- Evaporation rates are expected to be very effective, given UV is very high, with ~90% of all the days of the year being cloud free and the remainder of the year having minimal cloud cover, and an average rainfall of less than 5mm per year.
- High quality regional and site infrastructure, including the Pocitos industrial site, will facilitate project development, with road, rail, port facilities and power generation services such as electrical and natural gas.
- Potash and boron potential identified within Salar brines may assist in project economics and development strategy.

Directors' report

The Company will move to execute the definitive Farm-In Joint Venture Agreement, subject to shareholder approval, for the Rincon Lithium Project with its strategic partner – Mr Pablo Alurralde, a pre-eminent lithium processing specialist.

Argosy will progressively earn an increasing interest in the Project subject to meeting performance milestones associated with funding the development of the Project. The Company, with Mr Alurralde's expertise and direction, is formulating a three-stage development plan to advance the Project, subject to receipt of relevant regulatory approvals and permits.

For the first stage (and upon receipt of relevant regulatory approvals and permits), the Company will undertake general test-works to determine the possibility of producing a laboratory scale quantity of lithium carbonate equivalent (LCE) product, which the Company expects will involve the following activities at the Rincon Lithium Project in order to earn the first stage 50% interest:

- > environmental studies;
- > brine extraction and storage works, including small-scale pond construction and lining works;
- > brine processing – involving solar evaporation where the lithium will be concentrated;
- > analysis and laboratory treatment of the lithium concentrate; and
- > pending success of the treatment process, production of a laboratory scale quantity of purified LCE product.

Pending successful laboratory scale production at Stage 1, the Company will consider commencing Stage 2 development works with an aim to produce a pilot plant scale quantity of LCE product.

For Stage 3, pending successful pilot plant scale production at Stage 2, the Company will consider the best development pathway to ultimately target commercial production from the Project.

Mina Teresa and Pocitos Lithium Projects

Argosy executed a HOA, then a binding Option Agreement with Ekeko S.A. granting the Company the exclusive right for a 12-month period to purchase the Mining Titles comprising the Pocitos and Mina Teresa Lithium Projects in Salta and Jujuy Provinces, Argentina.

Argosy's 12-month exclusive option period to purchase, at any time during the option period, commences upon receipt of all necessary regulatory approvals and permits to conduct works in the project areas. The timing of this is expected to correspond with the general commencement of field operations in the Puna region.

The Projects have the following key characteristics:

- ✦ The Mina Teresa Project consists of one mining concession (File Number 227-C-2004) within the Salinas Grandes Salar in Jujuy Province.
- ✦ The Pocitos Project comprises three mining concessions (File Numbers 19457, 19458 & 19463) within the Salar de Pocitos.
- ✦ Historical data and records within the Project areas have been reviewed and will be used to assist with the Company's exploration works programs.

Argosy's immediate strategy to advance the Projects will involve obtaining any necessary regulatory permits and approvals. The Company will conduct geological, engineering and development work programs with the ultimate objective to prepare a bankable feasibility study for the Project(s).

The purpose of the geological exploration works will be to determine the hydrogeological characteristics of the aquifer, and involve drilling, various test-works on the drill core and flows in the sub-aquifer to delineate a JORC Resource over the coming months.

Engineering and processing works may involve evaporation field tests of the Salar's brines prior to further processing. This test program should determine the operating conditions, mass balance and thermo-dynamical equilibrium of the ponds. A pilot plant simulation of lithium recovery may be carried out to determine the conceptual engineering parameters for the recovery, crystallisation and purification of lithium carbonate using brines recovered from the Salars, and also arranging trial products for product marketing and/or off-take agreement to ultimately prepare a bankable feasibility study.

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

Directors' report

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 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 2015, 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 at 31 August 2016 is shown below.

Tenement	Location	Beneficial Percentage held
EPL4079	Namibia	100%
EL19/2014 ¹	Tasmania	0% (option to purchase 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%)
File 227-C-2004 (Mina Teresa) ³	Argentina	0% (option to purchase 100%)
File 19457 (Pocitos 1) ³	Argentina	0% (option to purchase 100%)
File 19458 (Pocitos 2) ³	Argentina	0% (option to purchase 100%)
File 19463 (Pocitos 7) ³	Argentina	0% (option to purchase 100%)
File 7272 (Mina Telita) ⁴	Argentina	0% (HOA, to enter into JV to earn up to 90%)
File 14432 (Mina Chiquita 2) ⁴	Argentina	0% (HOA, to enter into JV to earn up to 90%)

¹ Interest in mining tenement held by Geotech International Pty Ltd.

² Interest in mining tenement held by Mining International Pty Ltd.

³ Interest in mining tenement held by Ekeko S.A.

⁴ Interest in mining tenement held by Francisco Menendez

Directors' report

Events after Balance Sheet date

On 1 July 2016, the Company announced it had executed a Heads of Agreement with Mr Francisco Menendez and Mr Pablo Alurralde (the "Vendors") pursuant to which the Company and the Vendors will establish an Argentinian joint venture company (the "JV Entity") to own the Rincon Lithium Project in Salta Province, Argentina. The Company will have the right to earn up to a 90% interest in the JV Entity. Refer to the announcement on 1 July 2016 – "*Argosy Signs HOA to Earn Interest in Argentinian Lithium Company*". Further details regarding the Rincon Project are provided above in Exploration.

Subsequent to the half year end, the Company also announced on 12 August 2016 that it had issued 130,297,905 Fully Paid Ordinary Shares with a deemed issue price of \$0.002 as conversion of 15 of the Company's Convertible Noteholders. Shareholder approval for the issue of conversion shares was obtained at the Company's Annual General Meeting on 29th May 2015.

Other than the above, no matters or circumstances have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Auditor's Independence Declaration

The Auditor's independence declaration as required by section 307C of the *Corporations Act 2001* is included on page 5 of the half-year financial report.

Signed in accordance with a resolution of the directors, and on behalf of the Board by



Ranko Matic
Non-Executive Director
Perth, Western Australia

9 September 2016



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Phone 9486 7094 www.rothsayresources.com.au

The Directors
Argosy Minerals Limited
Level 3 216 St Georges Terrace
Perth WA 6000

Directors

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 review of the 30 June 2016 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the review.

Graham R Swan (Lead auditor)

Rothsay

Dated 9 September 2016



Chartered Accountants



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Independent Review Report to the Members of Argosy Minerals Limited

The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Argosy Minerals Limited for the half-year ended 30 June 2016.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* 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.

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 30 June 2016 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Argosy Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim consolidated financial report of Argosy Minerals Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position as at 30 June 2016 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay

Graham R Swan
Partner

Dated 9 September 2016



Chartered Accountants

Directors' declaration

In the Directors' opinion:

- (a) the financial statements and accompanying notes set out on pages 10 to 16, are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the half-year ended on that date.

- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Ranko Matic
Non-Executive Director
Perth, Western Australia

9 September 2016

Consolidated statement of comprehensive income

For the half-year ended 30 June 2016

	Note	Consolidated	
		30 June 2016	30 June 2015
		\$	\$
Revenue from continuing operations	4	1,812	3,420
Accounting and Corporate Secretarial		(17,000)	(9,000)
Bank charges		(383)	(241)
Compliance Costs		(8,448)	(5,734)
Directors' Fees		(24,000)	-
Exploration and project assessment expenses		(3,318)	(35,136)
Impairment expense		-	(180,224)
Interest Expense		(23,739)	(17,852)
Legal Fees		(10,520)	(1,339)
Office costs and rental expenses		(6,717)	60
Professional Fees		(34,614)	(5,000)
Share Registry costs		(6,437)	(2,900)
Other expenses		(2,960)	(57)
Loss before income tax		(136,324)	(254,003)
Income tax benefit / (expense)		-	-
Loss attributable to Owners of Argosy Minerals Limited		(136,324)	(254,003)
Other comprehensive loss		-	-
Total comprehensive loss for the period attributable to owners of Argosy Minerals Limited		(136,324)	(254,003)
Loss per share for loss attributable to ordinary equity holders of the group:			
Basic and diluted loss per share (cents per share)		(0.031)	(0.07)

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

Consolidated statement of financial position

As at 30 June 2016

	Note	Consolidated	
		30 June 2016	31 December 2015
		\$	\$
Current assets			
Cash and cash equivalents		749,662	264,000
Trade and other receivables		25,768	3,588
Total current assets		775,430	267,588
Non-current assets			
Exploration and evaluation		505,756	169,991
Total non-current assets		505,756	169,991
Total assets		1,281,186	437,579
Current liabilities			
Trade and other payables		192,716	21,734
Borrowings		256,938	350,597
Total current liabilities		449,654	372,331
Total liabilities		449,654	372,331
Net assets		831,532	65,248
Equity			
Contributed equity	6	54,450,590	53,547,982
Reserves		3,612,406	3,612,406
Accumulated losses		(57,231,464)	(57,095,140)
Total equity		831,532	65,248

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

Consolidated statement of changes in equity

For the half-year ended 30 June 2016

	Consolidated				
	Share Capital Ordinary \$	Share Based Payment Reserve \$	Option Issue Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 January 2015	53,449,636	425,000	3,187,406	(56,773,575)	288,467
Other comprehensive income					
Movements in reserves	-	-	-	-	-
Share based payments	-	-	-	-	-
Loss for the period	-	-	-	(254,003)	(254,003)
Total comprehensive loss for the period	-	-	-	(254,003)	(254,003)
Transactions with owners in their capacity as owners					
Shares issued	-	-	-	-	-
Share issue costs	-	-	-	-	-
Total contributions by owners	-	-	-	-	-
Balance as at 30 June 2015	53,449,636	425,000	3,187,406	(57,027,578)	34,464
Balance at 1 January 2016	53,547,982	425,000	3,187,406	(57,095,140)	65,248
Other comprehensive income					
Movement in reserves	-	-	-	-	-
Share based payments	-	-	-	-	-
Loss for the period	-	-	-	(136,324)	(136,324)
Total comprehensive loss for the period	-	-	-	(136,324)	(136,324)
Transactions with owners in their capacity as owners					
Shares issued	938,398	-	-	-	938,398
Share issue costs	(35,790)	-	-	-	(35,790)
Total contributions by owners	902,608	-	-	-	902,608
Balance as at 30 June 2016	54,450,590	425,000	3,187,406	(57,231,464)	831,532

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

Consolidated statement of cash flows

For the half-year ended 30 June 2016

	Consolidated	
	30 June 2016	30 June 2015
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(15,531)	(34,109)
Payments for exploration expenditure	(121,432)	(35,799)
Interest received	1,812	3,420
Net cash (outflow) from operating activities	(135,151)	(66,488)
Cash flows from investing activities		
Payments for purchases of exploration assets	(143,397)	-
Net cash (outflow) from investing activities	(143,397)	-
Cash flows from financing activities		
Proceeds from issues of shares	800,000	-
Transaction costs relating to issue of shares	(35,790)	-
Net cash inflow from financing activities	764,210	-
Net increase / (decrease) in cash and cash equivalents	485,662	(66,488)
Cash and cash equivalents at the beginning of the financial period	264,000	396,604
Cash and cash equivalents at the end of the financial period	749,662	330,116

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

Notes to the financial statements

For the half-year ended 30 June 2016

1. Basis of Preparation

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

The half-year financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 'Interim Financial Reporting' and other mandatory professional reporting requirements including International Financial Reporting Standards. The interim financial statements were approved by the Board of Directors on 9 September 2016. The accounting policies applied by the Group in this interim financial report are the same as those applied by the Group in its financial report for the year ended 31 December 2015.

The half year financial report does not include all the notes of the type normally included in annual financial statements. Accordingly, this financial report should be read in conjunction with the most recent annual financial report for the year ended 31 December 2015 and any public announcements made by the Group during the half year in accordance with the disclosure requirements of the *Corporations Act 2001*.

New accounting standards and interpretations

In the half-year ended 30 June 2016, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2016.

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

2. Segment information

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

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

3. Dividends

No dividend has been paid or is proposed in respect of the half year ended 30 June 2016 (2015: None).

4. Revenue

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

	Consolidated	
	30 June 2016	30 June 2015
	\$	\$
Income		
<i>Revenue from continuing operations</i>		
Interest	1,812	3,420

Notes to the financial statements

For the half-year ended 30 June 2016

5. Share Based Payments

During the half year ended 30 June 2016 there was only one share based payment for 1,000,000 shares on 26 May 2016 for services rendered to the Company in lieu of cash.

6. Contributed equity

Movements in share capital during the current and prior financial period are as follows:

	Date	Number of Securities	Issue Price	\$
Period ended 30 June 2015				
Balance at 31 December 2014		378,087,316		53,449,636
Shares issued during the period		-		-
Balance at 30 June 2015		378,087,316		53,449,636
Period ended 30 June 2016				
Balance at 31 December 2015		428,087,315		53,547,982
Shares issued during the period:	26 May 2016	26,666,668	\$0.03	800,000
	26 May 2016	1,000,000	\$0.021	21,000
	2 June 2016	58,698,900	\$0.002	117,398
Share Issue costs				(35,790)
Balance at 30 June 2016		514,452,883		54,450,590

7. Commitments

Details of expenditure or capital commitments contracted for at the reporting date but not recognised as a liability.

Exploration

The Group is required to maintain current rights of tenure to tenements, which require outlays of expenditure. A tenement will be liable to forfeiture if the expenditure conditions, specified within the terms of the grant are not complied with. The Group has a 100% share of tenements rental and expenditure commitments of:

	Consolidated	
	30 June 2016	30 June 2015
	\$	\$
Payable:		
– not later than 12 months	80,096	-
– between 12 months and 5 years	24,954	-
– greater than 5 years	76,444	-
	181,494	-

8. Contingencies

The Consolidated Entity has no material contingent assets or liabilities as at reporting date.

Notes to the financial statements

For the half-year ended 30 June 2016

9. Events after Balance Sheet date

On 1 July 2016, the Company announced it had executed a Heads of Agreement with Mr Francisco Menendez and Mr Pablo Alurralde (the “Vendors”) pursuant to which the Company and the Vendors will establish an Argentinian joint venture company (the “JV Entity”) to own the Rincon Lithium Project in Salta Province, Argentina. The Company will have the right to earn up to a 90% interest in the JV Entity. Refer to the announcement on 1 July 2016 – “*Argosy Signs HOA to Earn Interest in Argentinian Lithium Company*”. Further details regarding the Rincon Project are provided above in Exploration.

Subsequent to the half year end, the Company also announced on 12 August 2016 that it had issued 130,297,905 Fully Paid Ordinary Shares with a deemed issue price of \$0.002 as conversion of 15 of the Company’s Convertible Noteholders. Shareholder approval for the issue of conversion shares was obtained at the Company’s Annual General Meeting on 29th May 2015.

Other than the above, no matters or circumstances have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.