



**ARGOSY MINERALS**  
**LIMITED**

ABN | 27 073 391 189

## **INTERIM FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED 30 JUNE 2020**

	Page
Corporate directory	1
Directors' report	2
Auditors' independence declaration	7
Independent auditor's review report to the members of Argosy Minerals Limited	8
Directors' declaration	10
Consolidated statement of profit or loss and other comprehensive income	11
Consolidated statement of financial position	12
Consolidated statement of changes in equity	13
Consolidated statement of cash flows	14
Notes to the financial statements	15

---

## CORPORATE DIRECTORY

### Directors

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

### Secretary

Ms Andrea Betti

### Registered Office

Level 2, 22 Mount Street  
Perth WA 6000  
Australia  
Telephone: (08) 6188 8181  
Fax: (08) 6188 8182  
Website: [www.argosyminerals.com.au](http://www.argosyminerals.com.au)  
Email: [admin@argosyminerals.com.au](mailto:admin@argosyminerals.com.au)

### Share Registry

Automatic Registry Services  
Level 2  
267 St Georges Terrace  
Perth WA 6000  
  
Telephone: +61 8 9324 2099

### Auditors

RSM Australia  
Level 32, Exchange Tower  
2 The Esplanade  
Perth WA 6000

### Solicitors

HWL Ebsworth  
Level 14, Australia Square  
264-278 George Street  
Sydney NSW 2000  
Ph: +61 2 9334 8923  
Fax: +61 2 8507 6582

### Home Exchange

Australian Securities Exchange Limited  
Home Branch: Perth

ASX Code: AGY

## DIRECTORS' REPORT

The Directors of Argosy Minerals Limited present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the "Group") consisting of Argosy Minerals Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2020.

### Directors

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

Jerko Zuvela  
Alexander Molyneux  
Ranko Matic  
Malcolm Randall

### Principal Activities

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

### Consolidated Results

	Half-Year Ended 30 June 2020	Half-Year Ended 30 June 2019
	\$	\$
Consolidated loss before income tax expense	(1,386,499)	(1,322,620)
Income tax benefit expense	-	-
Net loss	<u>(1,386,499)</u>	<u>(1,322,620)</u>

### Dividends Paid or Recommended

No dividends have been declared, provided for or paid in respect of the half-year (30 June 2019: Nil).

### Corporate

The Company held its Annual General Meeting on 27 May 2020.

### Review of Operations

Argosy has a current 77.5% (and ultimate 90%) interest in the Rincon Lithium Project. The Rincon Lithium Project is the flagship asset in Argosy's lithium development strategy, and is located in Salta Province, Argentina. The Company also has a 100% interest in the Tonopah Lithium Project in Nevada, USA.

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

## DIRECTORS' REPORT



Argosy Minerals Limited – Rincon Lithium Project Location Map

### Rincon Lithium Project

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

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

- ✓ Received permitting approvals from Salta Province regulatory authorities, for construction of the ~2,000tpa commercial lithium carbonate processing plant module and subsequent lithium production operations – as part of staged scale-up development of the Rincon Lithium Project;
- ✓ Argosy joins the exclusive list of international lithium carbonate producers – chemical process tested and proven to produce >99.5%  $\text{Li}_2\text{CO}_3$  product;
- ✓ First export shipment comprising ~5 tonnes of high quality >99.5%  $\text{Li}_2\text{CO}_3$  product delivered to Mitsubishi Corporation RtM Japan Ltd - joining exclusive list of international lithium carbonate product exporters;
- ✓ Continued progress with LCE product end-users for potential commercial scale product offtake
  - Rincon product samples customer tested by Japanese cathode manufacturer achieve 99.88%  $\text{Li}_2\text{CO}_3$  purity, whilst 99.94%  $\text{Li}_2\text{CO}_3$  purity achieved by Korean cathode manufacturer
- ✓ Clean technology validated with green credentials confirming very low energy and raw water requirements for commercial scale operations at Rincon Project;
- ✓ CSR program initiatives continued and adapted to suit Covid-19 conditions;
- ✓ Rincon industrial scale pilot plant and site operations recommenced (post Covid-19 suspension), producing high purity >99.5%  $\text{Li}_2\text{CO}_3$  product;
- ✓ Argosy progressing on preferred funding solution for the 2,000tpa development capital requirement; and
- ✓ Regulatory approval/permit applications works continuing for enlarged ~10,000tpa commercial scale project development.

The milestones achieved during the reporting period, and to date, reinforce the Company is genuinely and continues delivering on its 'fast-track' lithium development strategy, providing additional options to consider accelerating the scale-up development timeframe of the project. Argosy remains confident that key upcoming milestones and achievements will prove successful to demonstrate the long-term sustainability and progress toward commercial scale development at the Rincon Lithium Project.

---

## DIRECTORS' REPORT

Key objectives for Argosy during the remainder of 2020 at the Rincon Lithium Project include finalising negotiations with potential capital providers with an aim to implement a funding solution and commence construction works for the ~2,000tpa  $\text{Li}_2\text{CO}_3$  processing plant operation and associated development, the Company will aim to progress toward executing an off-take agreement for 2,000tpa battery quality lithium carbonate product with a potential strategic partner, and continue delivering additional high-quality >99.5% lithium carbonate product produced from the industrial scale pilot plant operations into the executed Sales Agreement with Mitsubishi Corporation RtM Japan Ltd. The Company will also continue the approvals process for development of the 10,000tpa commercial scale operation.

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

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

**Cautionary Statements:** *Argosy confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Argosy confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

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

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

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

### **Tonopah Lithium Project**

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

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

The Project has the following key characteristics:

- Located within the Big Smokey Valley region in Nevada, USA, and comprises 425 claims covering an area of ~34.25km<sup>2</sup>.
- Directly analogous to the neighbouring Silver Peak Lithium Mine deposit model, both geologically and structurally.
- SRK completed a technical review of the Project and provided positive validation of the lithium brine resource potential.
- Geophysical survey data available over the Project area, identifying lithium brine targets areas.
- The lithium brine deposit model has the following key geological features:
  - Closed basin structures, with lithium bearing host rocks in an area of high evaporation;
  - Basin fill that includes clay, sand and ash horizons that can act as traps and lithium-brine reservoirs;
  - Expected presence of key stratigraphic marker horizons, including the Bishop Tuff, which is the key lithium brine-hosting horizon at Silver Peak Mine;
  - Known active and paleo geothermal activity and recent faulting;
  - Anomalous lithium in the surface sediments and near-surface waters;
  - Little to no drilling has penetrated the key buried, paleo brine targets; and
  - The commercial viability of the in-situ lithium mineralisation is established by continuous production at the Silver Peak Mine.

## DIRECTORS' REPORT

- There is considerable data on the geology, hydrology and structural controls on the mineralisation of the Silver Peak Mine, as a result of its long history.
- High quality regional and site infrastructure will facilitate project development. The Project is within a 40 minute drive from the regional mining centre of Tonopah - located 336km from Las Vegas and 380km from Reno, Nevada.



Argosy Minerals Limited – Tonopah Lithium Project Location Map

Argosy will proceed to formulate the most effective development strategy and work programme for the Project, pending Covid-19 pandemic conditions easing and a return to a normalised situation in the USA.

### **Significant Changes in the State of Affairs**

There were no significant changes in the state of affairs of the Group during the financial half-year.

### **Events after Reporting Date**

The impact of the Covid-19 pandemic is ongoing. Operations at the Rincon Lithium Project in Argentina were suspended during the half-year as announced on 20 March 2020. Operations recommenced in June as announced on 10 June, with the Company establishing relevant protocols and is continuing to monitor the Covid-19 situation and potential impacts on operations. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is continually developing and is dependent on measures imposed by the Australian and Argentine Governments, and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matters or circumstances have arisen since the end of the 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.

## **DIRECTORS' REPORT**

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

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

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

On behalf of the directors



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

11 September 2020

**RSM Australia Partners**

Level 32, Exchange Tower  
2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61 (0) 8 92619100

F +61 (0) 8 92619111

[www.rsm.com.au](http://www.rsm.com.au)

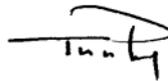
**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Argosy Minerals Limited for the half-year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 11 September 2020



**RSM Australia Partners**

Level 32, Exchange Tower  
2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61 (0) 8 92619100  
F +61 (0) 8 92619111

[www.rsm.com.au](http://www.rsm.com.au)

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

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

We have reviewed the accompanying half-year financial report of Argosy Minerals Limited, which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Argosy Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

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

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Argosy Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

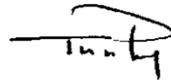
### *Conclusion*

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

A handwritten signature of the firm RSM, written in black ink.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read "Tutu Phong".

TUTU PHONG  
Partner

Perth, WA  
Dated: 11 September 2020

---

## DIRECTORS' DECLARATION

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, *Australian Accounting Standard AASB 134 'Interim Financial Reporting'*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors



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

11 September 2020

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 JUNE 2020

	Note	Consolidated	
		30 June 2020	30 June 2019
		\$	\$
Other income	4	57,578	35,896
Accounting and corporate secretarial		(60,000)	(60,000)
ASX/ASIC fees		(14,398)	(36,057)
AGM/GM fees		(21,519)	(18,227)
Audit fees		(15,000)	(13,000)
Bank charges		(3,009)	(3,150)
Depreciation		(19,356)	(21,144)
Directors' fees		(210,675)	(195,675)
Exploration and project assessments		(108,220)	(134,236)
Insurance		(16,103)	-
Finance costs		(7,469)	(10,343)
Office costs and rental expenses		(21,450)	(27,657)
Professional fees		(230,161)	(149,218)
Share registry costs		(4,451)	(6,130)
Share based payments		(29,579)	(171,889)
Foreign exchange gain		130,461	164,227
Other expenses		(20,477)	(44,907)
Share of loss of joint venture accounted for using the equity method	8	(792,671)	(631,110)
<b>Loss before income tax</b>		<b>(1,386,499)</b>	<b>(1,322,620)</b>
Income tax expense		-	-
<b>Loss attributable to Owners of Argosy Minerals Limited</b>		<b>(1,386,499)</b>	<b>(1,322,620)</b>
<b>Other comprehensive (loss)/income for the half-year</b>			
<i>Items that may be reclassified subsequently to profit and loss</i>			
Foreign currency translation		(113,501)	1,467,935
<b>Total comprehensive (loss)/gain for the half-year attributable to owners of Argosy Minerals Limited</b>		<b>(1,500,000)</b>	<b>145,315</b>
<b>Loss per share for loss attributable to ordinary equity holders of the Group:</b>			
Basic and diluted loss per share (cents per share)	10	(0.14)	(0.14)

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	Consolidated	
		30 June 2020	31 December 2019
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents		4,402,844	5,967,398
Trade and other receivables		30,158	34,628
Other assets		4,432	20,728
<b>Total current assets</b>		<b>4,437,434</b>	<b>6,022,754</b>
<b>Non-current assets</b>			
Plant and equipment		2,085	2,532
Right-of-use assets		89,975	107,678
Exploration and evaluation		2,104,622	1,935,736
Advance to Puna Mining S.A.		7,958,904	7,125,928
Investment accounted for using the equity method - Puna Mining S.A.	8	8,869,400	9,773,470
<b>Total non-current assets</b>		<b>19,024,986</b>	<b>18,945,344</b>
<b>Total assets</b>		<b>23,462,420</b>	<b>24,968,098</b>
<b>Current liabilities</b>			
Trade and other payables		103,901	133,147
Lease liabilities		31,619	41,253
<b>Total current liabilities</b>		<b>135,520</b>	<b>174,400</b>
<b>Non-current liabilities</b>			
Lease liabilities		87,323	83,701
<b>Total non-current liabilities</b>		<b>87,323</b>	<b>83,701</b>
<b>Total liabilities</b>		<b>222,843</b>	<b>258,101</b>
<b>Net assets</b>		<b>23,239,577</b>	<b>24,709,997</b>
<b>Equity</b>			
Issued capital	5	89,023,264	89,023,264
Reserves		4,087,037	4,170,959
Accumulated losses		(69,870,724)	(68,484,225)
<b>Total equity</b>		<b>23,239,577</b>	<b>24,709,997</b>

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 30 JUNE 2020

	Consolidated				Total \$
	Issued capital \$	Share Based Payment and Options Reserve \$	Foreign Currency Reserve \$	Accumulated Losses \$	
<b>Balance at 1 January 2019</b>	<b>80,461,794</b>	<b>4,675,094</b>	<b>(949,733)</b>	<b>(66,089,918)</b>	<b>18,097,237</b>
Loss for the half-year	-	-	-	(1,322,620)	(1,322,620)
Other comprehensive income	-	-	1,467,935	-	1,467,935
<b>Total comprehensive loss for the half-year</b>	-	-	1,467,935	(1,322,620)	145,315
<b>Transactions with owners in their capacity as owners</b>					
Share issue – April 2019	9,100,557	-	-	-	9,100,557
Share issue costs	(908,333)	-	-	-	(908,333)
Share based payments	-	450,889	-	-	450,889
<b>Total contributions by owners</b>	<b>8,192,224</b>	<b>450,889</b>	<b>-</b>	<b>-</b>	<b>8,643,113</b>
<b>Balance as at 30 June 2019</b>	<b>88,654,018</b>	<b>5,125,983</b>	<b>518,202</b>	<b>(67,412,538)</b>	<b>26,885,665</b>
<b>Balance at 1 January 2020</b>	<b>89,023,264</b>	<b>5,030,410</b>	<b>(859,452)</b>	<b>(68,484,225)</b>	<b>24,709,997</b>
Loss for the half-year	-	-	-	(1,386,499)	(1,386,499)
Other comprehensive income	-	-	(113,501)	-	(113,501)
<b>Total comprehensive loss for the half-year</b>	-	-	(113,501)	(1,386,499)	(1,500,000)
<b>Transactions with owners in their capacity as owners</b>					
Share based payments	-	29,580	-	-	29,580
<b>Total contributions by owners</b>	-	29,580	-	-	29,580
<b>Balance as at 30 June 2020</b>	<b>89,023,264</b>	<b>5,059,990</b>	<b>(972,953)</b>	<b>(69,870,724)</b>	<b>23,239,577</b>

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

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 30 JUNE 2020

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(712,029)	(997,546)
Payments for exploration and development expenditure	(195,915)	(190,754)
Interest received	37,302	14,139
Interest paid	(7,469)	-
Other receipts	24,591	21,757
<b>Net cash used in operating activities</b>	<b>(853,520)</b>	<b>(1,152,404)</b>
<b>Cash flows from investing activities</b>		
Advance to Puna Mining S.A.	(715,665)	(2,425,390)
<b>Net cash used in investing activities</b>	<b>(715,665)</b>	<b>(2,425,390)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares	-	9,100,557
Transaction costs relating to issue of shares	(1,922)	(629,333)
Repayment of lease liabilities	(7,219)	-
<b>Net (cash used in) / provided by financing activities</b>	<b>(9,141)</b>	<b>8,471,224</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1,578,326)</b>	<b>4,893,430</b>
Effect of foreign exchange on cash and cash equivalents	13,772	17,308
Cash and cash equivalents at the beginning of the financial half-year	5,967,398	2,714,213
<b>Cash and cash equivalents at the end of the financial half-year</b>	<b>4,402,844</b>	<b>7,624,951</b>

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2020

### 1. Basis of Preparation

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

These general purpose financial statements for the interim half-year reporting period ended 30 June 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2019 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

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

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

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

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

### 2. Segment Information

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The Group 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, Argentina and USA.

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 2020 (2019: None).

### 4. Other Income

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

	<b>Consolidated</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>
	\$	\$
<b>Other Income</b>		
Interest	<b>31,990</b>	<b>14,139</b>
Other income	<b>25,588</b>	<b>21,757</b>
Total other income	<b>57,578</b>	<b>35,896</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2020

### 5. Issued Capital

As at 30 June 2020, there were 1,019,502,141 shares on issue. There were no movements in share capital during the current half-year.

### 6. Commitments

There have been no material changes to the Group's capital or other expenditure commitments since 31 December 2019.

### 7. Contingencies

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

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

The Company has a 77.5% interest in Puna Mining S.A. - the entity that owns the Rincon Lithium Project located in the "Lithium Triangle" in Salta Province, Argentina.

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

The carrying amount of the investment in Puna Mining S.A. has changed as follows in the six months to June 2020:

	Reporting entity's percentage holdings	
	30 June 2020	31 December 2019
<b>Name</b>		
Puna Mining S.A.	77.5 %	77.5%
	<b>Consolidated</b>	
	\$	
	<b>For the Half-Year Ended 30 June 2020</b>	
	\$	
Opening balance – 1 January 2020		9,773,470
Share of losses of joint venture		(792,671)
Foreign exchange translation differences		(111,399)
<b>Closing balance – 30 June 2020</b>		<b>8,869,400</b>

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2020

### 9. Events after Reporting Date

The impact of the Covid-19 pandemic is ongoing. Operations at the Rincon Lithium Project in Argentina were suspended during the half-year as announced on 20 March 2020. Operations recommenced in June as announced on 10 June, with the Company establishing relevant protocols and is continuing to monitor the Covid-19 situation and potential impacts on operations. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is continually developing and is dependent on measures imposed by the Australian and Argentine Governments, and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matters or circumstances have arisen since the end of the 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.

### 10. Earnings Per Share

	30 Jun 2020 \$	30 Jun 2019 \$
<i>Earnings per share for loss</i>		
Loss after income tax	<u>(1,386,499)</u>	<u>(1,322,620)</u>
Loss after income tax attributable to the owners of Argosy Minerals Limited	<u><u>(1,386,499)</u></u>	<u><u>(1,322,620)</u></u>
	<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings per share	(0.14)	(0.14)
	<b>Number</b>	<b>Number</b>
<i>Weighted average number of ordinary shares</i>		
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	1,019,502,141	967,239,582