ARGOSY MINERALS
LIMITED

ABN 27 073 391 189

ANNUAL REPORT
31 DECEMBER 2019

Argosy Minerals Limited
Corporate Directory
31 December 2019

Directors	Mr Alexander Molyneux	Non-Executive Chairman
	Mr Jerko Zuvela	Managing Director
	Mr Ranko Matic	Non-Executive Director
	Mr Malcolm Randall	Non-Executive Director
Company Secretary	Andrea Betti	
Registered Office	Level 2 22 Mount Street PERTH WA 6000	
Contacts	Ph: 08 6188 8181 Fx: 08 6188 8182 www.argosyminerals.com.au	
Auditors	RSM Australia Level 32, Exchange Tower 2 The Esplanade PERTH WA 6000	
Share Registry	Automic Registry Services Level 2 267 St Georges Terrace PERTH WA 6000 08 9324 2099	
ASX Listing	ASX:AGY	
Solicitors	HWL Ebsworth Level 14, Australia Square 264-278 George Street SYDNEY NSW 2000	

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 2019.

Directors

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

Mr Alexander Molyneux
Mr Jerko Zuvela
Mr Ranko Matic
Mr Malcolm Randall

Principal activities

The principal activity of the Group during the period was the development of the Rincon Lithium Project and acquisition of the Tonopah Lithium Project. 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 $2,394,308 (31 December 2018: $2,542,505).

CORPORATE

On 8 March 2019, the Company announced it had launched a renounceable rights issue. On 2 April 2019, the Company advised that the Renounceable Rights Issue had been oversubscribed with approximately $9.1m raised. As a result, on 4 April 2019, the Company issued 91,005,566 fully paid ordinary shares at an issue price of $0.10 with 39,334,670 accompanying listed options, exercisable at $0.20 and expiring 31 March 2022.

On 4 April 2019, the Company issued 5,000,000 Share Appreciation Rights, under the Company's Employee Equity Incentive Program. The SARs are exercisable at $0.22 and expire 31.03.2022.

On 10 April 2019, the Company issued 1,000,000 unlisted options exercisable at $0.1104 and expiring 10.10.2020 to a consultant for providing advisory services.

On 24 September 2019, the Company converted 1,000,000 options, exercisable at $0.045 and expiry 31.12.2019 into 1,000,000 fully paid ordinary shares.

On 6 November 2019, the Company converted 2,000,000 options, exercisable at $0.045 and expiry 31.12.2019 into 2,000,000 fully paid ordinary shares.

On 20 December 2019, the Company converted 2,000,000 options, exercisable at $0.045 and expiry 31.12.2019 into 2,000,000 fully paid ordinary shares.

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 acquired a 100% interest in the Tonopah Lithium Project in Nevada, USA.

The milestones achieved during the 2019 Financial Reporting Period establish that Argosy is genuinely delivering on its 'fast-track' lithium development strategy and remains confident of achieving key upcoming milestones. Argosy is committed to building a sustainable lithium production company, highly leveraged to the forecast growth in the lithium-ion battery sector.

Argosy Minerals Limited – Rincon Lithium Project Location Map

Rincon Lithium Project

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

During the annual reporting period and to date, the Company made substantial progress at the Project, with the major 2019 project milestones accomplished being:

- ✓ Argosy joins the exclusive list of international lithium carbonate producers – chemical process tested and proven to produce ≥99.5% Li_2CO_3 product;
- ✓ Lithium carbonate production operations commenced from industrial scale pilot plant to supply high-value ≥99.5% Li_2CO_3 product into executed Sales Agreement;
- ✓ Sales Agreement executed with Mitsubishi Corporation RtM Japan Ltd, a subsidiary of Mitsubishi Corporation;
- ✓ ~5 tonne preliminary trial cargo of high-quality lithium carbonate product from industrial scale pilot plant on schedule for first shipment during Q1, 2020;
- ✓ Received permitting approvals from Salta Province regulatory authorities, for the construction of an initial ~2,000tpa commercial lithium carbonate processing plant module – as part of staged scale-up development of the Rincon Lithium Project;
- ✓ Non-binding Heads of Agreement executed with Mitsubishi Corporation RtM Japan Ltd for the supply of 2,000tpa of lithium carbonate product for a term of 3-years with an option to extend for a further 2-years;
- ✓ High purity lithium hydroxide (LiOH) processing works conducted at pilot plant and in-house laboratory for customer sample testing.
  - Laboratory analysis results confirm 56.84% LiOH content value (note: standard battery grade LiOH is 56.5%) that corresponds to a purity of 99.61% lithium hydroxide monohydrate;
- ✓ Regulatory approval/permit applications works continuing for enlarged commercial scale (~10,000tpa) project development;
- ✓ Continued progress with Asian based LCE end-users for potential commercial scale off-take and investment; and
- ✓ Argosy purchased the Tonopah Lithium Project in Nevada, USA. The project lies ~4km from Albemarle's Silver Peak lithium brine operation – only lithium carbonate producer in USA.

The milestones achieved during 2019 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.

Key objectives for Argosy during 2020 include continuing lithium carbonate production operations from the industrial scale pilot plant and delivering high-quality ≥99.5% lithium carbonate product into the Sales Agreement, implementing a funding solution and commence construction works for the ~2,000tpa Li_2CO_3 processing plant and associated development, seek approvals for development of the 10,000tpa commercial scale operation, and formulate and enact the most effective work programme and development strategy for the Tonopah Lithium Project in Nevada, USA.

With the onset 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.

Rincon Lithium Project – Pilot Plant Lithium Carbonate Production Operations

Tonopah Lithium Project

The Company executed a Sale Agreement for the acquisition of 100% of the tenements comprising the Tonopah Lithium Project (TLP), located in Nevada, USA.

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 ~34.25km².
- 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.
- 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

Statement of Resources & Reserves – Rincon Lithium Project

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

Rincon Lithium Project- JORC Indicated Resources

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

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
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.

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

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

Schedule of Tenements

The schedule of tenements held by the Company as at 26 March 2020 is shown below.

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

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

Matters subsequent to the end of the financial year

On 8 January 2020, the Company announced it had received official approval notification from the Government of Salta Province and its regulatory bodies – the Ministry of Production and Sustainable Development, and the Secretary of Mining and Energy – granting the development of the next stage works at the Company's Rincon Lithium Project, comprising construction of a ~2,000tpa lithium processing plant, on-going lithium production operations from the process plant, and all associated works in relation to these activities in accordance with standard environmental requirements set out in the notice approving the Company's Environmental Impact Report.

On 11 March 2020, Novel Coronavirus (COVID-19) was declared a global pandemic by the World Health Organisation. The impact of COVID-19 on the Group is expected to have an impact on operational revenue and expenses. On 20 March 2020, the Company announced that due to the COVID-19 pandemic, the Group has determined to suspend pilot plant operations at the Rincon Lithium Project until such time as it is deemed safe and reasonable to resume.

As at the date of the report:

a) The Group expects to materially curtail its activities during the forthcoming financial year in response to government restrictions and social distancing requirements;
b) The impact on operational revenue and expenses cannot yet be reliably measured; and
c) The Company believes it has sufficient cash reserves to support its curtailed activities.

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

Likely developments and expected results of operations

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

Environmental regulation

The consolidated entity holds participating interests in a number of mining and exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. There have been no known breaches of the tenement conditions, and no such breaches have been notified by any government agency during the year ended 31 December 2019.

Information on directors

Name:	**Alexander Molyneux**
Title:	Non-Executive Chairman
Qualifications:	B. Ec, Grad. Dip. MinExplGeoSc
Experience and Expertise:	Mr Alex Molyneux is an experienced metals and mining industry executive and financier. He currently serves as Chief Executive Officer of Galena Mining Ltd (ASX:G1A) (2018 – present) and was previously CEO of Paladin Energy Ltd. (ASX:PDN) (2015 – 2018), where he presided over a US$700M successful recapitalisation and re-listing of the company. Mr. Molyneux is also Non-Executive Chairman of Azarga Metals Corp. (TSXV:AZR) (2016 – present) and Non-Executive Director of Metalla Royalty & Streaming Ltd. (TSXV:MTA) (2018 – present). He was previously a Non-Executive Director of Goldrock Mines Corp. (2012 – 2016), a company that was developing a gold project in Salta Province, Argentina until its successful sale to Fortuna Silver Inc., and was CEO and Director of SouthGobi Resources Ltd. (2009 – 2012), an Ivanhoe Mines Group company. Prior to these mining industry executive and director roles, Mr Molyneux was Managing Director - Head of Metals and Mining Investment Banking, Asia Pacific for Citigroup in Hong Kong. As a specialist resources investment banker, he spent approximately 10 years providing advice and investment banking services to natural resources corporations. Mr Molyneux continues to be based in Asia where he has an extensive network within the institutional investment community and local participants in the metals and mining industry. Mr Molyneux holds a Bachelor Degree in Economics from Monash University in Australia.
Other current directorships:	Azarga Metals Corp. (TSX-V: AZR) Tempus Resources Ltd (ASX:TMR) Metalla Royalty & Streaming Ltd. (TSX-V: MTA) Galena Mining Limited (ASX:G1A) Comet Resources Ltd (ASX:CRL)
Former Directorships (in last 3 years)	Nil
Special Responsibilities:	None
Interests in Shares:	25,250,000 Ordinary Shares 83,333 Listed Options exercisable at $0.20 and expiring 31/3/2022

Name:	**Jerko Zuvela**
Title:	Managing Director
Qualifications:	B.Sc (Applied Geology)
Experience and Expertise:	Mr Jerko Zuvela has 25 years mineral and resources industry experience in Australia and internationally, during which time he has held senior executive positions in public listed and unlisted companies including for Kangaroo Resources Limited as Chief Geologist, Strike Resources Limited as General Manager Operations and Fireside Resources Limited as Chief Geologist. Mr Zuvela is a Chartered Professional (Geology) Member of the Australian Institute of Mining and Metallurgy.
Other current directorships:	Discovery Africa Limited (ASX:DAF)
Former Directorships (in last 3 years)	Nil
Special Responsibilities:	None
Interests in Shares:	69,401,739 Ordinary Shares 166,666 Listed Options exercisable at $0.20 on or before 31/3/2022

Name:	**Ranko Matic**
Title:	Non-Executive Director
Qualifications:	B. Bus, CA
Experience and Expertise:	Mr Ranko 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 was previously a director of a chartered accounting firm for over 17 years and is currently a Director of a corporate services and advisory company and has specialist expertise and exposure in areas of audit, corporate services, due diligence, mergers and acquisitions, and valuations. Mr Matic is also currently a non-executive director of two other ASX listed companies and has also acted previously as Director, Chief Financial Officer and Company Secretary for companies in the private and public listed sector.
Other current directorships:	East Energy Resources Ltd (ASX:EER) SIV Asset Management Ltd (ASX:SAM)
Former Directorships (in last 3 years)	Antilles Oil and Gas NL (ASX:AVD) appointed 12/02/2016, resigned 13/11/2018 Celsius Resources Limited (ASX:CLA) appointed 23/12/2012, resigned 6/12/2018
Special Responsibilities:	None
Interests in Shares:	27,703,768 Ordinary Shares 264,660 Listed Options exercisable at $0.20 on or before 31/3/2022

Name:	**Malcolm Randall**
Title:	Non-Executive Director
Qualifications:	B.ApChem FAICD
Experience and Expertise:	Malcolm Randall holds a Bachelor of Applied Chemistry degree and is a Fellow of the Australian Institute of Company Directors. He has more than 45 years' of extensive experience in corporate, management and marketing in the resources sector, including more than 25 years with the Rio Tinto group of companies. His experience has covered a diverse range of commodities including potash (brine), iron ore, base metals, uranium, mineral sands and coal. Mr Randall has held the position of Chairman and director of a number of ASX listed companies.
Other current directorships:	Kalium Lakes Limited (ASX:KLL) Ora Gold (ASX:AU) previously Thundelarra Limited Magnetite Mines Limited (ASX: MGT) Hastings Technology Metals Ltd (ASX:HAS)
Former Directorships (in last 3 years)	Summit Resources Limited (ASX:SMM) appointed 30/5/07, resigned 30/11/2018
Special Responsibilities:	None
Interests in Shares:	5,320,000 Ordinary Shares 10,501 Listed Options exercisable at $0.20 and expiring 31/3/2022

Meetings of directors

The following table sets out the number of Directors' meetings held during the year ended 31 December 2019 and the number of meetings attended by each director. There were three Directors' meetings held during the financial year, with the majority of business conducted via circular resolution. The number of meetings attended by each Director during the year was:

Director	Meetings Eligible to Attend	Meetings Attended
Alex Molyneux	3	3
Jerko Zuvela	3	3
Ranko Matic	3	1
Malcolm Randall	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
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

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

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

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

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

Voting and comments made at the company's 2019 Annual General Meeting ('AGM')
At the 2019 AGM, 94% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2018. 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	Bonus	Non-Monetary	Super-annuation	Long Service Leave	Payments	Total
2019	$	$	$	$	$	$	$
Non-Exec Directors							
Alex Molyneux	45,000	-	-	-	-	-	45,000
Ranko Matic*	43,800	-	-	-	-	-	43,800
Malcolm Randall	40,000	-	-	3,800	-	-	43,800
Executive Directors							
Jerko Zuvela	273,750	-	-	-	-	-	273,750
	402,550	-	-	3,800	-	-	406,350

* Ranko Matic is a director and shareholder of Consilium Corporate Pty Ltd (Consilium). Consilium was also entitled to an additional $120,000 in relation to corporate secretarial and accounting services performed during 2019.

	Short-term benefits			Post-emp benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Bonus	Non-Monetary	Super-annuation	Long Service Leave	Payments	Total
2018	$	$	$	$	$	$	$
Non-Exec Directors							
Alex Molyneux	-	-	-	-	-	-	-
Ranko Matic*	43,800	-	-	-	-	-	43,800
Malcolm Randall	40,000	-	-	3,800	-	-	43,800
Executive Directors							
Jerko Zuvela	273,750	-	-	-	-	-	273,750
	357,550	-	-	3,800	-	-	361,350

* Ranko Matic is a director and shareholder of Consilium Corporate Pty Ltd (Consilium). Consilium was also entitled to an additional $120,000 in relation to corporate secretarial and accounting services performed during 2018.

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

	Fixed remuneration		At risk – STI		At risk – LTI	
Name	2019	2018	2019	2018	2019	2018
Non-Executive Directors:						
Alex Molyneux*	100%	*	0%	*	0%	*
Ranko Matic	100%	100%	0%	0%	0%	0%
Malcolm Randall	100%	100%	0%	0%	0%	0%
Executive Directors						
Jerko Zuvela	100%	100%	0%	0%	0%	0%

* Alex Molyneux was granted 15,000,000 Performance Rights in 2017, which vest in accordance with his level of shareholding in the Company and are not based on the Company's performance. He did not receive any cash remuneration in 2018, and thus the percentages are not applicable.

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

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

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

Share-based compensation
Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2019 (2018: nil).

Options
The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 31 December 2019 was nil (2018: nil).

Performance Rights
The number of performance rights granted to and vested by directors and other key management personnel as part of compensation during the year ended 31 December 2019 was nil (2018: nil).

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

2019 *Ordinary shares*	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Alexander Molyneux	25,000,000	-	250,000*	-	25,250,000
Jerko Zuvela	68,901,739	-	500,000*	-	69,401,739
Ranko Matic	26,909,784	-	793,984*	-	27,703,768
Malcolm Randall	268,494	-	5,051,506**	-	5,320,000
	121,080,017	-	6,595,490	-	127,675,507

* These additions were shares acquired through participation in the rights issue during the year.
** Malcolm Randall's additions consisted of 20,000 shares that were acquired on-market, conversion of 5,000,000 options and 31,506 shares acquired through participation in the rights issue during the year.

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

2019 *Options*	Balance at the start of the year	Received as part of remuneration	Additions	Exercised/ Cancelled	Balance at the end of the year
Alexander Molyneux	-	-	83,333*	-	83,333
Jerko Zuvela	-	-	166,666*	-	166,666
Ranko Matic	-	-	264,660*	-	264,660
Malcolm Randall	5,000,000	-	10,501*	(5,000,000)	10,501
	5,000,000	-	525,160	(5,000,000)	525,160

* The Directors participated in the rights issue during the year entitling them to free attaching options.

Other transactions with key management personnel and their related parties
During the financial year, payments of $120,000 were made to Consilium Corporate Pty Ltd (director-related entity of Ranko Matic) for corporate secretarial and accounting services. The balance of trade payables owing to Consilium Corporate Pty Ltd as at 31 December 2019 was $285. All transactions were made on normal commercial terms and conditions and at market rates.

This concludes the remuneration report, which has been audited.

Additional information
The earnings of the consolidated entity for the six years to 31 December 2019 are summarised below:

	2019 $	2018 $	2017 $	2016 $	2015 $	2014 $
Profit/Loss after income tax	(2,394,308)	(2,542,505)	(5,712,005)	(665,268)	(321,565)	67,269

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

	2019	2018	2017	2016	2015	2014
Share price at financial year end ($)	0.076	0.14	0.26	0.029	0.002	0.001
Basic earnings per share (cents per share) - undiluted	(0.24)	(0.28)	(0.72)	(0.12)	(0.08)	0.03

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
22 December 2017	22 December 2020	$0.225	4,500,000
28 March 2019	10 October 2020	$0.1104	1,000,000
4 April 2019	31 March 2022	$0.200	39,334,670

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

Grant date	Expiry date	Exercise price	Number under option
22 December 2017	22 December 2020	$0.225	1,000,000
4 April 2019	28 February 2022	$0.220	5,000,000

Shares issued on the exercise of options
The Company issued the following shares upon the exercise of options during the year ended 31 December 2019 and up to the date of this report:

Date Exercised	Shares Issued
24 September 2019	1,000,000
6 November 2019	2,000,000
20 December 2019	2,000,000

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

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

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

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

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

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

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

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

RSM Australia 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 Jerko Zuvela
Managing Director
31 March 2020
Perth

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Argosy Minerals Limited for the year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 31 March 2020

TUTU PHONG
Partner

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.	Adopted All directors have a written agreement with the Company setting out the terms of their appointments.
1.4	The Company Secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the Board.	Adopted The Company Secretary is directly accountable to the Board on all matters related to the proper functioning of the Board. The Company Secretary is 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 governance and associated policies and will determine if a diversity policy is appropriate at this

	(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	development stage of the business. The Company makes the following disclosures regarding the proportion of women employed in the organisation: - Women on Board: 0% - Women in Senior Management: 17% - Women in whole organisation: 17%
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. 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	Partially Adopted The Company does not have a separate nomination committee, however the full board will consider the matters and issues arising that would usually fall to the nomination committee in accordance with the Nomination Committee Charter. The Company has adopted a Nomination Committee Charter setting out the board process to raise the issues that would otherwise be considered by the Nomination Committee. The Board consider that at this stage, no efficiencies or other benefits would be gained by establishing a separate nomination committee and that the current Board has the right structure to add value in this process. The Nomination Committee Charter is available on the Company's website.

	responsibilities effectively.	
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Not Adopted 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) Alex Molyneux - Independent Ranko Matic - Independent Malcolm Randall – Independent (b) n/a n/a n/a (c) Alex Molyneux – appointed 15/8/2016 – 4 years Ranko Matic – appointed 17/7/2014 – 6 years Malcolm Randall - appointed 3/3/2017 – 3 years
2.4	A majority of the Board of a listed entity should be independent directors.	Adopted. There are three directors that are considered to be independent – Alexander Molyneux, Ranko Matic and Malcolm Randall.
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. Alex Molyneux is the current Chairman of the Company with Jerko Zuvela the Managing Director.
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	Partially Adopted The Company does not have a separate audit committee and the full board will consider the matters and issues arising that would usually fall to the audit committee in accordance with the Audit and Risk Committee Charter.

	directors; and (ii) is chaired by an independent director, who is not the chair of the board; And disclose: (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.	The Company has adopted an Audit and Risk Committee Charter setting out the board process to raise the issues that would otherwise be considered by the Audit and Risk Committee. The Board consider that at this stage, no efficiencies or other benefits would be gained by establishing a separate audit committee. The Charter of the Audit and Risk Committee is on the Company's website.
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 The Company has obtained a sign off on these terms for each of its financial statements.
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 The Company's external auditor attended the Company's last AGM during the past financial year.
	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 The Shareholder Communication Strategy provides that security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted. Shareholders queries should be referred to the Company Secretary at first instance.
	PRINCIPLE 7 – RECOGNISE AND MANAGE RISK	
	Recommendation	**Argosy Minerals Limited Current Practice**
7.1	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.	Partially Adopted The Company does not have a separate risk committee and the full board will consider the matters and issues arising that would usually fall to the risk committee in accordance with the Audit and Risk Committee Charter. The Company has adopted an Audit and Risk Committee Charter setting out the board process to raise the issues that would otherwise be considered by the Audit and Risk Committee. The Board consider that at this stage, no efficiencies or other benefits would be gained by establishing a separate risk committee. The Charter of the Audit and Risk Committee is on the Company's website.
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	Adopted. The Board reviews risk on a regular basis, following policies and procedures forming part of the Company's

	(b) disclose, in relation to each reporting period, whether such a review has taken place.	Audit and Risk Committee Charter. A review has 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 (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.	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.
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.	Adopted. The Company's Corporate Governance Plan requires the Company to disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. The Company does not currently have any material exposure to economic, environmental and social sustainability risks.
	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.	Partially Adopted. The Company does not have a separate Remuneration Committee. The role of the remuneration committee is currently undertaken by the full board. The Company has adopted a Remuneration Committee Charter which is published on the Company's website. The Board follows the Remuneration Committee Charter which provides for dealing with board remuneration issues.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Adopted. The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of Directors and senior executives, which is disclosed on the in the remuneration report contained in the Company's Annual Report.

8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	Not Applicable The Company did not have an equity based remuneration scheme. The Company did not have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise), which limit the economic risk of participating in the scheme.

Corporate Governance Statement dated 31 March 2020
Approved by the Board 31 March 2020

Argosy Minerals Limited
Consolidated Statement of profit or loss and other comprehensive income
For the year ended 31 December 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Revenue	5	70,910	95,018
Other income	5	43,249	1,076,948
Expenses			
Accounting and Company Secretary fees		(130,100)	(122,500)
ASX and ASIC fees		(88,004)	(100,091)
AGM and GM fees		(18,227)	(19,655)
Audit fees		(33,000)	(37,500)
Bank charges		(6,678)	(7,588)
Depreciation	6	(42,638)	(16,616)
Directors fees	7	(406,350)	(361,350)
Share-based payments	20	(226,329)	-
Exploration and project assessment		(244,809)	(44,098)
Insurance		(16,547)	(28,648)
Interest		(19,649)	(8,826)
Legal fees		(69,916)	(369,317)
Office costs and rental expenses		(51,974)	(46,842)
Professional fees		(285,124)	(105,956)
Share registry costs		(10,450)	(16,828)
Foreign exchange gain/(loss)		153,293	115,481
Other expenses		(95,447)	(231,427)
Share of loss in joint venture		(916,518)	(2,312,710)
Profit/(Loss) before income tax expense		(2,394,308)	(2,542,505)
Income tax expense	8	-	-
Profit/(Loss) after income tax expense for the year attributable to the owners of Argosy Minerals Limited	19	(2,394,308)	(2,542,505)
Other comprehensive income for the year, net of tax		90,281	(949,733)
Total comprehensive income/(loss) for the year attributable to the owners of Argosy Minerals Limited		(2,304,027)	(3,492,238)
		Cents	**Cents**
Basic earnings/(loss) per share (cents)	32	(0.24)	(0.28)
Diluted earnings/(loss) per share (cents)	32	(0.24)	(0.28)

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 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Assets			
Current assets			
Cash and cash equivalents	9	5,967,398	2,714,213
Trade and other receivables	10	34,628	34,372
Other assets		20,728	4,260
Total current assets		6,022,754	2,752,845
Non-current assets			
Plant and equipment	11	2,532	3,950
Right-of-use assets	12	107,678	148,898
Exploration, evaluation and development	13	1,935,736	1,353,800
Advances to Puna Mining S.A.	14	7,125,928	3,741,981
Investment accounted for using the equity method – Puna Mining S.A.	15	9,773,470	10,599,707
Total non-current assets		18,945,344	15,848,336
Total assets		24,968,098	18,601,181
Liabilities			
Current liabilities			
Trade and other payables	16	133,147	344,530
Lease liabilities	12	41,253	34,460
Total current liabilities		174,400	378,990
Non-current liabilities			
Lease liabilities	12	83,701	124,954
Total non-current liabilities		83,701	124,954
Total liabilities		258,101	503,944
Net assets		24,709,997	18,097,237
Equity			
Issued capital	17	89,023,264	80,461,794
Reserves	18	4,170,959	3,725,361
Accumulated losses	19	(68,484,225)	(66,089,918)
Total equity		24,709,997	18,097,237

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 2019

Consolidated	**Issued capital $**	**Accumulated Losses $**	**Reserves $**	**Total Equity $**
Balance at 1 January 2018	77,093,353	(63,547,413)	7,159,996	20,705,936
Loss after income tax expense for the year	-	(2,542,505)	-	(2,542,505)
Other comprehensive income for the year, net of tax	-	-	(949,733)	(949,733)
Total comprehensive income for the year	-	(2,542,505)	(949,733)	(3,492,238)
Transactions with owners in their capacity as owners:				
Share Issue – Performance Rights conversion	260,000	-	(260,000)	-
Share Issue – Option conversion	3,124,902		(2,224,902)	900,000
Share Issue Costs	(16,461)	-	-	(16,461)
Balance at 31 December 2018	80,461,794	(66,089,918)	3,725,361	18,097,237

Consolidated	**Issued capital $**	**Accumulated Losses $**	**Reserves $**	**Total Equity $**
Balance at 1 January 2019	80,461,794	(66,089,918)	3,725,361	18,097,237
Loss after income tax expense for the year	-	(2,394,308)	-	(2,394,308)
Other comprehensive income for the year, net of tax	-	-	90,281	90,281
Total comprehensive income for the year	-	(2,394,308)	90,281	(2,304,027)
Transactions with owners in their capacity as owners:				
Share Issue – Rights issue	9,100,557	-	-	9,100,557
Share Issue – Option conversion	375,013		(150,013)	135,000
Share Issue Costs	(914,099)	-	-	(914,099)
Share based payments	-	-	505,329	505,329
Balance at 31 December 2019	89,023,264	(68,484,225)	4,170,959	24,709,998

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 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,661,772)	(1,301,212)
Payments for exploration and development expenditure		(589,696)	(756,887)
Other Income		43,249	13,824
Interest paid		(19,649)	-
Interest received		57,954	95,017
Net cash used in operating activities	31	(2,169,914)	(1,949,258)
Cash flows from investing activities			
Advance to Puna Mining		(3,248,045)	(3,741,981)
Investment in Puna Mining		-	(7,904,783)
Payments for plant and equipment		-	(2,410)
Net cash used in investing activities		(3,248,045)	(11,649,174)
Cash flows from financing activities			
Proceeds from issue of shares		9,325,557	900,000
Share issue transaction costs		(633,177)	(16,460))
Repayment of lease liabilities		(34,461)	-
Net cash from financing activities		8,657,919	883,540
Net increase/(decrease) in cash and cash equivalents		3,239,960	(12,714,892)
Effect of FX on cash on hand		13,224	228,516
Cash and cash equivalents at the beginning of the financial year		2,714,213	15,200,589
Cash and cash equivalents at the end of the financial year	9	5,967,398	2,714,213

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 2
22 Mount Street
Perth WA 6000

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

The financial report was authorised for issue, in accordance with a resolution of directors, on 31 March 2020. The directors have the power to amend and reissue the financial report.

Note 2. Significant accounting policies

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

New, revised or amending Accounting Standards and Interpretations adopted
The Group has adopted all standards which became effective for the first time for the year ended 31 December 2019. The adoption of new accounting standards applicable to the Group for the first time in 2019 has not had a material impact on the financial statements.

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

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

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

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

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

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 2019 and the results of all subsidiaries for the year then ended. Argosy Minerals Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity' or ‘Group’.

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

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. 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.

Foreign currency translation

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

Foreign currency transactions

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

Foreign operations

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

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

Current and non-current classification

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

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

A liability is classified as current when: it is either expected to be settled in the consolidated entity’s normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Note 2. Significant accounting policies (continued)

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

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

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

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

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

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

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

Note 2. Significant accounting policies (continued)

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

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

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

- Property, plant and equipment: 3-5 years

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

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

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

Note 2. Significant accounting policies (continued)

Leases
With the exception of leases with terms of less than 12 months and leases relating to low-value assets, right-of-use assets and lease liabilities have been recognised in relation to all leases.

The lease liabilities recognised at the present value of the lease payments that are remaining to be paid and include, where applicable, any payments applicable under extension options expected to be exercised. Interest expense on the outstanding liabilities are recognised in the statement of financial performance as finance costs.

The right-of-use assets are initially recognised as the amount of the initial lease liability adjusted for any lease payments made at or before commencement, lease incentives received, initial direct costs incurred, and an estimate of costs of dismantling, removing or restoring the asset that are required to be incurred under the terms of the lease. The right-of-use asset is then depreciated on a straight-line basis over the term of the lease.

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

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

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

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

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

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.

Note 2. Significant accounting policies (continued)

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

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

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

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

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

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

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

If the non-vesting condition is within the control of the consolidated entity or 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.

Note 2. Significant accounting policies (continued)

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 using an appropriate valuation model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

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 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 and other income

	Consolidated	
	2019	**2018**
	$	**$**
Interest	70,910	95,018
Qianyun deposit income[1]	-	1,063,124
Other income	43,249	13,824
	114,159	1,171,966

[1] On 17 August 2017, the Company announced that it has signed binding preliminary and long term offtake agreements and a share subscription agreement with Qingdao Qianyun High-tech New Material Co. Ltd. (Qianyun). On 24 August 2017, the Company announced that it had received the deposit payment of US$750,000.

On 10 October 2017, the Company announced that the Placement Agreement was terminated and that it had received a request from Qianyun to terminate the offtake agreements. The Company subsequently received a request from Qianyun to repay the US$750,000. The matter was under arbitration and on 26 March 2019, Qianyun's claim was dismissed with the Company not being required to repay the US$750,000 and able to claim legal costs. The liability was therefore taken to other income in the 2018 year.

Note 6. Depreciation

	Consolidated	
	2019	**2018**
	$	**$**
Depreciation of plant and equipment	1,418	719
Depreciation of right-of-use assets	41,221	15,897
	42,638	16,616

Note 7. Expenses

	Consolidated	
	2019	**2018**
	$	**$**
Loss before income tax includes the following specific expenses:		
Directors' fees including bonuses	406,350	361,350
Total Directors payments	406,350	361,350

Note 8. Income tax expense

	Consolidated	
	2019	**2018**
	$	**$**
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit/(Loss) before income tax expense	(2,394,308)	(2,542,505)
Tax at the statutory tax rate of 27.5% (2018: 27.5%)	(658,435)	(699,189)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income	244,088	437,784
	(414,346)	(261,405)
Current year tax losses not recognised	414,346	261,405
Current year temporary differences not recognised	-	-
Income tax expense	-	-

Note 8. Income tax expense (continued)

Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	3,600,407	3,186,061

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

Note 9. Cash and cash equivalents

	Consolidated	
	2019	**2018**
	$	**$**
Cash at bank	5,967,398	2,714,213

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

Note 10. Trade and other receivables

	Consolidated	
	2019	**2018**
	$	**$**
Interest receivable	12,956	-
GST receivable	21,672	34,372
	34,628	34,372

Impairment of receivables
As at 31 December 2019, trade receivables that were past due or impaired were nil (2018: nil).

Refer to Note 22 for details of credit risk and fair value.

Note 11. Plant and equipment

	Consolidated	
	2019	**2018**
	$	**$**
Plant & equipment – at cost	2,379	2,379
Accumulated Depreciation	(1,244)	(757)
	1,135	1,622
Office equipment – at cost	2,410	2,410
Accumulated Depreciation	(1,013)	(82)
	1,397	2,328
Total plant and equipment	2,532	3,950

Note 12. Lease assets and liabilities

	Consolidated	
Right-of-use assets	**2019 $**	**2018 $**
At cost	164,795	164,795
Accumulated Depreciation	(57,117)	(15,897)
	107,678	148,898

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

Balance at 1 January	148,898	-
Additions	-	164,795
Depreciation	(41,220)	(15,897)
Balance at 31 December	107,678	148,898

	Consolidated	
Lease liabilities	**2019 $**	**2018 $**
Current	41,253	34,460
Non-current	83,701	124,954
	124,954	159,414

Lease arrangements with terms of less than 12 months have been excluded from the above. The total expenditure in relation to such leases amounted to nil (2018: $16,000).

Note 13. Exploration, evaluation and development

	Consolidated	
	2019 $	**2018 $**
Exploration, evaluation and development	1,935,736	1,353,800

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

Balance at 1 January	1,353,800	2,097,496
Acquisitions during the year[1]	209,183	-
Expenditure during the year	372,753	756,887
Conversion to equity in Puna Mining JV	-	(1,500,583)
Balance at 31 December	1,935,736	1,353,800

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.

[1] During the year, the Group completed the acquisition of a 100% interest in the tenements comprising the Tonopah Lithium Project in Nevada, USA. Management has determined that the acquisition of the Tonopah Lithium Project does not meet the definition of a business within AASB 3 Business Combinations. The transaction has been accounted for as an asset acquisition. The Group has paid US$60,000 to the vendors for the project in addition to paying the tenement annual renewal costs for each of the 425 tenements.

Note 13. Exploration, evaluation and development (continued)

Upon releasing a Project milestone for a JORC Mineral Reserve of one million tonnes of Lithium Carbonate Equivalent Product or first commercial production, the Group will be required to pay an additional A$500,000 to the vendors. The A$500,000 can be paid in cash or shares, at the Group's election.

Note 14. Advance to Puna Mining JV

	Consolidated	
	2019	2018
	$	$
Balance 1 January	3,741,981	4,456,784
Loans provided	3,248,045	11,646,764
Foreign currency movement	135,902	-
Conversion to equity in Puna Mining JV	-	(12,361,567)
Balance 31 December	7,125,928	3,741,981

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

Note 15. Joint venture

On 27 February 2018, the Company executed a binding Second Earn-In Joint Venture Agreement with Mr Pablo Alurralde and Mr Francisco Menendez (the "JV Partners"), confirming that Argosy increased its previously held interest of 2.5% to 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

As a consequence, the Company gained joint control over this investment and the advances to Puna Mining S.A. of $4,456,784 as at 31 December 2017, along with additions during the 2018 year, were reclassified as a joint venture accounted for using the equity method.

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.

The carrying amount of equity-accounted investments has changed as follows in the year to 31 December 2019:

Name of associate	Principal activity	Place of incorporation and operation	Proportion of ownership interest	
			2019	2018
Puna Mining S.A.	Mining exploration	Argentina	77.5%	77.5%

	2019	2018
	$	$
Beginning of the period	10,599,707	-
Transfer opening advance to Puna Mining S.A.	-	4,456,784
Additions	-	9,405,366
Share of losses in joint venture	(916,518)	(2,312,710)
Foreign exchange translation	90,281	(949,733)
Balance 31 December	9,773,470	10,599,707

Note 15. Joint venture (continued)

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

	2019 $	2018 $
Current assets	2,821,469	1,543,787
Non-current assets	12,792,448	12,660,984
Total assets	15,613,917	14,204,771
Current liabilities	88,092	535,217
Non-current liabilities	7,193,906	3,871,265
Total liabilities	7,281,998	4,406,482
Net assets	8,331,919	9,798,289
Revenue	-	-
Loss from continuing operations	(1,182,604)	(3,544,755)
Loss from discontinued operations	-	-
Loss for the year	(1,182,604)	(3,544,755)
Other comprehensive loss	-	-
Total comprehensive loss for the year	(1,182,604)	(3,544,755)

Reconciliation of share of losses in interest in Puna Mining S.A. is as follows:

	2019 $	2018 $
Total comprehensive loss for the year	(1,182,604)	(3,544,755)
Total comprehensive loss post acquisition (from 28 February 2018)	(1,182,604)	(2,984,142)
Proportion of the Group’s ownership interest	77.5%	77.5%
Share of loss in joint venture	(916,518)	(2,312,710)

Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss.

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

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

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

Note 16. Trade and other payables

	Consolidated 2019 $	Consolidated 2018 $
Trade payables	94,503	177,700
Other payables	38,644	166,830
	133,147	344,530

Note 17. Issued capital

	Consolidated 2019 Shares	2018 Shares	2019 $	2018 $
Ordinary shares - fully paid	1,019,502,141	923,496,575	89,023,264	80,461,794

Movements in ordinary share capital

Details	Date	No of shares	Issue price	$
Balance	1 January 2018	893,496,575		77,093,353
Exercise of Options	25 January 2018	20,000,000	$0.045	3,124,902
Conversion of Performance Rights	25 January 2018	5,000,000	$0.026	130,000
Conversion of Performance Rights	31 August 2018	5,000,000	$0.026	130,000
Share issue costs				(16,461)
Balance	31 December 2018	923,496,575		80,461,794
Rights issue	4 April 2019	91,005,566	$0.100	9,100,557
Exercise of Options	24 September 2019	1,000,000	$0.045	45,000
Exercise of Options	6 November 2019	2,000,000	$0.045	90,000
Exercise of Options	20 December 2019	2,000,000	$0.045	90,000
Transfer from share-based payments reserve on exercise of options				150,013
Share issue costs				(914,099)
Balance	31 December 2019	1,019,502,141		89,023,264

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 2018 Annual Report.

Note 18. Reserves

	Consolidated	
	2019	2018
	$	$
Options reserve	3,612,406	3,612,406
Share based payments reserve	1,418,005	1,062,688
Foreign currency translation reserve	(859,452)	(949,733)
	4,170,959	3,725,361

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

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

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

Movements in reserves

	Consolidated	
	2019	2018
Options reserve	$	$
Balance 1 January	3,612,406	3,612,406
Balance 31 December	3,612,406	3,612,406

	Consolidated	
	2019	2018
Share based payments reserve	$	$
Balance 1 January	1,062,688	3,547,590
Issue of options, performance rights and share appreciation rights	505,329	-
Exercise of options	(150,013)	(2,224,902)
Conversion of performance rights	-	(260,000)
Balance 31 December	1,418,005	1,062,688

	Consolidated	
	2019	2018
Foreign currency translation reserve	$	$
Balance 1 January	(949,733)	-
Translation of foreign operations	90,281	(949,733)
Balance 31 December	(859,452)	(949,733)

Note 18. Reserves (continued)

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

Issue Date	Expiry date	Exercise Price	2019 Number	2018 Number
8 June 2017	31 December 2019	$0.045	-	5,000,000
22 December 2017	22 December 2020	$0.225	4,500,000	4,500,000
4 April 2019	31 March 2022	$0.20	39,334,670	-
10 April 2019	10 October 2020	$0.1104	1,000,000	-
			44,834,670	9,500,000

The Company issued 1,000,000 unlisted options to a consultant on 10 April 2019 for the provision of advisory services for the Mitsubishi RtM sales agreement. A Black Scholes option pricing model was used to value the unlisted options issued during the year, with the valuation inputs used to determine the fair value at the grant date as follows:

Grant date	Expiry date	Share price at grant date $	Exercise price $	Expected volatility %	Risk free rate %	Dividend yield %	Quantity issued #	Value per security $	Total value $
28 Mar 2019	10 Oct 2020	0.097	$0.1104	106.61	1.38	-	1,000,000	0.0444	44,440

The Company issued 39,334,670 listed options on 4 April 2019. 30,334,670 were issued as free attaching options at 1 option for every 3 shares issued under the Rights Issue completed on 4 April 2019. The remaining 9,000,000 were issued to consultants under the terms of the Underwriting Agreement. The 9,000,000 options were valued based on the trading price on grant date, being $0.031 per option.

Performance Rights
The Company issued 15,000,000 Performance Rights to Alexander Molyneux on 30 January 2017 as part of his remuneration package and as approved by shareholders at General Meeting held 24 January 2017. During the 2017 financial year 5,000,000 Performance Rights were converted to shares. On 25 January 2018 a further 5,000,000 Performance Shares were converted into shares upon achievement of the appropriate hurdle. The final 5,000,000 Performance Shares were converted into shares on 31 August 2018 upon achievement of the hurdle.

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

Issue Date	Expiry date	Exercise Price	2019 Number	2018 Number
22 December 2017	22 December 2020	$0.225	1,000,000	1,000,000
4 April 2019	28 February 2022	$0.22	5,000,000	-
			6,000,000	1,000,000

The Company issued 5,000,000 share appreciation rights under the Company's Employee Equity Incentive Plan and have the following vesting conditions:
Tranche 1: 1,500,000 vested immediately upon issue
Tranche 2: Subject to the consultant remaining engaged on vesting date:
- 1,500,000 to vest upon the Company securing funding for the construction of a processing plant with capacity of 2,000tpa LCE product
- 2,000,000 to vest upon the Company securing funding for the development of a commercial scale stage (being an operation of 10,000tpa LCE product)

A Black Scholes option pricing model was used to value the share appreciation rights issued during the year, with the valuation inputs used to determine the fair value at grant date as follows:

Grant date	Expiry date	Share price at grant date $	Exercise price $	Expected volatility %	Risk free rate %	Dividend yield %	Quantity issued #	Value per security $	Total value $
28 Feb 2019	28 Feb 2022	0.13	0.22	91.51	1.62	-	5,000,000	0.0608	303,851

The value of the share appreciation rights expensed during the year was $181,889, with the remaining amount to be expensed over the vesting period.

Note 19. Accumulated losses

	Consolidated	
	2019	2018
	$	$
Accumulated losses at the beginning of the financial year	(66,089,918)	(63,547,413)
Profit/(Loss) after income tax expense for the year	(2,394,308)	(2,542,505)
Accumulated losses at the end of the financial year	(68,484,225)	(66,089,918)

Note 20. Share-based payments

	Consolidated	
	2019	2018
	$	$
Recognised in share-based payments expense	226,329	-
Recognised in equity (capital raising costs)	279,000	-
Total	505,329	-

Refer note 18 for further information on share-based payments during the year.

Note 21. Dividends

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

Note 22. Financial instruments

Financial risk management objectives

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

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

Market risk

Foreign currency risk

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

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

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

Note 22. Financial instruments (continued)

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

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

Sensitivity analysis
At 31 December 2019, if interest rates had changed by -/+100 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for both the consolidated entity and the parent entity would have been $58,860 (2018: $103,026) lower/higher as a result of lower/higher interest income from cash and cash equivalents. Management have deemed a movement of 100 basis points to be an appropriate measure for this sensitivity analysis.

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

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

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

Consolidated - 2019	Weighted average interest rate %	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	-	133,147	-	-	-	133,147
Interest-bearing – fixed rate						
Lease liabilities	15%	55,661	57,259	35,787	-	148,707
Total non-derivatives		188,808	57,259	37,787	-	281,854

Note 22. Financial instruments (continued)

Consolidated - 2018	Weighted average interest rate %	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	-	344,530	-	-	-	344,530
Interest-bearing – fixed rate						
Lease liabilities	15%	54,110	55,661	93,046	-	202,817
Total non-derivatives		398,640	55,661	93,046	-	547,347

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

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

Note 23. Key management personnel

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

	Consolidated 2019 $	Consolidated 2018 $
Short-term employee benefits	402,550	357,550
Post-employment benefits	3,800	3,800
Share-based payments	-	-
Bonus	-	-
	406,350	361,350

Note 24. Remuneration of auditors

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

	Consolidated 2019 $	Consolidated 2018 $
RSM Australia Partners		
Audit or review of the financial statements	33,000	32,000
Non-audit services – tax compliance	10,100	-
Total	43,100	32,000

Note 25. Contingent liabilities

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

Note 26. Commitments

Licence Expenditure Commitments:

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

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

Capital commitments

There are no capital commitments contracted for at balance date.

Note 27. Related party transactions

Parent entity
Argosy Minerals Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 29.

Joint ventures
Interests in joint ventures are set out in note 15.

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

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

	Consolidated	
	2019	**2018**
Payment for company secretarial and accounting services:	**$**	**$**
Consilium Corporate Pty Ltd	120,000	120,000

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

	Consolidated	
	2019	**2018**
Current payables:	**$**	**$**
Consilium Corporate Pty Ltd	285	88

Loans to/from related parties
The were no loans outstanding at the reporting date in relation to loans with related parties (2018: nil).

Note 28. Parent entity information

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

Statement of profit or loss and other comprehensive income	Parent	
	2019	**2018**
	$	**$**
Profit/(Loss) after income tax	(2,394,308)	(2,542,505)
Other comprehensive income	90,281	(949,733)
Total comprehensive income/(loss)	(2,304,027)	(3,492,238)

Note 28. Parent entity information (continued)

Statement of financial position	Parent	
	2019	**2018**
	$	**$**
Current assets	6,022,755	2,752,845
Non-current assets	18,945,344	15,848,336
Total assets	24,968,099	18,601,181
Current liabilities	174,400	378,990
Non-current liabilities	83,701	124,954
Total liabilities	258,101	503,944
Equity		
Issued capital	89,023,264	80,461,794
Reserves	4,170,959	3,725,361
Accumulated losses	(68,484,225)	(66,089,818)
Total equity	24,709,997	18,097,237

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 2019 and 2018.

Contingent liabilities
The parent entity had no contingent liabilities as at 31 December 2019 and 2018.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 31 December 2019 and 2018.

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

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

Note 29. Interests in subsidiaries

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

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**2019 %**	**2018 %**
Andover Resources NL	Australia	100%	100%
Rhino Mining and Exploration Close Company	Namibia	-	100%
Manmar Investments One Hundred and Five Pty Ltd	Namibia	-	100%
Argosy Minerals US Inc	United States of America	100%	-

Argosy Minerals US Inc was incorporated during the year to hold the newly acquired Tonopah Lithium Project tenements.

Note 30. Events after the reporting period

On 8 January 2020, the Company announced it had received official approval notification from the Government of Salta Province and its regulatory bodies – the Ministry of Production and Sustainable Development, and the Secretary of Mining and Energy – granting the development of the next stage works at the Company's Rincon Lithium Project, comprising construction of a ~2,000tpa lithium processing plant, on-going lithium production operations from the process plant, and all associated works in relation to these activities in accordance with standard environmental requirements set out in the notice approving the Company's Environmental Impact Report.

On 11 March 2020 Novel Coronavirus (COVID-19) was declared a global pandemic by the World Health Organisation. The impact of COVID-19 on the Group is expected to have an impact on operational revenue and expenses. On 20 March 2020, the Company announced that due to the COVID-19 pandemic, the Group has determined to suspend pilot plant operations at the Rincon Lithium Project until such time as it is deemed safe and reasonable to resume.

As at the date of the report:

a) The Group expects to materially curtail its activities during the forthcoming financial year in response to government restrictions and social distancing requirements;
b) The impact on operational revenue and expenses cannot yet be reliably measured; and
c) The Company believes it has sufficient cash reserves to support its curtailed activities.

No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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

	Consolidated	
	2019	**2018**
	$	**$**
Loss after income tax expense for the year	(2,394,308)	(2,542,505)
Adjustments for:		
Depreciation	42,638	16,616
Qianyun prepaid deposit income	-	(1,063,124)
Share of loss of JV accounted for using equity method	916,518	2,312,710
Share Based Payments	226,329	-
Foreign exchange (gain)/loss	(149,126)	(115,481)
Interest expense	-	8,826
Repayment of lease liability	-	(14,207)
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(256)	40,838
(Increase) in other assets	(16,470)	(4,260)
(Decrease)/increase in trade and other payables	(213,304)	168,216
(Increase) in exploration, evaluation and development	(581,936)	(756,887)
Net cash used in operating activities	(2,169,914)	(1,949,258)

Note 32. Earnings per share

	Consolidated	
	2019	**2018**
	$	**$**
Profit/(Loss) after income tax attributable to the owners of Argosy Minerals Limited	(2,394,308)	(2,542,505)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	991,695,228	918,592,465
Weighted average number of ordinary shares used in calculating diluted earnings per share	991,695,228	918,592,465
	Cents	**Cents**
Basic and diluted earnings/(loss) per share (cents)	(0.24)	(0.28)

Argosy Minerals Limited
Directors' declaration
31 December 2019

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board;

- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the financial year ended on that date; and

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

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

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

On behalf of the directors

Mr Jerko Zuvela
Managing Director
31 March 2020
Perth

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

Opinion

We have audited the financial report of Argosy Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

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

RSM

Key Audit Matters

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

Key Audit Matter	How our audit addressed this matter
Tonopah Lithium Project in Nevada Refer to Note 13 in the financial statements	
During the year, the Company completed the acquisition of a 100% interest in the tenements comprising the Tonopah Lithium Project in Nevada, USA. Management has determined that the acquisition of the Tonopah Lithium Project does not meet the definition of a business within AASB 3 Business Combinations. The transaction has been accounted for as an asset acquisition. Total cost of acquisition was $209,183. The accounting for this acquisition is considered to be a key audit matter because it involved the exercise of judgment in relation to: ▪ Determining whether the transaction is a business combination or an asset acquisition, based on whether the definition of a business in AASB 3 Business Combinations was met; and ▪ Determining the fair value of the consideration paid, the assets acquired and liabilities assumed.	Our audit procedures included: ▪ Reviewing the acquisition agreements to understand the transaction, acquisition date and the related accounting considerations; ▪ Evaluating management's determination that the acquisition did not meet the definition of a business within AASB 3 and therefore was an asset acquisition as opposed to a business combination; ▪ Assessing management's determination of the fair value of the consideration paid, the assets acquired and liabilities assumed; and ▪ Assessing the appropriateness of the disclosures in the financial report in respect of the acquisition.
Share-based payments Refer to Note 18 in the financial statements	
The Group issued 5,000,000 share appreciation rights under the Employee Equity Incentive Plan and 1,000,000 unlisted options to a consultant for the provision of advisory services. Management has performed the valuation of the share appreciation rights and unlisted options granted using valuations models, since management was unable to reliably measure the fair value of the services received. We considered the valuation of these share appreciation rights and unlisted options to be a key audit matter as it involved management's judgement in determining various inputs used in the valuation models.	Our audit procedures included: ▪ Obtaining the valuation models prepared by the management and assessed whether the models were appropriate for valuing the share-based payments; ▪ Checked the mathematical accuracy of the calculations in the models; ▪ Reviewing the inputs used in the models; and Reviewing the adequacy and accuracy of the relevant disclosures in the financial statements.

Exploration and evaluation expenditure Refer to Note 13 in the financial statements	
The Group has capitalised exploration and evaluation expenditure with a carrying value of $1,935,736 as at 31 December 2019. We considered this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the asset including: ▪ Determining whether the exploration and evaluation expenditure can be associated with finding specific mineral resources and the basis on which that expenditure is allocated to an area of interest; ▪ Assessing whether exploration and evaluation activities have reached a stage at which the existence of economically recoverable reserves may be determined; and ▪ Assessing whether any indicators of impairment are present.	Our audit procedures included: ▪ Obtaining evidence that the Group has valid rights to explore the specific area of interest; ▪ Agreeing a sample of additions to capitalised exploration and evaluation expenditure to supporting documentation and ensuring that the amounts were capital in nature and relate to the area of interest; ▪ Reviewing and enquiring with management the basis on which they have determined that the exploration and evaluation of mineral resources has not yet reached the stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves; ▪ Enquiring with management and reviewing budgets and other documentation as evidence that active and significant operations in, or relation to, the area of interest will be continued in the future; and ▪ Critically assessing and evaluating management's assessment that no indicators of impairment existed at the reporting date.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2019, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

RSM

Auditor's Responsibilities for the Audit of the Financial Report

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 31 December 2019.

In our opinion, the Remuneration Report of Argosy Minerals Limited, for the year ended 31 December 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

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

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 31 March 2020

Argosy Minerals Limited
Shareholder information
31 December 2019

The shareholder information set out below was applicable as at 24 March 2020.

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

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	122	18,190	0.00%
1,001 - 5,000	1,364	4,207,041	0.41%
5,001 - 10,000	924	7,428,059	0.73%
10,001 - 100,000	2,730	102,908,997	10.09%
100,001 - 9,999,999,999	1,172	904,939,854	88.76%
Totals	**6,312**	**1,019,502,141**	**100.00%**

Holding less than a marketable parcel **3,043**

Equity security holders
Twenty largest shareholders
The names of the twenty largest holders of quoted ordinary shares are listed below:

Holder Name	Holding	% IC
MR JERKO PETER ZUVELA <JAKKZ DISCRETIONARY A/C>	47,155,759	4.63%
DIHNA NADA ZUVELA <DNZ DISCRETIONARY A/C>	32,277,469	3.17%
MR STEVEN MARIN ZUVELA <TAEZ A/C>	25,964,731	2.55%
MR ALEXANDER ALAN MOLYNEUX	25,250,000	2.48%
CAVALIER RESOURCES PTY LTD <THE CAVALIER A/C>	23,437,102	2.30%
CITICORP NOMINEES PTY LIMITED	18,860,720	1.85%
OSF NOMINEES PTY LTD <FREDERICKSON SUPER FUND A/C>	16,660,011	1.63%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	13,702,546	1.34%
PETER VANDA RESOURCES PTY LTD <JOHN A ZAMBONI FAMILY A/C>	13,394,270	1.31%
JOHN ANTHONY ZAMBONI	12,118,440	1.19%
VELVET BAY HOLDINGS PTY LTD <THE VELVET BAY A/C>	12,111,245	1.19%
MR RODNEY RONALD CHATFIELD & MS JOAN MCCONNON <ROD CHATFIELD S/F A/C>	11,642,819	1.14%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	11,300,012	1.11%
MRS ANITA DRAGANA ZUVELA	11,122,990	1.09%
MR JERKO PETER ZUVELA	11,122,990	1.09%
MR STEVEN CAMARDA <S C A/C>	9,122,890	0.89%
MR JAMES ANTHONY MORLEY & MS YUKARI TAKAHASHI <MORLEY SUPERFUND A/C>	9,000,000	0.88%
MR BRIAN ANTHONY SIEMSEN	8,628,150	0.85%
NEPTUNE FISHING CO PTY LTD <CAMARDA SUPER FUND A/C>	8,122,474	0.80%
MR WEIMIN CHEN	7,975,672	0.78%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	7,622,393	0.75%
Total	**336,592,683**	**33.02%**
Total quoted ordinary shares	**1,019,502,141**	**100.00%**

Argosy Minerals Limited
Shareholder information
31 December 2019

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

Holder Name	Holding	% IC
MR WEIMIN CHEN	5,330,720	13.55%
BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	4,170,000	10.60%
MR DAVID COX	3,600,000	9.15%
MR WESLEY JAMES HALL & MR MICHAEL OLIVER HALL <WHALL79 SUPER FUND A/C>	2,006,159	5.10%
CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	1,997,333	5.08%
MR MICHAEL PAUL BRBICH & MRS JOANNE BRBICH BRBICH INVESTMENT A/C	894,246	2.27%
MR PAUL VENDA DIVIN	839,622	2.13%
MR DAVID FRANCIS SORGIOVANNI & MRS SHANNON LOUISE SORGIOVANNI <D & S SORGIOVANNI A/C>	738,237	1.88%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	586,711	1.49%
MR NIGEL PETER CLARK & MS HAZEL ANN PEARCE	541,964	1.38%
MISS YIYING PAN	527,808	1.34%
GLENELG FARM PTY LTD	507,800	1.29%
MR WESLEY JAMES HALL	480,000	1.22%
PETER VANDA RESOURCES PTY LTD <JOHN A ZAMBONI FAMILY A/C>	426,837	1.09%
1215 CAPITAL PTY LTD	400,000	1.02%
VELVET BAY HOLDINGS PTY LTD <THE VELVET BAY A/C>	389,296	0.99%
MR NICHOLAS GREIG TAIT	350,000	0.89%
MR MARTIN BUDIMAN & MRS DOLLY CHANDRA <BUDIMAN SUPERFUND A/C>	350,000	0.89%
MARJAN MANAGEMENT (AUST) PTY LTD <MARJAN FAMILY SUPERFUND A/C>	314,616	0.80%
MR POH SENG TAN	300,000	0.76%
MR MICHAEL JAMES WOODFORD	300,000	0.76%
M & K KORKIDAS PTY LTD <M&K KORKIDAS P/L S/FUND A/C>	283,944	0.72%
Total	**25,335,293**	**64.41%**
Total quoted options	**39,334,670**	**100.00%**

Unlisted Options
- There are 4,500,000 unlisted options over unissued shares on issue with an exercise price of $0.225 and an expiry date of 22/12/2020
- There are 1,000,000 unlisted options over unissued shares on issue with an exercise price of $0.1104 and an expiry date of 10/10/2020

Share Appreciation Rights (SARs)
- There are 1,000,000 Share Appreciation Rights with an exercise price of $0.225 and expiring 22/12/2020
- There are 5,000,000 Share Appreciation Rights with an exercise price of $0.22 and expiring 28/2/2022

Substantial holders
Substantial holders in the company are set out below:
- Mr Jerko Zuvela 6.81%

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 voting rights attached to any other classes of equity securities.