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ARGOSY MINERALS
LIMITED

ABN | 27 073 391 189

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2023

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CORPORATE DIRECTORY

Directors

Mr Malcolm Randall – Non-Executive Chairman
Mr Jerko Zuvela – Managing Director
Mr Pietro (Peter) De Leo – Non-Executive Director
Mr Bruce McFadzean – Non-Executive Director
Ms Andrea Betti – Non-Executive Director

Secretary

Ms Andrea Betti

Registered Office

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Principal Place of Business

Level 2, 22 Mount Street
Perth WA 6000
Australia

Auditors

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

Solicitors

W Advisers
Level 5, 151 Macquarie Street
Sydney NSW 2000

Home Exchange

Australian Securities Exchange Limited
Home Branch: Perth

ASX Code: AGY

Share Registry

Automatic Registry Services
Level 5
191 St Georges Terrace
Perth WA 6000

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DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2023

The Directors of Argosy Minerals Limited present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the "Group") consisting of Argosy Minerals Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2023.

Directors

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

Jerko Zuvela
 Malcolm Randall
 Peter De Leo
 Bruce McFadzean
 Andrea Betti

(appointed 3 July 2023)

Principal Activities

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

Consolidated Results

	Half-Year Ended 30 June 2023	Half-Year Ended 30 June 2022
	\$	\$
Consolidated profit before income tax expense	1,888,887	2,684,033
Income tax benefit/(expense)	-	-
Net profit after income tax expense	1,888,887	2,684,033

Dividends Paid or Recommended

No dividends have been declared, provided for or paid in respect of the half-year.

Significant Changes in the State of Affairs

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

Corporate

The Company held its Annual General Meeting on 27 April 2023.

Review of Operations

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

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

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DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 30 JUNE 2023



Argosy Minerals Limited – Rincon Lithium Project Location Map

Rincon Lithium Project

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

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

- ✓ 2,000tpa lithium carbonate operation commissioning and ramp up works progressing.
- ✓ ~30 tonnes of battery quality lithium carbonate product produced during operations to date.
- ✓ Argosy to become the 2nd ASX-listed battery quality lithium carbonate producer.
- ✓ Progressing Environmental Impact Assessment approval process for development of an additional 10,000tpa lithium carbonate operation.
- ✓ Commenced pre-development works for the 10,000tpa operation expansion.
- ✓ Resource expansion & production well drilling works completed – targeting to materially expand current JORC Indicated Resource, increase project mine-life and future annual production capacity.
- ✓ Positive progress with strategic partner arrangements for off-take and capex funding for 10,000tpa operation expansion.
- ✓ Renewable energy to power Rincon’s clean lithium technology with low energy use & raw water consumption for a low emissions / low carbon footprint operation.
- ✓ All chemical process technology validation and verification works have been successfully completed, confirming the Company’s capability to produce battery quality lithium carbonate product at commercial scale.
- ✓ Salta government provided their support for the full development of the Rincon Lithium Project following meetings with Salta government officials.
- ✓ Positive and successful CSR program initiatives continued at Rincon Lithium Project.
- ✓ Strong international lithium carbonate price outlook supporting positive lithium market sentiment, enabling potential to realise Argosy’s growing lithium production development strategy.

Argosy remains confident that key upcoming milestones and achievements will prove successful to demonstrate the long-term sustainability and continued development of the Rincon Lithium Project.

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DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 30 JUNE 2023

Key objectives for Argosy during the remainder of 2023 include:

- ✓ Prioritising works to complete the commissioning and ramp up phase of the 2,000tpa operations facility.
- ✓ Finalise the strategic partner process - to secure funding via prepayment (or similar) investment associated with long-term off-take arrangements for the 10,000tpa expansion operation from a tier-1 counterparty in the EV supply chain.
- ✓ Prepare an upgraded brine JORC Mineral Resource estimate.
- ✓ Progress a brine JORC Ore Reserve estimate and subsequent upgraded feasibility study to increase the project mine life and provide scope to increase the annual production capacity currently defined for Rincon.
- ✓ Consider new strategic project opportunities and acquisitions.

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

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

ASX Listing Rules Compliance

Argosy advises references to the Company's current target of producing 2,000tpa of battery quality lithium carbonate product at the Rincon Lithium Project should be read subject to and clarified by the Company's current intention that, subject to feasibility, finance, market conditions and completion of development works at the Rincon Lithium Project, the 2,000tpa production target is intended to form a modular part of the 10,000tpa operation from its commencement.

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

Competent Person's Statement – Rincon Lithium Project

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

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

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

Reference to Previous ASX Releases:

This document refers to the following previous ASX releases:

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

11th Jan 2021 - Rincon Project JORC Exploration Target

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

10th Feb 2021 - Clarifying Announcement

DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 30 JUNE 2023

Tonopah Lithium Project

The Company has a 100% interest in the tenements comprising the Tonopah Lithium Project (Tonopah), located in Nevada, USA, and is strategically located near Albemarle's Silver Peak lithium carbonate operation in Nevada, USA.

Tonopah 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.

During the reporting period, Argosy reviewed the works previously conducted at the project to determine its exploration strategy via assessing works conducted and results obtained from neighbouring projects, to further assist with defining priority lithium brine targets and select drill sites for planned exploration drilling works to determine the lithium brine potential at the project.

In addition, the Company is assessing the water rights regulations in the project area to understand such impact for future development consideration.

The Company considers the opportunity to develop a USA-based lithium project as a strategic position to further develop Argosy into a world-class lithium producer.



Argosy Minerals Limited – Tonopah Lithium Project Location Map

Competent Person's Statement – Tonopah Lithium Project

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

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.

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DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2023

Events after Reporting Date

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

Auditor's Independence Declaration

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

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

On behalf of the directors



Jerko Zuvela
Managing Director
Perth, Western Australia

13 September 2023

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Argosy Minerals Limited for the half-year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

A handwritten signature in black ink that reads "RSM".

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink that reads "AIK KONG TING".

AIK KONG TING
Partner

Perth, WA
Dated: 13 September 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of ARGOSY MINERALS LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Argosy Minerals Limited which comprises the consolidated statement of financial position as at 30 June 2023, 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 half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company 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 (including Independence Standards) (the Code) that are relevant to our audit of the annual 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 Argosy Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



RSM AUSTRALIA PARTNERS



AIK KONG TING
Partner

Perth, WA
Dated: 13 September 2023

DIRECTORS' DECLARATION

FOR THE HALF-YEAR ENDED 30 JUNE 2023

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, *Australian Accounting Standard AASB 134 'Interim Financial Reporting'*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors



Jerko Zuvela
Managing Director
Perth, Western Australia

13 September 2023

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2023**

	Note	Consolidated	
		30 June 2023	30 June 2022
		\$	\$
Other income	4	525,003	99,841
Accounting and corporate secretarial fees		(114,141)	(60,000)
AGM and GM fees		(22,745)	(18,461)
ASX and ASIC fees		(77,679)	(68,222)
Audit fees		(20,400)	(18,935)
Depreciation		(39,511)	(16,412)
Directors' fees		(183,175)	(266,481)
Exploration and project assessments		123,915	(82,331)
Foreign exchange gain		467,804	724,017
Insurance		(74,007)	(46,013)
Interest expenses		(12,241)	(2,594)
Legal fees		(132,448)	(16,300)
Other expenses		(135,130)	(165,243)
Professional fees		(261,453)	(146,698)
Share based payments	6	(1,109,609)	(335,777)
Share registry costs		(27,115)	(29,520)
Share of profit of joint venture accounted for using the equity method	10	2,981,819	3,133,162
Profit before income tax		1,888,887	2,684,033
Income tax expense		-	-
Profit attributable to Owners of Argosy Minerals Limited		1,888,887	2,684,033
Other comprehensive income for the half-year			
<i>Items that may be reclassified subsequently to profit and loss</i>			
Foreign currency translation		647,809	3,231,856
Total comprehensive income for the half-year attributable to owners of Argosy Minerals Limited		2,536,696	5,915,889
Earnings per share for loss attributable to ordinary equity holders of the Group:			
Basic earnings per share (cents per share)	11	0.13	0.20
Diluted earnings per share (cents per share)	11	0.13	0.19

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	Consolidated	
		30 June 2023	31 December 2022
		\$	\$
Current assets			
Cash and cash equivalents		23,476,928	36,610,751
Trade and other receivables		162,134	177,447
Other assets		36,791	151,994
Total current assets		23,675,853	36,940,192
Non-current assets			
Plant and equipment		34,179	26,304
Right-of-use assets		247,686	4,103
Exploration, evaluation and development		6,533,785	4,067,792
Advances to Puna Mining S.A.	9	10,566,225	24,700,711
Investment accounted for using the equity method - Puna Mining S.A.	10	57,490,011	28,859,972
Total non-current assets		74,871,886	57,658,882
Total assets		98,547,739	94,599,074
Current liabilities			
Trade and other payables		308,673	257,323
Lease liabilities		56,240	4,297
Total current liabilities		364,913	261,620
Non-current liabilities			
Lease liabilities		199,067	-
Total non-current liabilities		199,067	-
Total liabilities		563,980	261,620
Net assets		97,983,759	94,337,454
Equity			
Issued capital	5	153,530,914	153,530,914
Reserves	6	11,342,914	9,585,496
Accumulated losses		(66,890,069)	(68,778,956)
Total equity		97,983,759	94,337,454

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 30 JUNE 2023

	Consolidated			Total \$
	Issued capital \$	Reserves \$	Accumulated Losses \$	
Balance at 1 January 2022	121,170,573	4,160,636	(68,603,188)	56,728,021
Profit for the half-year	-	-	2,684,033	2,684,033
Other comprehensive income	-	3,231,856	-	3,231,856
Total comprehensive income for the half-year	-	3,231,856	2,684,033	5,915,889
Transactions with owners in their capacity as owners				
Share issue costs	(66,740)	-	-	(66,740)
Conversion of options	20,396,204	(91,155)	-	20,305,049
Share based payments	-	335,777	-	335,777
Total contributions by owners	20,329,464	244,622	-	20,574,086
Balance as at 30 June 2022	141,500,037	7,637,114	(65,919,155)	83,217,996
Balance at 1 January 2023	153,530,914	9,585,496	(68,778,956)	94,337,454
Profit for the half-year	-	-	1,888,887	1,888,887
Other comprehensive income	-	647,809	-	647,809
Total comprehensive income for the half-year	-	647,809	1,888,887	2,536,696
Transactions with owners in their capacity as owners				
Share based payments	-	1,109,609	-	1,109,609
Total contributions by owners	-	1,109,609	-	1,109,609
Balance as at 30 June 2023	153,530,914	11,342,914	(66,890,069)	97,983,759

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 30 JUNE 2023

	Consolidated	
	30 June 2023	30 June 2022
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(940,651)	(857,740)
Interest received	550,006	36,843
Other receipts	8,288	33,494
Net cash used in operating activities	(382,357)	(787,403)
Cash flows from investing activities		
Advance to Puna Mining S.A.	(10,455,109)	(6,286,096)
Payments for exploration, evaluation and development expenditure	(2,257,089)	(368,165)
Payments for property, plant and equipment	(27,966)	(4,827)
Net cash used in investing activities	(12,740,164)	(6,659,088)
Cash flows from financing activities		
Proceeds from issues of shares	-	20,272,189
Transaction costs relating to issue of shares	-	(66,740)
Interest paid	(9,874)	(2,594)
Repayment of lease liabilities	(27,844)	(27,327)
Net cash (used in)/provided by financing activities	(37,718)	20,175,528
Net (decrease)/increase in cash and cash equivalents	(13,160,239)	12,729,037
Effect of foreign exchange on cash and cash equivalents	26,416	221,391
Cash and cash equivalents at the beginning of the half-year	36,610,751	23,093,132
Cash and cash equivalents at the end of the half-year	23,476,928	36,043,560

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2023

1. Basis of Preparation

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

These general purpose financial statements for the interim half-year reporting period ended 30 June 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2022 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. Where necessary, comparative information has been reclassified and repositioned for consistency with current period disclosures.

The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency. Argosy Minerals Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

New or amended Accounting Standards and Interpretations adopted

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

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

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

2. Segment Information

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

3. Dividends

No dividend has been paid or is proposed in respect of the half-year ended 30 June 2023 (2022: Nil).

4. Other Income

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

	Consolidated	
	30 June 2023	30 June 2022
	\$	\$
Other Income		
Interest	525,003	66,347
Other income	-	33,494
Total other income	525,003	99,841

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2023

5. Issued Capital

As at 30 June 2023, there were 1,404,407,498 shares on issue (31 December 2022: 1,404,407,498).

Movements in ordinary share capital

Details	Date	No of shares	Issue price	\$
Opening Balance	1 January 2023	1,404,407,498		153,530,914
Closing Balance	30 June 2023	1,404,407,498		153,530,914

6. Reserves

	Consolidated	
	30 June 2023	31 December 2022
	\$	\$
Foreign currency translation reserve (i)	4,865,995	4,218,186
Option reserve	3,612,406	3,612,406
Share based payments reserve (ii)	2,864,513	1,754,904
	<u>11,342,914</u>	<u>9,585,496</u>

(i) Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

	Consolidated 30 June 2023 \$
Balance 1 January	4,218,186
Translation of foreign operations	647,809
Balance 30 June	<u>4,865,955</u>

(ii) Share based payments reserve

Reconciliation of share based payments reserve

	Consolidated 30 June 2023 \$
Balance 1 January	1,754,904
Share-based payments (Share appreciation rights)	1,032,180
Share-based payments (Options)	77,429
Balance 30 June	<u>2,864,513</u>

Share Appreciation Rights

During the period, there were no additional share appreciation rights granted.

The share-based payments expense of \$1,032,180 recognised during the half-year was in relation to share appreciation rights previously issued that were subject to vesting conditions. The expense recognised during the half-year is impacted by estimates in relation to timing and likelihood of vesting.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2023

6. Reserves (continued)

Options

During the period, the Group granted 600,000 options, with a total value of \$90,840.

After taking into account the probabilities of vesting criteria being met and the expected vesting date, the expense recognised to 30 June 2023 was \$391, with the remaining amount to be expensed over the vesting period. The expense realised in respect to the options is intended to reflect the best available estimate of the number of options expected to vest.

A Lattice ESO model was used to determine the value of the options issued. The inputs have been detailed below for each tranche:

Input	Tranche 1	Tranche 2	Tranche 3
Number of options	200,000	200,000	200,000
Grant date	27/06/2023	27/06/2023	27/06/2023
Vesting date	27/06/2024	27/06/2025	27/03/2026
Expiry date	30/06/2026	30/06/2026	30/06/2026
Underlying share price	\$0.38	\$0.38	\$0.38
Exercise price	\$0.729	\$0.729	\$0.729
Volatility	85%	85%	85%
Risk free rate	3.91%	3.91%	3.91%
Dividend yield	Nil	Nil	Nil
Value per option	\$0.1444	\$0.1529	\$0.1569
Total fair value of options	\$28,880	\$30,580	\$31,380
Share based payment expense recognised for the half-year ended 30 June 2023	\$225	\$100	\$66

The vesting conditions subject to the options issued during the period are as follows:

1. Vest on 27 June 2024, subject to remaining as a director of the Company;
2. Vest on 27 June 2025, subject to remaining as a director of the Company; and
3. Vest on 27 March 2026, subject to remaining as a director of the Company.

An additional share-based payment expense of \$77,038 was recognised during the half-year in relation to options previously issued that were subject to vesting conditions. The expense recognised during the half-year is impacted by estimates in relation to timing and likelihood of vesting.

7. Commitments

There have been no material changes to the Group's capital or other expenditure commitments since 31 December 2022.

8. Contingencies

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2023

9. Advance to Puna Mining S.A.

	Consolidated	
	30 June 2023	31 December 2022
	\$	\$
Balance 1 January	24,700,711	18,374,156
Loans provided	10,455,109	15,783,150
Additional paid-up capital (part-conversion of loan receivable)	(25,010,808)	(10,044,598)
Foreign currency movement	421,213	588,003
Closing balance	10,566,225	24,700,711

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

10. Joint Venture accounted for using the Equity Method

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

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

Name	Reporting entity's percentage holdings	
	30 June 2023	31 December 2022
Puna Mining S.A.	77.5 %	77.5 %

The carrying amount of the investment in Puna Mining S.A. has changed as follows in the half-year to 30 June 2023:

	Consolidated For the Half-Year Ended 30 June 2023
	\$
Opening balance – 1 January 2023	28,859,972
Additional paid-up capital (part-conversion of loan receivable)	25,010,808
Share of profits of joint venture	2,981,819
Foreign exchange translation differences	637,412
Closing balance – 30 June 2023	57,490,011

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 profit generated by Puna Mining S.A. is largely comprised of foreign exchange gains.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2023

11. Earnings Per Share

	30 June 2023 \$	30 June 2022 \$
Profit after income tax	1,888,887	2,684,033
Profit after income tax attributable to the owners of Argosy Minerals Limited	1,888,887	2,684,033
	Cents	Cents
Basic earnings per share	0.13	0.20
Diluted earnings per share	0.13	0.19
	Number	Number
<i>Weighted average number of ordinary shares</i>		
Weighted average number of ordinary shares used in calculating basic earnings per share	1,404,407,498	1,327,697,220
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,424,107,498	1,384,069,553

12. Events after Reporting Date

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