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ARGOSY MINERALS
LIMITED

ABN 27 073 391 189

ANNUAL REPORT
31 DECEMBER 2017

Argosy Minerals Limited
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**Argosy Minerals Limited
Corporate Directory
31 December 2017**

Directors	Alexander Molyneux Jerko Zuvela Ranko Matic Malcolm Randall	Non-Executive Chairman Managing Director Non-Executive Director Non-Executive Director
Company Secretary	Andrea Betti	
Registered Office	Level 3 216 St Georges Terrace Perth WA 6000	
Contacts	Ph: 08 6188 8181 Fx: 08 6188 8182 www.argosyminerals.com.au	
Auditors	Rothsay Chartered Accountants Level I, Lincoln Building 4 Ventnor Avenue WEST PERTH WA 6005	
Share Registry	Automic Registry Services Level 2 267 St Georges Terrace PERTH WA 6000 08 9324 2099	
ASX Listing	ASX:AGY	

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Argosy Minerals Limited
Directors' Report
31 December 2017

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 2017.

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 (appointed 3 March 2017)
Ms Andrea Betti (resigned 3 March 2017)

Principal activities

The principal activity of the Group during the period was the development of exploration projects for lithium, base metals, graphite and other mineral commodities. No significant change in the nature of this activity occurred during the financial period.

Dividends

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

Review of operations

The net loss for the consolidated entity after providing for income tax amounted to \$5,787,005 (31 December 2016: \$665,268).

CORPORATE

Capital Raisings and Share Issues

On 30th January 2017, the Company issued 5,000,000 unlisted options exercisable at \$0.03 and expiring 31 December 2018 and 15,000,000 Performance Rights to Alexander Molyneux as part of the Chairman's remuneration package as approved by shareholders at the Company's General Meeting held on 24 January 2017. The terms and conditions of the Performance Rights are detailed in Schedule 2 of The Notice of Meeting lodged with ASX on 19 December 2016.

On 15th February 2017, the Company issued 5,000,000 shares upon conversion of Tranche 1 of the Chairman's Performance Rights upon achievement of the required performance hurdle.

On 6th April 2017, the Company received \$150,000 and issued 5,000,000 shares upon conversion of 5,000,000 of the Chairman's Options which were exercised at a price of \$0.03.

On 6th April 2017, the Company issued 10,000,000 options exercisable at \$0.045 and expiring on 6 April 2020 to Airguide International Pte Ltd for Tranche 1 and Tranche 2 options issuable in accordance with the Engagement Deed with the Company.

On 31st May 2017, the Company raised \$1,000,000 through a placement and issued 13,698,630 shares at an issue price of \$0.073 per share, to provide funding for project development, exploration activities and working capital for the Company.

On 8th June 2017, the Company issued 5,000,000 unlisted options exercisable at \$0.045 and expiring 31 December 2019 to Malcolm Randall as per his appointment as a Non-Executive Director of the Company and as approved by shareholders at Annual General Meeting held 26 May 2017.

On 19th June 2017, the Company raised \$2,234,000 and issued 30,602,750 shares pursuant to the Company's Share Purchase Plan at an issue price of \$0.073 to provide further funding for project development, exploration activities and working capital for the Company.

**Argosy Minerals Limited
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On 15th September 2017, the Company issued 10,000,000 options exercisable at \$0.045 and expiring on 15 September 2020 to Airguide International Pte Ltd for Tranche 3 Options, issuable in accordance with the Engagement Deed with the Company.

On 13th October 2017, the Company raised \$15,000,000 through a placement, issuing 83,333,333 shares at an issue price of \$0.18 per share, to further fund project development, exploration activities and provide working capital.

On 30th October 2017, the Company issued 11,111,074 shares under the Company's second Share Purchase Plan pursuant to the Prospectus dated 17 October 2017, with the shares being issued at an issue price of \$0.18.

On 22nd December 2017, the Company issued 1,000,000 Share Appreciation Rights with an exercise price of \$0.225 and expiring 22 December 2020 and 4,500,000 unlisted options with an exercise price of \$0.225 and expiring 22 December 2020 under the Company's Employee Equity Incentive Plan to employees and contractors.

Board Changes

On the 3rd of March 2017, the Company appointed Mr Malcolm Randall as a Non-Executive Director to the Company with Ms Andrea Betti resigning as a Non-Executive Director of the Company. Ms Betti has remained with the Company as the Company Secretary.

EXPLORATION

Argosy Minerals Limited is an Australian based mineral exploration company with an 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.

During the reporting period, the Company did not exercise the option to purchase the Mina Teresa and Pocitos Projects, as part of the Heads of Agreement signed with Ekeko S.A., prior to its expiry. The Company also terminated the Heads of Agreement for the Mt Paris Project in Tasmania and the Farm-In Agreement for the Wee MacGregor Project in Queensland, and resolved to relinquish its interest in the Erongo Project in Namibia.

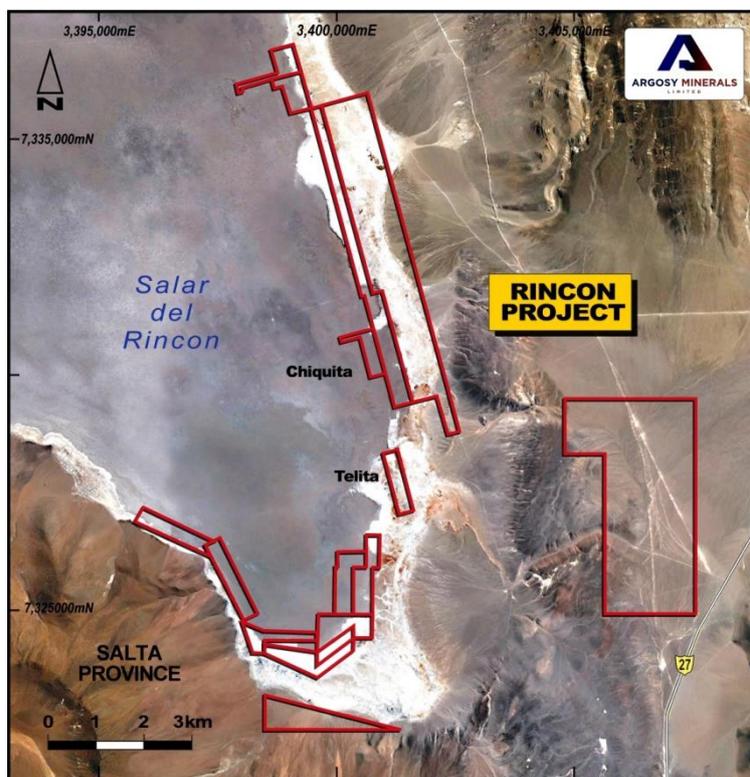
Subsequent to the reporting period, the Company received formal confirmation from the Ministry of Mines and Energy in Namibia that the tenement (EPL 4079) comprising the Erongo Project had been fully relinquished.



Argosy Minerals Limited – Rincon Lithium Project Location Map

Rincon Lithium Project

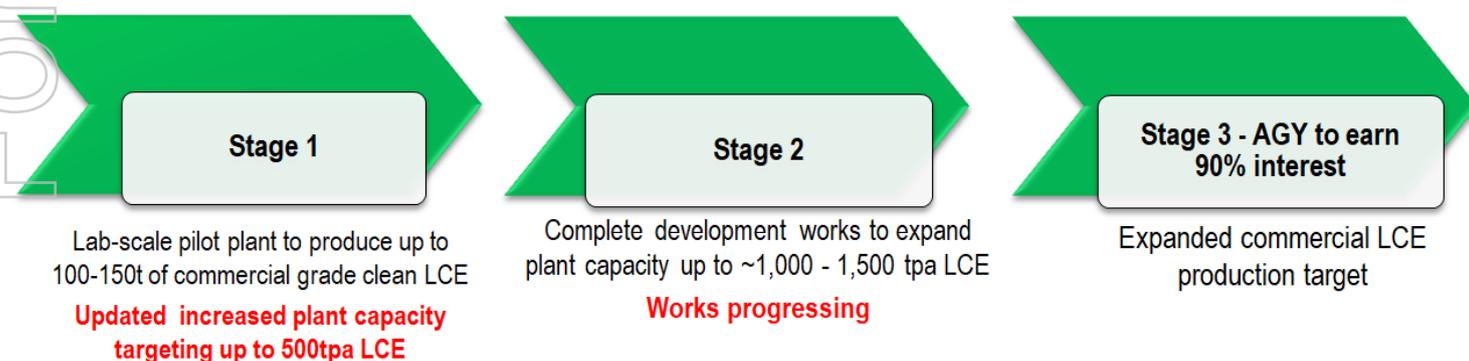
The Rincon Lithium Project is the flagship asset in Argosy's lithium development strategy, and is located within the Salar del Rincon in Salta Province, Argentina - in the world renowned "lithium triangle". The Project, currently comprising up to 2,572 hectares of mining concessions and easement rights landholdings, is a JV partnership with pre-eminent lithium processing expert Pablo Alurralde, with extensive historical works within the Project area and the Salar, and the Company has established a well-defined pathway to production of lithium carbonate equivalent ("LCE") product.



Rincon Lithium Project – Tenement Location Map

The Company executed the definitive Farm-In Joint Venture Agreement with Mr Pablo Alurralde and Mr Francisco Menendez (the "JV Partners") in September 2016, pursuant to which the Company and the Vendors established an Argentinian joint venture company – Puna Mining S.A. (Puna Mining) to own the Rincon Lithium Project in Salta Province, Argentina. Argosy has the exclusive right to earn a 90% interest in Puna Mining. Subsequent to the reporting period, Argosy executed a binding Second Earn-In Joint Venture Agreement with Mr Pablo Alurralde and Mr Francisco Menendez, confirming that Argosy has a 77.5% interest in Puna Mining.

Argosy is currently progressing to earn its ultimate 90% interest in Puna Mining, subject to meeting the final performance milestone associated with funding the development of the Project, as shown below. The Company, with Mr Alurralde's expertise and direction, has formulated a three-stage development plan to advance the Project.



**Argosy Minerals Limited
Directors' Report
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During the reporting period, the Company continued its Stage 1 development works schedule at the Project, with the completion of Stage 1 pond construction works on the first set of evaporation ponds, installed the lining material within the evaporation ponds, completed pumping of lithium brine into the evaporation ponds, and commenced the solar evaporation and lithium brine concentration process. The lithium brine continues the lithium concentration process via natural solar evaporation, and will ultimately be processed through the Stage 1 pilot plant to produce LCE product.

The Company progressed construction of the Stage 1 pilot plant - with a capacity of up to 500 tonnes per annum, and located at its fully owned industrial warehouse site. This site will also include Company owned laboratory equipment for in-house sample and product analysis testing.

The Company received regulatory approval for purchase and use of specialty chemicals required for lithium processing operations in Argentina.

Due to the successful progress and advancement of Stage 1 works, the Company fast-tracked and commenced initial Stage 2 development works and acquired additional landholdings for the Project.

The Stage 2 works comprised construction of an additional ~10 hectares of evaporation ponds and filling the associated ponds with lithium brine, and then commencing the solar evaporation process to concentrate the lithium brine for future lithium processing to produce LCE product.



Rincon Lithium Project – current Stage 2 Evaporation Ponds

The Company commenced two concurrent phases of drilling operations – resource exploration drilling utilised a diamond drill rig to collect drill cores for porosity assessment and to obtain brine samples for resource estimation, and production well drilling using a rotary drill rig for construction of wells for pumping of lithium brine into the Stage 2 evaporation ponds.

Two production wells were drilled, one of which is being utilised for brine pumping into the Stage 2 evaporation ponds. In addition, pumping tests are being conducted on the completed two production wells to measure flow rates among other testing for analytical / study works.

The resource exploration diamond drilling works are progressing, with seven diamond drill-holes completed to date.

Exploration Hole Number/Name	Easting GK3	Northing GK3	Elevation m	Total Depth (m)	Assay Interval m	Drilling method	Azimuth	Dip
1 R1	3,400,714	7,331,673	3740	102.5	82-100	Diamond	0	-90
2 R2	3,400,619	7,330,652	3740	102.5	0-102	Diamond	0	-90
3 R3	3,400,366	7,333,585	3740	102.5	42-96	Diamond	0	-90
4 R4	3,399,271	7,335,481	3740	102.5	3-78	Diamond	0	-90
5 R5	3,401,175	7,328,239	3740	102.6	48-72	Diamond	0	-90
6 R6	3,400,334	7,325,348	3740	tbc	tbc	Diamond	0	-90
7 R7	3,399,580	7,323,915	3740	102.5	tbc	Diamond	0	-90
8 R8	3,397,633	7,325,712	3740	101.0	48-99	Diamond	0	-90

Rincon Lithium Project – details of drill-hole locations (drill locations are to be confirmed by a surveyor once the drilling program is complete. All coordinates are in the Argentine Gauss Kruger grid system, zone 3, using the POSGAR datum)

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Once all drilling and sample testing is completed, with the full set of laboratory analysis data – notably brine and porosity analysis results – all the data will be used to produce a Resource estimate for the Project, to be reported in accordance with JORC 2012 requirements.

The Company along with Puna executed two binding Option Agreements with tenement vendors whereby the Company acquired the exclusive rights to purchase additional landholdings for the Rincon Project, namely the Mina Reyna and Mina Tincal tenements. The Company also secured additional tenements via the application process through Puna Mining – Mina Romulo and Mina Frodo.

The Company continues to review and assess additional mining concessions prospective for lithium for the Rincon Lithium JV Project to increase the Project landholding in preparation for potential Stage 2 and 3 development works.

The Company is confident that the Rincon Project has a clear conceptual pathway to lithium production, with historical results and Mr Alurralde's previous operating and production experience from the Project and over the broader Salar del Rincon justifying the fast-track approach.

Mina Teresa and Pocitos Lithium Projects

Argosy executed a binding Option Agreement with Ekeko S.A. granting the Company the exclusive right for a 12-month period (to 3 September 2017) to purchase the Mining Titles comprising the Mina Teresa and Pocitos Lithium Projects in Jujuy and Salta Provinces, Argentina.

The Mina Teresa Project comprised one mining concession (File Number 227-C-2004) within the Salinas Grandes Salar in Jujuy Province.

The Pocitos Project comprised three mining concessions (File Numbers 19457, 19458 & 19463) within the Salar de Pocitos.

The Company did not exercise the option to purchase the Mina Teresa and Pocitos Projects, as part of the Heads of Agreement signed with Ekeko S.A., prior to its expiry, and as such, has no further interest in these projects.

Mt Paris Project

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

The Company terminated the Heads of Agreement for the Mt Paris Project during the reporting period.

Wee MacGregor Project

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

The Company terminated the Heads of Agreement for the Wee MacGregor Project during the reporting period.

Erongo Project

The Erongo Project is located in Namibia, approximately 275km northwest of the capital Windhoek.

The Company has, subsequent to the reporting period, received formal confirmation from the Ministry of Mines and Energy in Namibia that the tenement (EPL 4079) comprising the Erongo Project had been fully relinquished..

Schedule of Tenements

The schedule of tenements held by the Company as at 23 March 2018 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) ²	Salta, Argentina	0% (option to purchase 100%)
File 1904 (Nelly) ²	Salta, Argentina	0% (option to purchase 100%)
File 1905 (Angelica) ²	Salta, Argentina	0% (option to purchase 100%)
File 2889 (Maria) ²	Salta, Argentina	0% (option to purchase 100%)
File 2890 (Irene) ²	Salta, Argentina	0% (option to purchase 100%)
File 6343 (Tigre) ²	Salta, Argentina	0% (option to purchase 100%)
File 6345 (Puma) ²	Salta, Argentina	0% (option to purchase 100%)
File 100561 (Praga I) ²	Salta, Argentina	0% (option to purchase 100%)
File 100562 (Praga II) ²	Salta, Argentina	0% (option to purchase 100%)
File 100625 (Praga III) ²	Salta, Argentina	0% (option to purchase 100%)
File 10626 (Praga IV) ²	Salta, Argentina	0% (option to purchase 100%)
File 17902 (Reyna) ³	Salta, Argentina	0% (option to purchase 100%)
File 62308 (Tincal) ⁴	Salta, Argentina	0% (option to purchase 100%)
Mining easement right (File 4128) ⁴	Salta, Argentina	0% (option to purchase 100%)
EPL4079	Namibia	relinquished
File 227-C-2004 (Mina Teresa)	Argentina	HOA terminated
File 19457 (Pocitos 1)	Argentina	HOA terminated
File 19458 (Pocitos 2)	Argentina	HOA terminated
File 19463 (Pocitos 7)	Argentina	HOA terminated

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

² Interest in mining tenement held by Salonix SRL

³ Interest in mining tenement held by Colorado S.A. (50%) & Adela Reina Calpanchay/Cesar Augusto Cruz (50%)

⁴ Interest in mining tenement held by Colorado S.A.

Matters subsequent to the end of the financial year

Refer to Note 28 in the notes to the financial statements for events after reporting date.

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 2017.

Information on directors

Name:

Title:

Qualifications:

Experience and Expertise:

Alexander Molyneux

Non-Executive Chairman

B. Ec

Mr. Alex Molyneux is an experienced metals and mining industry executive and financier. He currently serves as Chief Executive Officer of one of the world largest publicly listed uranium producers, Paladin Energy Ltd. (ASX:PDN) (2015 – present), where he recently presided over a US\$700M successful recapitalization 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)

Former Directorships (in last 3 years)

Metalla Royalty & Streaming Ltd. (TSX-V: MTA) – appointed March 2018

Azarga Uranium Corp. (TSX: AZZ) – resigned August 2015

Goldrock Mines Corp. (TSX-V:GRM) – resigned July 2016

Special Responsibilities:

None

Interests in Shares:

20,000,000 Ordinary Shares

5,000,000 Performance Rights

Name:

Title:

Qualifications:

Experience and Expertise:

Jerko Zuvela

Managing Director

B.Sc (Applied Geology)

Mr Jerko Zuvela has over 20 years experience in Australia and internationally, during which time he has held senior executive positions in public listed and unlisted companies including for Kangaroo Resources Limited as Chief Geologist, Strike Resources Limited as General Manager Operations and Fireside Resources Limited as Chief Geologist. Mr Zuvela is a Chartered Professional (Geology) Member of the Australian Institute of Mining and Metallurgy.

Other current directorships:

Discovery Africa Limited (ASX:DAF) appointed 24/11/2014

Former Directorships (in last 3 years)

Dromana Estate Limited (ASX:DMY) now known as Fastbrick Robotics Limited (ASX:FBR) appointed 15/11/2011, resigned 14/01/2016.

Special Responsibilities:

None

Interests in Shares:

68,901,739 Ordinary Shares

Name:

Title:

Qualifications:

Experience and Expertise:

Ranko Matic

Non-Executive Director

B. Bus, CA

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 is a director of a chartered accounting firm and a corporate advisory company based in Perth, and has specialist expertise and exposure in areas of audit, corporate services, due diligence, mergers and acquisitions, and valuations. Mr Matic is currently a director of several ASX listed companies and has also acted as Chief Financial Officer and Company Secretary for companies in the private and public listed sector.

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Other current directorships: Celsius Resources Limited (ASX:CLA) appointed 23/12/12
East Energy Resources Ltd (ASX:EER) appointed 13/7/2007
Antilles Oil and Gas NL (ASX:AVD) appointed 12/02/2016

Former Directorships (in last 3 years) Antilles Oil and Gas NL (ASX:AVD) appointed 11/4/14, resigned 15/8/14, re-appointed 12/02/2016
Valmec Ltd (ASX:VMX) appointed 6/2/2012 and resigned 7/3/2017.

Special Responsibilities: None
Interests in Shares: 26,909,784 Ordinary Shares

Name: **Malcolm Randall**
Title: Non-Executive Director (appointed 3 March 2017)
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) appointed 14/7/16
Thundelarra Limited (ASX:THX) appointed 2001
Summit Resources Limited (ASX:SMM) appointed 30/5/07
Magnetite Mines Limited (ASX: MGT) appointed 4/10/06

Former Directorships (in last 3 years) MZI Resources Limited (ASX:MZI) appointed 2009 and resigned 22/11/16
Iron Ore Holdings Limited (ASX:IOH) appointed 2003 resigned 7/10/14

Special Responsibilities: None
Interests in Shares: 268,494 Ordinary Shares
5,000,000 unlisted options exercisable at \$0.045 and expiring 31/12/2019

Meetings of directors

The following table sets out the number of Directors' meetings held during the year ended 31 December 2017 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 were:

<u>Director</u>	<u>Meetings Eligible to Attend</u>	<u>Meetings Attended</u>
Alex Molyneux	3	2
Jerko Zuvela	3	3
Ranko Matic	3	3
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

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 2017 Annual General Meeting ('AGM')

At the 2017 AGM, 99.99% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2016. 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	Total
	Cash salary and fees	Bonus	Non-Monetary	Super-annuation	Long Service Leave	Payments	
2017	\$	\$	\$	\$	\$	\$	\$
<i>Non-Exec Directors</i>							
Alex Molyneux	-	-	-	-	-	458,322	458,322
Ranko Matic*	100,731	-	-	-	-	-	100,731
Andrea Betti**	-	-	-	-	-	-	-
Malcolm Randall	33,118	-	-	3,146	-	150,013	186,277
<i>Executive Directors</i>							
Jerko Zuvela	273,750	75,000	-	-	-	-	348,750
	407,599	75,000	-	3,146	-	608,335	1,094,080

* Ranko Matic was a director and shareholder of Bentleys Corporate Advisory (Bentleys). Bentleys was paid \$54,000 in relation to directorship, corporate secretarial and accounting services performed to 30 September 2017. Ranko Matic is a director and shareholder of Consilium Corporate Pty Ltd (Consilium). Consilium was paid \$46,731 in relation to directorship, corporate secretarial and accounting services performed from 1 October 2017 to 31 December 2017.

** Andrea Betti (resigned 3 March 2017) was an employee of Bentleys. The fees in relation to her services for directorship, corporate secretarial and accounting services are included in the above to 3 March 2017.

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	Short-term benefits			Post-emp benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Bonus	Non-Monetary	Super-annuation	Long Service Leave	Payments	
2016	\$	\$	\$	\$	\$	\$	\$
<i>Non-Exec Directors</i>							
Alex Molyneux	-	-	-	-	-	-	-
Ranko Matic*	88,000	-	-	-	-	-	88,000
Andrea Betti**	-	-	-	-	-	-	-
<i>Executive Directors</i>							
Jerko Zuvela	226,563	-	-	5,937	-	-	232,500
	314,563	-	-	5,937	-	-	320,500

* Ranko Matic was a director and shareholder of Bentleys Corporate Advisory (Bentleys). Bentleys was paid \$88,000 in relation to directorship, corporate secretarial and accounting services performed.

** Andrea Betti was an employee of Bentleys. The fees in relation to her services for directorship, corporate secretarial and accounting services are included in the above.

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

Name	Fixed remuneration		At risk - STI		At risk – LTI	
	2017	2016	2017	2016	2017	2016
<i>Non-Executive Directors:</i>						
Alex Molyneux*	25%	0%	75%	0%	0%	0%
Ranko Matic	100%	100%	0%	0%	0%	0%
Andrea Betti	-	100%	-	0%	-	0%
Malcolm Randall	100%	-	0%	-	0%	-
<i>Executive Directors</i>						
Jerko Zuvela	100%	100%	0%	0%	0%	0%

* Alex Molyneux was granted 15,000,000 Performance Rights, which vest in accordance with his level of shareholding in the Company and are not based on the Company's performance

Service agreements

The employment conditions of the Managing Director, Mr Jerko Zuvela, are formalised in an executive service agreement. Mr Zuvela's agreement is a fixed 36 month agreement from 1 October 2016. After the Initial Term, the agreement continues until a party terminates it by giving notice.

Either party may terminate the agreement, without cause, by giving 3 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 2017.

Options

There were 10,000,000 options issued to directors and other key management personnel as part of compensation during the year ended 31 December 2017:

- On 30 January 2017, Alexander Molyneux was granted 5,000,000 unlisted options exercisable at \$0.03 and expiring 31/01/2018
- On 8 June 2017, Malcolm Randall was granted 5,000,000 unlisted options exercisable at \$0.045 and expiring 31/12/2019

Argosy Minerals Limited
Directors' report
31 December 2017

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 2016 was nil.

Performance Rights

There were 15,000,000 Performance Rights issued to directors and other key management personnel as part of compensation during the year ended 31 December 2017:

On 30 January 2017, Alexander Molyneux was granted 15,000,000 performance rights on the terms and conditions as per schedule 2 of the Notice of Meeting lodged with the ASX on 19 December 2016.

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 2016 was nil.

This concludes the remuneration report, which has been audited.

Additional information

The earnings of the consolidated entity for the five years to 31 December 2017 are summarised below:

	2017	2016	2015	2014	2013	2012
	\$	\$	\$	\$	\$	\$
Profit/Loss after income tax	(5,712,005)	(665,268)	(321,565)	67,269	(1,645,529)	(941,378)

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

	2017	2016	2015	2014	2013	2012
Share price at financial year end (\$)	0.26	0.029	0.002	0.001	0.02	0.09
Basic earnings per share (cents per share) - undiluted	(0.72)	(0.12)	(0.08)	0.03	(1.31)	(0.78)

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
26 May 2017	31 December 2019	\$0.045	5,000,000
22 December 2017	22 December 2020	\$0.225	4,500,000

Shares issued on the exercise of options

The Company issued the following shares upon the exercise of options during the year ended 31 December 2017 and up to the date of this report:

Date Exercised	Shares Issued
7 April 2017	5,000,000
25 January 2018	20,000,000

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.

Argosy Minerals Limited
Directors' report
31 December 2017

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

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

Officers of the company who are former audit partners of Rothsay Chartered Accountants

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

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the next page.

Auditor

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

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Jerko Zuvela
Managing Director
29 March 2018
Perth

ROTHSAY

Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone 9486 7094 www.rothsayresources.com.au

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

Dear Sirs

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

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 31 December 2017 financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the review.



Graham Swan FCA (Lead auditor)

Rothsay Auditing

Dated 29th March 2018



Chartered Accountants

Liability Limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW).

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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 delegated 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
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 appropriately 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 (b) disclose that policy	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

	(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	diversity policy is appropriate at this development stage of the business. The Company makes the following disclosures regarding the proportion of women employed in the organisation: - Women on Board: 0% - Women in Senior Management: 20% - Women in whole organisation: 20%
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 responsibilities effectively.	Not Adopted The Company does not have a separate nomination committee and the full board will consider the matters and issues arising that would usually fall to the nomination committee in accordance with the Nomination Committee Charter. The Company has adopted a Nomination and Remuneration Committee Charter setting out the board process to raise the issues that would otherwise be considered by the Nomination Committee. The Board consider that at this stage, no efficiencies or other benefits would be gained by establishing a separate nomination committee. The Nomination Committee Charter is available on the Company’s website www.argosyminerals.com.au
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills 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 15/8/16 – 19 months Ranko Matic – appointed 17/7/2014 – 44 months Malcolm Randall - appointed 3/3/17 – 13 month
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
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PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Recommendation

Argosy Minerals Limited Current Practice

4.1	The board of a listed entity should: (a) have an audit committee which: (i) has at least 3 members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board; And disclose: (iii) the charter of the committee	Not Adopted The role of the audit committee is currently undertaken by the full board. The Company has adopted an Audit Committee Charter which is published on the Company's website www.argosyminerals.com.au The Board follows the Audit Committee Charter which provides for integrity of corporate reporting and the removal of the external auditor and the rotation of the audit engagement partner.
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	<p>(iv) the relevant qualifications and experience of the member of the committee; and</p> <p>(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</p> <p>(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.</p>	
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Adopted
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Adopted
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE		
	Recommendation	Argosy Minerals Limited Current Practice
5.1	<p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>Adopted.</p> <p>The Company has a written Continuous Disclosure Policy, a copy of which is available on its website – www.argosyminerals.com.au</p>
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.	<p>Adopted</p> <p>Refer to the Company's Corporate Governance page on its website - www.argosyminerals.com.au</p>
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>Adopted</p> <p>The Company has a Shareholder Communication strategy, which is available on the Company's Corporate Governance page on its website – www.argosyminerals.com.au</p>

6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Adopted The Company encourages participation at General Meetings upon the dispatch of its Notice of Meeting and advises security holders that they may submit questions they would like to be asked at the meeting to the Board and to the Company's auditors.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Adopted
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK		
	Recommendation	Argosy Minerals Limited Current Practice
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, And disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Not Adopted The Company does not currently have a Risk Committee. The role of the risk committee is undertaken by the whole board. The Board reviews risk on a regular basis and adopts mitigation processes as required.
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	Not Adopted. The Board reviews risk on a regular basis, however has not developed a formal risk management framework. A review has not taken place in the reporting period.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (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.	Not Adopted The Company does not have a structured formalised internal audit function, however historically the Board has reviewed the internal control systems and risk management policies on an annual basis. Internal controls are reviewed on an annual basis.

7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Not Adopted. The Company does not have a sustainability policy.
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY		
	Recommendation	Argosy Minerals Limited Current Practice
8.1	The board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Not Adopted. The Company does not have a Remuneration Committee, although the company does have a remuneration policy, a copy of which is available on the Company's website – www.argosyminerals.com.au . The Board follows the Remuneration Policy which provides for dealing with board remuneration issues.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Adopted. This information is contained within the Remuneration Report of the Annual Report. Setting remuneration for executives is set out in the Remuneration Committee Charter.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	Not Applicable

Argosy Minerals Limited
Consolidated Statement of profit or loss and other comprehensive income
For the year ended 31 December 2017

		Consolidated	
	Note	2017	2016
		\$	\$
Revenue	5	38,928	4,771
Expenses			
Accounting and Company Secretary Fees		(62,781)	(32,000)
ASX and ASIC fees		(73,782)	(40,432)
AGM and GM fees		(19,546)	(8,912)
Audit Fees		(18,500)	(7,500)
Bank charges		(4,467)	(1,937)
Depreciation	6	(119)	-
Directors fees	7	(422,965)	(54,063)
Share Based Payments	17	(3,677,590)	-
Exploration and Project Assessment		(23,679)	(27,440)
Impairment of exploration assets	12	(318,181)	(285,305)
Insurance		(17,925)	(14,366)
Interest		-	(27,396)
Legal fees		(129,594)	(49,571)
Office Costs and Rental expenses		(22,735)	(14,584)
Professional Fees		(629,205)	(67,752)
Share Registry Costs		(23,913)	(10,954)
FX loss/gain		(117,122)	28,895
Other Expenses		(263,829)	(56,722)
Profit/(Loss) before income tax expense		(5,787,005)	(665,268)
Income tax expense	8	-	-
Profit/(Loss) after income tax expense for the year attributable to the owners of Argosy Minerals Limited	18	(5,787,005)	(665,268)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(loss) for the year attributable to the owners of Argosy Minerals Limited		<u>(5,787,005)</u>	<u>(665,268)</u>
		Cents	Cents
Basic earnings/(loss) per share	30	(0.73)	(0.12)
Diluted earnings/(loss) per share	30	(0.71)	(0.12)

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 2017

	Note	Consolidated 2017 \$	2016 \$
Assets			
Current assets			
Cash and cash equivalents	9	15,200,589	2,772,134
Trade and other receivables	10	75,210	20,734
Total current assets		<u>15,275,799</u>	<u>2,792,868</u>
Non-current assets			
Property, Plant and Equipment	11	2,260	-
Exploration and evaluation	12	2,097,496	864,769
Advance to Puna Mining JV	13	4,456,784	-
Total non-current assets		<u>6,556,540</u>	<u>864,769</u>
Total assets		<u>21,832,339</u>	<u>3,657,637</u>
Liabilities			
Current liabilities			
Trade and other payables	14	176,314	107,256
Prepaid Deposit	15	950,089	-
Total liabilities		<u>1,126,403</u>	<u>107,256</u>
Net assets		<u>20,705,936</u>	<u>3,550,381</u>
Equity			
Issued capital	16	77,093,353	57,698,383
Reserves	17	7,159,996	3,612,406
Accumulated losses	18	(63,547,413)	(57,760,408)
Total equity		<u>20,705,936</u>	<u>3,550,381</u>

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 2017

Consolidated	Issued capital \$	Accumulated Losses \$	Reserves \$	Total Equity \$
Balance at 1 January 2016	53,547,982	(57,095,140)	3,612,406	65,248
Loss after income tax expense for the year	-	(665,268)	-	(665,268)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	(665,268)	-	(665,268)
<i>Transactions with owners in their capacity as owners:</i>				
Share Issue – May 2016	821,000	-	-	821,000
Share Issue – October 2016	3,000,000	-	-	3,000,000
Shares issued upon conversion of Convertible Notes	377,994	-	-	377,994
Share issue costs	(48,593)	-	-	(48,593)
Balance at 31 December 2016	<u>57,698,383</u>	<u>(57,760,408)</u>	<u>3,612,406</u>	<u>3,550,381</u>

Consolidated	Issued capital \$	Accumulated Losses \$	Reserves \$	Total Equity \$
Balance at 1 January 2017	57,698,383	(57,760,408)	3,612,406	3,550,381
Loss after income tax expense for the year	-	(5,787,005)	-	(5,787,005)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	(5,787,005)	-	(5,787,005)
<i>Transactions with owners in their capacity as owners:</i>				
Share Issue – Performance Rights conversion Feb 2017	130,000	-	(130,000)	-
Share Issue – Option Conversion April 2017	150,000	-	-	150,000
Share Issues	20,234,000	-	-	20,234,000
Option Issues	-	-	3,123,220	3,123,220
Performance Rights Issue	-	-	390,000	390,000
SARs Issue	-	-	164,370	164,370
Share Issue Costs	(1,119,030)	-	-	(1,119,030)
Balance at 31 December 2017	<u>77,093,353</u>	<u>(63,547,413)</u>	<u>7,159,996</u>	<u>20,705,936</u>

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 2017

	Note	Consolidated	
		2017	2016
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(1,815,379)	(267,961)
Interest received		38,846	4,771
Net cash used in operating activities	29	<u>(1,776,533)</u>	<u>(263,190)</u>
Cash flows from investing activities			
Payments for exploration and evaluation and development		(180,042)	(980,083)
Payments to Puna Mining (Advance)	13	(4,456,784)	-
Payments for purchase of exploration assets (including option fees)		(1,227,079)	-
Payments for plant and equipment		<u>(2,377)</u>	<u>-</u>
Net cash used in investing activities		<u>(5,866,282)</u>	<u>(980,083)</u>
Cash flows from financing activities			
Proceeds from issue of shares	16	20,384,000	3,800,000
Share issue transaction costs		(1,148,987)	(48,593)
Funds in from prepayment deposit on offtake agreement		950,089	-
Net cash from financing activities		<u>20,185,102</u>	<u>3,751,407</u>
Net increase/(decrease) in cash and cash equivalents		12,542,287	2,508,134
Effect of FX on cash on hand		(113,832)	-
Cash and cash equivalents at the beginning of the financial year		<u>2,772,134</u>	<u>264,000</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>15,200,589</u></u>	<u><u>2,772,134</u></u>

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

Note 1. General information

The financial report covers Argosy Minerals Limited as a consolidated entity consisting of Argosy Minerals Limited and the entities it controlled. The financial report is presented in Australian dollars, which is Argosy Minerals Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Argosy Minerals Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 3
216 St Georges Terrace
Perth WA 6000

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

The financial report was authorised for issue, in accordance with a resolution of directors, on 29 March 2017. 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 adoption of new accounting standards applicable to the Group for the first time in 2017 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 26.

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 2017 and the results of all subsidiaries for the year then ended. Argosy Minerals Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

Note 2. Significant accounting policies (continued)

from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. Refer to the 'business combinations' accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

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

Revenue recognition

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

Interest

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

Other revenue

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

Income tax

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

Note 2. Significant accounting policies (continued)

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

Cash and cash equivalents

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

Trade and other receivables

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

Property, plant and equipment

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

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

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

- Property, plant and equipment: 3-5 years

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

Intangible assets

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

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

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 2. Significant accounting policies (continued)

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs

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

- interest on short-term and long-term borrowings

Employee benefits

Wages and salaries and annual leave

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

Long service leave

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

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

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

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

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

Note 2. Significant accounting policies (continued)

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

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

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Argosy Minerals Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Recovery of deferred tax assets

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

Note 4. Operating segments

Identification of reportable operating segments

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The entity does not have any operating segments with discrete financial information.

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

Note 5. Revenue

	Consolidated	
	2017	2016
	\$	\$
Interest	38,928	4,771
	<u>38,928</u>	<u>4,771</u>

Note 6. Depreciation

	Consolidated	
	2017	2016
	\$	\$
Depreciation	119	-
	<u>119</u>	<u>-</u>

Note 7. Expenses

	Consolidated	
	2017	2016
	\$	\$
Loss before income tax includes the following specific expenses:		
Directors' fees including bonuses	422,965	54,063
Total Directors payments	<u>422,965</u>	<u>54,063</u>

Note 8. Income tax expense

	Consolidated	
	2017	2016
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit/(Loss) before income tax expense	(5,787,005)	(665,268)
Tax at the statutory tax rate of 27.5% (2016: 30%)	(1,591,426)	(199,580)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income	1,092,345	(9,834)
Current year tax losses not recognised	(499,081)	(209,414)
Current year temporary differences not recognised	499,081	209,414
	-	-
Income tax expense	<u>-</u>	<u>-</u>

Tax losses not recognised

Unused tax losses for which no deferred tax asset has been recognised	1,557,182	1,058,101
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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. Current assets - cash and cash equivalents

	Consolidated	
	2017	2016
	\$	\$
Cash at bank	15,200,589	2,772,134

Deposits at calls are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group. Information about the Group's exposure to interest rate risk is disclosure in Note 20.

Note 10. Current assets - trade and other receivables

	Consolidated	
	2017	2016
	\$	\$
GST receivable	75,210	20,734
	<u>75,210</u>	<u>20,734</u>

Impairment of receivables

As at 31 December 2017, trade receivables that were past due or impaired were nil (2016: nil).

Refer to Note 20 for details of credit risk and fair value.

Note 11. Property, Plant & Equipment

	Consolidated	
	2017	2016
	\$	\$
Plant & equipment – at cost	2,379	-
Accumulated Depreciation	(119)	-
	<u>2,260</u>	<u>-</u>

Note 12. Non-current assets - exploration and evaluation

	Consolidated	
	2017	2016
	\$	\$
Exploration and evaluation	<u>2,097,496</u>	<u>864,769</u>

Reconciliations

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

Consolidated	Exploration & Evaluation \$	Total \$
Balance at 1 January 2016	169,991	169,991
Purchase of tenements during the year	980,083	980,083
Impairment of exploration expenditure	<u>(285,305)</u>	<u>(285,305)</u>
Balance at 31 December 2016	864,769	864,769
Expenditure during the year	1,550,908	1,550,908
Impairment of exploration expenditure*	<u>(318,181)</u>	<u>(318,181)</u>
Balance at 31 December 2017	<u>2,097,496</u>	<u>2,097,496</u>

* The Company announced in September 2017 that it had opted not to exercise the option to purchase the Mina Teresa and Pocitos Projects, as part of the Heads of Agreement signed with Ekeko S.A., prior to its expiry, and as such, has no further interest in these projects.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent upon the successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

Note 13. Advance to Puna Mining JV

	Consolidated	
	2017	2016
	\$	\$
Advance to Puna Mining JV	4,456,784	-
	<u>4,456,784</u>	<u>-</u>

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 will eventually convert into equity in the project upon Argosy fulfilling all its funding and other requirements.

Note 14. Current liabilities - trade and other payables

	Consolidated	
	2017	2016
	\$	\$
Trade payables	56,588	92,318
Other payables	119,726	14,938
	<u>176,314</u>	<u>107,256</u>

Note 15. Current liabilities – Prepaid Deposit

	Consolidated	
	2017	2016
	\$	\$
Deposit on Prepayment of offtake agreement with Qianyun Tech	950,089	-
	<u>950,089</u>	<u>-</u>

During the year the Company received a deposit from Qingdao Qianyun High-tech New Material Co. Ltd as a pre-payment deposit on the off-take agreement executed during the year.

Note 16. Equity - issued capital

	Consolidated			
	2017	2016	2017	2016
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>893,496,575</u>	<u>744,750,788</u>	<u>77,093,352</u>	<u>57,698,383</u>

Movements in ordinary share capital

Details	Date	No of shares	Issue price	\$
Balance	1 January 2017	744,750,788		57,698,383
Conversion of Performance Rights	15 February 2017	5,000,000	\$0.00	130,000
Exercise of Options	6 April 2017	5,000,000	\$0.03	150,000
Placement	30 May 2017	13,698,630	\$0.073	1,000,000
Share Purchase Plan	20 June 2017	30,602,750	\$0.73	2,234,000
Placement	13 October 2017	83,333,333	\$0.18	15,000,000
Share Purchase Plan	30 October 2017	11,111,074	\$.018	2,000,000
Share issue costs				(1,119,030)
Balance	31 December 2017	<u>893,496,575</u>		<u>77,093,353</u>

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.

Note 16. Equity – Issued Capital (continued)

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 2016 Annual Report.

Note 17. Equity - Reserves

	Consolidated	
	2017	2016
	\$	\$
Options Reserve	3,612,406	3,612,406
Share Based Payments Reserve	3,972,590	-
	<u>7,159,996</u>	<u>3,612,406</u>

Options reserve

The 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.

Movements in reserves

	Consolidated	
	2017	2016
	\$	\$
Option Reserve		
Balance 1 January	3,612,406	3,612,406
Balance 31 December	<u>3,612,406</u>	<u>3,216,406</u>

	Consolidated	
	2017	2016
	\$	\$
Share Based Payments Reserve		
Balance 1 January	425,000	425,000
Issue of Options, Performance Rights and Share Appreciation Rights	3,677,590	-
Exercise of Options	(130,000)	-
Balance 31 December	<u>3,972,590</u>	<u>425,000</u>

Options

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

Issue Date	Expiry date	Exercise Price	2017 Number	2016 Number
7 April 2017	6 April 2020	\$0.045	10,000,000	-
15 September 2017	15 September 2020	\$0.045	10,000,000	-
8 June 2017	31 December 2019	\$0.045	5,000,000	-
			<u>25,000,000</u>	<u>-</u>

Note 17. Equity – Reserves (continued)

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 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. 5,000,000 Performance Shares remain which become convertible on 1 July 2018 upon achievement of hurdle.

Note 18. Equity - accumulated losses

	Consolidated	
	2017	2016
	\$	\$
Accumulated losses at the beginning of the financial year	(57,760,408)	(57,095,140)
Profit/(Loss) after income tax expense for the year	<u>(5,787,005)</u>	<u>(665,268)</u>
Accumulated losses at the end of the financial year	<u><u>(63,547,413)</u></u>	<u><u>(57,760,408)</u></u>

Note 19. Equity - dividends

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

Note 20. 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.

Price risk

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

Interest rate risk

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

Note 20. Financial instruments (continued)

Sensitivity analysis

At 31 December 2017, 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 \$45,871 (2016: \$8,843) 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.

	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2017					
Non-derivatives					
<i>Non-interest bearing</i>					
Trade and other payables	176,314	-	-	-	176,314
Prepayment from Qianyun Tech	950,089	-	-	-	950,089
<i>Interest bearing</i>					
Convertible Notes	-	-	-	-	-
Total non-derivatives	1,051,402	-	-	-	1,051,402

	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2016					
Non-derivatives					
<i>Non-interest bearing</i>					
Trade and other payables	107,256	-	-	-	107,256
<i>Interest bearing</i>					
Convertible Notes	-	-	-	-	-
Total non-derivatives	107,256	-	-	-	107,256

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 21. Key management personnel disclosures

Directors

The following persons were directors of Argosy Minerals Limited during the financial year:

Mr Alex Molyneux
Mr Jerko Zuvela
Mr Ranko Matic
Mr Malcolm Randall (appointed 3 March 2017)
Ms Andrea Betti (resigned 3 March 2017)

Compensation

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

	Consolidated	
	2017	2016
	\$	\$
Short-term employee benefits – directors fees including bonuses	482,599	314,563
	<u>482,599</u>	<u>314,563</u>

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:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
2017					
<i>Ordinary shares</i>					
Alexander Molyneux	2,000,000	-	13,506,657	(506,657)	15,000,000
Jerko Zuvela	68,696,260	-	205,479	-	68,901,739
Ranko Matic	26,704,305	-	205,479	-	26,909,784
Malcolm Randall	-	-	268,494	-	268,494
	<u>97,400,565</u>	<u>-</u>	<u>14,186,109</u>	<u>(506,657)</u>	<u>111,080,017</u>
2016					
<i>Ordinary shares</i>					
Alex Molyneux*	500,000	-	1,500,000	-	2,000,000
Ranko Matic	17,170,310	-	9,533,995	-	26,704,305
Jerko Zuvela	14,670,305	-	54,025,955	-	68,696,260
	<u>32,340,615</u>	<u>-</u>	<u>65,059,950</u>	<u>-</u>	<u>97,400,565</u>

* These shares were held by Mr Molyneux upon his appointment to the Board.

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:

	Balance at the start of the year	Received as part of remuneration	Additions	Exercised/ Cancelled	Balance at the end of the year
2017					
<i>Options</i>					
Alexander Molyneux	-	5,000,000	-	(5,000,000)	-
Jerko Zuvela	-	-	-	-	-
Ranko Matic	-	-	-	-	-
Malcolm Randall	-	5,000,000	-	-	5,000,000
	<u>-</u>	<u>10,000,000</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>

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

Note 22. Remuneration of auditors

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

	Consolidated	
	2017	2016
	\$	\$
<i>Audit services - Rothsay Chartered Accountants</i>		
Audit or review of the financial statements	18,500	15,000

Note 23. Contingent liabilities

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

Note 24. 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.

Capital commitments

There are no capital commitments contracted for at balance date.

Note 25. Related party transactions

Parent entity

Argosy Minerals Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 27.

Key management personnel

Disclosures relating to key management personnel are set out in note 21 and the remuneration report in the directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2017	2016
	\$	\$
Payment for goods and services:		
Payments to Bentleys Corporate Advisory (WA) Pty Ltd	54,000	88,000
Payments to Consilium Corporate Pty Ltd	46,731	
Payments to Jerko Zuvela ATF the JAKKZ discretionary trust	348,750	226,563

•Bentleys Corporate Advisory (WA) Pty Ltd provided directorship, accounting, company secretarial, office and corporate advisory services. Bentleys Corporate Advisory (WA) Pty Ltd is a related party of Ranko Matic.

•Consilium Corporate Pty Ltd provided directorship, accounting, company secretarial, office and corporate advisory services. Consilium Corporate Pty Ltd is a related party of Ranko Matic.

•Jerko Zuvela as trustee for the JAKKZ discretionary trust provided directorship services to the Company. The JAKKZ discretionary trust is a related party of Jerko Zuvela.

Receivable from and payable to related parties

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

	Consolidated	
	2017	2016
	\$	\$
Current payables:		
Bentleys Corporate Advisory (WA) Pty Ltd	-	13,301
Consilium Corporate Pty Ltd	88	-
JAKKZ Discretionary Trust	75,000	45,833

Loans to/from related parties

The are no loans outstanding at the reporting date in relation to loans with related parties (2016: nil)

Argosy Minerals Limited
Notes to the financial statements
31 December 2017

Note 26. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2017	2016
	\$	\$
Profit/(Loss) after income tax	(5,787,005)	(665,268)
Total comprehensive income/(loss)	<u>(5,787,005)</u>	<u>(665,268)</u>

Statement of financial position

	Parent	
	2017	2016
	\$	\$
Total current assets	15,275,799	2,792,868
Total non-current assets	6,556,539	864,769
Total assets	<u>21,832,338</u>	<u>3,657,637</u>
Total current liabilities	<u>1,126,402</u>	<u>107,256</u>
Total liabilities	<u>1,126,402</u>	<u>107,256</u>
Equity		
Issued capital	77,093,352	57,698,383
Reserves	7,159,996	3,612,406
Accumulated losses	(63,547,413)	(57,760,408)
Total equity/(deficiency)	<u>20,705,936</u>	<u>3,550,381</u>

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 2017 and 2016.

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2017 and 2016.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2017 and 2016.

Significant accounting policies

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

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

Note 27. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		2017 %	2016 %
Andover Resources NL	Australia	100.00%	100.00%
Rhino Mining and Exploration Close Company	Namibia	100.00%	100.00%
Manmar Investments One Hundred and Five Pty Ltd	Namibia	100.00%	100.00%

All subsidiaries incorporated overseas are currently dormant.

Note 28. Events after the reporting period

On 16 January 2018, the Company provided an update which included that the recently constructed Stage 2 ponds were fully operational at the Rincon project in Argentina.

On 25 January 2018, the Company issued 5,000,000 shares upon conversion of the next ranches of the Chairman's Performance Rights.

On 13 February 2018, the Company provided a drilling update to the market and advised details to the market on the progress for the exploration drilling program at the Rincon Project in Argentina.

On 27 February 2018, the Company announced it had completed its increase in the Rincon Joint Venture to 77.5%

On 9 March 2018, the Company was admitted to the All Ordinaries Index.

On 15 March 2018, the Company announced it had received approval for the development of additional ponds for Stage 2 of the Rincon Project in Argentina.

On 26 March 2018 the Company provided an update to the market and advised that the pilot lithium brine concentrate processing via the Stage1 pilot plant was expected to commence, and the construction works had commenced for the remaining Stage 2 lithium brine evaporation ponds at the Rincon Project.

No other matter or circumstance has arisen since 31 December 2017 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 29. Reconciliation of profit/(loss) after income tax to net cash used in operating activities

	Consolidated	
	2017	2016
	\$	\$
Loss after income tax expense for the year	(5,787,005)	(665,268)
Adjustments for:		
Depreciation	119	21,000
Share Based Payments	3,677,590	27,396
Impairment of exploration and evaluation expenditure	318,181	285,305
Change in operating assets and liabilities:		
Decrease in trade and other receivables	(54,477)	(17,146)
Decrease in trade and other payables	69,058	85,523
Net cash used in operating activities	<u>(1,776,533)</u>	<u>(263,190)</u>

Note 30. Earnings per share

	Consolidated	
	2017	2016
Profit/(Loss) after income tax attributable to the owners of Argosy Minerals Limited	\$ <u>(5,787,005)</u>	\$ <u>(665,268)</u>
Weighted average number of ordinary shares used in calculating basic earnings per share	Number <u>797,064,100</u>	Number <u>549,536,862</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>820,586,018</u>	<u>549,536,862</u>
Basic earnings per share	Cents (0.73)	Cents (0.12)
Diluted earnings per share	(0.71)	(0.12)

Argosy Minerals Limited
Directors' declaration
31 December 2017

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2017 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
29 March 2018
Perth



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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ARGOSY MINERALS LIMITED

Report on the Audit of the Financial Report

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 2017, 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 on that date and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration of the Company.

In our opinion the 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 2017 and of its financial performance for the year ended on that date; 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 these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this 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.

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.

Cash

The Group's cash makes up 70% of total assets by value and is considered to be a key driver of the Group's operations and exploration activities. We do not consider cash to be at a high risk of significant misstatement, or to be subject to a significant level of judgement because it is a liquid asset. However due to the materiality in the context of the financial statements as a whole, cash is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.

Our procedures over the existence, completeness and valuation of the Group's cash included but were not limited to:

- Documenting and assessing the processes and controls in place to record cash transactions;
- Agreeing cash holdings to independent third party confirmations.

We have also assessed the appropriateness of the disclosures included in Notes 1 and 9 to the financial report.



Chartered Accountants

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Exploration and evaluation expenditure

The group has incurred significant exploration and evaluation expenditure which has been capitalised. As the carrying value of exploration and evaluation expenditure represents a significant asset of the Group we considered it necessary to assess whether facts and circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount.

In doing so we carried out the following work in accordance with the guidelines set out in AASB 6 *Exploration for and Evaluation of Mineral Resources*. Our procedures included but were not limited to the following:

- We obtained evidence that the Group has valid rights to explore in the areas represented by the capitalised exploration and evaluation expenditure;
- We enquired of management and reviewed work programs to ensure that further expenditure on exploration on the tenements in the Group's areas of interest was planned and cross referenced these discussions to where applicable minutes of directors' meetings;
- We enquired of management, reviewed ASX announcements and reviewed directors' minutes to ensure that the Group had not decided to discontinue activities in any applicable areas of interest;
- We obtained an understanding of the key processes associated with management's review of the carrying value of capitalised exploration and evaluation expenditure and challenged management's assertion that the carrying amount of the capitalised expenditure was likely to be recovered in full from successful development or sale.

We have also assessed the appropriateness of the disclosures included in Notes 1 and 12 to the financial report.

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 2017, but does not include the financial report and our 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 there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility 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 the 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 cease operations, or have no realistic alternative but to do so.



Chartered Accountants



Auditor's Responsibility 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 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/Home.aspx

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 31 December 2017.

In our opinion the remuneration report of Argosy Minerals Limited for the year ended 31 December 2017 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.

Rothsay Auditing

Dated 29th March 2018

**Graham R Swan FCA
Partner**



Chartered Accountants

Argosy Minerals Limited
Shareholder information
31 December 2017

The shareholder information set out below was applicable as at 23 March 2018.

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	61	13,447	0.00%
1,001 - 5,000	1,734	5,237,216	0.57%
5,001 - 10,000	1,085	8,857,135	0.96%
10,001 - 100,000	2,705	97,975,626	10.67%
100,001 - 9,999,999,999	895	806,413,151	87.80%
Totals	6,480	918,496,575	100.00%

Holding less than a marketable parcel **238**

Equity security holders

Twenty largest quoted equity security holders

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

Holder Name	Holding	% IC
MR JERKO PETER ZUVELA <JAKKZ DISCRETIONARY A/C>	46,655,759	5.08%
VELVET BAY HOLDINGS PTY LTD <THE VELVET BAY A/C>	37,711,102	4.11%
DIHNA NADA ZUVELA <DNZ DISCRETIONARY A/C>	32,277,469	3.51%
PETER VANDA RESOURCES PTY LTD <JOHN A ZAMBONI FAMILY A/C>	26,933,323	2.93%
STEVEN MARIN ZUVELA <TAEZ DISCRETIONARY A/C>	25,964,731	2.83%
CAVALIER RESOURCES PTY LTD <THE CAVALIER A/C>	22,909,784	2.49%
MR ALEXANDER ALAN MOLYNEUX	20,000,000	2.18%
LIGHTHOUSE HOLDINGS WA PTY LTD <THE LIGHTHOUSE A/C>	19,994,307	2.18%
SUNLIGHT BAY HOLDINGS PTY LTD <THE SUNLIGHT BAY A/C>	19,255,418	2.10%
OSF NOMINEES PTY LTD <FREDERICKSON SUPER FUND A/C>	16,160,011	1.76%
CITICORP NOMINEES PTY LIMITED	15,132,383	1.65%
MR PETER ANDREW PROKSA	12,000,612	1.31%
JOHN ANTHONY ZAMBONI	11,361,040	1.24%
MR JERKO PETER ZUVELA	11,122,990	1.21%
MRS ANITA DRAGANA ZUVELA	11,122,990	1.21%
MR STEVEN CAMARDA <S C A/C>	10,561,474	1.15%
MR RODNEY RONALD CHATFIELD & MS JOAN MCCONNON <ROD CHATFIELD S/F A/C>	10,042,819	1.09%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	9,891,038	1.08%
MR WEIMIN CHEN	8,303,753	0.90%
NEPTUNE FISHING CO PTY LTD <CAMARDA SUPER FUND A/C>	8,122,474	0.88%
Total	375,523,477	40.89%
Total issued capital	918,496,575	100.00%

Options

- There are no listed options.
- There are 5,000,000 unlisted options over unissued shares on issue with an exercise price of \$0.045 and an expiry date of 31/12/2018.
- 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

Performance Rights

- There are 5,000,000 Performance Rights with vesting conditions and an expiry date of 31/12/2018

Share Appreciation Rights (SARs)

- There are 1,000,000 Share Issue Rights with an exercise price of \$0.225 and expiring 22/12/2020

Argosy Minerals Limited
Shareholder information
31 December 2017

Substantial holders

Substantial holders in the company are set out below:

Mr Jerko Peter Zuvela <JAKKZ Discretionary A/C>	5.08%
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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.

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