



ARGOSY MINERALS
LIMITED

ABN | 27 073 391 189

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2022

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CORPORATE DIRECTORY

Directors

Mr Malcolm Randall – Non-Executive Chairman
Mr Jerko Zuvela – Managing Director
Mr Peter De Leo – Non-Executive Director
Mr Bruce McFadzean – Non-Executive Director

Secretary

Ms Andrea Betti

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Auditors

RSM Australia
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2 The Esplanade
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Solicitors

W Advisers
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Home Exchange

Australian Securities Exchange Limited
Home Branch: Perth

ASX Code: AGY

DIRECTORS' REPORT

The Directors of Argosy Minerals Limited present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the "Group") consisting of Argosy Minerals Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2022.

Directors

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

Jerko Zuvela	
Malcolm Randall	
Peter De Leo	<i>(appointed 19 April 2022)</i>
Bruce McFadzean	<i>(appointed 19 April 2022)</i>
Alex Molyneux	<i>(resigned 31 May 2022)</i>

Principal Activities

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

Consolidated Results

	Half-Year Ended 30 June 2022	Half-Year Ended 30 June 2021
	\$	\$
Consolidated profit before income tax expense	2,684,033	86,151
Income tax benefit/(expense)	-	-
Net profit	<u>2,684,033</u>	<u>86,151</u>

Dividends Paid or Recommended

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

Corporate

The Company held its Annual General Meeting on 31 May 2022.

Review of Operations

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

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

DIRECTORS' REPORT



Argosy Minerals Limited – Rincon Lithium Project Location Map

Rincon Lithium Project

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

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

- ✓ The 2,000tpa lithium carbonate operation construction works in-progress, with first commercial production of battery quality Li_2CO_3 product targeted during Q4-CY2022;
- ✓ 95% of total construction works complete for 2,000tpa Li_2CO_3 operation;
- ✓ Environmental Impact Assessment approval process in progress – to develop an additional 10,000tpa Li_2CO_3 operation, supplementing the 2,000tpa operation currently in construction;
- ✓ Continued strong interest from top-tier groups for strategic investment for next stage 10,000tpa capex funding solution – with associated 2,000tpa and 10,000tpa off-take arrangements;
- ✓ Resource expansion & production well drilling works being conducted – targeting potential to materially expand current JORC Indicated Resource, increase project mine-life and future annual production capacity;
- ✓ Continued positive lithium market sentiment supporting Argosy's multi-project development and production strategy;
- ✓ Sustained validation of the Company's exclusive and proprietary successful environmentally clean and conventional chemical process technology to produce high purity battery quality lithium carbonate product acceptable for high-specification international markets;
- ✓ The chemical process technology specifically developed for the Rincon Lithium Project will enable a low emissions operation with a small carbon footprint, low energy and raw water usage requirements, and will deliver exceptional product quality results for the ~2,000tpa and ~10,000tpa operations;
- ✓ CSR program initiatives continued at Rincon.

Argosy remains confident that key upcoming milestones and achievements will prove successful to demonstrate the long-term sustainability and progress toward commercial scale development at the Rincon Lithium Project.

Key objectives for Argosy during the remainder of 2022 at the Rincon Lithium Project include completing construction and commissioning works for the 2,000tpa high purity battery quality Li_2CO_3 processing plant and associated operations, receiving the regulatory approval for development of an additional 10,000tpa commercial scale operation, finalise strategic

DIRECTORS' REPORT

investment arrangements around battery quality Li₂CO₃ product off-take and 10,000tpa capex funding solutions, continue the resource expansion drilling works currently in progress, conduct feasibility works for an further increased/larger scale operation, and continue exploration works at the Tonopah Lithium Project in Nevada, USA.

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

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

ASX Listing Rules Compliance

Argosy advises references to the Company's current target of producing 2,000tpa of high purity battery quality lithium carbonate product at the Rincon Lithium Project should be read subject to and clarified by the Company's current intention that the 2,000tpa production target does not extend beyond a two-year period from the Clarifying Announcement (lodged 10th February 2021, available at www.argosyminerals.com.au and www.asx.com).

At the conclusion of the two-year period, it is the Company's current intention that, subject to feasibility, finance, market conditions and completion of development works at the Rincon Lithium Project, the Company's 10,000tpa production target will apply. The current 2,000tpa production target is intended to form a modular part of the 10,000tpa operation from its commencement.

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

Competent Person's Statement – Rincon Lithium Project

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

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

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

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

Reference to Previous ASX Releases:

This document refers to the following previous ASX releases:
28th Nov 2018 - Argosy delivers exceptional PEA results for Rincon Project
11th Jan 2021 - Rincon Project JORC Exploration Target
8th Feb 2021 - \$30M Placement to Fund 2,000tpa Production
10th Feb 2021 - Clarifying Announcement

Tonopah Lithium Project

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

Tonopah is located in one of the world's most favourable and stable mining jurisdictions and home to the USA's burgeoning electric vehicle industry, with well-developed infrastructure and a skilled local workforce.

DIRECTORS' REPORT

During the reporting period and to date, the Company continued exploration works, via additional geophysical surveying - comprising passive seismic survey works (complementing the magnetotelluric (MT) resistivity survey works conducted in 2021), to assist with defining priority lithium brine targets and select drill sites for planned exploration drilling works to determine the lithium brine potential at the project.

The passive seismic field survey and data acquisition works were recently completed, with data processing, analysis and interpretation works currently being conducted to outline and delineate priority drill site targets. The Company's geophysical consultants have also sourced and utilised additional geological and geophysical data-sets (including the Company's MT data) to provide further confidence in their analysis and interpretation works to confirm priority lithium brine targets for drill testing.

The Company considers the opportunity to develop a USA-based lithium project as a strategic position to further develop Argosy into a world-class lithium producer. Furthermore, the USA Federal Government has advised that "unprecedented action" would be taken to strengthen the USA's critical mineral supply chains, including via support for domestic resource development.



Argosy Minerals Limited – Tonopah Lithium Project Location Map

Competent Person's Statement – Tonopah Lithium Project

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

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

DIRECTORS' REPORT

Significant Changes in the State of Affairs

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

Events after Reporting Date

During the period 28 July 2022 to 30 August 2022, the Company converted 9,802,761 unlisted options exercisable at \$0.25 and expiring 29 October 2022 into 9,802,761 ordinary fully paid shares.

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

Auditor's Independence Declaration

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

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

On behalf of the Directors



Jerko Zuvela
Managing Director
Perth, Western Australia

8 September 2022

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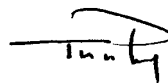
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Argosy Minerals Limited for the half-year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 8 September 2022

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Argosy Minerals Limited, which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Argosy Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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Independence

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

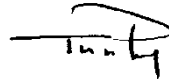
Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 8 September 2022

DIRECTORS' DECLARATION

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, *Australian Accounting Standard AASB 134 'Interim Financial Reporting'*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors



Jerko Zuvela
Managing Director
Perth, Western Australia

8 September 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 JUNE 2022

	Note	Consolidated	
		30 June 2022 \$	30 June 2021 \$
Other income	4	99,841	54,452
Accounting and corporate secretarial		(60,000)	(60,000)
ASX/ASIC fees		(68,222)	(47,902)
AGM/GM fees		(18,461)	(12,247)
Audit fees		(18,935)	(16,000)
Bank charges		(2,304)	(1,917)
Depreciation		(16,412)	(17,604)
Directors' fees		(266,481)	(210,676)
Exploration and project assessments		(82,331)	(23,883)
Insurance		(46,013)	(19,766)
Finance costs		(2,594)	(5,483)
Office costs and rental expenses		(34,105)	(32,606)
Professional fees		(146,698)	(190,257)
Share registry costs		(29,520)	(19,661)
Share based payments		(335,777)	(3,962)
Foreign exchange gain		724,017	240,077
Other expenses		(145,134)	(5,600)
Share of profit of joint venture accounted for using the equity method	9	3,133,162	459,186
Profit before income tax		2,684,033	86,151
Income tax expense		-	-
Profit attributable to Owners of Argosy Minerals Limited		2,684,033	86,151
Other comprehensive income for the half-year			
<i>Items that may be reclassified subsequently to profit and loss</i>			
Foreign currency translation		3,231,856	948,590
Total comprehensive income for the half-year attributable to owners of Argosy Minerals Limited		5,915,889	1,034,741
Earnings per share for loss attributable to ordinary equity holders of the Group:			
Basic earnings per share (cents per share)	11	0.20	0.01
Diluted earnings per share (cents per share)	11	0.19	0.01

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	Consolidated	
		30 June 2022	31 December 2021
		\$	\$
Current assets			
Cash and cash equivalents		36,043,560	23,093,132
Trade and other receivables		67,960	34,177
Other assets		15,043	77,345
Total current assets		36,126,563	23,204,654
Non-current assets			
Plant and equipment		6,175	1,348
Right-of-use assets		22,500	38,912
Exploration and evaluation		3,402,383	2,980,604
Advance to Puna Mining S.A.		15,154,445	18,374,156
Investment accounted for using the equity method - Puna Mining S.A.	9	28,758,295	12,368,311
Total non-current assets		47,343,798	33,763,331
Total assets		83,470,361	56,967,985
Current liabilities			
Trade and other payables		222,661	182,934
Lease liabilities		23,064	50,390
Total current liabilities		245,725	233,324
Non-current liabilities			
Lease liabilities		6,640	6,640
Total non-current liabilities		6,640	6,640
Total liabilities		252,365	239,964
Net assets		83,217,996	56,728,021
Equity			
Issued capital	5	141,500,037	121,170,573
Reserves	6	7,637,114	4,160,636
Accumulated losses		(65,919,155)	(68,603,188)
Total equity		83,217,996	56,728,021

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 30 JUNE 2022

	Consolidated			Total
	Issued capital	Reserves	Accumulated Losses	
	\$	\$	\$	\$
Balance at 1 January 2021	89,023,264	2,077,023	(70,611,729)	20,488,558
Profit for the half-year	-	-	86,151	86,151
Other comprehensive income	-	948,590	-	948,590
Total comprehensive loss for the half-year	-	948,590	86,151	1,034,741
Transactions with owners in their capacity as owners				
Share issue	30,000,000	-	-	30,000,000
Share issue costs	(1,893,010)	-	-	(1,893,010)
Conversion of options	67	-	-	67
Share based payments	-	3,962	-	3,962
Total contributions by owners	28,107,057	3,962	-	28,111,019
Balance as at 30 June 2021	117,130,321	3,029,575	(70,525,578)	49,634,318
Balance at 1 January 2022	121,170,573	4,160,636	(68,603,188)	56,728,021
Profit for the half-year	-	-	2,684,033	2,684,033
Other comprehensive income	-	3,231,856	-	3,231,856
Total comprehensive income for the half-year	-	3,231,856	2,684,033	5,915,889
Transactions with owners in their capacity as owners				
Share issue costs	(66,740)	-	-	(66,740)
Conversion of options	20,396,204	(91,155)	-	20,305,049
Share based payments	-	335,777	-	335,777
Total contributions by owners	20,329,464	244,622	-	20,574,086
Balance as at 30 June 2022	141,500,037	7,637,114	(65,919,155)	83,217,996

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 30 JUNE 2022

	Consolidated	
	30 June 2022	30 June 2021
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(857,740)	(672,082)
Payments for exploration and development expenditure	(368,165)	(206,384)
Interest received	36,843	16,944
Interest paid	(2,594)	(5,483)
Other receipts	33,494	39,249
Net cash used in operating activities	(1,158,162)	(827,756)
Cash flows from investing activities		
Advance to Puna Mining S.A.	(6,286,096)	(2,298,577)
Payments for property, plant and equipment	(4,827)	-
Net cash used in investing activities	(6,290,923)	(2,298,577)
Cash flows from financing activities		
Proceeds from issues of shares and options	20,272,189	30,000,067
Transaction costs relating to issue of shares	(66,740)	(1,893,010)
Repayment of lease liabilities	(27,327)	(27,959)
Net cash provided by financing activities	20,178,122	28,079,098
Net increase in cash and cash equivalents	12,729,037	24,952,765
Effect of foreign exchange on cash and cash equivalents	221,391	(1,883)
Cash and cash equivalents at the beginning of the half-year	23,093,132	2,892,292
Cash and cash equivalents at the end of the half-year	36,043,560	27,843,174

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2022

1. Basis of Preparation

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

These general purpose financial statements for the interim half-year reporting period ended 30 June 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

New or amended Accounting Standards and Interpretations adopted

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

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

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

2. Segment Information

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

3. Dividends

No dividend has been paid or is proposed in respect of the half-year ended 30 June 2022 (2021: None).

4. Other Income

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

	Consolidated	
	30 June 2022	30 June 2021
	\$	\$
Other Income		
Interest	66,347	19,409
Other income	33,494	35,043
Total other income	99,841	54,452

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2022

5. Issued Capital

As at 30 June 2022, there were 1,356,050,987 shares on issue (30 June 2021: 1,250,271,704).

	Consolidated			
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Shares	Shares	\$	\$
Ordinary shares - fully paid	1,356,050,987	1,250,271,704	141,500,037	117,130,321

Movements in ordinary share capital

Details	Date	No of shares	Issue price	\$
Balance	1 January 2022	1,266,530,527		121,170,573
Exercise of Options	4 January to 5 April	38,376,708	\$0.200	7,675,297
Exercise of Options	4 January to 21 June	50,519,009	\$0.250	12,629,752
Exercise of Share Appreciation Rights	16 February	624,743	\$0.220	91,155
Share issue costs				(66,740)
Balance	30 June 2022	<u>1,356,050,987</u>		<u>141,500,037</u>

6. Reserves

	Consolidated	
	30 June 2022	31 December 2021
	\$	\$
Foreign currency reserve (i)	3,318,776	86,920
Option reserve	3,612,406	3,612,406
Share based payments reserve (ii)	705,932	461,310
	<u>7,637,114</u>	<u>4,160,636</u>

(i) Foreign currency reserve

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

	Consolidated 30 June 2022 \$
Balance 1 January	86,920
Translation of foreign operations	3,231,856
Balance 30 June	<u>3,318,776</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2022

(ii) Share based payments reserve

Reconciliation of share based payments reserve

	Consolidated 30 June 2022 \$
Balance 1 January	461,310
Share-based payments (Share appreciation rights)	324,398
Share-based payments (Options)	11,379
Conversion of share appreciation rights	(91,155)
Balance 30 June	<u>705,932</u>

Share Appreciation Rights

During the period, the Group granted 5,000,000 share appreciation rights to a consultant, with a total value of \$1,534,950.

After taking into account the probabilities of vesting criteria being met and the expected vesting date, the expense recognised to 30 June 2022 was \$324,398, with the remaining amount to be expensed over the vesting period. The expense realised in respect to the share appreciation rights is intended to reflect the best available estimate of the number of share appreciation rights expected to vest.

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

Input	Tranche 1	Tranche 2	Tranche 3
Number of rights	1,500,000	1,500,000	2,000,000
Grant date	14/04/2022	14/04/2022	14/04/2022
Vesting date	20/10/2022	20/04/2023	20/10/2023
Expiry date	20/10/2025	20/04/2026	20/10/2026
Underlying share price	\$0.495	\$0.495	\$0.495
Exercise price	\$0.35	\$0.35	\$0.35
Volatility	85%	85%	85%
Risk free rate	2.63%	2.63%	2.63%
Dividend yield	Nil	Nil	Nil
Value per right	\$0.2912	\$0.3065	\$0.3192
Total fair value of rights	\$436,800	\$459,750	\$638,400
Share based payment expense recognised for the half-year ended 30 June 2022	\$169,469	\$80,488	\$74,441

The vesting conditions subject to the share appreciation rights issued during the period are as follows:

1. Vest at completion of six (6) months service (20 October 2022) subject to remaining engaged as a consultant on the vesting date;
2. Vest upon the Company delivering a positive feasibility study as determined by the Board by 20 April 2023, subject to remaining engaged as a consultant on the vesting date; and
3. Vest upon the Company reaching a Financial Investment Decision (FID) for the 10,000tpa expansion operation at the Rincon Project in Argentina by 20 October 2023, subject to you remaining engaged as a consultant on the vesting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2022

Share appreciation rights outstanding:	
Opening balance 1 January 2022	5,000,000
Share appreciation rights issued during the period	5,000,000
Share appreciation rights converted during the period	(1,500,000)
Share appreciation rights expired during the period	(2,000,000)
Closing balance 30 June 2022	<u>6,500,000</u>

Options

During the period, the Group granted 1,200,000 options, with a total value of \$268,480.

After taking into account the probabilities of vesting criteria being met and the expected vesting date, the expense recognised to 30 June 2022 was \$11,379, with the remaining amount to be expensed over the vesting period. The expense realised in respect to the options is intended to reflect the best available estimate of the number of options expected to vest.

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

Input	Tranche 1	Tranche 2	Tranche 3
Number of options	400,000	400,000	400,000
Grant date	31/05/2022	31/05/2022	31/05/2022
Vesting date	30/06/2023	30/06/2024	30/06/2025
Expiry date	30/06/2025	30/06/2025	30/06/2025
Underlying share price	\$0.49	\$0.49	\$0.49
Exercise price	\$0.729	\$0.729	\$0.729
Volatility	85%	85%	85%
Risk free rate	2.86%	2.86%	2.86%
Dividend yield	Nil	Nil	Nil
Value per option	\$0.2132	\$0.2263	\$0.2317
Total fair value of options	\$85,280	\$90,520	\$92,680
Share based payment expense recognised for the half-year ended 30 June 2022	\$6,153	\$3,211	\$2,015

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

1. Vest on 30 June 2023, subject to remaining as a director of the Company;
2. Vest on 30 June 2024, subject to remaining as a director of the Company; and
3. Vest on 30 June 2025, subject to remaining as a director of the Company.

7. Commitments

There have been no material changes to the Group's capital or other expenditure commitments since 31 December 2021.

8. Contingencies

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2022

9. Joint Venture accounted for using the Equity Method

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

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

The carrying amount of the investment in Puna Mining S.A. has changed as follows in the six months to June 2022:

Name	Reporting entity's percentage holdings	
	30 June 2022	31 December 2021
Puna Mining S.A.	77.5 %	77.5%
	Consolidated	
	For the Half-Year Ended	
	30 June 2022	
	\$	
Opening balance – 1 January 2022		12,368,311
Additional paid-up capital (part-conversion of loan receivable)		10,044,598
Share of profits of joint venture		3,133,162
Foreign exchange translation differences		3,212,224
Closing balance – 30 June 2022		28,758,295

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

10. Events after Reporting Date

During the period 28 July 2022 to 30 August 2022, the Company converted 9,802,761 unlisted options exercisable at \$0.25 and expiring 29 October 2022 into 9,802,761 ordinary fully paid shares.

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

11. Earnings Per Share

	30 June 2022	30 June 2021
	\$	\$
Profit after income tax	2,684,033	86,151
Profit after income tax attributable to the owners of Argosy Minerals Limited	2,684,033	86,151
	Cents	Cents
Basic earnings per share	0.20	0.01
Diluted earnings per share	0.19	0.01
	Number	Number
<i>Weighted average number of ordinary shares</i>		
Weighted average number of ordinary shares used in calculating basic earnings per share	1,327,697,220	1,191,623,110
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,384,069,553	1,346,342,025