



ARGOSY MINERALS
LIMITED

ABN 27 073 391 189

ANNUAL REPORT
31 DECEMBER 2023

CHAIRMAN'S LETTER

Dear Fellow Shareholders,

Welcome to the 2023 Annual Report for Argosy Minerals Limited ("Argosy" or the "Company").

Throughout the reporting period, Argosy has progressed and met the challenges faced during a period of reducing lithium prices and market sentiment, and overcoming hurdles to continue development of our Rincon Lithium Project and produce battery quality lithium carbonate product in Salta Province, Argentina.

Argosy is uniquely positioned among ASX lithium companies as a project developer and only the second ASX-listed battery quality lithium carbonate producer, and one of only a handful of such global producers.

The Company's achievements have laid a solid foundation to continue the solid growth path as forecast global lithium prices and battery market conditions improve during 2024, including demand for lithium, which remains strategic for the transition to electric vehicles.

The performance of the Company and our operations will continue to be subject to international commodity prices, foreign exchange rates, competitive factors within the international battery supply chain. The Company will focus on continuing its performance, developing our projects and working on our 10,000tpa operation expansion at Rincon.

The Company will prioritise operational performance and focus on the long-term sustainability of our projects and business, and continue building value for all of our shareholders.

We have now established a high-tech proprietary chemical processing operation producing extremely valuable specialized product under the expert guidance of Mr Pablo Alurralde and our Puna Mining team. Mr Alurralde is a foremost authority on lithium processing and his experience has been invaluable in our works and progress to date.

The Company, with our Puna team, is well placed to deliver on our growth plan with a highly experienced management team with extensive experience in the lithium industry, both operational and strategic engagement.

Operating safely is a priority and we are committed to the health, safety and welfare of our employees, contractors and stakeholders to ensure we provide a safe workplace.

We remain committed and focused on local communities through our Corporate and Social Responsibility program within the Salta Province and Puna region. Our support for local communities is tangible through jobs and training, and procurement of local goods and services as Argosy's contribution in developing a sustainable economic environment with long lasting benefits for the Puna region.

We continue our efforts in securing a strategic funding solution and associated off-take arrangements for the next phase development of the project. For this, the Company has attracted Tier-1 global groups, who are interested to partner with us, and we look forward to finalising these arrangements and notifying our supportive shareholders.

Furthermore, our Tonopah Lithium Project located in the USA provides another avenue for future growth. The USA is fast becoming the next major jurisdiction for battery development and EV manufacturing. With this, our Tonopah Lithium Project remains highly strategic as we continue works to identify a pathway to develop this project.

The lithium market has proved challenging, with prices falling considerably, however the EV and battery markets continue growing and maturing. The lithium supply challenge will continue, and Argosy is ideally positioned as a producer of lithium carbonate product to capitalise on forecast rising lithium prices as the world transitions to mass EV adoption.

We know the future will continue to present challenges, but I am confident that Argosy's best years lie ahead and that the considerable amount of hard work being put in across the business will ultimately be reflected in a re-rating of our share price as we increase production operations at Rincon and embark on this next exciting chapter of our journey.

In addition, we are focused on consolidating and strengthening our current position, which will support the delivery of our future growth ambitions in the coming years.

CHAIRMAN'S LETTER

I want to thank all our management, staff and contractors for what has been achieved to date during a very demanding year and look forward to their effort to see the project successfully developed and brought into production.

I express my appreciation to our Managing Director, fellow Directors and our management teams in Australia and Argentina, who have worked tirelessly to achieve the success to-date and forecast for 2024 and beyond.

In closing, I thank our loyal shareholders for your ongoing support, and trust that you remain with us for what I see as an exciting period ahead for Argosy Minerals.



Mal Randall
Non-Executive Chairman
27 March 2024

	Page
Corporate directory	1
Directors' report	2
Auditors' independence declaration	19
Corporate governance statement	20
Consolidated statement of profit or loss and other comprehensive income	21
Consolidated statement of financial position	22
Consolidated statement of changes in equity	23
Consolidated statement of cash flows	24
Notes to the financial statements	25
Directors' declaration	51
Independent auditor's report to the members of Argosy Minerals Limited	52
Shareholder information	56

CORPORATE DIRECTORY

Directors

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

Secretary

Ms Andrea Betti

Registered Office

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

Share Registry

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

Telephone: +61 8 9324 2099

Auditors

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

Solicitors

W Advisers
Level 5, 151 Macquarie Street
Sydney NSW 2000

Home Exchange

Australian Securities Exchange Limited
Home Branch: Perth

ASX Code: AGY

DIRECTORS' REPORT

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', 'parent entity' or 'Argosy') and the entities it controlled for the year ended 31 December 2023.

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 Jerko Zuvela
Mr Malcolm Randall
Mr Peter De Leo
Mr Bruce McFadzean
Ms Andrea Betti (*appointed 3 July 2023*)

Principal activities

The principal activity of the Group during the period was the development of the Rincon Lithium Project in Argentina and exploration of the Tonopah Lithium Project in USA. 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 Group after providing for income tax amounted to \$10,619,215 (31 December 2022: \$175,768 loss).

The net loss is largely attributable to the Group's share of Puna Mining S.A. ('Puna') losses, which is accounted for using the equity method. Foreign exchange losses make up the majority of Puna's loss for the year. There are additional losses relating to exchange differences arising from translation of foreign operations to Australian dollars.

OPERATIONS

Argosy has a current 77.5% (and ultimately 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 the 2023 financial reporting period establish that Argosy is genuinely delivering on its 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 annual reporting period and to date, the Company made substantial progress at the Project, with the major project milestones being (at 15 March 2024):

- ✓ 2,000tpa lithium carbonate operation commissioning and ramp up works progressing.
- ✓ ~70 tonnes of battery quality lithium carbonate product produced during operations to date.
- ✓ Progress on the Environmental Impact Assessment approval process for development of an additional 10,000tpa lithium carbonate operation.
- ✓ Conducted pre-development works for the 10,000tpa operation expansion.
- ✓ Resource expansion & production well drilling works completed.
- ✓ Upgraded Total Mineral Resource Estimate (MRE) of 686,875 tonnes of Li_2CO_3 with a weighted mean average lithium concentration of 329mg/L – a 180% increase from previous MRE, comprising;
 - ✓ an Indicated MRE of 606,313 tonnes Li_2CO_3 with a weighted mean average lithium concentration of 326mg/L, and
 - ✓ an Inferred MRE of 80,562 tonnes Li_2CO_3 with a weighted mean average lithium concentration of 351mg/L.
- ✓ Argosy becoming only the 2nd ASX-listed battery quality lithium carbonate producer.
- ✓ Positive progress with strategic partner arrangements for off-take and capex funding for 10,000tpa operation expansion.
- ✓ Renewable energy to power Rincon's clean lithium technology with low energy use & raw water consumption for a low emissions / low carbon footprint operation.
- ✓ All chemical process technology validation and verification works have been successfully completed, confirming the Company's capability to produce battery quality lithium carbonate product at commercial scale.
- ✓ Salta government provided their support for the full development of the Rincon Lithium Project following meetings with Salta government officials.
- ✓ Positive and successful CSR program initiatives continued at Rincon Lithium Project.
- ✓ Positive lithium market sentiment supportive to realise Argosy's multi-project development and production strategy.

DIRECTORS' REPORT

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

Key objectives for Argosy during 2024 include:

- Prioritising works to complete the ramp up of production operations at the 2,000tpa facility.
- Obtain EIA regulatory approval for the 10ktpa expansion operation.
- Utilise the significant increased MRE to upgrade the commercial production forecast and complete long-term life of mine modelling works to develop an updated/increased production forecast beyond the current proposed production rate, providing further support for increased future commercial scale development of the Rincon Lithium Project.
- Complete pre-development engineering works for the 10,000tpa operation expansion.
- Progress the strategic partner process - to secure funding associated with long-term off-take arrangements for the 10,000tpa expansion operation from a tier-1 counterparty in the EV supply chain.
- Consider new strategic project opportunities and acquisitions.

Tonopah Lithium Project



Argosy Minerals Limited – Tonopah Lithium Project Location Map

The Company has a 100% interest in the Tonopah Lithium Project (Tonopah), located in Nevada, USA and comprises 425 claims covering an area of ~34.25km², and is strategically located near Albemarle's Silver Peak lithium carbonate operation in Nevada, USA.

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

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

The Company continues assessing local water rights regulations in the project area to understand such impact for future development consideration.

DIRECTORS' REPORT


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's Inflation Reduction Act will spur EV adoption and strengthen the USA's critical mineral supply chains, including support for domestic resource development.


Statement of Resources & Reserves – Rincon Lithium Project

Unit	Description	Aquifer Characteristics			Drainable Porosity (%)	Drainable Brine Volume (Mm ³)	Numeric Interpolant		
		Aquifer Volume	Porosity	In-Situ Brine Volume			Li	Li ₂ CO ₃	Li ₂ CO ₃
		(Mm ³)	(%)	(Mm ³)			(mg/L)	(mg/L)	T
Indicated Resource									
S1A	Alluvium	33	21%	7	10%	3	232	1238	4133
S1F	Fractured Halite	154	21%	32	10%	16	337	1799	28728
S2	Clay	381	48%	183	3%	11	322	1720	19680
S3A	Mixed Clastics	515	42%	217	12%	60	318	1701	101675
S3B	Clay	75	41%	31	1%	0.75	340	1819	1372
S3C	Black Sand	795	38%	305	13%	105	324	1730	182207
S3F	Competent Halite	792	13%	106	3%	24	374	2000	47539
S4A	Mixed Clastics	155	24%	37	12%	19	387	2071	38581
S4B	Clay Dominant	213	23%	49	5%	11	348	1862	20633
S4C	Sand Dominant	188	20%	37	12%	23	378	2019	45630
S5B	Clay Dominant	126	23%	30	3%	3.2	371	1986	6269
S5A	Mixed Clastics	129	21%	27	10%	15.4	392	2094	32311
SV	Volcanics	1132	17%	153	5%	56.6	256	1370	77555
Inferred Resource									
S5A	Mixed Clastics	250	21%	52	10%	30	392	2094	62778
S6B	Clay Dominant	26	20%	5.2	3%	0.7	283	1515	1016
SV	Volcanics	245	17%	41	5%	12	256	1370	16767
Total		5177		1306		387	332		686875
Total Indicated Resource									606313
Total Inferred Resource									80562
Total Mineral Resource Estimate									686875

Rincon Lithium Project - JORC Total Mineral Resource Estimate

Notes:

 Previously estimated Indicated MRE

 Partially included in previously estimated Indicated MRE

All aquifer and Resource volumes represent only those volumes contained within Argosy "on-salar" tenements.

Porosity is a weighted mean average for each lithological unit based on laboratory core analysis.

The in-situ brine volume represents the total volume of brine contained in the pore-space of the aquifer; not all will be recoverable, and this does not represent a Resource.

Drainable Porosity represents the brine that could potentially drain. It is calculated as a weighted mean average of all samples from that unit weighted by respective thickness of test-unit.

For S3 hydrostratigraphic units, the S_y is a weighted mean average derived from the proportions of "predominant sand" and "predominant clay".

sand-dominant units have an effective S_y of 16.5%

clay-dominant units have an S_y of 3.5%

For units S4 and deeper, the drainable porosity is derived from a combination of laboratory analysis on core, and in-situ estimates from NMR logging.

Drainable brine volume represents the total volume of brine that may potentially drain during abstraction; in practice not all of this brine will be recoverable.

Li / LiCO₃ are weighted mean average concentrations across all Argosy on-salar tenements and are derived from the Leapfrog block model.

LiCO₃ (T) is the total tonnes contained within the /drainable porosity of the brine-aquifer.

LiCO₃ is converted from Li by the factor 5.347.

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.

DIRECTORS' REPORT

ASX Listing Rules Compliance

The Mineral Resources information contained in this ASX release is extracted from the report entitled "Argosy Upgrades Lithium Rincon Lithium Project JORC resource" dated 13 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 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.

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

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

Competent Person's Statement – Rincon Lithium Project

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

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

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

Competent Person's Statement – Tonopah Lithium Project

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

Reference to Previous ASX Releases:

This document refers to the following previous ASX releases:

13th Nov 2018 - Argosy Upgrades Lithium Rincon Lithium Project JORC Resource

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

15th Jan 2024 – JORC Resource Upgrade for Rincon Lithium Project - Substantial 180% Increase

DIRECTORS' REPORT

Schedule of Tenements

The schedule of tenements held by the Company as at 15 March 2024 is shown below.

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

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

DIRECTORS' REPORT

Matters subsequent to the end of the financial year

On 8 February 2024, 1,500,000 share appreciation rights expired unexercised.

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 Group 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 Group.

Material business risks

The Group's exploration and development operations will be subject to the normal risks of mineral exploration and development, and any revenues will be subject to factors beyond the Group's control. The material business risks that may affect the Group are summarised below.

Key Personnel

In formulating its exploration programs, feasibility studies and development strategies, the Group relies to a significant extent upon the experience and expertise of the directors and management. A number of key personnel are important to attaining the business goals of the Group. One or more of these key employees could leave their employment, and this may adversely affect the ability of the Group to conduct its business and, accordingly, affect the financial performance of the Group and its share price. Recruiting and retaining qualified personnel is important to the Group's success. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons is strong.

Future Capital Raisings

The Group's ongoing activities may require substantial further financing in the future. The Group will require additional funding to further develop the Rincon Lithium Project, specifically develop an additional 10,000tpa lithium carbonate process plant and bring it into commercial operation. Any additional equity financing may be dilutive to shareholders, may be undertaken at lower prices than the current market price and debt financing, if available, may involve restrictive covenants which limit the Group's operations and business strategy. Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Group is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on the Group's activities and could affect the Group's ability to continue as a going concern.

Exploration Risk

The success of the Group depends on the delineation of economically mineable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Group's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Exploration on the Group's existing tenements may be unsuccessful, resulting in a reduction in the value of those tenements, diminution in the cash reserves of the Group and possible relinquishment of the tenements. The exploration costs of the Group are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions.

Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Group's viability. If the level of operating expenditure required is higher than expected, the financial position of the Group may be adversely affected. The Group may also experience unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

DIRECTORS' REPORT

Feasibility and Development Risks

It may not always be possible for the Group to exploit successful discoveries which may be made in areas in which the Group has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as the Group's. There is a complex, multidisciplinary process underway to complete a feasibility study to support any development proposal. There is a risk that the feasibility study and associated technical works will not achieve the results expected. There is also a risk that, even if a positive feasibility study is produced, the project may not be successfully developed for commercial or financial reasons.

Resource Estimation Risk

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. These estimates were appropriate when made but may change significantly when new information becomes available. There are risks associated with such estimates. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect the Group's future plans and ultimately its financial performance and value. Lithium price fluctuations, as well as increased production costs or reduced throughput and/or recovery rates, may render resources containing relatively lower grades uneconomic and may materially affect resource estimations.

Regulatory Risk

The Group's operations are subject to various Commonwealth, State and Territory and local laws and plans, including those relating to mining, prospecting, development permit and licence requirements, industrial relations, environment, land use, royalties, water, native title and cultural heritage, mine safety and occupational health. Approvals, licences and permits required to comply with such rules are subject to the discretion of the applicable government officials. No assurance can be given that the Group will be successful in maintaining such authorisations in full force and effect without modification or revocation.

To the extent such approvals are required and not retained or obtained in a timely manner or at all, the Group may be curtailed or prohibited from continuing or proceeding with production and exploration. The Group's business and results of operations could be adversely affected if applications lodged for exploration licences are not granted. Mining and exploration tenements are subject to periodic renewal. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Group's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Group.

Environmental Risk

The operations and activities of the Group are subject to the environmental laws and regulations of Australia. As with most exploration projects and mining operations, the Group's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Group attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations. The Group is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Group's cost of doing business or affect its operations in any area. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Group to incur significant expenses and undertake significant investments which could have a material adverse effect on the Group's business, financial condition and performance.

Climate Change Risk

The operations and activities of the Group are subject to changes to local or international compliance regulations related to climate change mitigation efforts, specific taxation or penalties for carbon emissions or environmental damage, and other possible restraints on industry that may further impact the Group and its profitability. While the Group will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Group will not be impacted by these occurrences. Climate change may also cause certain physical and environmental risks that cannot be predicted by the Group, including events such as increased severity of weather patterns, incidence of extreme weather events and longer-term physical risks such as shifting climate pattern.

DIRECTORS' REPORT

Macro-Economic Risk

The operations and activities of the Group are exposed to a number of global external factors, including macro-economic risks affecting profitability and business continuity. Specifically, hyper-inflation and political risks in Argentina, increasing interest rates, ongoing disruptions to logistics and significant fluctuations in foreign exchange. While the Group has limited direct controls over these issues, continued oversight is essential to ensuring the ongoing operations and activities of the Group.

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

The Group aims to reduce and manage its foreign exchange risk by holding funds in a US dollar account so that the exchange rate is crystallised early and future fluctuations in rates for settlement of US dollar denominated payables are avoided. The Group does not currently undertake any hedging of foreign currency items, however as the Group's operations develop and expand, more sophisticated foreign exchange risk strategies may be considered.

Environmental regulation

The Group 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 2023.

Information on directors

Name:	Jerko Zuvela
Title:	Managing Director
Qualifications:	B.Sc (Applied Geology)
Experience and Expertise:	Mr Zuvela has over 25 years mineral and resources industry experience in Australia and internationally, during which time he has held senior executive positions in public listed and unlisted companies including for Kangaroo Resources Limited as Chief Geologist, Strike Resources Limited as General Manager Operations and Fireside Resources Limited as Chief Geologist. Mr Zuvela is a Chartered Professional (Geology) Member of the Australian Institute of Mining and Metallurgy.
Other current directorships:	Discovery Alaska Limited (ASX:DAF) Ragusa Minerals Limited (ASX:RAS)
Former Directorships (in last 3 years)	Nil
Special Responsibilities:	None
Interests in Shares:	69,568,405 Ordinary Shares
Interests in Options	Nil

DIRECTORS' REPORT

Name:	Malcolm Randall
Title:	Non-Executive Chairman
Qualifications:	B.ApChem FAICD
Experience and Expertise:	Mr 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:	Hastings Technology Metals Limited (ASX:HAS) Ora Gold Limited (ASX:OAU) Ora Gold (ASX:OAU)
Former Directorships (in last 3 years)	Kalium Lakes Limited (ASX:KLL) Kingsland Minerals Limited (ASX:KNG) Magnetite Mines Limited (ASX:MGT)
Special Responsibilities:	None
Interests in Shares:	5,310,501 Ordinary Shares
Interests in Options:	Nil
Name:	Peter De Leo
Title:	Non-Executive Director
Qualifications:	BE (Civ), CPEng, FIEAust
Experience and Expertise:	Mr De Leo is currently the Managing Director of Lycopodium Limited and has been with the organisation since 1994. Mr De Leo is a civil engineer with over 30 years' experience in engineering and construction within the resources and infrastructure sectors, and is a Fellow of the Institute of Engineers Australia. Mr De Leo possesses strong business management and project implementation skills, and has been responsible for the successful delivery of many of Lycopodium's pioneering and large scale projects. In his corporate roles he has led Lycopodium in shaping and reshaping as required to meet market needs and capitalise on opportunities.
Other current directorships:	Lycopodium Limited (ASX:LYL)
Former Directorships (in last 3 years)	None
Special Responsibilities:	Chair of Remuneration and Nomination Committee
Interests in Shares:	75,000 Ordinary Shares
Interests in Options:	600,000 Unlisted Options
Name:	Bruce McFadzean
Title:	Non-Executive Director
Qualifications:	Grad Dip (Mining)
Experience and Expertise:	Mr McFadzean is a qualified mining engineer with more than 40 years' experience in the global resources industry, and was recently the Managing Director of Sheffield Resources Limited. Mr McFadzean has led the financing, development and operation of several new mines around the world. Mr McFadzean's professional career includes 15 years with BHP Billiton and Rio Tinto in a variety of positions, and four years as Managing Director of successful ASX gold miner Catalpa Resources Limited. Under Mr McFadzean's management, Catalpa was involved in the merger to create Evolution Mining Limited.
Other current directorships:	Aquirian Limited (ASX:AQN) Hastings Technology Metals Limited (ASX:HAS)
Former Directorships (in last 3 years)	Ardiden Limited (ASX:ADV)
Special Responsibilities:	Chair of Audit and Risk Committee
Interests in Shares:	78,950 Ordinary Shares
Interests in Options:	600,000 Unlisted Options

DIRECTORS' REPORT

Name:	Andrea Betti
Title:	Non-Executive Director
Qualifications:	B.Com, MBA, CA, AGIA ACG
Experience and Expertise:	Ms Betti is an accounting and corporate governance professional with over 20 years' experience in accounting, corporate governance, finance and corporate banking. She has acted as Chief Financial Officer and Company Secretary for companies in the private and publicly listed sectors, as well as senior executive roles in the banking and finance industry. Ms Betti is a member of the Institute of Chartered Accountants in Australia and New Zealand and an associate member of the Governance Institute of Australia. Ms Betti is currently a Director of a corporate advisory company based in Perth that provides corporate and other advisory services to public listed companies. She has a Bachelor of Commerce, Graduate Diploma in Corporate Governance, Graduate Diploma in Applied Finance and Investment and a Masters of Business Administration.
Other current directorships:	Locafy Limited (NASQAD: LCFY) Tempus Resources Limited (ASX: TMR)
Former Directorships (in last 3 years)	-
Special Responsibilities:	None
Interests in Shares:	142,700 Ordinary Shares
Interests in Options:	600,000 Unlisted Options

Meetings of directors

The following table sets out the number of Directors' meetings held during the year ended 31 December 2023 and the number of meetings attended by each director. There were seven Directors' meetings held during the financial year, with the majority of business conducted via circular resolution. The number of meetings attended by each Director during the year was:

Director	Meetings Eligible to Attend	Meetings Attended
Jerko Zuvela	7	7
Malcolm Randall	7	6
Peter De Leo	7	6
Bruce McFadzean	7	7
Andrea Betti	4	4

Remuneration report (audited)

The remuneration policy of Argosy Minerals Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long term incentives based on key performance areas affecting the Group's financial results. The board of Argosy Minerals Limited believes the remuneration policy is appropriate and effective in its ability to attract and retain high calibre executives and directors to run and manage the Group.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

DIRECTORS' REPORT

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.

Group 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 2023 Annual General Meeting ('AGM')

At the 2023 AGM, 94.33% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2022. 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 Group are set out in the following tables.

	Short-term benefits			Post-emp benefits	Long-term benefits	Share- based	Total
	Cash salary and fees	Bonus	Non- Monetary	Super- annuation	Long Service Leave	Payments	
2023	\$	\$	\$	\$	\$	\$	\$
<i>Non-Exec Directors</i>							
Andrea Betti ¹	27,451	-	-	-	-	23,783	51,234
Bruce McFadzean	50,000	-	-	5,375	-	55,506	110,881
Malcolm Randall	60,000	-	-	6,450	-	-	66,450
Peter De Leo	50,000	-	-	5,375	-	55,506	110,881
<i>Executive Directors</i>							
Jerko Zuvela	377,400	-	-	-	-	-	377,400
	564,851	-	-	17,200	-	134,795	716,846

¹ Ms Andrea Betti was appointed as non-executive directors effective 3 July 2023.

DIRECTORS' REPORT

	Short-term benefits			Post-emp benefits	Long-term benefits	Share-based	Total
	Cash salary and fees	Bonus	Non-Monetary	Super-annuation	Long Service Leave	Payments	
2022	\$	\$	\$	\$	\$	\$	\$
<i>Non-Exec Directors</i>							
Alexander Molyneux ¹	29,167	-	-	-	-	-	29,167
Bruce McFadzean ²	35,000	-	-	3,675	-	40,587	79,262
Malcolm Randall	55,833	-	-	5,833	-	-	61,666
Peter De Leo ²	34,861	-	-	3,611	-	40,587	79,059
<i>Executive Directors</i>							
Jerko Zuvela	374,000	-	-	-	-	-	374,000
	528,861	-	-	13,119	-	81,174	623,154

1 Mr. Alexander Molyneux resigned as non-executive chairman effective 31 May 2022.

2 Mr. Bruce McFadzean and Mr. Peter De Leo were appointed as non-executive directors effective 19 April 2022.

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

Name	Fixed remuneration		At risk – STI		At risk – LTI	
	2023	2022	2023	2022	2023	2022
<i>Non-Executive Directors:</i>						
Alexander Molyneux ¹	-	100%	-	0%	-	0%
Andrea Betti ²	46%	-	0%	-	0%	-
Bruce McFadzean	50%	51%	0%	0%	0%	0%
Malcolm Randall	100%	100%	0%	0%	0%	0%
Peter De Leo	50%	51%	0%	0%	0%	0%
<i>Executive Directors</i>						
Jerko Zuvela	100%	100%	0%	0%	0%	0%

1 Mr. Alexander Molyneux resigned as non-executive chairman effective 31 May 2022.

2 Ms Andrea Betti was appointed as non-executive directors effective 3 July 2023.

Service agreements

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

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

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

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2023 (2022: nil).

DIRECTORS' REPORT

Options

The number of options over ordinary shares granted to directors and other key management personnel as part of compensation during the year ended 31 December 2023 was 600,000 (2022:1,200,000).

The options issued to Ms Andrea Betti during the year were valued using a Lattice ESO model. The inputs have been detailed below for each tranche:

Input	Tranche 1	Tranche 2	Tranche 3
Number of options	200,000	200,000	200,000
Grant date	27/06/2023	27/06/2023	27/06/2023
Vesting date	27/06/2024	27/06/2025	27/03/2026
Expiry date	30/06/2026	30/06/2026	30/06/2026
Underlying share price	\$0.38	\$0.38	\$0.38
Exercise price	\$0.729	\$0.729	\$0.729
Volatility	85%	85%	85%
Risk free rate	3.91%	3.91%	3.91%
Dividend yield	Nil	Nil	Nil
Value per option	\$0.1444	\$0.1529	\$0.1569
Total fair value of options	\$28,880	\$30,580	\$31,380
Share-based payment expense recognised for the year ended 31 December 2023	\$14,018	\$6,258	\$3,507

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

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

Performance Rights

The number of performance rights granted to and vested by directors and other key management personnel as part of compensation during the year ended 31 December 2023 was nil (2022: nil).

Shareholding

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

2023	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ Other ²	Balance at the end of the year
<i>Ordinary shares</i>					
Jerko Zuvela	69,568,405	-	-	-	69,568,405
Bruce McFadzean	78,950	-	-	-	78,950
Peter De Leo	75,000	-	-	-	75,000
Malcolm Randall	5,310,501	-	-	-	5,310,501
Andrea Betti ¹	-	-	-	142,700	142,700
	<u>75,032,856</u>	<u>-</u>	<u>-</u>	<u>142,700</u>	<u>75,175,556</u>

¹ Ms Andrea Betti was appointed as non-executive directors effective 3 July 2023.

² During the year, Ms Andrea Betti purchased shares on-market.

DIRECTORS' REPORT

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 Group, including their personally related parties, is set out below:

2023	Balance at the start of the year	Received as part of remuneration	Additions	Exercised/Cancelled	Balance at the end of the year
<i>Options</i>					
Jerko Zuvela	-	-	-	-	-
Bruce McFadzean	600,000	-	-	-	600,000
Peter De Leo	600,000	-	-	-	600,000
Malcolm Randall	-	-	-	-	-
Andrea Betti ¹	-	600,000	-	-	600,000
	<u>1,200,000</u>	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>1,800,000</u>

¹ Ms Andrea Betti was appointed as non-executive directors effective 3 July 2023.

Other transactions with key management personnel and their related parties

Ms Andrea Betti is a director and shareholder of Consilium Corporate Pty Ltd (Consilium). Consilium was paid \$108,000 in relation to corporate secretarial and accounting services performed during the period Ms Betti has been a director of Argosy in 2023. There were no other transactions with key management personnel and their related parties during the year ended 31 December 2023.

Additional information

The earnings of the Group for the five years to 31 December 2023 are summarised below:

	2023	2022	2021	2020	2019
	\$	\$	\$	\$	\$
Profit/(Loss) after income tax	(10,619,215)	(175,768)	2,008,541	(3,084,619)	(2,394,308)

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

	2023	2022	2021	2020	2019
Share price at financial year end (\$)	0.135	0.57	0.32	0.08	0.076
Basic earnings/(loss) per share (cents)	(0.76)	(0.01)	0.17	(0.30)	(0.24)
Diluted earnings/(loss) per share (cents)	(0.76)	(0.01)	0.15	(0.30)	(0.24)

This concludes the remuneration report, which has been audited.

DIRECTORS' REPORT

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
31 May 2022	30 June 2025	\$0.729	1,200,000
27 June 2023	30 June 2026	\$0.729	600,000

Share appreciation rights

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

Grant date	Expiry date	Exercise price	Number under option
20 April 2022	20 October 2025	\$0.35	1,500,000
20 April 2022	20 April 2026	\$0.35	1,500,000
20 April 2022	20 October 2026	\$0.35	2,000,000
17 October 2022	17 October 2026	\$0.4966	1,500,000
17 October 2022	17 October 2027	\$0.4966	1,500,000
17 October 2022	17 October 2028	\$0.4966	2,000,000
28 October 2022	28 October 2026	\$0.5386	1,000,000
28 October 2022	28 October 2028	\$0.5386	1,000,000
28 October 2022	28 October 2029	\$0.5386	1,000,000
28 November 2022	28 November 2026	\$0.5414	1,000,000
28 November 2022	28 November 2027	\$0.5414	1,000,000
28 November 2022	28 November 2029	\$0.5414	2,000,000

Shares issued on the exercise of options

During the year, there were no shares issued on the exercise of options (2022: 38,376,708 fully paid ordinary shares upon exercise of options at an exercise price of \$0.20 and 98,875,520 fully paid ordinary shares upon exercise of options at an exercise price of \$0.25).

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

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

DIRECTORS' REPORT

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.

Auditor

RSM Australia Partners continues in office in accordance with section 327 of the *Corporations Act 2001*.

Non-audit services

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

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

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

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

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

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

Auditor's independence declaration

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

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
27 March 2024
Perth



RSM Australia Partners

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

T +61(0) 8 92619100

F +61(0) 8 92619111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Argosy Minerals Limited for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

RSM AUSTRALIA PARTNERS

AIK KONG TING
Partner

Perth, WA
Dated: 27 March 2024

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

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

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation



ABN | 27 073 391 189

CORPORATE GOVERNANCE STATEMENT

The Company and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Company has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2023 Corporate Governance Statement is lodged with the ASX as a separate document to the Annual Report.

The 2023 Corporate Governance Statement was approved by the Board on 22 March 2024 and is current as at 31 December 2023.

A description of the Group's current corporate governance practices is set out in the Group's Corporate Governance Statement which can be viewed at www.argosyminerals.com.au

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Consolidated	
		2023 \$	2022 \$
Revenue	5	907,618	489,723
Other income	5	-	66,924
Expenses			
Accounting and company secretary fees		(234,898)	(137,681)
ASX and ASIC fees		(139,881)	(129,820)
AGM and GM fees		(22,745)	(18,461)
Audit fees		(53,109)	(46,976)
Bank charges		(9,301)	(7,560)
Depreciation	6	(80,018)	(45,051)
Directors fees	7	(393,777)	(541,881)
Exploration and project assessment		123,915	(104,631)
Foreign exchange (loss)/gain		(205,915)	621,375
Insurance		(155,691)	(115,256)
Interest		(26,312)	(3,637)
Legal fees		(170,420)	(105,243)
Office costs and rental expenses		(31,123)	(64,263)
Other expenses		(178,976)	(481,718)
Professional fees		(531,691)	(492,092)
Share-based payments	20	(1,691,579)	(1,384,749)
Share registry costs		(52,255)	(56,454)
Share of (loss)/profit of joint venture accounted for using the equity method	15	(7,673,057)	2,381,683
Loss before income tax expense		(10,619,215)	(175,768)
Income tax expense	8	-	-
Loss after income tax expense for the year attributable to the owners of Argosy Minerals Limited	19	(10,619,215)	(175,768)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit and loss</i>			
Exchange differences on translating foreign operations		(19,196,504)	4,131,266
Total other comprehensive income for the year, net of tax		(19,196,504)	4,131,266
Total comprehensive income for the year attributable to the owners of Argosy Minerals Limited		(29,815,719)	3,955,498
Basic loss per share (cents)	32	(0.76)	(0.01)
Diluted loss per share (cents)	32	(0.76)	(0.01)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	Consolidated	
		2023	2022
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	9	13,851,531	36,610,751
Trade and other receivables	10	128,169	177,447
Other assets		141,497	151,994
Total current assets		14,121,197	36,940,192
Non-current assets			
Plant and equipment	11	28,233	26,304
Right-of-use assets	12	213,126	4,103
Exploration, evaluation and development	13	8,139,006	4,067,792
Advances to Puna Mining S.A.	14	17,136,650	24,700,711
Investment accounted for using the equity method – Puna Mining S.A.	15	27,014,153	28,859,972
Total non-current assets		52,531,168	57,658,882
Total assets		66,652,365	94,599,074
Liabilities			
Current liabilities			
Trade and other payables	16	210,179	257,323
Lease liabilities	12	61,571	4,297
Total current liabilities		271,750	261,620
Non-current liabilities			
Lease liabilities	12	167,301	-
Total non-current liabilities		167,301	-
Total liabilities		439,051	261,620
Net assets		66,213,314	94,337,454
Equity			
Issued capital	17	153,530,914	153,530,914
Reserves	18	(7,919,429)	9,585,496
Accumulated losses	19	(79,398,171)	(68,778,956)
Total equity		66,213,314	94,337,454

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

Consolidated	Issued capital	Accumulated losses	Reserves	Total
	\$	\$	\$	\$
Balance at 1 January 2022	121,170,573	(68,603,188)	4,160,636	56,728,021
Loss after income tax expense for the year	-	(175,768)	-	(175,768)
Other comprehensive income for the year, net of tax	-	-	4,131,266	4,131,266
Total comprehensive income for the year	-	(175,768)	4,131,266	3,955,498
<i>Transactions with owners in their capacity as owners:</i>				
Share issue costs	(125,036)	-	-	(125,036)
Conversion of options	32,485,377	-	(91,155)	32,394,222
Share-based payments	-	-	1,384,749	1,384,749
Balance at 31 December 2022	153,530,914	(68,778,956)	9,585,496	94,337,454

Consolidated	Issued capital	Accumulated losses	Reserves	Total
	\$	\$	\$	\$
Balance at 1 January 2023	153,530,914	(68,778,956)	9,585,496	94,337,454
Loss after income tax expense for the year	-	(10,619,215)	-	(10,619,215)
Other comprehensive income for the year, net of tax	-	-	(19,196,504)	(19,196,504)
Total comprehensive income for the year	-	(10,619,215)	(19,196,504)	(29,815,719)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	-	1,691,579	1,691,579
Balance at 31 December 2023	153,530,914	(79,398,171)	(7,919,429)	66,213,314

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Consolidated	
		2023	2022
		\$	\$
Cash flows from operating activities			
Receipts from customers		8,288	58,636
Payments to suppliers and employees		(1,978,602)	(2,269,625)
Interest paid		(422)	(3,637)
Interest received		961,545	378,688
		<hr/>	<hr/>
Net cash used in operating activities	31	(1,009,191)	(1,835,938)
Cash flows from investing activities			
Advance to Puna Mining S.A.		(17,528,491)	(15,783,150)
Payments for exploration and development expenditure		(4,060,589)	(1,035,636)
Payments for property, plant and equipment		(27,966)	(21,714)
		<hr/>	<hr/>
Net cash used in investing activities		(21,617,046)	(16,840,500)
Cash flows from financing activities			
Proceeds from issue of shares		-	32,360,000
Share issue costs		-	(124,991)
Interest paid		(25,890)	-
Repayment of lease liabilities		(63,944)	(82,292)
		<hr/>	<hr/>
Net cash from financing activities		(89,834)	32,152,717
Net (decrease)/increase in cash and cash equivalents		(22,716,071)	13,476,279
Effect of foreign exchange on cash on hand		(43,149)	41,340
Cash and cash equivalents at the beginning of the financial year		36,610,751	23,093,132
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	9	13,851,531	36,610,751

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 1. General information

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

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

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

Level 2
22 Mount Street
Perth WA 6000

A description of the nature of the Group'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 27 March 2024. The directors have the power to amend and reissue the financial report.

Note 2. Material accounting policies

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

New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all standards which became effective for the first time for the year ended 31 December 2023. The adoption of new accounting standards applicable to the Group 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 Group'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.

Going concern

The financial statement have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 2. Material accounting policies (continued)

Parent entity information

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

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 2023 and the results of all subsidiaries for the year then ended. Argosy Minerals Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity' or 'Group'.

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

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group 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 Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. 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 Group 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 Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

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

Foreign currency transactions

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

Foreign operations

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

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

Current and non-current classification

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 2. Material accounting policies (continued)

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

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 Group 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.

Other revenue

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

Income tax

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

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

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

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

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

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

Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 2. Material accounting policies (continued)

Trade and other receivables

Other receivables are recognised at amortised cost, less allowance for expected credit losses.

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:

- Computer equipment: 3-5 years
- Office equipment: 3-5 years
- Property, plant and equipment: 3-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. 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.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 2. Material accounting policies (continued)

Impairment of non-financial assets

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

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

Joint ventures

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

Hyper-inflation

From 1 July 2018, Argentina was declared a hyper-inflationary economy due to the significant devaluation of the Argentine Peso (ARS). Hyper-inflation accounting is applied to the Group's joint venture interest before translation. The functional currency for the joint venture is ARS. The assets, liabilities, revenues and expenses of the joint venture are translated into Australian dollars (the presentation currency) using the exchange rates at the reporting date. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency translation reserve in equity. Comparative amounts presented previously are not restated.

The ongoing retranslation of comparative amounts is defined as the combined effect of restatement and translation given the inter-relationship between inflation and exchange rates. This effect is recognised as a net change for the year in other comprehensive income (OCI).

Leases

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 2. Material accounting policies (continued)

Borrowings

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

Finance costs

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

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

Employee benefits

Wages and salaries and annual leave

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

Long service leave

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

Defined contribution superannuation expense

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

Share-based payments

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 2. Material accounting policies (continued)

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

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

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

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

If the non-vesting condition is within the control of the Group or the recipient, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or the recipient 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/loss per share

Basic earnings/loss per share

Basic earnings/loss per share is calculated by dividing the profit/loss 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/loss per share

Diluted earnings/loss per share adjusts the figures used in the determination of basic profit/loss 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

Exploration, evaluation and development

The Group's accounting policy for exploration and evaluation expenditure results in expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to profit and loss.

Impairment of non-financial assets

Determining the recoverability of exploration, evaluation and development expenditure capitalised in accordance with the Group's account policy requires judgements as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. If, after having capitalised the expenditure, a judgement is made that recovery of the expenditure is unlikely, an impairment loss is recorded in the consolidated statement of profit or loss and other comprehensive income. The carrying amounts of exploration, evaluation and development assets are set out in Note 13.

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 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.

The Group operates as a single segment which is mineral exploration, evaluation and development.

Note 5. Revenue and other income

	Consolidated	
	2023	2022
	\$	\$
Interest	907,618	489,723
Other income	-	66,924
	<u>907,618</u>	<u>556,647</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 6. Depreciation

	Consolidated	
	2023	2022
	\$	\$
Depreciation of plant and equipment	12,553	10,242
Depreciation of right-of-use assets	67,465	34,809
	80,018	45,051

Note 7. Expenses

	Consolidated	
	2023	2022
	\$	\$
(Loss)/Profit before income tax includes the following specific expenses:		
Directors' fees	393,777	541,881

Note 8. Income tax expense

	Consolidated	
	2023	2022
	\$	\$
<i>Components of income tax expense comprise of:</i>		
Current tax benefit	-	-
Deferred tax benefit	-	-
Offset against deferred tax asset not recognised	1,535,666	-
Under/(over) provision in prior years	(1,535,666)	-
	-	-
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(10,619,215)	(175,768)
Tax at the statutory tax rate of 30% (2022: 30%)	(3,185,764)	(52,730)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income	2,859,006	(501,747)
	(326,758)	(554,477)
Current year tax losses not recognised	326,758	554,477
Current year temporary differences not recognised	-	-
Income tax expense	-	-
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	27,245,942	21,037,860
Potential tax benefit at 30%	8,173,783	6,311,358

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 9. Cash and cash equivalents

	Consolidated	
	2023	2022
	\$	\$
Cash at bank	13,851,531	36,610,751

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

Note 10. Trade and other receivables

	Consolidated	
	2023	2022
	\$	\$
Interest receivable	58,335	112,262
GST receivable	67,633	56,896
Other receivables	2,201	8,289
	128,169	177,447

Impairment of receivables

As at 31 December 2023, trade and other receivables that were past due or impaired were nil (2022: nil). Refer to Note 22 for details of credit risk and fair value.

Note 11. Plant and equipment

	Consolidated	
	2023	2022
	\$	\$
Office equipment – at cost	35,999	21,517
Accumulated Depreciation	(12,270)	(6,139)
	23,729	15,378
Computer equipment – at cost	17,545	17,545
Accumulated Depreciation	(13,314)	(7,008)
	4,231	10,537
Plant and equipment – at cost	2,379	2,379
Accumulated Depreciation	(2,106)	(1,990)
	273	389
Total plant and equipment	28,233	26,304

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 12. Lease assets and liabilities

	Consolidated	
	2023	2022
	\$	\$
Right-of-use assets		
At cost	276,487	166,001
Accumulated Depreciation	(63,361)	(161,898)
	<u>213,126</u>	<u>4,103</u>

Reconciliations

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

Balance at 1 January	4,103	38,912
Additions	276,487	-
Depreciation	(67,464)	(34,809)
Balance at 31 December	<u>213,126</u>	<u>4,103</u>

	Consolidated	
	2023	2022
	\$	\$
Lease liabilities		
Current	61,571	4,297
Non-current	167,301	-
	<u>228,872</u>	<u>4,297</u>

Lease arrangements with terms of less than 12 months have been excluded from the above. The total expenditure in relation to such leases amounted to nil (2022: nil).

Note 13. Exploration, evaluation and development

	Consolidated	
	2023	2022
	\$	\$
Exploration, evaluation and development	<u>8,139,006</u>	<u>4,067,792</u>

Reconciliations

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

Balance at 1 January	4,067,792	2,980,604
Expenditure during the year	4,079,624	1,051,592
Foreign exchange movement	(8,410)	35,596
Balance at 31 December	<u>8,139,006</u>	<u>4,067,792</u>

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 14. Advance to Puna Mining S.A.

	Consolidated	
	2023	2022
	\$	\$
Balance 1 January	24,700,711	18,374,156
Loans provided	17,619,660	15,783,150
Additional paid-up capital (part-conversion of loan receivable)	(25,010,808)	(10,044,598)
Foreign currency movement	(172,913)	588,003
Balance 31 December	<u>17,136,650</u>	<u>24,700,711</u>

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

Note 15. Joint venture accounted for using the equity method

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

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

Name of associate	Principal activity	Place of incorporation and operation	Portion of ownership interest	
			2023	2022
Puna Mining S.A.	Mining exploration	Argentina	77.5%	77.5%

The carrying amount of the investment in Puna Mining S.A. has changed as follows during the year:

	2023	2022
	\$	\$
Beginning of the period	28,859,972	12,368,311
Additional paid-up capital (part-conversion of loan receivable)	25,010,808	10,044,598
Share of (loss)/profits in joint venture	(7,673,057)	2,381,683
Foreign exchange translation	(19,183,570)	4,065,380
Balance at 31 December	<u>27,014,153</u>	<u>28,859,972</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 15. Joint venture accounted for using the equity method (continued)

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

	2023 \$	2022 \$
Current assets	2,330,426	2,904,406
Non-current assets	40,391,027	50,945,172
Total assets	<u>42,721,453</u>	<u>53,849,578</u>
Current liabilities	1,336,247	940,051
Non-current liabilities	17,252,572	25,019,200
Total liabilities	<u>18,588,819</u>	<u>25,959,251</u>
Net assets	<u>24,132,634</u>	<u>27,890,327</u>
Revenue	-	28,192
(Loss)/Profit from continuing operations	(9,900,718)	3,073,139
Loss from discontinued operations	-	-
(Loss)/Profit for the year	<u>(9,900,718)</u>	<u>3,073,139</u>
Other comprehensive income	-	-
Total comprehensive (loss)/income for the year	<u>(9,900,718)</u>	<u>3,073,139</u>

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

	2023 \$	2022 \$
Total comprehensive income for the year	(9,900,718)	3,073,139
Proportion of the Group's ownership interest	77.5%	77.5%
Share of income in joint venture	<u>(7,673,057)</u>	<u>2,381,683</u>

The (loss)/profit generated by Puna Mining S.A. is largely comprised of foreign exchange gains.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 16. Trade and other payables

	Consolidated	
	2023	2022
	\$	\$
Trade payables	169,746	202,111
Other payables	40,433	55,212
	<u>210,179</u>	<u>257,323</u>

Note 17. Issued capital

	Consolidated			
	2023	2022	2023	2022
	Shares	Shares	\$	\$
Ordinary shares – fully paid	<u>1,404,407,498</u>	<u>1,404,407,498</u>	<u>153,530,914</u>	<u>153,530,914</u>

Movements in ordinary share capital

Date	Details	No of shares	Issue price	\$
1 January 2022	Opening balance	1,266,530,527		121,170,573
4 January to 30 March 2022	Exercise of Options	38,376,708	\$0.20	7,675,342
4 January to 28 October 2022	Exercise of Options	98,875,520	\$0.25	24,718,880
16 February 2022	Exercise of Rights	624,743	\$0.22	91,155
	Share issue costs			(125,036)
31 December 2022	Closing balance	<u>1,404,407,498</u>		<u>153,530,914</u>
1 January 2023	Opening balance	<u>1,404,407,498</u>		<u>153,530,914</u>
31 December 2023	Closing balance	<u>1,404,407,498</u>		<u>153,530,914</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.

Capital risk management

The Group'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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group 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 Group 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 Group 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 2022 Annual Report.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 18. Reserves

	Consolidated	
	2023	2022
	\$	\$
Options reserve	3,612,406	3,612,406
Share-based payments reserve	3,446,483	1,754,904
Foreign currency translation reserve	(14,978,318)	4,218,186
	<u>(7,919,429)</u>	<u>9,585,496</u>

Options reserve

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

Share-based payments reserve

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

Foreign currency translation reserve

This reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations. There are material movements arising from the hyperinflationary effect of the Argentinian Peso to the consolidated financial report.

Movements in reserves

	Consolidated	
	2023	2022
	\$	\$
Options reserve		
Balance 1 January	3,612,406	3,612,406
Balance 31 December	<u>3,612,406</u>	<u>3,612,406</u>

	Consolidated	
	2023	2022
	\$	\$
Share-based payments reserve		
Balance 1 January	1,754,904	461,310
Share-based payments ¹	1,691,579	1,384,749
Expired options and share appreciation rights	-	(91,155)
Balance 31 December	<u>3,446,483</u>	<u>1,754,904</u>

¹ Refer to Note 20 for details of share-based payments expensed during the year.

	Consolidated	
	2023	2022
	\$	\$
Foreign currency translation reserve		
Balance 1 January	4,218,186	86,920
Translation of foreign operations	(19,196,504)	4,131,266
Balance 31 December	<u>(14,978,318)</u>	<u>4,218,186</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 18. Reserves (continued)

Options

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

Issue Date	Expiry date	Exercise Price	2023 Number	2022 Number
31 May 2022	30 June 2025	\$0.729	1,200,000	1,200,000
27 June 2023	30 June 2026	\$0.729	600,000	-
			<u>1,800,000</u>	<u>1,200,000</u>

Share Appreciation Rights

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

Issue Date	Expiry date	Exercise Price	2023 Number	2022 Number
4 April 2019	8 February 2024	\$0.22	1,500,000	1,500,000
20 April 2022	20 October 2025	\$0.35	1,500,000	1,500,000
20 April 2022	20 April 2026	\$0.35	1,500,000	1,500,000
20 April 2022	20 October 2026	\$0.35	2,000,000	2,000,000
10 February 2023	17 October 2026	\$0.497	1,500,000	1,500,000
10 February 2023	17 October 2027	\$0.497	1,500,000	1,500,000
10 February 2023	17 October 2028	\$0.497	2,000,000	2,000,000
10 February 2023	28 October 2026	\$0.539	1,000,000	1,000,000
10 February 2023	28 October 2028	\$0.539	1,000,000	1,000,000
10 February 2023	28 October 2029	\$0.539	1,000,000	1,000,000
10 February 2023	28 November 2026	\$0.541	1,000,000	1,000,000
10 February 2023	28 November 2027	\$0.541	1,000,000	1,000,000
10 February 2023	28 November 2029	\$0.541	2,000,000	2,000,000
			<u>18,500,000</u>	<u>18,500,000</u>

Note 19. Accumulated losses

	Consolidated	
	2023	2022
	\$	\$
Accumulated losses at the beginning of the financial year	(68,778,956)	(68,603,188)
Loss after income tax expense for the year	(10,619,215)	(175,768)
Accumulated losses at the end of the financial year	<u>(79,398,171)</u>	<u>(68,778,956)</u>

Note 20. Share-based payments

	Consolidated	
	2023	2022
	\$	\$
Share-based payments (Share appreciation rights)	1,556,785	1,303,575
Share-based payments (Options)	134,794	81,174
Recognised in share-based payments expense	<u>1,691,579</u>	<u>1,384,749</u>

Share Appreciation Rights

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

After taking into account the probabilities of vesting criteria being met and the expected vesting date, the expense recognised to 31 December 2023 was \$1,556,785 (2022: \$1,303,575), 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 20. Share-based payments (continued)

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 year ended 31 December 2022	\$436,800	\$321,195	\$267,359
Share-based payment expense recognised for the year ended 31 December 2023	-	\$138,555	(\$267,359)

The vesting conditions subject to the share appreciation rights issued during the year 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 remaining engaged as a consultant on the vesting date.

Input	Tranche 4	Tranche 5	Tranche 6
Number of rights	1,500,000	1,500,000	2,000,000
Grant date	17/10/2022	17/10/2022	17/10/2022
Vesting date	17/10/2023	17/10/2024	17/10/2025
Expiry date	17/10/2026	17/10/2027	17/10/2028
Underlying share price	\$0.475	\$0.475	\$0.475
Exercise price	\$0.497	\$0.497	\$0.497
Volatility	90%	90%	90%
Risk free rate	3.69%	3.69%	3.69%
Dividend yield	Nil	Nil	Nil
Value per right	\$0.2548	\$0.2810	\$0.2983
Total fair value of rights	\$382,200	\$421,500	\$596,600
Share-based payment expense recognised for the year ended 31 December 2022	\$74,608	\$38,921	\$30,619
Share-based payment expense recognised for the year ended 31 December 2023	\$307,592	\$202,101	\$160,989

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

4. Vest at completion of twelve (12) months service (17 October 2023) subject to remaining engaged as a full time consultant on the vesting date;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 20. Share-based payments (continued)

5. Vest at completion of twenty four (24) months service (17 October 2024) subject to remaining engaged as a full time consultant on the vesting date; and
6. Vest at completion of thirty six (36) months service (17 October 2025) subject to remaining engaged as a full time consultant on the vesting date.

Input	Tranche 7	Tranche 8	Tranche 9
Number of rights	1,000,000	1,000,000	1,000,000
Grant date	28/10/2022	28/10/2022	28/10/2022
Vesting date	28/10/2023	28/04/2025	28/10/2026
Expiry date	28/10/2026	28/04/2028	28/10/2029
Underlying share price	\$0.565	\$0.565	\$0.565
Exercise price	\$0.539	\$0.539	\$0.539
Volatility	90%	90%	90%
Risk free rate	3.43%	3.43%	3.43%
Dividend yield	Nil	Nil	Nil
Value per right	\$0.3117	\$0.3522	\$0.3738
Total fair value of rights	\$311,700	\$352,200	\$373,800
Share-based payment expense recognised for the year ended 31 December 2022	\$51,921	\$19,751	\$9,825
Share-based payment expense recognised for the year ended 31 December 2023	\$259,779	\$129,191	\$56,031

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

7. Vest at completion of twelve (12) months service (28 October 2023) subject to remaining engaged as a full time consultant on the vesting date;
8. Vest at completion of thirty (30) months service (28 April 2025) subject to remaining engaged as a full time consultant on the vesting date; and
9. Vest at completion of forty eight (48) months service (28 October 2026) subject to remaining engaged as a full time consultant on the vesting date.

Input	Tranche 10	Tranche 11	Tranche 12
Number of rights	1,000,000	1,000,000	2,000,000
Grant date	28/11/2022	28/11/2022	28/11/2022
Vesting date	28/11/2023	28/11/2024	28/11/2026
Expiry date	28/11/2026	28/11/2027	28/11/2029
Underlying share price	\$0.595	\$0.595	\$0.595
Exercise price	\$0.541	\$0.541	\$0.541
Volatility	85%	85%	85%
Risk free rate	3.30%	3.30%	3.30%
Dividend yield	Nil	Nil	Nil
Value per right	\$0.3236	\$0.3529	\$0.3853
Total fair value of rights	\$323,600	\$352,900	\$770,600
Share-based payment expense recognised for the year ended 31 December 2022	\$27,794	\$14,338	\$10,444
Share-based payment expense recognised for the year ended 31 December 2023	\$295,806	\$158,588	\$115,511

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 20. Share-based payments (continued)

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

10. Vest at completion of twelve (12) months service (17 October 2023) subject to remaining engaged as a full time consultant on the vesting date;
11. Vest at completion of twenty four (24) months service (17 October 2024) subject to remaining engaged as a full time consultant on the vesting date; and
12. Vest at completion of thirty six (36) months service (17 October 2025) subject to remaining engaged as a full time consultant on the vesting date.

Share appreciation rights outstanding:

Opening balance 1 January 2023	18,500,000
Share appreciation rights issued during the year ¹	-
Share appreciation rights converted during the year	-
Share appreciation rights expired during the year	-
Closing balance 31 December 2023	<u>18,500,000</u>

¹ Note that 12,000,000 share appreciation rights granted during the prior year were issued on 10 February 2023, and as such is included in the opening balance as at 1 January 2023.

Options

During the financial year, the Group granted 600,000 options to a non-executive director, with a total value of \$90,840. A total of 1,200,000 options were issued to non-executive directors in the prior year.

After taking into account the probabilities of vesting criteria being met and the expected vesting date, the expense recognised to 31 December 2023 was \$134,794, 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 year ended 31 December 2022	\$43,892	\$22,910	\$14,372
Share-based payment expense recognised for the year ended 31 December 2023	\$41,388	\$42,518	\$27,105

The vesting conditions subject to the options issued during the year 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Input	Tranche 1	Tranche 2	Tranche 3
Number of options	200,000	200,000	200,000
Grant date	27/06/2023	27/06/2023	27/06/2023
Vesting date	27/06/2024	27/06/2025	27/03/2026
Expiry date	30/06/2026	30/06/2026	30/06/2026
Underlying share price	\$0.38	\$0.38	\$0.38
Exercise price	\$0.729	\$0.729	\$0.729
Volatility	85%	85%	85%
Risk free rate	3.91%	3.91%	3.91%
Dividend yield	Nil	Nil	Nil
Value per option	\$0.1444	\$0.1529	\$0.1569
Total fair value of options	\$28,880	\$30,580	\$31,380
Share-based payment expense recognised for the year ended 31 December 2023	\$14,018	\$6,258	\$3,507

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

4. Vest on 27 June 2024, subject to remaining as a director of the Company;
5. Vest on 27 June 2025, subject to remaining as a director of the Company; and
6. Vest on 27 March 2026, subject to remaining as a director of the Company.

Options outstanding:

Opening balance 1 January 2023	1,200,000
Options issued during the year	600,000
Options converted during the year	-
Options expired during the year	-
Closing balance 31 December 2023	<u>1,800,000</u>

Note 21. Dividends

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

Note 22. Financial instruments

Financial risk management objectives

The Group'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 Group'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 Group. The Group manages risk using a variety of methods, dependent upon the nature of the risk and the options available to the Group.

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 Group and appropriate procedures, controls and risk limits.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 22. Financial instruments (continued)

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

The Group aims to reduce and manage its foreign exchange risk by holding funds in a US dollar account so that the exchange rate is crystallised early and future fluctuations in rates for settlement of USD denominated payables are avoided. The Group does not currently undertake any hedging of foreign currency items, however as the Group's operations develop and expand, more sophisticated foreign exchange risk strategies may be considered.

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

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

Sensitivity analysis

At 31 December 2023, 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 Group and the parent entity would have been \$231,021 (2022: \$366,402) 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 Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group 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 Group does not hold any collateral.

Liquidity risk

Vigilant liquidity risk management requires the Group 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 Group 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 Group'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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 22. Financial instruments (continued)

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2023						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade and other payables	-	210,179	-	-	-	210,179
<i>Interest-bearing – fixed rate</i>						
Lease liabilities	12%	61,571	73,324	93,977	-	228,872
Total non-derivatives		271,750	73,324	93,977	-	439,051
Consolidated - 2022						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade and other payables	-	257,323	-	-	-	257,323
<i>Interest-bearing – fixed rate</i>						
Lease liabilities	12%	4,297	-	-	-	4,297
Total non-derivatives		261,620	-	-	-	261,620

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

Fair value of financial instruments

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

Note 23. Key management personnel

Compensation

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

	Consolidated	
	2023 \$	2022 \$
Short-term employee benefits	564,851	528,861
Post-employment benefits	17,200	13,119
Share-based payments	134,795	81,174
	716,846	623,154

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 24. Remuneration of auditors

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

	Consolidated	
	2023	2022
	\$	\$
<i>RSM Australia Partners</i>		
Audit or review of the financial statements	53,220	44,400
Non-audit services – tax compliance	13,141	6,500
Total	<u>66,361</u>	<u>50,900</u>

Note 25. Contingent liabilities

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

Note 26. Commitments

Licence Expenditure Commitments

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

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

Capital commitments

There are no capital commitments contracted for at balance date.

Note 27. Related party transactions

Parent entity

Argosy Minerals Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in Note 29.

Joint ventures

Interests in joint ventures are set out in Note 15.

Key management personnel

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

Transactions with related parties

Ms Andrea Betti is a director and shareholder of Consilium Corporate Pty Ltd (Consilium). Consilium was paid \$108,000 in relation to corporate secretarial and accounting services performed during the period Ms Betti has been a director of Argosy in 2023. Ms Betti was appointed as a director of Argosy on 3 July 2023.

There were no other transactions with key management personnel and their related parties during the year ended 31 December 2023.

Receivable from and payable to related parties

There were no amounts payable to related parties at 31 December 2023 (2022: nil).

Loans to/from related parties

There were no loans outstanding at the reporting date in relation to loans with related parties (2022: nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 28. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2023	2022
	\$	\$
Loss after income tax	(10,616,956)	(161,435)
Other comprehensive income	(19,183,571)	4,065,381
Total comprehensive income	<u>(29,800,527)</u>	<u>3,903,946</u>

Statement of financial position

	Parent	
	2023	2022
	\$	\$
Current assets	14,121,196	36,940,190
Non-current assets	52,544,735	57,657,261
Total assets	<u>66,665,931</u>	<u>94,597,451</u>
Current liabilities	271,750	261,620
Non-current liabilities	167,301	-
Total liabilities	<u>439,051</u>	<u>261,620</u>
Equity		
Issued capital	153,530,914	153,530,914
Reserves	(7,924,843)	9,567,150
Accumulated losses	(79,379,191)	(68,762,233)
Total equity	<u>66,226,880</u>	<u>94,355,831</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 2023 and 2022.

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2023 and 2022.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2023 and 2022.

Significant accounting policies

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 29. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		2023 %	2022 %
Andover Resources NL	Australia	100	100
Argosy Minerals US Inc	United States of America	100	100

Note 30. Events after the reporting period

On 8 February 2024, 1,500,000 share appreciation rights expired unexercised.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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

	Consolidated	
	2023 \$	2022 \$
Loss after income tax expense for the year	(10,619,215)	(175,768)
Adjustments for:		
Depreciation	80,018	45,051
Share of loss/(profit) of JV accounted for using equity method	7,673,057	(2,381,683)
Share-based payments	1,691,579	1,384,749
Foreign exchange loss/(gain)	216,975	(629,340)
Other	25,890	14,332
Change in operating assets and liabilities:		
Increase/(decrease) in trade and other receivables	50,371	(143,271)
Increase in other assets	21,434	(45,090)
Increase/(decrease) in trade and other payables	(149,300)	95,082
Net cash used in operating activities	<u>(1,009,191)</u>	<u>(1,835,938)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 32. Earnings per share

	Consolidated	
	2023	2022
	\$	\$
Loss after income tax attributable to the owners of Argosy Minerals Limited	<u>(10,619,215)</u>	<u>(175,768)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	1,404,407,498	1,353,975,907
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,404,407,498	1,353,975,907
	Cents	Cents
Basic loss per share (cents)	(0.76)	(0.01)
Diluted loss earnings per share (cents)	(0.76)	(0.01)

DIRECTORS DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board;
- the attached financial statements and notes thereto give a true and fair view of the Group's financial position as at 31 December 2023 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
27 March 2024
Perth



RSM Australia Partners

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

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

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

Opinion

We have audited the financial report of Argosy Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

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

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Key Audit Matters

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

Key Audit Matter	How our audit addressed this matter
Exploration, evaluation and development Refer to Note 13 in the financial statements	
<p>The Group has capitalised exploration, evaluation and development expenditure with a carrying value of \$8,139,006 as at 31 December 2023.</p> <p>We considered this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the asset including:</p> <ul style="list-style-type: none"> ▪ Determining whether the expenditure can be associated with finding specific mineral resources and the basis on which that expenditure is allocated to an area of interest; ▪ Assessing whether exploration and evaluation activities have reached a stage at which the existence of economically recoverable reserves may be determined; and ▪ Assessing whether any indicators of impairment are present. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> ▪ Obtaining evidence that the Group has valid rights to explore the specific area of interest; ▪ Testing a sample of additions to supporting documentation and ensuring the amounts capitalised during the year are in compliance with the Group's accounting policy and relate to the area of interest; ▪ Assessing and enquiring with management the basis on which they have determined that the exploration and evaluation of mineral resources has not yet reached the stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves; ▪ Enquiring with management and reviewing budgets and other documentation as evidence that active and significant operations in, or relation to, the area of interest will be continued in the future; ▪ Critically assessing and evaluating management's assessment that no indicators of impairment existed at the reporting date; and ▪ Assessing the appropriateness of disclosures in the financial statements.
Investment in Puna Mining S.A. Refer to Note 14 and 15 in the financial statements	
<p>The Group owns 77.5% of the shares in Puna Mining S.A. This investment amount of \$27,014,153 is accounted for under the equity method in accordance with AASB 128 <i>Investments in Associates and Joint Ventures</i>. The Group has also advanced \$17,136,650 at the reporting date, which will convert to additional equity in Puna Mining S.A. upon fulfilment of all requirements in the joint venture agreement.</p> <p>This is considered a key audit matter due to significant proportion of the Group's total assets it represents, the judgment involved in determining the correct accounting treatment, and the consideration of the existence of any impairment indicators.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> ▪ Updating our understanding of the agreements between Argosy Minerals Limited and Puna Mining S.A. to ensure the investment continues to be correctly accounted for under AASB 128 <i>Investments in Associates and Joint Ventures</i>; ▪ Assessing the evidence supporting management's conclusion that the investment in Puna Mining S.A. and loan advanced are not impaired; and ▪ Assessing the appropriateness of disclosures in the financial statements.

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 2023 but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of Argosy Minerals Limited for the year ended 31 December 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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



RSM AUSTRALIA PARTNERS



AIK KONG TING
Partner

Perth, WA
Dated: 27 March 2024

SHAREHOLDER INFORMATION

The following information about the Company's issued capital was applicable as at 22 March 2024:

FULLY PAID ORDINARY SHARES

Top 20 Shareholders

The names of the twenty largest holders of quoted ordinary shares are listed below:

Holder Name	Holding	% IC
CITICORP NOMINEES PTY LIMITED	63,414,676	4.52%
MR JERKO PETER ZUVELA <JAKKZ DISCRETIONARY A/C>	47,322,425	3.37%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	46,136,852	3.29%
DIHNA NADA ZUVELA <DNZ DISCRETIONARY A/C>	32,277,469	2.30%
MR STEVEN MARIN ZUVELA <TAEZ A/C>	25,964,731	1.85%
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	22,182,368	1.58%
MR WEIMIN CHEN	22,050,002	1.57%
MRS XIAOLI CAI	18,600,000	1.32%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	17,598,349	1.25%
OSF NOMINEES PTY LTD <FREDERICKSON SUPER FUND A/C>	16,826,677	1.20%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	12,754,511	0.91%
MR MATTHEW STEN	12,000,000	0.85%
OLIVER SCARLETT RESOURCES PTE LTD	12,000,000	0.85%
MRS ANITA DRAGANA ZUVELA	11,122,990	0.79%
MR JERKO PETER ZUVELA	11,122,990	0.79%
TSD 98 INVESTMENTS PTY LTD <WHITE HORSE SUPERFUND A/C>	10,268,100	0.73%
BNP PARIBAS NOMS PTY LTD	8,790,056	0.63%
MR STEVEN CAMARDA <S C A/C>	8,300,000	0.59%
LYCKA PTY LTD <LYCKA A/C>	7,950,000	0.57%
NEPTUNE FISHING CO PTY LTD <CAMARDA SUPER FUND A/C>	7,422,474	0.53%
Total	414,104,670	29.49%

Distribution of shareholders

Analysis of number of shareholders by size of holding:

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	590	321,514	0.02%
1,001 - 5,000	4,014	11,506,401	0.82%
5,001 - 10,000	2,208	17,432,923	1.24%
10,001 - 100,000	5,102	182,233,623	12.98%
100,001 and over	1,570	1,192,913,037	84.94%
Total	13,484	1,404,407,498	100.00%

Unmarketable Parcels

Minimum \$500.00 parcel at \$0.145 per unit is 3,274 holders with 5,936,369 shares.

SHAREHOLDER INFORMATION

UNLISTED OPTIONS EXPIRING 30 JUNE 2025 @ \$0.7293

There were 1,200,000 unlisted options expiring on 30 June 2025 with an exercise price of \$0.7293 outstanding as at the date of this report. There are two (2) holders of these options, which were issued under an employee incentive scheme.

The names of holders with 20% or more of the unlisted options are:

Holder Name	Holding	% issued
BRUCE JOHN MCFADZEAN	600,000	50.00%
DE LEO NOMINEES PTY LTD <THE DE LEO INVESTMENT A/C>	600,000	50.00%
Total	1,200,000	100.00%

UNLISTED OPTIONS EXPIRING 30 JUNE 2026 @ \$0.7293

There were 600,000 unlisted options expiring on 30 June 2026 with an exercise price of \$0.7293 outstanding as at the date of this report. There is one (1) holder of these options, which were issued under an employee incentive scheme.

The names of holders with 20% or more of the unlisted options are:

Holder Name	Holding	% issued
CONSILIUM CORPORATE ADVISORY PTY LTD	600,000	100.00%
Total	600,000	100.00%

SHARE APPRECIATION RIGHTS (SARS)

There are 17,000,000 SARs outstanding as at the date of this report. There are four (4) holders of these SARs, which were issued under an employee incentive scheme.

VOTING RIGHTS

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.

Listed Options, Unlisted Options and SARs

There are no voting rights attached to these classes of equity securities, until converted into fully paid ordinary shares.

ON MARKET BUY BACK

There is no current on market buy back of Argosy shares.

CORPORATE GOVERNANCE STATEMENT

The Company's 2023 Corporate Governance Statement has been released as a separate document and is located on our website at www.argosyminerals.com.au.

SHAREHOLDER INFORMATION

ANNUAL REVIEW OF MINERAL RESOURCE ESTIMATES – RINCON LITHIUM PROJECT

The current total Mineral Resource Estimate (MRE) was released to the ASX on 15 January 2024. The MRE was prepared by AQ2 Pty Ltd.

The upgraded and current MRE comprises 686,875 tonnes of Li_2CO_3 with a weighted mean average lithium concentration of 329mg/L, comprising;

- An Indicated MRE of 606,313 tonnes Li_2CO_3 with a weighted mean average lithium concentration of 326mg/L, and
- An Inferred MRE of 80,562 tonnes Li_2CO_3 with a weighted mean average lithium concentration of 351mg/L.

Unit	Description	Aquifer Characteristics			Drainable Porosity (%)	Drainable Brine Volume (Mm ³)	Numeric Interpolant		
		Aquifer Volume	Porosity	In-Situ Brine Volume			Li	Li_2CO_3	Li_2CO_3
		(Mm ³)	(%)	(Mm ³)			(mg/L)	(mg/L)	T
Indicated Resource									
S1A	Alluvium	33	21%	7	10%	3	232	1238	4133
S1F	Fractured Halite	154	21%	32	10%	16	337	1799	28728
S2	Clay	381	48%	183	3%	11	322	1720	19680
S3A	Mixed Clastics	515	42%	217	12%	60	318	1701	101675
S3B	Clay	75	41%	31	1%	0.75	340	1819	1372
S3C	Black Sand	795	38%	305	13%	105	324	1730	182207
S3F	Competent Halite	792	13%	106	3%	24	374	2000	47539
S4A	Mixed Clastics	155	24%	37	12%	19	387	2071	38581
S4B	Clay Dominant	213	23%	49	5%	11	348	1862	20633
S4C	Sand Dominant	188	20%	37	12%	23	378	2019	45630
S5B	Clay Dominant	126	23%	30	3%	3.2	371	1986	6269
S5A	Mixed Clastics	129	21%	27	10%	15.4	392	2094	32311
SV	Volcanics	1132	17%	153	5%	56.6	256	1370	77555
Inferred Resource									
S5A	Mixed Clastics	250	21%	52	10%	30	392	2094	62778
S6B	Clay Dominant	26	20%	5.2	3%	0.7	283	1515	1016
SV	Volcanics	245	17%	41	5%	12	256	1370	16767
Total		5177		1306		387	332		686875
Total Indicated Resource									606313
Total Inferred Resource									80562
Total Mineral Resource Estimate									686875

Rincon Lithium Project – Current Total Mineral Resource Estimate

Notes:

Previously estimated Indicated MRE

Partially included in previously estimated Indicated MRE

All aquifer and Resource volumes represent only those volumes contained within Argosy "on-salar" tenements.

Porosity is a weighted mean average for each lithological unit based on laboratory core analysis.

The in-situ brine volume represents the total volume of brine contained in the pore-space of the aquifer; not all will be recoverable, and this does not represent a Resource.

Drainable Porosity represents the brine that could potentially drain. It is calculated as a weighted mean average of all samples from that unit weighted by respective thickness of test-unit.

For S3 hydrostratigraphic units, the S_y is a weighted mean average derived from the proportions of "predominant sand" and "predominant clay".

sand-dominant units have an effective S_y of 16.5%

clay-dominant units have an S_y of 3.5%

For units S4 and deeper, the drainable porosity is derived from a combination of laboratory analysis on core, and in-situ estimates from NMR logging.

Drainable brine volume represents the total volume of brine that may potentially drain during abstraction; in practice not all of this brine will be recoverable.

Li / LiCO_3 are weighted mean average concentrations across all Argosy on-salar tenements and are derived from the Leapfrog block model.

LiCO_3 (T) is the total tonnes contained within the /drainable porosity of the brine-aquifer.

LiCO_3 is converted from Li by the factor 5.347.

SHAREHOLDER INFORMATION

Mineral Resource Estimate Comparison

The current MRE (comprising of 686,875 tonnes of lithium carbonate with a weighted mean average lithium concentration of 329mg/L) increased by 441,755 tonnes of lithium carbonate (a 180% increase) and the weighted mean average lithium concentration increased by 4mg/L, from the Company's previous MRE.

Previous Mineral Resource Estimate

The previous MRE in the Company's 2022 Annual Report was released to the ASX on 13 November 2018, and was prepared by AQ2 Pty Ltd.

The previous Indicated Mineral Resource estimate comprised 245,120 tonnes of Li₂CO₃, with a weighted mean average lithium concentration of 325mg/L.

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

Notes:

Mineral Resource Estimates are to JORC (2012) standards.

Specific Yield is a measure of drainable porosity.

Lithium Grade is calculated as a weighted mean average grade for each aquifer unit.

LCE (Lithium Carbonate Equivalent) is derived from the Li grade assuming 1 T of Li equals 5.3 T of LCE.

No cut-off grades have been applied to the Mineral Resource Estimates.

Mineral Resource Estimates are limited by Argosy Minerals Ltd.'s tenement boundaries and / or aquifer boundaries.

Governance Arrangements and Internal Controls

Argosy has ensured that the MRE is subject to good governance arrangements and internal controls. The MRE reported has been generated by independent consultants (AQ2 Pty Ltd) who are experienced in modelling and estimation methods. The consultants have undertaken reviews of the quality and suitability of the data and information used to generate the estimations.

The Mineral Resource Estimates for the Rincon Project have been compiled and reported in accordance with the "Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code) 2012 Edition.

Competent Persons Statement

The information contained in this statement 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.