



**ARGOSY MINERALS**  
**LIMITED**

ACN | 073 391 189

## **INTERIM FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED 30 JUNE 2018**

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## CORPORATE DIRECTORY

### Directors

Mr Alex Molyneux – Non-Executive Chairman

Mr Jerko Zuvela – Managing Director

Mr Ranko Matic – Non-Executive Director

Mr Malcolm Randall – Non-Executive Director

### Secretary

Mrs Andrea Betti

### Registered Office

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### Auditors

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Level 32, Exchange Tower  
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Perth WA 6000

### Solicitors

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### Home Exchange

Australian Securities Exchange Limited  
Home Branch: Perth

ASX Code: AGY

## DIRECTORS' REPORT

The Directors of Argosy Minerals Limited present their report on the consolidated entity (the "Group") consisting of Argosy Minerals Limited and the entities it controlled at the end of, or during, the half-year ended 30 June 2018.

### Directors

The names of the Company's directors in office at any time during the financial period or since the end of the financial period are:

Jerko Zuvela  
Alexander Molyneux  
Ranko Matic  
Malcolm Randall

Unless otherwise stated each director held their office from 1 January 2018 until the date of this report.

### Principal Activities

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

### Consolidated Results

	Half-Year Ended 30 June 2018	Half-Year Ended 30 June 2017
	\$	\$
Consolidated loss before income tax expense	(1,668,972)	(1,766,072)
Income tax benefit expense	-	-
Net loss	<u>(1,668,972)</u>	<u>(1,766,072)</u>

### Dividends Paid or Recommended

No dividends have been declared, provided for or paid in respect of the half-year (30 June 2017: Nil).

### Corporate

On 25 January 2018, the Company issued 20,000,000 fully paid ordinary shares upon the exercise of options convertible at \$0.045 and receipt of \$900,000.00 in funds to the Company.

On 25 January 2018, the Company converted 5,000,000 Performance Rights held by Alexander Molyneux and issued 5,000,000 fully paid ordinary shares at the deemed issue price of \$0.026 upon the achievement of the required hurdles.

Subsequent to the end of the period, the Company moved its Registered office and Principal place of business to Level 2, 22 Mount Street, Perth.

Subsequent to the end of the period on 3 September 2018, the Company converted 5,000,000 Performance Rights held by Alexander Molyneux and issued 5,000,000 fully paid ordinary shares at the deemed issue price of \$0.026 upon the achievement of the required hurdles.

### Review of operations

Argosy has a current 77.5% 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 milestones achieved this Reporting Period establish that Argosy is genuinely delivering on its 'fast-track' lithium development strategy and remains confident of achieving key upcoming milestones.

## 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 2,572 hectares of mining concessions and mining easement right landholdings, and is a JV partnership with pre-eminent lithium processing expert Pablo Alurralde - with extensive historical works within the Project area and the Salar. The Company has established a well-defined pathway to produce LCE product.

#### Stage 1 Industrial Scale Pilot Plant

During the Reporting Period, the Company continued its Stage 1 development works, with the commencement of the Stage 1 industrial scale pilot plant operations. This initially comprised plant commissioning and lithium brine concentrate processing test-works, leading into producing the first batch of LCE product.

The Company's primary focus is to ensure we are fully satisfied with all our processing works to realise the principal Stage 1 milestone – to produce consistent battery grade LCE product, whilst confirming the chemical process is efficient, cost effective and scalable for all development stages.

#### Stage 2 Evaporation Pond Works

The Company continued Stage 2 development works at the Project, where the Company completed construction and lining of an additional ~9 hectare Stage 2 evaporation pond, complementing the existing ~10ha of operational Stage 2 evaporation ponds. Pumping of lithium brine commenced into the new 9 hectare pond, coinciding with the start of the peak summer solar evaporation season. As such, the Company now has a total of ~19 hectares of Stage 2 evaporation ponds in operation for concentrating lithium brine. The Company is continuing construction works to produce a combined total of ~36 hectares of Stage 2 lithium brine evaporation ponds, to be operational and provide concentrated lithium brine for use in the Company's working Stage 1 pilot plant and planned Stage 2 processing plant to produce LCE product.

#### Drilling Operations and Resource Development

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

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## DIRECTORS' REPORT

### *JORC Resource Estimate*

The Company announced its maiden JORC Code (2012) compliant Mineral Resource estimate, resulting in an Inferred Resource of 207,957 tonnes of contained lithium carbonate equivalent (LCE) product estimated to occur within the brine aquifer(s) from the Company's Rincon Lithium Project.

The Resource estimate was based on drilling data and brine analysis results from the initial eight brine-exploration diamond drill bores, to depths of up to 102.5m in the south east of the Salar del Rincon. The bores delineated an aquifer containing hypersaline brine with TDS ranging between 310,000 mg/L and 350,000 mg/L; the brine is enriched with respect to lithium. Weighted mean average lithium concentrations range between 324 mg/L and 369 mg/L, with a maximum recorded concentration of 490 mg/L.

Following completion of the eight drill-hole resource exploration drilling program, and as part of the hydrogeological works for the Preliminary Economic Assessment (PEA) report, the Company has completed additional diamond exploration drilling works.

### *Production Well Drilling*

The Company completed rotary drilling works that are utilised as production wells. These wells are utilised for supplying lithium brine to the constructed Stage 2 evaporation ponds.

The Company is also currently conducting additional hydrogeological works with respect to brine aquifer investigations in association with the PEA, including shallow exploration and test bores with pumping tests, to provide more information on the geological and hydrogeological properties of the fractured halite aquifer. These works are to provide data input into modelling works within the PEA that will provide a mine-life estimate for lithium brine operations at the Project.

### PEA Works

The Company has engaged independent consultants to prepare a PEA for the Rincon Lithium Project, and is very encouraged by the works to date. The main items of the PEA will comprise:

- Hydrogeological data, with life of mine modelling, production and brine pumping parameters, mineral resources, bore-field details;
- Capital and operating costs;
- Processing and engineering works;
- Financial analysis; and
- Marketing analysis.

The hydrogeological works for the PEA are being conducted primarily to estimate the mine-life model for the current Project area, which the Company is targeting a sustainable long-term lithium processing operation at a commercial production rate. As noted above, the additional three exploration diamond drill-holes have been completed and approximately four to six shallow production wells are currently in progress. Upon finalisation of these drilling works and subsequent results, the Company's hydrogeological consultants will be able to prepare and finalise the data for the PEA report.

The capital and operating costs, processing and engineering works, and preliminary financial analysis works are being conducted by the Company's engineering consultant. Works are advanced and currently being prepared for finalisation over the coming month, pending receipt of the hydrogeological data.

The marketing analysis is being prepared by an international lithium market and forecast consulting company. These works are advanced and awaiting final inputs prior to being finalised and submitted into the final PEA report.

### Argosy Completes Increase in Rincon JV Ownership to 77.5%

The Company executed a binding Second Earn-In Joint Venture Agreement with Mr Pablo Alurralde and Mr Francisco Menendez, confirming that Argosy now owns a 77.5% interest in Puna Mining S.A. – the entity that owns the Rincon Lithium Project.

The Company continues to have the right to ultimately earn a 90% interest in Puna Mining upon completing Stage 3 development of the Project.

All mining titles within Argosy's Rincon Lithium Project are either owned 100% by Puna Mining S.A. – our local joint venture entity, or Argosy has legal, secure, binding and exclusive option rights to fulfil the conditions and complete the 100% acquisitions of the properties.

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## DIRECTORS' REPORT

### Argosy Purchases Rincon Tenement Portfolio

The Company executed purchase agreements for the mining titles (secured via binding and exclusive option rights), and fulfilled all the conditions to complete the 100% acquisition of those tenements – namely the Salonix properties, Mina Reyna and Mina Tincal, and bring them into full ownership of Puna Mining S.A. (of which Argosy has a current 77.5% interest), to complement the existing mining titles and mining easement rights, warehouse, plant and equipment that is all currently owned 100% by Puna Mining.

The Rincon Project comprises a total of 2,572 hectares of significant lithium and associated infrastructure services, and mining easement right landholdings, well equipped for future Stage 3 development and commercial production operations.

### Off-take Arrangements and LCE Samples to International Customers

Argosy has made arrangements with a number of international cathode and battery industry participants to provide them with samples of battery grade LCE material produced from Rincon for their own quality confirmation and testing. Argosy will be in a unique position to provide high quality product samples to potential customers at this time in our development plan.

The Company has made significant progress on a preliminary off-take arrangement for Stage 1 product, subject to process test-works and provision of customer samples, and is also working towards arranging potential medium and long-term off-take agreements with the highest quality major battery and cathode industry participants, as a result of our fast-track development strategy and industrial scale pilot plant operations testing to prove the quality of our targeted battery quality LCE product.

### Strategic Investor Update

In conjunction with the battery quality LCE product samples Asian end-users have requested, the Company has previously held several meetings with Japanese, Korean, Chinese and Middle Eastern groups to discuss Argosy's development strategy and propositions for the Rincon Lithium Project. The Company continues to engage such parties regarding the potential to consider strategic investment funding, off-take or other value-adding commercial agreements in consideration for Stage 3 development of the Project.

Argosy notes that any meetings or considerations in regard to any potential transactions are preliminary and there is no certainty that any agreement will be reached. The Company will update shareholders upon any further developments in this regard.

### **Competent Person's Statement – Rincon Lithium Project**

*The information contained in this ASX release relating to 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.*

### **Events after Reporting Date**

On 6 August 2018, the Company announced it had achieved a significant milestone, with the confirmation of successful production of initial 'battery grade' specification LCE product from the Stage 1 plant at its Rincon Lithium Project. The Company confirmed it had progressed plant works to the stage where it has completed efficient production of LCE product, which tested in-house, recorded a Li<sub>2</sub>CO<sub>3</sub> content value of 99.6%, as detailed in the operations report.

On 15 August 2018, the Company announced it had moved its Registered Office and Principal Place of Business to Level 2, 22 Mount Street, Perth.

On 29 August 2018 the Company announced an update advising of continued Stage 2 development progress at its Rincon Lithium Project. The Company has completed construction and lining of an additional ~9 hectare Stage 2 evaporation pond, complementing the existing ~10ha of operational Stage 2 evaporation ponds, as detailed in the operations report.

On 3 September 2018, the Company converted 5,000,000 Performance Rights held by Alexander Molyneux and issued 5,000,000 fully paid ordinary shares at the deemed issue price of \$0.026 upon the achievement of the required hurdles.

## **DIRECTORS' REPORT**

On 4 September 2018, the Company provided an announcement with a statement that Argentina (Ministry of Economy) will impose a new temporary tax of 3 Pesos per US Dollar of export value on goods shipped internationally (other than agricultural exports, which will be taxed at 4 Peso per US Dollar). In the statement, it was noted the tax will only be in place up to 31 December 2020.

On 13 September 2018, the Company announced it had achieved a significant milestone, with the confirmation that the chemical process developed is successful and scalable for producing 'battery quality' LCE Product for future development stages. When tested in-house, the LCE product recorded a  $\text{Li}_2\text{CO}_3$  content value of 99.8%.

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

### **Auditor's Independence Declaration**

The Auditor's independence declaration as required by section 307C of the *Corporations Act 2001* is included on page 7 of the half-year financial report.

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

On behalf of the directors



**Jerko Zuvela**  
**Managing Director**  
Perth, Western Australia

13 September 2018



**RSM Australia Partners**

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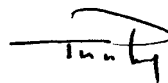
**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Argosy Minerals Limited for the half-year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 13 September 2018



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

We have reviewed the accompanying half-year financial report of Argosy Minerals Limited, which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

*Directors' Responsibility for the Half-Year Financial Report*

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

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Argosy Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

**THE POWER OF BEING UNDERSTOOD**  
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### *Independence*

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

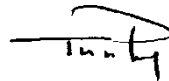
### *Conclusion*

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 13 September 2018

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## DIRECTORS' DECLARATION

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, *Australian Accounting Standard AASB 134 'Interim Financial Reporting'*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors



**Jerko Zuvela**  
**Managing Director**  
Perth, Western Australia

13 September 2018

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 30 JUNE 2018**

	Note	Consolidated	
		30 June 2018 \$	30 June 2017 \$
Other income	4	76,857	10,922
Accounting and corporate secretarial		(62,500)	(15,000)
ASX/ASIC fee		(26,842)	(6,828)
AGM/GM fees		(19,575)	(11,744)
Audit fees		(17,500)	(9,000)
Bank charges		(3,537)	(2,412)
Depreciation		(379)	-
Directors fees		(180,675)	(169,240)
Exploration and project assessments		-	(23,679)
Impairment of exploration assets		-	(17,839)
Insurance		-	(333)
Legal fees		(81,731)	(25,348)
Office costs and rental expenses		(16,452)	(7,398)
Professional fees		(68,044)	(379,277)
Share registry costs		(10,699)	(5,261)
Share based payments		-	(959,114)
FX loss/gain		121,054	(79,338)
Other expenses		(156,208)	(65,183)
Share of loss of joint venture accounted for using the equity method	8	(1,222,741)	-
<b>Loss before income tax</b>		<b>(1,668,972)</b>	<b>(1,766,072)</b>
Income tax expense		-	-
<b>Loss attributable to Owners of Argosy Minerals Limited</b>		<b>(1,668,972)</b>	<b>(1,766,072)</b>
<b>Other comprehensive income for the period</b>			
<i>Items that may be reclassified subsequently to profit and loss</i>			
Foreign currency translation	8	(1,077,850)	-
<b>Total comprehensive loss for the period attributable to owners of Argosy Minerals Limited</b>		<b>(2,746,822)</b>	<b>(1,766,072)</b>
<b>Loss per share for loss attributable to ordinary equity holders of the group:</b>			
Basic and diluted loss per share (cents per share)		(0.18)	(0.25)

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	Consolidated	
		30 June 2018	31 December 2017
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents		7,336,762	15,200,589
Trade and other receivables		48,553	75,210
<b>Total current assets</b>		<b>7,385,315</b>	<b>15,275,799</b>
<b>Non-current assets</b>			
Plant and equipment		1,881	2,260
Exploration and evaluation		1,025,688	2,097,496
Advance to Puna Mining S.A.		-	4,456,784
Investments accounted for using the equity method - Puna Mining S.A.	8	11,561,559	-
<b>Total non-current assets</b>		<b>12,589,128</b>	<b>6,556,540</b>
<b>Total assets</b>		<b>19,974,443</b>	<b>21,832,339</b>
<b>Current liabilities</b>			
Trade and other payables		111,226	176,314
Prepaid customer deposit		1,014,748	950,089
<b>Total current liabilities</b>		<b>1,125,974</b>	<b>1,126,403</b>
<b>Total liabilities</b>		<b>1,125,974</b>	<b>1,126,403</b>
<b>Net assets</b>		<b>18,848,469</b>	<b>20,705,936</b>
<b>Equity</b>			
Contributed equity	5	78,112,708	77,093,353
Reserves		5,952,146	7,159,996
Accumulated losses		(65,216,385)	(63,547,413)
<b>Total equity</b>		<b>18,848,469</b>	<b>20,705,936</b>

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 30 JUNE 2018

	Consolidated				
	Share Capital Ordinary \$	Share Based Payment and Options Reserve \$	Foreign Currency Reserve \$	Accumulated Losses \$	Total \$
<b>Balance at 1 January 2017</b>	<b>57,698,383</b>	<b>3,612,406</b>	-	<b>(57,760,408)</b>	<b>3,550,381</b>
Loss for the period	-	-	-	(1,766,072)	(1,766,072)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	-	<b>(1,766,072)</b>	<b>(1,766,072)</b>
<b>Transactions with owners in their capacity as owners</b>					
Share issue – February 2017	130,000	(130,000)	-	-	-
Share Issue – April 2017	150,000	-	-	-	150,000
Share Issue – May 2017	1,000,000	-	-	-	1,000,000
Share Issue – June 2017	2,234,000	-	-	-	2,234,000
Share Issue Costs	(245,606)	-	-	-	(245,606)
Share Based Payment Transactions	-	959,114	-	-	959,114
<b>Total contributions by owners</b>	<b>3,268,394</b>	<b>829,114</b>	-	-	<b>4,097,508</b>
<b>Balance as at 30 June 2017</b>	<b>60,966,777</b>	<b>4,441,520</b>	-	<b>(59,526,480)</b>	<b>5,881,817</b>
<b>Balance at 1 January 2018</b>	<b>77,093,353</b>	<b>7,159,996</b>	-	<b>(63,547,413)</b>	<b>20,705,936</b>
Loss for the period	-	-	-	(1,668,972)	(1,668,972)
Other comprehensive income	-	-	(1,077,850)	-	(1,077,850)
<b>Total comprehensive loss for the period</b>	-	-	<b>(1,077,850)</b>	<b>(1,668,972)</b>	<b>(2,746,822)</b>
<b>Transactions with owners in their capacity as owners</b>					
Share issue – January 2018	900,000	-	-	-	900,000
Share Issue – January 2018	130,000	(130,000)	-	-	-
Share Issue Costs	(10,645)	-	-	-	(10,645)
<b>Total contributions by owners</b>	<b>1,019,355</b>	<b>(130,000)</b>	-	-	<b>889,355</b>
<b>Balance as at 30 June 2018</b>	<b>78,112,708</b>	<b>7,029,996</b>	<b>(1,077,850)</b>	<b>(65,216,385)</b>	<b>18,848,469</b>

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

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 30 JUNE 2018

	Consolidated	
	30 June 2018	30 June 2017
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(638,725)	(871,566)
Payments for exploration and development expenditure	(680,770)	(784,286)
Interest received	76,857	10,922
<b>Net cash (outflow) from operating activities</b>	<b>(1,242,638)</b>	<b>(1,644,930)</b>
<b>Cash flows from investing activities</b>		
Payments for investment of Puna Mining S.A.	(7,696,155)	(525,348)
<b>Net cash (outflow) from investing activities</b>	<b>(7,696,155)</b>	<b>(525,348)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares	900,000	3,384,000
Transaction costs relating to issue of shares	(10,645)	(78,537)
<b>Net cash inflow from financing activities</b>	<b>889,355</b>	<b>3,305,463</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(8,049,438)</b>	<b>1,135,185</b>
Effect of FX held on cash on hand	185,611	-
Cash and cash equivalents at the beginning of the financial period	15,200,589	2,772,134
<b>Cash and cash equivalents at the end of the financial period</b>	<b>7,336,762</b>	<b>3,907,319</b>

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2018

### 1. Basis of Preparation

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

The half-year financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 'Interim Financial Reporting' and other mandatory professional reporting requirements including International Financial Reporting Standards. The interim financial statements were approved by the Board of Directors on 13 September 2018. The accounting policies applied by the Group in this interim financial report are the same as those applied by the Group in its financial report for the year ended 31 December 2017.

The half-year financial report does not include all the notes of the type normally included in annual financial statements. Accordingly, this financial report should be read in conjunction with the most recent annual financial report for the year ended 31 December 2017 and any public announcements made by the Group during the half-year in accordance with the disclosure requirements of the *Corporations Act 2001*.

#### *New accounting standards and interpretations*

In the half-year ended 30 June 2018, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2018.

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

### 2. Segment Information

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The entity does not have any operating segments with discrete financial information. The group does not have any customers, and all the group's assets and liabilities, as included in the Statement of Financial Position, are located within Australia and Argentina.

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

### 3. Dividends

No dividend has been paid or is proposed in respect of the half-year ended 30 June 2018 (2017: None).

### 4. Other Income

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

	<u>Consolidated</u>	
	<u>30 June 2018</u>	<u>30 June 2017</u>
	\$	\$
<b>Other Income</b>		
Interest	<u>76,857</u>	<u>10,922</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2018

### 5. Contributed Equity

Movements in share capital during the current and prior financial period are as follows:

	Date	Number of Securities	Issue Price	\$
<b>Period ended 30 June 2017</b>				
Balance at 1 January 2017		<b>744,750,788</b>		<b>57,698,383</b>
Shares issued during the period	15 February 2017	5,000,000	\$0.026	130,000
	3 April 2017	5,000,000	\$0.030	150,000
	30 May 2017	13,698,630	\$0.073	1,000,000
	20 June 2017	30,602,750	\$0.073	2,234,000
Share Issue costs				(245,606)
Balance at 30 June 2017		<b>799,052,168</b>		<b>60,966,777</b>
<b>Period ended 30 June 2018</b>				
Balance at 1 January 2018		<b>893,496,575</b>		<b>77,093,353</b>
Shares issued during the period	25 January 2018	20,000,000	\$0.045	900,000
	25 January 2018	5,000,000	\$0.026	130,000
Share Issue costs				(10,645)
Balance at 30 June 2018		<b>918,496,575</b>		<b>78,112,708</b>

### 6. Commitments

Licence Expenditure Commitments:

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

Capital Commitments:

There are no capital commitments contracted for at the reporting date.

### 7. Contingencies

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2018

### 8. Joint Venture accounted for using the Equity Method

On 27 February 2018, the Company executed a binding Second Earn-In Joint Venture Agreement with Mr Pablo Alurralde and Mr Francisco Menendez (the "JV Partners"), confirming that Argosy increased its previously held interest of 2.5% to a 77.5% interest in Puna Mining S.A. - the entity that owns the Rincon Lithium Project located in the "Lithium Triangle" in Salta Province, Argentina.

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

The carrying amount of equity-accounted investments has changed as follows in the six months to June 2018:

Name	Reporting entity's percentage holdings	
	30 June 2018	31 December 2017
Puna Mining S.A.	77.5 %	2.5%
	Consolidated For the Half-Year Ended 30 June 2018 \$	
Beginning of the period		-
Transfer opening advance to Puna Mining S.A.		4,456,784
Additions (Note A)		9,405,366
<b>Investment in joint venture recognised at cost</b>		<b>13,862,150</b>
Share of losses of joint venture		(1,222,741)
Foreign exchange translation differences		(1,077,850)
<b>Total</b>		<b>11,561,559</b>

Note A: Additions consists of cash call advances, exploration expenditure and transfers of previously capitalised exploration expenditure in relation to Puna Mining S.A. during the period.

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.

### 9. Events after Reporting Date

On 6 August 2018, the Company announced it had achieved a significant milestone, with the confirmation of successful production of initial 'battery grade' specification LCE product from the Stage 1 plant at its Rincon Lithium Project. The Company confirmed it had progressed plant works to the stage where it has completed efficient production of LCE product, which tested in-house, recorded a Li<sub>2</sub>CO<sub>3</sub> content value of 99.6%, as detailed in the operations report.

On 15 August 2018, the Company announced it had moved its Registered Office and Principal Place of Business to Level 2, 22 Mount Street, Perth.

On 29 August 2018 the Company announced an update advising of continued Stage 2 development progress at its Rincon Lithium Project. The Company has completed construction and lining of an additional ~9 hectare Stage 2 evaporation pond, complementing the existing ~10ha of operational Stage 2 evaporation ponds, as detailed in the operations report.

On 3 September 2018, the Company converted 5,000,000 Performance Rights held by Alexander Molyneux and issued 5,000,000 fully paid ordinary shares at the deemed issue price of \$0.026 upon the achievement of the required hurdles.

On 4 September 2018, the Company provided an announcement with a statement that Argentina (Ministry of Economy) will impose a new temporary tax of 3 Pesos per US Dollar of export value on goods shipped internationally (other than agricultural exports, which will be taxed at 4 Peso per US Dollar). In the statement, it was noted the tax will only be in place up to 31 December 2020.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2018

On 13 September 2018, the Company announced it had achieved a significant milestone, with the confirmation that the chemical process developed is successful and scalable for producing 'battery quality' LCE Product for future development stages. When tested in-house, the LCE product recorded a  $\text{Li}_2\text{CO}_3$  content value of 99.8%.

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

### 10. Earnings Per Share

	30 Jun 2018 \$'000	30 Jun 2017 \$'000
<i>Earnings per share for loss</i>		
Loss after income tax	<u>(1,668,972)</u>	<u>(1,766,072)</u>
Loss after income tax attributable to the owners of Argosy Minerals Limited	<u>(1,668,972)</u>	<u>(1,766,072)</u>
	<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings per share	(0.18)	(0.25)
	<b>Number</b>	<b>Number</b>
<i>Weighted average number of ordinary shares</i>		
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	915,053,952	710,801,414