Argosy Minerals Limited

ABN 27 073 391 189

Annual Report - 31 December 2013

Argosy Minerals Limited
Corporate directory
31 December 2013

Directors	Mr Philip Thick (Non-Executive Chairman) Mr Kevin Nichol (Non-Executive Director) Mr Danie Van Den Bergh (Non-Executive Director)
Company secretary	Melanie Leydin
Registered office	Level 4 100 Albert Road South Melbourne VIC 3205
Principal place of business	Level 4 100 Albert Road South Melbourne VIC 3205
Share register	Advanced Share Registry Services 150 Stirling Highway Nedlands, WA 6009
Auditor	Rothsay Chartered Accountants Level 1, Lincoln Building 4 Ventnor Avenue West Perth WA 6005
Stock exchange listing	Argosy Minerals Limited shares are listed on the Australian Securities Exchange (ASX code: AGY)

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Argosy Minerals Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the year ended 31 December 2013.

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 Philip Thick
Mr Kevin Nichol (appointed 3 October 2013)
Mr Danie Van Den Bergh
Mr Peter Lloyd (resigned 3 October 2013)

Principal activities
During the financial year the principal continuing activities of the consolidated entity consisted of:
- the identification and development of mineral resource opportunities in Africa.

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

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $1,645,529 (31 December 2012: $941,378).

CORPORATE

During the year ended 31 December 2013 Argosy Minerals Limited (ASX: AGY) (“the Company”) announced on 17 June 2013 that it had issued 12,500,000 unlisted options to Directors of the Company exercisable at $0.09 (9 cents) each on or before 13 June 2017, as approved at the Annual General Meeting held 30 May 2013.

On 3 October 2013 the Company announced that Mr Peter Lloyd has resigned as Executive Director and that Mr Kevin Nichol has been appointed to the Board of Directors as a representative of the shareholders of DAF. The Company also announced that Mr Alan Thomas has resigned as Company Secretary and that Ms Melanie Leydin has been appointed as Company Secretary.

During the period Discovery Africa Limited (formerly Baru Resources Limited, ASX: BAC) ('DAF') announced that it had signed Takeover Bid Implementation Deed under which it was proposed that DAF would acquire all of the issued shares of Argosy Minerals Limited ("Argosy") in a share based transaction by way of an off-market takeover offer. Under the offer Argosy shareholders would receive one new DAF share for every one Argosy share held. At the time of the announcement DAF had on issue 49,796,009 shares and Argosy had on issue 126,029,105 shares. DAF would therefore issue a maximum of 126,029,105 shares as consideration for the acquisition, plus 12,500,000 share options, being one DAF share option for every one Argosy share option held.

DAF dispatched a copy of the bidder's statement to the Argosy shareholders on 3 September 2013, which is the date of the offer. On 17 September 2013 DAF announced that it had received acceptances in excess of 50.1% and that the offer was now unconditional. The offer to Argosy shareholders was extended to 30 November 2013 and DAF announced that it had received acceptances of 111,713,689 shares representing 88.64% of the issued share capital of Argosy.

On 27 December 2013 the Company announced that its share registry will be transferred from Computershare Investor Services Pty Limited to Advanced Share Registry Services Limited effective Monday 6 January 2014.

EXPLORATION

During the year ended 31 December 2013 Argosy Minerals Limited (ASX: AGY) ("the Company") announced on 30 April 2013 that it had executed two separate agreements to acquire a total of approximately 95,000 hectares of highly prospective exploration ground in Namibia, Africa.

On 24 May 2013 the Company announced the relinquishment of two coal projects in KwaZulu Natal South Africa, and noted that it had been decided to allocate all resources to the development of the Namibian projects.

On 22 November 2013 DAF provided an update on the progress of AGY's Area 51 Graphite Project exploration activities noting the following:

- Geological mapping exercise has been completed;
- The geophysics program was completed by mid- December 2013;
- Both the initial geology and geophysics results indicate both higher and lower grade areas which will provide the Company with defined drilling targets;
- A Drilling contractor was appointed with the first 10 Diamond drill holes to begin in January 2014; and
- The strike length of the outcropping formation area is approximately 5 kilometres.

Significant changes in the state of affairs

On 2 July 2013 Discovery Africa Limited (formerly Baru Resources Limited, ASX: BAC) ('DAF') announced that it had signed Takeover Bid Implementation Deed under which it was proposed that DAF would acquire all of the issued shares of Argosy Minerals Limited ("Argosy") in a share based transaction by way of an off-market takeover offer. Under the offer Argosy shareholders would receive one new DAF share for every one Argosy share held. At the time of the announcement DAF had on issue 49,796,009 shares and Argosy had on issue 126,029,105 shares. DAF would therefore issue a maximum of 126,029,105 shares as consideration for the acquisition, plus 12,500,000 share options, being one DAF share option for every one Argosy share option held.

DAF dispatched a copy of the bidder's statement to the Argosy shareholders on 3 September 2013, which is the date of the offer. On 17 September 2013 DAF announced that it had received acceptances in excess of 50.1% and that the offer was now unconditional. The offer to Argosy shareholders was extended to 30 November 2013 and DAF announced that it had received acceptances of 111,713,689 shares representing 88.64% of the issued share capital of Argosy.

At the date of this report DAF holds 88.64% of the share capital of Argosy.

During the period the consolidated entity entered into a loan agreement with Discovery Africa Limited ('Discovery'). The loan agreement stipulates a principal sum of $600,000 and consolidated entity is to repay the moneys owing on such a date as may be agreed in writing by the two parties. The consolidated entity will pay Discovery interest on the principal sum or on so much of the principal sum as for the time being remains drawn down and unpaid at the rate of 13 % per annum. All transactions were made on normal commercial terms and conditions and at market rates.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 December 2013 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

The consolidated entity holds participating interests in a number of mining and exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. There have been no known breaches of the tenement conditions, and no such breaches have been notified by any government agency during the year ended 31 December 2013.

Information on directors

Name:	Philip Thick
Title:	Non-Executive Chairman
Qualifications:	Bachelor of Engineering (Hons)
Experience and expertise:	Mr Thick worked as an engineer for Alcoa Australia Limited for 5 years before joining Shell Australia Limited. His 20 year career with Shell covered roles in most cities around Australia and a 3 year appointment in London. He was an Executive Director of Shell Australia Limited from 2003 to 2006 and was responsible for the Downstream Oil business across Australia and the Pacific Islands, and was CEO and a Director of Coogee Chemicals Pty Ltd for 4 years until June 2012. Mr Thick is currently a Director of New Standard Energy and is Chairman of Perth Home Care Services.
Other current directorships:	New Standard Energy (ASX:NSE) and Discovery Africa Limited (ASX: DAF, appointed 3 October 2013)
Former directorships (in the last 3 years):	MHM Metals Limited (ASX:MHM, resigned 18 December 2013)
Special responsibilities:	None
Interests in shares:	None

Name:	Kevin Nichol
Title:	Non-Executive Director
Qualifications:	B.Comm (Hons) CFA
Experience and expertise:	After finishing his honours thesis in the energy sector, Kevin worked as a financial analyst for the late Kerry Packer's private company, Consolidated Press Holdings Pty Ltd (now Consolidated Media Ltd). In the mid-80s he joined Norths Stockbrokers, where he learnt his trade in the marketplace as an advisor. Kevin also spent several years on the trading floor of the Sydney Futures Exchange and traded commodities as well as interest-rate futures for several banking houses. Mr Nichol was appointed director on 3 October 2013, upon completion of the off-market takeover of the Company by Discovery Africa Limited.
Other current directorships:	Discovery Africa Limited (ASX: DAF)
Former directorships (in the last 3 years):	Celamin Holdings NL (resigned 18 November 2011)
Special responsibilities:	None
Interests in shares:	None

Name:	Danie Van Den Bergh
Title:	Non-Executive Director
Qualifications:	Master of Science
Experience and expertise:	Mr Van Den Bergh has over 38 years of mining industry experience, during which time he specialised in mining engineering, corporate finance work including merger and acquisitions, financial valuation of projects, mining due diligences and competent persons reports. Mr Van Den Bergh has worked at various Anglo American operations over a period of 26 years. Thereafter he joined Durban Roodepoort Deep as their new business executive, during which time he gained extensive experience internationally and in various countries in Africa. He joined Investec Bank in their corporate finance division for four years during which time he was involved in various projects including company listings. He was also a partner in an independent corporate advisory company where he specialised in the financial valuation of projects. Mr Van Den Bergh is currently a shareholder and director in various mining ventures.
Other current directorships:	Discovery Africa Limited (ASX: DAF, appointed 3 October 2013)
Former directorships (in the last 3 years):	None
Special responsibilities:	None
Interests in shares:	None

Name:	Peter Lloyd
Title:	Chief Executive Officer (resigned 3 October 2013)
Qualifications:	Bachelor of Law
Experience and expertise:	Mr Lloyd, a lawyer by profession, is a founding member of Argosy Minerals Limited and has been involved in mining exploration for over 25 years. He has extensive experience in corporate life and has been involved in projects in Canada, United States of America, Eastern Europe, Africa, New Caledonia and Australia. Mr Lloyd resigned from the Company on 3 October 2013.
Other current directorships:	None
Former directorships (in the last 3 years):	None
Special responsibilities:	None
Interests in shares:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Melanie Leydin was appointed on 3 October 2013. Melanie has 22 years' experience in the accounting profession and is a director and company secretary for a number of oil and gas, junior mining and exploration entities listed on the Australian Stock Exchange. She is a Chartered Accountant and is a Registered Company Auditor. She Graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of chartered accounting firm, Leydin Freyer specialising in outsourced company secretarial and financial duties for resources and biotechnology sectors.

Alan Thomas held office as Company Secretary until 3 October 2013.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 December 2013, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Philip Thick	2	2
Kevin Nichol	2	2
Danie Van Den Bergh	2	2
Peter Lloyd	1	1

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

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

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information

Principles used to determine the nature and amount of remuneration

Non-executive directors remuneration

The Group's policy is to remunerate non executive directors at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to individual performance. From time to time the Group may grant options to non-executive directors. The grant of options is designed to recognise and reward efforts as well as to provide non executive directors with additional incentive to continue those efforts for the benefit of the Group. The maximum aggregate amount of fees (including superannuation payments) that can be paid to non executive directors is subject to approval by shareholders at a General Meeting.

Executive remuneration

Executive pay and reward consists of a base salary and performance incentives. Long term performance incentives may include options granted at the discretion of the Board and subject to obtaining the relevant approvals. The grant of options is designed to recognise and reward efforts as well as to provide additional incentive and may be subject to the successful completion of performance hurdles.

Consolidated entity performance and link to remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. Currently, this is facilitated through the issue of options to executives to encourage the alignment of personal and shareholder interests. The Group believes this policy will be effective in increasing shareholder wealth. For details of directors and executives interests in options at year end. No market based performance remuneration has been paid in the current year.

Group performance, shareholder wealth and directors' and executives' remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholders investment objectives and directors and executives' performance. Currently, this is facilitated through the issue of options to executives to encourage the alignment of personal and shareholder interests. No market based performance remuneration has been paid in the current year.

Voting and comments made at the company's 2013 Annual General Meeting ('AGM')

At the 2013 AGM, 88.23% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2012. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of the key management personnel of the consolidated entity are set out in the following tables.

2013	Short-term benefits: Cash salary and fees $	Short-term benefits: Termination $	Short-term benefits: Non-monetary $	Post-employment benefits: Super-annuation $	Long-term benefits: Long-service leave $	Share-based payments: Equity-settled $	Total $
Non-Executive Directors:							
Philip Thick***	37,500	-	-	-	-	34,000	71,500
Kevin Nichol*	7,500	-	-	-	-	-	7,500
Danie Van Den Bergh***	30,000	-	-	-	-	136,000	166,000
Executive Directors:							
Peter Lloyd**	110,227	196,200	-	35,000	-	255,000	596,427
Other Key Management Personnel:							
Melanie Leydin ****	6,000	-	-	-	-	-	6,000
Mr Alan Thomas *****	65,583	-	-	-	-	-	65,583
	256,810	196,200	-	35,000	-	425,000	913,010

* Mr Kevin Nichol was appointed on 3 October 2013, his directors fees have been accrued as at 31 December 2013.
** Mr Peter Lloyd resigned on 3 October 2013.
*** Mr Danie Van Den Bergh and Mr Philip Thick had accrued directors fees for the period October-December 2013.

**** Fees paid to Leydin Freyer Corp Pty Ltd in respect of Company Secretarial and Accounting Services. Ms Melanie Leydin was appointed as Company Secretary on 3 October 2013.
***** Fees paid to Crowe Horwath (Aust) Pty Ltd in respect of Company Secretarial and Accounting Services. Mr Alan Thomas resigned as Company Secretary on 3 October 2013.

2012	Short-term benefits: Cash salary and fees $	Short-term benefits: Bonus $	Short-term benefits: Non-monetary $	Post-employment benefits: Super-annuation $	Long-term benefits: Long service leave $	Share-based payments: Equity-settled $	Total $
Non-Executive Directors:							
Philip Thick	40,000	-	3,278	-	-	-	43,278
Executive Directors:							
Danie Van Den Bergh	53,800	-	3,278	-	-	-	57,078
Peter Lloyd	284,000	-	3,278	-	-	-	287,278
	377,800	-	9,834	-	-	-	387,634

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

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2013	2012	2013	2012	2013	2012
Non-Executive Directors:						
Philip Thick	100%	100%	-%	-%	-%	-%
Kevin Nichol	100%	-%	-%	-%	-%	-%
Danie Van Den Bergh	100%	100%	-%	-%	-%	-%
Executive Directors:						
Peter Lloyd	100%	100%	-%	-%	-%	-%

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

There is no services agreement with any key management personnel expect for Mr Peter Lloyd, details of which are as follows:

<u>Former Contract (cancelled effective 31 March 2013)</u>

The Group entered into a service agreement with Peninsular Services Pty Ltd for the provision to secure the services of Mr Peter Lloyd as Managing Director, and other procurement, administration, equipment hire, and other general management services. Effective December 2012, the agreement was adjusted from a base payment of $24,000 per month to $20,000 per month plus direct reimbursements (at cost) for salaries and other personnel provided by Peninsular Services Pty Ltd. In the event of termination of the agreement, Peninsular Services Pty Ltd will be entitled to twice the annual fee.

<u>New Contract (effective 1 April 2013)</u>

Effective 1 April 2013, the service agreement for Peter Lloyd is cancelled. A new contract has been agreed with Peter Lloyd as follows:

- Base remuneration- $180,000 plus statutory superannuation at 9% are to be paid.
- Term of agreement – no fixed term of agreement.
- Payment of termination benefit on early termination by the company, other than by gross misconduct, equal to 12 months remuneration.

In addition, Peninsular Services Pty Ltd, a company related to Peter Lloyd, has entered into a new service agreement effective 1 April 2013 and will be entitled to remuneration for hire of equipment and other services at a rate of $40,000 per annum.

Mr Peter Lloyd resigned as a Director on 3 October 2013.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

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 2013.

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
30 May 2013	13 June 2013	13 June 2017	$0.09	$0.034

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 31 December 2013 are set out below:

Name	Number of options granted during the year 2013	Number of options granted during the year 2012	Number of options vested during the year 2013	Number of options vested during the year 2012
Philip Thick	1,000,000	-	1,000,000	-
Danie Van Den Bergh	4,000,000	-	4,000,000	-
Peter Lloyd	7,500,000	-	7,500,000	-

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 31 December 2013 are set out below:

Name	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consisting of options for the year %
Philip Thick	34,000	-	-	-%
Danie Van Den Bergh	136,000	-	-	-%
Peter Lloyd	255,000	-	-	-%

All options granted to directors were transferred to Discovery Africa Limited in exchange for share options in Discovery Africa Limited as part of the acquisition of Argosy Minerals Limited by Discovery Africa Limited.

Additional information
The earnings of the consolidated entity for the five years to 31 December 2013 are summarised below:

	2013 $	2012 $	2011 $	2010 $	2009 $
Loss after income tax	(1,645,529)	(941,378)	(1,241,747)	(1,064,592)	(739,804)

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

	2013	2012	2011	2010	2009
Share price at financial year end ($)	0.02	0.09	0.12	0.04	0.05
Basic earnings per share (cents per share)	(1.31)	(0.78)	(1.06)	(0.01)	(0.01)

This concludes the remuneration report, which has been audited.

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
30 May 2013*	13 June 2017	$0.09	12,500,000

* All share options were transferred to Discovery Africa Limited as part of the acquisition of Argosy Minerals Limited. Share options in Discovery Africa Limited were provided in exchange for these options.

Shares issued on the exercise of options
There were no ordinary shares of Argosy Minerals Limited issued on the exercise of options during the year ended 31 December 2013 and up to the date of this report.

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.

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

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

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

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

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

Argosy Minerals Limited
Directors' report
31 December 2013

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 Philip Thick
Non-Executive Chairman

14 March 2014
Melbourne

ROTHSAY
Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

The Directors
Argosy Minerals limited
Level 4, 100 Albert Road
South Melbourne VIC 3205

Dear Sirs

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

i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 31 December 2013 financial statements; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Graham Swan (Lead auditor)

Rothsay Chartered Accountants

Dated 14th March 2014

Argosy Minerals Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2013

	Note	Consolidated 2013 $	Consolidated 2012 $
Revenue	5	8,080	28,047
Expenses			
Compliance costs		(87,033)	(49,023)
Bank charges		(1,021)	(1,693)
Rental expenses		(78,182)	(71,523)
Directors fees	6	(604,000)	(70,000)
Legal fees		(39,279)	(4,272)
Depreciation and amortisation expense	6	(2,257)	(5,729)
Loss on disposal of assets	11	(7,322)	-
Exploration and project assessment expenditure		(202,505)	(187,456)
Office expenses		(10,080)	(13,147)
Professional fees		(69,029)	(64,031)
Management fees		(511,385)	(442,877)
Other expenses		(29,795)	(59,674)
Finance costs		(11,721)	-
Loss before income tax expense		(1,645,529)	(941,378)
Income tax expense	7	-	-
Loss after income tax expense for the year attributable to the owners of Argosy Minerals Limited	19	(1,645,529)	(941,378)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Argosy Minerals Limited		(1,645,529)	(941,378)
		Cents	**Cents**
Basic earnings per share	32	(1.31)	(0.78)
Diluted earnings per share	32	(1.31)	(0.78)

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

Argosy Minerals Limited
Statement of financial position
As at 31 December 2013

	Note	Consolidated 2013 $	Consolidated 2012 $
Assets			
Current assets			
Cash and cash equivalents	8	4,727	950,001
Trade and other receivables	9	6,364	10,530
Other	10	8,935	1,649
Total current assets		20,026	962,180
Non-current assets			
Property, plant and equipment	11	-	9,579
Exploration and evaluation	12	184,635	-
Total non-current assets		184,635	9,579
Total assets		204,661	971,759
Liabilities			
Current liabilities			
Trade and other payables	13	34,486	51,522
Employee benefits	15	-	10,007
Total current liabilities		34,486	61,529
Non-current liabilities			
Borrowings	16	449,724	-
Total non-current liabilities		449,724	-
Total liabilities		484,210	61,529
Net assets/(liabilities)		(279,549)	910,230
Equity			
Issued capital	17	52,948,890	52,918,140
Reserves	18	3,612,406	3,187,406
Accumulated losses	19	(56,840,845)	(55,195,316)
Total equity/(deficiency)		(279,549)	910,230

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

Argosy Minerals Limited
Statement of changes in equity
For the year ended 31 December 2013

Consolidated	Issued capital $	Accumulated losses $	Reserves $	Total equity $
Balance at 1 January 2012	52,332,700	(54,253,938)	3,187,406	1,266,168
Loss after income tax expense for the year	-	(941,378)	-	(941,378)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	(941,378)	-	(941,378)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 17)	585,440	-	-	585,440
Balance at 31 December 2012	52,918,140	(55,195,316)	3,187,406	910,230

Consolidated	Issued capital $	Accumulate d losses $	Reserves $	Total deficiency $
Balance at 1 January 2013	52,918,140	(55,195,316)	3,187,406	910,230
Loss after income tax expense for the year	-	(1,645,529)	-	(1,645,529)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	(1,645,529)	-	(1,645,529)
Transactions with owners in their capacity as owners:				
Share-based payments (note 33)	-	-	425,000	425,000
Acquisition of tenements	30,750	-	-	30,750
Balance at 31 December 2013	52,948,890	(56,840,845)	3,612,406	(279,549)

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

Argosy Minerals Limited
Statement of cash flows
For the year ended 31 December 2013

	Note	Consolidated 2013 $	Consolidated 2012 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(1,034,967)	(972,240)
Interest received		8,079	28,047
Net cash used in operating activities	30	(1,026,888)	(944,193)
Cash flows from investing activities			
Payments for exploration and evaluation	12	(356,389)	-
Net cash used in investing activities		(356,389)	-
Cash flows from financing activities			
Proceeds from issue of shares	17	-	611,000
Proceeds from borrowings		438,003	-
Share issue transaction costs		-	(25,560)
Net cash from financing activities		438,003	585,440
Net decrease in cash and cash equivalents		(945,274)	(358,753)
Cash and cash equivalents at the beginning of the financial year		950,001	1,308,754
Cash and cash equivalents at the end of the financial year	8	4,727	950,001

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

Note 1. General information

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

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

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

Level 4
100 Albert Road
South Melbourne VIC 3205

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

The financial report was authorised for issue, in accordance with a resolution of directors, on 14 March 2014. The directors have the power to amend and reissue the financial report.

Note 2. Significant accounting policies

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

New, revised or amending Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 101 - Presentation of Items of Other Comprehensive Income
The consolidated entity has applied amendments to AASB 101 arising from AASB 2011-9 amendments from 1 January 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The amendments also introduced the term 'Statement of profit or loss and other comprehensive income' clarifying that there are two discrete sections, the profit or loss section (or separate statement of profit or loss) and other comprehensive income section.

AASB 10 Consolidated Financial Statements
The consolidated entity has applied AASB 10 from 1 January 2013. AASB 10 supersedes AASB 127 Consolidated and Separate Financial Statements and Interpretation 112 Consolidation – Special Purpose Entities. AASB 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Group’s investees are considered to be subsidiaries and therefore change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged.

Management has reviewed its control assessments in accordance with AASB 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group’s investees held during the period or comparative periods covered by these financial statements.

Note 2. Significant accounting policies (continued)

Going concern
The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The going concern of the consolidated entity is dependent upon it maintaining sufficient funds for its operations and commitments. The Directors continue to monitor the ongoing funding requirements of the consolidated entity. The Directors are confident that sufficient funds can be secured if required by a combination of capital raising, sale of assets or joint ventures to enable the consolidated entity to continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

During the period the consolidated entity entered into a loan agreement with Discovery Africa Limited (‘Discovery’) which would allow Discovery to make payments on behalf of Argosy Minerals Limited up to a principal sum of $600,000. As at 31 December 2013 the loan from Discovery Africa Limited amounted to $449,724.

During the period the consolidated entity recorded a net loss of $1,645,529 and has net cash outflows from operating and exploration activities of $1,383,277. As at 31 December 2013 the consolidated entity has a working capital deficit of $14,460.

Change in accounting policy
During the year the consolidated entity was acquired by Discovery Africa Limited ("DAF"), a company listed on the ASX, in an off-market takeover. In order to align the accounting policies of the consolidated entity to those of DAF, the accounting policy in relation to exploration and evaluation expenditure has been changed during the current period. The previous policy was to expense any exploration and evaluation expenditure as it was incurred. The policy has been updated to align to that of DAF, which is to carry forward the expenditure where it is expected it will be recovered either through development and exploitation of the resources subject to exploration or through the sale of the rights to the exploration and evaluation asset.

At 31 December 2012 the consolidated entity did not hold the rights to any exploration and evaluation assets that it had incurred significant expenditure on. It has not therefore been necessary to restate the prior period balance sheet to reflect the change in the accounting policy.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 27.

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 2013 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'.

Note 2. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Note 2. Significant accounting policies (continued)

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.

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

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

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

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

Property, plant and equipment	3-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

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

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

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

Note 2. Significant accounting policies (continued)

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

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

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

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including:
- interest on short-term and long-term borrowings

Employee benefits

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

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

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

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

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

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

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

Note 2. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

Issued capital
Ordinary shares are classified as equity.

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

Earnings per share

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

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

Note 2. Significant accounting policies (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2013. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments and its consequential amendments
This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2015 and completes phase I of the IASB's project to replace IAS 39 (being the international equivalent to AASB 139 'Financial Instruments: Recognition and Measurement'). This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The consolidated entity will adopt this standard from 1 July 2015 but the impact of its adoption is not expected to have a significant impact on the consolidated entity.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement
These amendments are applicable to annual reporting periods beginning on or after 1 July 2013, with early adoption not permitted. They amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). Corporations and Related Legislation Amendment Regulations 2013 and Corporations and Australian Securities and Investments Commission Amendment Regulation 2013 (No.1) now specify the KMP disclosure requirements to be included within the directors' report for annual reporting periods beginning 1 July 2013. The adoption of these amendments from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards
The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make numerous consequential changes to a range of Australian Accounting Standards and Interpretations, following the issuance of AASB 10, AASB 11, AASB 12 and revised AASB 127 and AASB 128. The adoption of these amendments from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the consolidated entity.

Note 3. Critical accounting judgements, estimates and assumptions

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

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

Note 3. Critical accounting judgements, estimates and assumptions (continued)

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

Note 4. Operating segments

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

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

The information reported to the CODM is on at least a monthly basis.

Note 5. Revenue

	Consolidated	
	2013	**2012**
	$	**$**
Interest	8,080	28,047

Note 6. Expenses

	Consolidated	
	2013	**2012**
	$	**$**
Loss before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	2,257	5,729
Directors' fees		
Directors' fees	52,500	70,000
Share based payments	425,000	-
Termination payments	126,500	-
Total spare	604,000	70,000
Superannuation expense		
Defined contribution superannuation expense	45,747	-
Write off of assets		
Plant and equipment	7,322	-

Note 7. Income tax expense

	Consolidated 2013 $	Consolidated 2012 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(1,645,529)	(941,378)
Tax at the statutory tax rate of 30%	(493,659)	(282,413)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Project assessment expenses not deductible	60,752	107,837
	(432,907)	(174,576)
Current year tax losses not recognised	437,193	176,298
Current year temporary differences not recognised	(4,286)	(1,722)
Income tax expense	-	-

	Consolidated 2013 $	Consolidated 2012 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	2,906,096	1,448,786
Potential tax benefit @ 30%	871,829	434,636

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 8. Current assets - cash and cash equivalents

	Consolidated 2013 $	Consolidated 2012 $
Cash at bank	4,727	950,001

Deposits at calls are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group. Information about the Group's exposure to interest rate risk is disclosure in Note 16.

Note 9. Current assets - trade and other receivables

	Consolidated 2013 $	Consolidated 2012 $
Other receivables	2,442	8,044
BAS receivable	3,922	2,486
	6,364	10,530

Note 9. Current assets - trade and other receivables (continued)

Impairment of receivables
As at 31 December 2013, trade receivables that were past due or impaired were nil (2012: nil).

Refer to Note 16 for details of credit risk and fair value.

Note 10. Current assets - other

	Consolidated	
	2013	**2012**
	$	**$**
Prepayments	8,935	1,649

Note 11. Non-current assets - property, plant and equipment

	Consolidated	
	2013	**2012**
	$	**$**
Plant and equipment - at cost	-	98,891
Less: Accumulated depreciation	-	(89,312)
	-	9,579

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

Consolidated	Plant and equipment $	Total $
Balance at 1 January 2012	15,308	15,308
Depreciation expense	(5,729)	(5,729)
Balance at 31 December 2012	9,579	9,579
Write off of assets	(7,322)	(7,322)
Depreciation expense	(2,257)	(2,257)
Balance at 31 December 2013	-	-

Note 12. Non-current assets - exploration and evaluation

	Consolidated	
	2013	**2012**
	$	**$**
Exploration and evaluation	184,635	-

Note 12. Non-current assets - exploration and evaluation (continued)

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

Consolidated	Exploration & evaluation $	Total $
Balance at 1 January 2012	-	-
Expenditure during the year	187,456	187,456
Write off of assets	(187,456)	(187,456)
Balance at 31 December 2012	-	-
Additions	103,250	103,250
Expenditure during the year	283,890	283,890
Write off of assets	(202,505)	(202,505)
Balance at 31 December 2013	184,635	184,635

During the year the consolidated entity acquired two Namibian incorporated companies that held exclusive prospecting licences for two separate areas of graphite exploration prospects. Under the terms of the first acquisition agreement, the consolidated entity agreed to issue 400,000 ordinary shares and a cash payment of $10,000 in exchange for 100% of the share capital of Yucca Investment Sixty Three Corporation, a Namibian incorporated entity that holds the rights to the graphite exploration licence EPL 4335. The value of the shares at the date of the agreement was $11,999.

Under the terms of the second acquisition agreement the consolidated entity agreed to issue 600,000 ordinary shares and pay $12,500 to acquire 100% of Rhino Mining and Exploration Close Corporation, a Namibian incorporated entity that holds the rights to graphite exploration licence EPL 4079. The value of the share at the date of the agreement was $18,751.

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

Note 13. Current liabilities - trade and other payables

	Consolidated	
	2013	**2012**
	$	**$**
Trade payables	20,486	21,522
Other payables	14,000	30,000
	34,486	51,522

Refer to note 21 for further information on financial instruments.

Note 14. Current liabilities - borrowings

Assets pledged as security
The carrying amounts of assets pledged as security for current borrowings are:

Note 15. Current liabilities - employee benefits

	Consolidated 2013 $	Consolidated 2012 $
Employee benefits	-	10,007

Note 16. Non-current liabilities - borrowings

	Consolidated 2013 $	Consolidated 2012 $
Payable to controlling entity	449,724	-

Refer to note 21 for further information on financial instruments.

During the year the consolidated entity entered into an off-market takeover agreement with Discovery Africa Limited ('DAF'), a company listed on the ASX. DAF has provided $438,003 funding to support the operations of the consolidated entity through a loan agreement executed by both parties. Interest of $11,721 has been charged on the outstanding amount during the year at a rate of 13%.

Note 17. Equity - issued capital

	Consolidated 2013 Shares	Consolidated 2012 Shares	Consolidated 2013 $	Consolidated 2012 $
Ordinary shares - fully paid	126,029,105	126,029,105	52,948,890	52,918,140

Movements in ordinary share capital

Details	Date	No of shares	Issue price	$
Balance	1 January 2012	119,919,105		52,332,700
Share placement		6,110,000	$0.10	611,000
Share issue costs		-	$0.00	(25,560)
Balance	31 December 2012	126,029,105		52,918,140
1,025,000 FPO's issued by parent entity for consideration of acquisition of exploration licences	8 November 2013	-	$0.00	30,750
Balance	31 December 2013	126,029,105		52,948,890

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Note 17. Equity - issued capital (continued)

Capital risk management
The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2012 Annual Report.

Note 18. Equity - reserves

	Consolidated	
	2013	**2012**
	$	**$**
Options reserve	3,612,406	3,187,406

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

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Option $	Total $
Balance at 1 January 2012	3,187,406	3,187,406
Balance at 31 December 2012	3,187,406	3,187,406
Share based payment	425,000	425,000
Balance at 31 December 2013	3,612,406	3,612,406

Note 19. Equity - accumulated losses

	Consolidated	
	2013	**2012**
	$	**$**
Accumulated losses at the beginning of the financial year	(55,195,316)	(54,253,938)
Loss after income tax expense for the year	(1,645,529)	(941,378)
Accumulated losses at the end of the financial year	(56,840,845)	(55,195,316)

Note 20. Equity - dividends

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

Note 21. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity manages risk using a variety of methods, dependent upon the nature of the risk and the options available to the consolidated entity.

Risk management is carried out by the Board of Directors ('the Board') using policies that include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits.

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The consolidated entity does not currently hold any financial assets in foreign currencies, and its only foreign currency liabilities are trade payables arising from expenditure incurred in Namibia on exploration and evaluation assets. These expenses are settled within 30 days, minimising the risk of foreign exchange losses.

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

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

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 21. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2013	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade and other payables	34,486	-	-	-	34,486
Total non-derivatives	34,486	-	-	-	34,486

Consolidated - 2012	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade and other payables	51,522	-	-	-	51,522
Total non-derivatives	51,522	-	-	-	51,522

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 22. Key management personnel disclosures

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

Philip Thick
Kevin Nichol (appointed 3 October 2013)
Danie Van Den Bergh
Peter Lloyd (resigned 3 October 2013)

Note 22. Key management personnel disclosures (continued)

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

	Consolidated 2013 $	Consolidated 2012 $
Short-term employee benefits	256,810	387,634
Post-employment benefits	35,000	-
Termination benefits	196,200	-
Share-based payments	425,000	-
	913,010	387,634

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

2013	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Philip Thick*	2,690,000	-	-	(2,690,000)	-
Peter Lloyd**	17,951,161	-	-	(17,951,161)	-
	20,641,161	-	-	(20,641,161)	-

* Shares acquired by Discovery Africa Limited as part of the off-market takeover of Argosy Minerals Limited.
** Peter Lloyd resigned as a Director on 3 October 2013.

2012	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Philip Thick	2,690,000	-	-	-	2,690,000
Peter Lloyd	17,951,161	-	-	-	17,951,161
	20,641,161	-	-	-	20,641,161

Option holding
The number options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2013	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other *	Balance at the end of the year
Options over ordinary shares					
Philip Thick	-	1,000,000	-	(1,000,000)	-
Danie Van Den Bergh	-	4,000,000	-	(4,000,000)	-
Peter Lloyd**	-	7,500,000	-	(7,500,000)	-
	-	12,500,000	-	(12,500,000)	-

* All share options were transferred to Discovery Africa Limited as part of the acquisition of Argosy Minerals Limited. Share options in Discovery Africa Limited were provided in exchange for these options.
** Peter Lloyd resigned as a Director on 3 October 2013.

Note 23. Remuneration of auditors

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

	Consolidated	
	2013	**2012**
	$	**$**
Audit services - Rothsay Chartered Accountants (2012: BDO Audit (WA) Pty Ltd)		
Audit or review of the financial statements	21,049	28,139

Note 24. Contingent liabilities

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

Note 25. Commitments

	Consolidated	
	2013	**2012**
	$	**$**
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	74,250
One to five years	-	12,558
	-	86,808

The Group leases offices located in Nedlands under non-cancellable operating leases expiring within five years. The lease has varying terms, escalation clauses and renewal rights. On renewal, the terms of the lease are renegotiated. The lease was terminated in December 2013.

Note 26. Related party transactions

Parent entity
Argosy Minerals Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 28.

Key management personnel
Disclosures relating to key management personnel are set out in note 22 and the remuneration report in the directors' report.

Note 26. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2013	**2012**
	$	**$**
Payment for goods and services:		
Payments to Peninsular Services Limited	167,021	150,632
Payment for other expenses:		
Interest charged by controlling entity	11,721	-

Peninsular Services Limited provided office facilities, consultancy services and personnel. Peninsular Services Limited is a related entity of Peter Lloyd. The services were reimbursed at cost.

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

	Consolidated	
	2013	**2012**
	$	**$**
Current payables:		
Trade payables to key management personnel	-	16,878

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2013	**2012**
	$	**$**
Non-current borrowings:		
Loan from controlling entity	449,724	-

Terms and conditions
The loan to Argosy Minerals Limited represents amounts paid on behalf of Argosy Minerals Limited under a loan agreement between Discovery Africa Limited and Argosy Minerals Limited. The loan agreement stipulates a principal sum of $600,000 and Argosy Minerals Limited is to repay the moneys owing on such a date as may be agreed in writing by the two parties. Argosy Minerals Limited will pay Discovery Africa Limited interest on the Principal sum or on so much of the principal sum as for the time being remains drawn down and unpaid at the rate of 13% per annum. All transactions were made on normal commercial terms and conditions and at market rates.

Note 27. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent 2013 $	Parent 2012 $
Loss after income tax	(1,645,529)	(941,378)
Total comprehensive income	(1,645,529)	(941,378)

Statement of financial position

	Parent 2013 $	Parent 2012 $
Total current assets	20,026	962,180
Total assets	204,661	1,173,482
Total current liabilities	34,486	61,529
Total liabilities	484,210	61,529
Equity		
Issued capital	52,948,890	52,918,140
Options reserve	3,612,406	3,187,406
Accumulated losses	(56,840,845)	(54,993,593)
Total equity/(deficiency)	(279,549)	1,111,953

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 2013 and 2012.

Contingent liabilities
The parent entity had no contingent liabilities as at 31 December 2013 and 2012.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 31 December 2013 and 2012.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 28. 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 2013 %	2012 %
Andover Resources NL	Australia	100.00%	100.00%
Argosy Energy Zambia Ltd	Zambia	100.00%	100.00%
Argosy Minerals (S.L.) Ltd	Sierra Leone	100.00%	100.00%
Yucca Investment Sixty Three Corporation*	Namibia	100.00%	-%
Rhino Mining and Exploration Close Company*	Namibia	100.00%	-%
Hallie Investments Number Three Thousand One Hundredand Seven Pty Ltd*	Australia	100.00%	-%
Manmar Investments One Hundred and Five Pty Ltd*	Australia	100.00%	-%

*Acquired on 26 April 2013.

Note 29. Events after the reporting period

No matter or circumstance has arisen since 31 December 2013 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 30. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2013 $	2012 $
Loss after income tax expense for the year	(1,645,529)	(941,378)
Adjustments for:		
Depreciation and amortisation	2,257	5,729
Write off of property, plant and equipment	7,322	-
Share-based payments	425,000	-
Write off of exploration and evaluation expenditure	202,505	-
Interest on ultimate parent entity loan	11,721	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	607	832
Increase in prepayments	(3,727)	(5,208)
Decrease in trade and other payables	(17,037)	(3,803)
Decrease in employee benefits	(10,007)	(365)
Net cash used in operating activities	(1,026,888)	(944,193)

Note 31. Non-cash investing and financing activities

	Consolidated 2013 $	2012 $
Acquisition of exploration and evaluation assets	30,750	-

Note 31. Non-cash investing and financing activities (continued)

During the year the consolidated entity entered into agreements to acquire exploration and evaluation assets in Namibia through the issue of shares and payments of cash amounts to acquire the share capital of the companies holding the rights to the assets. Upon the completion of the takeover of the consolidated entity by Discovery Africa Limited ("DAF"), DAF issued shares to complete the agreement. The share issue represented a further investment by the ultimate parent in the consolidated entity.

Details of the assets acquired are contained in Note 11.

Note 32. Earnings per share

	Consolidated	
	2013	**2012**
	$	**$**
Loss after income tax attributable to the owners of Argosy Minerals Limited	(1,645,529)	(941,378)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	126,029,105	120,430,471
Weighted average number of ordinary shares used in calculating diluted earnings per share	126,029,105	120,430,471
	Cents	**Cents**
Basic earnings per share	(1.31)	(0.78)
Diluted earnings per share	(1.31)	(0.78)

Note 33. Share-based payments

During the year 12,500,000 unlisted share options were issued to directors of the consolidated entity, resulting in an expense of $425,000 being recognised in profit or loss. The options were fair valued at $0.034 (34 cents) each using the Black-Scholes valuation methodology.

A share option plan has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may grant options over ordinary shares in the parent entity to certain key management personnel of the consolidated entity. The options are issued for nil consideration and are granted in accordance with the terms and conditions as approved by the shareholders at a General Meeting.

Set out below are summaries of options granted under the plan:

2013

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
13/06/2013	13/06/2017	$0.09	-	12,500,000	-	(12,500,000)	-
			-	12,500,000	-	(12,500,000)	-

* All options are issue were exchanged for Discovery Africa Limited share options upon the completion of the off-market takeover of the Company by Discovery Africa Limited.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.5 years.

Note 33. Share-based payments (continued)

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
13/06/2013	13/06/2017	$0.06	$0.09	-%	-%	0.03%	$0.034

Argosy Minerals Limited
Directors' declaration
31 December 2013

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2013 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 Philip Thick
Non-Executive Chairman

14 March 2014
Melbourne

ROTHSAY
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P.O. Box 8716, Perth Business Centre WA 6849
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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ARGOSY MINERALS LTD

We have audited the accompanying financial report of Argosy Minerals Ltd (the Company") which comprises the statement of financial position as at 31 December 2013 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the year.

Directors Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The Directors are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used in and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial report and the remuneration disclosures contained in the directors' report.

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

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical requirements and the Corporations Act 2001.

Audit opinion

In our opinion the financial report of Argosy Minerals Ltd is in accordance with the Corporations Act 2001, including:

a) (i) giving a true and fair view of the Company's and the group's financial position as at 31 December 2013 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Interpretations) and the Corporations Regulations 2001; and

b) the consolidated financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the remuneration report included in the Directors' report for the year ended 31 December 2013. 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.

Audit Opinion

In our opinion the Remuneration Report of Argosy Minerals Ltd for the year ended 31 December 2013 complies with section 300A of the *Corporations Act 2001*.

Rothsay

Rothsay

Graham R Swan

Graham R Swan
Partner

Dated 14th March 2014

The shareholder information set out below was applicable as at 10 March 2014.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of options over ordinary shares
1 to 1,000	340	-
1,001 to 5,000	284	-
5,001 to 10,000	126	-
10,001 to 100,000	156	-
100,001 and over	17	-
	923	-
Holding less than a marketable parcel	799	-

Equity security holders

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

	Ordinary shares	
	Number held	% of total shares issued
DISCOVERY AFRICA LIMITED	111,713,689	88.64
CITICORP NOMINEES PTY LIMITED	2,577,488	2.05
J P MORGAN NOMINEES AUSTRALIA LIMITED	1,293,960	1.03
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	937,401	0.74
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	929,561	0.74
MR ERWIN JOHN CLAYTON	397,597	0.32
GEEBA PTY LTD	300,000	0.24
ARP HOLDINGS PTY LTD	200,000	0.16
GUCCE HOLDINGS PTY LTD	180,000	0.14
PANOPL PTY LTD	150,000	0.12
AUSTRALIA EXECUTOR TRUSTEES LIMITED	135,250	0.11
YAMUNI INVESTMENTS PTY LTD	127,000	0.10
MR ALBERT CHAN	122,400	0.10
MS CHONGCHIT COOPER	120,000	0.10
MRS GINA MERRYL INMAN & MR PAUL MAURICE INMAN	112,900	0.09
MRS LORRAINE MARGARET ATHERTON	104,000	0.08
MR MICHAEL JAMES KEENE	103,029	0.08
MR TYLER WILLIAM LITTLE	100,000	0.08
MR STEVEN PANOMARENKO	100,000	0.08
MR DAVID JONATHON WRIGHT	100,000	0.08
	119,804,275	95.08

Argosy Minerals Limited
Shareholder information
31 December 2013

Unquoted equity securities
There are no unquoted equity securities.

Substantial holders
Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
DISCOVERY AFRICA LIMITED	111,713,689	88.64

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Tenements

Description	Tenement number	Interest owned
EPL4079	Namibia, Africa	100%
EPL4335	Namibia, Africa	100%