

23 May 2017

COMMENCEMENT OF INITIAL STAGE 2 WORKS AT RINCON PROJECT AND ASSOCIATED PLACEMENT AND SPP

HIGHLIGHTS

- **Argosy resolves to commence initial Stage 2 development works at Rincon Lithium Project ahead of schedule**
- **Fast-track development of brine ponds for Stage 2 and drilling to establish JORC Code-compliant resource**
- **\$1 million raised in oversubscribed Placement**
- **Fully underwritten Share Purchase Plan to eligible shareholders to raise an additional \$1 million**
- **Strategic process continues to progress through DD and into negotiation phase – Argosy meeting MOU parties in China this week**
- **Additional parties involved to consider funding to fast-track Stage 2 development**

Argosy Minerals Limited (ASX: AGY) ("**Argosy**" or "**Company**") is pleased to advise that following the increase in its land holdings at the Rincon Lithium Project, it has resolved to fast-track initial Stage 2 development works at Rincon and has completed a \$1 million placement to institutional and sophisticated investors ("**Placement**") to fund the initial works. The Company is also providing eligible shareholders the opportunity to participate in a Share Purchase Plan ("**SPP**") to raise a further \$1 million.

Argosy Managing Director, Jerko Zuvela, commented: "*I'm extremely excited we can get a head start on Stage 2, even while the strategic investor process is ongoing. We believe it will make Argosy even more attractive to the investor groups we are in discussions with*", and: "*It is also pleasing to see strong demand for the Placement, which will bring in some new institutional and sophisticated investors, while the SPP will enable our current shareholders to increase their shareholding and participate in the capital raising at the same price.*"

Early Commencement of Stage 2 at Rincon Lithium Project

Further to the announcement of 4 May 2017 that Argosy had acquired an option to almost double the Rincon Lithium Project land area, the Company has now resolved to fast-track initial Stage 2 development works at the Project. Such works will include early commencement of construction of additional evaporation ponds, commencement of drilling operations with an aim to delineate a JORC Code-compliant resource and conduct brine test-works. Commencing additional evaporation pond works at this early stage is a key event that the Company expects to shorten the overall timeline between obtaining the results of Stage 1 lithium carbonate equivalent ("**LCE**") production and being able to move to Stage 2 volumes.

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Placement

The Placement comprises the issue of 13,698,630 ordinary shares ("**New Shares**") within Argosy's placement capacity under the Listing Rules and so shareholder approval is not required. The New Shares will rank equally with the Company's existing ordinary shares.

The issue price of the New Shares is 7.3 cents each ("**Issue Price**"), representing a 7.5% discount to the 20 day volume weighted average price of Argosy shares to 18 May 2017.

Net proceeds from the Placement and the SPP will be used to fund the initial Stage 2 development works (comprising the construction of additional evaporation ponds, drilling operations and brine test work at Rincon, payment of the Mina Reyna option fee (pending successful completion of due diligence works)) and meet working capital requirements.

Patersons Securities Limited ("**Patersons**") acted as Lead Manager to the Placement and Lead Manager and Underwriter to the SPP.

Settlement of the Placement is scheduled to occur on Monday, 29 May 2017, with the New Shares expected to be issued and commence trading on Tuesday, 30 May 2017.

Share Purchase Plan Details

In order to ensure retail shareholders are able to participate in the Company's capital raising, the SPP will be undertaken to raise \$1 million at the same Issue Price as the Placement. The SPP is to be fully underwritten by Patersons.

Under the SPP, eligible Argosy shareholders will be invited to subscribe for new ordinary shares in Argosy at the Issue Price of 7.3 cents each up to a maximum of A\$15,000 per shareholder.

Participation in the SPP will be open to shareholders who are registered holders of Argosy shares at 5pm (WST) on the Record Date of 22 May 2017 and whose registered address is in Australia or New Zealand.

Further details of the SPP, including in relation to the eligibility requirements, will be released on the ASX and distributed to eligible Argosy shareholders shortly.

Strategic Process Update

The Company advises that the parties to the two previously announced lithium sector memoranda of understanding ("**MOU**") have substantially progressed their due diligence process. The Company is also pleased to confirm that two additional parties have joined the process.

Argosy's management and technical team – led by Jerko Zuvella and Pablo Alurralde – are currently meeting with the MOU parties in China this week, with the aim to progress an investment proposition for potential Stage 2 funding. The Argosy team is accompanied by its Strategic Adviser, Airguide International Pte Ltd.

Argosy will engage on proposals for investment or off-take prepayment relevant to Stage 2 development of the Rincon Lithium Project, while at the same time consider potential for funding, off-take, partnership or other value-adding commercial agreements in consideration for potential Stage 3 development of the Rincon Lithium Project.

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

ENDS

For more information on Argosy Minerals Limited and to subscribe for regular updates, please visit our website at www.argosyminerals.com.au or contact us via admin@argosyminerals.com.au or Twitter @ArgosyMinerals.

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

ABOUT ARGOSY MINERALS LIMITED

Argosy Minerals Limited (ASX: AGY) is an Australian company with interests in the Rincon, Mina Teresa and Pocitos Lithium Projects in Argentina, and the Erongo Project in Namibia.

The Company is focused on its flagship Rincon Lithium Project in Argentina – potentially a game-changing proposition given its location within the world renowned “Lithium Triangle” – host to the world's largest lithium resources, and its fast-track development strategy toward production of LCE product.

Argosy is committed to building a sustainable lithium production company, highly leveraged to the forecast growth in the lithium-ion battery sector.

Appendix 1: AGY's Argentina Project Location Map

