



ASX ANNOUNCEMENT

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ARGOSY SECURES LITHIUM PROJECT

HOA gives Argosy two-year option period to purchase Mt Paris Lithium Project

Targeting Cinovec-style lithium deposit

Extensive greisen field, prospective for lithium mineralisation

Argosy Minerals Limited (ASX: AGY) ("Argosy" or "Company") is pleased to announce that it has executed a Heads of Agreement (HOA) with Geotech International Pty Ltd ("Geotech"), granting the Company a two-year option period to purchase the Mt Paris Lithium Project in Tasmania.

Argosy believes the HOA to be the first step in entering the lithium sector, with additional project acquisition discussions on-going. The acquisition is consistent with the Company's strategy of enhancing its project portfolio, which will continue with a particular focus on quality precious metals, new technology and agriculture related mineral projects, to increase the overall value proposition of AGY.

The Mt Paris Lithium Project ("Project") comprises one granted exploration licence covering an area of 115km², located approximately 60km northeast of Launceston with access via the sealed Tasman Highway.

The Project targets lithium mineralisation within the extensive greisen swarms located within the exploration licence. Previous explorers, all targeting tin mineralisation, classified the hard rock deposits into quartz-greisen veins, stanniferous greisen lodes surrounded by zones of kaolinite-altered granite, and flat-lying greisen sheets, which are all associated with the undulating granite roof-zone/cupola. The greisens and associated pegmatites are prospective for lithium micas (zinnwaldite), lithium pyroxene (spodumene) and lithium clays (hectorite).

The Company considers the Mt Paris Project may have an analogous geological setting to the Cinovec Project (owned by ASX-listed European Metals Holdings Limited) – Europe's largest lithium deposit. Cinovec is a pervasively altered and greisenised lithium-albite granite (with quartz, topaz, zinnwaldite and cassiterite), occurring in the upper part of a cupola, (European Metals, 2016).

Records from the Mineral Resources of Tasmania (MRT) Rockchem database provides analytical results from historic sampling of the granites, with lithium values up to 315ppm, indicating the presence of zinnwaldite in the granite. The Company will target the more evolved greisens, which are expected to contain significantly more quantities of lithium micas. Additional historic records of the greisens containing lithium mineralisation within the Project, at the Mt Paris Mine area, noted there are "greisen veins, consisting essentially of quartz and lithia mica in varying proportions".





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The largest single known body of greisen in the Project area is at the Mt Paris Mine (located at Mt Terror), with its dimensions proven by surface mapping and drilling by Union Corp (a cross section of the mineralisation is shown in Figure 1), whilst the best known swarm of greisen veins within the Project appears to be at Rattler Hill. No previous exploration works targeting lithium have been conducted at these sites.

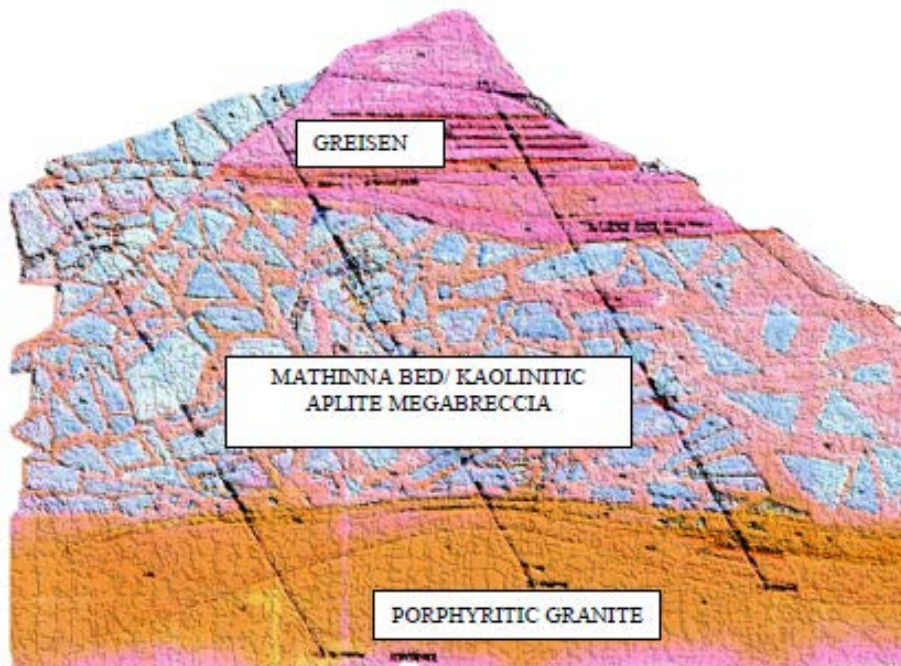


Figure 1. Mt Paris Mine cross section (after Winnall 1981). Drill holes are 100m depth.

The Company's near-term strategy to advance the Project is:

- ▶ Conduct preliminary exploration works targeting the greisens at Mt Paris Mine (Mt Terror) and Rattler Hill to test for lithium; and
- ▶ Collect, re-log and analyse the historic samples of drill cores from the Project area stored at the MRT core library in Hobart for lithium.

The Company considers the Project to be highly prospective for lithium mineralisation, given the presence of fertile greisens and the indication of lithium mineralisation within those greisens and background granites, a similar geological setting to the Cinovec lithium deposit, and that no previous lithium exploration has been conducted within the Project.

Summary Terms of the Heads of Agreement

Argosy has executed the Heads of Agreement with Geotech whereby Argosy agrees to accept an option to purchase 100% equity in the Mt Paris Project – Exploration Licence 19/2014.

The key terms of the Agreement are:

- ▶ Argosy shall be granted an Option for a period of two (2) years to purchase, at any time during those two years, 100% of the Project for A\$250,000 plus GST.

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- Argosy shall make a non-refundable payment to Geotech of \$8,500 cash plus GST as the first year option fee.
- Argosy will manage all exploration, development and mining activities at the Project.
- If the HOA is still in force, a second year option fee of \$15,000 plus GST will be paid on the first anniversary date.
- Argosy can elect to terminate the HOA prior to exercising the 'Option to Purchase' the Project.

Argosy Director, Jerko Zuvela said the option to acquire the lithium project represented a very positive milestone and enforces the Company's strategy to re-build its project portfolio.

"The Project is an ideal stepping-stone given its lithium prospectivity, for the Company to pursue additional quality project opportunities and establish the Company to become a significant explorer. We will now aim to prove the Project is robust and are excited about further progress," Mr Zuvela said.

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