

11 April 2017

RINCON STAGE 1 POND CONSTRUCTION & STRATEGIC PROCESS UPDATE

HIGHLIGHTS

- **Stage 1 development works progressing ahead of schedule.**
- **Strategic process for investment to fast-track Stage 2 development progressing.**

Argosy Minerals Limited (ASX: AGY) ("Argosy" or "Company") is pleased to announce further progress on its Stage 1 development works to produce a laboratory scale quantity (targeting up to 100 – 150 tonnes) of lithium carbonate equivalent (LCE) product at its Rincon Lithium JV Project located in the "Lithium Triangle" in Salta Province, Argentina.



Photo 1. Rincon Lithium Project – Pond construction works; lining installation of Pond 2.

In addition, the Company and its Strategic Adviser, Airguide International Pte Ltd have made progress towards formalising an investment proposition for the Stage 2 funding and executing a binding investment agreement with the MOU parties. The MOU parties are currently conducting their due diligence process and reviewing the dataroom established for this purpose. The MOU parties have expressed a desire to progress this as quickly as possible.

Following completion of the excavation works on the first set of evaporation ponds, totalling an area of approximately 1.2Ha at the Project, the Company has commenced the pond lining installation works on these ponds (see Photo 1), has excavated an additional two smaller evaporation ponds, and commenced excavation works on the brine pumping ponds (see Plan 1).

The Company has commenced installation of the pond lining material (a high density polyethylene product), where the two initial ponds are expected to be completed within the next week.

The Company has also completed the excavation of an additional two smaller evaporation ponds (30m x 30m and 16m x 8m), alongside the two main evaporation ponds, and will also conduct lining

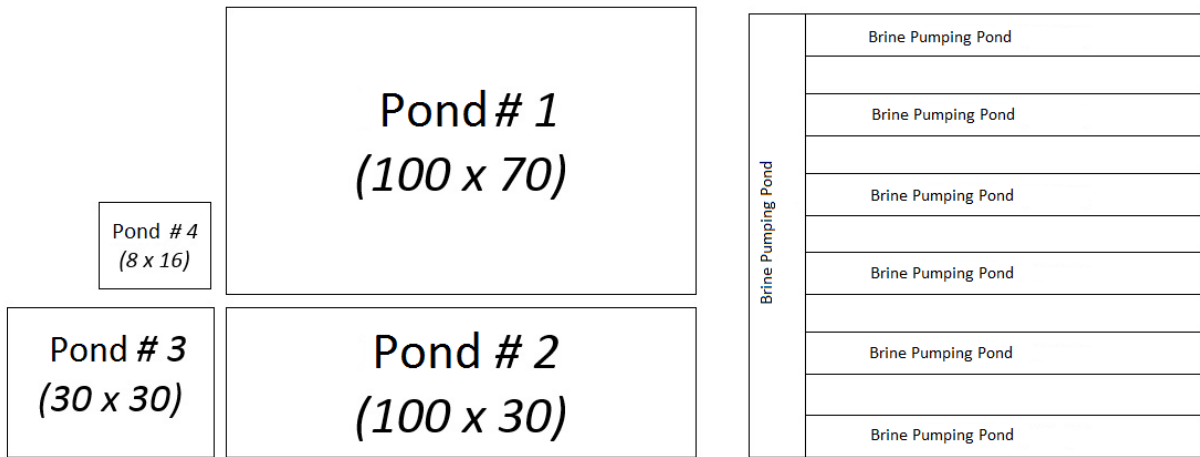
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installation works on these.

The Company is also currently excavating several smaller brine pumping ponds, which will be used to pump brine from these ponds into the four current evaporation ponds.

As such, the Company has purchased pumps and associated equipment to commence pumping of lithium brine into the evaporation ponds during the next week when the solar evaporation and brine concentration process will begin following completion of lining installation works.



Plan 1. Rincon Lithium Project – Conceptual design plan for initial Stage 1 ponds construction (not to scale).

The Company is also planning construction of additional evaporation ponds for Stage 1 development, which includes a works plan and equipment schedule, budget and timing for this work. The Company is conducting this planning to potentially construct a combined total of 3 - 4 hectares of evaporation ponds as part of the Stage 1 development plan. As part of these works, the Company will include the provision for commencement of Stage 2 development works, pending advancement of discussions with the MOU parties from the Chinese lithium battery sector.

The Company continues to review and assess additional mining concessions prospective for lithium to increase the Rincon Project landholding in preparation for potential Stage 2 and 3 development works.

Argosy Managing Director, Jerko Zuvella commented *“The Company is delighted at the rate of progress on the Stage 1 development works and looks forward to continuing our aggressive development strategy to fast-track toward production of LCE product.”*

The current targeted schedule of activities at the Rincon Lithium JV Project in order for the Company to earn the first stage 50% interest includes:

Stage 1 Works Schedule	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Environmental studies and regulatory approvals/permits	█					
Pond construction and associated works, including contractor tendering	█	█				
Pond lining and associated works		█	█			
Brine extraction, pumping, storage and transportation works		█	█	█		
Pilot plant construction and test-works, including brine processing, analysis and laboratory treatment of the lithium concentrate		█	█	█	█	
Pending success of the stage 1 development works, produce LCE product					█	█

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Argosy will consider commencing Stage 2 development works with an aim to produce a pilot plant scale quantity of LCE product (targeting up to 1000 - 1500 tpa), and increase its shareholding in the JV Entity to 77.5%.

For Stage 3, pending successful pilot plant scale production at Stage 2, the Company will consider the best development pathway to ultimately target commercial production from the Project and then earn its ultimate 90% interest in the JV Entity.

The Company is confident that the Rincon Lithium Project has a clear conceptual pathway to lithium production, with historical results and Mr Alurralde's previous operating and production experience from the Project area and over the broader Salar del Rincon justifying the fast-track approach.

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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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



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