

ASX ANNOUNCEMENT

28 April 2017

QUARTERLY ACTIVITIES REPORT – MARCH 2017

HIGHLIGHTS

- ✦ Completion of initial pond construction, lithium brine pumping and commencement of lithium concentration of Stage 1 development milestones at Rincon Lithium Project.
- ✦ Progress on strategic process for investment to fast-track Stage 2 development via executed MOU's with significant Chinese companies.
- ✦ Former Rio Tinto executive Mal Randall appointed as Non-Executive Director.

KEY OBJECTIVES FOR JUNE 2017 QUARTER

- ✦ Continue progress of Stage 1 development plan at Rincon Lithium Project.
- ✦ Prepare industrial site to commence lab-scale pilot plant construction.
- ✦ Progress towards formalising an investment proposition for potential Stage 2 funding.

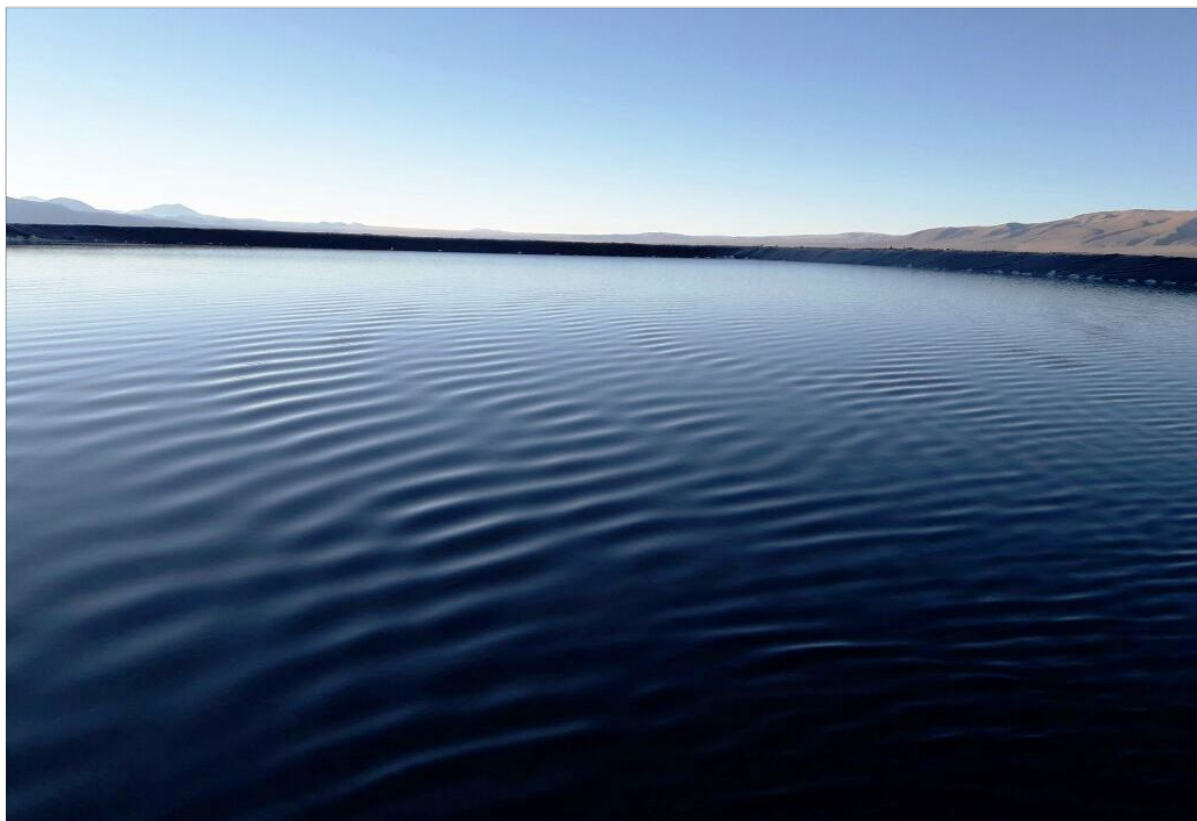


Photo 1. Rincon Lithium Project – Lithium brine pumping completed for initial ponds.

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EXECUTIVE SUMMARY

Argosy Minerals Limited ("Argosy" or the "Company") continued its development strategy in Argentina, achieving significant milestones at the Rincon Lithium Project, executed important agreements and established strategic relationships with key Chinese lithium battery sector companies to fast-track development towards commercial production of lithium carbonate equivalent ("LCE") product.

Rincon Lithium Project - Argentina (JV, earning up to 90%)

The Rincon Lithium Project is the flagship asset in Argosy's lithium development strategy, and is located within the Salar del Rincon in Salta Province, in the world renowned "lithium triangle". The Project, currently comprising up to 654 hectares of mining concessions, is a JV partnership with pre-eminent lithium processing expert Pablo Alurralde, with extensive historical works within the Project area and the Salar, and the Company has established a well-defined pathway to produce LCE product.

During the Quarter, the Company continued its Stage 1 development works schedule at the Project, with the completion of pond construction works on the first set of evaporation ponds (totalling an area of approximately 1.25 hectares), installed the lining material at the evaporation ponds, completed pumping of lithium brine into the evaporation ponds, and commenced the solar evaporation and lithium brine concentration process.

Argosy is planning construction of additional evaporation ponds for Stage 1 development, which includes a works plan and equipment schedule, budget, and timeframe for this work. As part of these works, the Company will include the provision for early (ie, fast-track) commencement of Stage 2 development works.

The Company also finalised the long-term lease of, with an option to purchase, an industrial site near the city of Salta where construction of the lab-scale pilot plant will be carried out. Argosy will commence refurbishing the on-site warehouse during the June 2017 Quarter, to then construct the plant to be operational for the maiden delivery of enhanced lithium brine concentrate.

The Company, facilitated by Argosy's Strategic Adviser, Airguide International Pte Ltd, held meetings in China with several significant tier one strategic companies in the Chinese lithium battery sector, and subsequently executed multiple MOU's, whereby these parties express interest is to consider their potential investment to fast-track Stage 2 development of Argosy's Rincon Lithium Project. Argosy has continued to progress various parties' due diligence towards formalising an investment proposition for potential Stage 2 funding.

The Company continued to review and assess additional mining concessions prospective for lithium to increase the Rincon Lithium Project landholding for a substantially larger future production base.

The Company has finalised legal and administrative works to fully incorporate and establish its Argentinian joint venture company – Puna Mining S.A., including the provision of accounting, legal and technical consultants on a contractual basis to ensure all functions are established effectively and all operations of Puna Mining S.A. are fully supported.



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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					█	█

Argosy will consider commencing Stage 2 development works with an aim to produce a larger quantity of LCE product (targeting up to 1000 - 1500 tpa), and increase its shareholding in Puna Mining S.A. to 77.5%.

For Stage 3, pending successful targeted production at Stage 2, the Company will consider the best development pathway for commercial scale production from the Project and then earn its ultimate 90% interest in Puna Mining S.A..

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

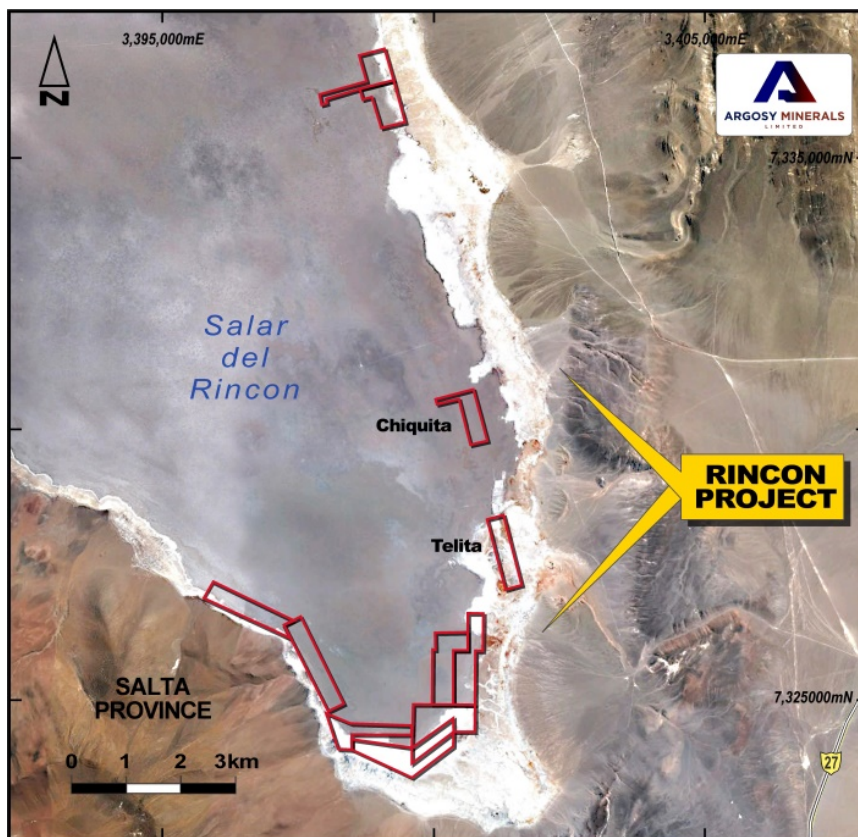


Figure 1. Rincon Lithium Project Location Map

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Mina Teresa and Pocitos Lithium Projects - Argentina (option to purchase 100%)

Argosy has a binding Option Agreement with Ekeko S.A. granting the Company the exclusive right for a 12-month period (to 3 September 2017) to purchase the Mining Titles comprising the Mina Teresa and Pocitos Lithium Projects in Jujuy and Salta Provinces, Argentina.

During the Quarter, the Company continued to liaise with the Project vendors to obtain regulatory approvals to commence works at the Mina Teresa Lithium Project. Unfortunately, the Company is still waiting for the necessary approvals from the Jujuy government. Through its Argentinian legal advisors, the Company has been informed that the approvals process is extremely slow and protracted, however the Company will progress as best it can to obtain the approvals as required.

Wee MacGregor Project - Queensland (JV terminated)

During the Quarter, Argosy announced its withdrawal from the Wee MacGregor Project and terminated the joint venture farm-in agreement with Mining International Pty Ltd.

Mt Paris Project - Tasmania (HOA terminated)

During the Quarter, Argosy announced it had terminated the Heads of Agreement with Geotech International Pty Ltd, which had granted the Company an option period to purchase the Mt Paris Project in Tasmania.

Erongo Graphite Project (Area 51) - Namibia (100% interest)

The Erongo (Area 51) Graphite Project is located in Namibia, approximately 275km northwest of the capital Windhoek. The company has not made any final decision on its strategy for the Project.

Corporate

DIRECTOR APPOINTMENT

The Company announced that it had appointed experienced mining executive, Mr Mal Randall, as a Non-Executive Director. Mr Randall replaced Ms Andrea Betti, who remains Company Secretary.

OTHER

The Company lodged its Annual Report to shareholders on 31 March 2017.

The Annual General Meeting for the Company will be held at 11:30am WST on Friday, 26 May 2017 at Bentleys office – London House, Level 3, 216 St Georges Terrace, Perth, Western Australia.

The Company also held a General Meeting on 24 January 2017.

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Schedule of Tenements

The schedule of tenements held by the Company at the end of the Quarter is shown below.

Tenement	Location	Beneficial Percentage held
EPL4079	Namibia	100%
File 227-C-2004 (Mina Teresa) ¹	Argentina	0% (option to purchase 100%)
File 19457 (Pocitos 1) ¹	Argentina	0% (option to purchase 100%)
File 19458 (Pocitos 2) ¹	Argentina	0% (option to purchase 100%)
File 19463 (Pocitos 7) ¹	Argentina	0% (option to purchase 100%)
File 7272 (Mina Telita) ²	Argentina	0% (JV, earning up to 90%)
File 14432 (Mina Chiquita 2) ²	Argentina	0% (JV, earning up to 90%)
File 1414 (Talisman) ³	Argentina	0% (option to purchase 100%)
File 1904 (Nelly) ³	Argentina	0% (option to purchase 100%)
File 1905 (Angelica) ³	Argentina	0% (option to purchase 100%)
File 2889 (Maria) ³	Argentina	0% (option to purchase 100%)
File 2890 (Irene) ³	Argentina	0% (option to purchase 100%)
File 6343 (Tigre) ³	Argentina	0% (option to purchase 100%)
File 6345 (Puma) ³	Argentina	0% (option to purchase 100%)
File 100561 (Praga I) ³	Argentina	0% (option to purchase 100%)
File 100562 (Praga II) ³	Argentina	0% (option to purchase 100%)
File 100625 (Praga III) ³	Argentina	0% (option to purchase 100%)
File 10626 (Praga IV) ³	Argentina	0% (option to purchase 100%)

¹ Interest in mining tenement held by Ekeko S.A.

² Interest in mining tenement held by Francisco Menendez

³ Interest in mining tenement held by Salonix SRL

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.

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ARGOSY MINERALS LIMITED

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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

