

18 September 2017

COMMENCEMENT OF DRILLING FOR RINCON STAGE 2 PRODUCTION WELLS AND RESOURCE DELINEATION

HIGHLIGHTS

- Production well drilling to commence in preparation for lithium brine pumping into Stage 2 evaporation ponds
- Exploration diamond drilling works underway targeting delineation of JORC Code-compliant resource
- Construction of Stage 2 evaporation ponds progressing

Argosy Minerals Limited (ASX: AGY) ("**Argosy**" or "**Company**") is pleased to announce further progress on its Stage 2 development works at its Rincon Lithium Project – located in the "Lithium Triangle" in Salta Province, Argentina – with the recent commencement of drilling operations and continued progress on the construction of Stage 2 evaporation ponds.

Argosy's primary objective of the drilling operations is to drill several production wells for pumping of lithium brine into the Stage 2 evaporation ponds currently under construction, complete exploration diamond drilling works to delineate a JORC-compliant Resource estimate in Q4, 2017, and conduct brine test-works within the Project area.



Photo 1. Rincon Lithium Project – Exploration diamond drilling operations and (inset) diamond drill core.

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The drilling works plan comprises eight exploration diamond drill-holes and up to four production wells ranging in depths up to approximately 100 metres. The site of each drill-hole is strategically selected for maximum utilisation, including production wells for lithium brine pumping for Stage 2 operations.

The brine test-works are fundamental to evaluate and confirm the capacity of the salar to yield brine and measure lithium resources, and will include transmissivity and porosity measurement, and determine expected flow rates.



Photo 2 (above) and 3 (below). Rincon Lithium Project – Stage 2 Evaporation Ponds



The Company continues to progress the initial Stage 2 evaporation pond construction works at Rincon, where the first Stage 2 evaporation pond - covering ~4.5 hectares (see Photos 2 & 3) has been prepared and ready for pond lining installation works. The production wells will then pump lithium brine into this pond once fully lined, when the solar evaporation and brine concentration process will commence, and be in full effect by the end of September.

Additional Stage 2 evaporation ponds are under construction (see Photo 3) and targeted for completion during October. This will result in a combined total of ~10 hectares of newly constructed evaporation ponds being utilised for additional lithium brine concentration processes.

Argosy Managing Director, Jerko Zuvela commented "**Argosy is delighted with the progress of initial Stage 2 development works, including production and exploration drilling works, to ultimately fast-track toward production of LCE product. We are committed to building a sustainable lithium production Company.**"

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Combined with the Stage 1 evaporation ponds already constructed - which have been concentrating lithium brine since April - the Company will have over 11 hectares of evaporation ponds concentrating lithium brine during the upcoming peak solar evaporation season.

At this scale of evaporation ponds, the Company will be able to increase the Stage 1 lab pilot plant capacity up to 500tpa, with first LCE product scheduled during the March 2018 Quarter.

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 our fast-track strategy.

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 an interest in the Rincon Lithium Project in Argentina.

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

