

ASX ANNOUNCEMENT

8 November 2017

RINCON STAGE 2 POND CONSTRUCTION & DRILLING UPDATE

HIGHLIGHTS

- ✦ Fast-track development of Rincon Lithium Project on target – first battery grade LCE product planned for March 2018 Quarter
- ✦ Stage 2 development works progressing – ponds and drilling works
- ✦ Positive preliminary exploration results received

Argosy Minerals Limited (ASX: **AGY**) ("**Argosy**" or "**Company**") is pleased to announce further development progress at its Rincon Lithium JV Project located in the "Lithium Triangle" in Salta Province, Argentina, where initial Stage 2 evaporation pond construction works are nearing completion.

Current status of works involves near completion of earth moving works for Stage 2 evaporation ponds, and installation of lining material into approximately 75% of the total pond area. Pond lining works will continue concurrently with drilling of the production well that will be utilised as the source of the lithium brine to be pumped into the evaporation ponds. Once completed, the Stage 2 pond works will result in a total of an additional approximate 10 hectares of evaporation ponds to be filled with lithium brine for traditional solar evaporation processes that will produce lithium brine concentrate for further processing into targeted battery grade LCE product.

The Company encountered an approximate three week delay with piping being held up arriving on site due to manufacturing scheduling issues with the supplier, and minor operational site time slippages. However, these issues are no longer a factor and the piping equipment will be transported to site imminently and pond works are expected to be completed within the next 2-3 weeks.



Photo 1. Rincon Lithium Project – Stage 2 Evaporation Ponds, Lining Works



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Photo 2. Rincon Lithium Project – Stage 2 Evaporation Ponds, Lining Works

Combined with the Stage 1 evaporation ponds already constructed – that have been concentrating lithium brine since April – the Company will have over 11 hectares of evaporation ponds concentrating lithium brine during the 2017/18 summer peak solar evaporation season. The lithium brine concentrate is expected to be available for processing through the Stage 1 plant, and targeted to produce first battery grade lithium carbonate equivalent (“LCE”) product by the end of the March 2018 Quarter.



Photos 3 - 5. Rincon Lithium Project – Stage 1 Evaporation Ponds, Lithium Concentrate in Ponds

The Company is expecting the Stage 1 plant to commence test operations by year-end, with a scheduled plant capacity of up to 500 tonnes per annum of LCE product from commencement of targeted first production.



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The Company is conducting two phases of drilling operations, including production well drilling for pumping of lithium brine into the Stage 2 evaporation ponds and Resource drilling.

The production well drilling is currently being completed and will also involve brine test-works to determine flow rates among other testing for future analytical / study works. Pending flow rate being completed, the Company expects lithium brine pumping from the production well into the Stage 2 evaporation ponds to coincide with completion of pond construction works over the next 2-3 weeks.

Exploration diamond drilling works are continuing – with an aim to delineate a JORC-compliant Resource estimate in early 2018. Two drill-holes have currently been completed to a depth of 102.5m, much deeper than the expected target depth of 50m. The Company is awaiting the full set of laboratory analysis results for these two drill-holes and will advise of such results pending review and interpretation by the Company's Australian consulting hydrogeologist.



Photos 6 & 7. Rincon Lithium Project – Exploration diamond drilling operations

Argosy Managing Director, Jerko Zuvela commented “***We are delighted with the progress of initial Stage 2 development works and preliminary exploration drilling results supporting our fast-track development strategy of targeting LCE production. We are committed to building a sustainable lithium production company.***”

“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.

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.

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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



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