

20 December 2017

RINCON UPDATE – LITHIUM BRINE IN STAGE 2 PONDS

HIGHLIGHTS

- Lithium brine pumping into Stage 2 evaporation ponds progressing
- Solar evaporation and lithium brine concentration process to commence
- Second production well completed
- Exploration diamond drilling progressing – six drill-holes now completed
 - Positive preliminary porosity and specific yield results from USA lab test-work
- Stage 1 pilot plant undergoing construction in preparation for LCE test-works
- Encouraging meetings held with Asian LCE end-users for potential off-take and Stage 3 investment

Argosy Minerals Limited (ASX: **AGY**) ("**Argosy**" or "**Company**") is pleased to announce further Stage 2 development progress at its Rincon Lithium Project located in the "Lithium Triangle" in Salta Province, Argentina, where the Company is conducting lithium brine pumping, from the first production well, into the Stage 2 evaporation ponds and then commence natural solar evaporation to instigate the lithium brine concentration process.

The Company also continues to progress construction of the Stage 1 pilot plant, located at its fully owned industrial warehouse site - in preparation for lithium concentrate processing test-works during the March 2018 Quarter and production of targeted battery grade LCE product - with plant capacity up to 500 tonnes per annum of LCE product.



Photos 1 - 2. Rincon Lithium Project – Brine Pumping into Stage 2 Evaporation Ponds

As noted previously, the fully constructed initial Stage 2 evaporation ponds cover an area of ~10 hectares, and combined with the Stage 1 evaporation ponds already constructed – that have been continuously concentrating lithium brine since April – the Company now has ~11 hectares of full constructed evaporation ponds to concentrate lithium brine during

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the 2017/18 summer peak solar evaporation season. The evaporation rate through November was excellent, with most days having clear blue skies and averaging ~10mm evaporation per day.



Photos 2 - 3. Rincon Lithium Project – initial Stage 2 Evaporation Ponds

The Company is conducting two concurrent phases of drilling operations – production well drilling with a rotary drill rig, where the second production well was recently completed to a depth of 100 metres, and resource exploration diamond drilling, where six diamond drill-holes have been completed, each to a depth of 102.5m. The third production well and the final diamond drill-holes are scheduled for January 2018.

The Company is conducting various laboratory analysis test-works on the resource exploration drilling samples, including porosity and systematic brine analyses in separate laboratories. Preliminary results received from the GeoSystems Analysis Laboratory in the USA

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indicate very positive drainable porosity and specific yield results from the initial samples submitted. The Company is awaiting the full set of laboratory analysis results and will advise of such results pending review and interpretation by the Company's Australian consulting hydrogeologist. Once completed, all the data will be used to produce a Resource estimate for the Project, to be reported in accordance with JORC 2012 requirements.

Argosy Managing Director, Jerko Zuvela commented "**Argosy continues to accomplish significant development milestones as we continue our aggressive development strategy and progress toward becoming an LCE producer in the near-term.**

I am excited about our future prospects and the interest generated from lithium end-users, which will see Argosy as the second ASX-listed lithium producer."

The Company is confident that the Rincon Lithium JV 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.

Strategic Investor Meetings

The Company advises that its senior executives have recently held key meetings with several significant companies in the Chinese lithium battery sector to discuss Argosy's development strategy and potential propositions for the Rincon Lithium Project, including the potential to consider investment funding, off-take or other value-adding commercial agreements in consideration for Stage 3 development of the Project.

Argosy notes that any meetings or considerations in regard to any potential transactions are preliminary and there is no certainty that any agreement will be reached. The Company will update shareholders upon any further developments in this regard.

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.

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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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