

ASX ANNOUNCEMENT

26 March 2018

RINCON LITHIUM PROJECT UPDATE

HIGHLIGHTS

- Lithium brine concentrate processing via Stage 1 pilot plant expected to commence this week
- Construction works commenced for additional Stage 2 lithium brine evaporation ponds at Rincon
- Preliminary Economic Assessment works on-going
- Arrangements made with major international customers to provide samples of battery grade LCE for quality specification

Argosy Minerals Limited (ASX: **AGY**) ("**Argosy**" or "**Company**") is pleased to announce continued development progress at its Rincon Lithium Project located in the "Lithium Triangle" in Salta Province, Argentina.

Argosy Managing Director, Jerko Zuvela said "*Argosy continues its fast-tracked development strategy, and we are excited about the upcoming lithium processing test-works and becoming an LCE producer.*"

Also, the approval and commencement of the additional Stage 2 evaporation ponds signifies the Company's confidence in the long-term sustainability of our Rincon Project, which is further magnified by the work going on in support of the PEA and the growing understanding of how to maximise Rincon's economic potential.

Our early-mover proof of concept and fast-track production strategy is realising enormous interest and potential long-term benefits for the Company given the insatiable demand in the international market place, as we move toward building a sustainable battery grade lithium production Company."

Stage 1 Pilot Plant

The Company confirms that preparations for commencement of lithium brine concentrate processing test-works are almost complete. Pending some final checks and transportation of brine concentrate to the plant site, such test-works are expected to commence later this week. Initial lithium brine concentrate from the Company's Stage 1 evaporation ponds will be delivered to the Company's industrial warehouse site, where the Stage 1 pilot plant is located and that will be utilised for the processing test-works to produce lithium carbonate ("LCE") product. The Company's Rincon Lithium Project personnel, headed by the Company's JV partner – Mr Pablo Alurralde, are working with maximum effort to achieve this important milestone for the joint venture and the Company.

On-going processing test-works and pilot plant commissioning are then envisaged to be carried out throughout April. These works include fine-tuning the chemical balances, formulations and equipment settings over that time to ensure the consistent production of high quality battery grade LCE product.

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Arrangements to Provide LCE Samples to International Customers and Initial Sales

Argosy has made arrangements with a number of international cathode and battery industry participants to provide them with samples of battery grade LCE material produced from Rincon for their own quality confirmation and testing. The Company expects to deliver samples to Japan, Korea and China over the course of April and May.

Given the early availability of product from Rincon derived from our fast-track, process-led development strategy, Argosy is in a unique position to be able to provide high quality product samples to potential customers at this time in our development plan. The Company believes it will be able to execute potential medium and long-term off-take agreements with the highest quality major battery and cathode industry participants as a result of having proven the quality of our Rincon Project battery grade LCE product.

In addition, the Company is finalising arrangements to sell the surplus LCE product produced during the processing test-works, and will look to formalise sales arrangements during this period.

Stage 2 Evaporation Pond Works

Argosy also confirms it has now commenced site works for the construction of ~24 hectares of additional Stage 2 lithium brine evaporation ponds. These works will result in an additional eight evaporation ponds to complement the nine Stage 2 ponds currently in operation. The Company will then have a combined total of ~34 hectares of Stage 2 evaporation ponds.

The Company has agreed the budget and timeframe for these works with the pond construction contractor, who also completed the Company's already constructed evaporation ponds. The Company is targeting that the additional Stage 2 evaporation ponds are operational for peak solar evaporation and lithium concentration by the start of the upcoming summer season.

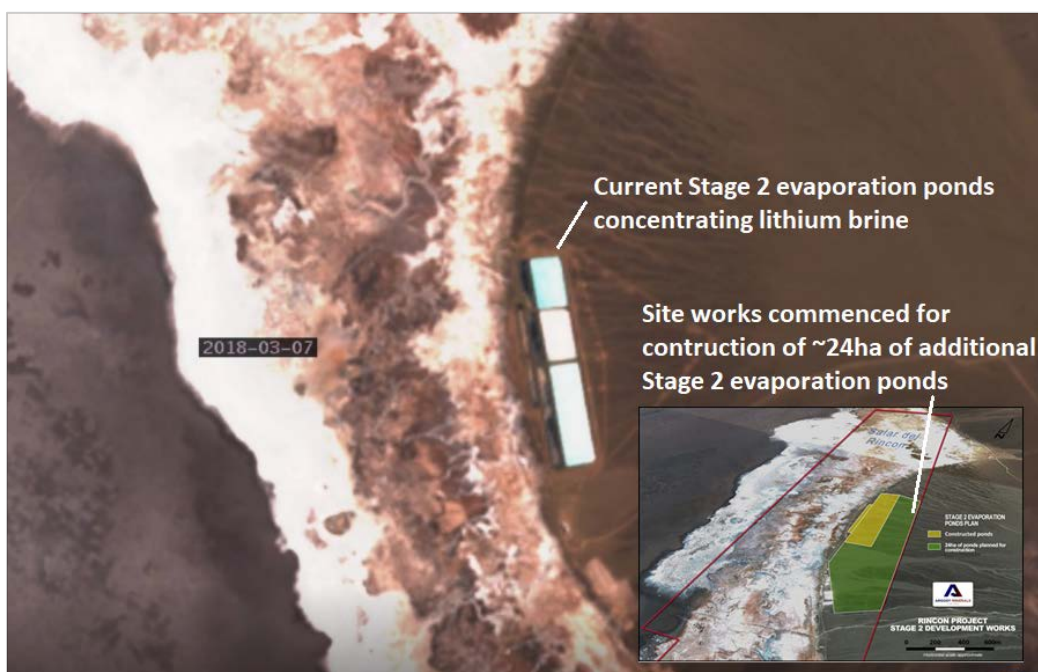


Figure 1. Rincon Lithium Project – Stage 2 Evaporation Ponds Plan

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PEA Works

The Company has engaged independent consultants to prepare a PEA for the Rincon Lithium Project, and is very encouraged by the works to date. The main items of the PEA will comprise:

- ▶ Hydrogeological data, with life of mine modelling, production and brine pumping parameters, mineral resources, borefield details;
- ▶ Capital and operating costs;
- ▶ Processing and engineering works;
- ▶ Financial analysis;
- ▶ Marketing analysis; and
- ▶ Financial analysis.

As part of the PEA works, the Company has consulted with its independent consulting hydrogeologists and decided to conduct an additional 2 – 3 exploration diamond drill-holes. The aim of the extra holes is to include more material in the Indicated category of the Mineral Resource estimate for the PEA. As such, the JORC Resource estimate works will be prepared in two parts using the current drilling data to prepare a maiden Mineral Resource estimate for Rincon, and then following the completion of the additional diamond drilling works, an updated Mineral Resource estimate will be prepared in conjunction with the PEA.

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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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 a current 77.5% interest in the Rincon Lithium Project in Salta Province, Argentina.



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The Company is focused on its flagship Rincon Lithium Project – 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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