

28 February 2019

RINCON PROJECT UPDATE

HIGHLIGHTS

- Next stage development permitting applications being submitted to Salta Province Mines Department, currently targeting approvals for an initial ~2000 tpa commercial operation module
- Regulatory works commenced to prepare permit applications for full commercial scale (~10,000 tpa) project development approvals
- Lithium carbonate product specification and test samples accepted by preferred potential customers and strategic investor partners
- Pilot plant processing works continuing to produce lithium carbonate product
- High purity lithium hydroxide (LiOH) samples being produced from AGY pilot plant and laboratory for customer testing following interest by major Korean battery group
 - Argosy has the processing expertise and knowledge to consider a complementary commercial LiOH production strategy
- Site works continuing via lithium brine pumping operations into evaporation ponds

Argosy Minerals Limited (ASX: **AGY**) ("**Argosy**" or "**Company**") is pleased to advise further progress towards commercial development of the Rincon Lithium Project – located in the "Lithium Triangle" in Salta Province, Argentina.

The Company has conducted works to advance the next stage development approvals process via preparation of necessary regulatory documents and permitting applications for the development of an initial ~2000 tpa commercial operation module lithium carbonate processing plant and associated operations at the Rincon project site.

In addition, Company executives in Salta have discussed with Salta Province Mines Department regulatory officials the prospect of advancing the Project direct to 10,000 tpa scale development and the associated approvals process requirements. As such, the Company has commenced necessary works to support future application documentation to obtain such regulatory approvals as quickly as possible.

Argosy has progressed the process of product specification customer acceptance following product test samples provided to preferred potential Asian customers. With the Company's development strategy enabling a direct engagement with potential customers due to being able to provide LCE product samples from the Stage 1 industrial scale pilot plant operations, the Company has prioritised its attention to the strategic investment process and resultant potential CAPEX finance solution for the full commercial scale development of the Project.

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Argosy is one of the first new LCE product suppliers to be able to follow this pathway, and reinforces the strong position the Company is in to establish its credentials well before many other lithium companies, given the stage of development achieved by Argosy at the Rincon Project.

Argosy also continues to conduct processing works at the Stage 1 pilot plant to generate a build-up of lithium carbonate product for further customer samples verification and testing, and in preparation for production of LCE product for the potential Stage 1 off-take requirements.

Due to such developments achieved, the Company has received interest from a large Korean battery manufacturer to prepare high purity lithium hydroxide samples. As such, some of the lithium carbonate produced from the Stage 1 pilot plant, and with such processing expertise, the Company is able to prepare lithium hydroxide customer samples from its in-house laboratory.

This now provides the Company with a potential complementary production pathway in addition to the lithium carbonate strategy and successful chemical process solution achieved to date.



Figures 1 - 4. Rincon Lithium Project – Lithium Hydroxide Sample Preparation Works

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The Company continues to conduct lithium brine pumping operations into the constructed evaporation ponds on site. This allows the lithium brine concentration process to continue and build up the lithium brine concentrate feedstock for future lithium processing works. With the majority of site works conducted, and noting the recent rainfall in the Puna region, the Company will complete the lining of the final evaporation ponds during the next Quarter.

Argosy Managing Director, Jerko Zuvela said "***The recent works progress and meetings in South Korea and Japan with well credentialed and strategic groups confirmed the very positive feedback the Company has received on its Rincon development strategy and lithium processing works achieved to date.***

This has put Argosy in a strong position to secure a key strategic relationship and interest for the potential full commercial scale development of the Rincon Lithium Project."

With the major 2018 project milestones accomplished – these being:

- constructing and commissioning the Stage 1 industrial scale pilot plant and associated site works,
- developing an exclusive and proprietary successful industrial scale chemical process solution to produce $\geq 99.5\%$ Li_2CO_3 product using the Stage 1 pilot plant; and
- the PEA (and associated JORC Indicated Mineral Resource estimate) completed.

The Company is prioritising efforts to secure a strategic relationship/partnership(s) to ensure the successful commercial development of the Rincon Lithium Project.

Argosy recently attended meetings with a consortium of South Korean groups to consider potential strategic partnership arrangements for the commercial scale long-term product off-take and accompanying capex funding solution.

Current factors under consideration with these groups involves project feasibility, LCE product specification requirements, scale of an initial and longer-term commercial operation and associated funding requirements, structure and framework of the strategic relationship and related product off-take arrangements, and securing a long-term off-take agreement.

Independently, the Company is moving toward closing an off-take arrangement for Stage 1 product with a Japanese group. Most items for such have been resolved and the parties are near to finalising.

The Company is also cognisant of immediate funding requirements for the ongoing day-to-day operations and will consider these funding options in light of the broader discussions with potential strategic and interested parties to ensure continued progression with project development.

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% (and ultimate 90%) interest in the Rincon Lithium Project in Salta Province, Argentina.

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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