

ASX ANNOUNCEMENT

9 January 2020

RINCON PROJECT APPROVAL GRANTED

HIGHLIGHTS

- ◆ Government of Salta Province approves Company's Environmental Impact Report for development of the ~2,000tpa lithium process plant and subsequent lithium production operations at Rincon Lithium Project
- ◆ Argosy to prioritise realising a funding solution for the development capital requirement
- ◆ ~5 tonne preliminary trial cargo of high-quality lithium carbonate product from industrial scale pilot plant on schedule for first shipment during Q1, 2020

Argosy Minerals Limited (ASX: **AGY**) ("**Argosy**" or "**Company**") is pleased to announce that it has received official approval notification from the Government of Salta Province and its regulatory bodies – the Ministry of Production and Sustainable Development, and the Secretary of Mining and Energy – to grant the development of the next stage works at the Company's Rincon Lithium Project, comprising construction of a ~2,000tpa lithium processing plant, on-going lithium production operations from the process plant, and all associated works in relation to these activities in accordance with standard environmental requirements set out in the notice approving the Company's Environmental Impact Report ("EIR").

The main items approved in the EIR comprise – construction of the lithium processing plant, camp/accommodation facilities, settling ponds for processing works, and access roads; industrial and chemical processing works; environmental management; effluent management; managing local/indigenous community matters; suppliers and contractor management; local employment objectives; water consumption; and contingency management.

The official approval notice confirms the Company now has all the necessary permits to commence works for the development of the initial ~2,000tpa modular lithium carbonate processing plant and all associated operations at the Rincon project site.

Argosy Managing Director, Jerko Zuvela said "*We are grateful to the Salta Province regulatory authorities, especially the Secretary of Mining and Energy who officially approved our EIR. This is now an exciting period for Argosy and Puna to become the first commercial lithium producer in Salta Province and progress toward full development of our Rincon Lithium Project.*

This is a significant milestone and I thank the Puna team for such an achievement, whose lithium processing expertise is critical and provides us a distinct advantage to our lithium peers - having successfully proven our chemical processing capability in producing >99.5% LCE product and now working toward commercial scale production operations."

The Company will now further escalate ongoing discussions with a number of potential capital providers for the ~2,000tpa processing plant capital requirements. The EIR approval removes a major hurdle towards securing funding and will give confidence to these

Page 1 of 3

For personal use only

ASX ANNOUNCEMENT

potential capital providers. Argosy will continue to review and consider all funding options during the near term, prior to confirming progress on the development works.

In conjunction, Argosy will continue to focus on finalising strategic relationships and partnerships for the commercial development of the Rincon Lithium Project.

Based on Argosy's current plans, development of the ~2,000tpa processing plant is estimated for a 12-15 month construction timeframe (from commencement), with a ~3-4 month commissioning period thereafter. The budgeted capital expenditure is estimated at ~US\$14.3 million (plus contingency & VAT).

As per the Company's core strategy to continue delivering outcomes that will enhance our value proposition, Argosy's focus and priority will continue being the ~2,000tpa modular lithium carbonate processing plant operation as the next step in the scale-up development of the Rincon Lithium Project.

As part of this next stage of works, the Company advises the 38 hectares of evaporation ponds constructed to supply concentrated lithium brine to the planned ~2,000tpa processing plant are currently in full operation concentrating lithium brine. These evaporation ponds were completed in 2018 and are ready to immediately deliver concentrated lithium brine into the ~2,000tpa plant upon commencement of such operations.

Furthermore, the Company is continuing to progress works necessary to prepare applications for the enlarged commercial scale ~10,000tpa operation project development approvals/permits and associated environmental impact assessment.

In addition, the Company is currently scheduling a preliminary trial cargo comprising ~5 tonnes of high-quality lithium carbonate produced from its industrial scale pilot plant operations for shipment during Q1, 2020 and delivering into the Sales Agreement executed with Mitsubishi Corporation RtM Japan Ltd in March 2019.

ENDS

This announcement has been authorised by the Company's Managing Director.

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.

For further information:

Jerko Zuvela
Managing Director

T | +61 8 6188 8181

E | admin@argosyminerals.com.au

W | www.argosyminerals.com.au

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

For personal use only

ASX ANNOUNCEMENT

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 and a 100% interest in the Tonopah Lithium Project in Nevada, USA.

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



For personal use only