

ASX ANNOUNCEMENT

17 September 2020

500KG HIGH PURITY LITHIUM CARBONATE PRODUCT SAMPLE DELIVERED TO JAPANESE CUSTOMER

HIGHLIGHTS

- Product sample testing forms the basis and is required for supplier qualification process, and potential Stage 2 off-take arrangements
- Further validation of the Company's exclusive and proprietary environmentally clean chemical process technology
- Japanese battery cathode market targeted by Argosy for potential larger off-take arrangements

Argosy Minerals Limited (ASX: **AGY**) ("**Argosy**" or "**Company**") is pleased to advise that, as part of its product qualification process for potential future Stage 2 off-take arrangements, it has delivered the 500kg high purity lithium carbonate product sample – produced from the Company's industrial scale pilot plant at the Rincon Lithium Project in Salta Province, Argentina – to a Japanese battery cathode end-user customer.

The 500kg product sample was requested by the potential new end-user customer following the supply of the initial five (small volume) product samples tested by the customer in June, where they achieved analysis results up to 99.88% Li_2CO_3 purity. This larger 500kg product sample is part of the next phase of the product qualification process, which if successful, the customer has requested to purchase a container delivery of high purity Li_2CO_3 product from our industrial scale pilot plant operations. This may then lead to Argosy's lithium carbonate product being qualified and accepted for future deliveries and potential off-take arrangements with this customer as part of the next stage of development of the Rincon Lithium Project.

Argosy Managing Director, Jerko Zuvela said "*This is another significant milestone towards the development of our Rincon Lithium Project and securing strategic relationships with potential battery cathode customers for our future 2,000tpa off-take arrangements. We continue to differentiate our project from all our peers with our in-house lithium processing expertise and the high purity lithium carbonate product we produce.*

It is further proof of our proprietary and successful environmentally clean chemical process technology developed specifically for our project by our world-class Puna operations team.

Our Company and project fundamentals remain strong, and we will be strong beneficiaries of the EV/lithium sector resurgence noting the significant project milestones completed to date.

We are delighted to be part of the exclusive group of international lithium carbonate product producers and exporters, as we continue toward full development of our Rincon Lithium Project."

For personal use only

ASX ANNOUNCEMENT

The delivery of the 500kg product sample to a Japanese battery cathode customer for their testing requirements clearly confirms the advanced stage the Company is now operating at and the high purity product being produced at the Company's industrial scale pilot plant operations – using our exclusive, proprietary and successful environmentally clean and conventional chemical process technology (compared to other junior and pre-development lithium companies, who are still at laboratory stage or considering untested/unproven direct lithium extraction techniques).

The ability to produce high purity battery quality lithium carbonate product from the industrial scale pilot plant considerably reduces the established risks for the Company to progress to the larger scale ~2,000tpa and ultimately ~10,000tpa operations (compared to lab-scale testing being conducted by other lithium companies).

The significant milestones the Company has achieved to date assist in de-risking two key hurdles for many potential lithium producers – being the cost of production (opex) and the scale of financing (capex) required. Many junior/unproven potential lithium development companies have forecast production costs less than many of the current major LCE product producers, which raises doubts amongst lithium industry participants. Furthermore, the forecast capex for many of these development companies are estimated at >US\$500 million. Argosy's opex costs are established (via the pilot plant operations) and realistically align with current market rates. In addition, Argosy's strategy to progress with the ~2,000tpa operations and associated capex funding is more practicable in the current market. These two factors are further proof Argosy is aligned to current lithium market conditions and one of the few lithium companies attracting strong interest for project finance investment.

Argosy continues to garner emerging interest from Europe for our advanced project development status and our clean technology achievements. The Company recently presented to a group of European and German government and battery industry participants. Europe is fast becoming a major growth hub for the sector with substantial government support to establish its own EV supply chain, particularly with the pipeline of battery mega-factories for construction.

The Company is continuing to progress positively with the funding solution for the ~2,000tpa operation capital requirements, with several funding proposals being reviewed and advancing with the better options – with a focus to confirm the successful funding outcome to meet our target timeframe or shortly thereafter.

The Company continues to implement measures at the Rincon Lithium Project to ensure the health, safety and wellbeing of all staff during the Covid-19 situation.

ENDS

This announcement has been authorised by Jerko Zuvela, 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

For personal use only

ASX ANNOUNCEMENT

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 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