

ASX ANNOUNCEMENT

7 December 2020

20 METRIC TONNE HIGH PURITY Li₂CO₃ PRODUCT SALES CONTRACT EXECUTED WITH KOREAN CUSTOMER

HIGHLIGHTS

- **20 metric tonne cargo comprises battery quality >99.5% lithium carbonate product from Argosy's industrial scale pilot plant, scheduled for shipment this month**
- **Korean customer specialises in various end-use chemical supply applications, including LiPF₆ battery electrolyte and other battery applications, where ultra-high purity lithium carbonate product is necessary**
- **20 metric tonne Sales Contract executed with international benchmark fixed sales price agreed – based on S&P Global Platts' assessed battery-grade quality lithium carbonate CIF North Asia price**
- **Further validation of the Company's exclusive and proprietary environmentally clean chemical process technology to produce high purity battery quality lithium carbonate product acceptable for high-specification international markets**
- **Korean battery quality lithium carbonate market targeted by Argosy for potential larger off-take arrangements**

Argosy Minerals Limited (ASX: **AGY**) ("**Argosy**" or "**Company**") is pleased to advise the signing of a Spot Sales Contract with Korean chemical company - Y. N Chemical Co. Ltd ("**YNCC**"), for the sale of 20 metric tonnes of high purity battery quality lithium carbonate product produced from the Company's industrial scale pilot plant at the Rincon Lithium Project in Salta Province, Argentina.

The Sales Contract agreed fixed price equates to the current S&P Global Platts' assessed battery-grade lithium carbonate CIF North Asia price (at 27/11/20) – an industry standard benchmark index reference, with payment terms being an irrevocable letter of credit at sight (Incoterms) and payment immediately on receipt of original shipping documents.

YNCC successfully completed pre-shipment product sample testing, where they achieved analysis results confirming a very high purity battery quality Li₂CO₃ product with very low impurity levels, and have advised the excellent purity is suitable for battery electrolyte applications and multiple other battery uses, as well as other conventional requirements. Hence opening up a wide range of market options for future larger off-take arrangements into the Korean market.

Argosy Managing Director, Jerko Zuvela said "**Argosy's ability to produce high purity lithium carbonate product on an industrial scale rather than just laboratory samples is what separates Argosy's technology expertise from all our junior peers. Our high quality product is being recognised by customers across Asia and Europe.**

In addition, the sales price achieved is higher than many of the larger producers, reflecting the quality of and interest to secure our product.

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Argosy will continue to focus on producing a high purity battery quality product, noting other larger lithium operators are producing industrial grade product, whilst others are focusing on lower quality product due to their process technology limitations.

Argosy's ability to produce a high purity battery quality product is being recognised by customers and differentiates our fast-track production strategy from many of the current lithium companies trying to progress with their project development.

With the lithium markets gaining traction recently, we are confident of a capex funding solution, and I am truly excited by the prospect of commencing construction on the ~2,000tpa plant operation, further confirming Argosy's status on the exclusive list of international battery quality lithium carbonate product producers and exporters."

The Company advises there are no material conditions that need to be satisfied prior to proceeding with, nor any other material information relevant to, the Sales Contract.

The Company is now working through the process to receive regulatory export and customs approvals, arrange shipping documents and confirm the shipping schedule, with the product cargo expected to commence delivery this month. The Company's local Puna operations team have worked through this process previously when delivering the maiden product cargo earlier this year and product samples to various battery related groups.

The 20 metric tonne product sale is a pre-cursor to potential future Stage 2 off-take arrangements, noting YNCC are focussed on, and has long established business relations, purchasing lithium carbonate product from existing larger South American lithium producers.



Figure 1. Rincon Lithium Project – High Quality >99.5% Lithium Carbonate Product for delivery

The delivery of the 20 metric tonne cargo further confirms the advanced stage the Company continues operating at, utilising the Company's 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, considering untested/unproven direct lithium extraction techniques, or outsourcing their technology requirements to experimental third party groups).

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

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 places the Company in a strong position to potentially fully develop our project.



Figure 2. Rincon Lithium Project – High Quality >99.5% Lithium Carbonate Product for delivery

The current industrial scale pilot plant processing operations are achieving consistent high purity battery quality lithium carbonate product, with results tested by international customers achieving up to 99.94% Li_2CO_3 content and very low impurity levels.

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

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

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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 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



Competent Person's Statement – Rincon Lithium Project

The information contained in this ASX release relating to Exploration Results has been prepared by Mr Jerko Zuvela. Mr Zuvela is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Zuvela is the Managing Director of Argosy Minerals Ltd and consents to the inclusion in this announcement of this



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information in the form and context in which it appears. The information in this announcement is an accurate representation of the available data from exploration at the Rincon Lithium Project.

Chemical Engineer's Statement: The information in this announcement that relates to lithium carbonate processing is based on information compiled and/or reviewed by Mr Pablo Alurralde. Mr Alurralde is the President of Puna Mining S.A. and consents to the inclusion in this announcement of this information in the form and context in which it appears. Mr Alurralde is a chemical engineer with a degree in Chemical Engineering from Salta National University in Argentina. Mr Alurralde has sufficient experience which is relevant to the lithium carbonate and lithium hydroxide processing and testing undertaken to evaluate the data presented.

