

25 January 2021

TONOPAH LITHIUM PROJECT UPDATE

HIGHLIGHTS

- Historical gravity data modelling has identified sub-basins with potential lithium brine trap targets
 - Fault traps may allow concentration of lithium brine to accumulate from groundwater flow from the northwest toward the Silver Peak lithium brine operation
 - Significant opportunity to leverage Argosy's lithium brine processing technology at strategic USA project
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Argosy Minerals Limited (ASX: **AGY**) ("**Argosy**" or "**Company**") is pleased to advise it has reviewed geophysical gravity data at its 100% owned Tonopah Lithium Project in Nevada, USA, which has identified lithium brine trap targets that may contain accumulated concentrated lithium brine, that will be the focus for Argosy's exploration works at the Project.

The gravity data was previously modelled to create a 3D depth inversion model of the basin to define sub-basins that may be sites for lithium brine accumulation (refer Figure 1).

The 3D inversion model shows:

- northeast depth gradients crossing the Northwest Clayton Valley basin caused by normal faults which define boundaries of sub-basins;
- the sub-basins are targets for traps for the concentration of lithium brine from groundwater flow from the northwest toward the Silver Peak lithium brine operation; and
- the Northwest Clayton Valley basin in the central part of the Tonopah Project area has basement depths of greater than 3,000m – highlighting the depth potential for accumulation of lithium brine areas.

The lithium brine trap targets identified from the 3D inversion modelling will allow the Company to progress potential follow-up magnetotelluric resistivity surveying and drilling works to determine lithium brine prospectivity.

Argosy Managing Director, Jerko Zuvela said ***"The USA is fast becoming a powerhouse in the EV industry and are making significant steps to promote the highly strategic battery minerals industries. The Tonopah Lithium Project will place Argosy in prime position to take advantage of our technological expertise (and successfully producing battery quality lithium carbonate) in an established mining region."***

We look forward to progressing and realising the potential from our Tonopah Lithium Project and the benefits of being located in the US during this next stage of exponential growth in this industry."

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The Project is directly analogous to the neighbouring Silver Peak Lithium Mine (owned by Albemarle Corporation) deposit model, both geologically and structurally, with consultants SRK providing positive validation of the lithium brine resource potential following their prior technical review.

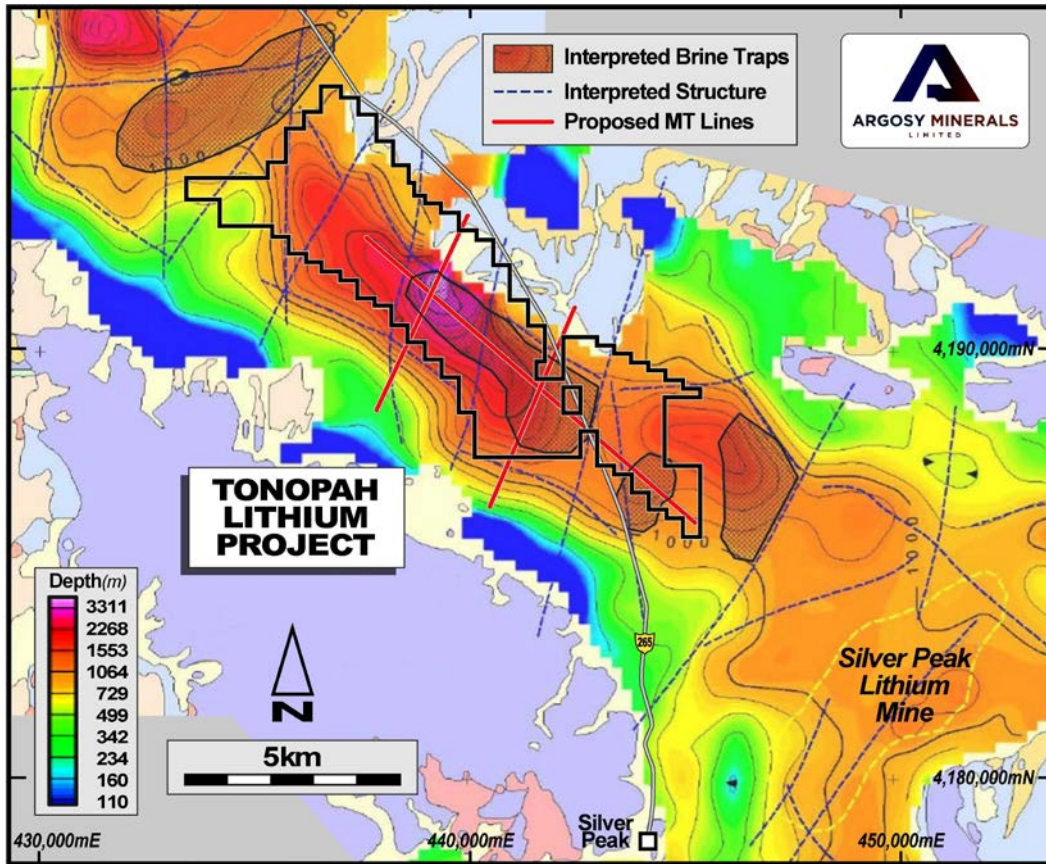


Figure 1. Tonopah Lithium Project – Basin fill depth with interpreted basin forming structures and brine traps

The Tonopah Project provides a low-risk opportunity to take an early stage lithium brine prospect and apply the Argosy strategy – as demonstrated at our Rincon Lithium Project, to similarly advance Tonopah. The Project is located in one of the world’s most favourable and stable mining jurisdictions and home to the USA’s burgeoning electric vehicle industry, with well-developed infrastructure and a skilled local workforce.

The Company considers the opportunity to develop a USA based project in a jurisdiction supportive of the commercial development of lithium, and which is listed on the US Government’s 2018 Final List of 35 Minerals Deemed Critical to U.S. National Security and the Economy, as a strategic position to further develop Argosy into a world-class lithium producer. Furthermore, the US Department of Commerce has previously reported that “unprecedented action” would be taken to strengthen the USA’s critical mineral supply chains, including via support for domestic resource development.

USA Lithium Market Update

The USA remains a key growth area for lithium demand alongside China and Europe. The US lithium sector is set for a massive boost following the election of President Biden and his



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policy statements toward commitments for the growth of battery storage and 'clean' energy, including key incentives to encourage domestic battery and cathode production.

This includes spending commitments of US\$5 billion on research and development towards battery storage and boosting the range of EV's, whilst providing incentives and benefits for EV adoption, government take-up and charging infrastructure across the country.

It is envisaged EV vehicle manufacturing is set to grow exponentially in the US, with major investments from Ford (US\$11.5 billion), GM (US\$27 billion), and continued growth of Tesla production and accessibility to the broader population.

LCE producers are gearing up to feed the growing demand, with Albemarle recently announcing plans to spend US\$30-US\$50m to double production at its Silver Peak operation in Nevada – located nearby Argosy's Tonopah Lithium Project.

With lithium included on the US list of critical minerals and the growing demand for LCE product within the US, Argosy is well placed to benefit from upcoming LCE product requirements in the USA.

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.

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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.

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 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 Tonopah Lithium Project.



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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 Tonopah Lithium Project Location Map

