

ASX ANNOUNCEMENT

27 February 2017

RINCON PROJECT UPDATE

Argosy Minerals Limited (ASX: AGY) (“Argosy” or “Company”) is pleased to announce a progress update on its Stage 1 development works at the Rincon Lithium JV Project and its plan to produce a laboratory scale quantity (targeting up to 100 – 150 tonnes) of lithium carbonate equivalent (LCE) product from the Project, located in the “Lithium Triangle” in Salta Province, Argentina.

The Company is also pleased to advise that its Strategic Adviser – Airguide International Pte Limited and its executives have recently conducted meetings with various industry leading companies in the Chinese lithium battery sector aimed at securing value-adding commercial agreements for the benefit of Argosy.

The Company’s Managing Director and local executive management team recently conducted a site visit to inspect pond excavation and construction works on the first set of evaporation ponds at the Rincon Lithium Project.



Photo 1. Rincon Lithium Project – Management team with contractor inspecting pond construction works

The Company is now expecting, pending site conditions, that the initial construction works comprising the two ponds totalling one hectare will be completed by the end of March. The Company will pre-order lining material to be ready for this timeframe. Once the ponds are fully completed, the Company expects that pumping of lithium brine into the ponds for the evaporation process to then commence.

Additional evaporation ponds are currently being planned, including a works plan and equipment schedule, budget and timing for this work.



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In the meantime, the Company has identified an industrial site where construction of the lab-scale pilot plant will be conducted. Initially the Company will refurbish this site prior to commencing pilot plant construction works later this year.

Argosy Managing Director, Jerko Zuvela commented *"The Company is excited with developments, at differing levels, to progress the Project and continue its aggressive development strategy to fast-track toward production of LCE product."*

The targeted schedule of activities at the Rincon Lithium JV Project in order for the Company to earn the first stage 50% interest includes:

Stage 1 Works Schedule	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Environmental studies and regulatory approvals/permits	█					
Pond construction and associated works, including contractor tendering	█	█				
Pond lining and associated works		█	█			
Brine extraction, pumping, storage and transportation works		█	█	█		
Pilot plant construction and test-works, including brine processing, analysis and laboratory treatment of the lithium concentrate		█	█	█	█	
Pending success of the stage 1 development works, produce LCE product					█	█

Pending successful laboratory scale production at Stage 1, Argosy will consider commencing Stage 2 development works with an aim to produce a pilot plant scale quantity of LCE product (targeting up to 1000 - 1500 tpa), and increase its shareholding in the JV Entity to 77.5%.

For Stage 3, pending successful pilot plant scale production at Stage 2, the Company will consider the best development pathway to ultimately target commercial production from the Project and then earn its ultimate 90% interest in the JV Entity.

The Company is confident that the Rincon Lithium Project has a clear conceptual pathway to lithium production, with historical results and Mr Alurralde's previous operating and production experience from the Project area and over the broader Salar del Rincon justifying the fast-track approach.

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](https://twitter.com/ArgosyMinerals).

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ABOUT ARGOSY MINERALS LIMITED

Argosy Minerals Limited (ASX: AGY) is an Australian company with interests in the Rincon, Mina Teresa and Pocitos Lithium Projects in Argentina, the Wee MacGregor Copper-Gold-Cobalt Project in Queensland, and the Erongo Graphite Project in Namibia.

The Company is focused on its flagship Rincon Lithium Project in Argentina - potentially a game-changing proposition given its location within the world renowned "Lithium Triangle" - host to the world's largest lithium resources, and it's 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

