

**ASX ANNOUNCEMENT**

28 March 2017

**STAGE 1 POND CONSTRUCTION UPDATE FOR RINCON PROJECT**

**HIGHLIGHTS**

- ✦ Stage 1 development works progressing ahead of schedule.
- ✦ Fast-track development strategy to produce LCE product.

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

The Company has completed the main excavation works on the first set of evaporation ponds, totalling an area of approximately 1.2Ha at the Project. These works have involved constructing the ponds to an approximate 1.5m depth with ramparts surrounding the ponds, covered with an impermeable soil/clay layer, and compaction and levelling works.

The Company will now continue the pond construction works by installing the pond lining material (a high density polyethylene product) and alongside, dig small pumping ponds, during the next ~2 weeks. Immediately thereafter, the pumping of lithium brine into the main evaporation ponds will be conducted to then allow the solar evaporation and brine concentration process to be in full effect around mid-April.

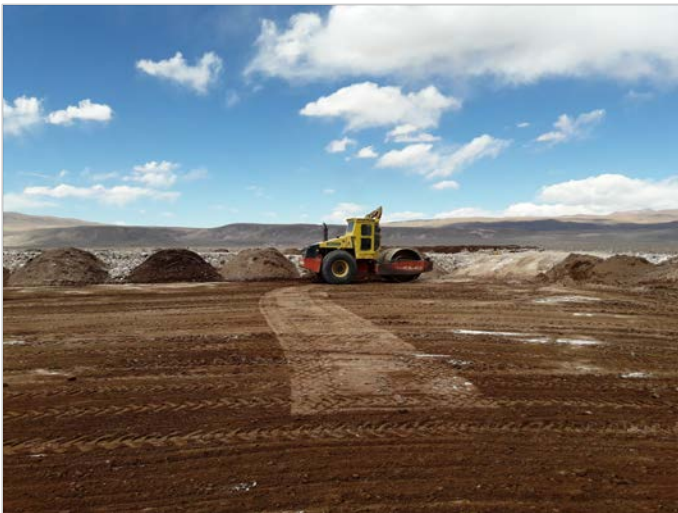


Photo 1. Rincon Lithium Project – Pond construction works.

Argosy Managing Director, Jerko Zuvela commented *"The Company is excited with the speed and progress of the pond construction works at the Project, to continue our aggressive development strategy to fast-track toward production of LCE product."*

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Photos 2 - 5. Rincon Lithium Project – Pond construction works.

Additional evaporation ponds are currently being planned, including a works plan and equipment schedule, budget and timing for this work, including the provision for commencement of Stage 2 development works, pending advancement of discussions with parties identified as part of the Company's recent meetings with significant tier one strategic companies in the Chinese lithium battery sector.

The Company has also agreed terms for the lease of an industrial site near the city of Salta where construction of the lab-scale pilot plant will be carried out. Initially the Company will refurbish the site warehouse to then commence pilot plant construction works later this year.

The current 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					█	█

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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](http://www.argosyminerals.com.au) or contact us via [admin@argosyminerals.com.au](mailto:admin@argosyminerals.com.au) or Twitter @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, and the Erongo 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 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

