

6 December 2017

RINCON STAGE 2 POND CONSTRUCTION & DRILLING UPDATE

HIGHLIGHTS

- ✦ Fast-track development of Rincon Lithium Project on target for first battery grade LCE product planned for March 2018 Quarter
- ✦ Stage 2 development works progressing
 - Initial 10 hectare evaporation ponds fully constructed
 - First production well completed
 - Pump tests currently being conducted in preparation for imminent lithium brine pumping
- ✦ Exploration diamond drilling progressing – four drill-holes now completed

Argosy Minerals Limited (ASX: **AGY**) ("**Argosy**" or "**Company**") is pleased to announce further Stage 2 development progress at the Rincon Lithium Project – located in the "Lithium Triangle" in Salta Province, Argentina – where the Stage 2 evaporation pond construction works have recently been completed to coincide with completion of the first production well, that is currently undergoing pump testing in preparation for lithium brine pumping into the Stage 2 evaporation ponds imminently.



Photo 1. Rincon Lithium Project – Stage 2 Evaporation Ponds completed

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The fully constructed initial Stage 2 evaporation ponds cover an area of ~10 hectares, which increases the Company's capacity for traditional solar evaporation processing of lithium brine to produce lithium brine concentrate for further processing into targeted battery grade LCE product.

Combined with the Stage 1 evaporation ponds already constructed – that have been continuously concentrating lithium brine since April – the Company now has ~11 hectares of full constructed evaporation ponds to concentrate lithium brine during the 2017/18 summer peak solar evaporation season. The first lithium brine concentrate produced is expected to be available for processing through the Stage 1 plant, and targeted to produce first product by the end of the March 2018 Quarter.



Photos 2 - 3. Rincon Lithium Project – Stage 2 Evaporation Ponds completed



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Photo 4. Rincon Lithium Project – Stage 2 Evaporation Ponds completed

The Company is conducting two concurrent phases of drilling operations – production well drilling with a rotary drill rig for pumping of lithium brine into the Stage 2 evaporation ponds, and Resource exploration drilling with a diamond drill rig.

The first production well was recently completed to a depth of 108 metres, with a pump installed and is now undergoing pump test-works to determine flow rates for on-going lithium brine pumping into the Stage 2 evaporation ponds. Preliminary flow rate testing has indicated very positive results, which the Company will further validate. The Company expects to commence lithium brine pumping from the production well into the initial Stage 2 evaporation ponds imminently, with the Company currently installing piping for this.



Photos 5 - 6. Rincon Lithium Project – Pumping first lithium brine from production well





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Resource exploration diamond drilling works are continuing, with a total of eight diamond drill-holes planned – with an aim to delineate a JORC-compliant Resource estimate in early 2018. Current status of these works comprises completion of four diamond drill-holes (R1 to R4) to a depth of 102.5m - greater than the Company's original target depth of 50m, given lithium brine continuation below that depth. The Company is awaiting the full set of laboratory analysis results for the two most recent drill-holes (R3 and R4), and will advise of such results pending review and interpretation by the Company's Australian consulting hydrogeologist.

Argosy Managing Director, Jerko Zuvela commented "***Argosy continues to accomplish significant development milestones to continue our aggressive development strategy to fast-track toward production of LCE product.***"

The Company is confident that the Rincon Lithium JV 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.

All mining titles within Argosy's Rincon Lithium Project are either owned 100% by Puna Mining S.A. – our local joint venture entity, or Argosy has legal, secure, binding and exclusive option rights to fulfil the conditions and complete the 100% acquisitions of the properties.

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.

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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 an interest in the Rincon Lithium Project in Argentina.

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.





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Appendix 1: AGY's Argentina Project Location Map

