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7 May 2018

RINCON LITHIUM PROJECT UPDATE

HIGHLIGHTS

- ✦ Industrial scale plant test-works phase continues
- ✦ JORC Resource estimate targeted within next 2-3 weeks
- ✦ Finalising execution of purchase agreements for mining properties currently under option
- ✦ Progressing on Stage 1 LCE product off-take agreement

Argosy Minerals Limited (ASX: **AGY**) ("**Argosy**" or "**Company**") is pleased to advise continued development progress and target timelines for upcoming significant project milestones at its Rincon Lithium Project, located in Salta Province, Argentina.

Argosy Managing Director, Jerko Zuvela said "*The Company is hastened to deliver on our key Stage 1 objective of producing battery grade LCE product, and recognise the minor delay in achieving this significant milestone. Considering the industrial scale and transformational nature of such an achievement, I feel it is imperative to ensure these works are conducted in a methodical and meticulous process, and I hope our shareholders recognise this, noting the major advances made on the Rincon Project to date.*

The processing works are highly technical and critical to ensure ultimate success, as the Stage 1 flow sheet will be 'scaled up' for later stages. Therefore, it is imperative that we demonstrate the right product quality on a scalable and cost competitive basis.

As such, we are targeting completion of Stage 1 processing test-works and LCE product delivery by the end of May, and become the next ASX-listed LCE producer."

Argosy advises the Stage 1 industrial scale pilot plant processing test-works to produce battery grade lithium carbonate ("LCE") product, that commenced following the successful commissioning of the plant, is progressing.

The processing test-works involve a number of complex chemical reaction stages within the plant that require 'tweaking' at each stage to ensure the chemical pathway is accurate, to ensure removal of appropriate deleterious elements to be able to produce the final battery grade LCE product.

The test works phase is an intricate 'stop-start/batch' process where fine-tuning adjustments are required, with results assessed at each stage within the Company's in-house laboratory, to then set up the next trial. Given the industrial scale of the plant, it takes time to set up, complete and analyse at each stage.

Based on works to date, the Company is confident the process is well designed to complete the test works phase by the end of May, and will continue works to realise the principal Stage 1 milestone – **a scalable, cost effective chemical process solution to produce consistent battery grade LCE product for all development stages**, for the joint

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venture and the Company, and also to provide customer samples, for subsequent initial commercial sales and future sales agreements.



Photos 1-2. Rincon Lithium Project – Stage 1 industrial scale pilot plant and laboratory

OTHER NEAR-TERM KEY MILESTONES

- Prepare maiden JORC Resource estimate

The eight drill-hole resource exploration drilling program (R1 – R8) was completed and outstanding laboratory analysis results are expected this week. Upon conducting final review, the results will be announced, with resource estimate and modelling works to deliver the maiden JORC Resource in the following 2 - 3 weeks.

In addition, the Company has commenced the three additional exploration diamond drill-holes as part of the PEA works. The first of these drill-holes has been completed to a depth of 100.5m. The aim of the extra holes is to include more material in the Indicated category for an updated Mineral Resource estimate prepared in conjunction with the PEA.

- Execute purchase agreements for mining properties currently under option

The Company has commenced the legal process to purchase the mining titles currently secured via binding and exclusive option rights, to fulfil the conditions and complete the 100% acquisition of those tenements – namely the Salonix properties, Mina Reina and Mina Tincal, and bring them into Puna Mining, to complement the existing mining titles, warehouse, plant and equipment that is all currently owned 100% by Puna Mining.

Assuming the three current purchase options are exercised, Argosy's Rincon Lithium Project land area would comprise a total of up to 2,572.9 hectares of significant lithium and associated infrastructure services, and mining easement right landholdings, to be equipped for future Stage 2 and 3 development and commercial production operations.

- LCE product off-take arrangements

The Company is advancing preliminary off-take arrangements for Stage 1 product, and is also working towards arranging potential medium and long-term off-take agreements with major battery and cathode industry participants.

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Photo 3. Rincon Lithium Project – additional exploration diamond drilling operations

The Company and its JV partner – Mr Pablo Alurralde, with 30 years' experience in lithium processing – are confident that the Rincon Lithium Project has a clear chemical process 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.

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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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.

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ABOUT ARGOSY MINERALS LIMITED

Argosy Minerals Limited (ASX: AGY) is an Australian company with a current 77.5% interest in the Rincon Lithium Project in Salta Province, Argentina.

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

