

## ASX ANNOUNCEMENT

6 June 2018

# CLARIFICATION ANNOUNCEMENT: ARGOSY CONFIRMS FIRST BATCH OF LCE PRODUCED

Argosy Minerals Limited (ASX: **AGY**) ("**Argosy**" or "**Company**") has received a number of questions from shareholders concerning its announcement lodged yesterday (5 June 2018) - "Argosy Confirms First Batch of LCE Produced", and in the interests of fulsome disclosure we provide to all shareholders the following responses to the main questions asked.

The following are the questions of note and the Company's response:

1. Why was a trading halt required for the 5 June announcement?

The initial lithium carbonate ("**LCE**") was produced at the Company's Stage 1 industrial scale pilot plant in Argentina on the afternoon of Thursday 31 May. It was clear to Argosy that this was a material event. However, time was required to conduct a first-pass lab analysis and then subsequent check analysis to determine the product quality. Hence the time taken during the halt whilst the first information was known but the critical detail was still being gathered.

2. Why was the issue with a mains natural gas connection not previously disclosed?

Argosy has always planned for a natural gas connection for the Stage 1 industrial scale plant. However, a 'work around' solution to use a tank gas supply was also assembled. It was believed this would still be able to be used to produce battery grade quality LCE until mains gas was switched on, albeit on a less efficient basis. However, it became clear towards the end of last week that the tank gas solution would not provide enough direct heat for enough time on a stable basis for one particular stage of production to have full effect. In that regard, the Company announced the mains natural gas supply issue as soon as it became aware.

3. Why is the initial sample size small?

Without the key mains gas reliant stage operating to full effect, the Company cannot complete the last three plant stages on an industrial scale for now (ie, because they flow on from the stage that is not achieving its targeted outcome). As a result, Argosy took a sample from the larger body of the plant material prior to that stage and manually worked the finishing process to establish current product specification available. The 1kg sample referred to in the 5 June announcement is a subset of the material that had progressed through all the prior stages of plant operation.

4. What exactly has Argosy produced?

The material sampled is expected to meet 'battery grade' specification in terms of key deleterious elements, but there is some solvent remaining (together with soluble impurities) that has not been washed out properly, meaning the initial batch of LCE produced is 'industrial grade'. Argosy is extremely happy with the outcome regarding key 'difficult to remove' elements such as Mg, SO<sub>4</sub> and metallic impurities, and the Company is confident the remaining product washing issue is solvable once mains natural gas is available.

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### 5. What is the status of the mains natural gas and how long until it is switched on?

The mains natural gas pipeline has been physically extended across the road to the plant site and all the meters / connections have been installed. Argosy is currently awaiting Gasnor S.A. (the gas distributor in Salta Province) to complete its final inspection and issue its approval to initiate supply via the connection. Given that the process is reliant on Gasnor's actions, the Company cannot provide a hard timeline, but is pushing as hard as possible to have it done quickly. Argosy will make an ASX announcement as soon as the gas supply is switched on.

### 6. What is the timing on the JORC Resource estimate and Stage 1 off take agreement?

Both of these items are dependent on third parties. The JORC Resource is being prepared by an external independent hydrogeological consultant and the initial off take is dependent on the key potential initial customer finalising internal processes related to final negotiation and approval of the agreement. These items are very much nearing completion but the Company cannot put a hard timeline on them given they require outputs from third parties. However, they are a key focus for Argosy and the Company will make an ASX announcement as soon as either or both of these items are completed.

### 7. What's the current price difference between 'industrial grade' and 'battery grade' LCE?

Whilst the Company is 100% focused on producing battery grade LCE, we don't want stakeholders to get too side-tracked by the fact the initial sample was industrial grade, however we note that current estimated North Asia CIF battery grade LCE prices are in the range of ~US\$15,000-17,000/t and industrial grade in the estimated range of ~US\$12,000-14,000/t.

## 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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**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.

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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

