



ASX ANNOUNCEMENT

8 March 2019

RENOUNCEABLE RIGHTS ISSUE - FREQUENTLY ASKED QUESTIONS

On 8 March 2019, Argosy Minerals Limited (ASX: **AGY**) ("**Argosy**" or "**Company**") announced a Renounceable Rights Issue to raise up to approximately \$6.2 million. The Company has subsequently received a number of queries regarding how shareholders are able to participate in the Offer and the impact on their shareholding if they choose to participate or not. The broad terms of the structure are as follows:

- ✦ 1 new share for every 15 existing shares held on the record date (13 March 2019) at an issue price of \$0.10 per share;
- ✦ 1 attaching listed option (exercisable at 20 cents, expiring 31 March 2022) for every 3 shares issued;
- ✦ The rights issue price represents a 23% discount to the Company's 10-day volume weighted average share price (VWAP) of \$0.13 per share.

Outlined below is a list of Frequently Asked Questions and responses Argosy hopes will better inform shareholders:

Why is Argosy raising capital?

The company last raised \$17 million in October 2017. Those funds were utilised to advance Argosy to become the only new lithium brine developer to construct an industrial scale pilot plant with successful proof of chemical process to produce battery grade lithium carbonate. Proceeds from that raising were also utilised to complete a JORC resource and finalise a Preliminary Economic Assessment for the Rincon Project with exceptional results.

Argosy is now well positioned to take advantage of the growing electric vehicle industry and improving global markets for lithium demand. The Company continues its discussions with a number of potential strategic partners/off-takers. However, it is important to understand these negotiations take time and Argosy wants to ensure the best transaction is pursued for the benefit of shareholders and not to the detriment of the Company's long-term aspirations to develop the Rincon Lithium Project and become a commercial lithium producer.

The raising proposed today ensures the Company has the sufficient runway to continue this strategy.

Why has Argosy chosen a Renounceable Rights Issue to raise Equity?

There are a number of benefits associated with a Renounceable Rights Issue compared to a Non-Renounceable Rights Issue or a private placement to sophisticated investors. These include:

1. A Renounceable Rights Issue provides shareholders the ability to purchase shares in the Company at a discount to market whilst also allowing shareholders the ability to



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trade the value of the right and potentially realise the value of that right without participating in the offering. In addition, no brokerage or fees are payable on the purchase of shares via the Renounceable Rights Issue, when compared to on market acquisitions.

2. A Non-Renounceable Rights Issue allows the shareholder to purchase shares in the Company but the right is not transferable.
3. A private placement is an equity issue (at a discount) directly to sophisticated and professional investors only. In which case, retail shareholders are diluted without the opportunity to participate in the capital raising.
4. A Share Purchase Plan (SPP) would have provided retail shareholders the opportunity to participate. However, it would not have given retail shareholders the ability to trade that right and potentially realise value, nor the ability to maintain their interest in the Company. Furthermore, participation in an SPP is capped at \$15,000, whilst there is the potential for a shareholder to take up a far greater amount than this in a Renounceable Rights Issue.

For these reasons Argosy believes a Renounceable Rights Issue was the best mechanism to raise equity, enabling all shareholders to participate in a manner that potentially avoids dilution, or alternatively have the ability to sell that right. Furthermore, the attaching listed option provides the shareholder with the potential for additional returns over the next three years.

What decisions do I need to make in relation to the Offer?

Shareholders have a number of alternatives, including:

1. Participate in the raising and exercise their rights before the closing date of 28 March 2019. In this case, the shareholder will be acquiring one new share for every fifteen shares they hold, at an issue price of \$0.10 per share (a 23% discount to the 10-day VWAP on the day of the announcement).
2. Sell their rights to apply for shares under the Renounceable Rights Issue on market by 21 March 2019. Thus realising the value of that right assuming the share price is trading above the Offer price of \$0.10 per share. Note, if you sell all of your rights you will no longer be able to participate in the Offer.
3. Acquire additional rights on market by 21 March 2019. Thus, increasing their entitlement to purchase new shares at the Offer price of \$0.10 per share.
4. Choose to do nothing. In which case, the rights will lapse.

Please refer to section 6 of the Prospectus issued 8 March 2019 ("the Prospectus") for details on how to apply for shares under the Offer.

What will the rights be worth if I want to buy or sell them?

The rights start trading on the ASX on 12 March 2019, and a market price will be established.



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Why are there options attached to the Offer?

Argosy decided to attach a listed option to the Offer to give shareholders who decide to participate in the raising an additional opportunity to potentially realise value in their investment. Argosy will attach one listed option for every three shares taken up in the rights. The options will be listed on the ASX and thus tradeable. The options will have an exercise price of \$0.20 and are exercisable by 31 March 2022.

A shareholder who participates in the Offer does not need to pay for the option, it is automatically attached to every three shares they apply for.

Argosy believes this is a great opportunity for existing shareholders to potentially realise additional value if the Argosy share price trades above \$0.20 per share over next three years.

A shareholder will be able to do the following prior to the option expiry date:

1. Sell/trade the option and realise value if the share price trades above \$0.20 per share.
2. If the share price is trading above \$0.20, the shareholder will be able to exercise the option and receive one share per option, by delivering a cheque to Argosy's registered office.
3. Alternatively, the shareholder can do nothing and the options will lapse.

Please refer to section 8.2 of the Prospectus for detail on the rights attached to the options.

Do I receive the listed option if I do not participate in the Offer?

No. A shareholder must participate in the Offer to receive the options.

Can I take up more rights than I am entitled to?

Yes. Shareholders are able to take up their Entitlement in full and then apply for Shortfall shares regardless of the size of their present shareholding. The Shortfall shares will be issued on the same terms as the Offer being \$0.10 per share, plus one option for every three shares taken up in the rights.

Please refer to section 6.3 of the Prospectus for details on how to apply for Shortfall shares.

How do I know if I am an Eligible shareholder to participate in the Renounceable Rights Issue?

Eligible shareholders are those that hold shares in Argosy as at 13 March 2019 (the Record Date) and who are Australian, New Zealand or Taiwan residents.

Please refer to the Prospectus and ASX announcements on 8 March 2019. The Prospectus for the Offer and a personalised entitlement and acceptance form will be sent to eligible shareholders in accordance with the timetable noted in the Prospectus. Furthermore, from 14 March 2019, eligible shareholders can view their personalised entitlement and acceptance form online by visiting <https://investor.automic.com.au/#/home>.



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Shareholders should fully consider the disclosure document in deciding whether to acquire the securities. Anyone interested to acquire securities will need to complete the application form that will be in or will accompany the disclosure document.

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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 a current 77.5% (and ultimate 90%) 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

