



## ASX ANNOUNCEMENT

8 June 2016

# ARGOSY EXECUTES OPTION AGREEMENT ON LITHIUM PROJECTS

*Pocitos & Teresa Projects situated in world renowned "Lithium Triangle" in Argentina  
Exploration works to commence targeting lithium JORC Resource*

### HIGHLIGHTS

- ✦ Due Diligence completed satisfactorily on Pocitos and Mina Teresa Lithium Projects.
- ✦ Argosy enters into a binding Option Agreement for up to a 12-month exclusive period to purchase the Mina Teresa and Pocitos Lithium Projects in Argentina.
- ✦ Exploration works to commence with a trenching/sampling program to be carried out targeting the delineation of a JORC Resource.
- ✦ US\$100,000 option fee payment, with a final purchase price of US\$4.5 million for Argosy to acquire the Projects during the option period.

Argosy Minerals Limited (ASX: AGY) ("Argosy" or "Company") is pleased to advise, following its announcement on 12 May 2016 – "Argosy Signs Agreement for Significant New Lithium Projects", that it has completed satisfactory due diligence and executed a binding Option Agreement with Ekeko S.A. – a private Argentinian company, granting the Company the exclusive right for a 12-month period to purchase the Mining Titles comprising the Pocitos and Mina Teresa Lithium Projects in Salta and Jujuy Provinces, Argentina. The Option Agreement marks a further step towards achieving the Company's aim to become a lithium developer and producer.

The Company will now settle the US\$100,000 option fee payment, which provides Argosy up to a 12-month exclusive option period to purchase, at any time during the option period, 100% of both Projects for US\$4,500,000. Argosy's election to exercise the option to purchase the Projects will be subject to shareholder approval under ASX Listing Rule 11.1.2.

The Company's Argentinian legal counsel produced a detailed review of its legal due diligence investigations and provided a clear path for Argosy to progress with its strategy and enter into the Option Agreement.

Argosy believes the proposed acquisition to potentially be a game-changing proposition given the project locations within the world renowned "Lithium Triangle", adjacent, amongst others, to the Salares of Hombre Muerto, Pozeulos, Rincon, Cauchari, Olaroz, Diablillos, Arizaro, and Centenario - host to the world's largest lithium resources. Salta and Jujuy Provinces are well-known, favourable mining jurisdictions, with the ability to

Page 1 of 3



## ASX ANNOUNCEMENT

immediately target a development and production strategy through expedited technical works, testing and studies aimed at fast-tracking to feasibility stage. This will be achieved via highly skilled consultants and contractors experienced in lithium brine geology, geochemistry, plant design, extraction methodologies and product marketing, who have access to a state-of-the-art equipped laboratory and pilot plant in Salta.

The Project areas are serviced by high quality infrastructure including access via all-seasons roads, electrical power, is the terminus for a natural gas pipeline, and road and railway to Antofagasta port facilities in Chile.

### PROJECT OVERVIEW

The Projects have the following key characteristics:

- ◆ The Mina Teresa Project consists of a 2,596Ha mining concession (File Number 227-C-2004) within the Salinas Grandes Salar in Jujuy Province.
- ◆ The Pocitos Project comprises three mining concessions (File Numbers 19457, 19458 & 19463) totalling 2,132Ha within the Salar de Pocitos.
- ◆ Historical data and records within the Project areas have been reviewed and will be used to assist with the Company's exploration works programs.



Photo 1 – Salar de Pocitos

### PROJECT STRATEGY

Argosy's immediate strategy to advance the Projects will involve obtaining any necessary regulatory permits and approvals. The Company will conduct geological, engineering and development work programs with the ultimate objective to prepare a bankable feasibility study for the Project(s).



## ASX ANNOUNCEMENT

The purpose of the geological exploration works will be to determine the hydrogeological characteristics of the aquifer, and involve drilling, various test-works on the drill core and flows in the sub-aquifer to delineate a JORC Resource over the coming months.

Engineering and processing works will involve evaporation field tests of the Salar's brines prior to further processing. This test program will determine the operating conditions, mass balance and thermo-dynamical equilibrium of the ponds. A pilot plant simulation of lithium recovery will be carried out to determine the conceptual engineering parameters for the recovery, crystallisation and purification of lithium carbonate using brines recovered from the Salars, and also arranging trial products for product marketing and/or off-take agreement to ultimately prepare a bankable feasibility study.

The Company is finalising arrangements with local contract service providers to commence works and expects regular news flow from its aggressive schedule of operations planned for 2016.

### Option Agreement – Key Terms

- Argosy has the exclusive right, for a 12-month period, to purchase and acquire the 100% right, title and interest in the Pocitos and Mina Teresa Projects – Mining Licence File Numbers 19457, 19458, 19463 and 227-C-2004, for US\$4,500,000. Argosy's election to exercise the option to purchase the Projects will be subject to shareholder approval under ASX Listing Rule 11.1.2.
- The Company will be entitled to manage all exploration, development and mining activities at the Projects.
- Argosy will be able to terminate the Option Agreement at any time during the option period.

Argosy Director, Jerko Zuvela commented "The option to acquire the Projects is a significant achievement for Argosy, given the immense interest in Argentina and lithium brine projects. The Projects will become very important for the Company as we progress and they will form the backbone of our development strategy to establish the Company as a credible and substantial lithium company on the ASX.

The Company will work with its experienced in-country consultants to derive maximum benefit from these high quality assets and will conduct aggressive, targeted exploration works during 2016, and continue to pursue further exciting lithium projects in the region," said Mr Zuvela.

ENDS

### For further information:

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