



ASX ANNOUNCEMENT

20 October 2016

ARGOSY RAISES \$3M TO FAST-TRACK RINCON LITHIUM

Placement to cornerstone strategic investors at 3 cents per share

HIGHLIGHTS

- ✦ Argosy has issued 100 million shares at an issue price of 3 cents per share to sophisticated and professional investors at a significant premium to the last traded share price.
- ✦ Funds to be used to progress pilot plant development at the Rincon Lithium Project.

Argosy Minerals Limited (ASX: AGY) ("Argosy" or the "Company") is pleased to announce it has completed a share placement to a group of strategic investors to raise \$3,000,000 ("Placement"). 100 million new shares have been issued at a price of 3 cents per share, representing a significant premium to the last traded price of the Company's securities.

The cornerstone strategic investors have expressed support and longer-term commitment to the Company, our Rincon Lithium Project development plan, and ultimately, to target commercial production from the Project.

Commenting on the Placement, Argosy Director, Jerko Zuvela, said *"This is a clear endorsement of our development strategy and quality of the Rincon Lithium Project. Funds from the placement will be primarily used to progress the stage 1 pilot plant at Rincon, with the aim to demonstrate Argosy's potential to produce a saleable clean lithium carbonate equivalent product ahead of much of the peer group."*

PLACEMENT DETAILS

Under the Placement, the Company has issued a total of 100,000,000 new shares to sophisticated and professional investors using the placement capacity available under ASX Listing Rule 7.1 and 7.1A. The new shares have been issued on the same terms as, and will rank equally in all respects with, the existing fully paid ordinary shares in the Company.

USE OF FUNDS

The Placement proceeds will be used primarily to advance the first stage of the Rincon Lithium Project development plan – to produce a laboratory scale quantity of lithium carbonate equivalent (LCE) product. The Company will also use the funds to progress its other projects and for general working capital requirements.

Also attached to this announcement is the Company's Appendix 3B and the necessary additional disclosures required under Listing Rule 3.10.5A.



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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.

ENDS

For further information:

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ABOUT ARGOSY MINERALS LIMITED

Argosy Minerals Limited (ASX: AGY) is an Australian company with interests in the Rincon, Mina Teresa and Pocitos Lithium Projects in Argentina, the Mt Paris Lithium Project in Tasmania, the Wee MacGregor Copper-Gold & Cobalt Project in Queensland, and the Erongo Graphite Project in Namibia.

The Company is focused on its Argentinian lithium projects - potentially a game-changing proposition given the project locations within the world renowned "Lithium Triangle" - host to the world's largest lithium resources. Argosy is targeting a fast-track development and production strategy through expedited technical works, testing and studies.

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



Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

ARGOSY MINERALS LIMITED

ABN

27 073 391 189

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|----------------------------|
| 1 | +Class of +securities issued or to be issued | Fully Paid Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 100,000,000 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully Paid |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Yes
5	Issue price or consideration	\$0.03 per share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Capital raising for development and exploration activities and working capital.
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	31 May 2016
6c	Number of +securities issued without security holder approval under rule 7.1	35,524,922
6d	Number of +securities issued with security holder approval under rule 7.1A	64,475,078
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A

+ See chapter 19 for defined terms.

6f	Number of +securities issued under an exception in rule 7.2	N/A						
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Yes – Issue price was \$0.03 each Date of issue: 20 October 2016 15 Day VWAP before issue date: \$0.025 75% of 15 Day VWAP: \$0.019 Source: Commsec						
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A						
6i	Calculate the entity’s remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	<table><tr><td>Rule 7.1</td><td>61,187,696</td></tr><tr><td><u>Rule 7.1A</u></td><td><u>0</u></td></tr><tr><td>Total</td><td>61,187,696</td></tr></table>	Rule 7.1	61,187,696	<u>Rule 7.1A</u>	<u>0</u>	Total	61,187,696
Rule 7.1	61,187,696							
<u>Rule 7.1A</u>	<u>0</u>							
Total	61,187,696							
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	20 October 2016						
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>744,750,788</td><td>Ordinary Fully Paid Shares</td></tr></table>	Number	+Class	744,750,788	Ordinary Fully Paid Shares		
Number	+Class							
744,750,788	Ordinary Fully Paid Shares							
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>12,500,000</td><td>Options exercisable at \$0.09 and expiring 13/06/2017</td></tr></table>	Number	+Class	12,500,000	Options exercisable at \$0.09 and expiring 13/06/2017		
Number	+Class							
12,500,000	Options exercisable at \$0.09 and expiring 13/06/2017							
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A						

Part 2 - Pro rata issue

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	

+ See chapter 19 for defined terms.

25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do security holders sell their entitlements <i>in full</i> through a broker?	
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do security holders dispose of their entitlements (except by sale through a broker)?	
33	+Issue date	

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) ☒ +Securities described in Part 1

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?
- If the additional +securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
-

+ See chapter 19 for defined terms.

41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>					
42	<p>Number and +class of all +securities quoted on ASX (including the +securities in clause 38)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> <tr> <td style="height: 60px;"></td> <td></td> </tr> </table>	Number	+Class		
Number	+Class					

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: 

Date: 20 October 2016
(Director and Company secretary)

Print name: Andrea Betti

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	428,087,315
Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	1,000,000 (App 3B issued 26/5/16 – approved 16/9/16) 26,666,668 (App 3B issued 26/5/16 – approved 16/9/16) 58,698,900 (App 3B issued 2/6/16 - approved 29/5/15) 130,297,905 (App 3B issued 12/8/16 - approved 29/5/15)
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	
“A”	644,750,788

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	96,712,618
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of ⁺equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	35,524,922 (this App 3B)
“C”	35,524,922
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	96,712,618
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	35,524,922
Total [“A” x 0.15] – “C”	<p>61,187,696</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	644,750,788
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	64,475,078
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of ⁺ equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	64,475,078 (this App 3B)
“E”	64,475,078

⁺ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	64,475,078
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	64,475,078
Total [“A” x 0.10] – “E”	0 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.



20 October 2016

The Manager
Companies Announcements Office
Australian Securities Exchange

Dear Sir/Madam

In accordance with the requirements of ASX listing rule 3.10.5A the following information is provided in relation to the attached Appendix 3B:

The dilution to existing shareholders, as a result of the issue under Listing Rule 7.1A is 10.0%, dilution to existing shareholders as a result of the issue under Listing Rule 7.1 is 5.5% and the total dilution to existing shareholders as a result of the issue is 15.5%.

Details of the approximate percentage of the issued capital following the completion of the issue held by pre-issue shareholders and new shareholders are as follows:

Pre-issue shareholders who did not participate in the 7.1A issue	100.0%
Pre-issue shareholders who did participate in the 7.1A issue	0.0%
Participants in the 7.1A issue who were not previously shareholders	100.0%

The Company issued the shares for cash to assist with the advancement and progress of the Company's existing projects and working capital. The Company undertook the placement capital raising as any other method would have taken much longer and incurred significant additional costs.

No underwriting arrangements were in place for the issue and there were no capital raising fees in relation to the capital raised.

Yours faithfully,

A handwritten signature in dark ink, appearing to read 'Andrea Betti', with a stylized flourish at the end.

Andrea Betti
Director
Company Secretary