



ASX ANNOUNCEMENT

5 September 2016

POCITOS PROJECT UPDATE

Pocitos Lithium Project is located in the "Lithium Triangle" in Salta Province, Argentina

HIGHLIGHTS

- ✦ **Regulatory approvals obtained for exploration works to commence.**
- ✦ **Historical exploration data acquired over central area of Salar de Pocitos.**

Argosy Minerals Limited (ASX: AGY) ("Argosy" or "Company") is pleased to confirm it has received regulatory approvals to commence exploration at all three mining concessions comprising its Pocitos Lithium Project in Salta Province, Argentina.

The receipt of these regulatory approvals has triggered the commencement of the 12-month exclusive option period with Ekeko S.A., which will expire on 3 September 2017. This option period expiry date also applies to the Mina Teresa Lithium Project in Jujuy Province, where the Company is progressing the community consultation process to obtain the regulatory approvals to conduct exploration works.

The Company has also acquired a substantial historical exploration data package over the central portion of the Salar de Pocitos, which covers part of the three mining properties of the Pocitos Lithium Project. The data comprises exploration conducted during 2010 to 2012, including extensive geochemical auger drilling and brine sampling, electrical geophysical surveying and interpretation, geological and stratigraphic mapping, and limited drilling.

An extract of a technical report prepared in 2011 from the historical data notes the following observations;

- Salar de Pocitos may have a similar geological setting to Salar del Rincon to the north;
- Elevated levels of lithium and potassium were confirmed by shallow auger brine sampling conducted during 2010; and
- Interpretation of the vertical electrical sounding geophysical study conducted over the central part of the Salar de Pocitos in 2010 suggests geological units may host brines, with potentially elevated concentrations of lithium and potassium.

An exploration target was defined within the 2011 technical report, using exploration data collected from the central area of the Salar. Exploration drilling, comprising two drill-holes, was subsequently carried out in 2012 and may supplement the findings.

The expanded data-set will allow the Company to progress faster towards an advanced stage at the Pocitos Lithium Project and in a more cost effective manner.

Argosy has engaged an independent consultant to review and evaluate the historical data. The Company will then integrate the data to expedite exploration works and progress towards delineating a JORC Resource.

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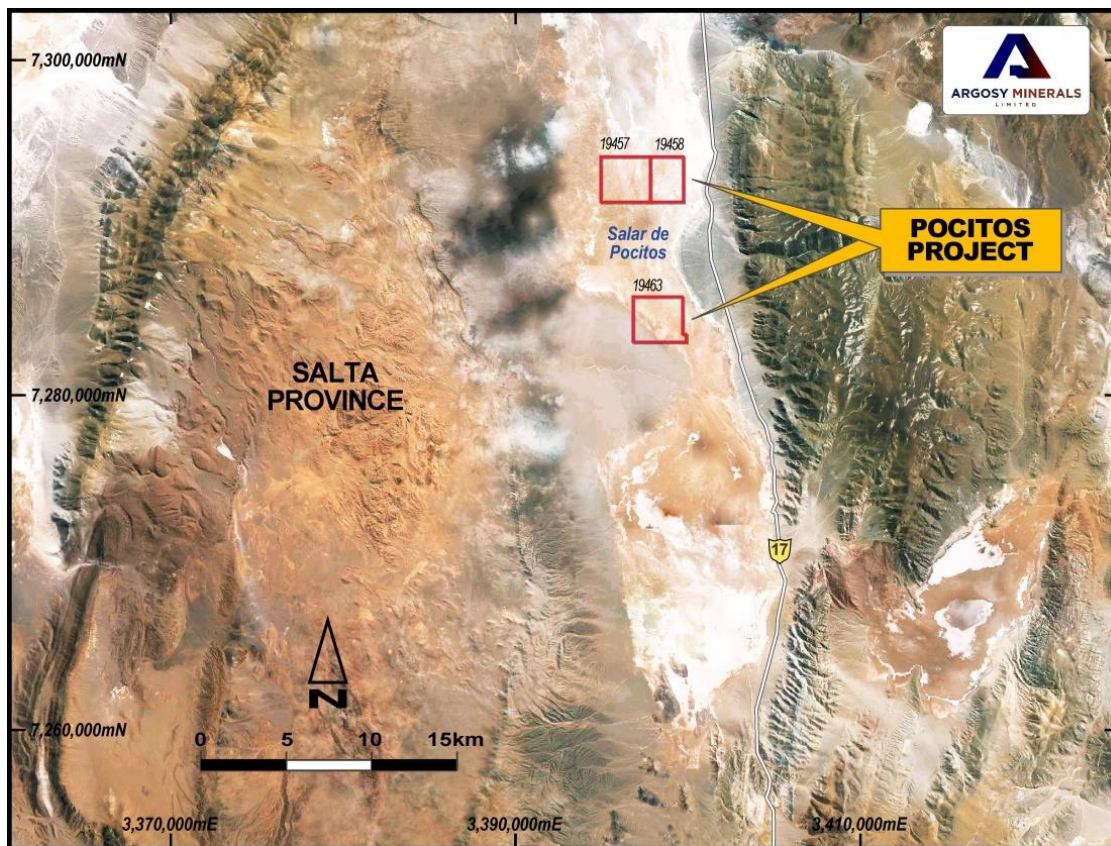


Figure 1. Pocitos Lithium Project Location Map

POCITOS LITHIUM PROJECT OVERVIEW

The Pocitos Lithium Project consists of three mining concessions covering an area of approximately 2,132Ha within the Salar de Pocitos in Salta Province, Argentina.

Argosy's strategy to advance the Project involves conducting geological exploration works, which if successful may lead to engineering and development work programs.

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 that may lead towards preparation of a preliminary feasibility study.

The Project has access to high quality regional and site infrastructure facilitating project development, with road, rail, port facilities and power generation services such as electrical and natural gas.

Argosy Director, Jerko Zuvela commented "The Company looks forward to implementing its plans to target fast-tracking works through a staged development and production pathway, utilising the technical expertise of our partners, to strongly position Argosy into a leading lithium development company.

We look forward to providing our shareholders with further updates on the progress of all our Projects."

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For further information:

Jerko Zuvela, Director

T | +61 8 9226 4500

E | jerko@argosyminerals.com.au

W | www.argosyminerals.com.au

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

