

Prospectus

Argosy Minerals Limited

ACN 073 391 189

For a renounceable pro rata offer to Eligible Shareholders of approximately 61.6 million New Shares at an issue price of \$0.10 per New Share on the basis of 1 New Share for every 15 Existing Shares held, together with one free attaching Option (exercise price \$0.20, expiring 31 March 2022) for every 3 New Shares issued, to raise up to approximately \$6.2 million before issue costs.

Eligible Shareholders may apply for New Shares in excess of their Entitlement.

ASX Code: AGY

The Offer is partially underwritten by CPS Capital Group Pty Limited for \$3 million.

This Prospectus provides important information about the Company. You should read the entire document including the Entitlement and Acceptance Form. If you have any questions about the New Shares being offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your professional adviser. An investment in the New Shares offered under this Prospectus is highly speculative.

This Prospectus is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This Prospectus is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Important Notice

This Prospectus is dated 8 March 2019 and was lodged with ASIC on that date. Application will be made to ASX for quotation of the New Shares offered under this Prospectus within 7 days of this date.

Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Nature of this Prospectus

The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the 3 months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

Prospectus availability

Eligible Shareholders can obtain a copy of this Prospectus during the Offer period on the Company's website at www.argosyminerals.com.au or by contacting the Company. If you access an electronic copy of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic copy of this Prospectus available from the Company's website will not include a personalised Entitlement and Acceptance Form. Eligible Shareholders will only be able to accept the Offer by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus or by making payment using BPAY® (refer to section 6.8 of this Prospectus for further information).

Foreign jurisdictions

The distribution of this Prospectus in jurisdictions outside Australia, New Zealand or Taiwan may be restricted by law, and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are residents in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it should not be lawful to make such an offer.

Disclaimer of representations

No person is authorised to provide any information or make any representation in connection with the Offer which is not contained in this Prospectus.

Forward looking statements

This Prospectus contains forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward-looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in section 5 of this Prospectus. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions.

Privacy

Please read the privacy information located in section 7.15 of this Prospectus. By submitting an Entitlement and Acceptance Form, you consent to the matters outlined in that section.

Definitions

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary.

Enquiries

If you have any questions please call the Company Secretary on +61 8 6188 8181 at any time between 9.00am and 5.00pm (AWST) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional adviser.

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Corporate Directory

Directors

| | |
|-----------------|------------------------|
| Alex Molyneux | Non-Executive Chairman |
| Jerko Zuvela | Managing Director |
| Ranko Matic | Non Executive Director |
| Malcolm Randall | Non Executive Director |

Company Secretary

Andrea Betti

Website

www.argosyminerals.com.au

Registered Office

Level 2
22 Mount Street
Perth WA 6000
Tel: +61 8 6188 8181
Email: admin@argosyminerals.com.au

Share Registry*

Automic Pty Ltd
Tel: 1300 288 664 (Toll Free)
+61 2 9698 5414
Email corporate.actions@automic.com.au

Auditor*

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
Perth WA 6000

Solicitor to the Offer

Atkinson Corporate Lawyers

*This party is named for informational purposes only and was not involved in the preparation of this Prospectus.

1 TIMETABLE TO THE OFFER

| | |
|---|---------------|
| Ex date - Shares trade ex Entitlement (Ex Date) | 12 March 2019 |
| Rights trading starts on a deferred settlement basis | |
| Record date to determine Entitlement (Record Date) | 13 March 2019 |
| Prospectus with Entitlement and Acceptance Form dispatched | 15 March 2019 |
| Offer opens for receipt of Applications | |
| Rights trading ends | 21 March 2019 |
| Closing date for acceptances | 28 March 2019 |
| Notify ASX of under-subscriptions | 2 April 2019 |
| Issue of New Shares | 4 April 2019 |
| Dispatch of shareholding statements | 5 April 2019 |
| Normal trading of New Shares expected to commence | |
| Last date to issue Shortfall Shares (see section 7.6) | 28 June 2019 |

Note: The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date, subject to such date being no later than 3 months after the date of this Prospectus. As such the date the New Shares are expected to commence trading on ASX may vary.

2 KEY OFFER TERMS AND CAPITAL STRUCTURE

| | Underwritten Amount | Full Subscription |
|---|---------------------|-------------------|
| Shares currently on issue | 923,496,575 | 923,496,575 |
| Total converting securities currently on issue | 10,500,000 | 10,500,000 |
| New Shares offered under this Prospectus ¹ | 30,000,000 | 61,566,438 |
| New Options offered under this Prospectus (inclusive of Underwriter New Options) | 15,000,000 | 26,522,146 |
| Amount raised under this Prospectus (before costs) ¹ | \$3,000,000 | \$6,156,644 |

Notes:

¹ This assumes no further Shares are issued prior to the Record Date.

3 INVESTMENT OVERVIEW AND KEY RISKS

This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding to invest in New Shares.

| Question | Response | Where to find more information | | | | | | | | | | | | | | | | | | |
|---|---|--------------------------------|---------------------|-------------------|---|-------------|-------------|---|-----------|-----------|-------------------------|-----------|-------------|--------------------|-----------|-----------|--------------|--------------------|--------------------|-------------|
| What is the Offer? | <p>1 New Share for every 15 Existing Shares held on the Record Date at an issue price of \$0.10, with 1 attaching New Option for every 3 New Shares issued.</p> <p>The Offer seeks to issue up to approximately 61.5 million New Shares and 20.5 million New Options to raise up to approximately \$6.2 million (before costs) if fully subscribed.</p> <p>The Offer is partially underwritten for \$3 million by CPS Capital Group Pty Limited.</p> | Section 7 | | | | | | | | | | | | | | | | | | |
| Am I an Eligible Shareholder? | <p>The Offer is made to Eligible Shareholders, being Shareholders who:</p> <p>(a) are the registered holder of Shares as at 7.00pm (AEDT) on the Record Date; and</p> <p>(b) have a registered address in Australia, New Zealand or Taiwan.</p> <p>In accordance with the Listing Rules, the Company has appointed the Underwriter to sell Ineligible Shareholder's Entitlement and to account to them for the net proceeds of sale (if any).</p> | Section 7.5 | | | | | | | | | | | | | | | | | | |
| How will the proceeds of the Offer be used? | <table> <tr> <th>Use of funds</th><th>Underwritten Amount</th><th>Full Subscription</th></tr> <tr> <td>Progress Rincon Project development works</td><td>\$1,250,000</td><td>\$3,586,000</td></tr> <tr> <td>Payment of recent tenement acquisitions - Mina San Jose & Jujuy (following completion of regulatory procedures)</td><td>\$570,000</td><td>\$570,000</td></tr> <tr> <td>General working capital</td><td>\$885,000</td><td>\$1,640,644</td></tr> <tr> <td>Costs of the Offer</td><td>\$295,000</td><td>\$360,000</td></tr> <tr> <td>Total</td><td>\$3,000,000</td><td>\$6,156,644</td></tr> </table> | Use of funds | Underwritten Amount | Full Subscription | Progress Rincon Project development works | \$1,250,000 | \$3,586,000 | Payment of recent tenement acquisitions - Mina San Jose & Jujuy (following completion of regulatory procedures) | \$570,000 | \$570,000 | General working capital | \$885,000 | \$1,640,644 | Costs of the Offer | \$295,000 | \$360,000 | Total | \$3,000,000 | \$6,156,644 | Section 4.2 |
| Use of funds | Underwritten Amount | Full Subscription | | | | | | | | | | | | | | | | | | |
| Progress Rincon Project development works | \$1,250,000 | \$3,586,000 | | | | | | | | | | | | | | | | | | |
| Payment of recent tenement acquisitions - Mina San Jose & Jujuy (following completion of regulatory procedures) | \$570,000 | \$570,000 | | | | | | | | | | | | | | | | | | |
| General working capital | \$885,000 | \$1,640,644 | | | | | | | | | | | | | | | | | | |
| Costs of the Offer | \$295,000 | \$360,000 | | | | | | | | | | | | | | | | | | |
| Total | \$3,000,000 | \$6,156,644 | | | | | | | | | | | | | | | | | | |
| What are the key risks of a subscription | An investment in the Company has risks that you should consider before making a decision to invest. These risks include: | Section 5 | | | | | | | | | | | | | | | | | | |

| Question | Response | Where to find more information |
|------------------|--|--------------------------------|
| under the Offer? | <ul style="list-style-type: none"> <li data-bbox="496 344 1206 719">• Preliminary Economic Assessment (PEA) - The Company has completed a PEA for its Rincon Lithium Project and as a result is moving towards commercial development of the project. The PEA was based upon preliminary low level technical and economic assessments that are not sufficient to support an estimation of Ore Reserves, and further exploration and evaluation work is required to estimate any Ore Reserves. There is a risk that this work may not confirm the viability of the project. <li data-bbox="496 752 1206 1205">• Pro-forma financial information - The Pro-Forma Statement of Financial Position has been prepared from the Company's management accounts as at 31 December 2018. Whilst reasonable care has been taken in preparing the statement and the Company believes that the statement is not misleading, there is a risk that, as a result of the forthcoming audit of the Company's financial statements (due to be announced to ASX by 31 March 2019) there may be a material adjustment to the carrying value of the Company's equity interest in the incorporated joint venture that owns the Rincon Lithium Project. <li data-bbox="496 1238 1206 1339">• Indicated Resources - the Company has announced Indicated Resources for its Rincon Lithium Project. Indicated Resources have a lower level of confidence. <li data-bbox="496 1373 1206 1861">• Changes in capital and operating costs - the assumptions for processing engineering works set out in the PEA were developed to support capital and operating estimates (and following AUSIMM Guidelines for this study level), and given the preliminary and confidential nature of the plant information, the capital cost margin of error is $\pm 50\%$ on the "factored case" estimated figures and operating cost of $\pm 35\%$. The actual cost structure experienced in constructing facilities and operating mines or process plants may vary from current estimates, which could adversely affect Argosy's future financial position and performance. <li data-bbox="496 1895 1206 1995">• The Company is currently seeking funding to develop the Rincon Lithium Project and has provided the PEA and associated reports to potential strategic investors | |

| Question | Response | Where to find more information |
|--|---|--------------------------------|
| | <p>and offtake groups for their review. Whilst these discussions are ongoing, no offtake arrangements have been entered into.</p> <ul style="list-style-type: none"> • Failure to obtain sufficient financing for the Project will delay development and production. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders. • Commodity price risks. • Risks in operating in Argentina. <p>Please carefully consider these risks and the information contained in other sections of this Prospectus before deciding whether or not to apply for New Shares.</p> | |
| <p>Is the Offer underwritten?</p> | <p>Yes, the Offer is partially underwritten by CPS Capital Group Pty Limited for \$3 million.</p> <p>The underwriting is subject to certain conditions and terminating events.</p> <p>The Underwriter will be paid a lead manager fee of between \$30,000 and \$60,000 (depending upon the amount raised), a management fee of 1% of the amount raised, an underwriting fee of 5% of the Underwritten Amount and between 5 and 6 million Underwriter New Options (depending upon the amount raised).</p> <p>The Underwriter will be paid a placing fee of 5% of the amount raised by the Company from applications and payment for non-underwritten Shortfall submitted by the Underwriter to the Company and accepted by the Company (at its sole discretion).</p> | <p>Section 7.4</p> |
| <p>Is the Offer subject to any conditions?</p> | <p>The Offer is conditional upon quotation of the New Shares and New Options on ASX.</p> <p>The Directors also reserve the right to withdraw the Offer, in which case all application moneys received will be returned (without interest).</p> | <p>Section 7.2</p> |
| <p>What will be the effect of the Offer on</p> | <p>The New Shares to be issued under the Offer will represent between 3.15% (Underwriting Amount) and 6.25% (Full Subscription) of the Company's issued Shares following the</p> | <p>Section 4.5</p> |

| Question | Response | Where to find more information |
|---|---|--------------------------------|
| control of the Company? | Offer, and as a result will not be any effect on control of the Company. No Shareholder may increase their voting power above 20% as a result of the Offer. | |
| How do I apply for New Shares and Shortfall Shares under the Offer? | Applications for New Shares and Shortfall Shares can be made by Eligible Shareholders by completing the relevant sections of the personalised Entitlement and Acceptance Form and sending it to the Share Registry together with payment by cheque or BPAY in the amount of Entitlement and Shortfall Shares applied for. | Section 6.2 and 6.3 |
| Can I sell my Entitlements under the Offer? | Yes, the Offer is renounceable meaning Entitlement may be transferred. | Section 6.4 |
| How will the Shortfall Shares be allocated? | The Directors reserve the right to place any excess Shortfall Shares at their discretion within 3 months of the Closing Date. | Section 7.6 |
| How can I obtain further advice? | Contact the Company Secretary on +61 8 6188 8181 at any time between 9.00am and 5.00pm (AWST) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional adviser. | |

4 PURPOSE AND EFFECT OF THE OFFER

4.1 Introduction

The Company is seeking to raise up to approximately \$6.2 million before issue costs under the Offer at a price of \$0.10 per Share on the basis of 1 New Share for every 15 Existing Shares held as at the Record Date, with 1 New Option (exercise price \$0.20, expiring 31 March 2022) for every 3 New Shares issued.

Shareholders may, in addition to their Entitlement apply for additional New Shares.

The Offer is partially underwritten by CPS Capital Group Pty Limited for \$3 million.

4.2 Purpose of the Offer

The Directors intend to apply the proceeds from the Offer as follows:

| Use of funds (\$) (approx.) ¹ | Underwritten Amount | Full Subscription |
|---|---------------------|--------------------|
| Progress Rincon Project development works | \$1,250,000 | \$3,586,000 |
| Payment of recent tenement acquisitions - Mina San Jose & Jujuy (following completion of regulatory procedures) | \$570,000 | \$570,000 |
| General working capital ^{2, 3} | \$885,000 | \$1,640,644 |
| Costs of the Offer ⁴ | \$295,000 | \$360,000 |
| Total use of funds | \$3,000,000 | \$6,156,644 |

Notes:

- 1 This table is a statement of the proposed application of the funds raised as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the Company's decisions. The Company reserves the right to vary the way funds are applied.
- 2 Funds raised will, in the event less than Fully Subscription is received, be allocated firstly towards the costs of the Offer and then proportionally between the remaining items (other than tenement acquisitions).
- 3 General working capital includes but is not limited to corporate administration and operating costs and may be applied to directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.
- 4 See section 9.5 for further details relating to the estimated expenses of the Offer.

4.3 Statement of financial position

Set out in section 12 is the unaudited Statement of Financial Position of the Company and the Pro-Forma Statement of Financial Position, as at 31 December 2018 and on the basis of the following assumptions:

- (a) the Offer was effected on 31 December 2018;

- (b) no further Shares are issued other than Shares offered under this Prospectus;
- (c) take up of the Offer assuming the Underwritten Amount and Full Subscription are received;
- (d) working capital changes as set out in the pro forma;
- (e) costs of the Offer are \$295,000 (Underwritten Amount) and \$360,000 (Full Subscription).

The pro-forma Statement of Financial Position has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company set out in section 12. The pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

4.4 Effect of the Offer on the Company's securities

Assuming that no further Shares are issued prior to the Record Date, at the close of the Offer, the capital structure of the Company will be:

| Shares | Underwritten Amount | | Full Subscription | |
|---|---------------------|----------------|--------------------|----------------|
| | Number | % | Number | % |
| Existing Shares | 923,496,575 | 96.85% | 923,496,575 | 93.75% |
| New Shares offered under this Prospectus | 30,000,000 | 3.15% | 61,566,438 | 6.25% |
| Total Shares | 953,496,575 | 100.00% | 985,063,013 | 100.00% |
| Convertible securities | | | | |
| Options | 9,500,000 | 37.25% | 9,500,000 | 25.66% |
| Share Appreciation Rights | 1,000,000 | 3.93% | 1,000,000 | 2.71% |
| New Options offered under this Prospectus (including Underwriter New Options) | 15,000,000 | 58.82% | 26,522,146 | 71.63% |
| Total convertible securities on issue | 25,500,000 | 100.00% | 37,022,146 | 100.00% |

4.5 Effect on control

The New Shares to be issued under the Offer will represent between 3.15% (Underwritten Amount) and 6.25% (Full Subscription) of the Company's issued Shares following the Offer, and as such will not be any effect on control of the Company.

No Shareholder may increase their voting power above 19.9% as a result of the Offer.

4.6 Dilution

Shareholders who do not participate in the Offer will have their holdings diluted. Following is a table which sets out the dilutionary effect, assuming the full amount is raised and no further Shares are issued or Options exercised:

| Holder | Holding at Record Date | | Entitlement | Holding following the Offer if no Entitlement taken up | |
|--------|------------------------|-------|-------------|--|--------|
| | Number | % | | Number | % |
| 1 | 92,350 | 0.01% | 6,157 | 92,350 | 0.009% |
| 2 | 4,617,483 | 0.50% | 307,832 | 4,617,483 | 0.469% |
| 3 | 923,497 | 0.10% | 61,566 | 923,497 | 0.094% |
| 4 | 46,174,829 | 5.00% | 3,078,322 | 46,174,829 | 4.688% |

5 RISK FACTORS

The New Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors consider the risk factors described below and together with information contained elsewhere in this Prospectus and to consult with your professional advisers before deciding whether to apply for the New Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the New Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

5.1 Company and industry specific risks

(a) Preliminary Economic Assessment

On 28 November 2018 the Company announced its Preliminary Economic Assessment (PEA) for its Rincon Lithium Project and that it was moving towards commercial development, through obtaining approvals and long term strategic relationships and partnerships to ensure successful commercial development.

Whilst the PEA was prepared by an independent and globally recognised multi-disciplinary engineering firm supported by various third party consultants and research companies, limited information was used to derive inputs for the financial analysis contained in the PEA, and its results should be treated preliminary in nature, and caution should be exercised in using the PEA as a basis for assessing the feasibility of the Rincon Lithium Project.

The PEA is a preliminary technical and economic study of the potential viability of the Project required to reach a decision to proceed with more definitive studies (equivalent to a JORC Scoping Study). The PEA is based on preliminary low-level technical and economic assessments that are not sufficient to support the estimation of Ore Reserves or provide certainty that the conclusions and results of the PEA will be realised. Further exploration and evaluation work and appropriate studies are required before the Company will be in a position to estimate any Ore Reserves or to provide any assurance of an economic development case.

Given the uncertainty is involved, figures costs estimates quoted in the PEA are approximate values and within the margin of error expressed in the PEA. Investors should not make an investment decision based solely on the results of the EPA.

The PEA identified, amongst other things, the following key risks:

- (i) The lithium brine extraction process design, as assumed for the PEA, was limited to the data supplied at a conceptual level only, and further metallurgical test-work is required to confirm brine recoveries, process stages, process flows and equipment sizing.
- (ii) Further drilling and testing is recommended to provide data on the response of the acquirer to optimize life-of-project brine extraction.
- (iii) The Company is using a proprietary brine extraction technology and battery grade lithium carbonate production process for the project. As such, the detailed process flowsheet and design were not provided in preparing the PEA.

(b) Pro-Forma Statement of Financial Position

The Pro-Forma Statement of Financial Position has been prepared from the Company's management accounts as at 31 December 2018. Whilst reasonable care has been taken in preparing the statement and the Company believes that the statement is not misleading, there is a risk that, as a result of the forthcoming audit of the Company's financial statements (due to be announced to ASX by 31 March 2019) there may be a material adjustment to the carrying value of the Company's equity interest in the incorporated joint venture that owns the Rincon Lithium Project.

(c) Indicated resources

On 13 November 2018, the Company announced an upgraded JORC Code (2012) compliant Indicated Mineral Resource estimate for its Rincon Lithium Project.

Whilst modifying factors have been applied in determining an Indicated Mineral Resource, such estimates have a lower level of confidence than a Measured Mineral Resource.

A resource estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to

change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(d) Changes in capital and operating cost estimates

Processing engineering works set out in the PEA were developed to support capital and operating estimates (and following AUSIMM Guidelines for this study level), and given the preliminary and confidential nature of the plant information, the capital cost margin of error is $\pm 50\%$ on the “factored case” estimated figures and operating cost of $\pm 35\%$. Key assumptions that the PEA is based on are outlined in the Company's announcement to ASX on 28 November 2018.

Whilst every care has been made in estimating the capital cost and future operating costs for the Rincon Lithium Project, including contingency, the actual cost structure experienced in constructing facilities and operating mines or process plants may vary from current estimates. Any such, variations could adversely affect Argosy's future financial position and performance.

(e) Arbitration Settlement Risk

On 17 August 2017, the Company announced to ASX that it had signed binding preliminary and long term offtake agreements (Offtake Agreements) and a share subscription agreement (Placement Agreement) with Qingdao Qianyun High-tech New Material Co. Ltd. (Qianyun). On 24 August 2017, the Company announced that it had received the deposit payment of US\$750,000.

On 10 October 2017, the Company announced that the Placement Agreement was terminated and that it had received a request from Qianyun to terminate the Offtake Agreements. The Company subsequently received a request from Qianyun to repay the US\$750,000 (without admission, that amount being recognised in the Company's accounts as a currently liability). This matter is currently in arbitration and there is a risk the Company will need to repay this amount.

(f) Additional requirements for capital and offtake arrangements

The Company is currently seeking funding to develop the Rincon Lithium Project and has provided the PEA and associated reports to potential strategic investors and offtake groups for their review. Whilst these discussions are ongoing, no offtake arrangements have been entered into.

Failure to obtain sufficient financing for the Rincon Lithium Project will delay development and production. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to the Company and may involve substantial dilution to Shareholders.

(g) Contractual risk

The Company holds contractual rights to earn or acquire up to a 90% interest in tenements located at the Rincon Lithium Project in Salta, Argentina (the Tenements), under the terms of option agreements and joint venture earn-in agreements (the Rincon Agreements). As at the date of this Prospectus, the Company holds 77.5% direct interest in the Tenements.

In order for the Company to be able to achieve its objectives, the Company is reliant on the current registered holders of the Tenements complying with their contractual

obligations under the Rincon Agreements with respect to maintaining the Tenements in good standing, free from any liability to forfeiture or non-renewal, and complying with their obligations to effect the transfer of interests in those Tenements to the Company upon performance by the Company under the Rincon Agreements (either payment of an option exercise price, or satisfying earn-in obligations).

If the counterparties to the Rincon Agreements fail to comply with their obligations under those agreements, fail to maintain the Tenements in good standing, or fail to comply with the regulatory requirements applicable to those Tenements, it may result in the loss of title to the Tenements, the Company may lose its prospective interest in the Tenements and it is likely to have a material adverse effect on the financial position, operations and prospects of the Company.

In the event of a contractual default by a counterparty to a Rincon Agreement, it may be necessary for the Company to approach a court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will be ultimately granted on the appropriate terms.

The Company has no current reason to believe that the counterparties to the Rincon Agreements will not meet and satisfy their obligations under those agreements.

(h) Risks associated with operating in Argentina

The Company (through an entity in which it has the right to earn an interest of up to 90%) funds the conduct of exploration activities at the Tenements comprising the Rincon Lithium Project. The Tenements may be subject to the effects of political changes, war and civil conflict, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environment protection, mine safety, labour relations as well as government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

These changes may impact the future profitability and viability of the Company's existing and proposed operations on the Tenements. The effect of unrest and instability on political, social or economic conditions in Argentina could result in the impairment of exploration, development and mining operations and the Company's prospective title to and interest in the Tenements. Any such changes are beyond the control of the Company and may adversely affect its business.

The Company's principal assets are its contractual interests in and prospective rights to the Tenements under the Rincon Agreements. Changes in Argentina's law and regulations may have a significant effect on the Company's explorations and operations, especially changes to environmental, mining, grant or renewal or concessions, royalties and taxation laws and regulations.

Taxation responsibility in Argentina is distributed between the national government, provinces and local municipalities. Entities undertaking mining activities are generally subject to income tax and VAT. There is a risk that the taxation regime that the Rincon Lithium Project is subject to may change.

(i) Tenement commitments

Interests in Tenements in the Salta Province, Argentina, are governed by the regulations of the Mining Authority of Salta. The validity of an exploitation concession (ie, a mine) is subject to payment of an annual fee (payable in advance on a semi-annual basis) and the investment of a minimum amount as per the corresponding investment plan. If the holder of an exploitation concession does not comply with these requirements, the Mining Authority of Salta may revoke the mining rights.

The Company may lose its prospective title to or its interest in the Tenements if the applicable conditions attaching to the Tenements are not met by the registered holder of the Tenements or if insufficient funds are available to meet the minimum investment amount.

(j) Operation risk

The current and proposed operations of the Company (directly and through related entities in which it will earn an interest) may be affected by various factors, including operational and technical difficulties encountered in exploitation, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated geological problems which may affect exploitation costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

(k) Future approvals risk

The Company has all relevant approvals to conduct its current operations. Prior to commencement of any future operations, the Company may require additional approvals and permits relating to any necessary regulatory, social and community, and environmental matters. There is no assurance that such approvals will be received or that the conditions within the approvals will not be overly onerous.

(l) Currency risk

The Company's operations incur expenditures in US dollars and Argentine pesos. Funds raised via this Offer will be in Australian dollars. As a result of the use of these different currencies, the Company is subject to foreign currency fluctuations which may affect its financial position.

(m) Volatility of lithium prices

The mining industry is competitive and there is no assurance that, even if significant quantities of a mineral resource are discovered or extracted, a profitable market will exist for the sale of this mineral. In particular, there can be no assurance that lithium prices will be such that the Company is able to develop the Rincon Lithium Project or that it can be operated at a profit. There are various lithium price risks including the greenfield capacity to be brought online until 2040 (the life of the Rincon Lithium Project).

(n) Environmental risks

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. The Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development at the Rincon Lithium Project proceeds. It is the Company's intention

to conduct its activities in compliance with all environmental laws. Failure to comply with applicable laws may result in significant liabilities being imposed on the Company for damages, clean-up costs or penalties.

(o) Reliance on key personnel

Mr Pablo Alurralde is currently responsible for overseeing the day-to-day development and prospective production operations at the Rincon Lithium Project. The Company believes that Mr Alurralde has the requisite knowledge and experience of the Rincon Lithium Project to advance the project to production. The Company depends substantially on Mr Alurralde, in addition to its senior management. There can be no assurance given that there will be no detrimental impact on the Company if Mr Alurralde, or senior management of the Company, cease their engagement or employment by, or provision of services to, the Company.

5.2 General risks

(a) Potential for dilution

Shareholders who do not take up all of their Entitlement under the Offer will have their percentage holding in the Company diluted.

(b) General market and share price

There are general risks associated with investments in equity capital such as the Company's Shares. The trading price of the Company's Shares may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the Issue Price.

It is not possible to predict what the value of the Company or New Shares will be following the completion of the Entitlement Offer and the Directors do not make any representation as to such matters.

The historical trading price of the Company shares on ASX prior to this Prospectus being lodged is not a reliable indicator as to the potential trading price of New Shares after completion of the Offer.

Generally applicable factors which may affect the market price of shares include:

- (i) general movements in Australian and international stock markets;
- (ii) investor sentiment;
- (iii) Australian and international economic conditions and outlook;
- (iv) commodity prices;
- (v) changes in interest rates and the rate of inflation;
- (vi) changes in government legislation and policies, including taxation laws and foreign investment legislation;
- (vii) announcement of new technologies; and
- (viii) geo-political instability, including international hostilities and acts of terrorism.

The operational and financial performance and position of the Company's Share price may be adversely affected by a worsening of international economic and market

conditions and related factors. It is also possible that new risks might emerge as a result of global markets experiencing extreme stress, or existing risks may manifest themselves in ways that are not currently foreseeable.

(c) Dividends

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(d) Taxation

The acquisition and disposal of New Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All Eligible Shareholders are urged to obtain independent financial advice about the consequences of acquiring New Shares from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for New Shares under this Prospectus.

6 ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS

6.1 What you may do

As an Eligible Shareholder, you may:

- (a) subscribe for all or part of your Entitlement (see section 6.2);
- (b) subscribe for all of your Entitlement and apply for Shortfall Shares (see section 6.3);
- (c) sell all of your Entitlement (see section 6.4);
- (d) take up part of your Entitlement and sell the balance (see section 6.5);
- (e) take up part of your Entitlement and transfer the balance other than on ASX (see section 6.6); or
- (f) allow all or part of your Entitlement to lapse (see section 6.7).

6.2 Subscribe for all or part of your Entitlement

Applicants should read this Prospectus in its entirety in order to make an informed decision on the prospects of the Company and the rights attaching to the New Shares and attaching Options offered by this Prospectus before deciding to apply for New Shares. If you do not understand this Prospectus you should consult your stockbroker, accountant or other professional adviser in order to satisfy yourself as to the contents of this Prospectus.

If you wish to subscribe for all or part of your Entitlement, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. The Entitlement and Acceptance Form sets out the number of New Shares and attaching options you are entitled to subscribe for.

6.3 Subscribe for all of your Entitlement and apply for Shortfall Shares

Eligible Shareholders who take up their Entitlement in full may, in addition to their Entitlement, apply for Shortfall Shares regardless of the size of their present holding by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. See section 7.6 for details of the manner in which Shortfall Shares will be allocated.

Surplus application moneys will be returned to Applicants as soon as practicable following the close of the Offer.

A cheque, bank draft or money order should be used for the application money for your Entitlement and the number of Shortfall Shares you wish to apply for as stated on the Entitlement and Acceptance Form.

Alternatively, if you are paying by BPAY®¹, refer to your personalised instructions on your Entitlement and Acceptance Form. Shareholders who wish to pay by BPAY must ensure that payment is received by no later than 5pm AEDT on 28 March 2019.

Any refund of application monies will be returned to Applicants as soon as practicable following the issue of all Shortfall Shares.

6.4 Sell all of your Entitlement

Complete the section marked “Instructions to Stockbroker” on the back of the Entitlement and Acceptance Form, which accompanies this Prospectus, in accordance with the instructions contained on the form and lodge it with your stockbroker as soon as possible.

Rights trading will commence on ASX on 12 March 2019. Sale of your Rights must be completed by 21 March 2019 when Rights trading is expected to cease.

6.5 Take up part of your Entitlement and sell the balance on ASX

Please complete the Entitlement and Acceptance Form, which accompanies this Prospectus, by inserting the number of New Shares for which you wish to accept (being less than as specified on the Entitlement and Acceptance Form) and complete the section marked “Instructions to Stockbroker” on the back of the form in respect of that part of your Entitlement you wish to sell.

Forward the form to your stockbroker together with your cheque for the total amount payable in respect of the New Shares accepted. Your stockbroker will need to ensure that the completed Entitlement and Acceptance Form reaches the Company’s share registry, by 8 pm AEDT on 21 March 2019.

Cash will not be accepted and no receipts will be issued.

Rights trading will commence on ASX on 12 March 2019. Sale of your Rights must be completed by 21 March 2019 when Rights trading is expected to cease.

¹ Registered to BPAY Pty Ltd ABN 69 079 137 518

6.6 Take up part of your Entitlement and transfer the balance other than on ASX

If you are a Shareholder and hold Existing Shares on the issuer sponsored sub-register, forward a completed renunciation form (obtainable through your stockbroker or the Share Registry) together with your personalised Entitlement and Acceptance Form completed by the transferee together with a cheque for the appropriate application money to reach the Company's share registry (at the postal address shown below), by 8 pm AEDT on 21 March 2019.

If you are a Shareholder and hold Existing Shares registered on CHESS, you should contact your sponsoring broker.

Cash will not be accepted and no receipts will be issued.

6.7 Allow all or part of your Entitlement to lapse

If you are an Eligible Shareholder and do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

If you take no action, your Entitlement will lapse. You will receive no benefit or New Shares and your Entitlement will become Shortfall Shares.

If you wish to participate in the Offer, you must take action to accept your Entitlement in accordance with the instructions above and on the accompanying personalised Entitlement and Acceptance Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

6.8 Payment methods

BPAY

If you are paying by BPAY, refer to your personalised instructions on your Entitlement and Acceptance Form. Shareholders who wish to pay by BPAY must ensure that payment is received by no later than 8.00pm AEDT on the Closing Date.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY are received by 8.00pm AEDT on the Closing Date.

If you have more than one shareholding and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those shareholdings only use the Customer Reference Number specific to that shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same Customer Reference Number for more than one of your shareholdings. This can result in your application monies being applied to your Entitlement in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid).

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY payment.

Cheque, bank draft or money order

Alternatively, if you are paying by cheque, bank draft or money order, the completed Entitlement and Acceptance Form must be accompanied by a cheque, bank draft or money order made payable to 'Argosy Minerals Limited' and crossed 'Not Negotiable' for the appropriate application money in Australian dollars calculated at \$0.10 per New Share accepted. Your cheque, bank draft or money order must be paid in Australian currency and be drawn on an Australian branch of an Australian financial institution. The Company will present the cheque or bank draft on the day of receipt of the Entitlement and Acceptance Form. You must ensure that your cheque account has sufficient funds to cover your payment, as your cheque will be presented for payment on receipt. If your bank dishonours your cheque your application will be rejected. Dishonoured cheques will not be represented.

If the amount of your cheque(s), bank draft(s) or money order(s) for application money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you may be taken to have applied for such lower number of New Shares as your cleared application money will pay for (and to have specified that number of New Shares in your Entitlement and Acceptance Form) or your Application may be rejected.

The Entitlement and Acceptance Form must be received by the Company at the following addresses by no later than 8.00pm (AEDT) on the Closing Date:

| By post to: | By hand between 9am and 5pm AEDT to: |
|---|--|
| Argosy Minerals Ltd C/- Automic Pty Ltd GPO Box 5193 SYDNEY NSW 2001 | Argosy Minerals Ltd C/- Automic Pty Ltd Level 5, 126 Phillip Street SYDNEY NSW 2000 |

6.9 Entitlement and Acceptance Form is binding

Receipt of a completed and lodged Entitlement and Acceptance Form together with a cheque, bank draft or money order for the application monies, or by making a payment in respect of an Application by BPAY, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn.

By completing and returning your Entitlement and Acceptance Form with the requisite application monies, or by making a payment in respect of an Application by BPAY, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on

instructions of the Company's share registry upon using the contact details set out in the Entitlement and Acceptance Form;

- (e) declare that you are the current registered holder of Shares and are an Australian, New Zealand or Taiwan resident, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia, New Zealand and Taiwan and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

The Entitlement and Acceptance Form does not need to be signed to be a valid application. An Application will be deemed to have been accepted by the Company upon the issue of the New Shares.

If the Entitlement and Acceptance Form is not completed correctly or if the accompanying payment of the application monies is for the wrong amount, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the application monies received by the Company.

7 DETAILS OF THE OFFER

7.1 Shares offered for subscription

By this Prospectus the Company makes a renounceable pro rata offer to Eligible Shareholders on the basis of 1 New Share for every 15 Existing Shares held as at the Record Date at a price of \$0.10 per New Share, with 1 New Option for every 3 new Shares issued, to raise up to approximately \$6.2 million before issue costs. Fractional entitlements will be rounded down to the nearest whole number.

The Offer is only open to Eligible Shareholders. The Company reserves the right to reject any application that it believes comes from a person who is not an Eligible Shareholder.

Details of how to apply for New Shares are set out at section 6.

All New Shares offered under this Prospectus will rank equally with Existing Shares. The rights and liabilities of the New Shares offered under this Prospectus are summarised in section 8.

7.2 No minimum subscription

The Offer is underwritten for \$3,000,000, and is not subject to a minimum subscription.

7.3 Acceptances

This Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Offer period or close the Offer early.

Instructions for accepting your Entitlement are set out in section 6 and on the Entitlement and Acceptance Form which accompanies this Prospectus.

7.4 Underwriting

The Offer is partially underwritten in accordance with the Underwriting Agreement. Subject to completing the Offer, the Underwriter will be paid:

- (a) a management fee of 1% of the total amount raised under the Offer;
- (b) an underwriting fee of 5% of the Underwritten Amount;
- (c) in respect of any non-underwritten Shortfall only, a placing fee of 5% of the amount raised by the Company from applications and payment for non-underwritten Shortfall submitted by the Underwriter to the Company and accepted by the Company at its sole discretion;
- (d) up to 6,000,000 New Options (**Underwriter New Options**), with the number of Options determined by the sliding scale of gross proceeds raised by the Company under the Offer; and
- (e) a lead manager fee, the quantum of which is determined by the sliding scale of gross proceeds raised by the Company under the Offer and being between \$20,000 and \$60,000.

The Company will also reimburse the Underwriter for certain costs incurred by the Underwriter in relation to the Offer.

In accordance with the Underwriting Agreement and as is customary with these types of arrangements:

- (a) the Company has (subject to certain limitations, including where the loss arises through the Underwriter performing its underwriting obligation) agreed to indemnify the Underwriter, its officers, employees, advisers and related bodies corporate, and the officers, employees and advisers of any of its related bodies corporate against losses suffered or incurred in connection with the Offer;
- (b) the Company and the Underwriter have given market standard representations, warranties and undertakings in connection with (among other things) the conduct of the Offer;
- (c) the Underwriter may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events, including (but not limited to) where:
 - (i) the S&P ASX 200 Index is at any time after the date of the Underwriting Agreement 10% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;

- (ii) the issue price under the Offer is greater than the volume weighted average price of Shares calculated over five days prior to allotment of new Shortfall Shares under the Underwriting Agreement;
- (iii) there are adverse changes or disruptions to the financial markets of key countries or hostilities commence or escalate in key countries; or
- (iv) there is an adverse change, or an event occurs which is likely to give rise to an adverse change, in the financial position or performance, shareholder's equity, profits, losses, results, condition, operations or prospects of the Company and its subsidiaries.

For the purposes of section 706 of the Corporations Act, the Company offers the Underwriter the Underwriter New Options under this Prospectus. This offer may only be accepted by the Underwriter or (subject to the Corporations Act and Listing Rules) its nominees by completing a personalized application form which accompanies this Prospectus. The Company relies upon its 15% capacity under Listing Rule 7.1 to issue the Underwriter New Options to the Underwriter and its nominees.

7.5 Entitlement to Offer

The Offer is made to Eligible Shareholders, being are those Shareholders that:

- (a) are the registered holder of Shares as at 7.00pm (AEDT) on the Record Date; and
- (b) have a registered address in Australia, New Zealand or Taiwan.

7.6 Shortfall

Any New Shares not applied for under the Offer or issued to the Underwriter (or its nominees) will become Shortfall Shares. The Directors reserve the right to issue any Shortfall Shares at their discretion within 3 months after the Closing Date (**Shortfall Offer**).

The Shortfall Offer is, to the extent it is made in Australia, made under this Prospectus. To the extent the Shortfall Offer is made outside Australia, the Shortfall Offer is made without disclosure, a prospectus, lodgement, filing or registration, or other requirements of any applicable securities law, and only in circumstances where it is lawful to do so (such as to institutional or sophisticated investors).

Eligible Shareholders may apply for Shortfall Shares by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. Other investors who are not Eligible Shareholders may apply for Shortfall Shares using the Shortfall Application Form attached to this Prospectus. Persons outside Australia doing so represent to the Company that they can apply for Shortfall Shares in circumstances which do not require the offer for Shortfall Shares or this Prospectus to be registered.

It is possible that there may be no Shortfall Shares available for issue.

Subject to the above, the Directors reserve the right at their absolute discretion and subject to the Corporations Act and Listing Rules, to issue Shortfall Shares at their discretion, and to reject any application for Shortfall Shares or to issue a lesser number of Shortfall Shares than that applied for. It is an express term of the Shortfall Offer that applicants for Shortfall Shares will be bound to accept a lesser number of Shortfall Shares allocated to them than applied for. If a lesser number is allocated, excess application money will be refunded without interest as soon as practicable after the Closing Date.

7.7 New Zealand and Taiwan Shareholders

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares. This Prospectus has not been registered, filed or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

The securities offered under this Prospectus have not been registered in Taiwan nor approved by the Financial Supervisory Commission, Executive Yuan, the Republic of China. Holders of the Shares may not resell them in Taiwan nor solicit any other purchasers in Taiwan for this offering.

7.8 Treatment of Ineligible Shareholders and sale for Ineligible Shareholders' Entitlement

Given the small number of Ineligible Shareholders and the cost of complying with applicable regulations outside Australia, New Zealand and Taiwan, the Company has decided that it would be unreasonable to extend the Offer to Ineligible Shareholders. The Prospectus will not be sent to those Shareholders.

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. No action has been taken to register or qualify the New Shares or the Offer or otherwise to permit an offering of the New Shares in any jurisdiction other than as set out in this section.

This Prospectus is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia, New Zealand or Taiwan (other than to Eligible Shareholders).

For the purposes of Listing Rule 7.7.1(c), the Company has appointed the Underwriter as nominee to arrange for the sale of the Non-Eligible Foreign Shareholders' Entitlements and to account to them for the net proceeds of the sale in proportion to their shareholdings as at the Record Date.

7.9 Beneficial holders, nominees, trustees and custodians

The foreign selling restrictions under the Offer summarised in section 7.8 of this Prospectus apply to the underlying beneficial holder. Nominees, trustees and custodians must not apply on behalf of any beneficial holder that would not itself be an Eligible Shareholder. Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed. Shareholders who hold Shares on behalf of persons whose registered address is not in Australia, New Zealand or Taiwan are responsible for

ensuring that applying for New Shares does not breach securities laws in the relevant overseas jurisdictions.

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

7.10 Allotment and application money

New Shares will be issued only after all application money has been received and ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued on 4 April 2019 and normal trading of the New Shares on ASX is expected to commence on 5 April 2019.

All application monies will be deposited into a separate bank account of the Company and held in trust for Applicants until the Shares are issued or application monies returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

7.11 Quotation

The Company will apply to ASX within 7 days after the date of this Prospectus for quotation of the securities offered by this Prospectus on ASX. If ASX does not grant permission for the quotation of the securities offered under this Prospectus within 3 months after the date of this Prospectus, or such longer period as modified by ASIC, none of the securities offered by this Prospectus will be allotted or issued. In these circumstances, all Applications will be dealt with in accordance with the Corporations Act including the return of all application monies without interest.

A decision by ASX to grant official quotation of New Shares and New Options is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the Company's securities.

Quotation, if granted, of the securities offered by this Prospectus will commence as soon as practicable after statements of holdings of the New Shares are dispatched.

7.12 Market prices of Existing Shares on ASX

The highest and lowest market sale price of the Existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during the 3 months immediately preceding the lodgement of this Prospectus with the ASIC, and the last market sale price on the date before the lodgement date of this Prospectus, are set out below.

| | 3 month high | 3 month low | Last market sale price |
|------------|---------------------|--------------------|-------------------------------|
| Price (\$) | \$0.18 | \$0.125 | \$0.14 |
| Date | 7 December 2018 | 26 February 2019 | 7 March 2019 |

7.13 CHESS

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement Pty Ltd (**ASPL**), a wholly owned subsidiary of ASX.

Under CHESS, the Company does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company, including New Shares issued under this Prospectus. If an investor is broker sponsored, ASPL will send a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

7.14 Taxation and duty implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Offer or Shareholders applying for New Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in the Offer. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Offer.

No brokerage or stamp duty is payable by Applicants in respect of Applications for New Shares under this Prospectus.

7.15 Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

The Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to

communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

7.16 Enquiries

Any queries regarding the Offer should be directed to the Company Secretary on +61 6188 8181.

Any queries regarding the Entitlement and Acceptance Form should be directed to the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 or at corporate.actions@automic.com.au.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.

8 RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

8.1 Rights and liability attaching to Shares

Full details of the rights and liabilities attaching to the Shares are:

- detailed in the Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

(a) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. Voting may be in person or by proxy, attorney or representative.

(b) Dividends

Except as otherwise required by the Corporations Act and to the terms on which shares are on issue and the rights and restrictions attaching to shares, the Directors may from time to time:

- (i) declare dividends (whether final or interim) to be paid to members on such terms, including the amount and the time for and the method of payment, as the Directors think fit; or

- (ii) determine that a dividend is payable, fix the amount and time for payment.
- (c) Future issues of securities

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.
- (d) Transfer of Shares

A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.
- (e) Meetings and notices

Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the Listing Rules.

Shareholders may requisition meetings in accordance with the Corporations Act.
- (f) Liquidation rights

The Company has one class of shares on issue, ordinary shares. Each ordinary Share ranks equally in the event of liquidation.
- (g) Variation of rights

Subject to the Corporations Act and Listing Rules, the rights attached to the Shares may be varied in accordance with the Corporations Act
- (h) Election of directors

At every annual general meeting one third of the Directors (rounded up to the nearest whole number) must retire from office. Any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting must retire. These retirement rules do not apply to certain appointments including the managing director.
- (i) Indemnities

To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.
- (j) Winding up

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of the Company any surplus must be divided among the shareholders of the Company.

(k) Shareholder liability

As the Shares offered under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(l) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(m) Listing Rules

If the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

8.2 Rights and liability attaching to Options

Options offered under this Prospectus are subject to the following terms:

- (a) No monies will be payable for the issue of the Options.
- (b) The exercise price of each Option will be \$0.20.
- (c) Unless they lapse earlier in accordance with these terms, the Options shall expire on 31 March 2022.
- (d) When exercised, an Option entitles the holder to be issued one Share.
- (e) Subject to these terms:
 - (i) Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Option holder to exercise all or a specified number of Options held by him accompanied by an Option certificate and a cheque made payable to the Company or an electronic funds transfer for the subscription monies for the Shares; and
 - (ii) an exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by the holder.
- (f) The Options are freely transferable subject to any restriction or escrow arrangements imposed by the Corporations Act and the ASX Listing Rules.
- (g) The holder of an Option may not exercise less than 2,500 Options at any one time unless the holder has less than 2,500 Options in which event the Holder must exercise all of the Options together.

- (h) The Company shall allot the resultant Shares within ten Business Days of the exercise of the Option subject to receipt of cleared monies for the exercise of the Option.
- (i) Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with existing fully paid ordinary shares of the Company in all respects.
- (j) The Company will apply for quotation of the Options on ASX and for quotation of all Shares allotted pursuant to the exercise of Options on ASX in accordance with the Listing Rules and within 10 Business Days after the date of allotment of those Shares.
- (k) In the event of any reorganisation of capital of the Company, all rights of the Option holder will be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.
- (m) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.
- (n) The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.

9 ADDITIONAL INFORMATION

9.1 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the Official List during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have

regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the period from lodgement of the Company's annual financial statements of the Company for the financial year ended 31 December 2017 to the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

The Company confirms that, to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in this Prospectus, there is no information

- (a) that has been excluded from a continuous disclosure notice in accordance with ASX Listing Rules; and
- (b) is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to New Shares.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (c) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (d) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial statements of the Company for the financial year ended 31 December 2017 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;
 - (ii) any half-year financial report lodged with ASIC by the Company after the lodgement of that annual report and before the lodgement of this Prospectus; and
 - (iii) any continuous disclosure notices given by the Company after the lodgement of the financial statements referred to in paragraph (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours or from asx.com.au.

The Company has lodged the following announcements with ASX since its 2017 annual report was lodged with ASX on 28 March 2018:

| Date | Description of Announcement |
|------------|--|
| 28/02/2019 | Rincon Lithium Project Update |
| 29/01/2019 | Quarterly Activities Report - December 2018 |
| 29/01/2019 | Quarterly Cashflow Report - December 2018 |
| 21/12/2018 | Rincon Product Customer Samples Update |
| 10/12/2018 | Rincon Evaporation Ponds Update |
| 30/11/2018 | Investor Presentation - PEA results, Rincon Lithium Project |
| 28/11/2018 | Argosy Delivers Exceptional PEA Results for Rincon Project |
| 13/11/2018 | Argosy Upgrades Rincon Lithium Project JORC Resource |
| 09/11/2018 | Strategic Acquisitions for Rincon Lithium Project |
| 31/10/2018 | Quarterly Activities Report - September 2018 |
| 31/10/2018 | Quarterly Cashflow Report -September 2018 |
| 19/09/2018 | President Macri meeting |
| 13/09/2018 | Half Year Accounts |
| 13/09/2018 | Process Works Update |
| 04/09/2018 | Argentina Export Tax Statement |
| 03/09/2018 | Change of Director's Interest Notice |
| 03/09/2018 | Appendix 3B and Cleansing Notice |
| 29/08/2018 | Stage 2 Evaporation Ponds Progress Update |
| 15/08/2018 | Change of Address |
| 07/08/2018 | Revised - AGY CONFIRMS PRODUCTION OF 99.6% LITHIUM CARBONATE |
| 06/08/2018 | Argosy Investor Presentation - Diggers & Dealers |
| 06/08/2018 | ARGOSY CONFIRMS PRODUCTION OF 99.6% LITHIUM CARBONATE |

| | |
|------------|---|
| 13/07/2018 | Quarterly Activities Report - June 2018 |
| 13/07/2018 | Quarterly Cashflow Report - June 2018 |
| 19/06/2018 | Rincon Lithium Project - Maiden JORC Mineral Resource |
| 18/06/2018 | Gas Supply Switched On |
| 06/06/2018 | Clarification Announcement |
| 05/06/2018 | Argosy confirms first batch of LCE produced |
| 01/06/2018 | Trading Halt |
| 28/05/2018 | Argosy purchases Rincon tenement portfolio |
| 15/05/2018 | Investor Presentation - May 2018 |
| 14/05/2018 | Results of Annual General Meeting |
| 14/05/2018 | Chairman's Address to Shareholders |
| 07/05/2018 | Rincon Lithium Project Update |
| 30/04/2018 | Quarterly Cashflow Report |
| 27/04/2018 | Quarterly Activities Report |
| 13/04/2018 | AGM Notice of Meeting and Proxy Form |
| 03/04/2018 | Rincon Stage 1 Plant operational |
| 29/03/2018 | Appendix 4G |

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours or from www.asx.com.au.

9.2 Directors' interests

As at the date of this Prospectus the Directors have a relevant interest in securities of the Company and remuneration as set out below.

| | Remuneration/ Other payments | Shares | Entitlement |
|---------------|---------------------------------|------------|-------------|
| Alex Molyneux | Nil | 25,000,000 | 1,666,667 |
| Jerko Zuvela | \$273,750 | 68,901,739 | 4,593,449 |
| Ranko Matic | \$43,800 | 26,909,784 | 1,793,986 |

| | | | |
|-----------------|----------|---------|--------|
| Malcolm Randall | \$43,800 | 268,494 | 17,900 |
|-----------------|----------|---------|--------|

Notes:

- 1 The non-executive Directors are entitled to annual directors' fees of \$43,800 (inclusive of superannuation). The Chairman does not currently receive a fee for acting as a Director.
- 2 Mr Randall holds 5,000,000 Options (exercise price \$0.045 and expiring 31 December 2019). If exercised prior to the Record Date, Mr Randall's Entitlement will be 351,233 New Shares.

The Constitution provides that the Directors may be paid for their services as Directors. Non-executive directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the non-executive directors and in default of agreement then in equal shares.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company.

Other than as set out above or elsewhere in this Prospectus, no Director or proposed Director holds at the date of this Prospectus, or held at any time during the last 2 years before the date of lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer;
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (d) to a Director or proposed Director or to any firm which any such Director is a partner, to induce him or her to become, or to qualify as, a Director; or
- (e) for services provided by a Director or proposed Director or to any firm which any such Director is a partner, in connection with the formation or promotion of the Company or the Offer.

9.3 Interests of promoters and named persons

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or

- (c) the Offer.

CPS Capital Group Pty Limited has acted as underwriter and lead manager to the Offer. The fees to be paid for this service are set out in section 7.4. CPS Capital Group Pty Limited has not received any amounts from the Company in the 2 years prior to the date of this Prospectus.

Atkinson Corporate Lawyers has acted as solicitor to the Offer. In respect of this work, the Company will pay approximately \$10,000 exclusive of GST. Subsequently fees will be paid in accordance with normal hourly rates. Atkinson Corporate Lawyers has not received any amounts from the Company in the 2 years prior to the date of this Prospectus.

9.4 Consents

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgement of this Prospectus with ASIC withdrawn their written consent:
- (i) to be named in the Prospectus in the form and context which it is named; and
 - (ii) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;
- (b) has not caused or authorised the issue of this Prospectus;
- (c) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below;
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that person.

| Name | Role |
|-------------------------------|--------------|
| CPS Capital Group Pty Limited | Lead Manager |
| Atkinson Corporate Lawyers | Lawyer |

9.5 Expenses of the Offer

The total expenses of the Offer are estimated to be \$295,000, consisting of the following:

| Cost | \$ |
|----------------------|-----------|
| Legal fees | \$10,000 |
| ASX and ASIC fees | \$20,000 |
| Capital raising fees | \$210,000 |

| | |
|--------------------------------------|------------------|
| Printing, postage and other expenses | \$55,000 |
| Total | \$295,000 |

These expenses have or will be paid by the Company. The above table assumes the Underwritten Amount is raised. Further capital raising fees, as set out in section 7.4, are payable in the event additional amounts are raised.

The Underwriter is also entitled to be issued the Underwriter New Options, with the number to be issued determined by the amount raised. See section 7.4 for details.

9.6 Litigation

As at the date of this Prospectus and other than as disclosed to ASX, the Company is not involved in any legal proceedings of a material nature and the Directors are not aware of any other legal proceedings pending or threatened against the Company.

9.7 Cleansing of prior issue of Shares

On 3 September 2018 the Company issued 5,000,000 Shares as a result of conversion of the Chairman's third and final transfer of performance rights as per the Chairman's remuneration package approved by Shareholders on 24 January 2017. The Shares were issued without disclosure and have not since issue been offered for sale. This Prospectus satisfies section 708A(11) of the Corporations Act so that these Shares can be offered for sale without disclosure.

10 DIRECTORS' RESPONSIBILITY AND CONSENT

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 8 March 2019

A handwritten signature in black ink, appearing to read 'J. Zuvela', is written over a horizontal dotted line.

Signed for and on behalf of Argosy Minerals Limited
By Jerko Zuvela
Managing Director

11 GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

| | |
|--|---|
| \$, A\$ or Dollars | Australian dollars unless otherwise stated. |
| AEDT | Australian Eastern Daylight Savings Time. |
| Applicant | a person who submits a valid Entitlement and Acceptance Form pursuant to this Prospectus. |
| Application | a valid application made on an Entitlement and Acceptance Form to subscribe for New Shares pursuant to this Prospectus. |
| ASIC | the Australian Securities & Investments Commission. |
| ASX | ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited. |
| AWST | Australian Western Standard Time. |
| Board | the board of Directors. |
| Business Day | Monday to Friday inclusive, except any day that ASX declares is not a business day. |
| Closing Date | the date set out in section 1. |
| Company or Argosy | Argosy Minerals Limited (ACN 073 391 189). |
| Constitution | the constitution of the Company. |
| Corporations Act | the <i>Corporations Act 2001</i> (Cth). |
| Director | a director of the Company. |
| Eligible Shareholders | a Shareholder as at the Record Date with a registered address in Australia, New Zealand or Taiwan. |
| Entitlement or Right | a Shareholder's entitlement to subscribe for New Shares under the Offer. |
| Entitlement and Acceptance Form | the personalised entitlement and acceptance form attached to this Prospectus. |
| Ex Date | the date set out in section 1. |
| Existing Share | a Share on issue as at 5.00pm (AEDT) on the Record Date. |
| Full Subscription | approximately \$6,156,643 before costs. |

| | |
|--------------------------------|--|
| Ineligible Shareholder | a Shareholder who is not an Eligible Shareholder. |
| Listing Rules | the listing rules of the ASX. |
| New Option | means an Option on the terms set out in section 9.2 and offered under this Prospectus. |
| New Shares | Shares issued pursuant to this Prospectus. |
| Offer | the renounceable pro rata offer made under this Prospectus to subscribe for New Shares (with 1 attaching New Option for every 3 New Shares issued) on the basis of 1 New Share for every 15 existing Shares held on the Record Date. |
| Official List | the official list of the ASX. |
| Option | an option to be issued a Share. |
| Prospectus | this Prospectus and includes the electronic prospectus. |
| Record Date | the date set out in section 1. |
| Share | a fully paid ordinary share in the Company. |
| Share Registry | Automic Pty Ltd. |
| Shareholder | a registered holder of Shares in the Company. |
| Shortfall Offer | has the meaning given in section 7.6. |
| Shortfall Shares | Entitlement not applied for under the Offer. |
| Underwriter New Options | has the meaning given in section 7.4. |
| Underwriting Agreement | means the underwriting agreement between the Company and Underwriter dated on or about the date of this Prospectus. |
| Underwritten Amount | means \$3,000,000. |
| US person | has the meaning given to that term in Regulation S under the US Securities Act. |
| US Securities Act | the <i>United States Securities Act of 1933</i> , as amended. |

12 PRO FORMA STATEMENT OF FINANCIAL POSITION

| | Unaudited as at 31-Dec-18 | Working Capital Changes to 28-Feb-19 | Underwritten Amount Rights Issue Proceeds | Pro-Forma 31-Dec-18 | Full Subscription Rights Issue Proceeds | Pro Forma 31-Dec-18 |
|--------------------------------------|---------------------------------|--|---|------------------------|---|------------------------|
| ASSETS | | | | | | |
| Current Assets | | | | | | |
| Cash and Cash Equivalents | 2,714,213 | - 2,226,794 | 2,705,000 | 3,192,419 | 5,795,433 | 6,282,852 |
| Trade and other receivables | 60,965 | - 41,282 | | 19,683 | | 19,683 |
| Total current assets | 2,775,178 | -2,268,076 | 2,705,000 | 3,212,102 | 5,795,433 | 6,302,535 |
| Non-Current Assets | | | | | | |
| Plant & Equipment | 152,848 | - 3,433 | | 149,415 | | 149,415 |
| Exploration & Evaluation | 1,353,800 | - | - | 1,353,800 | - | 1,353,800 |
| Advance to Puna Mining | 3,741,981 | 1,953,653 | - | 5,695,634 | - | 5,695,634 |
| Investments in JV using equity meth | 8,355,045 | - | | 8,355,045 | | 8,355,045 |
| Total Non-Current Assets | 13,603,674 | 1,950,220 | - | 15,553,894 | - | 15,553,894 |
| Total Assets | 16,378,852 | - 317,856 | 2,705,000 | 18,765,996 | 5,795,433 | 21,856,429 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Trade & Other Payables | 237,051 | - 215,655 | | 21,396 | | 21,396 |
| Prepaid customer deposit | 1,062,624 | - | | 1,062,624 | | 1,062,624 |
| Total Current liabilities | 1,299,675 | - 215,655 | - | 1,084,020 | - | 1,084,020 |
| Non-Current Liabilities | | | | | | |
| Lease Liability | 159,415 | - 2,608 | | 156,807 | | 156,807 |
| Total Non-Current Liabilities | 159,415 | - 2,608 | - | 156,807 | - | 156,807 |
| Total Liabilities | 1,459,090 | - 218,263 | - | 1,240,827 | - | 1,240,827 |
| NET ASSETS | 14,919,762 | - 99,593 | 2,705,000 | 17,525,169 | 5,795,433 | 20,615,602 |
| EQUITY | | | | | | |
| Contributed Equity | 80,461,794 | - | 2,705,000 | 83,166,794 | 5,795,433 | 86,257,227 |
| Reserves | 951,579 | - | | 951,579 | | 951,579 |
| Accumulated Losses | -66,493,611 | - 99,593 | | -66,593,204 | | -66,593,204 |
| TOTAL EQUITY | 14,919,762 | - 99,593 | 2,705,000 | 17,525,169 | 5,795,433 | 20,615,602 |

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[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

SRN/HIN : [HolderNumber]

ENTITLEMENT AND ACCEPTANCE FORM

OFFER CLOSSES 5:00PM (WST) ON THURSDAY, 28 MARCH 2019 (UNLESS IT IS LAWFULLY EXTENDED)

Shares held as at the Record Date,
4:00pm (WST) on 13/03/2019
[CumBalance]

Entitlement to 1 New Share for every 15
Existing Shares held
[Entitlement]

Amount payable on full acceptance at
A\$0.10 per New Share
[EntPayable]

IMPORTANT: As an Eligible Shareholder you are entitled to acquire the above Shares for the amount payable, together with one free attaching Option (exercise price \$0.20, expiring 31 March 2022) for every 3 New Shares issued. The Prospectus contains information about investing in the Shares and you should carefully read the Prospectus before applying for Shares. This Entitlement and Acceptance Form should be read in conjunction with the Prospectus. If you do not understand it or you are in doubt as to how you should deal with it, you should seek professional advice. Capitalised terms have the same meaning as defined in the Prospectus.

1 Insert the number of Shares applied for and accepted (being not more than your Entitlement shown above)

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
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|--|--|--|--|--|--|--|--|--|--|

2 Payment Amount (multiply the number in section 1 by A\$0.10
(If the dollar amount below divided by the issue price is a fraction of a Share, the Shares allotted will be rounded down)

A\$

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As an Eligible Shareholder, you are invited to apply for additional Shares under the Shortfall Offer, providing you have taken up your full Entitlement. Should you wish to apply for additional Shares please complete the following sections. The Directors reserve the right to allot and issue additional new Shares under the Shortfall Offer at their discretion.

3 Insert the number of additional Shares applied for

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

4 Payment Amount (multiply the number in section 3 by A\$0.10
(If the dollar amount below divided by the issue price is a fraction of a Share, the Shares allotted will be rounded down)

A\$

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5: MAKE YOUR PAYMENT

Payment by BPAY



Biller Code: 275537

Ref No: [BPayCRN]

Contact your financial institution to make your payment
from your cheque or savings account.

Payment by Cheque

Cheques must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Argosy Minerals Limited" and crossed "Not Negotiable". Return your cheque and this application form to: Automic Group, GPO Box 5193 Sydney NSW 2001 by the Closing Date.

Cheque Number

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Account Number

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6: PROVIDE YOUR CONTACT DETAILS

Telephone Number

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Contact Name (PLEASE PRINT)

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Email Address

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SUPPORT YOUR COMPANY: By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

INSTRUCTIONS FOR COMPLETION OF THIS FORM

The Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia, New Zealand and Taiwan. In particular, this Offer is not being made to any person in the U.S. or to a U.S. person. The Prospectus and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF OFFER

By returning the Entitlement and Acceptance Form with payment to the Share Registry:

- you represent and warrant that you have read and understood the Prospectus and that you acknowledge the matters, and make the warranties and representations contained therein and in this Entitlement and Acceptance Form;
- you provide authorisation to be registered as the holder of Shares acquired by you and agree to be bound by the Constitution of the Company.

HOW TO APPLY FOR SHARES

1 Acceptance of Shares

Enter into section 1 the number of Shares you wish to apply for. The number of Shares must be equal to or less than your Entitlement, which is set out overleaf.

2 Payment Amount

Enter into section 2 the total amount payable for the number of Shares for which you are applying. If the dollar amount divided by the issue price is a fraction of a Share, the Shares allotted will be rounded down.

3 Application for additional Shares under the Shortfall Offer

You can only apply for additional Shares if you have applied for your full entitlement in section 1. The Directors reserve the right to allot and issue additional new Shares under the Shortfall Offer at their discretion.

4 Payment Amount

Enter into section 4 the total amount payable for the number of additional Shares for which you are applying. If the dollar amount divided by the issue price is a fraction of a Share, the Shares allotted will be rounded down.

5 Payment Options

Payment by BPAY: You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. To BPAY® this payment via internet or telephone banking use your reference number quoted on the front of this form. Multiple acceptances must be paid separately. Applicants should be aware of their financial institution's cut-off time (the payment must be made to be processed overnight).

It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

You do not need to return this form if you have made payment via BPAY®. Your BPAY® reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such shares for which you have paid.

Payment by Cheque: Cheques must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Argosy Minerals Limited" and crossed "Not Negotiable". Please ensure sufficient funds are held in your account. If you provide a cheque for an incorrect amount the Company may treat you as applying for as many New Shares as your cheque will pay for.

Return your cheque and this application form to Automic Group by 5.00pm (WST) on Thursday, 28 March 2019

BY MAIL

Argosy Minerals Limited
C/- Automic Group
GPO Box 5193
Sydney NSW 2001

BY HAND DELIVERY (Between Sydney office hours 9:00am – 5:00pm AEDT)

Argosy Minerals Limited
Level 5
126 Phillip Street
Sydney NSW 2000

6 Contact Details

Please enter a contact number we may reach you on between the hours of 9:00am and 5:00pm WST. We may use this email* or number to contact you regarding your acceptance of the Shares, if necessary.

***By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible)**

If you require further information about the Offer, please contact Automic on 1300 288 664 between 9:00am and 5:00pm (WST).