

# Repositioned for Growth: Lithium Strategy



**Argosy Minerals Limited**  
Annual General Meeting

Perth  
31 May 2016

ASX Code: AGY



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All amounts in A\$ unless stated otherwise.

- Rapidly growing ASX-listed international lithium developer (ASX: AGY)
- Underpinned by strategic lithium projects situated in world renowned “Lithium Triangle” in Argentina
- Emerging lithium brine projects with fast-track development strategy:
  - *Mina Teresa: located in Salinas Grandes Salar, adjacent to Orocobre (ASX:ORE) concessions*
  - *Pocitos: located in Salar de Pocitos – previously explored with historical values of lithium and boron.*
- Funded to consider additional lithium opportunities to build substantial project portfolio
- High quality regional and site infrastructure (electrical power, natural gas, rail & port facilities) facilitating project development
- Extensive technical expertise from Argentinian lithium consultants:
  - access to quality laboratory and pilot plant equipment
- Strong Management ownership - significant vested interest



# Share Price



ARGOSY MINERALS  
LIMITED

## AGY 3 Month Chart



## Directors

**Ranko Matic** – Non-Executive Chairman (B. Bus, CA)

**Jerko Zuvela** – Director (B.Sc (Applied Geology), CP (Geology))

**Andrea Betti** – Non-Executive Director, Company Secretary (BCom, MBA, Grad Dip in Finance/Investment; Grad Dip in Corporate Governance)

- Symbol ASX - AGY
- Shares on issue - 455,753,983
- 12,500,000 options exercisable at \$0.09, expiring on 13/6/2017
- 18 Convertible Notes with a combined face value of \$300,000 plus interest convertible into fully paid AGY shares at a conversion price of \$0.002, maturity prior to 13/8/2016



## *AGY is developing a core strategy of becoming a Lithium Developer and Producer*

### ✦ Lithium – Argentina Projects

- ▶ *Mina Teresa: geological studies show historical sample values that are promising for further test-work to determine options for potential production strategies*
- ▶ *Pocitos: targeting near-term trenching/pitting/sampling program to prioritise drill-hole selection plan, assisted by acquisition of geophysical data*
- ▶ *Projects currently undergoing Due Diligence, whereby the Company has the exclusive right to enter into an option agreement for a 12-month period to purchase and acquire the 100% right, title and interest in the Mina Teresa and Pocitos Projects*

### ✦ Lithium – Australia Project

- ▶ *Mt Paris: Extensive greisen field, targeting Cinovec-style lithium deposit*
- ▶ *Exclusive two year option period to acquire 100% of the Project.*

### ✦ Copper-Gold (& Cobalt) – Australia Project

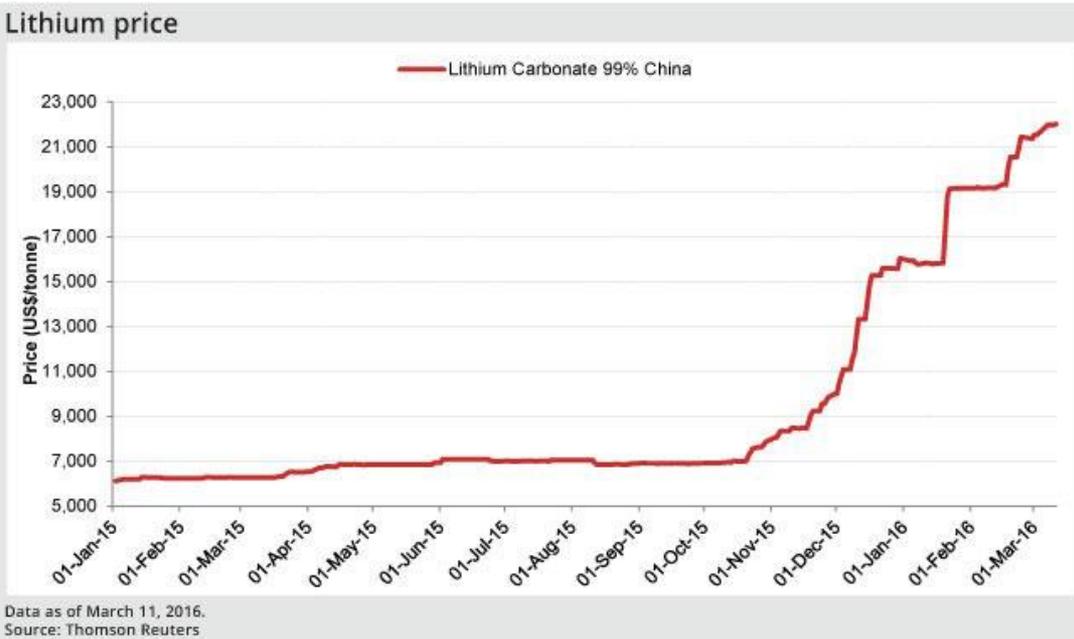
- ▶ *Wee MacGregor: JORC 2012 compliant Mineral Resource estimate completed*
- ▶ *Right to earn up to an 80% interest in the Project pursuant to the terms of farm-in and joint venture agreement*

## *Re-connecting with the Global Economy*

- December 2015 – President Mauricio Macri and new government elected
  - ▶ *Abolish most export duties and trade controls*
    - ▶ *Removal of 5% duty on high grade lithium and refined boron products*
    - ▶ *Removal of 10% duty on boron mineral concentrates*
  - ▶ *Eliminate exchange rate and capital controls*
- Recently settled outstanding claims from 2003 default and returned to global capital markets
- The American Chamber of Commerce in Argentina said US firms would invest US\$2.3 billion in Argentina over the next 18 months



## Lithium Carbonate Price in China



## The Keys to Lithium Growth

- ▶ Lower lithium-ion battery costs (now down to around USD 200-kWhr) to make electric vehicles (EVs) more affordable. Tony Seba in his video on "clean energy disruption" and others expect EVs to be cheaper than Internal Combustion Energy (ICE) cars by 2020.
- ▶ EV (cars, buses, bikes) adoption to increase. Lower price, longer range, and more charging networks are all helping.
- ▶ Energy storage using lithium batteries becoming more popular.

**According to Goldman Sachs in its December 2015 report "Lithium is the New Gasoline":**

- ▶ Total lithium demand today is 160,000mT of lithium carbonate equivalent (LCE) per year.
- ▶ For every 1% increase in battery electric vehicle (BEV) penetration, there is an increase in lithium demand by around 70,000mT of LCE/year.

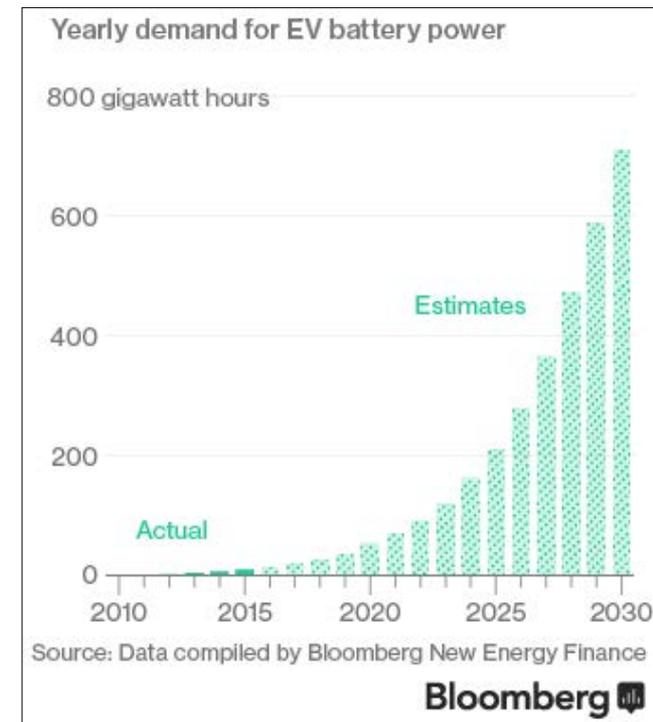
## Lithium Demand Forecasts to 2025

- ▶ *Goldman Sachs - "Growth in EV applications alone could triple the size of the entire lithium market from 160,000 mt today to 470,000 mt by 2025. That is based on 22% EV penetration (BEV, PHEV and HEV combined) in 2025 from under 3% today."*
- ▶ *Deutsche Bank in its "Lithium-ion age" stated, "Global battery consumption is set to increase 5x over the next 10 years, placing pressure on the battery supply chain and lithium market. We expect global lithium demand will increase from 181kt Lithium Carbonate Equivalent (LCE) in 2015 to 535kt LCE by 2025."*

## Summary of expected lithium carbonate demand to 2025

	2015 LCE demand (tonnes)	2025 LCE demand (tonnes)	LCE increase (tonnes)	% increase
<b>Goldman Sachs</b>	<b>160,000</b>	<b>470,000</b>	<b>310,000</b>	<b>194%</b>
<b>Deutsche Bank</b>	<b>181,000</b>	<b>535,000</b>	<b>354,000</b>	<b>195%</b>

*NB: Current demand figures vary based on the dates of reports being slightly different.*



## ***Tesla Shakes Up Market for Lithium***

‣ *'In order to produce half a million cars a year...we would basically need to absorb the entire world's lithium-ion production,' Elon Musk said in March.*

## ***Lithium-Ion Will Be Tough To Beat, Says Argonne Battery Whiz***

‣ *But four years into a five-year effort to develop a better battery at Argonne National Laboratory, one Argonne engineer concedes Li-ion will be tough to beat in the marketplace.*

‣ *"It's just going to be incredibly difficult for other battery technologies to catch up with it," said Kevin Gallagher, an electrochemical engineer, in an appearance this week at the University of Chicago. "I think that's the lesson that a lot of new battery technologies are learning—definitely."*

## ***Rio Tinto sees a battery-powered future***

‣ *Rio Tinto believes Powerwall batteries also loom as another shape-shifter for new energy materials markets, according to the Australian Financial Review.*

## ***"India Wants To Become First Country With 100 Percent Electric Vehicles by 2030"***

*Tech Times, 28/3/2016*

## ***Battery-hungry World Turns to South America's 'Lithium Triangle'***

*In addition to Tesla, traditional car companies including Nissan and BMW operate in the burgeoning electric vehicle industry. Germany's Daimler recently announced it would build a new lithium-ion battery factory, while technology firms like Samsung and Foxconn are also key users. As prices rise, they are keen to lock in deals.*

# Investment Summary

- Positive macro tailwinds from both Argentina and Lithium fundamentals
- Strategic project locations in “Lithium Triangle” and primed for fast-track development strategy
- Extensive technical expertise from established and experienced Argentinian lithium brine consultants
- Lithium brine projects are at the low end of the cost curve compared with hard rock deposits
- Leverage to rising prices, falling productions costs and expanding capacity
- Growth focussed with additional lithium opportunities to complement project portfolio
- Management vested interest and focussed on building long-term sustainable shareholder value



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*Thank You*

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