

Repositioned for Growth: Lithium Strategy



Argosy Minerals Limited
Annual General Meeting

Perth
31 May 2016

ASX Code: AGY



Disclaimer



This presentation has been prepared by Argosy Minerals Limited ("Argosy or AGY"). The information contained in this presentation is a professional opinion only and is given in good faith.

Certain information in this presentation has been derived from third parties and though AGY has no reason to believe that it is not accurate, reliable or complete, it has not been independently audited or verified by AGY.

Any forward looking statements included in this presentation involve subjective judgement and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of, and maybe unknown to, AGY. In particular they speak only to the date of this presentation, they assume the success of AGY's strategies, and they are subject to significant regulatory, business, competitive and economic uncertainties and risks. Actual future events may vary materially from the forward looking statements and the assumptions on which these assumptions are based. Recipients of this presentation are cautioned not to place undue reliance on such forward looking statements.

AGY makes no representation or warranty as to the accuracy, reliability or completeness of information in this document and does not take responsibility for updating any information or correcting any errors or omissions which may become apparent after this presentation is released.

To the extent permitted by law, AGY and its officers, employees, related bodies corporate and agents disclaim all liability, direct, indirect or consequential (and whether or not arising out of the negligence, default or lack of care of AGY and/or any of its agents) for any loss or damage suffered by a recipient or other persons arising out of, or in connection with, any use or reliance on this presentation or information.

All amounts in A\$ unless stated otherwise.

Overview

- 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

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*

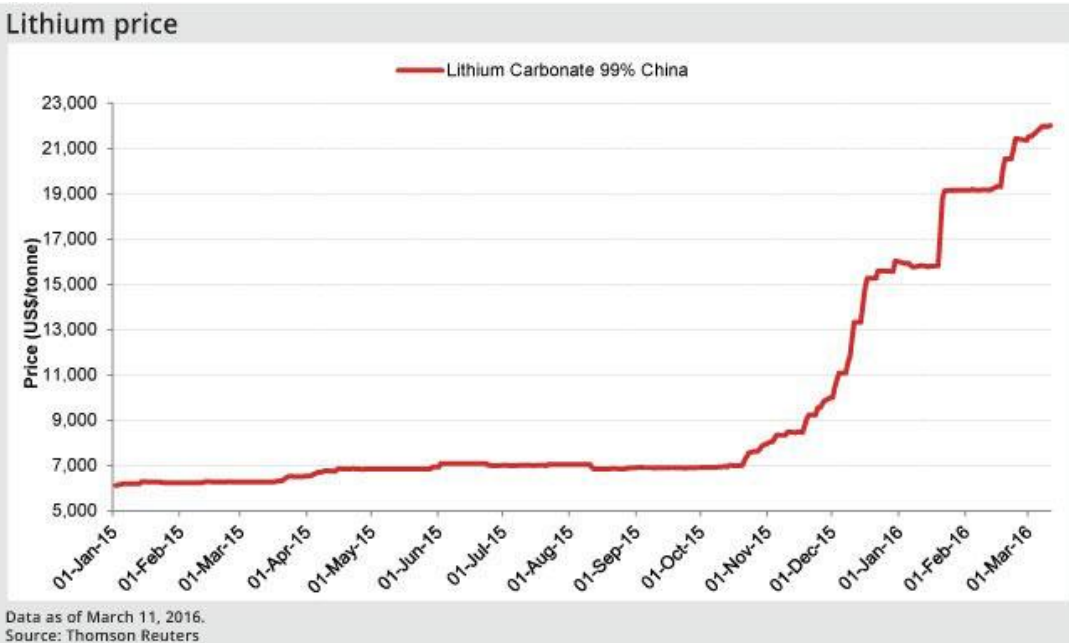
Re-connecting with the Global Economy

- ✦ 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 – Perfect Storm of Demand and Supply

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.

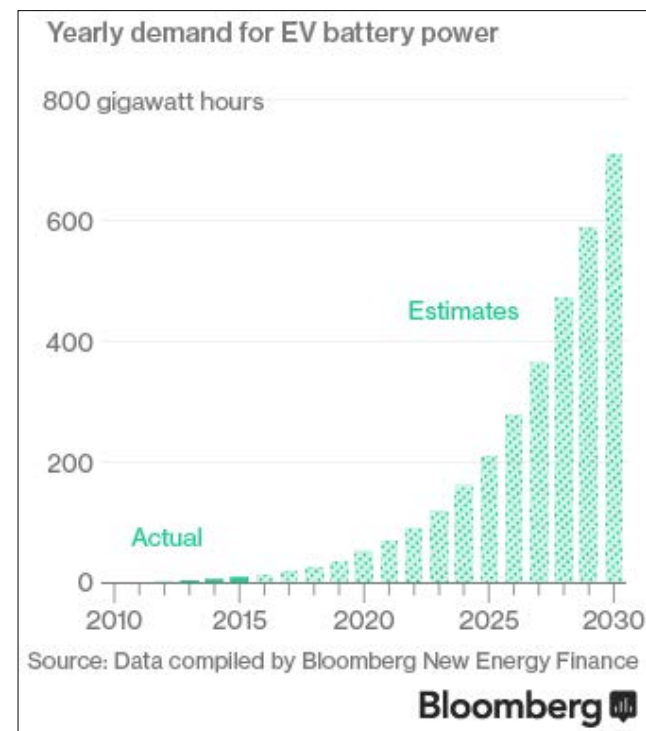
Lithium Demand Forecasts to 2025

- *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
Goldman Sachs	160,000	470,000	310,000	194%
Deutsche Bank	181,000	535,000	354,000	195%

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



Lithium....Why? Ask the Experts

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



Repositioned for Growth: Lithium Strategy

Thank You

Argosy Minerals Limited

Annual General Meeting

Perth

31 May 2016

ASX Code: AGY

