

ASX ANNOUNCEMENT

13 October 2017

\$15M PLACEMENT CLOSED, SPP DETAILS & LITHIUM MARKETING UPDATE

HIGHLIGHTS

- ✦ **\$15M placement funds received by Argosy**
- ✦ **Funds to be utilised for continued Stage 2 development works**
- ✦ **Company fully funded to first production of targeted battery grade LCE product**
- ✦ **Continued engagement with customers in tightening lithium market**

Argosy Minerals Limited (ASX: AGY) ("**Argosy**" or "**Company**") is pleased to advise that, further to its announcement on 5 October 2017 (*\$15m Placement and Acceleration of Rincon Earn-In*), the Company has successfully raised \$15 million following strong interest from institutional and sophisticated investors, at a revised issue price of \$0.18 per share ("**Placement**").

The Company confirms that the \$15 million Placement funds (less costs), will be used to continue Stage 2 development – including pond construction works and drilling operations. Argosy further confirms that the funds raised under the Placement are sufficient to fully fund the Company's proposed operations at the Rincon Lithium Project to first production of targeted battery grade LCE product, which is currently anticipated during the March 2018 Quarter.

The Company also confirms that it will undertake a Share Purchase Plan ("**SPP**"), under which eligible shareholders will have an opportunity, subject to a total cap of \$2 million, to subscribe for new shares at the same issue price as the Placement.

Argosy Managing Director, Jerko Zuvela, commented: "***The development capital secures the continued progress of Stage 2 development works at the Rincon Lithium Project as we advance toward our intended objective of near-term battery grade lithium carbonate production.***"

We confirmed strong institutional and sophisticated investor interest on terms substantially better than those under the previously proposed Qianyun placement ensuring less dilution and maximum optionality for shareholders.

I'm very pleased with this outcome and we carry on business as usual – for fast-tracked development of Rincon to exploit the insatiable demand growth of the battery grade LCE market."

Details of Placement and Share Purchase Plan

Argosy originally announced the Placement on 5 October 2017 as a strategy to replace, on better terms, the placement to Qingdao Qianyun High-tech New Material Co. Ltd. ("**Qianyun**") when that process continued to delay. However, as announced on 10 October

ASX ANNOUNCEMENT

2017 (*Qianyun placement and off-take agreements update*), the Company subsequently received a request from Qianyun to terminate two separate off-take agreements that had been entered into with them. Despite not being within Qianyun's rights to terminate such off-take agreements, Argosy felt that it was in the Company's interest to confirm the support of the institutional and sophisticated investors in light of any perceived uncertainty. The Company offered the investors the opportunity to withdraw and receive their funds back, or confirm new subscriptions for the Placement at \$0.18 per share. The overwhelming majority of investors supported the Placement and as a result it was closed at \$15 million on an oversubscribed basis.

The Placement comprises the issue of 83,333,333 ordinary shares ("**New Shares**") within Argosy's existing placement capacity under Listing Rule 7.1. The issue price of the New Shares is \$0.18 ("**Issue Price**") and the New Shares will rank equally with the Company's existing ordinary shares. The Company confirms receipt of the Placement funds and will make application for the New Shares to be issued on Friday, 13 October 2017.

The Company further confirms that it will undertake the SPP to raise an additional \$2 million at the same Issue Price as the Placement. Argosy will not be accepting any subscriptions in excess of \$2 million and as a result individual subscriptions may be subject to scale back. Under the SPP, each eligible Argosy shareholder will be invited to subscribe for new ordinary shares in Argosy at the Issue Price of \$0.18 per share, up to a maximum investment of \$15,000 per shareholder.

Participation in the SPP will be open to shareholders who were registered holders of Argosy shares at 5.00pm (WST) on the Record Date of 4 October 2017, and whose registered address is in Australia or New Zealand.

As the Company has previously conducted a share purchase plan in the past 12 months, the offer will be made under a prospectus to be issued in accordance with section 713 of the Corporations Act 2001 (Cth). The prospectus and details of the SPP will be released on the ASX and distributed to eligible Argosy shareholders shortly.

All shares under the SPP will be issued within the Company's Listing Rule 7.1 placement capacity without shareholder approval.

Lithium Product Marketing Update

Argosy notes that spot lithium carbonate prices have increased by more than 50% year to date, with the bulk of that rise happening over the last three months. Analyst commentary and feedback through direct discussions with customers indicates an increasingly tight lithium market.

Argosy was and continues to be in active engagement with several industry leading participants in the lithium-ion battery sector to advance the marketing of its targeted battery grade LCE production.

Not only has the lithium market improved, but Argosy has:

1. reached in-principle agreement with its project partners for an early move to a 77.5% interest in Puna Mining S.A. – the JV entity that owns the Rincon Lithium Project.



ASX ANNOUNCEMENT

2. increased its prospective interest in land holdings at Rincon by approximately 80%;
3. advanced Stage 2 pond construction works; and
4. successfully closed the \$15 million Placement.

The Company is in a much stronger position for its current engagement with customers to pursue additional off-take arrangements and value-adding commercial agreements on enhanced terms for the benefit of Argosy.

Argosy continues to work with its strategic adviser Airguide International Pte Ltd, through whom four memoranda of understanding were signed with Chinese battery industry participants during the year. At the same time, the Company has been conducting separate direct engagement with non-Chinese potential customers.

ENDS

For more information on Argosy Minerals Limited and to subscribe for regular updates, please visit our website at www.argosyminerals.com.au or contact us via admin@argosyminerals.com.au or Twitter @ArgosyMinerals.

For further information:

Jerko Zuvela
Managing Director

T | +61 8 9226 4500

E | admin@argosyminerals.com.au

W | www.argosyminerals.com.au

Forward Looking Statements: Statements regarding plans with respect to the Company's mineral properties are forward looking statements. There can be no assurance that the Company's plans for development of its mineral properties will proceed as expected. There can be no assurance that the Company will be able to confirm the presence of mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties.

ABOUT ARGOSY MINERALS LIMITED

Argosy Minerals Limited (ASX: AGY) is an Australian company with an interest in the Rincon Lithium Project in Argentina.

The Company is focused on its flagship Rincon Lithium Project in Argentina – potentially a game-changing proposition given its location within the world renowned “Lithium Triangle” – host to the world's largest lithium resources, and its fast-track development strategy toward production of LCE product.

Argosy is committed to building a sustainable lithium production company, highly leveraged to the forecast growth in the lithium-ion battery sector.



ASX ANNOUNCEMENT

Appendix 1: AGY's Argentina Project Location Map

