

7 September 2017

RINCON STAGE 2 DEVELOPMENT WORKS UPDATE

HIGHLIGHTS

- ✦ Upgraded schedule of works will increase Stage 1 plant capacity up to 500tpa of LCE product → first LCE product scheduled during March 2018 Quarter
- ✦ Stage 2 development works continuing → ponds under construction and production well drilling to commence

Argosy Minerals Limited (ASX: AGY) ("**Argosy**" or "**Company**") is pleased to announce further progress on its concurrent Stage 1 and 2 development works at its Rincon Lithium Project - located in the "Lithium Triangle" in Salta Province, Argentina.

The Company is continuing the initial Stage 2 pond construction works at Rincon, where the first set of the pond excavation works will be completed shortly. The Company will then commence pond lining installation works (using a high density polyethylene product) and conduct production well drilling to extract lithium brine for pumping into the evaporation ponds once fully constructed, to then allow the solar evaporation and brine concentration process - for the first set of Stage 2 ponds - to be in full effect by the end of September.

Further additional ponds have been planned, and pending regulatory permits, are targeted for completion during October. This will result in a combined total of ~10 hectares of newly constructed lithium brine evaporation ponds (yellow shaded area in Figure 1 below).



Figure 1. Rincon Lithium Project – Stage 2 Evaporation Ponds Plan.

ASX ANNOUNCEMENT

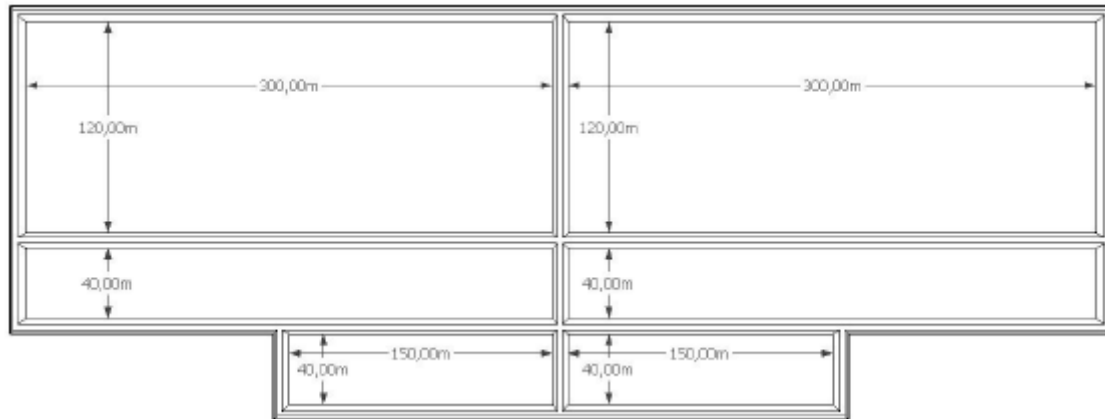


Figure 2. Rincon Lithium Project – Stage 2 Design Plan of Evaporation Ponds under Construction

Combined with the Stage 1 evaporation ponds already constructed - which have been concentrating lithium brine since April - the Company will have over 11 hectares of evaporation ponds concentrating lithium brine during the upcoming peak solar evaporation season.

At this scale of evaporation ponds, the Company will be able to increase the Stage 1 lab pilot plant capacity up to 500tpa of LCE product, with first lithium carbonate equivalent ("LCE") product scheduled during the March 2018 Quarter.

The Company is conducting pre-planning works for the construction of the outstanding Stage 2 evaporation ponds - totalling an additional 24 hectares (green shaded area in Figure 1) - including a works plan and equipment schedule, budget and timing for this work. These works are scheduled to begin pending settlement of the Qianyun transaction and receipt of regulatory approvals.

The Company will then make a subsequent announcement, outlining its full Stage 2 development plans, timetable, and production target.

Argosy Managing Director, Jerko Zuvela commented ***"The Company continues to perform at a high level, showing our proficiency and expertise to fast-track toward production of LCE product, which will see Argosy as the second ASX-listed lithium producer. We are committed to building a sustainable lithium production Company."***

The Company is confident that the Rincon Lithium Project has a clear conceptual pathway to lithium production, with historical results and Mr Alurralde's previous operating and production experience from the Project area and over the broader Salar del Rincon justifying our fast-track strategy.

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.

ASX ANNOUNCEMENT

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.

Appendix 1: AGY's Argentina Project Location Map

