

21 December 2018

RINCON PRODUCT CUSTOMER SAMPLES UPDATE

HIGHLIGHTS

- Additional customised lithium carbonate product test samples provided to potential customers
- These customised product samples were prepared based on the requirements of the potential customer(s)
- Independent product sample testing by Alex Stewart International laboratory in Argentina confirmed results of 99.5% Li_2CO_3 content, as per customer specification
- Potential customers to conduct their own in-house testing of the product samples and will form the basis for potential Stage 1 off-take arrangements

Argosy Minerals Limited (ASX: **AGY**) ("**Argosy**" or "**Company**") is pleased to advise further progress toward a preliminary off-take arrangement for Stage 1 LCE product from the industrial scale pilot plant operations at the Rincon Lithium Project – located in the "Lithium Triangle" in Salta Province, Argentina.

The Company has provided additional customer product test samples to preferred potential customers in Asia as part of the on-going customer testing and product customisation process, to ensure future customer sales are consistent quality and specification, and any product impurities are systemised at the customers end, for their own product manufacturing requirements and meeting their own customers specifications.

These current product test samples were processed to a set product specification as determined with the potential customers. The Company notes it is critical to ensure our LCE product is fit for purpose and tailored to supply individual customer requirements.

The Company conducted independent verification testing by the Alex Stewart laboratory in Argentina, from the same batch of test samples as provided to the Asian parties, which confirmed the specified 99.5% Li_2CO_3 content, achieving comparable results to those from the Company's in-house laboratory located at the site of the Company's industrial scale pilot plant.

The product qualification process the Company is working to, which is an industry norm and to which all cathode and battery manufacturers must adhere to, will ensure the Company is placed in a strong position for future product sales. Argosy is one of the first new LCE product suppliers to conduct this process, and reinforces the strong position the Company is in to establish its credentials well before many other lithium companies, given the stage of development achieved by Argosy at the Rincon Project.

This milestone was achieved through the exclusive and proprietary successful chemical process solution developed by the Company following an extensive processing test-works phase over the past ~6 months.

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Argosy Managing Director, Jerko Zuvela said “*Argosy continues to achieve significant development milestones to further de-risk the project, including the delivery of these additional customer samples and the keenly sought independent testing validating the Company’s in-house laboratory results.*”

The Company will continue progressing toward our next major milestone, and continue toward the ultimate target of commercial scale operations at our Rincon Lithium Project.”



Figures 1 - 2. Rincon Lithium Project – Customised Product Test Samples

Subject to any further customer(s) testing and product customisation works, Argosy will work towards concluding a preliminary off-take arrangement for Stage 1 product.

The Company is currently installing complementary plant equipment to assist in gaining more efficient product output, given the batch-scale and manual nature of the Stage 1 pilot plant, to then target ongoing, steady-state operations from the pilot plant to produce customised LCE Product during Q1, 2019 for supply to the selected off-take customer(s).

In addition, and with the PEA results being reviewed by potential off-take and/or strategic investor groups, Argosy will pursue advanced discussions with such strategic parties for potential full commercial or modular scale capex funding/investment.

Argosy will then look to make a decision on the scale of commercial development (pending funding) in the near term, to then commence development works for the selected production strategy.

Argosy’s fast-track development strategy has put us in a unique position - to produce LCE product from our Stage 1 industrial scale pilot plant and together with the recent PEA outcomes, to attract significant interest from leading battery and cathode industry participants.

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Figure 3. Rincon Lithium Project – Stage 1 industrial scale pilot plant operations

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.

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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 a current 77.5% (and ultimate 90%) interest in the Rincon Lithium Project in Salta Province, Argentina.

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The Company is focused on its flagship Rincon Lithium Project – 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



Competent Person’s Statement

The information contained in this ASX release relating to Exploration Results has been prepared by Mr Jerko Zuvela. Mr Zuvela is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Zuvela is the Managing Director of Argosy Minerals Ltd and consents to the inclusion in this announcement of this information in the form and context in which it appears. The information in this announcement is an accurate representation of the available data from exploration at the Rincon Lithium Project.

Chemical Engineer’s Statement: The information in this announcement that relates to lithium carbonate processing and test-works is based on information compiled and/or reviewed by Mr Pablo Alurralde. Mr Alurralde is a chemical engineer with a degree in Chemical Engineering from Salta National University in Argentina. Mr Alurralde has sufficient experience which is relevant to the lithium carbonate processing and testing undertaken to evaluate the data presented.