

27 August 2019

## **ARGOSY ELECTS TO PURCHASE STRATEGIC TONOPAH LITHIUM PROJECT IN USA**

### **HIGHLIGHTS**

- ✦ Argosy exercises option to purchase the Tonopah Lithium Brine Project in Nevada, USA
- ✦ The Project lies ~4km from Albemarle's Silver Peak lithium brine operation – the only lithium carbonate producer in the USA, having been in production for over 50 years
- ✦ Significant opportunity to leverage Argosy's lithium brine processing expertise over an expanded asset base
- ✦ With the Rincon Lithium Project operational and being further de-risked, Argosy has secured a strategic foothold in a world class mining jurisdiction
- ✦ Lithium included in the USA's list of 'critical minerals' and actions are being prepared to further support US lithium domestic resource development

Argosy Minerals Limited (ASX: **AGY**) ("**Argosy**" or "**Company**") is pleased to advise, following its announcement on 14 August 2019 – "[Argosy signs Binding Agreement for Strategic Lithium Project in USA](#)", that it has exercised the option and made the Purchase Election to acquire a 100% interest in the tenements comprising the Tonopah Lithium Project ("**TLP**"), located in Nevada, USA.

Argosy advised the project vendors - LCME Holdings Inc. (a subsidiary of Lithium Consolidated Ltd – ASX:Li3), Big Smokey Exploration LLC, ProspectOre LLC and ProspectOre Inc. via an Exercise Notice that it has irrevocably exercised the Purchase Option under the Mining Claims Sale Agreement dated 14 August 2019, and confirmed the Completion Date as being 6 September 2019.

Argosy Managing Director, Jerko Zuvela said "***TLP provides an option to further expand our fast-track lithium development strategy, already in place at the Rincon Lithium Project, and secure a strategic foothold in a world class mining jurisdiction.***

***This project diversifies Argosy's global footprint and provides another opportunity to utilise our lithium production experience to potentially develop TLP.***

***Our immediate focus and priority remains developing the Rincon Lithium Project and progressing towards construction of the 2,000tpa LCE production operation."***

TLP provides a relatively very cheap and low-risk opportunity to take an early stage lithium brine project and apply the Argosy strategy – as demonstrated at our Rincon Lithium Project, to similarly advance TLP. The project is located in one of the world's most favourable and stable mining jurisdictions and home to the USA's burgeoning electric vehicle industry, with well-developed infrastructure and a skilled local workforce.

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The Company considers the opportunity to develop a USA based project in a jurisdiction supportive of the commercial development of lithium, and which is listed on the US Government's 2018 Final List of 35 Minerals Deemed Critical to U.S. National Security and the Economy, as a strategic position to further develop Argosy into a world-class lithium producer. Furthermore, last month, the US Department of Commerce reported that "unprecedented action" would be taken to strengthen the USA's critical mineral supply chains, including via support for domestic resource development.



Figure 1. Location of the Tonopah Lithium Project (relative to Silver Peak Lithium Mine)

### SALE AGREEMENT SUMMARY TERMS

Argosy has agreed to purchase all of the Vendor's rights, title and interests in TLP, subject to the terms and conditions of those agreements.

The material terms of the Sale Agreement include:

- The sale of a 100% interest in TLP, consisting of 425 Claims, in Esmeralda County, Nevada, United States of America.
- A US\$10,000 cash payment to the Vendors (**completed**).
- A due diligence period ending on 26 August 2019, and at which time Argosy can make a purchase election (**completed**).

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- Upon making the purchase election, Argosy will pay:
  - the Claims renewal costs, for each of the 425 Claims, by 1 September 2019, comprising (*in progress*):
    - the Federal Annual Mining Claim Maintenance Fee (approximately US\$165 per claim); and
    - the County Mining Claims Fee (approximately US\$12 per claim).
- Purchase price of US\$50,000 to the Vendors.
- Upon releasing a Project milestone for a JORC Mineral Reserve of one (1) million tonnes of LCE Product or first commercial production, Argosy will make a milestone payment of A\$500,000 (in cash or shares, at Argosy's election) to the Vendors.

### OVERVIEW OF TONOPAH LITHIUM PROJECT

The Project has the following key characteristics:

- The Project is located within the Big Smokey Valley region in Nevada, USA, and comprises 425 claims covering an area of ~34.25km<sup>2</sup>.
- The Project is directly analogous to the neighbouring Silver Peak Lithium Mine deposit model, both geologically and structurally.
- SRK completed a technical review of the Project and provided positive validation of the lithium brine resource potential.
- Geophysical survey data available over the Project area, identifying lithium brine targets areas.
- The lithium brine deposit model has the following key geological features:
  - Closed basin structures, with lithium bearing host rocks in an area of high evaporation;
  - Basin fill that includes clay, sand and ash horizons that can act as traps and lithium-brine reservoirs;
  - Expected presence of key stratigraphic marker horizons, including the Bishop Tuff, which is the key lithium brine-hosting horizon at Silver Peak Mine;
  - Known active and paleo geothermal activity and recent faulting;
  - Anomalous lithium in the surface sediments and near-surface waters;
  - Little to no drilling has penetrated the key buried, paleo brine targets; and
  - The commercial viability of the in-situ lithium mineralisation is established by continuous production at the Silver Peak Mine.
- There is considerable data on the geology, hydrology and structural controls on the mineralisation of the Silver Peak Mine, as a result of its long history.
- High quality regional and site infrastructure will facilitate project development. The Project is within a 40 minute drive from the regional mining centre of Tonopah - located 336km from Las Vegas and 380km from Reno, Nevada.

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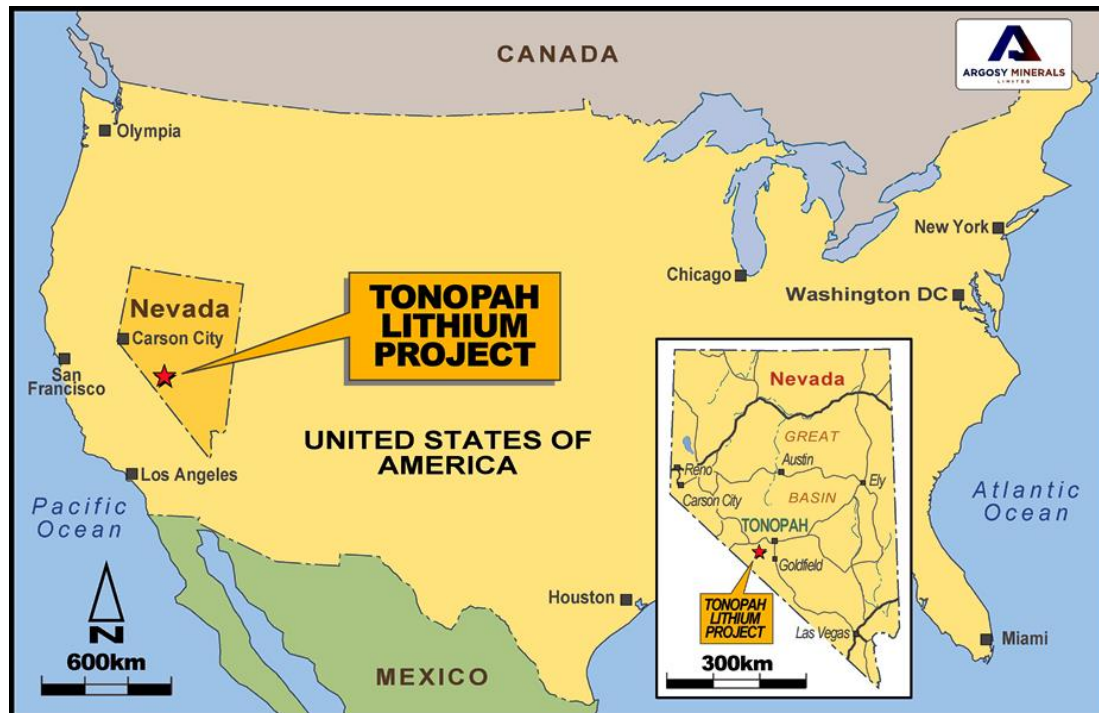


Figure 2. Tonopah Lithium Project Location

Argosy will, subject to successful completion of the sale process, consider works to determine the most effective development strategy for the Project. The Company will secure highly skilled and experienced in-country consultants to assist with advancing the Project.

The Company will continue proactively working to review and consider new projects in the sector to utilise our established lithium experience and expertise to complement our project portfolio.

**ENDS**

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

**For further information:**

Jerko Zuvela  
Managing Director

T | +61 8 6188 8181

E | [admin@argosyminerals.com.au](mailto:admin@argosyminerals.com.au)

W | [www.argosyminerals.com.au](http://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.



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### 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, and a 100% interest in the Tonopah Lithium Project in Nevada, USA.

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

