



ASX ANNOUNCEMENT

29 April 2016

QUARTERLY ACTIVITIES REPORT - MARCH 2016

Argosy Minerals Limited (ASX: AGY) ("the Company") is an Australian based mineral exploration company with an interest in three projects - the Mt Paris Lithium Project in Tasmania (via an option to purchase a 100% interest), the Wee MacGregor Copper-Gold Project In Queensland (via a farm-in joint venture agreement to earn up to 80%), and the Erongo Graphite Project in Namibia (100% interest).

The Company is also proactively working to review and consider new projects in the lithium sector. In addition, the Company will continue working to identify other acquisition opportunities to complement its current resources portfolio of lithium, base and precious metals, with a particular focus on quality new technology and agriculture related minerals. The evaluation process and associated discussions are ongoing, and the market will be updated in due course.

The Company is confident of securing high quality project(s) that will add significant shareholder value. The Company considers that its combination of corporate and technical expertise, significant shareholder support, attractive capital structure, current cash position and access to capital makes it ideally placed to grow through investment and acquisition.

Mt Paris Lithium Project

The Mt Paris Lithium Project comprises one granted exploration licence covering an area of 115km², located approximately 60km northeast of Launceston with access via the sealed Tasman Highway. Argosy executed a Heads of Agreement with Geotech International Pty Ltd in February 2016, granting the Company a two-year option period to purchase the Project.

The Project targets lithium mineralisation within the extensive greisen swarms located within the exploration licence. Previous explorers, all targeting tin mineralisation, classified the hard rock deposits into quartz-greisen veins, stanniferous greisen lodes surrounded by zones of kaolinite-altered granite, and flat-lying greisen sheets, which are all associated with the undulating granite roof-zone/cupola. The greisens and associated pegmatites are prospective for lithium micas (zinnwaldite), lithium pyroxene (spodumene) and lithium clays (hectorite).

The Company considers the Mt Paris Project may have an analogous geological setting to the Cinovec Project (owned by ASX-listed European Metals Holdings Limited) – Europe's largest lithium deposit. Cinovec is a pervasively altered and greisenised lithium-albite granite (with quartz, topaz, zinnwaldite and cassiterite), occurring in the upper part of a cupola, (European Metals, 2016).

The largest single known body of greisen in the Project area is at the Mt Paris Mine (located at Mt Terror), with its dimensions proven by surface mapping and drilling by Union Corp (a cross section of the mineralisation is shown in Figure 1), whilst the best known swarm of greisen



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veins within the Project appears to be at Rattler Hill. No previous exploration works targeting lithium have been conducted at these sites.

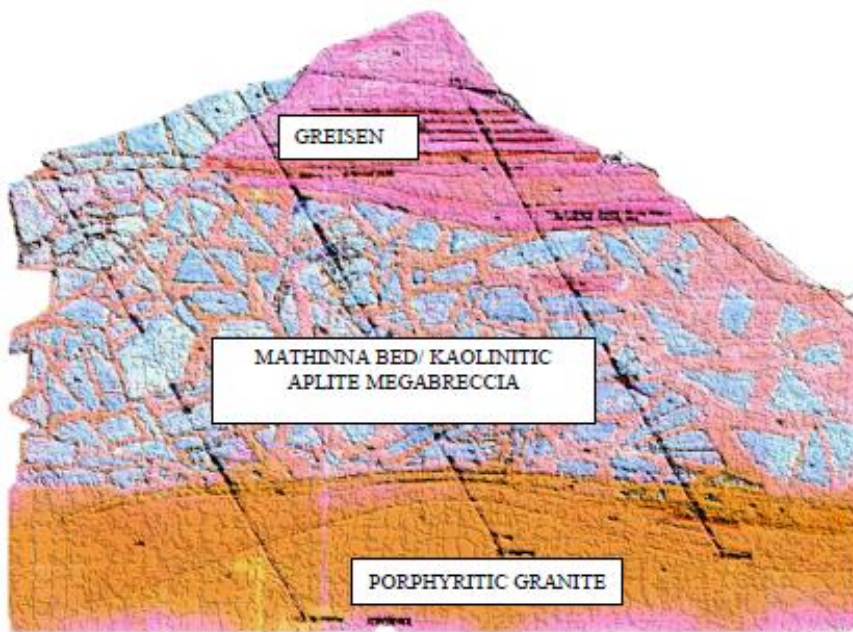


Figure 1. Mt Paris Mine cross section (after Winnall 1981). Drill holes are 100m depth.

The Company's near-term strategy to advance the Project is:

- Conduct preliminary exploration works targeting the greisens at Mt Paris Mine (Mt Terror) and Rattler Hill to test for lithium; and
- Collect, re-log and analyse the historic samples of drill cores from the Project area stored at the MRT core library in Hobart for lithium.

The Company considers the Project to be highly prospective for lithium mineralisation, given the presence of fertile greisens and the indication of lithium mineralisation within those greisens and background granites, a similar geological setting to the Cinovec lithium deposit, and that no previous lithium exploration has been conducted within the Project.

Wee MacGregor Copper-Gold Project

Argosy announced the Farm-in Joint Venture Agreement with Mining International Pty Ltd in November 2015 to earn up to an 80% interest in the Wee MacGregor Copper-Gold Project located in the world class Mt Isa base metals province in north-west Queensland. The Wee MacGregor Project comprises three granted mining licences located approximately 60km southeast of Mt Isa with access via the sealed Barkly Highway.

Erongo Graphite Project (Area 51)

The Erongo (Area 51) Graphite Project is located in Namibia, approximately 275km northwest of the capital Windhoek.

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The company has not made any final decision on its strategy for the Project, pending further review and considering funding opportunities.

Corporate

The Company lodged its Annual Report to shareholders on 31 March 2016.

The Annual General Meeting for the Company will be held at 11:30am WST on 31 May 2016 at Bentleys – London House, Level 3, 216 St Georges Terrace, Perth.

Schedule of Tenements

The schedule of tenements held by the Company at the end of the quarter is shown below.

Tenement	Location	Beneficial Percentage held
EL19/2014 ¹	Tasmania	0% (option to purchase 100%)
EPL4079	Namibia	100%
ML90098 ²	Queensland	0% (JV, earning up to 80%)
ML2504 ²	Queensland	0% (JV, earning up to 80%)
ML2773 ²	Queensland	0% (JV, earning up to 80%)

¹ Interest in mining tenement held by Geotech International Pty Ltd.

² Interest in mining tenement held by Mining International Pty Ltd.

KEY OBJECTIVES FOR JUNE 2016 QUARTER

- ✦ Review and consider new lithium and other project opportunities for possible acquisition to enhance AGY's project portfolio.
- ✦ Continue to progress works at the Mt Paris Lithium Project and Wee MacGregor Copper-Gold Project.

ENDS

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