

**ASX ANNOUNCEMENT**

28 July 2017

**QUARTERLY ACTIVITIES REPORT – JUNE 2017**

**HIGHLIGHTS**

- ✦ Completion of initial pond construction, lithium brine pumping and commencement of lithium concentration of Stage 1 development milestones at Rincon Lithium Project.
- ✦ Company in advanced discussions to finalise strategic investor process.
- ✦ Over \$3.2 million raised via placement and SPP.

**KEY OBJECTIVES FOR SEPTEMBER 2017 QUARTER**

- ✦ Continue fast-track development of Rincon Lithium Project.
- ✦ Commence construction of lab-scale pilot plant.
- ✦ Finalise strategic investor process.



Photos 1 & 2. Rincon Lithium Project – Lithium brine pumping completed for initial ponds.





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### **EXECUTIVE SUMMARY**

Argosy Minerals Limited ("Argosy" or the "Company") continued its development strategy in Argentina, achieving significant milestones and acquiring additional landholding at the Rincon Lithium Project, executed important agreements and further established strategic relationships with key Chinese lithium battery sector companies, and raised ~\$3.2 million via a Placement and Share Purchase Plan to fast-track Project development towards commercial production of lithium carbonate equivalent ("LCE") product.

#### **Rincon Lithium Project - Argentina (JV, earning up to 90%)**

The Rincon Lithium Project is the flagship asset in Argosy's lithium development strategy, and is located within the Salar del Rincon in Salta Province, in the world renowned "lithium triangle". The Project, now comprising up to 1,289 hectares of mining concessions, is a JV partnership with pre-eminent lithium processing expert Pablo Alurralde, with extensive historical works within the Project area and the Salar, and the Company has established a well-defined pathway to produce LCE product.

During the Quarter, the Company continued its Stage 1 development works schedule at the Project, with the completion of pond construction works on the first set of evaporation ponds (totalling an area of approximately 1.25 hectares), installed the lining material at the evaporation ponds, completed pumping of lithium brine into the evaporation ponds, and commenced the solar evaporation and lithium brine concentration process. Natural solar evaporation conditions at the Project since brine pumping was completed in April have resulted in better than expected lithium brine concentration.

The Company has progressed with refurbishment of the industrial warehouse site, where the Stage 1 lab-scale pilot plant will be constructed and operational to process the lithium brine concentrate, with targeted production of LCE product during Q1, 2018.

Argosy is planning to commence initial Stage 2 development works at the Project imminently, upon receipt of regulatory permits and approvals, to then commence construction works of additional evaporation ponds, and exploration drilling works with an aim to delineate a JORC Code-compliant resource and conduct brine test-works.

Commencing these initial Stage 2 evaporation pond works at this stage is a key event that the Company expects to shorten the overall timeline between obtaining the results of Stage 1 LCE product and being able to move toward Stage 2 volumes, thus targeting greater production of LCE during 2018.

The Company executed binding Option Agreements with tenement vendors – Colorado S.A., Reina Adela Calpanchay/Cesar Augusto Cruz and Martin Viveros – for an 18-month period during which time the Company has the exclusive right to purchase the strategic Mina Reyna Mining Title, comprising 635 hectares within the Salar del Rincon.

The Project now comprises up to 1,289 hectares of significant lithium landholding for potential Stage 2 and 3 development and production operations. The consolidated position and current scale of the Project allows for the fast-track development strategy.

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The Company continued to review and assess additional mining concessions prospective for lithium to further increase the Rincon Lithium Project landholding for a substantially larger future production base.

The Company further progressed the strategic investor process, facilitated by Argosy's Strategic Adviser - Airguide International Pte Ltd, and held several meetings with the aim to achieve an outcome whereby an MOU party will complete a binding investment agreement for Stage 2 funding for the Rincon Lithium Project. Such agreement may likely be complemented by agreements for off-take or other value-adding commercial agreements, and a high-level agreement in consideration for potential Stage 3 development of the Project.

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

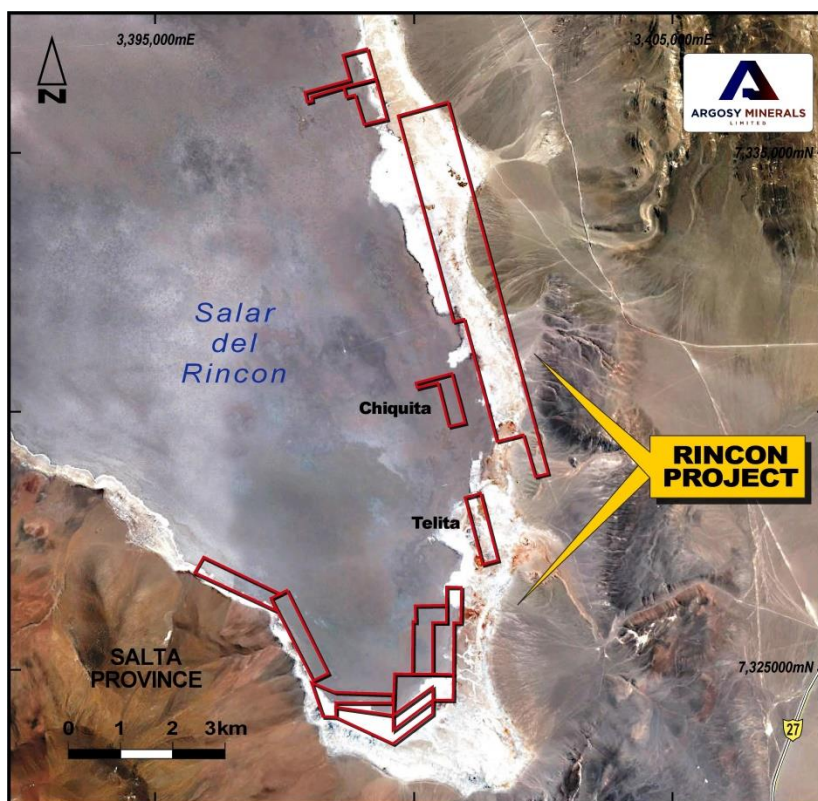


Figure 1. Rincon Lithium JV Project Location Map

### Mina Teresa and Pocitos Lithium Projects - Argentina (option to purchase 100%)

Argosy has a binding Option Agreement with Ekeko S.A. granting the Company the exclusive right for a 12-month period (to 3 September 2017) to purchase the Mining Titles comprising the Mina Teresa and Pocitos Lithium Projects in Jujuy and Salta Provinces, Argentina.

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During the Quarter, the Company continued to liaise with the Project vendors to obtain regulatory approvals to commence works at the Mina Teresa Lithium Project. Unfortunately, the Company is still waiting for the necessary approvals from the Jujuy government. Through its Argentinian legal advisors, the Company has been informed that the approvals process is extremely slow and protracted, however the Company will progress as best it can to obtain the approvals as required.

### **Erongo Graphite Project (Area 51) - Namibia (100% interest)**

The Company has resolved to relinquish its interest in the Erongo Graphite Project, located in Namibia, with its interest held in EPL4079.

### **Corporate**

#### *PLACEMENT AND SHARE PURCHASE PLAN*

The Company completed an overall \$3,234,000 million capital raising via an equity placement (\$1m) to institutional and sophisticated investors, and a share purchase plan (\$2.3m) to eligible shareholders, via the total issue of 44,301,380 ordinary shares at a price of \$0.073 per share.

#### *OTHER*

The Company held its Annual General Meeting on Friday, 26 May 2017.

### **Schedule of Tenements**

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

<b>Tenement</b>	<b>Location</b>	<b>Beneficial Percentage held</b>
EPL4079	Namibia	100%
File 227-C-2004 (Teresa) <sup>1</sup>	Jujuy, Argentina	0% (option to purchase 100%)
File 19457 (Pocitos 1) <sup>1</sup>	Salta, Argentina	0% (option to purchase 100%)
File 19458 (Pocitos 2) <sup>1</sup>	Salta, Argentina	0% (option to purchase 100%)
File 19463 (Pocitos 7) <sup>1</sup>	Salta, Argentina	0% (option to purchase 100%)
File 7272 (Mina Telita) <sup>2</sup>	Salta, Argentina	0% (JV, earning up to 90%)
File 14432 (Mina Chiquita 2) <sup>2</sup>	Salta, Argentina	0% (JV, earning up to 90%)
File 1414 (Talisman) <sup>3</sup>	Salta, Argentina	0% (option to purchase 100%)
File 1904 (Nelly) <sup>3</sup>	Salta, Argentina	0% (option to purchase 100%)
File 1905 (Angelica) <sup>3</sup>	Salta, Argentina	0% (option to purchase 100%)
File 2889 (Maria) <sup>3</sup>	Salta, Argentina	0% (option to purchase 100%)
File 2890 (Irene) <sup>3</sup>	Salta, Argentina	0% (option to purchase 100%)
File 6343 (Tigre) <sup>3</sup>	Salta, Argentina	0% (option to purchase 100%)
File 6345 (Puma) <sup>3</sup>	Salta, Argentina	0% (option to purchase 100%)
File 100561 (Praga I) <sup>3</sup>	Salta, Argentina	0% (option to purchase 100%)
File 100562 (Praga II) <sup>3</sup>	Salta, Argentina	0% (option to purchase 100%)
File 100625 (Praga III) <sup>3</sup>	Salta, Argentina	0% (option to purchase 100%)



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File 10626 (Praga IV) <sup>3</sup>	Salta, Argentina	0% (option to purchase 100%)
File 17902 (Reyna) <sup>4</sup>	Salta, Argentina	0% (option to purchase 100%)

<sup>1</sup> Interest in mining tenement held by Ekeko S.A.

<sup>2</sup> Interest in mining tenement held by Francisco Menendez

<sup>3</sup> Interest in mining tenement held by Salonix SRL

<sup>4</sup> Interest in mining tenement held by Colorado S.A. (50%) & Adela Reina Calpanchay/Cesar Augusto Cruz (50%)

**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.

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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 interests in the Rincon, Mina Teresa and Pocitos Lithium Projects in Argentina, and the Erongo Project in Namibia.

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

