



## ASX ANNOUNCEMENT

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29 January 2016

### QUARTERLY ACTIVITIES REPORT - DECEMBER 2015

Argosy Minerals Limited (ASX: AGY) ("the Company") is an Australian based mineral exploration company with a farm-in joint venture agreement (earning up to 80%) in the rapidly emerging Wee MacGregor Copper-Gold Project In Queensland, and also has a 100% interest in the Erongo Graphite Project in Namibia.

The Company is also proactively working to identify and review other new projects or asset acquisition opportunities to complement its current resources portfolio of 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 additional high quality investment(s)/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.

#### **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.

The acquisition is consistent with the Company's strategy of enhancing its resources project portfolio and increasing the overall value proposition of AGY.

#### JORC Resource & Exploration Target

In December, the Company announced a maiden JORC 2012 compliant Mineral Resource estimate had been completed for the Wee MacGregor Project (refer to ASX announcement 9 December 2015 - Maiden JORC Resource for Wee Macgregor Project).

The estimated **Inferred Mineral Resource is 1.65 Million tonnes @ 1.6% Cu for 25,818 tonnes of contained copper**, using a 0.5% Cu cut-off grade (COG). An additional **Exploration Target** was estimated, with a range between **1.0 – 1.5 Mt @ 2.5 – 3.7% Cu** (using a 0.5% Cu COG) as a direct extension to the Inferred Resource.

*Note: the Exploration Target exists as an extension to the estimated open-ended Inferred Resource. The potential quantity and grade are conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.*

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Table 1: Wee MacGregor Project, December 2015 Mineral Resource Estimate (at 0.5% Cu COG)

<i>Wee MacGregor - Inferred Resource Estimate</i>			
	<i>Volume (m<sup>3</sup>)</i>	<i>Tonnage (tonnes)</i>	<i>Copper Grade (%)</i>
<i>0.5 - 1.0% Cu</i>	<i>180,000</i>	<i>452,000</i>	<i>0.8</i>
<i>&gt; 1.0% Cu</i>	<i>491,000</i>	<i>1,228,000</i>	<i>1.9</i>
<b>TOTAL</b> <i>(at 0.5% Cu COG)</i>	<i>672,000</i>	<b>1,650,000</b>	<b>1.6</b>

\* 30,750 tonnes have been excluded from the total resource tonnage to account for historic underground workings.

The resource estimate was based on a combination of 1970's diamond drilling and the most recent drilling works conducted at the Project in 1991 comprising a 19 drill-hole RC program. The Mineral Resource estimate has been completed in accordance with the guidelines of the JORC Code (2012 edition) and a summary of the information used in the Wee MacGregor, December 2015 Mineral Resource estimate is provided in the Company's ASX announcement on 9 December 2015 - Maiden JORC Resource for Wee Macgregor Project.

The resource estimate was completed within one month of Argosy announcing the JV farm-in and has exclusively utilised the historical drilling data, which was limited to copper data only.

The Exploration Target estimate utilised data from 17 historic (circa 1970) diamond drill holes that represent direct extensions along strike and down dip of the estimated Inferred Resource mineralisation. Only high grade visual intercepts were sampled and assayed at the time, suggesting the possibility that additional mineralised material may exist exclusive of the Exploration Target.

Table 2: Wee MacGregor Project, Exploration Target (at 0.5% Cu COG)

<i>Wee MacGregor - Exploration Target</i>		
	<i>Tonnage Range (tonnes)</i>	<i>Copper Grade Range (%)</i>
<b>TOTAL</b> <i>(at 0.5% Cu COG)</i>	<b>1,000,000 – 1,500,000</b>	<b>2.5 – 3.7</b>

Reconnaissance Sampling

The Company conducted a reconnaissance site visit during the Quarter to the Project and collected composite grab samples, with high grade copper (Cu), gold (Au), and cobalt (Co) sample analysis results received (refer to ASX announcement 4 December 2015 - Wee Macgregor Project Results Update).

The Company collected three (3) composite grab samples from two separate mineralised outcropping areas at the Project, which were analysed and returned assays of:

WeeMac South 1 sample – **14.2% Cu, 0.7gpt Au, 0.03% Co**

WeeMac South 2 sample – **9.9% Cu, 1.4gpt Au, 0.06% Co**

Great Central 1 sample – **3.5% Cu, 0.2gpt Au, 0.01% Co**



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Two of the samples (WeeMac South 1 & 2) targeted the outcropping and mineralised southern extension zone of the Project, where the Company will consider the viability of a potential small-scale open pit mining operation. The high grade sample results, albeit limited at the moment, provide scope and encouragement to conduct drill-testing of the surficial mineralised zones to determine the feasibility for such a strategy. The third sample (Great Central 1) was collected further south and along strike. The relationship of this mineralisation to the main mineralised bodies is not determined at this stage and requires further assessment.

The results have provided scope for the potential definition of high grade, multi-element mineralised areas within the Project, exclusive of and in addition to the defined Inferred Resource and Exploration Target areas.

### Tenement Renewals

The Company was notified that two of the mining leases forming part of the Project were renewed by the Queensland Government Department of Natural Resources and Mines for further 21 year terms. Mining Leases (ML) 2504 and 2773 have now been extended until 31 December 2034 and 31 August 2031 respectively.

### Project Strategy

The Company's near-term strategy to advance the Project is to conduct drilling to target high grade zones and resource extensions along strike and down dip, with the intention of expanding the Mineral Resource estimate and increasing the confidence and validity of the Exploration Target.

The Company will also carry out drilling to investigate near surface mineralised zones to consider the viability of a potential small-scale open pit mining operation, given the Project has existing granted mining licences and environmental authorities, and strong evidence of high grade residual and extensional mineralisation in close proximity to established infrastructure and service providers.

The Company has, through its associates, initiated discussions on negotiating indigenous land use and/or heritage agreements and is reviewing the regulatory processes required for mining operations.

The Company has sourced service providers and obtained cost estimates for preliminary earthworks and drilling requirements in the area targeted for the potential small-scale open pit mining operation.

With the acquisition and works conducted on the Project during the Quarter, and its forthcoming plans, the Company is making rapid progress and is focused on its near-term strategy to advance the Project.

### Summary Terms of the Farm-in JV Agreement

Argosy executed the Farm-in JV Agreement with Mining International whereby Argosy will earn an 80% interest in the Wee MacGregor Project by spending \$1 million within a two (2)

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year period or otherwise making a "Decision to Mine" at the Project. Mining International will be free-carried until Argosy reaches a Decision to Mine stage. Importantly there is no minimum expenditure required by Argosy and it can walk away from the Joint Venture at any time during the Farm-in period.

The key terms of the Agreement are;

- Argosy will earn a total 80% interest in the Project subject to meeting a total Project expenditure of \$1 million within 24 months or otherwise AGY making a "Decision to Mine" at the Project.
- Argosy will earn a 51% interest in the Project subject to meeting a Project expenditure of \$500,000.
- Argosy will be required to expend a minimum of \$250,000 on the Project during the initial 12 months to maintain the status of the Farm-in JV Agreement, unless the term is otherwise extended by MIPL.
- Argosy will manage all exploration, development and mining activities at the Project.
- Argosy can elect to withdraw from the Project at any time during the Farm-in period.
- Mining International shall enjoy a "Free Carry" on all costs associated with the Project up until the date a Decision to Mine is made.

### Erongo Graphite Project (Area 51)

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

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

### Corporate

On 28 October 2015, the Company confirmed the resignation of Mr Frank Knezovic as Director and Non-Executive Chairman, and appointed Ms Andrea Betti as a Non-Executive Director and Company Secretary. In addition, Mr Ranko Matic resigned as Company Secretary, however he will remain a Director and assume the role of Non-Executive Chairman of the Company.

### 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
EPL4079	Namibia	100%
ML90098 <sup>1</sup>	Queensland	0% (JV, earning up to 80%)
ML2504 <sup>1</sup>	Queensland	0% (JV, earning up to 80%)
ML2773 <sup>1</sup>	Queensland	0% (JV, earning up to 80%)

<sup>1</sup> Interest in mining tenement held by Mining International Pty Ltd.

### KEY OBJECTIVES FOR MARCH 2016 QUARTER

- Continue to review and identify new project opportunities for possible acquisition to enhance AGY's project portfolio.
- Continue to progress development works at the Wee Macgregor Project.



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### JORC Code, 2012 Edition, Table 1 Report

The Table 1 Report detailing "Sampling Techniques and Data", "Reporting of Exploration Results" and "Estimation and Reporting of Mineral Resources" in accordance with 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code) was released to the ASX by Argosy Minerals Limited on 9 December - Maiden JORC Resource for Wee Macgregor Project and 4 December 2015 - Wee Macgregor Project Results Update.

### Competent Person's Statement

The information in this report that relates to Mineral Resources and Exploration Results is based on information compiled by Mr Olaf Frederickson. Mr Frederickson is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking 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 (the "JORC Code"). Mr Frederickson is a consultant to Argosy Minerals Limited. Mr Frederickson consents to the inclusion in the report of the Mineral Resources in the form and context in which they appear. Mr Frederickson holds shares in Argosy Minerals Ltd.

### Exploration Targets

This report comments on and discusses the Wee MacGregor Project exploration in terms of target size and type. The information relating to Exploration Targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. The potential quantity and quality of material discussed as Exploration Targets is conceptual in nature since there has been insufficient work completed to define them as Mineral Resources or Ore Reserves. It is uncertain if further exploration work will result in the determination of a Mineral Resource or Ore Reserve.

### Forward Looking Statements

Certain statements in this document are or maybe "forward-looking statements" and represent Argosy's intentions, projections, expectations or beliefs concerning among other things, future exploration activities. The projections, estimates and beliefs contained in such forward looking statements necessarily involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Argosy, and which may cause Argosy's actual performance in future periods to differ materially from any express or implied estimates or projections. Nothing in this document is a promise or representation as to the future. Statements or assumptions in this document as to future matters may prove to be incorrect and differences may be material. Argosy does not make any representation or warranty as to the accuracy of such statements or assumptions.

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