

4 March 2021

RINCON RESOURCE EXPANSION DEVELOPMENT PLANS

HIGHLIGHTS

- ✦ JORC Exploration Target¹ delineated for Rincon Lithium Project demonstrates significant potential to materially expand current JORC Indicated Resource estimate and increase Project mine life & future production capacity
- ✦ Preparation works have commenced to conduct Resource development drilling at Rincon

Argosy Minerals Limited (ASX: **AGY**) ("**Argosy**" or "**Company**") is pleased to advise preparation works have commenced to conduct drilling works to increase the current JORC Indicated Mineral Resource estimate for the Rincon Lithium Project, located in Salta Province, Argentina.

The Company recently prepared an independent JORC Code (2012) compliant Exploration Target¹ estimate for the Rincon Lithium Project that delineated 262,000 tonnes to 479,000 tonnes of lithium carbonate (based on a weighted average grade of between 315 mg/L and 327 mg/L) between the depth interval of 102.5m to 300m below ground level, which underlies the existing JORC Indicated Mineral Resource estimate (completed in 2018).

The independent report outlined the potential for the brine aquifer to continue being open at depth (based on historical drilling within Salar del Rincon), and the Company notes that the planned confirmatory works proving the Exploration Target estimate could materially increase the resource estimate, mine life and/or provide scope to considerably increase the annual production capacity currently defined at the Project.

The combined JORC Indicated Mineral Resource and Exploration Target¹ estimates outline the potential for a range of up to 507,000 tonnes to 724,000 tonnes of contained lithium carbonate to a depth of 300m at the Rincon Lithium Project.

Argosy has now commenced preliminary works to conduct a drilling program to investigate realising the Exploration Target¹ estimate described above. An exploration drill-hole and testing programme has been developed, involving;

- Diamond drilling - six drillholes to a depth of up to 300m and one drillhole up to 150m (on the tenement containing the alluvial fan).
- Detailed geological logging.
- Collection of cores for laboratory analysis of specific yield (using the Relative Brine Release methodology).
- Collection of disturbed geological samples for Particle Size Distribution analysis (PSD) and subsequent estimate of specific yield using a "pedogenic transfer function" method.

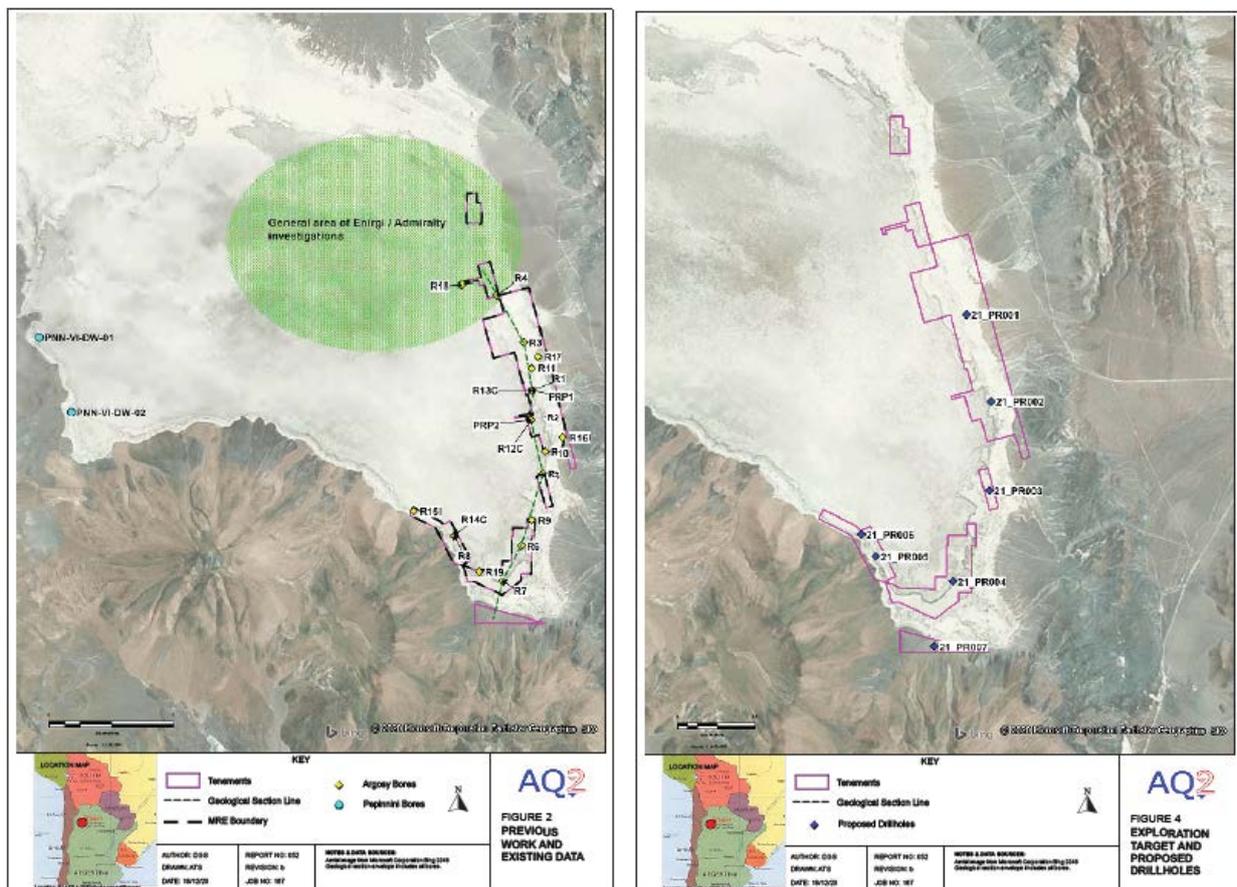
ASX ANNOUNCEMENT

- ▶ Collection and analysis of brine samples from specific depth intervals using packers to isolate sampled horizons.
- ▶ Completion of selected exploration drill holes with 50mm PVC casing and slotted screen.

Drilling will focus on confirming the geology, specific yield and brine grade over the depths of interest. Once hydrogeological and Li-mineral prospectivity has been confirmed, then the requirements to determine extraction methodologies can be assessed.

Argosy Managing Director, Jerko Zuvela said *"We are excited with the increasing development activities occurring at the Rincon Lithium Project and look forward to an exciting near-term growth phase."*

"We expect the drilling results will outline the substantial upside that exists below the shallow-depth current JORC Indicated Mineral Resource estimate and provide further support for our planned 10,000tpa commercial scale development at Rincon."



Figures 1 & 2. Rincon Lithium Project – Previous Works (L) & Exploration Target¹ Proposed Drillholes (R)

¹ An Exploration Target is not a Mineral Resource. The potential quantity and grade of an Exploration Target is conceptual in nature. A Mineral Resource has been identified above the Exploration Target, but there has been insufficient exploration to estimate any extension to the Mineral Resource and it is uncertain if further exploration will result in the estimation of an additional Mineral Resource.



ASX ANNOUNCEMENT

ENDS

This announcement has been authorised by Jerko Zuvela, the Company's Managing Director

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.

For further information:

Jerko Zuvela
Managing Director

T | +61 8 6188 8181

E | admin@argosyminerals.com.au

W | 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.

Competent Person's Statement – Rincon Lithium Project

The information contained in this ASX release relating to Exploration Targets, Exploration Results and Mineral Resource Estimates has been prepared by Mr Duncan Storey. Mr Storey is a Hydrogeologist, a Chartered Geologist and Fellow of the Geological Society of London (an RPO under JORC 2012). Mr Storey 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.

Duncan Storey is an employee of AQ2 Pty Ltd and an independent consultant to Argosy Minerals Ltd. Mr Storey 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 is based on information compiled and/or reviewed by Mr Pablo Alurralde. Mr Alurralde is the President of Puna Mining S.A. and consents to the inclusion in this announcement of this information in the form and context in which it appears. 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 and lithium hydroxide processing and testing undertaken to evaluate the data presented.

ASX Listing Rules Compliance

The Mineral Resources information contained in this ASX release is extracted from the report entitled "Argosy Upgrades Lithium Rincon Lithium Project JORC resource" dated 13 November 2018 and the Exploration Target information contained in this ASX release is extracted from the report entitled "Rincon Project JORC Exploration Target" dated 11 January 2021, are available at www.argosyminerals.com.au and www.asx.com. Argosy confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of Exploration Targets, Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. Argosy confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

ASX ANNOUNCEMENT

Argosy advises references to the Company's current target of producing 2,000tpa of high purity battery quality lithium carbonate product at the Rincon Lithium Project should be read subject to and clarified by the Company's current intention that the 2,000tpa production target does not extend beyond a two-year period from the Clarifying Announcement (lodged 10th February 2021, available at www.argosyminerals.com.au and www.asx.com).

At the conclusion of the two-year period, it is the Company's current intention that, subject to feasibility, finance, market conditions and completion of development works at the Rincon Lithium Project, the Company's 10,000tpa production target will apply. The current 2,000tpa production target is intended to form a modular part of the 10,000tpa operation from its commencement.

Argosy further advises that references in this ASX release in relation to the 10,000tpa production target are extracted from the report entitled "Argosy delivers exceptional PEA results for Rincon Project" dated 28 November 2018, available at www.argosyminerals.com.au and www.asx.com. Argosy confirms that it is not aware of any new information or data that materially affects the information included in the Announcement and, in the case of the Production Target, Mineral Resources or Ore Reserves contained in the Announcement, that all material assumptions and technical parameters underpinning the estimates in the PEA announcement continue to apply and have not materially changed. Argosy confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the PEA announcement.

Reference to Previous ASX Releases:

This document refers to the following previous ASX releases:

13th Nov 2018 - Argosy Upgrades Lithium Rincon Lithium Project JORC Resource

28th Nov 2018 - Argosy delivers exceptional PEA results for Rincon Project

11th Jan 2021 - Rincon Project JORC Exploration Target

8th Feb 2021 - \$30M Placement to Fund 2,000tpa Production

10th Feb 2021 - Clarifying Announcement

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

