

12 May 2021

## RINCON 2,000TPA $\text{Li}_2\text{CO}_3$ PROJECT UPDATE

### HIGHLIGHTS

- 2,000tpa lithium carbonate process plant development works progressing on schedule – 15% of scheduled total construction works now complete
- Advancing strategic investment discussions around battery quality  $\text{Li}_2\text{CO}_3$  product off-take and 10,000tpa capex funding solutions
- Positive lithium sector fundamentals to leverage attractive off-take agreements to support the 2,000tpa operation and 10,000tpa project development
- 10,000tpa Environmental Impact Assessment approvals process progressing with Salta Province regulatory authority
- JORC Exploration Target<sup>1</sup> planning works in progress to delineate potential for materially expanding current JORC Indicated Resource and increase Project mine life & future production capacity

Argosy Minerals Limited (ASX: **AGY**) (“**Argosy**” or “**Company**”) is pleased to advise further progress at the Rincon Lithium Project, located in Salta Province, Argentina, with 15% of construction works now completed for the development of the modular 2,000tpa lithium carbonate production operation. In addition, several product off-take propositions have progressed and related to the off-take, numerous strategic investment options have advanced for the 10,000tpa capex funding solution.

Argosy’s construction and development schedule to construct the modular 2,000tpa lithium carbonate production operation remains on-track. The Company’s schedule targets the construction phase of works to be completed in early-2022, with plant commissioning, test-works and ramp-up to be conducted over approximately four months, with first commercial production of >99.5% battery quality lithium carbonate production targeted from mid-2022.



Figures 1-2. Rincon Lithium Project – 2,000tpa Operation Site Works in Progress

Whilst construction works progress, Argosy remains focused on securing satisfactory off-take arrangements for the 2,000tpa and 10,000tpa operations, with the aim to link these as an

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incentive for strategic/cornerstone investment of the 10,000tpa capex funding solution. The Company is in discussions with a number of strategic groups regarding such propositions.

The Company notes the positive current sentiment within the lithium sector, notably due to escalating lithium demand, with strategic groups and end-user customers substantially increasing their lithium product requirements during 2021. Following the Company's successful production, sale and delivery of the 20 tonnes of >99.5% high-purity battery quality lithium carbonate, the Company has received numerous enquiries from various interested groups requesting lithium carbonate product at volumes exceeding the Company's potential capacity. This provides encouragement for the Company's strategy to link the product off-take arrangements with strategic investment options for the 10,000tpa operation.

There is a growing recognition within the entire lithium industry of Argosy's ability and expertise to successfully develop the modular 2,000tpa and 10,000tpa operations to become a commercial producer. The Company also confirms a growing number of enquiries outside the established lithium regions of China, South Korea and Japan, with substantial interest from Europe.

With the increasing lithium price and tightening market supply/demand conditions, Argosy considers conditions for potential off-take agreement terms will also continue to improve in the lead up to commencing targeted 2,000tpa production operations. As such, with the 2,000tpa operation fully funded and the Company having nil debt, Argosy has the financial flexibility to deliberate such off-take and strategic investment terms and conditions to ensure favourable strategic outcomes for future project expansion.

The Company reconfirms it has a current executed 3+2 year non-binding heads of agreement with Mitsubishi RtM for the entire 2,000tpa product.

Argosy Managing Director, Jerko Zuvela said ***"With lithium market sentiment and lithium carbonate prices increasing considerably during 2021, and the Company being fully funded to 2,000tpa scale production, Argosy remains a lithium sector peer leader that is the only new developer able to supply battery quality lithium carbonate product from our Rincon Lithium Project in the near-term.***

***This enhances Argosy's strategic value to all end-user customers across the battery and EV industry supply chain, and being well positioned to consider our preferred strategic partners, investment and off-take arrangements as we progress toward cashflow generation and commercial scale development."***

The Company has also ramped up its Puna project operations team, with the recent appointment of key staff, including additional experienced industrial and mechanical engineers, chemical analyst and corporate personnel comprising human resources and labour relations professionals. The Company anticipates a workforce of ~100 staff upon commencement of 2,000tpa production operations. Of the new employees, ~30% are female and the Company continues on track with its objective to employ staff from local communities, in line with our local CSR programme.

Argosy remains focussed on ensuring all staff receive best practice training, particularly with regards to Covid-19, health and safety.



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Earlier this year, Argosy prepared an independent JORC Code (2012) compliant Exploration Target<sup>1</sup> estimate for the Rincon Lithium Project that underlies the existing/current JORC Indicated Mineral Resource estimate (completed in 2018).

The combined current JORC Indicated Mineral Resource and Exploration Target<sup>1</sup> 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.

Argosy has conducted works to plan a drilling program to investigate realising the Exploration Target<sup>1</sup> estimate, with an exploration drill-hole and testing programme developed. The Company is currently awaiting the necessary regulatory approvals to commence this phase of work.

### **Tonopah Lithium Project – Nevada, USA**

The Company's highly prospective Tonopah Lithium Project ("TLP") is strategically located near Albemarle's Silver Peak operation in Nevada, USA. Argosy has progressed its exploration work programme, following the review of geophysical gravity data, which identified lithium brine trap targets that may contain accumulated concentrated lithium brine.

Argosy has now confirmed to carry out follow-up magnetotelluric resistivity surveying, with three profile lines covering ~20km (lineal), with the survey work to allow further interpretation to potentially locate the lithium brine trap targets, to then consider potential drilling works and determine lithium brine prospectivity within the project area. The Company has received confirmation from its Nevada-based geophysical surveying contractor for this work to be conducted in July (due to current availability of field crews).

The Company considers the opportunity to develop a USA based project in a jurisdiction supportive of the commercial development of lithium, as a strategic position to further develop Argosy into a world-class lithium producer.

**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](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



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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.

Argosy confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market 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 original market announcement.

### 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.

<sup>1</sup> *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 Listing Rules Compliance

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 10<sup>th</sup> February 2021, available at [www.argosyminerals.com.au](http://www.argosyminerals.com.au) and [www.asx.com](http://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](http://www.argosyminerals.com.au) and [www.asx.com](http://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.

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### Reference to Previous ASX Releases:

This document refers to the following previous ASX releases:  
 28<sup>th</sup> Nov 2018 - Argosy delivers exceptional PEA results for Rincon Project  
 11<sup>th</sup> Jan 2021 - Rincon Project JORC Exploration Target  
 8<sup>th</sup> Feb 2021 - \$30M Placement to Fund 2,000tpa Production  
 10<sup>th</sup> 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

