

21 July 2021

RINCON RESOURCE EXPANSION & STRATEGIC DEVELOPMENTS UPDATE

HIGHLIGHTS

- Resource expansion planning works in progress to delineate potential for materially expanding current JORC Indicated Resource and increase project mine life & future production capacity
- Positive lithium markets to leverage attractive off-take arrangements to support the 2,000tpa operation and development of 10,000tpa project expansion
- Strategic investment discussions and financing initiatives for additional 10,000tpa capex funding solution – preferred options confirmed

Argosy Minerals Limited (ASX: **AGY**) ("**Argosy**" or "**Company**") is pleased to advise further progress at the Rincon Lithium Project, located in Salta Province, Argentina, where preparation works have continued, to conduct a resource expansion drilling program to increase the current JORC Indicated Mineral Resource estimate at the project. Argosy has also continued discussions with several strategic groups on lithium carbonate off-take propositions and related strategic funding propositions for the 10,000tpa project expansion.

The drilling program will target realising the defined Exploration Target¹ estimate (described below), with an exploration drill-hole and testing programme developed. The Company is currently awaiting the necessary regulatory approvals to commence this phase of work, noting the deeper drilling to 300m depth requires more detailed environmental criteria prior to receiving the regulatory approval.

The Company's Puna Mining operations management team recently met with Ms Flavia Royon – the new Salta Province Secretary of Mining and Energy, to ensure the rapid EIA drilling approval process for this phase of work.

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.

These planned confirmatory works proving the Exploration Target estimate could materially increase the resource estimate, project mine life and/or provide scope to considerably increase the annual production capacity currently defined at the Project - based on the Preliminary Economic Assessment (completed in November 2018) currently confirms the Project's life-of-mine estimate of 16.5 years at a 10,000tpa Li₂CO₃ production rate, or an 11 year life-of-mine at a 15,000tpa Li₂CO₃ production rate.

Argosy Managing Director, Jerko Zuvela said "**Argosy is rapidly progressing toward commercial lithium carbonate production operations to provide the most significant critical raw material needed for the battery revolution, with development plans to quickly follow our 2,000tpa project with an additional 10,000tpa production expansion. This places Argosy in**

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an enviable position, becoming only the second ASX listed company and the next international battery quality lithium carbonate producer”.



Figure 1. Rincon Lithium Project – Meeting with new Salta Secretary of Mining and Energy, Ms Flavia Royon

Argosy is advancing discussions with several strategic groups on various product off-take propositions and related strategic investment propositions for the 10,000tpa capex funding solution.

In addition, with the current strong lithium market and sector interest, corporate finance advisors have presented various potential debt/bond capex financing options as viable funding solutions for the 10,000tpa project expansion, which are being appraised.

Furthermore, with Argosy’s near-term capacity to produce battery quality lithium carbonate product from the 2,000tpa operation (currently in construction), the Company has received various off-take propositions from European and Asian lithium carbonate product end-users, with such parties strongly requesting formal cooperative arrangements.

With the 2,000tpa operation fully funded and strongly progressing, and the Company having nil debt, Argosy has the financial flexibility to consider varying off-take and strategic investment proposals to ensure a favourable strategic outcome for our future project expansion, and thus withheld (at this stage) from executing a less than thoroughly beneficial arrangement.

However, based on these considerations and potential propositions received to date, the Company feels a combination of debt/bond financing with strategic and/or prepayment investment around off-take arrangements may form the basis for the 10,000tpa project expansion capex funding solution. The Company is targeting the timing for this to meet the 10,000tpa operation EIA approvals receipt (or around this time), and in the lead up to the commencement of the 2,000tpa lithium carbonate operation.

The Company reconfirms the growing recognition within the entire lithium industry of Argosy’s ability and expertise to successfully develop the modular 2,000tpa operation and 10,000tpa project expansion, and become a commercial battery quality Li_2CO_3 producer.

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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

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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.

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.

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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.

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.

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 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



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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

