

26 July 2021

RINCON CLEAN LITHIUM TECHNOLOGY UPDATE

HIGHLIGHTS

- ✦ Clean lithium technology with low energy use & low raw water consumption
- ✦ Rincon will be a low emissions operation with small carbon footprint

Argosy Minerals Limited (ASX: **AGY**) (“Argosy” or “Company”) is pleased to advise continuing progress at the Rincon Lithium Project, located in Salta Province, Argentina, by further defining our proprietary clean lithium processing technology.

Argosy has developed a chemical process technology to produce battery quality lithium carbonate that is conscious of limiting its environmental footprint. The two key environmental factors which set our technology apart from other lithium carbonate producers are:

- Low energy use – consuming estimated ~1MW for 2,000tpa operation and ~5-6MW for 10,000tpa expansion operation.
- Low raw water consumption – estimated flow rate of ~6-8m³/h for the 2,000tpa operation and ~40m³/h for the 10,000tpa expansion operation.

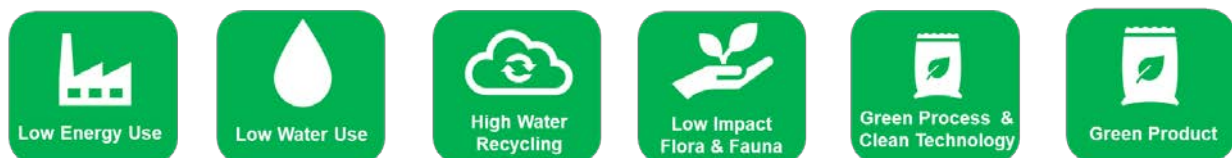


Figure 1. Rincon Lithium Project – Proprietary process technology with minimal environmental footprint

Argosy Managing Director, Jerko Zuvela said “*We have a successfully proven, proprietary and environmentally friendly clean lithium technology to produce battery quality lithium carbonate with low impurities, meeting ESG requirements with a low carbon footprint of low fresh water and energy usage, sustainably producing at a scale no other junior lithium company is currently able to achieve, and currently in construction phase for the 2,000tpa operation, with development plans for an additional 10,000tpa production expansion.*”

Raw water usage requirements are significantly reduced via recycling ~90% of the brine fed through the process plant, and is returned to the natural salar in a balanced/neutral state. The water usage method will ensure there is no impact on people, animals or natural vegetation, and all raw water will be sourced from natural flows beneath the salar, which will otherwise evaporate naturally if not utilised, thus maintaining the equilibrium process at the salar.

Energy for the 2,000tpa operation will be provided by the nearby gas pipeline. The low energy use equates to a smaller carbon footprint than many in the industry. The Rincon Lithium Project’s environmental credentials will also be boosted by the potential use of solar energy for the 10,000tpa. The Company is investigating utilising electricity generated from the nearby Altiplano 208MW solar power plant (currently in construction). This facility will

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generate 208MW (when operational) and potentially provide a valuable source of low emissions energy for the 10,000tpa expansion operation.

The proprietary chemical process technology developed for the Rincon Lithium Project will be a low emissions operation with a small carbon footprint.

The Company is working on options to further reduce emissions for the 10,000tpa expansion operation – by sourcing energy from the neighbouring Altiplano 208MW solar power plant (currently in construction), where the Company may be able to replace the use of natural gas for powering the electric generators, and thus may enable a considerable reduction of carbon emissions.

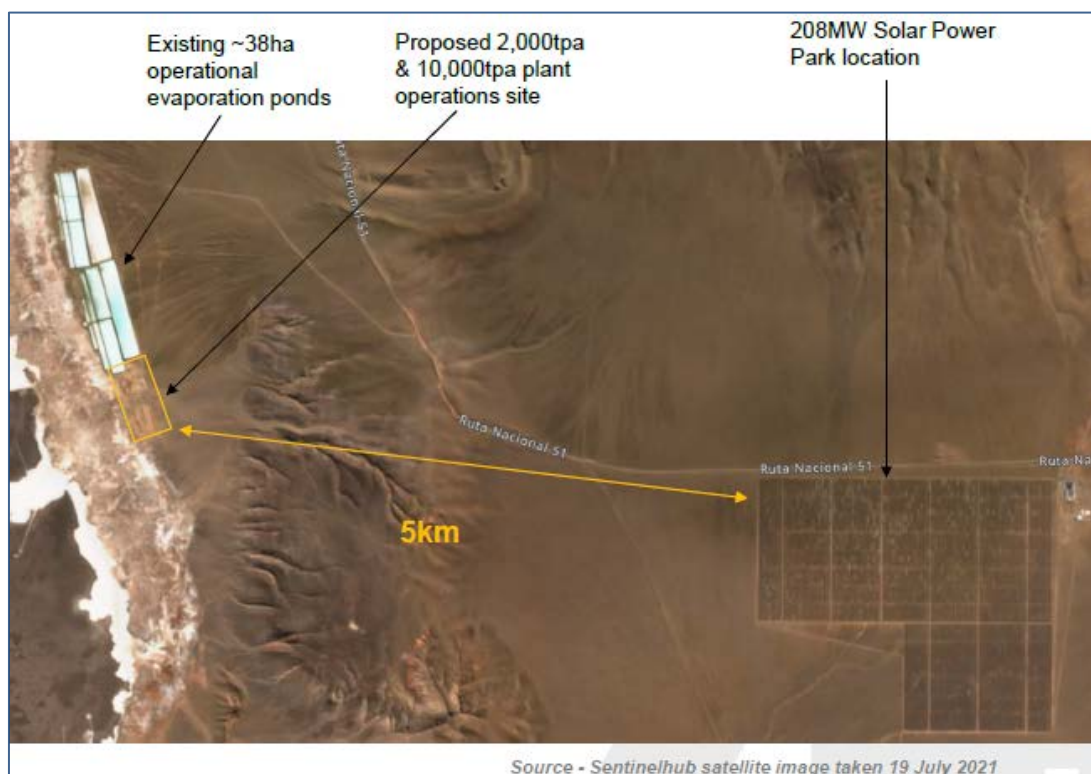


Figure 2. Rincon Lithium Project – Location of 208MW Altiplano Solar Power Park

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.

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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:

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

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.



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Appendix 1: AGY's Argentina Project Location Map

