

31 July 2023

QUARTERLY ACTIVITIES REPORT – JUNE 2023

HIGHLIGHTS

- 2,000tpa operation works progressing, on path to achieving fully continuous production operations and leading to ramping up production operations during H2-CY2023
- Positive progress with strategic partner process and EIA regulatory approval for 10ktpa expansion operation
- Pre-development works advancing for 10,000tpa operation expansion
- Resource expansion & production well drilling works progressing – targeting to materially expand current JORC Indicated Resource, increase project mine-life and future annual production capacity
- Strong international lithium carbonate price outlook supporting positive lithium market sentiment, enabling potential to realise Argosy’s growing lithium production development strategy
- Argosy becoming only the 2nd ASX-listed battery quality lithium carbonate producer
- Strong financial position with cash reserves of ~\$23.5 million at 30 June 2023



Figure 1. Rincon Lithium Project – 2,000tpa Operations



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Argosy Minerals Limited ("Argosy" or the "Company") continued development works at the Rincon Lithium Project ("Rincon") in Argentina, and progressed the Tonopah Lithium Project in Nevada, USA, achieving significant milestones during the Quarter.

Rincon Lithium Project – Argentina (77.5% JV interest, earning up to 90%)

The Rincon Lithium Project is the flagship asset in Argosy's lithium development strategy, located within the Salar del Rincon in Salta Province, Argentina, with a well-defined pathway toward commercial production of battery quality lithium carbonate product.

2,000tpa Lithium Carbonate Production Facility

The Company continued progressing the 2,000tpa facility commissioning works, which have successfully completed 24-hour trials of continuous operations and produced ~20 tonnes of battery quality lithium carbonate product to date, attaining an average product quality of 99.79% (and up to 99.9%).

Upcoming works involve increasing the periods of continuous operations during the commissioning phase and finalising standard plant commissioning processes, on the path to achieving fully continuous production operations and leading to ramping up production operations during H2-CY2023.

The Company is prioritising works to realise steady-state production operations (and being only the 2nd ASX-listed company to achieve battery quality lithium carbonate production). The planned successful delivery of this facility will be extremely lucrative, both strategically and financially, selling product into the international lithium market at current elevated prices.

10,000tpa Environmental Impact Assessment Process

The 10,000tpa operation regulatory approval process is progressing toward completion, with the Company submitting updated hydrogeological information requested by the regulator to finalise their EIA works process and grant formal approval notice from the Mining Secretary. The regulator has not provided a timeframe for such, however the Company maintains regular engagement with the Salta Mining Secretary's department to expedite official approval receipt.

10,000tpa Operation Pre-Development Works

The Company continues to progress applicable pre-development works for the 10,000tpa operation including - planning and scheduling, engineering and design, procurement, contractor process, recruitment, renewable energy/power sourcing arrangements, and industrial water drilling operations.

Strategic Partner Process

The Company continued works on the strategic partner process - to secure funding and long-term off-take arrangements for the 10,000tpa expansion operation from a tier-1 counterparty in the EV supply chain and is progressing the key arrangements for such.

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The Company's key strategic consideration to finalising is ensuring a constructive arrangement for stakeholders and a mutually beneficial partnership, aligned for the long-term sustainability and strategic benefit of the parties.

Rincon Resource Expansion & Production Well Drilling

The Company has conducted production well rotary drilling and resource expansion exploration diamond drilling works. Two production wells and up to six exploration drill sites were planned.

The production well rotary drilling program was completed, with two production wells drilled to depths of 350m. Pump testing and brine sampling works have been completed for both wells, with results awaited. These works will facilitate the preparation of a brine Mineral Reserve estimate and subsequent completion of an upgraded feasibility study.

The exploration diamond drilling program is progressing, with five drill sites completed to date and the sixth (and final) site is currently being drilled. Current core and brine samples collected to date have been sent for laboratory analysis, with results awaited. These results will facilitate the preparation of an upgraded brine Ore Resource estimate scheduled for completion by late-2023.

The key aim of the drilling works is to increase the current JORC Indicated Mineral Resource estimate, production capacity and operation mine-life.



Figures 2-3. Rincon Lithium Project – 2,000tpa Operations

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Figure 4. Rincon Lithium Project – 2,000tpa Operations

The Company is aiming to finalise the key significant milestones to de-risk and confirm the long-term sustainability and significance of our Rincon Lithium Project.

Tonopah Lithium Project – Nevada, USA (100% interest)

The Company's highly prospective Tonopah Lithium Project is strategically located near Albemarle's Silver Peak operation in Nevada, USA. Argosy is reviewing its exploration strategy to assess works conducted and results obtained from neighbouring projects to further assist with defining priority lithium brine targets and select drill sites for planned exploration drilling works to determine the lithium brine potential at the project.

In addition, the Company is assessing the water rights regulations in the project area to understand such impact for future development consideration.

Lithium Market Update

Lithium prices were generally range bound during the quarter, with mixed sentiment amongst China domiciled buyers. The period saw buyers de-stocking and re-stocking to determine if lithium prices had found a floor. The S&P Platts lithium carbonate price CIF North Asia ended the June quarter at US\$43,800/t, whilst the Benchmark Mineral Intelligence lithium carbonate CIF Asia (contract) price was US\$50,000/t.

Record levels of EV sales globally continue to be the main driver for lithium prices. Government support for the transition from ICE's to EV's is seeing a material shift in industry across all sectors of the battery supply chain.



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China, in a bid to stimulate new EV sales will extend tax exemptions on new EV purchases to 2027. Since its inception in 2014, the exemptions have played a key role in the development of China's EV industry, and being the world's largest EV market, saw sales total 6.89 million in 2022, up 93.4% from the previous year, with industry bodies expecting sales of 9 million in 2023.

Demand for lithium carbonate remained high, with LFP batteries being the battery of choice for Chinese EV manufacturers. In May, 66.9% of batteries made in China were LFP. LFP batteries are increasingly favoured due to sustainability and cost advantages.

The USA is challenging China's dominance in the EV and battery industry, with a recent watershed moment being the USA government loaning Ford Motor Company US\$9.2 billion to build three lithium battery manufacturing facilities. Since the introduction of the Inflation Reduction Act, the USA government has committed over US\$200 billion to over 100 battery and EV related projects.

Overall, the combination of sustained EV adoption, renewable energy storage needs, limited lithium production capacity expansion works and limited supply response suggests that lithium prices will remain robust during 2023 and beyond.

Argosy is well positioned with strong lithium prices and market dynamics being very positive for the 2,000tpa production operations and product sales, which are expected to deliver robust returns, providing a significant economic benefit and support for our planned 10,000tpa operation.

Corporate & Social Responsibility Programme (CSR)

The Company has undertaken broad range CSR initiatives within the Salta Province and reinforced its CSR strategies with a focus on local communities in the Puna region as a priority, and remains committed to supporting the local communities through jobs and training. The Company is also focused on procuring goods and services locally as it undertakes development of the 2,000tpa operation.

Argosy is proud of its valuable contribution through its CSR programme, and will continue supporting local communities in developing a sustainable economic environment with sustaining benefits.

Corporate

The Company is in a strong financial position with cash reserves of ~\$23.5 million (as at 30 June 2023).

During the Quarter, total expenditure of approximately \$6.46 million was provided to Puna Mining to fund the continued development works at the Rincon Lithium Project (as per ASX Listing Rule 5.3.2).

Exploration and evaluation expenditure conducted during the Quarter was nil (accounted for in the funds provided to Puna Mining) (as per ASX Listing Rule 5.3.1).



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As outlined in the attached Appendix 5B (section 6.1), during the Quarter, approximately \$149,000 in payments were made to related parties and their associates, for director salaries, consultancy fees and superannuation (as per ASX Listing Rule 5.3.5).

The Company appointed Company Secretary Ms Andrea Betti as Non-Executive Director. Ms Betti will maintain her role as Company Secretary.

Schedule of Tenements

The schedule of tenements held by the Company at the end of the Quarter is shown below. No tenements were acquired or disposed during the Quarter.

Tenement	Location	Beneficial Percentage held
File 7272 (Telita) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 14342 (Chiquita 2) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 22850 (Romulo) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 22955 (Frodo) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 1414 (Talisman) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 1904 (Nelly) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 1905 (Angelica) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 2889 (Maria) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 2890 (Irene) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 6343 (Tigre) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 6345 (Puma) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 100561 (Praga I) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 100562 (Praga II) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 100625 (Praga III) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 10626 (Praga IV) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 17902 (Reyna) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 62308 (Tincal) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 6681 (San Marcos) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 7215 (Jujuy) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
File 14970 (San Jose) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
Mining easement right (File 4128) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
Mining easement right (File 15698) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
NMC1162672 - 1162935	Nevada, USA	100%
NMC1131801 - 1131815	Nevada, USA	100%
NMC1131817 - 1131827	Nevada, USA	100%
NMC1131830 - 1131837	Nevada, USA	100%
NMC1131842 - 1131852	Nevada, USA	100%
NMC1131856 - 1131868	Nevada, USA	100%
NMC1131871 - 1131973	Nevada, USA	100%

¹ Interest in mining tenement held 100% by Puna Mining S.A.

ENDS

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



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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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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.

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, 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 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



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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.

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.



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Appendix 1: Rincon Lithium Project Location Map

