

ASX ANNOUNCEMENT

10 February 2022

APPROVAL GRANTED FOR RESOURCE EXPANSION & PRODUCTION WELL DRILLING AT RINCON

HIGHLIGHTS

- ✦ Environmental Impact Assessment regulatory approval received for resource expansion and production well drilling works at Rincon Lithium Project
- ✦ Resource expansion drilling works to delineate potential for materially expanding current JORC Indicated Resource and increase project mine life & future production capacity
- ✦ Independently prepared JORC (2012) Exploration Target¹ estimate of 262,000 tonnes to 479,000 tonnes of contained Li₂CO₃, between depth interval of 102.5m to 300m below ground level
- ✦ Combined JORC Indicated Mineral Resource and Exploration Target¹ estimates outline potential for a range of 507,000 tonnes to 724,000 tonnes of contained Li₂CO₃ at the Rincon Lithium Project to a depth of 300m
- ✦ Production well drilling works to facilitate preparation of a Mineral Reserve Estimate and Feasibility Study

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.

Argosy Minerals Limited (ASX: **AGY**) ("**Argosy**" or "**Company**") is pleased to advise a significant milestone at the Rincon Lithium Project, located in Salta Province, Argentina, with the receipt of official regulatory approval of the Company's Environmental Impact Assessment ("EIA") report to conduct resource expansion exploration and production well drilling works.

The resource expansion drilling program – to increase the current JORC Indicated Mineral Resource estimate at the project – will target realising the defined Exploration Target¹, estimated as 262,000 tonnes to 479,000 tonnes of lithium carbonate, between the depth interval of 102.5m to 300m below ground level (and underlies the existing Indicated Mineral Resource estimate completed in 2018).

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.

The production well drilling works will be conducted to facilitate the preparation of a Mineral Reserve Estimate and subsequent completion of a Feasibility Study later this year.

Argosy Managing Director, Jerko Zuvela said "***This is another significant milestone for the Rincon Lithium Project and provides further support to realise the substantial resource***

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expansion potential upside that exists below the shallow-depth current Indicated Mineral Resource. In addition, advancing works toward a maiden reserve estimate and then feasibility study for the planned larger scale operation greatly enhances the long-term viability and status of our project.

The lithium market fundamentals remain strong, with lithium carbonate prices continuing their increase to record levels. Argosy's transformation into a battery quality lithium carbonate producer and cashflow generator is nearing, and we look forward to a significant near-term growth phase from our operations this year and beyond at our Rincon Lithium Project."

The planned resource expansion confirmatory works proving the Exploration Target estimate may materially increase the current 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 currently confirms the Project's life-of-mine estimate of 16.5 years at a 10,000tpa Li_2CO_3 production rate, or an 11 year life-of-mine at a 15,000tpa Li_2CO_3 production rate.

The exploration drilling and testing program developed may involve:

- Diamond drilling - six drill-holes to a depth of up to 300m and one drill-hole up to 150m (alluvial fan site).
- Detailed geological logging.
- Collection of cores for laboratory analysis of specific yield.
- Collection of disturbed geological samples for Particle Size Distribution analysis and subsequent estimate of specific yield using a "pedogenic transfer function" method.
- 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.

Exploration drilling will focus on confirming the geology, specific yield and brine grade over the depths of interest.

Noting the potential for the brine aquifer to continue being open at depth beyond 300m (based on historical drilling within Salar del Rincon), the Company notes the potential for additional future exploration expansion and conducting further studies to increase the current mine-life and annual production rate defined at the Project.

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.

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

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.

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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

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

