

24 July 2024

RINCON LITHIUM PROJECT UPDATE

HIGHLIGHTS

- **Strategic focus and priority on completing 10,000tpa project pre-development engineering works to a construction-ready stage**
 - **Major de-risk milestone for strategic investment**
- **Expanded scope for strategic partner process, incorporating broader lithium industry participants**
- **2,000tpa operational works review with focus on capital preservation**
- **Lithium carbonate product stockpiled for strategic sale**

Argosy Minerals Limited (ASX: **AGY**) ("**Argosy**" or "**Company**") provides the following update on the Rincon Lithium Project ("Project").

Based on current lithium market conditions and short-term forecast lithium prices, the Company has determined to focus its near-term works on the value-upside of the Project and prioritise the completion of the 10,000tpa project pre-development engineering works to achieve a construction-ready stage and to significantly de-risk the Project.

The Company retains the view that the best route to delivering on its major value proposition and to maximise shareholder value is to continue next stage Project development, to a production capacity of 12,000tpa – aligned with the regulatory approval received from the Salta government.

To ensure the Company is best positioned to deliver on its strategy, the Company will maintain its financial prudence and exercise capital preservation practices as it moves into the next phase of development.

Argosy Managing Director, Jerko Zuvella said "**The Company is resetting to achieve long-term and sustained success, and to realise Argosy's ambition to fully develop the Rincon Lithium Project. We are very proud of the substantial progress made to date.**

We are cognisant of current lithium market conditions and are establishing the optimal strategic pathway to maximise shareholder value to become an international lithium carbonate producer."

10,000tpa Project – Pre-Development Engineering Works

The engineering works, to be conducted in conjunction with a globally recognised engineering services company with experience in the lithium sector, comprises the capture of the significant intellectual property developed from the 2,000tpa operation, value engineering of various aspects of the project, refinement of the process design and FEED (front end engineering design), requisite detailed engineering, and engagement of an EPCM service provider in preparation for FID (financial investment decision) – considered a key foundational element for the successful delivery of the next phase of the Project.

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The 2,000tpa operations facility has demonstrated and validated the lithium process technology and flowsheet by successfully achieving production of saleable battery quality lithium carbonate product. The Company will utilise all the lessons learned, engineering and process technology principles, mechanical issues encountered, and operational experiences to facilitate, optimise and expedite the pre-development engineering phase of works to successfully plan and develop the 10,000tpa lithium carbonate project.

These learnings provide invaluable expertise and knowledge that could not be replicated, simulated or designed without the benefit of the planned staged development and operational strategy the Company has deployed.

Upon successful completion of the engineering works, together with the recent excellent hydrogeological dynamic modelling results – indicating the Project can extract lithium brine for up to 42 years to produce 12,000tpa of LCE product (or up to 22 years to produce 24,000tpa of LCE product), a major project de-risking milestone will have been achieved.

2,000tpa Lithium Carbonate Operations

Noting the Company's strategy to prioritise continued development of the Rincon Lithium Project, acknowledging current lithium market conditions and near-term lithium price forecasts, and fiscal prudence to maintain capital preservation practices, the Company has decided to suspend operations at the 2,000tpa facility and effect the necessary workforce restructuring to adjust to next phase Project requirements.

The Company will maintain and preserve the 2,000tpa facility during this period. With current interest from third-party battery industry participant groups for future LCE product off-take, the Company will retain optionality to resume operations if a sustained increase in lithium prices and appropriate operational conditions – thus maintaining its strategic advantage of having a lithium operations facility.

Strategic Partner Process

With the onset of weakened lithium prices and current lithium market sentiment, strategic interest and investment in new lithium production facilities for long term lithium product procurement is receiving ever greater scrutiny and related due diligence by potential strategic groups. Notwithstanding this, industry analysis of forecast lithium supply/demand is indicating a structural deficit over coming years. The Company has continued to receive in-bound interest relating to the strategic partner process targeting funding investment associated with long-term off-take arrangements for the 10,000tpa project from groups within the battery/EV supply chain and broader lithium industry participants.

The Company continues to assess and review each opportunity, will maintain engagement with the international investment bank, and refocus on already established strategic relationships. In parallel, various groups continue their due diligence processes on the Project, with the aim of determining a preferred strategic partner and investment structure.

The Company's status, operational capability and capacity, and stockpiled lithium carbonate product continue to prove beneficial in these strategic negotiations, including the ability to de-risk project investment by conducting the engineering works outlined herein for the development of the 10,000tpa project.



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The Company reiterates its key commercial strategic consideration is to establish formal agreements to realise mutual alignment and long-term sustainability for the strategic benefit of the stakeholders, especially during the current stage of the lithium cycle, to fully develop 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.

For further information:

Jerko Zuvela
Managing Director

T | +61 8 6188 8181

E | admin@argosyminerals.com.au

W | www.argosyminerals.com.au

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.

Cautionary Statements: 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.

The information contained in this ASX release relating to Exploration Results has been prepared by Mr Jerko Zuvela. Mr Zuvela is a Member of the Australasian Institute of Mining and Metallurgy and 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. Mr Zuvela is the Managing Director of Argosy Minerals Ltd and 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.



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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.

Cautionary Note: A Production Target is a projected estimate of potentially mineable mineralised material based on the application of modifying factors. The process and assumptions used to establish the Production Targets for Argosy's operations and development projects are those used to prepare the Mineral Resource Estimate announced on 15 January 2024 (which is available at www.argosyminerals.com.au and www.asx.com.au). Production Targets are derived from Measured, Indicated and Inferred Mineral Resource classifications. The Company has been guided by ASX Listing Rules Chapter 5.16 to 5.19 for the preparation of Production Targets.

The Company highlights the following cautionary note in relation to confidence in the estimation of Production Targets that incorporate Mineral Resources from the Inferred classification:

There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realised. The stated Production Targets are based on the Company's current expectations of future results and events and should not be solely relied upon by investors when making investment decisions.

The estimated Mineral Resource Estimate that underpins the Production Targets have been prepared by Competent Persons in accordance with ASX Listing Rules Appendix 5A. The Inferred portion of the Production Targets is not the determining factor in each mine's viability and does not feature as a significant proportion early in the mine plan.

Argosy has independently engaged the services of AQ2 Pty Ltd to conduct the mineral resource estimation works, hydrogeological modelling and associated brine analysis works for the potential development of a lithium carbonate production operation at the Rincon Lithium Project. Argosy has previously engaged Primero Group to assess the technical and economic viability to a Preliminary Economic Assessment level with regards to producing lithium carbonate at the Project. Whilst the current modelling works have yielded robust outcomes and provided independent perspective on the opportunity to produce lithium carbonate, there is no guarantee that Argosy will choose to adopt the outcomes of the works conducted.

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 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 battery quality lithium carbonate product at the Rincon Lithium Project should be read subject to and clarified by the Company's current intention that, subject to feasibility, finance, market conditions and completion of development works at the Rincon Lithium Project, the 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

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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:

12th April 2024 – Updated: Dynamic Modelling Produces Outstanding Results for Rincon Lithium Project

15th January 2024 – JORC Resource Upgrade for Rincon Lithium Project - Substantial 180% Increase

10th Feb 2021 – Clarifying Announcement

8th Feb 2021 – \$30M Placement to Fund 2,000tpa Production

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

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: Rincon Lithium Project Location Map

