

26 July 2024

QUARTERLY ACTIVITIES REPORT – JUNE 2024

HIGHLIGHTS

- ✦ EIA regulatory approval granted for development of 10,000tpa LCE production operation expansion at Rincon Lithium Project → significant de-risk for project development
- ✦ Strategic focus and priority on completing 10,000tpa project pre-development engineering works to a construction-ready stage – in conjunction with global engineering services company with lithium experience
- ✦ Dynamic modelling produces outstanding results for Rincon Project → brine can be pumped for a period of up to 42 years to produce 12,000tpa of lithium carbonate or for up to 22 years to produce 24,000tpa of lithium carbonate
- ✦ US\$5 million strategic investment completed by Amperex Technology Limited – a world leading producer and innovator of lithium-ion batteries
- ✦ 5,812ha of additional strategic tenements – increases total Rincon Lithium Project landholding to 8,606ha → provides increased scope for 10,000tpa scale commercial/industrial development and upgrading current JORC Mineral Resource Estimate
- ✦ Spot sales contract executed for 20 metric tonnes of battery quality >99.5% lithium carbonate product achieving price of US\$13,400/t – a premium to market prices
- ✦ ~80t of lithium carbonate product stockpiled for strategic sale
- ✦ International lithium carbonate price outlook remains supportive to realise Argosy's lithium production development strategy
- ✦ Strong financial position with cash reserves of ~\$11.3 million (with an additional US\$589,000 held in Puna Mining S.A. bank account) at 30 June 2024

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

The Company is dedicated and reiterates its commitment to developing the next stage 10,000tpa project at Rincon, with a validated lithium process technology and operational learnings realised to date, working with a global engineering services company.

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.



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10,000tpa Environmental Impact Assessment Regulatory Approval

The Company received official signed approval from the Government of Salta Province and the Secretary of Mining and Energy to grant the development of the 10,000tpa lithium carbonate expansion operation at the Rincon Lithium Project, in accordance with operating conditions set out in the formal executed notice (based on the Company's Environmental Impact Assessment submission).

This official notification confirms the Company now has all the necessary approval required to develop the 10,000tpa expansion operation and (together with the current regulatory approval for the 2,000tpa operation) produce up to a capacity of 12,000tpa of lithium carbonate product at the Project.

10,000tpa Project – Pre-Development Engineering Works

The Company is prioritising 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 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), 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.

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.

The successful completion of the engineering works will achieve a major project de-risking milestone.

2,000tpa Lithium Carbonate Facility

The Company reviewed the status of the 2,000tpa facility and based on current lithium market conditions and near-term lithium price forecasts, fiscal prudence to maintain capital preservation practices, and prioritising continued development of the 10,000tpa project development, the Company suspended operations at the facility and effected the necessary workforce restructuring to adjust to next phase project requirements.

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The Company determined the rectification works that were being conducted to advance the ramp-up phase of continuous operations and progressing production operations may not achieve economic viability in the short term, and whilst lithium markets remain subdued, elected to preserve capital and not invest such funds into the operation.

The Company will maintain and preserve the 2,000tpa facility during this period.

With ongoing interest from third-party battery industry participant groups for future LCE product off-take, the Company will retain optionality to resume operations (including completing rectification works) if a sustained increase in lithium prices and appropriate operational conditions are realised – thus maintaining its strategic advantage of having a lithium operations facility.

The Company conducted product testing with potential customers for initial product off-take and/or sales arrangements, and such works will be progressed where practicable.

Dynamic Modelling Works

The Company completed independent dynamic modelling works to consider various brine abstraction scenarios for the upgraded MRE based on sustainable pumping rates and varying borefield configurations.

A dynamic model (numerical groundwater flow and transport model) was developed to simulate production of brine from the Rincon Project. The objective was to confirm the duration for which sufficient brine can be pumped to produce 12,000tpa of lithium carbonate and assess expanded pumping operations to produce 24,000tpa of lithium carbonate.

The brine abstraction scenarios were completed and allow for limits imposed by the upgraded MRE (ie. 686,875 tonnes of lithium carbonate and 387,000,000m³ of drainable brine). The modelled brine abstraction scenarios suggest that:

- ▶ Brine to produce 12,000tpa of lithium carbonate can be pumped for a period of up to 42 years (based on the MRE/drainable volume estimate) with pumping from the fractured halite and black sand aquifers (this scenario is considered the “base-case”).
- ▶ Brine to produce 24,000tpa of lithium carbonate can be pumped for a period of up to 22 years (based on the MRE/drainable volume estimate) with pumping from the fractured halite and black sand aquifers. This scenario represents an expanded operation.

US\$5m Strategic Investment by ATL

The Company secured a US\$5 million strategic investment from Amperex Technology Limited (“ATL”), via an executed binding Subscription Agreement.

The strategic investment was completed via a placement of new fully paid ordinary shares in the Company to ATL at \$0.14631 per share, a 15% premium to the 10-day volume weighted average price as at 21 May 2024.



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Argosy is confident the strategic investment will facilitate a successful relationship with ATL and provide an opportunity to leverage ATL's substantial technical capabilities to support Argosy's ambitions and near-term growth phase to fully develop the Rincon Lithium Project.

Strategic Project Landholding Increased

The Company secured an additional 5,812 hectares of tenements, with the Project area now comprising up to 8,606 hectares of significant lithium and associated infrastructure services/mining easement landholdings, which can be utilised for the planned 10,000tpa operation expansion, including commercial and industrial development requirements. The new landholdings provide the Company greater access to increase water, infrastructure, energy sources, and land usage availability.

Some of the additional tenements are located within the drilling areas used for the latest JORC Mineral Resource Estimate (MRE) and can be used with the existing drill data to upgrade the current MRE.

The new tenements are pending formal grant by the Salta Mining Tribunal, with all legal requirements completed and submitted for such. Once the registration process is completed, Puna Mining will have a 100% interest in the new tenements.

Lithium Carbonate Spot Sale Contract

The Company executed a Spot Sales Contract with a Korean chemical company for the sale of 20 metric tonnes of battery quality lithium carbonate product produced from the Company's operations at the Rincon Lithium Project, achieving a sales price of US\$13,400/t – being a premium sales price noting current lithium market pricing.

The Spot Sales Contract price was referenced from Fastmarkets 99.5% Li₂CO₃ min, battery grade, spot prices CIF China, Japan and Korea, with payment terms being an irrevocable letter of credit at sight (Incoterms) and payment immediately on receipt of original shipping documents.

The Company is now working through product export logistics, with the cargo expected to commence transport upon completion of the freight and export protocols.

The Company has ~80t of lithium carbonate product stockpiled for strategic sale.

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.

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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.

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.



Figure 1. Rincon Lithium Project

The Company is working to complete key planning, engineering, commercial and strategic milestones to further 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 continues to review its exploration strategy to determine the lithium brine potential at the project, noting progress has reduced due to prioritising works at the Rincon Lithium Project.

Lithium Market Update

Lithium prices remained subdued though the quarter, driven by excess global supply and slower than forecast EV adoption outside of China, at a time when demand remains weak as battery manufacturers continued to manage inventories in an oversupplied market.

The S&P Platts lithium carbonate price CIF North Asia ended the June quarter at US\$12,800/t, whilst the Benchmark Mineral Intelligence (BMI) lithium carbonate CIF Asia (spot) price was US\$12,750/t and the Fastmarkets lithium carbonate (min 99.5%) CIF China, Japan, and Korea (spot) price US\$13,300/t. The BMI lithium carbonate (Min 99.2%) CIF Asia contract price traded slightly lower than Asian spot prices, closing the June quarter at US\$12,500/t.

Lithium supply has seen significant lithium carbonate shipments to China from South America, as well as contributions from China brine operations in Qinghai Province, which is at its peak during summer. According to the China's customs data, China imported a total of 19,583

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tonnes of lithium carbonate in June. The main source of lithium carbonate included 15,652 tonnes from Chile and 3,434 tonnes from Argentina.

Although June imports were down by 20.28% from the May imports at 24,565 tonnes, June marked the fourth consecutive month of China's monthly carbonate imports exceeding 19,000 tonnes. As reported by Fastmarkets, China's lithium carbonate imports totalled 106,389 tonnes in the first six months of 2024, up by 45.39% from 73,180 tonnes during the same period in 2023.

On the demand side, EV sales globally rose by 13% in June versus the same month in 2023, driven mainly by growth in China. China accounted for over 60% of the total, due to rising availability of electric vehicles and strong sales by BYD.

Global EV sales are expected to rise to 16.6 million vehicles for 2024, from 13.7 million in 2023, according to the International Energy Agency, with China's growth outpacing other regions.

With lithium prices at record lows for the year and various sources of lithium supply coming out of the market, further supply curtailment and project deferrals is expected until markets can sustain a balance and improvement in prices.

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. It remains committed to supporting local communities through jobs, training, procuring goods and services locally (where possible) as it progresses project development.

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.

The Company is privileged to have the support of its local communities, who strongly support the long-term sustainability of our project.

Corporate

The Company is in a strong financial position with cash reserves of ~\$11.3 million and an additional US\$589,000 held in Puna Mining S.A. bank account, at 30 June 2024.

During the Quarter, expenditure of approximately \$4.66 million was provided to Puna Mining to fund the continued development works at the Rincon Lithium Project, and an additional \$463,000 was incurred directly by the Company for development works at the Rincon Lithium Project (as per ASX Listing Rule 5.3.2).

Exploration and evaluation expenditure conducted during the Quarter was approximately \$70,000 (as per ASX Listing Rule 5.3.1).

As outlined in the attached Appendix 5B (section 6.1 and 6.2), during the Quarter, approximately \$151,000 and \$52,000 in payments were made to related parties and their

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associates, for director fees, consultancy fees, superannuation, accountant and company secretarial related services (as per ASX Listing Rule 5.3.5).

Schedule of Tenements

The schedule of tenements held by the Company at the end of the Quarter is shown below. Nine tenements are new (indicated with #), whilst no tenements were 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%)
# File 22248 (Payo Silvana) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
# File 20541 (Claro de Luna) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
# File 21503 (Santa Ines III) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
# File 21460 (Candelaria IV) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
# File 20374 (Candelaria) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
# File 5413 (Agulia) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
# File 769477 (Santa Bernardita) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
# File 21909 (Toltul) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
# Mining easement right (File 769785) 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.

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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 X (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.

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.

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

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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 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



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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

3rd August 2023 – Rincon Test Pumping Results

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

