

ASX ANNOUNCEMENT

8 February 2021

\$30M INSTITUTIONAL PLACEMENT FULLY FUNDS ARGOSY TO 2,000TPA PRODUCTION AT RINCON

HIGHLIGHTS

- ✦ Argosy has received firm commitments to raise \$30 million through a significantly oversubscribed Placement supported by high quality institutional investors
- ✦ Rincon Lithium Project now fully funded through to 2,000tpa lithium carbonate production and cash-flow generation
- ✦ Argosy's exclusive and proprietary environmentally clean chemical process technology is producing high purity battery quality lithium carbonate acceptable for high-specification international markets
- ✦ Funding enhances planned next stage 10,000tpa scale development of Rincon Lithium Project
- ✦ Proceeds from the Placement also applied to:
 - Rincon 10,000tpa operation feasibility and development works
 - Exploration at Tonopah Lithium Project in Nevada, USA
 - Strategic opportunities and acquisitions

Argosy Minerals Limited (ASX: **AGY**) ("**Argosy**" or "**Company**") is pleased to advise it has received firm commitments for a \$30 million placement to institutional, sophisticated, and professional investors ("**Placement**").

The Placement was strongly supported by well-regarded Australian and international institutions, and endorses Argosy's capability, fast-track development strategy, and our proprietary clean chemical process technology to produce high purity battery quality lithium carbonate product at the Rincon Lithium Project ("**Rincon**").

The proceeds of the Placement fully fund Argosy for construction and through to production of battery quality lithium carbonate product from the 2,000tpa modular scale operation at Rincon and on-going cash-flow generation.

In addition, and together with the Company's existing funds, proceeds may also be used to:

- Conduct feasibility and development works at the Rincon Lithium Project in preparation toward the 10,000tpa scale operation;
- Undertake exploration works at the Tonopah Lithium Project in Nevada, USA;
- Consider strategic opportunities and acquisitions to expand Argosy's clean technology focussed project portfolio; and

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- General working capital and placement fees.

Argosy Managing Director, Jerko Zuvela said ***"We received a significant endorsement of our business with this Placement, and are now fully funded to achieve 2,000tpa scale production at our Rincon Lithium Project. This provides a clear mandate and pathway for continued commercial scale development, as we become only the second ASX-listed battery quality lithium carbonate producer."***

This places the Company in an enviable position to generate cashflow and be in a much stronger position to advance strategic arrangements whilst developing the 10,000tpa operation."

Noting the successful funding outcome, the Company has further progressed with early 2,000tpa scale construction works by arranging the site wellfield infrastructure, procuring suppliers for plant equipment and chemical reagents, and scheduling earthworks for plant site preparation. The Company will now begin organising for site infrastructure, plant, and camp/accommodation construction works.

Argosy's planned schedule of operational works for the 2,000tpa processing plant is estimated for a ~12 month construction timeframe, with a ~4 month commissioning period thereafter.

The Company is confident to execute its scheduled 2,000tpa plant construction works and commence production operations, noting the current production of high purity battery quality >99.5% lithium carbonate product from the industrial scale pilot plant operations - with over 25 tonnes of high purity Li_2CO_3 product sold to North Asian customers, positioning for an accelerated product qualification process with potential off-taker groups.

The Company explored and considered numerous financing and strategic options over the past 18 months for a successful funding solution. However, the Company was unwilling to accept an increased risk profile with debt security provisions (noting the failure of spodumene producers during this period), accept direct project equity dilution, nor handover the Company's proprietary technology. In addition, no off-take or strategic groups were prepared to invest in product pre-payment arrangements, noting the oversupplied product market.

However, all negotiations and progress the Company has made to date with such strategic and off-take groups will remain in-play, and also enable capacity for conventional debt funding propositions whilst progressing to the 10,000tpa operation.

With lithium market sentiment and prices increasing, and the Company now fully funded to 2,000tpa scale production and being a lithium sector peer leader who is the only developer able to provide battery quality lithium carbonate at commercial quantities in the near-term, this enhances Argosy's strategic value to all end-user customers across the spectrum of the battery and EV industry. The Company notes the recent increased interest for such and will work to leverage our peer-leading position.

The Company welcomes its new shareholders and looks forward to an exciting near-term growth phase with increasing development activity at the Rincon Lithium Project and exploration progress at the Tonopah Lithium Project.

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Placement Details

The Company has received binding commitments to raise a total of \$30 million (before costs). The Placement will comprise the issue of 230,769,230 new fully paid ordinary shares ("**New Shares**") at an issue price of \$0.13 per share, and one (1) attaching unlisted option for every two (2) New Shares, with an exercise price of \$0.25 and 18-month expiry (from date of issue), issued pursuant to the Placement ("**Options**").

New Shares will be issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1 (128,818,983 New Shares) and 7.1A (101,950,247 New Shares), and rank pari passu with fully paid ordinary shares in Argosy. Accordingly, no shareholder approval will be required for the issue of ASX Listing Rule 7.1 and 7.1A New Shares.

The Company confirms that the issue price of \$0.13 per share satisfies the requirements of Listing Rule 7.1A.

The Placement pricing represents an 18.7% discount to Argosy's last closing price on 3 February 2021 of \$0.16 per share, and an 11.1% discount to the 30-day VWAP of \$0.146 per share.

Allotment of New Shares is planned for 16 February 2021, whilst Options will be issued subject to shareholder approval to be sought at an upcoming general meeting.

Bell Potter Securities Limited acted as Sole Lead Manager in respect of the Placement.

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](https://twitter.com/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.

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.

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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

