

ASX ANNOUNCEMENT

29 January 2024

QUARTERLY ACTIVITIES REPORT – DECEMBER 2023

HIGHLIGHTS

- ✦ Upgraded Total Mineral Resource Estimate (MRE) of 686,875 tonnes of Li_2CO_3 with a weighted mean average lithium concentration of 329mg/L – a 180% increase from previous resource estimate, comprising;
 - An Indicated MRE of 606,313 tonnes Li_2CO_3 with a weighted mean average lithium concentration of 326mg/L, and
 - An Inferred MRE of 80,562 tonnes Li_2CO_3 with a weighted mean average lithium concentration of 351mg/L
- ✦ 2,000tpa operation works progressing;
 - Comprehensive test works being conducted to determine optimum operational parameters and improve filtration rates
 - Planned critical works schedule to improve operational performance and increase production operations
- ✦ Pre-development engineering works progressing for 10,000tpa operation expansion
- ✦ Positive progress with EIA regulatory approval for 10ktpa expansion operation
- ✦ International lithium carbonate price outlook still supportive 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 ~\$13.8 million at 31 December 2023 (with an additional US\$281,000 held in Puna Mining S.A. bank account)



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 operational works at the 2,000tpa lithium carbonate facility, which have successfully produced ~60 tonnes of battery quality lithium carbonate product to date, targeting continuous production operations.

The continued focus of the comprehensive test-works remains on the primary solids filtration circuit, aiming to improve filtration rates and product throughput, with over 78 trials completed to date. The testing comprises flowrate variation to determine the optimum operational parameters and to achieve consistent and repeatable results during this test phase, to then progress to ramping up production operations during Q1-CY2024.

As such, production output is constrained whilst completing the testing program and associated rectification works. The current-cycle pond harvesting works were completed, allowing increased pond utilisation and increasing production of concentrated lithium brine.

All chemical process technology reviews, validation and verification works have been successfully completed, confirming the Company's capability to produce battery quality lithium carbonate product.



Figures 2-4. Rincon Lithium Project – 2,000tpa Operations

JORC Brine Mineral Resource Upgrade

The Company completed works to significantly increase the JORC Code (2012) compliant Total Mineral Resource Estimate (MRE) at the project, with the upgraded Total MRE

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comprising 686,875 tonnes of lithium carbonate with a weighted mean average lithium concentration of 329mg/L.

The Total MRE comprises an Indicated Resource of 606,313 tonnes of Li_2CO_3 with a weighted mean average lithium concentration of 326mg/L and an Inferred Resource of 80,562 tonnes of Li_2CO_3 with a weighted mean average lithium concentration of 351mg/L.

The increased resource will form the basis for increasing the commercial production target and completing long-term life of mine modelling works, with dynamic modelling works currently being conducted to develop an updated/increased production forecast and optimise brine borefield design.

The substantial increase in the resource provides further support for increased future commercial scale development of the Rincon Lithium Project.

The updated resource and brine aquifer remain open at depth, with excellent scope for resource expansion from additional deeper drilling.



Figure 5. Rincon Lithium Project – 2,000tpa Operations

10,000tpa Environmental Impact Assessment Process

The Company made significant progress toward finalising the EIA process, with final updated hydrogeological data observations provided to the Mining Secretary's department. In addition, following recent dialogue with the Mining Secretary and key Salta government officials, the regulatory process is expected to be finalised during Q1-CY2024, with official approval from the Mining Secretary expected.

10,000tpa Operation Expansion Pre-Development Engineering Works

The Company continued to progress applicable pre-development engineering works for the 10,000tpa operation expansion, including process design reviews, evaporation pond

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design and engineering, industrial water drilling operations, EPCM service provider engagement, in preparation for FID (financial investment decision) and to ensure operational readiness and a seamless progression into the development phase of the 10,000tpa facility.

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.

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.

The Company notes a key factor to finalising an outcome being timing of the EIA regulatory approval, whilst also noting the current challenging lithium market dynamics and pricing affecting the process.

The Company continues to receive inbound interest for such strategic arrangements and will appraise such via a parallel path to the existing process.



Figure 6. Rincon Lithium Project – 2,000tpa Operations

The Company is working 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 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.

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Lithium Market Update

Lithium prices continued to soften during the quarter as a result of ongoing product destocking and a pullback in demand. Battery cell manufacturers cut production to minimise inventory, which in turn negatively impacted cathode material manufacturers production plans. The perceived global supply growth is also providing some resistance to downstream restocking. However, with underlying strong structural demand for EV's, we see the market rebalancing in during 2024.

The S&P Platts lithium carbonate price CIF North Asia ended the December quarter at US\$15,000/t, whilst the Benchmark Mineral Intelligence (BMI) lithium carbonate CIF Asia (spot) price was US\$15,750/t and the Fastmarkets lithium carbonate (min 99.5%) CIF China, Japan, and Korea (spot) price US\$15,500/t. The BMI lithium carbonate (Min 99.2%) CIF Asia contract price continued to trade higher than Asian spot prices, closing the December quarter at US\$19,500/t.

Structurally, the demand for lithium remains strong with forecast demand for EV's maintaining double digit growth. According to Bloomberg NEF, EV sales for 2024 are forecast to increase 21% to 16.7 million. In China, EV sales are forecast to be just under 10 million, representing nearly six out of ten EV's sold globally. Long term fundamentals remain strong, buoyed by improving battery technology, EV costs continuing to reduce, and an ever-increasing number of charging points beyond the current 4 million globally.

On the supply side, in response to the challenging market conditions, some mining operations have suspended or reduced operations. Furthermore, as a result of lithium prices now lower than the cash costs of many Chinese lepidolite producers, lithium production continues to decline. As lithium prices move closer to the cost of production, further production cuts are expected, providing for a possible lithium market rebalance.

Of growing concern is the detrimental impact of current low lithium prices on the future capital investment required for new product supply. As evidenced during 2019-2020, lower lithium prices saw the closure of operations and a delay in new projects. This in turn caused the strong lithium price rally during 2022-2023. The lithium market is now experiencing a relatively similar environment to that of 2019-2020, with the likelihood of new supply again falling short of demand in the near-term.

Argosy remains well positioned to capitalise on the current and future lithium market fundamentals. The Company is planning strategic sales from the 2,000tpa operation to provide significant economic benefit and support for the planned 10,000tpa expansion 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.

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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 ~\$13.8 million (as at 31 December 2023), with an additional US\$281,000 held in Puna Mining S.A. bank account at 31 December 2023.

During the Quarter, expenditure of approximately \$2.87 million was provided to Puna Mining to fund the continued development works at the Rincon Lithium Project, and an additional \$592,000 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 \$261,000 (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 \$171,000 and \$52,000 in payments were made to related parties and their 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. 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%)

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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.

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.



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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 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 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 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:

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

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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

