

Investor Presentation

May 2019

ASX Code: AGY



www.argosyminerals.com.au

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Competent Person's Statement – Rincon Lithium Project: The information contained in this ASX release relating to 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 in this report that relates to technical matters is based on information compiled by Jerko Zuvela who is the Managing Director of AGY. Mr Zuvela is a Member of the Australasian Institute of Mining and Metallurgy.

Certain information in this presentation has been derived from third parties and though AGY has no reason to believe that it is not accurate, reliable or complete, it has not been independently audited or verified by AGY.

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2 All amounts in A\$ unless stated otherwise.

Cautionary Statements



- The PEA is a preliminary technical and economic study of the potential viability of the Rincon Lithium Project required to reach a decision to proceed with more definitive studies (equivalent to a JORC Scoping Study). It is based on preliminary/low-level technical and economic assessments that are not sufficient to support the estimation of Ore Reserves or provide certainty that the conclusions/results of the PEA will be realised. Further exploration and evaluation work and appropriate studies are required before Argosy will be in a position to estimate any Ore Reserves or to provide any assurance of an economic development case.
- The economic analysis results should be treated as preliminary in nature and caution should be exercised in their use as a basis for assessing project feasibility. The PEA was based on material assumptions including assumptions about the availability of funding. While Argosy considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the PEA will be achieved.
- To achieve the range of proposed feasibility studies and potential mine development outcomes indicated in the PEA, additional funding will be required. Investors should note that there is no certainty that Argosy will be able to raise funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of Argosy's existing shares. It is also possible that Argosy could pursue other 'value realisation' strategies such as a sale, partial sale or joint venture of the project. If it does, this could materially reduce Argosy's proportionate ownership of the project.
- 100% of material included in the PEA proposed mining schedules for all cases is included within Indicated Mineral Resources.
- Process and engineering works for the PEA were developed to support capital and operating estimates (and following AUSIMM Guidelines for this study level), and given the preliminary and confidential nature of the plant information, the capital cost margin of error is $\pm 50\%$ on the 'factored cases' estimated figures and operating cost is $\pm 35\%$. Key assumptions that the PEA are based on are outlined in the body of this announcement. Argosy has concluded it has a reasonable basis for providing the forward-looking statements in this announcement.
- The Mineral Resources information in this report 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.
- Given the uncertainties involved, all figures, costs, estimates quoted are approximate values and within the margin of error range expressed in the relevant sections throughout this announcement. Investors should not make any investment decisions based solely on the results of the PEA.

Company Overview

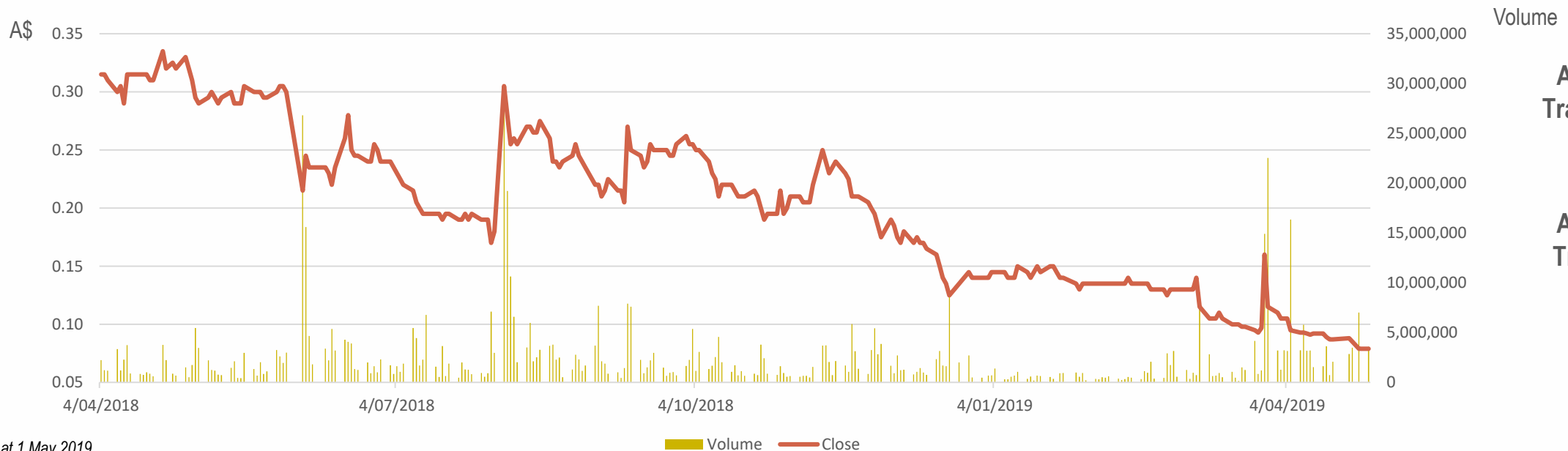


Investment Snapshot



Capital Structure		Listed Options		Board & Management	
Issued shares	1,014,502,141	Issued options	39,334,670	Alexander Molyneux	<i>Non-Executive Chairman</i>
Share price ¹	A\$0.07	Exercise price	A\$0.20	Jerko Zuvela	<i>Managing Director</i>
Market cap ¹	A\$70M	Expiry date	31 March 2022	Ranko Matic	<i>Non-Executive Director</i>
		Code	AGYO	Mal Randall	<i>Non-Executive Director</i>
				Pablo Alurralde	<i>President Puna Mining S.A.</i>

AGY Share Price Performance (AGY:ASX)



Average Daily Trading Volume:

2.5m shares

Average Daily Trading Value:

\$514, 000



¹ As at 1 May 2019

Investment Highlights



- Rincon Lithium Project located in the world-class “Lithium Triangle” in Salta Province, Argentina
- Focussed on becoming the next lithium carbonate producer in South America
- Successful fast-track lithium development strategy
 - Industrial scale pilot plant constructed, 38 hectares of evaporation ponds, JORC Resource & PEA completed
- Sector-leading lithium processing expertise – Pablo Alurralde +30years industry experience and 15 years for a major international lithium producer
 - Produced 99.5% battery grade lithium carbonate product at Rincon Lithium Project
 - Lithium hydroxide (LiOH) processing works confirm 56.84% LiOH content value
- Exceptional PEA results with an IRR of 53%, Pre-tax NPV of US\$399m and average annual pre-tax cashflows of ~US\$74m over the life of mine
- Executed an initial off-take arrangement with Mitsubishi RtM
- Recent successful raise of A\$9.1m via an oversubscribed entitlement offer



Fast-track Development Gaining Momentum

Next phase to commercial scale production confirmed with exceptional PEA Results



Argosy continues to build on achievements

2017 - 2018

Locking in Value

- Constructed industrial-scale pilot plant and producing LCE Product
- Constructed 38 Ha of lithium brine evaporation ponds
- First LCE product produced May 2018
- First battery quality LCE Product produced August 2018
- Completed 21 well drilling program
- Additional strategic land acquisitions - landholding now ~2,794.4 Ha
- Upgraded JORC Resource - 245,120 tonnes of contained LCE Product
- Finalised PEA with exceptional results

→ 2016

Securing Strategic Position

- Signed JV Agreement for up to 90% of Rincon Project
- Partnership with lithium expert Pablo Alurralde
- Established experienced Board
- Set up local subsidiary Puna Mining S.A.

2019 →

Revenue Generation

- Executed initial sales agreement with Mitsubishi RtM
- Secure project funding to enable significant increase in production scale
- Finalise commercial off-take agreement(s)
- Continue to develop strategic partnerships

Rincon Development



Rincon Development Update – Industrial Scale Pilot Plant



- Sales Agreement executed with Mitsubishi RtM in March 2019 to sell up to 100tpa LCE Product
- Preparatory works now underway for commencement of continuous operations from the Industrial Scale Pilot Plant, including
 - Employment and training of operational staff underway
 - Sourcing and procurement of chemical reagents
- LCE production to commence from mid-2019
- Flexibility in the Sales Agreement to extend the terms of the contract by mutual agreement for additional deliveries
- Operation of the Industrial Scale Pilot Plant will further validate costs structure and chemical process for the commercial scale operation
- Revenue generation whilst progressing development works toward commercial scale operations

Pablo commented “I am delighted we now have the opportunity to prove our chemical process experience in delivering material to Mitsubishi RtM. I look forward to the next steps in the growth of this development and producing LCE Product on a larger scale in the future.”

Rincon Development Update



Commercial Scale Development – 10,000tpa

- PEA completed for the Rincon Project in November 2018
- PEA results confirmed Rincon as a low cost, long life asset, generating attractive returns
- Primary focus to secure funding for the development of ~10,000tpa LCE production operation
 - Argosy continues to engage with potential strategic groups and off-takers – for a CAPEX funding solution
 - Pursuing traditional project funding in parallel
 - Permitting process has begun for ~10,000tpa production operation

Fast-Track Development

- Progressing alternative production strategies in parallel, to expedite revenue generation
- Modular construction approach provides opportunity to pursue fast-track production options
- Analysis underway for a ~2,000tpa plant, including discussions with potential product off-take groups
- Submitted regulatory documents and permitting applications for the development of initial ~2,000tpa commercial operation module lithium carbonate processing plant and associated operations
- 38 hectares of lithium brine evaporation ponds constructed, operational and producing concentrated lithium brine
- Key benefits of ~2,000tpa plant – further de-risks the Project and expedites Argosy's path to revenue generation

Commercial Scale Development

PEA Outcomes

- **PEA completed** on base case ~10,000tpa plant (with scope for increase to 15,000tpa)
- Base case **PEA resulted in a pre-tax NPV** (10% discount rate) **of US\$399m** and an **IRR of 53%**
- **Forecast Capex of US\$141m** including 15% contingency of US\$18.4m. Major capex items include process equipment of US\$39.9m, installation US\$20m and evaporation ponds US\$44.2m
 - Capital cost estimated values based on current operational data and actual costs from the industrial scale pilot plant and evaporation ponds construction experience
 - Capital costs are not so large to be prohibitive for potential development
- **2.1 year payback**
- **16.5 year mine life, with ability to extend with deeper drilling**



Commercial Scale Development

PEA Outcomes

- **Total Estimated Operating Cost US\$4,645/t** in the lower end of industry cost curve. Opportunity exists for price reduction on a per-unit basis for the non-fixed operating cost items with increasing production rates
- **Average annual pre-tax free cash flow over life-of-mine ~US\$74m, EBITDA margin 61%**
- Based on successful industrial scale pilot plant processing works, **Argosy has greater transparency on total costs**
- Permitting process has begun for ~10,000tpa production operation

Argosy is the only new lithium brine developer to have recently constructed an industrial scale pilot plant with successful proof of chemical process to produce 99.5% battery grade lithium carbonate

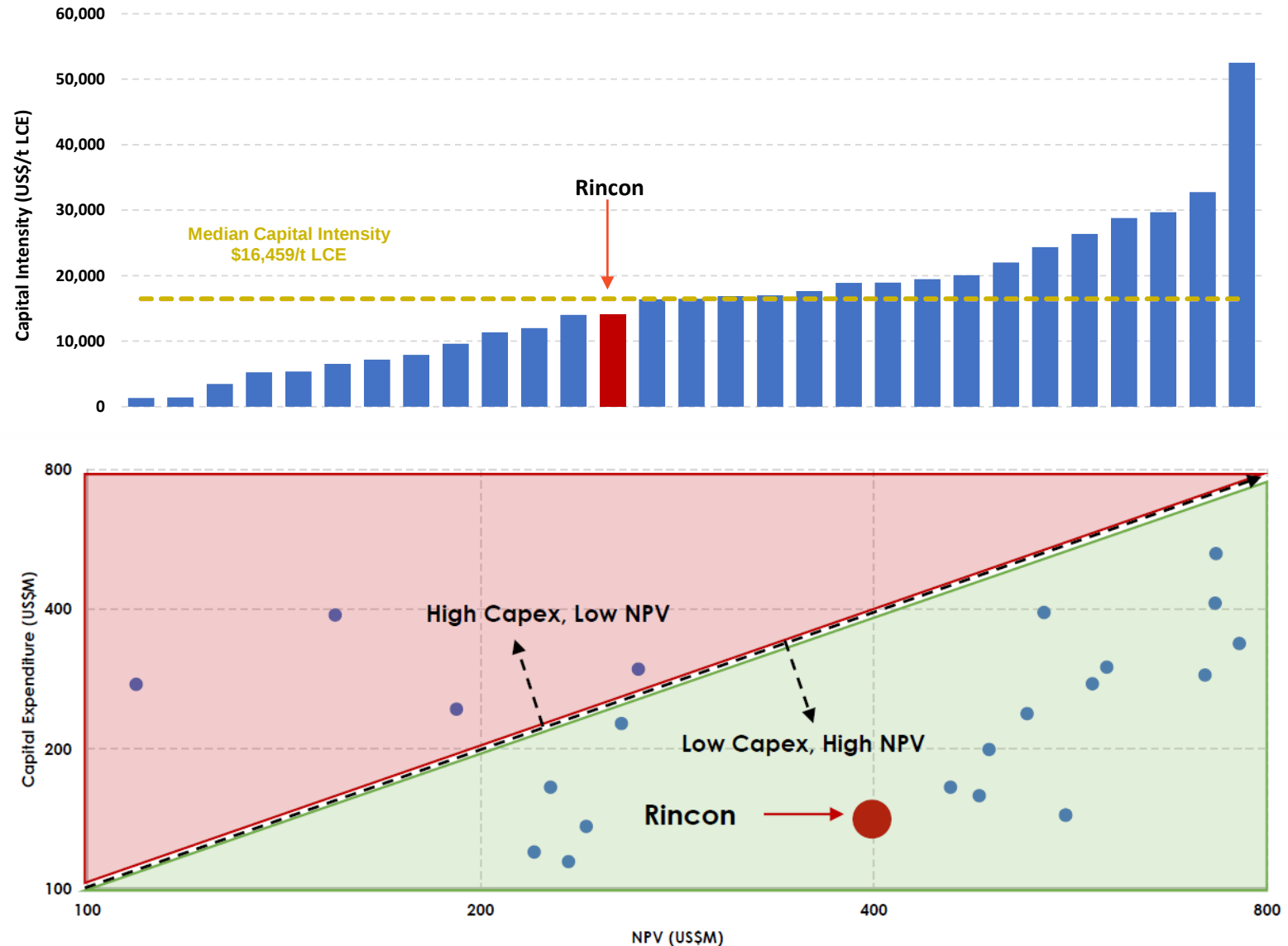


Rincon Project - A Stand Out Lithium Asset



Rincon PEA delivers world-class project economics

- Low Capex and low capital intensity
- The modelled NPV is ~3x the anticipated initial capital outlay
- Strong IRR of 53% and a short payback period of 2.1 years
- Expected to fall in the lower quartiles of the global lithium cash cost curve



Rincon Project: Location and Infrastructure

Rincon lies close to infrastructure in Salta Province, a prolific mining jurisdiction



- The Project lies within Salta Province, ~3,700m ASL, serviced by city of Salta with population of ~600,000
- The Puna region is known for its high evaporation rates, given UV is very high, predominant clear skies and minimal rainfall
- High quality regional and site infrastructure will facilitate project development, with road, rail, port facilities
- Power line adjacent to Project area with transformer approximately 7km to NE
- Railway siding located at Pocitos - approximately 20km



Salar Del Rincon

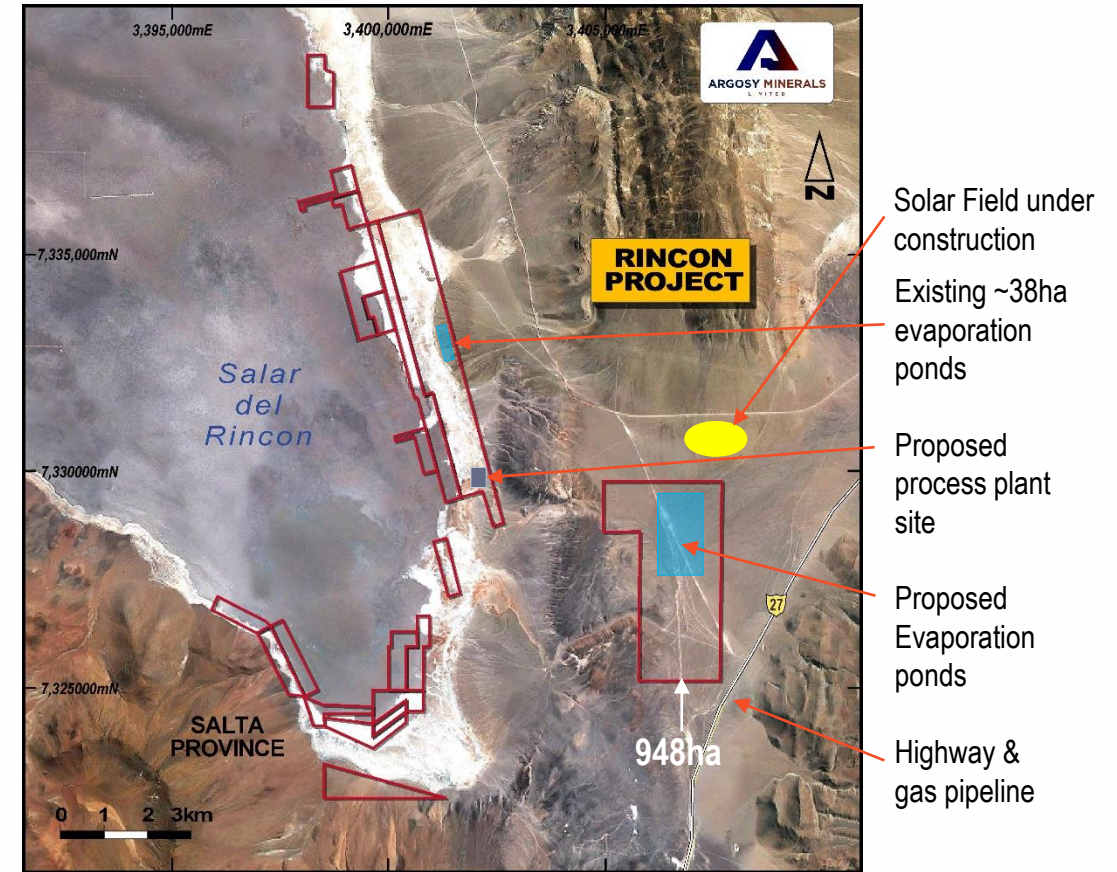
Railroad

Sealed Roads

High Voltage power line

Gas pipeline

- The Project ideally located to nearby infrastructure
- Commercial scale (~300ha) evaporation ponds to be constructed ~3km from production wells and process plant
- Project area located adjacent to highway and gas pipeline
- Approximately 20km NE is the industrial town of Olacapato, providing services and accommodation
- New solar field currently under construction by European consortium provides option for power generation source
- An abundance of nearby potential energy sources and transport options



Fast-Track Development

~2,000tpa Li_2CO_3 Production Strategy



- **Argosy has the opportunity to expedite production to produce ~2,000tpa LCE Product**
 - 38 hectares of evaporation ponds already constructed
 - Chemical process to produce 99.5% battery grade LCE Product proven, tested and operational via industrial scale pilot plant
 - Permitting for ~2,000tpa plant submitted
 - Construction period ~12 months
- **Significantly less capital outlay – evaporation ponds already funded**
- **Key benefits of a ~2,000tpa plant include:**
 - Enable Argosy to further validate chemical process scalability and commence initial commercial production
 - Expedited production – construction period ~12 months vs extended timeframe for ~10,000tpa LCE operation
 - Expedite the timeline to revenue generation vs ~10,000tpa production strategy
 - Further de-risks Project with significantly smaller capital outlay
 - Reduce funding risk/requirement for expansion to commercial scale operation
- **Able to add operational modules for future production capacity increase up to ~10,000tpa operation**

Development Highlights



- ✓ Successfully proven chemical process solutions for high quality lithium carbonate and hydroxide products
- ✓ PEA base case scenario¹ delivers exceptional returns
 - Pre tax NPV US\$399M (A\$554M)
 - IRR 53%
- ✓ Project has the ability to generate strong average annual cash flows – c. US\$74M (A\$102M)
- ✓ Long life asset - 16.5 years with a short 2.1 year payback
- ✓ Cash cost of production at the low end industry cost curve
- ✓ Ability to fast-track development and build a ~2,000tpa plant

The PEA confirms Rincon Lithium Project to be a low cost, highly attractive investment, ready to be upsized to commercial scale

¹ Based on forecast production of 10,000tpa and LCE price of US\$13,000/t

A New Lithium Producer



Argosy – A New Lithium Producer



-  **Exceptional PEA results for the Rincon Project**
 - Estimated operating costs at the low end of the industry cost curve
 - Ability to generate exceptional annual cash flows under all lithium price outlook scenarios
 - Long asset life - >16years (to 100m resource depth), with ability to extend via deeper drilling
-  **High level of confidence in chemical process and construction costs**
-  **Development options now open for production of Li_2CO_3 or LiOH – widening potential off-take pool**
-  **Mitsubishi RtM off-take validates technical process and credibility as a legitimate producer**
-  **Permit applications submitted for ~2,000tpa plant with approvals pending, whilst applications process for ~10,000tpa commercial scale operation have commenced**
-  **Company fully funded for the medium term**
-  **Positioned to continue fast-track development of Rincon**



Contact Us

To discuss how Argosy could benefit you, please contact:

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ASX Code: AGY



www.argosyminerals.com.au

Appendix – Top 20 Shareholder Register

Top Holders Grouped Report

Argosy Minerals Limited

Security Class(es): AGY - ORDINARY FULLY PAID SHARES

Display Top: 20

As at Date: 01-May-2019

Position	Holder Name	Holding	% IC
1	MR JERKO PETER ZUVELA <JAKKZ DISCRETIONARY A/C>	47,155,759	4.65%
2	DIHNA NADA ZUVELA <DNZ DISCRETIONARY A/C>	32,277,469	3.18%
3	MR STEVEN MARIN ZUVELA <TAEZ A/C>	25,964,731	2.56%
4	MR ALEXANDER ALAN MOLYNEUX	25,250,000	2.49%
5	CAVALIER RESOURCES PTY LTD <THE CAVALIER A/C>	23,437,102	2.31%
6	CITICORP NOMINEES PTY LIMITED	18,766,177	1.85%
7	VELVET BAY HOLDINGS PTY LTD <THE VELVET BAY A/C>	18,686,245	1.84%
8	OSF NOMINEES PTY LTD <FREDERICKSON SUPER FUND A/C>	16,660,011	1.64%
9	PETER VANDA RESOURCES PTY LTD <JOHN A ZAMBONI FAMILY A/C>	15,988,188	1.58%
10	JOHN ANTHONY ZAMBONI	12,118,440	1.19%
11	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	11,460,875	1.13%
12	MR RODNEY RONALD CHATFIELD & MS JOAN MCCONNON <ROD CHATFIELD S/F A/C>	11,342,819	1.12%
13	MR JERKO PETER ZUVELA	11,122,990	1.10%
13	MRS ANITA DRAGANA ZUVELA	11,122,990	1.10%
14	MR STEVEN CAMARDA <S C A/C>	10,161,474	1.00%
15	MR WEIMIN CHEN	9,995,298	0.99%
16	MR JAMES ANTHONY MORLEY & MS YUKARI TAKAHASHI <MORLEY SUPERFUND A/C>	9,788,000	0.96%
17	LIGHTHOUSE HOLDINGS WA PTY LTD <THE LIGHTHOUSE A/C>	9,600,000	0.95%
18	MR BRIAN ANTHONY SIEMSEN	8,628,150	0.85%
19	SUNLIGHT BAY HOLDINGS PTY LTD <THE SUNLIGHT BAY A/C>	8,533,333	0.84%
20	NEPTUNE FISHING CO PTY LTD <CAMARDA SUPER FUND A/C>	8,122,474	0.80%
	Total	346,182,525	34.12%
	Total issued capital - selected security class(es)	1,014,502,141	100.00%

Appendix – Argentina Open for business

Positive macro-economic developments underpin strong growth outlook

- **Investment Friendly tax regime, no need to negotiate separate fiscal agreements:**
 - *Corporate income tax at the rate of 30% from 1 January 2018, reducing to 25% from 1 January 2020*
 - *30 year tax stabilisation*
 - *VAT is set at 21%, with some capital items attracting a lower rate of 10.5%. Reimbursement for imported capital assets & services*
 - *Depreciation: On all capital expenditure and pre-production costs at an accelerated rate over 3 years*
 - *Import and export duties are 0%*
- **Mineral rights and regulatory approvals controlled by Provinces**
- **All approvals/permits granted to date expeditiously by Salta Province government departments**
- **Positive meetings with President Macri and Salta Province government officials - <https://www.youtube.com/watch?v=FSdHmL5oayU> (enable English subtitles by settings > subtitles > auto Translate > English)**



Appendix – Industrial Scale Pilot Plant

