

ASX ANNOUNCEMENT

26 October 2023

QUARTERLY ACTIVITIES REPORT – SEPTEMBER 2023

HIGHLIGHTS

- ✦ 2,000tpa operation works progressing, with performance testing works being conducted to improve filtration rates, on path to achieving continuous operations and leading to ramping up production
- ✦ Pre-development works progressing for 10,000tpa operation expansion
- ✦ Positive progress with EIA regulatory approval and strategic partner process for 10ktpa expansion operation
- ✦ Resource expansion & production well drilling works completed – targeting a lithium brine Mineral Resource Estimate upgrade (by late-2023) and an increased production rate forecast & project mine-life extension (by end Q1-CY2024).
 - Provides further support for expanding commercial scale development of Rincon Lithium Project
- ✦ 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 ~\$17.8 million at 30 September 2023 (with an additional US\$703,000 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 ~42.5 tonnes of battery quality lithium carbonate product to date, with average product quality up to 99.9%.

The Company is targeting to achieve continuous production operations, with current works focussed on improving operational performance and facilitating the ramp up of production operations, including actions and test-works to improve filtration rates within the primary solids filtration circuit.

Production output has been constrained due to downtime associated with equipment modifications and the performance testing conducted on the primary solid's filtration circuit, which are being prioritised to expedite achieving continuous production operations.

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

10,000tpa Environmental Impact Assessment Process

The Company continued engagement with key Salta government officials and regulatory authorities to expedite the 10,000tpa operation EIA regulatory approval process. Argosy and Puna Mining senior executives, along with a representative from a potential strategic group, held a meeting with Salta government officials - Production Minister Mr Martin de los Rios and Mining Secretary Ms Romina Sassarini, to ensure effective finalisation of the Company's EIA approval process.



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The Company finalised and submitted all requested updated technical hydrogeological information, received notification that the Salta Mining Court has processed and approved our EIA submission, with final official approval by the Mining Secretary now awaited.

10,000tpa Operation Expansion Pre-Development Works

The Company continued progress on applicable pre-development works for the 10,000tpa operation expansion, with scope definition and conceptual engineering works being conducted in preparation for FID (financial investment decision), EPCM contractor evaluation and selection process works prior to EIA regulatory approval receipt, on-going recruitment and build-out of the project team, and industrial water drilling operations, to ensure operational readiness for the 10,000tpa facility construction works.

Rincon Resource Expansion & Production Well Drilling

The Company completed its production well rotary drilling and resource expansion exploration diamond drilling works program, comprising two production wells and six exploration drill sites.

Production Well Drilling Works

The production well rotary drilling program was completed, with two deep brine-production bores, PRP-3 and PRP-4, both drilled to a depth of 350m. Pump testing and brine sampling works were carried out for both wells, with associated works and results to facilitate the preparation of an increased production rate forecast & project mine-life extension (and possible preparation of a brine Ore Reserve estimate and upgraded feasibility study).

The test pumping works involved a step rate test and constant rate test, with data from these tests assessed to compare/verify aquifer parameters adopted for the black sand aquifer unit (the deep aquifer) in previous resource modelling.

From the current tests, the black sand hydraulic conductivity was estimated to be approximately 1m/d. This compares favourably to the adopted hydraulic conductivity of 0.5m/d that was used for previous modelling.

The test-work results indicate an increased confidence that the performance of the black sand aquifer during future brine-abstraction will be consistent or better than that previously modelled, and that previous modelling completed is likely to be suitably conservative with respect to brine abstraction rates from deep sand pumping bores, and the pumping tests confirming that lithium brine can be economically abstracted from the deep sand aquifer.

The pumping test results present opportunities for borefield optimisation and efficiency-gains, during production forecasting and/or reserve modelling, as the project develops.

Resource Expansion Exploration Diamond Drilling Works

The completed exploration diamond drilling program comprised six drill sites and targeted the deeper aquifers that underlie the existing Indicated Mineral Resource, with drilling conducted to depths up to 427m and brine samples collected to depths up to 386m.

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Core and brine samples were sent for laboratory analysis, with all analysis results received. These results are being utilised in the current preparation of an upgraded brine Mineral Resource Estimate, targeted for completion by late-2023.

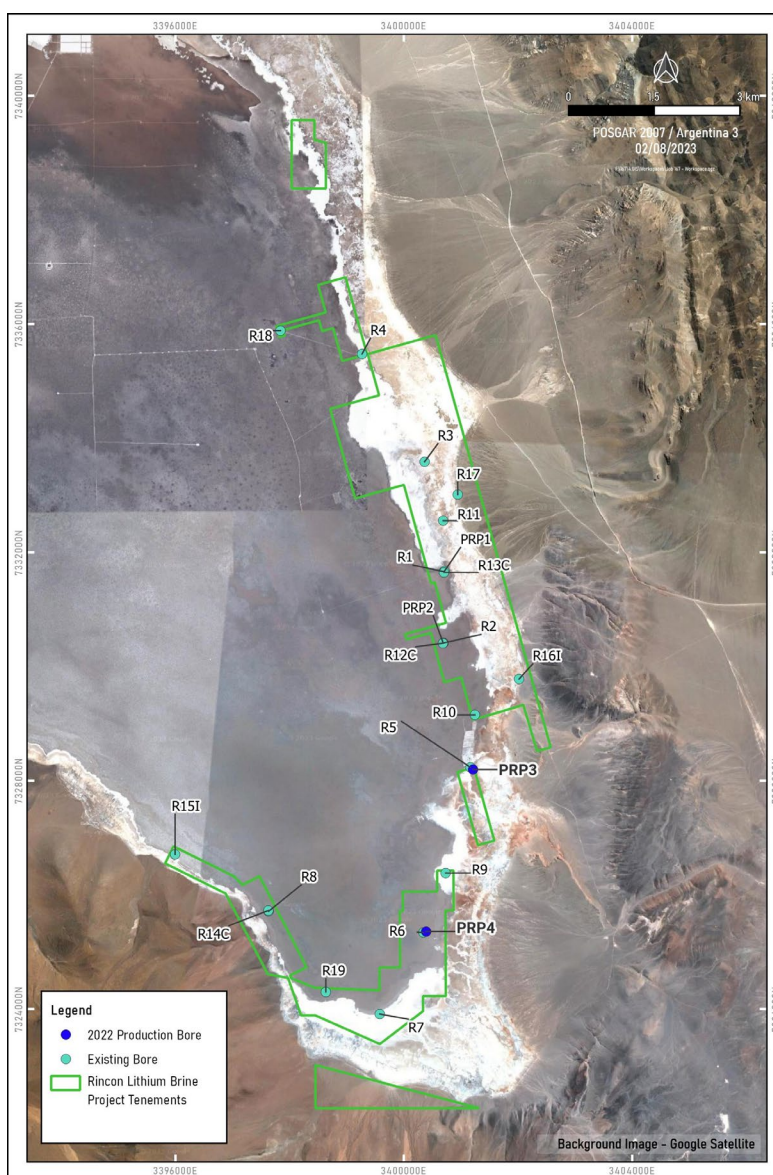


Figure 5. Rincon Lithium Project – Borefield Location Plan

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, and is progressing the key arrangements for such.

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.

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

The Company is aiming 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 is reviewing its exploration strategy to assess works conducted and results obtained from neighbouring projects to further assist with defining priority lithium brine targets and select drill sites for planned exploration drilling works to determine the lithium brine potential at the project.

In addition, the Company is continuing to assess the water rights regulations in the project area to understand such impact for future development consideration.

Lithium Market Update

Lithium prices drifted lower during the quarter as the market continued to work through surplus inventories and lingering concerns of a global economic slowdown impacting EV demand. With the Chinese market being the current predominant driver of lithium prices in today's market, upcoming seasonal influences are likely to see lithium prices increase going into the fourth quarter. From a demand perspective, September through to December are typically the bigger buying months for motor vehicles. The supply side should also start to tighten as the approaching winter months slow China brine operations.

The pace of lithium price falls has decreased in recent weeks as the market appears to have found a floor, with producers reluctant to sell at current market prices. The S&P Platts lithium carbonate price CIF North Asia ended the September quarter at US\$23,700/t, whilst the Benchmark Mineral Intelligence (BMI) lithium carbonate CIF Asia (contract) price was US\$37,000/t, and the Fastmarkets lithium carbonate CIF China, Japan, and Korea (contract) price was US\$26,000/t. The BMI lithium carbonate (Min 99.0%) FOB South America spot price



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continued to trade higher than Asian spot prices, closing the September quarter at US\$34,750/t.

China remains the largest producer and buyer of EV's globally, with China EV sales for September up 6.9% month on month, and approximately 28% higher year on year, representing 37% of all new vehicle sales. EV production for September were at record highs, up 4.3% on August production and 16% higher year on year, according to the China Association of Automobile Manufacturers.

Globally, the long-term prospects and appetite for EV's is set to continue with consumer and infrastructure support providing a solid footing for growth. Some 23 countries have now passed a crucial tipping point, with EV sales surpassing the 5% threshold of new car sales. As with other new technologies, after this point, adoption is expected to pick up dramatically.

All the world's leading car manufacturers are moving to EV production, with new car prices continuing to reduce and consumer options increase. The growth in EV sales continues to surpass market expectations. In 2016, global EV sales were approximately 700,000, increasing to 3 million in 2020, 6 million in 2021, and 10 million in 2022. According to Bloomberg NEF, EV sales for 2023 are forecast to be 14 million and increase to 27 million in 2026.

Argosy remains well positioned to capitalise on strong lithium market fundamentals, with anticipated product sales from the 2,000tpa operation to capitalise on current lithium prices and provide significant economic benefit and support for our planned 10,000tpa 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.

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 ~\$17.8 million (as at 30 September 2023), with an additional US\$703,000 held in Puna Mining S.A. bank account at 30 September 2023.

During the Quarter, expenditure of approximately \$4.37 million was provided to Puna Mining to fund the continued development works at the Rincon Lithium Project, and an additional \$553,000 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 \$226,000 (as per ASX Listing Rule 5.3.1).

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As outlined in the attached Appendix 5B (section 6.1 and 6.2), during the Quarter, approximately \$170,000 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).

The Company appointed Company Secretary Ms Andrea Betti as Non-Executive Director. Ms Betti will maintain her role as Company Secretary.

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%)
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.



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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.

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

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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:

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

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

