

30 April 2024

QUARTERLY ACTIVITIES REPORT – MARCH 2024

HIGHLIGHTS

- Government of Salta Province officially approves Company's Environmental Impact Assessment for development of the 10,000tpa battery quality lithium carbonate production operation expansion at Rincon Lithium Project
 - EIA approval significantly de-risks Rincon Project development
 - Argosy will prioritise strategic partner process targeting to secure capex funding and off-take arrangements for the 10,000tpa expansion operation
- Dynamic modelling produces outstanding results for Rincon Project, indicating;
 - brine can be pumped for a period of up to 42 years to produce 12,000tpa of lithium carbonate, or
 - brine can be pumped for a period of up to 22 years to produce 24,000tpa of lithium carbonate
- 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), and comprises;
 - 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 operational works progressing toward continuous production operations
- Pre-development engineering works progressing for 10,000tpa operation expansion
- International lithium carbonate price outlook remains 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 ~\$9.3 million at 31 March 2024 (with an additional US\$348,000 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.

10,000tpa Environmental Impact Assessment 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 our 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 approval 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 lithium carbonate product up to a capacity of 12,000tpa of at our Project.

Dynamic Modelling Works

Per the Company's announcement on 12 April 2024 - *Updated: Dynamic Modelling Produces Outstanding Results for Rincon Lithium Project* (refer to for further details), independent dynamic modelling works were conducted by AQ2 Pty Ltd 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 have been 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.

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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 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 351 mg/L.

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.

2,000tpa Lithium Carbonate Production Facility

The Company continued progressing operational works at the 2,000tpa lithium carbonate facility. Recent works conducted represent the final parts of the critical path process to achieving continuous operations, leading into increasing production over coming months.

These critical path works have centred on the primary solids filtration circuit, with solids bypass being encountered during filter press operations. The production team is cleaning and subsequently replacing damaged filter cloths to enable continuous production operations.

Other work has been conducted to repair the standby primary cooling station to ensure concentrated brine is cooled to required temperatures for primary waste solids precipitation, and optimising the magnesium hydroxide re-pulping station to improve reliability in the secondary stage of magnesium hydroxide solids filtration to increase lithium recovery and process efficiency.

The Company has also carried out product testing with potential customers for initial product off-take and/or sales arrangements, with very positive product quality test results achieved by these groups. This has generated strong interest from such groups and the Company will consider its sales/off-take strategy whilst assessing and evaluating the strategic partner process.



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

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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 design and engineering, and 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.

These works will now be accelerated following receipt of the EIA regulatory approval.

Strategic Partner Process

With the receipt of the EIA regulatory approval providing significant de-risking for a potential strategic group to become involved in realising the development of the next 10,000tpa stage of our Rincon Project, the Company is expediting the strategic partner process targeting to secure funding via prepayment (or similar) investment associated with long-term off-take arrangements for the 10,000tpa expansion operation from a tier-1 counterparty in the EV supply chain.

The Company engaged an international investment bank to accelerate this work with the aim of determining the preferred group and finance structure. Various groups have conducted due diligence including site visits, with the process progressing positively to date.

The Company's key strategic considerations to finalising constructive arrangements for the formal agreements are realising mutual alignment and long-term sustainability for the strategic benefit of the parties, with targeted timing to meet the completion and readiness of all detailed engineering works and EPCM contractor award.



Figure 3. Rincon Lithium Project

The Company is working to finalise upcoming key significant 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, slower than forecast EV adoption, and reduced lithium demand as battery manufacturers

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continued to draw down on current inventories. This has resulted in lithium project delays and curtailment in lithium production. However, Chinese domestic lithium carbonate prices turned higher in late February, supporting signs of the recovery in lithium demand, suggesting underlying strong structural demand for EV's (especially in certain regions) and the market rebalancing during 2024.

The S&P Platts lithium carbonate price CIF North Asia ended the March quarter at US\$14,350/t, whilst the Benchmark Mineral Intelligence (BMI) lithium carbonate CIF Asia (spot) price was US\$13,375/t and the Fastmarkets lithium carbonate (min 99.5%) CIF China, Japan, and Korea (spot) price US\$13,250/t. The BMI lithium carbonate (Min 99.2%) CIF Asia contract price traded slightly higher than Asian spot prices, closing the March quarter at US\$13,500/t.

On the demand side, global EV sales were 25% higher than a year ago. In China, sales of EV's totalled 883,000 units in March (35% higher than the same month last year), with Chinese EV makers announcing a series of price cuts in the first quarter to increase sales further.

Long-term prospects and appetite for EV's continues, with estimates for 2024 sales leverage an already strong 2023, which saw the sale of EV's near 14 million - accounting for 18% of all cars sold (up from 14% in 2022). This represents a difference of 3.5 million more EV's sold in 2023 than in 2022 (35% higher than the prior year).

With the recent EIA approval for the 10,000tpa expansion operation, Argosy is in a positive position to capitalise on lithium market fundamentals. The Company is planning strategic sales from the 2,000tpa operation to provide valuable economic benefit and support for the planned 10,000tpa expansion operation.



Figure 4. Rincon Lithium Project – 2,000tpa Operations

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

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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.

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

Corporate

The Company is in a strong financial position with cash reserves of ~\$9.3 million and an additional US\$348,000 held in Puna Mining S.A. bank account, at 31 March 2023.

During the Quarter, expenditure of approximately \$3.92 million was provided to Puna Mining to fund the continued development works at the Rincon Lithium Project, and an additional \$436,000 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 \$37,000 (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%)

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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.

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.

For further information:

Jerko Zuvela
Managing Director

T | +61 8 6188 8181

E | admin@argosyminerals.com.au

W | www.argosyminerals.com.au

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.



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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 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



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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:

- 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
- 13th Nov 2018 - Argosy Upgrades Lithium Rincon Lithium Project JORC Resource

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.

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Appendix 1: Rincon Lithium Project Location Map



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