

29 October 2024

QUARTERLY ACTIVITIES REPORT – SEPTEMBER 2024

HIGHLIGHTS

- **Strategic pathway to completing 12,000tpa project development engineering and DFS works to a construction-ready stage and commercialise the Rincon Lithium Project**
- **Mineral Resource Estimate upgrade works in progress following acquisition of additional tenements**
- **Utilising upgraded MRE, hydrogeological & dynamic model is being updated to increase mine-life and brine abstraction scenarios**
- **Spot sales contract executed for 20 metric tonnes of battery quality >99.5% lithium carbonate product achieving price of US\$13,400/t – a premium to market prices**
- **~80t of lithium carbonate product stockpiled for strategic sale**
- **International lithium carbonate price outlook remains supportive to realise Argosy's lithium production development strategy**
- **Strong financial position with cash reserves of ~\$7.3 million (with an additional US\$62,000 held in Puna Mining S.A. bank account) at 30 September 2024**

Argosy Minerals Limited ("Argosy" or the "Company") continued development works at the Rincon Lithium Project ("Rincon") in Argentina, and owns the Tonopah Lithium Project in Nevada, USA, achieving significant milestones at Rincon 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.

The Company is committed to developing the 12,000tpa project at Rincon, utilising international engineering services companies to conduct the engineering works to deliver the DFS and FEED, applying the Company's validated lithium process technology and operational learnings realised to date.

12ktpa Project Engineering & Feasibility Works

The Company has defined a scheduled pathway to deliver the 12,000tpa project engineering and definitive feasibility study (DFS) works targeting a final investment decision (FID) during H2-2025 and to successfully commercialise the Rincon Project.

Feasibility and engineering works are currently progressing in conjunction with international engineering consulting services firms Lycopodium and Saxum. These works utilise key process

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and operational parameters, test data and inputs, mechanical design improvements, and learnings from the 2ktpa demonstration facility operations to support an expedited development schedule towards completing the DFS and achieving an FID. This is scheduled to support commencing early site works, procuring long-lead items, completing front-end engineering design (FEED), and commencing construction works by end-2025.

This development pathway aligns with securing a funding solution via a strategic partner, with the key milestone of regulatory approval to construct and operate the commercial scale 12,000tpa facility already achieved. The other key target being the successful completion of the DFS, which will include updated capital and operating cost estimates, and the project delivery schedule.

The works scope will progress to design of the process and non-process infrastructure facilities towards the 12ktpa execution phase.

Mineral Resource Estimate, Hydrogeological & Dynamic Model Update

A Mineral Resource Estimate (MRE) upgrade is currently being prepared, based on the additional tenements acquired by the Company. The upgraded MRE forms the basis for updating the hydrogeological and dynamic model, with such works currently being completed.

The primary outcomes of the updated hydrogeological and dynamic modelling works are to confirm increased brine availability and expand brine abstraction scenarios for long-term sustainable pumping rates and varying borefield configurations.

These works aim to define a larger MRE and an extended mine-life to support lithium brine pumping operations for a 12,000tpa lithium carbonate operation and a potential expanded 24,000tpa development scenario.

The results will contribute to the engineering and DFS works, potentially improving the Project's economics through optimised borefield design, increased lithium brine abstraction efficiency, a longer mine-life and expanded operating rate scenarios.

Lithium Carbonate Spot Sale Contract

The Company executed a Spot Sales Contract with a Korean chemical company for the sale of 20 metric tonnes of battery quality lithium carbonate product produced from the Company's operations at the Rincon Lithium Project, achieving a sales price of US\$13,400/t – being a premium sales price noting current lithium market pricing.

The Spot Sales Contract price was referenced from Fastmarkets 99.5% Li₂CO₃ min, battery grade, spot prices CIF China, Japan and Korea, with payment terms being an irrevocable letter of credit at sight (Incoterms) and payment immediately on receipt of original shipping documents.

The Company is now working through product export logistics, with the cargo expected to commence transport upon completion of the freight and export protocols.

The Company has ~80t of lithium carbonate product stockpiled for strategic sale.

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Strategic Partner Process

Whilst current lithium prices and market sentiment remain subdued, which has impacted the level of strategic interest and capacity during this period, the sector has been energised by recent M&A activity. Furthermore, with industry analysis of forecast lithium supply/demand indicating a structural deficit over coming years, the Company continues receiving in-bound interest relating on the strategic partner process - targeting funding investment associated with long-term off-take arrangements for the 12,000tpa project from groups within the battery/EV supply chain and broader lithium industry participants. The Company expects such strategic interest to escalate with the continued M&A interest.

The Company continues to assess and review each opportunity, is maintaining engagement with the international investment bank, and reviewing established strategic relationships. In parallel, various groups continue their due diligence processes on the Project, with the aim of determining a preferred strategic partner and investment structure.

The Company's status, operational capability and capacity, and stockpiled lithium carbonate product continue to prove beneficial in these strategic negotiations, including the de-risking of project investment by conducting the engineering and feasibility works outlined herein for the development of the 12,000tpa project.

The Company reiterates its key commercial strategic consideration is to establish formal agreements to realise mutual alignment and long-term sustainability for the strategic benefit of the stakeholders, especially during the current stage of the lithium cycle, to fully develop the Project.

2ktpa Lithium Carbonate Demonstration Facility

The Company suspended operations at the demonstration facility operations and effected the necessary workforce restructuring due to current lithium market conditions and near-term lithium price forecasts, fiscal prudence to maintain capital preservation practices, and prioritising continued development of the 12,000tpa project.

The Company determined that rectification works being conducted to advance the ramp-up phase of continuous operations and progressing production operations would not achieve economic viability in the short term, and whilst lithium markets remain subdued, elected to preserve capital and not invest such funds into the operation.



Figure 1. Rincon Lithium Project



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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.

The Company renewed all its project licences during the quarter.

Lithium Market Update

Lithium prices remained subdued through the quarter with reduced spot market activity, however in the lead up to the Chinese Golden Week holiday saw stronger demand from Chinese LFP cathode producers supplying EV and ESS end markets. Sentiment strengthened following a substantial Chinese stimulus package, however such sentiment cooled as high inventory levels slowed procurement pressure.

The S&P Platts lithium carbonate price CIF North Asia ended the September quarter at US\$10,400/t, whilst the Benchmark Mineral Intelligence (BMI) lithium carbonate CIF Asia (spot) price was US\$10,250/t, and the Fastmarkets lithium carbonate (min 99.5%) CIF China, Japan, and Korea (spot) price US\$11,000/t. The BMI lithium carbonate CIF Asia contract price traded around Asian spot prices, closing the quarter at US\$10,400/t.

Prices for lithium carbonate in China remained at a premium to hydroxide reflecting growing regional preference for LFP cathode chemistries over high-nickel NCM, from the electric vehicle (EV) sector, which is the primary driver of current lithium demand.

According to Rho Motion market research, global sales of fully electric and plug-in hybrid vehicles rose by an annual 30.5% in September, as China surpassed a record number exceeding one million sales in August, whilst European markets resumed growth. In the USA market, the market has been slow and steady in lead up to their election. Year-to-date total EV sales by end September 2024 reached 10.6 million.

According to Fastmarkets, Chinese inventories are expected to remain high across the EV supply chain, but while total supply chain inventories are building, there has been a slight reduction in China's carbonate inventories. Overall, it is anticipated that there is likely to be a mild recovery in lithium prices in Q4-2024, due to Chinese growth in industrial activity coupled with increasing producer restraint.

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. It remains committed to supporting local communities through jobs, training, procuring goods and services locally (where possible) as it progresses project development.

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 support the long-term sustainability of our project.

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Corporate

The Company is in a strong financial position with cash reserves of ~\$7.3 million and an additional US\$62,000 held in Puna Mining S.A. bank account, at 30 September 2024.

During the Quarter, expenditure of approximately \$2.59 million was provided to Puna Mining to fund project development works at the Rincon Lithium Project (including one-off staff redundancy and associated payments), and an additional \$536,000 was incurred directly by the Company for on-going development works at the Rincon Lithium Project (as per ASX Listing Rule 5.3.2). Such project development expenditure is expected to reduce following the suspension of the 2ktpa demonstration facility operations.

Exploration and evaluation expenditure conducted during the Quarter was approximately \$136,000 - primarily for Tonopah Project rent payments (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 \$191,000 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%)
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%)
# File 22248 (Payo Silvana) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
# File 20541 (Claro de Luna) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
# File 21503 (Santa Ines III) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
# File 21460 (Candelaria IV) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)



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# File 20374 (Candelaria) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
# File 5413 (Agulia) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
# File 769477 (Santa Bernardita) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
# File 21909 (Toitul) ¹	Salta, Argentina	77.5% (JV, earning up to 90%)
# Mining easement right (File 769785) 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.

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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



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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 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



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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

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

