

Argosy Minerals Ltd

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Argosy Minerals adding US project to basket of high-quality lithium assets

Argosy Minerals Limited (ASX:AGY) is adding to its lithium asset base by executing a sale agreement for the Tonopah Lithium Project (TLP) in the US state of Nevada.

TLP provides an opportunity for Argosy to advance an early stage lithium project by applying the strategy it has used successfully at the Rincon Lithium Project in Argentina.

The project is about 4 kilometres from Albemarle Corporation's (NYSE:ALB) Silver Peak lithium brine operation, the only lithium carbonate producer in the US, having been in production more than 50 years.

Diversifying global footprint

Argosy managing director Jerko Zuvela said the acquisition would diversify Argosy's global footprint and provide an opportunity to utilise the company's lithium production experience to potentially develop TLP.

Shares were up 16% to an intra-day high of 11.5 cents.

Zuvela said: "Argosy has achieved significant development milestones at Rincon, notably 99.5% lithium carbonate production from the industrial-scale pilot plant, and we have now selected TLP to further expand our fast-track lithium development strategy.

"The USA is fast becoming a powerhouse in the EV industry and its government is taking steps to promote the highly strategic battery minerals industries.

"Argosy in prime position"

"TLP will place Argosy in prime position to take advantage of our expertise in an established mining region.

"We remain committed to our priority Rincon Lithium Project and the near-term development of the 2,000tpa LCE production plant."

With the Rincon project operational and being further de-risked, Argosy has secured a strategic foothold in a world-class mining jurisdiction, being about 300 kilometres from the Tesla Gigafactory.

The agreement has been executed with LCME Holdings Inc, a subsidiary of Lithium Consolidated Mineral Exploration Ltd (ASX:Li3), Big Smokey Exploration LLC, ProspectOre LLC and ProspectOre Inc.

It includes acquisition of 100% of the tenements comprising the TLP.

Price: 0.089

Market Cap: \$90.74 m

1 Year Share Price Graph



Share Information

Code: AGY

Listing: ASX

52 week High Low
0.16 0.061

Sector: Battery Metals

Website: www.argosyminerals.com.au

Company Synopsis:

Argosy Minerals Ltd (ASX:AGY) is listed on the Australian Securities Exchange.

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Meticulous selection process

Argosy conducted a meticulous identification and selection process to confirm TLP's credentials and the project's development prospectivity.

The company timed its approach to ensure a very low-risk entry-point to provide maximum upside potential.

TLP is in one of the world's most favourable and stable mining jurisdictions and home to the USA's burgeoning electric vehicle industry, with well-developed infrastructure and a skilled local mining workforce.

Lithium deemed 'critical'

Argosy considers the opportunity to acquire a US project in a jurisdiction supportive of the commercial development of lithium, and which is listed on the US Government's 2018 Final List of 35 Minerals Deemed Critical to US National Security and the Economy, as a strategic position to further develop the company into a world-class lithium producer.

Furthermore, last month, the US Department of Commerce reported that "unprecedented action" would be taken to strengthen the USA's critical mineral supply chains, including via support for domestic resource development.

Argosy will, subject to successful completion of due diligence, initiate works at TLP to determine the most effective development strategy.

The company will secure highly skilled and experienced in-country consultants to assist with advancing the project.

Sale terms

Material terms of the sale agreement include:

- The sale of a 100% interest in TLP, consisting of 425 claims, in Esmeralda County, Nevada.
- Non-refundable cash payment upon signing of US\$10,000 to the vendors.
- Due diligence period ending on August 26, 2019, and at which time Argosy can make a purchase election.

Upon making a purchase election, Argosy will pay the claims renewal costs, for each of the 425 claims, by September 1, 2019, comprising:

- The Federal Annual Mining Claim Maintenance Fee (approximately US\$165 per claim); and
- The County Mining Claims Fee (approximately US\$12 per claim).

The company will also pay the purchase price of US\$50,000 to the vendors.

Upon releasing a project milestone for a JORC mineral reserve of one million tonnes of LCE product or first commercial production, Argosy will make a milestone payment of A\$500,000 to the vendors.

Reviewing new projects

Argosy is also continuing to work proactively to review and consider new projects in the sector to utilise its established lithium experience and expertise to complement the project portfolio.

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