

ASX Release
30 November 2016

CHAIRPERSON'S ADDRESS TO AGM

Since last year's Annual General Meeting your Company has made significant progress towards the development of its flagship Mackay Sulphate of Potash ("SOP") Project. Work undertaken during the year to improve our knowledge and confidence in the Project assumptions and the progress towards the development of the Project included:

- An initial evaporation trial, which confirmed the evaporation pathway and generated Potassium salts which were successfully used to produce SOP;
- Hydrogeological modelling, to improve our confidence in the Mineral Resources and the potential of the brine deposit to release large-scale volumes of Potassium rich groundwater over multiple decades;
- A geotechnical study, that identified an area of lakebed sediments suitable to host un-lined solar evaporation ponds;
- A process water evaluation, which has identified a large aquifer with potential to host groundwater resources exceeding the Project's requirements; and
- Initial process design, based on successful laboratory testwork and which has confirmed the use of existing well understood process routes and equipment.

The Company reported the outcomes of a positive Scoping Study in August 2016, which was undertaken by an international team of experienced consultants who worked closely with Agrimin's management. The Scoping Study supports production of 370,000 tonnes per annum of SOP over an initial 20 year life, with potential to increase both operational capacity and life. The development cost for the Mackay SOP Project is estimated to have an industry low capital intensity and the operating cost is estimated to be in the bottom quartile of the industry mine gate cost curve. We believe the Mackay SOP Project offers internationally significant scale and compelling financial metrics.

Subsequent to the Scoping Study, Agrimin has completed a comprehensive infill drilling program, to improve confidence in the Mineral Resources and has also reported the successful production of final SOP product at the laboratory scale.

It is important to note that the Company has now tested its planned SOP production process all the way through at the laboratory scale. These tests commenced with pumping a trial trench, using the brine for an evaporation trial and finally using the Potassium salts harvested from the trial to produce SOP at a grade of 53.8% K₂O.

Agrimin continues to receive strong community support and encouragement for its development plans at the Mackay SOP Project. In October 2016, the Company agreed to a Negotiation Protocol with Tjamu Tjamu (Aboriginal Corporation) RNTBC, the Native Title representative body for the Kiwirrkurra people. Reaching agreement on the Negotiating Protocol is an important and significant milestone towards negotiating the terms of a Mining Agreement for the development and operation of the Mackay SOP Project, whilst preserving the traditional way of life of the Kiwirrkurra people. We appreciate the relationship we have with Tjamu Tjamu and the spirit in which they meet and communicate with us.

With the process pathway to produce SOP well understood and key critical path items rapidly advancing, the Company has committed to the activities required, including the recently completed infill drilling, to support the completion of a Pre-Feasibility Study.

Your Board maintains belief that the market fundamentals for SOP remain very supportive for the development of new sources of SOP production. Western Australia is an exciting new SOP province and Agrimin is at the forefront of establishing this new industry in Australia.

The United Nations forecasts approximately 71 million new people to feed each year which is roughly equivalent to the population of Germany, while at the same time the amount of arable land is shrinking around the world. The demographic shift from rural to urbanised populations is expected to further increase the demand for higher quality crops, such as fruits and vegetables. The underlying trends indicate continued demand growth for SOP.

Growing demand for high-quality food crops requires ongoing replacement of Potassium without the high Chloride levels which are contained in the standard form of potash, or muriate of potash (“MOP”). SOP is a critical raw material for the manufacture of many high-quality compound fertilizers. As a direct producer of SOP, Agrimin has a natural advantage over companies processing MOP to produce SOP which has a higher cost and produces large amounts of hydrochloric acid.

The Mackay SOP Project is the world’s largest undeveloped salt lake SOP deposit and comparable to major SOP producing salt lakes internationally.

In the year ahead Agrimin will continue to progress to our goal of developing a sustainable, long-life SOP operation at Lake Mackay, and aiming to emerge as Australia’s first SOP operation.

Thank you,

Brad Sampson
Chairperson

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