

ASX Release
13 January 2017

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 31 DECEMBER 2016

Highlights

Mackay SOP Project

- **Negotiation Protocol signed with Tjamu Tjamu with a view to entering into a Mining Agreement**
- **Appointment of Mr Laurie Mann as Study Manager to lead the Pre-Feasibility Study**
- **Process testwork demonstrates a high quality 52% K₂O grade is achievable at commercial scale**
- **Next stage of evaporation trials are underway**
- **Full results from the 2016 field program and updated Mineral Resources are expected in Q1-2017**

Agrimin Limited (ASX: AMN) (“Agrimin” or “the Company”) is pleased to report its activities for the quarter ending 31 December 2016.

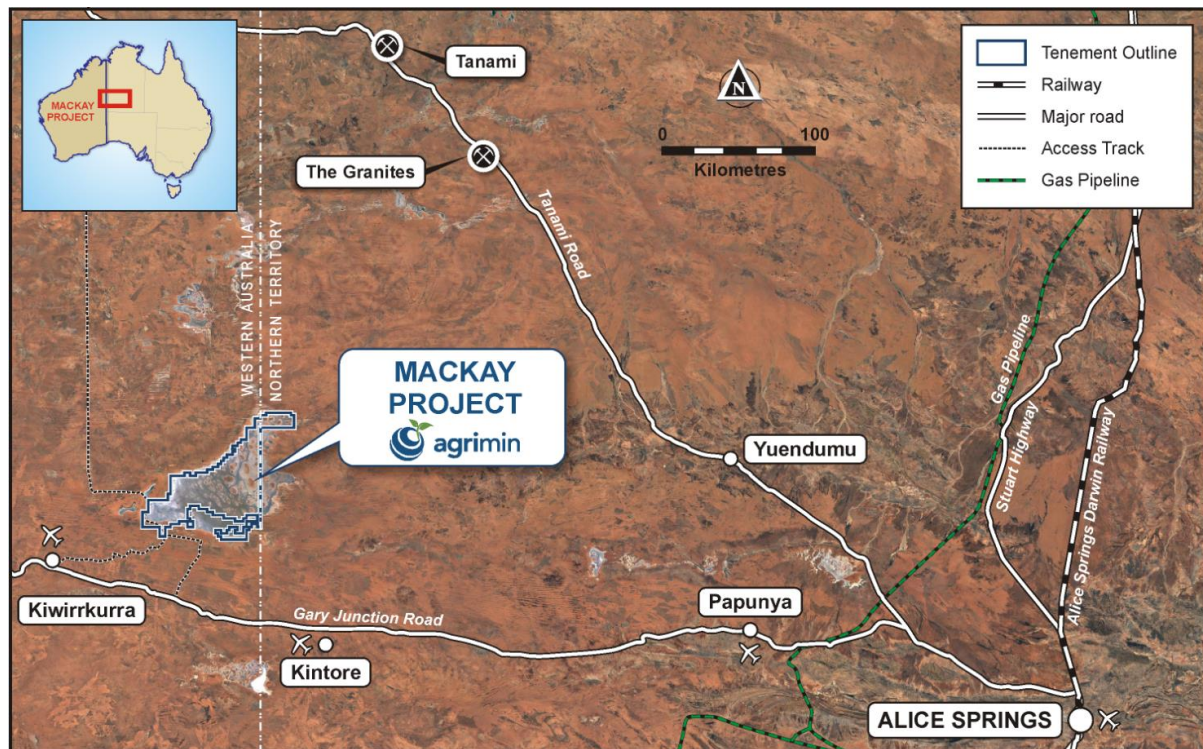
Mackay SOP Project – Western Australia (100% owned)

The Mackay Sulphate of Potash (“SOP”) Project is 100% owned by Agrimin and covers an area of 2,784km² across Lake Mackay in Western Australia (**Figure 1**).

Lake Mackay is the largest known SOP-bearing salt lake in Australia and is the low point of an enormous groundwater and surface water catchment area that is approximately 87,000km². The lakebed itself covers an area of approximately 3,500km² and measures approximately 100km east-west and north-south. The lakebed is comparable to the lakebed areas at two major sources of SOP production, being the 4,400km² Great Salt Lake in the USA and the 5,500km² Lop Nur (Luobupo operation) in China.

Lake Mackay’s hydrogeological setting and significant size provide important attributes that support the development of a salt lake operation. The Project currently has Indicated Mineral Resources of 4.3 million tonnes and Inferred Mineral Resources of 18.9 million tonnes of SOP based on specific yield. The Mineral Resources encompass an area of 2,201km², within Agrimin’s five granted tenements, and does not take into account any natural recharge factor which could increase the amount of extractable resources over the life of an operation.

Figure 1. Location Map



Agrimin completed a Scoping Study for the Mackay SOP Project in August 2016. The Study outputs indicate SOP production of 370,000 tonnes per year over a 20 year life, and an average operating cash cost of US\$256/t FOB ($\pm 35\%$).

SOP production begins with pumping brine from trenches into a series of solar evaporation ponds (**Figure 2**). The Mackay brine deposit commences just below the surface and the Study incorporates brine extraction exclusively from trenches to a depth of only 5.5m into the lakebed. It is planned to dry harvest the crystallised Potassium salts from the ponds and feed them into the process plant. The process route is conventional and will comprise milling, flotation, SOP crystallisation, drying and sizing.

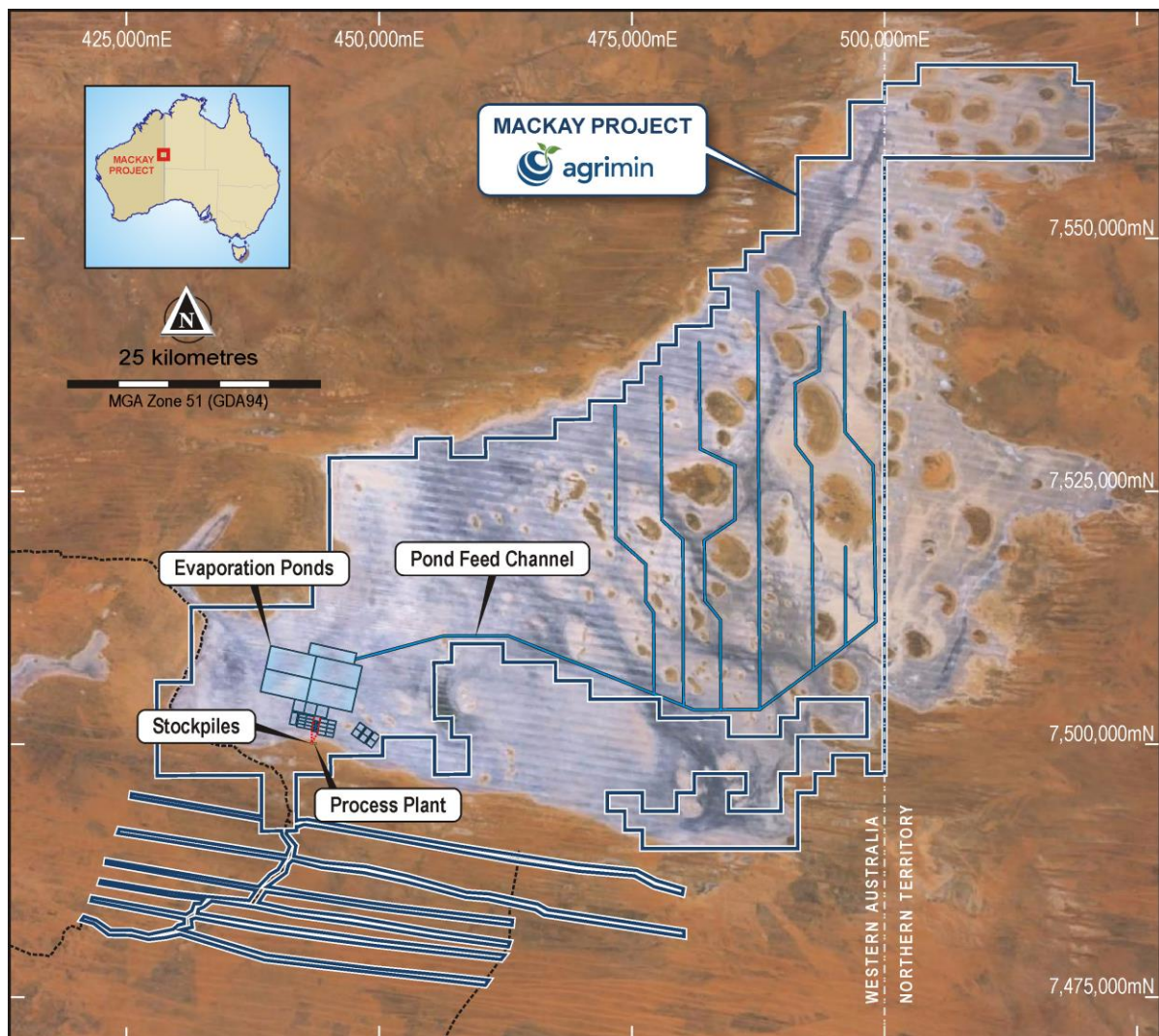
The SOP products will be transported in bulk by road trains to a rail load-out located in Alice Springs and then railed to a port for shipment.

2016 Field Program

An infill drilling program was completed in September 2016. A total of 57 holes were drilled to an average depth of 10.1m. The drilling program is aimed at upgrading the Indicated and Inferred Mineral Resources included in the Scoping Study's production plan to the Measured and Indicated Mineral Resources categories. Drilling density across the Project has been closed to an approximate 5km grid, with closer spaced transect drilling conducted in specific areas to assess short range variability. The Company completed six geotechnical drill holes and in addition, collected approximately 150kg of disturbed geotechnical samples.

The core and brine samples are currently undergoing analysis at the relevant laboratories. The full results are expected to be received and reported in Q1-2017.

Figure 2. Project Map



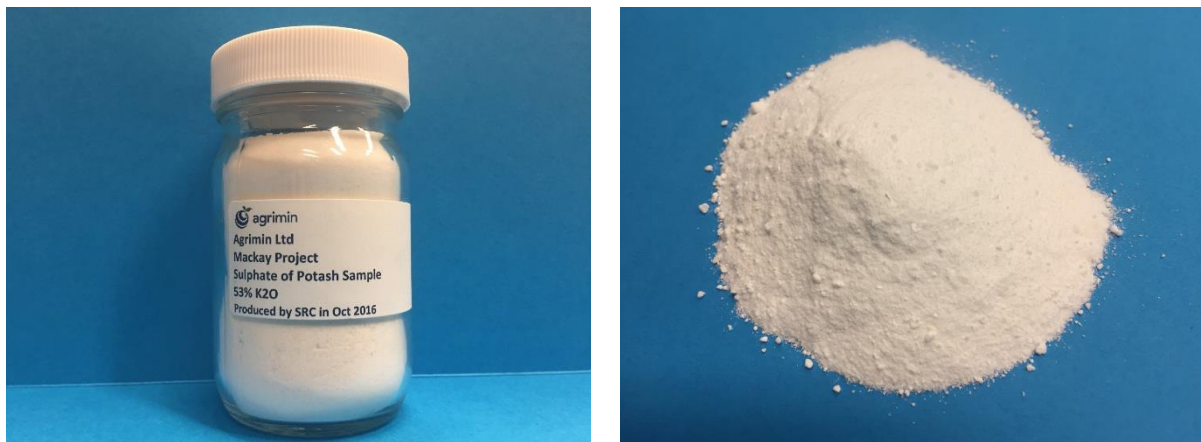
Process Testwork

During the quarter, the Company successfully produced commercial grade SOP during the process testwork which was performed by the Saskatchewan Research Council (“SRC”). The objective of the testwork was to demonstrate the production of commercial grade SOP using harvested salt samples from the Company’s initial evaporation trial which used 460 litres of Mackay brine. The testwork confirmed that liberated leonite can be readily concentrated by flotation and that this concentrated leonite can be readily converted to SOP by adding heated water. The SRC testwork produced a SOP product of 53.8% K₂O (**Figure 3**).

At full scale, Agrimin is targeting the production of a high quality 52% K₂O grade and this first stage of laboratory scale testing demonstrates this is achievable. The results confirm that the general process flow diagram defined in the Scoping Study is suitable to be taken forward for assessment during the Pre-Feasibility Study (“PFS”).

During the quarter, Agrimin commenced the next stage of evaporation trials.

Figure 3. SOP Produced by SRC



Native Title

During the quarter, Agrimin signed a Negotiation Protocol with Tjambu Tjambu (Aboriginal Corporation) RNTBC, the Native Title representative body for the Kiwirrkurra people.

The protocol has been signed with a view to entering into a Mining Agreement for the development and operation of the Mackay SOP Project, whilst preserving the traditional way of life of the Kiwirrkurra people. The protocol contemplates a timeline for negotiations that is aligned with Agrimin's overall indicative development timeline. The first on-country negotiation meeting occurred in December 2016.

Planned Activities

A number of activities have commenced in-line with delivering a PFS in 2017. This includes the employment of Mr Laurie Mann as Study Manager to lead the PFS.

Agrimin's hydrogeological consultants have been engaged to update the Mineral Resources and Hydrogeological Model upon receipt of all laboratory results from the recent infill drilling program. The next stage of evaporation trials is underway and will test the variability of several key parameters, and generate salt samples for further flotation and SOP crystallisation testwork. The PFS will also further define the Project's infrastructure requirements such as product transportation, power and water supply. In parallel to the PFS, Agrimin is focused on the delivery of key critical path items for the Project's development including environmental studies, Mining Agreement negotiations, long-term pumping tests and pilot evaporation trials.

Corporate Activities

Appointment of Study Manager

On 1 January 2017, Agrimin employed Mr Laurie Mann as Study Manager. Mr Mann is a process engineer with over 40 years of experience in project development, execution and operation. This includes registered manager for the Shark Bay Solar Salt Operation and most recently as Project Manager responsible for the feasibility study and commissioning of the Deflector Gold Mine in Western Australia.

Share Issues

No ordinary shares or other securities were issued by the Company during the quarter.

Business Development

The Company continues to actively assess business development opportunities which would be complementary to its existing project portfolio.

Tenement Interests

Table 1. Schedule of Tenement Interests as at 31 December 2016

Tenement Ref.	Project	Holder	State	Status	Interest
Exploration Licences					
E80/4887	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Granted	100%
E80/4888	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Granted	100%
E80/4889	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Granted	100%
E80/4890	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Granted	100%
E80/4893	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Granted	100%
E80/4995	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Application	100%
E80/5055	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Application	100%
EL30651	Mackay SOP	Agrimin Limited	N.T.	Application	100%
Miscellaneous Licences					
L80/87	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Application	100%

ENDS

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Forward-Looking Statements

This ASX Release may contain certain “forward-looking statements” which may be based on forward-looking information that are subject to a number of known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those presented here. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. Forward-looking information includes exchange rates; the proposed production plan; projected brine concentrations and recovery rates; uncertainties and risks regarding the estimated capital and operating costs; uncertainties and risks regarding the development timeline, including the need to obtain the necessary approvals. For a more detailed discussion of such risks and other factors, see the Company’s Annual Reports, as well as the Company’s other ASX Releases. Readers should not place undue reliance on forward-looking information. The Company does not undertake any obligation to release publicly any revisions to any forward-looking statement to reflect events or circumstances after the date of this ASX Release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Competent Person’s Statements

The information in this ASX Release that relates to exploration results, Mineral Resources Estimates and Scoping Study results are extracted from the relevant ASX Releases and are available on www.asx.com.au and Company’s website on www.agrimin.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous ASX Releases and, in the case of the Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the ASX Release on 15 December 2015 continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the previous ASX Releases.