

**ASX Release**  
**14 October 2018**

## **QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 30 SEPTEMBER 2018**

### Highlights

#### **Mackay SOP Project**

- **Owner’s team assembled to complete the DFS**
- **Extensive fieldwork activities are ongoing, with long-term pumping tests and evaporation trial continuing**
- **Project financing and off-take discussions are advancing**

#### **Corporate**

- **Northern Australia Infrastructure Facility Board has expressed its interest in investigating the potential for NAIF support for the Mackay SOP Project**
- **Cash balance of \$13.6 million at 30 September 2018**

Agrimin Limited (**ASX: AMN**) (“Agrimin” or “the Company”) is pleased to report its activities for the quarter ending 30 September 2018.

### **Mackay SOP Project – Western Australia (100% owned)**

The Mackay Sulphate of Potash (“**SOP**”) Project is located on Lake Mackay in Western Australia and is 100% owned by Agrimin. The Project tenements cover an area of 4,335km<sup>2</sup> and are located 785km south of the Port of Wyndham (**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. Lake Mackay covers an area of approximately 3,500km<sup>2</sup> and measures approximately 80km east-west and north-south. The salt lake is comparable in size to the two major sources of primary SOP production, being the 4,400km<sup>2</sup> Great Salt Lake in the USA and the 5,500km<sup>2</sup> Lop Nur (Luobupo operation) in China.

Lake Mackay’s hydrogeological setting and significant size provide important attributes that support the development of a globally significant SOP operation. The SOP Mineral Resource is hosted by a single contiguous brine deposit that commences approximately 40cm below surface across the entire deposit area.

The closest community is Kiwirrkurra which is located approximately 60km southwest of the Project. The Company has signed a Native Title Agreement with Tjamu Tjamu (Aboriginal Corporation) RNTBC, the native title registered body corporate for the Kiwirrkurra people. The agreement provides the necessary consents for the Project’s development and operations.

**Figure 1. Mackay SOP Project Location Map**



The Project hosts a specific yield Mineral Resource Estimate of 26.1 million tonnes (“Mt”), including an Indicated Mineral Resource of 10.0Mt and an Inferred Mineral Resource of 16.1Mt of SOP. The total porosity Mineral Resource Estimate includes an Indicated Mineral Resource of 92.2Mt and an Inferred Mineral Resource of

172.3Mt of SOP. The Mineral Resource Estimate has been defined to a depth of 30m and the deposit remains open beneath this depth.

Refer to the Company's ASX Release on 7 May 2018 for details of the Mineral Resource Estimate.

A Pre-Feasibility Study ("PFS") for the Mackay SOP Project was completed in May 2018 by Advisian, the consulting business line of WorleyParsons Group. The PFS is based on the extraction of brine-hosted SOP mineralisation from a single aquifer unit which commences approximately 40cm below ground surface. Brine is planned to be extracted solely from shallow trenches and fed into a series of solar evaporation ponds. Potassium-bearing salts will precipitate in the ponds and will be wet harvested and pumped to the process plant.

The process plant has been designed for a capacity of 426,000tpa of SOP as dry granular product, with the PFS assuming a product mix of 50% granular and 50% standard product. The PFS assumed all production is shipped through Wyndham Port via an integrated mine-to-ship logistics chain.

Refer to the Company's ASX Release on 7 May 2018 for details of the PFS results.

### **Definitive Feasibility Study**

During the quarter, an owner's team was assembled to provide the depth of skills required to complete the Definitive Feasibility Study ("DFS") and transition into the project execution phase. The owner's team has completed a risk and opportunity assessment of the PFS in preparation for the DFS. The Company has also engaged several specialist consultants to support the DFS and these consultants have completed their independent reviews of the work undertaken for the PFS. These planning activities have not identified any major changes expected to the PFS outcomes and the DFS formally commenced in September 2018.

The Company continues to progress an extensive program of fieldwork to support the DFS. During the quarter this included ongoing trenching, long-term pump testing, geophysical surveys and pilot evaporation trial.

Discussions have advanced with stakeholders in relation to the Company's planned construction of off-site infrastructure. The Company is very pleased with the level of support it has received from local governments and communities.

### **Environmental**

During the quarter, the Company continued to engage with key authorities and stakeholders, as well as undertaking further environmental studies to assist an environmental assessment of the Project.

## **Corporate Activities**

### **Share Issues**

During the quarter, the Company issued 12,500,000 ordinary shares at an issue price of \$0.80 per share in relation to a share placement to raise \$10 million (before costs).

The Company also issued 1,000,000 ordinary shares to Tjamu Tjamu (Aboriginal Corporation) RNTBC, the native title registered body corporate for the Kiwirrkurra people, pursuant to the terms of the Native Title Agreement signed by the parties in November 2017.

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

### **Project Financing**

During the quarter, the Company announced that the Northern Australia Infrastructure Facility (“NAIF”) Board has expressed its interest in investigating the potential for NAIF support for the Mackay SOP Project. NAIF is a corporate Commonwealth entity that can provide long-term concessional loans to encourage and complement private sector investment in infrastructure that benefits northern Australia.

The Company continues to assess a number of options in relation to off-take agreements and project financing which are aligned with its DFS and project execution strategy. Agrimin considers NAIF to be a potential source of debt funding, with particular reference to the infrastructure required for the Mackay SOP Project. The Company currently expects to progress project financing over the next 12 months and will consider submitting a formal Investment Proposal seeking an Investment Decision from the NAIF Board as part of that process.

### **Business Development**

Various business development opportunities are constantly under consideration, with all opportunities being assessed in context of the Company’s current strategic goals and risk profile.

## Tenement Interests

**Table 2. Schedule of Tenement Interests as at 30 September 2018**

Tenement Ref.	Project	Holder	State	Status	Interest
<b>Exploration Licences</b>					
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.	Granted	100%
E80/5055	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Granted	100%
E80/5124	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Granted	100%
E80/5172	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Application	100%
E80/5173	Mackay Metals	Agrimin Metals Pty Ltd	W.A.	Application	100%
E80/5175	Mackay Metals	Agrimin Metals Pty Ltd	W.A.	Application	100%
E80/5242	Mackay Metals	Agrimin Metals Pty Ltd	W.A.	Application	100%
E80/5243	Mackay Metals	Agrimin Metals Pty Ltd	W.A.	Application	100%

Tenement Ref.	Project	Holder	State	Status	Interest
E80/5244	Mackay Metals	Agrimin Metals Pty Ltd	W.A.	Application	100%
E80/5245	Mackay Metals	Agrimin Metals Pty Ltd	W.A.	Application	100%
EL30651	Mackay SOP	Agrimin Limited	N.T.	Application	100%
EL31780	Mackay SOP	Agrimin Limited	N.T.	Application	100%
EL31781	Mackay SOP	Agrimin Limited	N.T.	Application	100%
<b>Miscellaneous Licences</b>					
L80/87	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Granted	100%
L80/88	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Granted	100%

**ENDS**

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### **About Agrimin**

Based in Perth, Agrimin Limited is a leading fertilizer development company focused on the development of its 100% owned Mackay SOP Project. The Project is situated on Lake Mackay in Western Australia, the largest undeveloped SOP-bearing salt lake in the world. Agrimin is aiming to be a global supplier of high quality SOP fertilizer to both traditional and emerging value-added markets. Agrimin Limited's shares are traded on the Australian Stock Exchange (ASX: AMN).

### **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 Resource Estimates and Pre-Feasibility Study results are extracted from the relevant ASX Releases and are available on [www.asx.com.au](http://www.asx.com.au) and Company's website on [www.agrimin.com.au](http://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 Resource, that all material assumptions and technical parameters underpinning the estimates in the ASX Release on 7 May 2018 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.