

ASX Release  
14 January 2020

## QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 31 DECEMBER 2019

### Highlights

#### Mackay Potash Project

- **Definitive Feasibility Study progressed with the engineering designs for the Lake Mackay Processing Plant and Wyndham Port Facility nearing completion**
- **Pilot evaporation pond trial continued with further SOP and SOPM being produced to support product marketing activities**
- **Haulage joint venture formed with experienced WA bulk logistics operator for the transport of Agrimin's potash from the Mackay Potash Project to Wyndham Port**
- **MOU signed with one of Australia's most experienced barge loading service providers for the shiploading of Agrimin's potash at Wyndham Port**
- **Mineral Resource update scheduled for completion in January 2020**

#### Corporate

- **Cash balance of \$5.5 million at 31 December 2019**

Agrimin Limited (ASX: AMN) ("Agrimin" or "the Company") is pleased to report its activities for the quarter ending 31 December 2019.

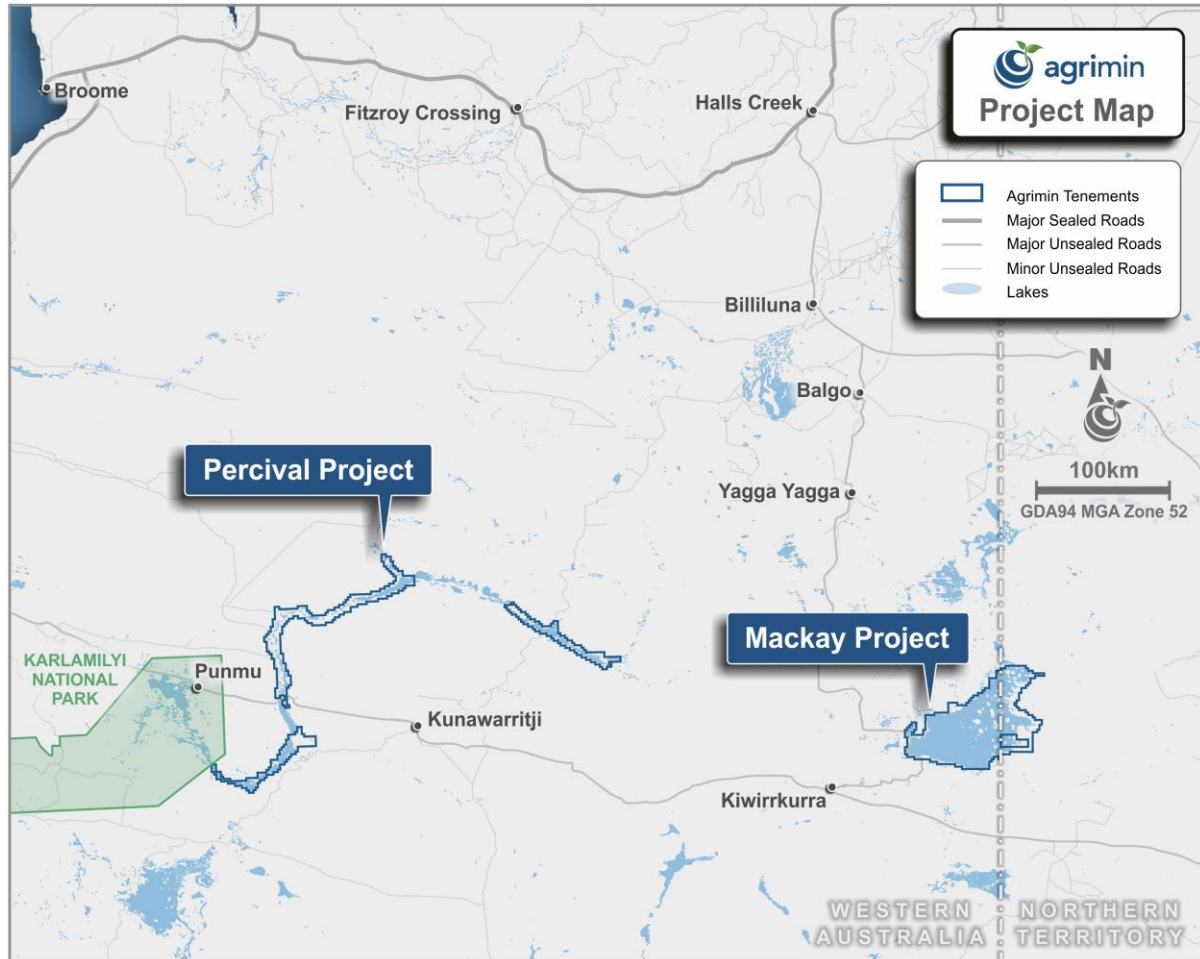
### Mackay Potash Project – Western Australia (100% owned)

The Mackay Potash Project is situated on Lake Mackay and located 785km south of the Wyndham, Western Australia (**Figure 1**). It comprises nine granted Exploration Licences covering an area of 3,057km<sup>2</sup> in Western Australia and three Exploration Licence applications covering an area of 1,240km<sup>2</sup> in the Northern Territory.

Lake Mackay's hydrogeological setting and favourable brine chemistry provide important attributes that support the development of a globally significant chloride-free potash operation. Lake Mackay is the largest known

potash-bearing salt lake in Australia covering an area of approximately 3,500km<sup>2</sup>. The salt lake is comparable in size to the two major sources of primary Sulphate of Potash (“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.

**Figure 1. Project Location Map**



The closest community to the project is Kiwirrkurra which is located approximately 60km south-west. A Native Title Agreement is in place and provides the necessary consents for the project’s development and operations.

The Pre-Feasibility Study (“PFS”) for the Mackay Potash Project was completed in May 2018. The PFS is based on the shallow trench extraction and solar evaporation of brine-hosted potash. Potash salts which precipitate in the evaporation ponds will be wet harvested and pumped to the Lake Mackay Processing Plant. The project is currently designed for a production rate of 426,000tpa of SOP, with an assumed product mix of 50% granular and 50% standard. All production is planned to be shipped through the Company’s Wyndham Port Facility.

Details of the PFS results were provided in the Company’s ASX Release on 7 May 2018.

**Definitive Feasibility Study**

The Company continues to progress the Definitive Feasibility Study (“DFS”) for the Mackay Potash Project.

Long-term data acquired from the Company's two year pump testing program across Lake Mackay is being used as the basis for constructing robust and reliable hydrogeological models to simulate lake-wide groundwater flow and mass transport. During the quarter, Agrimin's hydrogeological consultants continued to work on an updated Mineral Resource Estimate, maiden Ore Reserve and DFS mine plan.

The pilot evaporation trial continued to operate throughout the quarter, with salt harvesting activities ongoing in order to allow the trial to operate uninterrupted over the long-term. The trial has operated with continuous flows since October 2018 with brines being transferred through the ponds under a daily transfer regime. The Company's on-site process engineering team are closely monitoring the brine chemistry and salt formation in each pond in order to support the DFS pond model. The evaporation pond operations will continue to capture important seasonal variation data and will produce increasing amounts of potash salts for product marketing purposes during 2020.

During the quarter, the Class-A evaporation pans measured evaporation rates for the early summer months. The rates measured were in-line with the rates applied to the DFS pond modelling for the same period.

Agrimin's process consultants have completed the process modelling and flowsheets for both SOP and SOPM product types. The engineering design for the Lake Mackay Processing Plant is nearing completion.

Road trains are planned to transport the Company's SOP and SOPM products from its Lake Mackay Processing Plant to its Wyndham Port Facility. At Wyndham, the powdered SOP and SOPM will be manufactured into a range of product types, including standard and granular. The Company's Wyndham Port Facility is planned to contain a truck unloading hopper, covered storage sheds, granulation equipment, workshops, offices, as well as a conveyor and jetty to support barge loading operations. The engineering design for the Wyndham Port Facility is also nearing completion.

Significant progress was achieved towards the establishment of the fully integrated logistics chain for the Mackay Potash Project.

During the quarter, Agrimin signed a Haulage Joint Venture Agreement with Newhaul Pty Ltd. Under the agreement, Agrimin and Newhaul Pty Ltd have formed a 50:50 incorporated joint venture named Newhaul Bulk Pty Ltd ("**Newhaul Bulk**") which will provide road haulage and road maintenance services for the project. Mr Craig Mitchell has been appointed CEO of Newhaul Bulk. Mr Mitchell was the founder and former owner of Mitchell Corp which was one of the largest suppliers of trucking and bulk logistics services to Western Australia's mining industry prior to being acquired by Toll Group in 2011.

During the quarter, Agrimin also signed a binding Memorandum of Understanding with Transshipment Services Australia Pty Ltd ("**TSA**") for the provision of barge loading services for the project. TSA has been appointed to develop a cost-effective and fit-for-purpose shiploading solution which will be fully integrated with Agrimin's planned Wyndham Port Facility. Established in 2010, TSA has become one of Australia's leading and most experienced transshipment service providers. TSA's management team previously provided barge loading operations at the Ridges Iron Ore Project in Wyndham, successfully exporting approximately 1.5 Mtpa of iron ore in bulk carrier ships to China.

The Wyndham Port Facility and barge loading operation is being designed to provide a bulk shiploading solution that is specifically tailored for the Company's potash fertiliser products and will support a range of cargo sizes.

### **Project Permitting**

The Company continued a range of activities to progress the project's environmental impact assessment which is underway with the Environmental Protection Authority and Commonwealth Department of the Environment and Energy. During the quarter, fieldwork included an extensive environmental survey along the proposed haul road alignment.

During the quarter, the Company advanced consultations with the Ngurrpa people and the Tjurabalan people in relation to the proposed haul road which passes through their native title lands.

### **Project Financing**

The Company continued discussions with a number of potential strategic partners and traditional financiers, as well as assessing a number of options in relation to off-take agreements. During the quarter, the Company engaged with potential customers and off-takers to ensure the DFS will incorporate the most cost effective port and shiploading operations based on the variety of cargo types and sizes that have been requested.

The Northern Australia Infrastructure Facility ("NAIF") Board has previously expressed its interest in investigating the potential for NAIF support for the project with particular reference to Agrimin's proposed infrastructure. The NAIF could potentially provide concessional longer term debt finance for the project.

## **Percival Potash Project – Western Australia (100% owned)**

The Percival Potash Project is located approximately 450km south-east of Broome, Western Australia (**Figure 1**). It comprises five Exploration Licence applications covering an area of 2,792km<sup>2</sup> across the majority of an extensive 450km long lake system. Historic sampling of brine within the application area has returned the highest known in-situ potassium grades from an Australian salt lake to date.

During the quarter, the Company progressed consultations with Western Desert Lands Aboriginal Corporation (Jamukurnu-Yapalikunu) RNTBC, the Native Title representative body for the Martu people, with a view to having the Exploration Licences granted in 2020.

## **Corporate Activities**

### **Share Issues**

During the quarter, the Company issued 1,000,000 ordinary shares to Potash Global Limited and its nominees. These shares are for services related to the facilitation of Exploration Licence applications covering areas across Percival Lakes in Western Australia, as announced on 18 December 2018.

During the quarter, the Company also issued 290,000 ordinary shares at \$0.55 per share to directors, as approved at the Annual General Meeting on 27 November 2019. These shares relate to the placement announced on 16 September 2019.

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

## 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. No activity was undertaken during the quarter at the West Arunta Metals Project.

## Tenement Interests

**Table 1. Schedule of Tenement Interests as at 31 December 2019**

Tenement Ref.	Project	Holder	State	Status	Interest
<b>Exploration Licences</b>					
E80/4887	Mackay Potash	Agrimin Potash Pty Ltd	W.A.	Granted	100%
E80/4888	Mackay Potash	Agrimin Potash Pty Ltd	W.A.	Granted	100%
E80/4889	Mackay Potash	Agrimin Potash Pty Ltd	W.A.	Granted	100%
E80/4890	Mackay Potash	Agrimin Potash Pty Ltd	W.A.	Granted	100%
E80/4893	Mackay Potash	Agrimin Potash Pty Ltd	W.A.	Granted	100%
E80/4995	Mackay Potash	Agrimin Potash Pty Ltd	W.A.	Granted	100%
E80/5055	Mackay Potash	Agrimin Potash Pty Ltd	W.A.	Granted	100%
E80/5124	Mackay Potash	Agrimin Potash Pty Ltd	W.A.	Granted	100%
E80/5172	Mackay Potash	Agrimin Potash Pty Ltd	W.A.	Granted	100%
EL30651	Mackay Potash	Agrimin Limited	N.T.	Application	100%
EL31780	Mackay Potash	Agrimin Limited	N.T.	Application	100%
EL31781	Mackay Potash	Agrimin Limited	N.T.	Application	100%
E80/5173	West Arunta Metals	Agrimin Metals Pty Ltd	W.A.	Granted	100%
E80/5175	West Arunta Metals	Agrimin Metals Pty Ltd	W.A.	Granted	100%
E80/5333	West Arunta Metals	Agrimin Metals Pty Ltd	W.A.	Granted	100%
E80/5334	West Arunta Metals	Agrimin Metals Pty Ltd	W.A.	Granted	100%
E80/5423	West Arunta Metals	Agrimin Metals Pty Ltd	W.A.	Application	100%
E45/5417	Percival Potash	Agrimin Potash Pty Ltd	W.A.	Application	100%
E45/5419	Percival Potash	Agrimin Potash Pty Ltd	W.A.	Application	100%
E45/5420	Percival Potash	Agrimin Potash Pty Ltd	W.A.	Application	100%
E45/5579	Percival Potash	Agrimin Potash Pty Ltd	W.A.	Application	100%
E45/5580	Percival Potash	Agrimin Potash Pty Ltd	W.A.	Application	100%
<b>Other Licences</b>					
L80/87	Mackay Potash	Agrimin Potash Pty Ltd	W.A.	Granted	100%
L80/88	Mackay Potash	Agrimin Potash Pty Ltd	W.A.	Granted	100%
L80/96	Mackay Potash	Agrimin Potash Pty Ltd	W.A.	Granted	100%
L80/98	Mackay Potash	Agrimin Potash Pty Ltd	W.A.	Application	100%

**ENDS**

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This ASX Release is authorised for market release by Agrimin's CEO and Executive Director, Mark Savich.

**About Agrimin**

Based in Perth, Agrimin Limited is a leading fertiliser development company focused on the development of its 100% owned Mackay Potash Project. The Project is situated on Lake Mackay in Western Australia, the largest undeveloped potash-bearing salt lake in the world. Agrimin is aiming to be a global supplier of specialty potash fertilisers 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.agrmin.com.au](http://www.agrmin.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.