

ASX Release
22 April 2020

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 31 MARCH 2020

Highlights

Mackay Potash Project

- **Drainable Mineral Resource upgraded to 123 million tonnes of sulphate of potash (“SOP”) (based on drainable porosity)**
- **In-situ Mineral Resource exceeds >1 billion tonnes of SOP (based on total porosity) and confirms Lake Mackay as Australia’s largest SOP deposit**
- **DFS process design confirms targeted SOP and SOPM product specifications with an 80% overall process recovery (brine extraction to product)**
- **Pilot pond trial continues at Lake Mackay, confirming the DFS pond model and providing large batches of SOP and SOPM product samples for dispatch to several potential off-takers**
- **DFS on schedule for completion in June 2020**

Corporate

- **Acquisition of the Lake Auld Potash Project and consolidation of tenure across the highly prospective Canning Palaeovalley lake system**
- **Cash balance of \$4.5 million at 31 March 2020**

Agrimin Limited (ASX: AMN) (“Agrimin” or “the Company”) is pleased to report its activities for the quarter ending 31 March 2020.

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 3,057km² in Western Australia and three Exploration Licence applications covering an area of 1,240km² 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 3,500km². The salt lake is comparable in size to the two major sources of primary SOP production, being the 4,400km² Great Salt Lake in the USA and the 5,500km² 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 PFS was based on a production rate of 426,000tpa of SOP with production 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 continued to progress the Definitive Feasibility Study (“DFS”) for the Mackay Potash Project through the quarter with the focus on cost estimation, financial modelling, internal reviews and reporting. The Company’s DFS activities have not been materially impacted by COVID-19 with only minor delays in some work areas being completed by external consultants and suppliers.

During the quarter, the Company reported an updated Mineral Resource estimate for the project¹. This was the culmination of several years of data collection and extensive hydrogeological modelling, which represents an industry leading level of rigour in de-risking the project. Long-term data acquired from the Company’s two year pump testing program across Lake Mackay has been used for constructing robust and reliable hydrogeological models to simulate lake-wide groundwater flow and mass transport.

The drainable porosity (or specific yield) Mineral Resource contains 123 million tonnes (“Mt”) of SOP to a maximum depth of 211m. This drainable porosity Mineral Resource represents the static free-draining portion of the total porosity Mineral Resource prior to extraction. It does not take into account any groundwater recharge which could increase the amount of extractable brine over the life of an operation. The project area has an average annual rainfall of 320mm and the brine resource commences only 50mm below the lakebed surface.

The total porosity Mineral Resource contains 1,096Mt of SOP to a maximum depth of 211m. A portion of the total porosity Mineral Resource, in addition to the drainable porosity Mineral Resource, may be extractable depending on the transient groundwater flow and transport conditions affecting the brine resource during extraction and the active recharge regime within the lake system. Groundwater recharge by rainfall and runoff, and associated flow and transport processes, have been assessed as a component of the dynamic hydrogeological modelling and are being used to determine the Ore Reserve and DFS mine plan.

A long-term pilot evaporation trial on Lake Mackay was commissioned in October 2018 using a 3,000m² pond system that is being run as a constant flow operation with brines being transferred through the ponds under a daily transfer regime. By management instituting a range of protocols and measures in response to COVID-19, this trial was able to continue to operate throughout the quarter, and remains in operation, providing key information for the project and product samples for potential customers.

The trial has captured over a full annual cycle of operating data with seasonal variation and the Company reported the results achieved from the first full year of operations. The results are viewed as very positive and successfully validate the DFS pond model and process assumptions, a major de-risking milestone for the project. The trial is scheduled for completion in June 2020.

The trial continues to produce raw potash salts, with over 50 tonnes of salt harvested at grades up to 12% K₂O. The potash salts have undergone pilot processing tests to produce larger quantities of product samples. During the quarter, the outcomes of the process design work supported the targeted SOP and SOPM product specifications with an 80% overall process recovery (from brine extraction to production at steady-state).

¹ Refer to the ASX Release on 20 January 2020 for full Mineral Resource estimate details. All material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply and have not materially changed.

Road trains are planned to transport the Company's SOP from its Lake Mackay Processing Plant to its Wyndham Port Facility. Agrimin has established an alliance with trucking specialist Mr Craig Mitchell, named Newhaul Bulk, to provide critical haulage capability into Agrimin's integrated logistics chain. The haulage operation will include 24 road trains and 100 employees. Newhaul Bulk is committed to maximising the employment of local Indigenous truck drivers through training and job readiness programs.

At the Wyndham Port, the SOP will be manufactured into a range of product types as requested by customers. The Company's Wyndham Port Facility is planned to contain a covered storage shed, granulation equipment, workshops, offices, as well as a conveyor and jetty to support barge loading operations. Agrimin has signed a binding Memorandum of Understanding with Transshipment Services Australia Pty Ltd ("**TSA**") for the provision of barge loading services. The Wyndham Port Facility 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 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 the completion of a second phase of environmental surveys along the proposed haul road alignment.

During the quarter, the Company's planned negotiation meetings with the Ngururrpa people and the Tjurabalan people were temporarily placed on hold due to COVID-19. These negotiations in relation to the proposed haul road will re-commence once community access and business meetings return to normal.

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, further SOP and SOPM samples were dispatched to potential fertiliser customers. The Company's targeted product specifications for its SOP and SOPM compare very favourably to existing products in the market and the Company continues to receive strong market interest for its future production.

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.

Lake Auld Potash Project – Western Australia (100% owned)

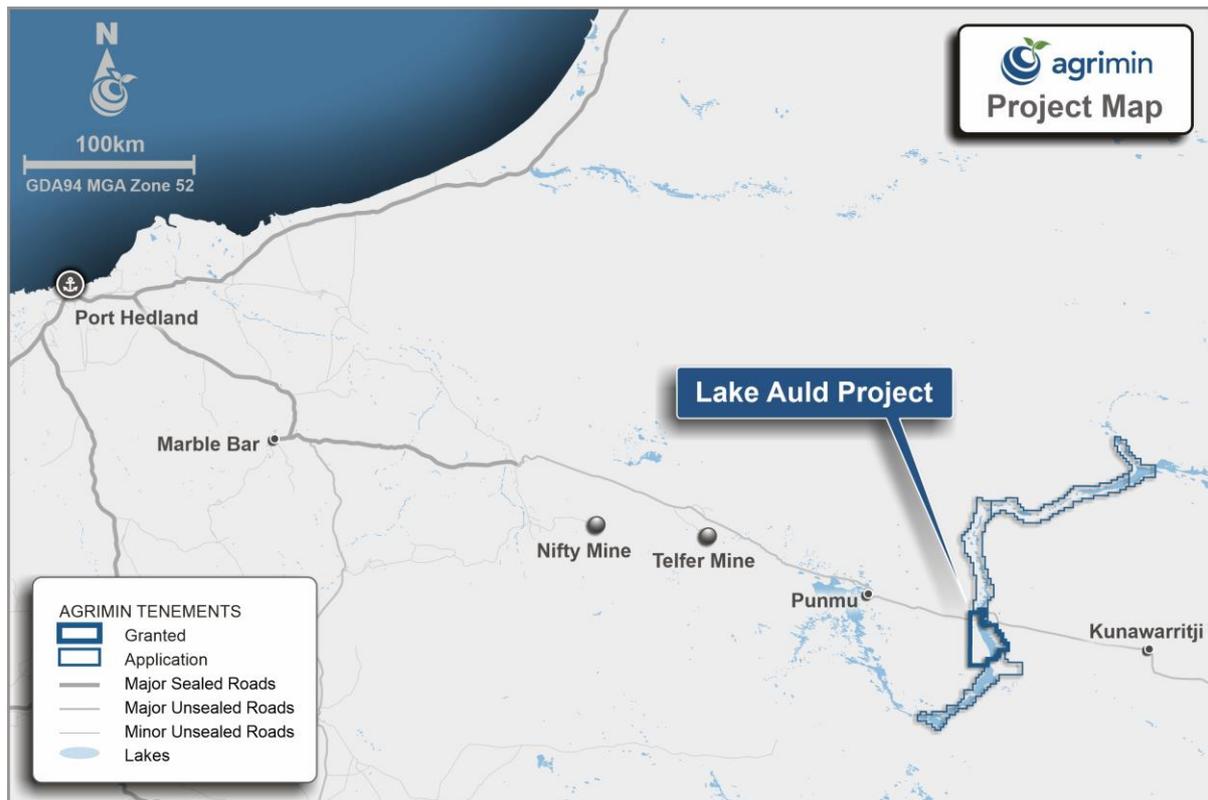
During the quarter, the Company acquired a 100% interest in the Lake Auld Potash Project in the East Pilbara region of Western Australia. The project consists of a granted Exploration Licence covering a lakebed area of 108km² across Lake Auld (**Figure 2**). The Exploration Licence is subject to an existing Land Access and Mineral Exploration Agreement with the Western Desert Lands Aboriginal Corporation (Jamukurnu-Yapalikunu) RNTBC ("**WDLAC**"), the Native Title representative body for the Martu people.

The Lake Auld Potash Project is neighboured either side by the Company's existing Exploration Licence applications which cover the broader Canning Palaeovalley and associated chain of lakes that includes the southern half of Lake Auld and Percival Lakes. The Company's tenements cover the majority of the extensive

450km long lake system where historic sampling of brine has returned the highest known in-situ potassium grades from an Australian salt lake.

The Company’s planned native title consultations and exploration activities at the Lake Auld Potash Project have been placed on hold until community access and business returns to normal following the COVID-19.

Figure 2. Lake Auld Potash Project



Corporate Activities

Share Issues

No ordinary shares or other securities were issued during the quarter. The Company has agreed to issue 250,000 fully paid ordinary shares to Zinfandel Exploration Pty Ltd as part of the consideration to acquire the Lake Auld Potash Project in Western Australia. The shares will be issued upon certain conditions precedent being met and will be subject to a six month voluntary escrow period.

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. During the quarter, the Company announced the acquisition of the Lake Auld Potash Project. In order to prioritise exploration funds towards its expanded portfolio of potash projects, the Company ceased all expenditure in relation to the West Arunta Metals Project in 2019. In February 2020, the Company reduced its interest in Agrimin Metals Pty Ltd to 40% with the subsidiary undertaking a fundraising of \$600,000 to maintain the tenement holdings in good standing.

Tenement Interests

Table 1. Schedule of Tenement Interests as at 31 March 2020

Tenement Ref.	Project	Holder	State	Status	Interest
Exploration Licences					
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	Lake Auld Potash	Agrimin Potash Pty Ltd	W.A.	Application	100%
E45/5419	Lake Auld Potash	Agrimin Potash Pty Ltd	W.A.	Application	100%
E45/5420	Lake Auld Potash	Agrimin Potash Pty Ltd	W.A.	Application	100%
E45/5579	Lake Auld Potash	Agrimin Potash Pty Ltd	W.A.	Application	100%
E45/5580	Lake Auld Potash	Agrimin Potash Pty Ltd	W.A.	Application	100%
Other Licences					
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%

Note: As at 31 March 2020, the Company's acquisition of E45/4925, covering the Lake Auld Potash Project, remained subject to Ministerial Consent to the transfer of the Exploration Licence to Agrimin.

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 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 Resource, that all material assumptions and technical parameters underpinning the estimates in the ASX Release on 20 January 2020 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.