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## QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 31 DECEMBER 2021

### Highlights

#### Mackay Potash Project

- **Binding Offtake Agreement signed with Nitron Group LLC in January 2022, for supply of 115,000tpa of Sulphate of Potash (“SOP”) to Latin America, Mexico, the Caribbean and Africa**
- **Front End Engineering Design (“FEED”) power solution delivered an 84% renewable energy penetration rate and supports Agrimin’s low carbon SOP products**
- **Other FEED works continued successfully, including process plant testwork and infill geotechnical sampling along the haul road**

#### Corporate

- **Cash balance of \$1.2 million as at 31 December 2021**
- **Grant of \$2.0 million awarded under the Australian Government’s Supply Chain Resilience Initiative**
- **Capital raising of up to \$7.0 million announced on 28 January 2022**

Agrimin Limited (ASX: AMN) (“Agrimin” or “the Company”) is pleased to report its activities for the quarter ending 31 December 2021.

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

Agrimin’s vision is to establish the Mackay Potash Project (“the Project”) as the world’s leading seaborne supplier of SOP fertiliser, to develop the Project with sustainability principles at its core and to empower local Indigenous communities throughout the Project’s long life.

The Project is situated on Lake Mackay in Western Australia, the largest undeveloped potash-bearing salt lake in the world. Lake Mackay hosts significant volumes of brine (hypersaline groundwater) containing dissolved potassium and sulphur which can produce high-grade, water-soluble SOP fertiliser.

SOP has a low salt index and is virtually chloride-free, making it ideal for use on high value crops such as fruits and vegetables. Agrimin’s SOP is certified as an allowable input for use in organic production systems.

The Project is located 940km by road south of the Wyndham Port in Western Australia (**Figure 1**). It comprises nine granted Exploration Licences covering over 3,000km<sup>2</sup> in Western Australia and four Exploration Licence applications covering over 1,200km<sup>2</sup> in the Northern Territory. 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 operation within the Kiwirrkurra determination area.

**Figure 1. Project Location Map**



The Project’s development plan is based on the sustainable extraction of brine from Lake Mackay using a network of shallow trenches. Brine will be transferred along trenches into a series of solar evaporation ponds located on the salt lake’s surface. Raw potash salts will crystallise on the floor of the ponds and be collected by wet harvesters and pumped as a slurry to the processing plant located off the edge of the salt lake. The plant will refine harvested salts into high quality finished SOP fertiliser ready for direct use by customers. SOP will be hauled by a dedicated fleet of road trains to a purpose-built storage facility at Wyndham Port. At the port, SOP will be loaded via an integrated barge loading facility for shipment to customers.

The Definitive Feasibility Study (“DFS”) for the Mackay Potash Project was completed in July 2020. The DFS demonstrated the Project’s globally significant scale and that once in operation it could be the world’s lowest

cost source of seaborne SOP. The Project also offers excellent potential to expand over time to meet the expected growth in demand for SOP.

The Independent Technical Review (“**ITR**”) of the DFS and Project was completed in April 2021 by Advisian Pty Ltd, a subsidiary of the Worley Limited group of companies. The ITR report concluded that, based upon the data described in the report, the identified project risks are not expected to impact the technical and financial viability of the Project, particularly when considering the FEED work programs and mitigations that are planned to occur prior to the Company making a Final Investment Decision (“**FID**”).

Agrimin’s commitment to a sustainable and ESG-friendly development was embodied throughout the DFS and the Project will deliver on a number of metrics, including:

- Strong engagement with Indigenous people and Traditional Owners, as well as support for important land management and community programs;
- Significant commitment to training and employment opportunities for Indigenous people, particularly in relation to the road haulage operation;
- High renewable energy penetration to deliver very low greenhouse gas emissions along with one of the lowest carbon footprints associated with any macro-nutrient fertiliser product; and
- Creation of critical new seaborne SOP supply to help developing countries achieve their food security goals, especially with respect to increasing demand for high value crops such as fruits, vegetables, tree nuts and grape-vines.

Following completion of the DFS and ITR, the Mackay Potash Project is now rapidly advancing toward a FID. Current activities include:

- Project funding and strategic partnerships;
- FEED works, execution planning and contracting; and
- Mining tenure and environmental approvals.

### **Product Marketing and Project Funding**

Subsequent to the quarter end, the Company signed a Binding Offtake Agreement with Nitron Group, LLC (“**Nitron**”) for the supply of 115,000tpa of SOP produced from the Project for sale and distribution in Latin America, Mexico, the Caribbean and Africa. The agreement with Nitron represents approximately 25% of Agrimin’s planned SOP production capacity.

This agreement is in addition to the Binding Offtake Agreement signed with Sinochem Fertilizer Macao Limited for the supply of 150,000tpa of SOP produced from the Project for sale and distribution in China. Sinochem Fertilizer Macao Limited is a wholly owned subsidiary of Sinofert Holdings Limited, one of China’s largest crop nutrition companies and plays a pivotal role with global potash suppliers to ensure the country’s potash supply.

Agrimin has now committed 60% of its planned SOP production capacity under long-term binding offtakes, which strongly supports the Company’s ongoing project funding initiatives.

During the quarter, the Company progressed discussions with the Northern Australia Infrastructure Facility (“**NAIF**”) which has continued to express its interest to provide concessional longer term debt finance for the Project.

### **Front End Engineering Design**

The Company's integrated owner's team is currently progressing the FEED phase of the Project, supported by a team of best-in-class consultants and contractors who are providing ongoing expertise across the various Project disciplines.

During the quarter, Primero Group Limited advanced the FEED works for the Project's process plant and associated non-process infrastructure. A number of testwork programs were undertaken to support the detailed engineering designs. At the completion of the FEED works, Primero Group Limited is expected to deliver to Agrimin an Engineering, Procurement and Construction contract, inclusive of performance guarantees, to support an FID.

The Company and Royal IHC also advanced preliminary FEED testwork during the quarter required to trial the proposed automated wet harvesters for the Project, which is anticipated to deliver significant operational and cost benefits. Subsequent to the quarter end, the Company announced that the site-based work program had been completed, confirming key design parameters, including salt properties and cutting forces.

Coffey Services Australia Pty Ltd continued to progress the geotechnical investigations and FEED activities to finalise the haul road alignment, construction methodology and detailed design. The haul road is a critical component of the Project and will create a low cost mine-to-ship logistics chain which will also include storage and shiploading facilities at Wyndham Port.

### **Project Approvals**

The Environmental Impact Assessment ("EIA") for the Mackay Potash Project continued during the quarter, and remains the critical path item for the commencement of full-scale construction. The Project will be assessed by the Western Australian Environmental Protection Authority ("EPA") at a Public Environmental Review level with a four week public comment period. The EPA's assessment is an accredited process under a bilateral agreement with the Commonwealth Government, and therefore the Project will not require a separate assessment by the Commonwealth Department of Agriculture, Water and the Environment.

All environmental surveys and studies required to support the EIA have now been completed. The Company has submitted its finalised Environmental Review Document ("ERD") to the EPA. The EPA's acceptance of the ERD and the public comment period are the next key steps in the EIA timeline.

In parallel with the EIA, the Company is progressing the Project's other remaining approvals, licences and agreements, which include:

- Department of Mines, Industry Regulation and Safety – Miscellaneous Licences, Mining Lease, Mining Proposal and Mine Closure Plan approvals;
- Department of Water and Environmental Regulation – Works Approval and Licence; and
- Agreements with Parna Ngururrpa (Aboriginal Corporation) RNTBC and Tjurabalan Native Title Lands (Aboriginal Corporation) RNTBC for the grant of Miscellaneous Licences over the proposed haul road.

### **Government and Community Engagement**

The Company continues its active engagement in local communities and across all levels of Federal, State and Local Government. The Mackay Potash Project enjoys strong support in local communities, particularly given

the employment opportunities and economic infrastructure that the Project will create. The Project is expected to create approximately 200 direct full-time jobs and support over 600 jobs through the regional supply chain over its 40 year life, generating valuable long-term opportunities for Indigenous people living in Central Desert communities, as well as people living throughout the broader Kimberley region.

During the quarter, Newhaul Bulk Pty Ltd (the strategic haulage joint venture between Agrimin and Newhaul Pty Ltd) continued to progress plans to establish a Driver Training Academy to maximise the number of local employees and provide further opportunities for local employment and skills training presented by the Project's development. The Driver Training Academy will aim to provide inspiring pathways for young people in Central Desert, East Pilbara and Kimberley communities who are interested in pursuing a long-term career in logistics.

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

During the quarter, the Company continued its consultations with Western Desert Lands Aboriginal Corporation (Jamukurnu-Yapalikunu) RNTBC, the Native Title representative body for the Martu people.

The Lake Auld Potash Project is located approximately 640km south-east of Port Hedland, Western Australia (**Figure 1**). The Lake Auld Potash Project consists of a granted Exploration Licence covering a lakebed area of 108km<sup>2</sup> across Lake Auld. Lake Auld's exceptionally high grades, favourable climatic conditions for solar evaporation and proximity to a major operating port support the potential for strong economics.

The Lake Auld Potash Project is neighboured either side by the Company's existing Exploration Licence applications which cover the Canning Palaeovalley, including the remainder of Lake Auld and Percival Lakes. The Company's tenements cover the most prospective portion of the 450km long lake system where historic sampling of brine has returned the highest known in-situ SOP grades from an Australian salt lake.

## Corporate Activities

During the quarter, the Company provided a number of investor presentations.

### **Government Grant**

During the quarter the Company announced that it was awarded a grant of \$2.0 million under the Australian Government's Supply Chain Resilience Initiative, which provides grant funding to Australian businesses in order to address supply chain vulnerabilities for critical products or inputs identified in the Sovereign Manufacturing Capability Plan.

Under the Sovereign Manufacturing Capability Plan, agricultural production chemicals (including SOP) were identified for their high import dependence and their vital role in supporting the \$60 billion Australian agricultural industry, as well as their contribution to Australia's Ag2030 target of an agricultural sector worth \$100 billion by 2030.

Grant funds to be received under the Supply Chain Resilience Initiative will be applied toward FEED works for the Mackay Potash Project.

### **Share Issues**

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

Subsequent to the quarter end, the Company announced that approximately 14.3 ordinary shares will be issued at \$0.35 per share under a placement to raise approximately \$5.0 million (before costs). In addition, the Company announced a non-underwritten Share Purchase Plan to raise up to \$2.0 million to enable eligible existing shareholders, irrespective of the size of their holding, to participate in the capital raising at the same issue price as the placement.

Subsequent to the quarter end, the Company also announced its intention to undertake an issue of bonus shares, where all shareholders as at the record date of 5.00pm AWST on Thursday, 17 March 2022 will be issued one new fully paid ordinary share for every five fully paid ordinary shares held. This bonus issue is to benefit all shareholders in the Company based on the progress that the Company has made in advancing its Mackay Potash Project toward an FID. The bonus issue will also expand the Company's share base and is intended to encourage greater liquidity in the trading of the Company's shares.

### **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 acquired an Exploration Licence application (EL24861) in the Northern Territory covering the small area of Lake Mackay which was not previously held by Agrimin. The Company now holds tenure over the entirety of Lake Mackay. Exploration and development of the Northern Territory portion of Lake Mackay is not currently contemplated by the Company.

Agrimin holds a 40% interest in Tali Resources Pty Ltd which has Exploration Licences in Western Australia that are prospective for gold and base metals mineralisation. The Exploration Licences are subject to a Farm-in and Joint Venture Agreement signed with Rio Tinto Exploration Pty Ltd. A ground-based electromagnetic survey was undertaken during the quarter.

### **Summary of Expenditure Incurred on Activities**

The Company incurred \$1,321,000 which for accounting purposes has been allocated to exploration and evaluation activities during the quarter. No expenditure was allocated to development or production activities during the quarter. Accordingly, exploration and evaluation expenditure during the quarter related to on-site operating costs, FEED, environmental approvals, native title agreements, product marketing and project financing.

### **Payments to Related Parties of the Entity**

A description of and explanation for payments to related parties and their associates per Section 6.1 of the Appendix 5B for the quarter ending 31 December 2021 is set out below (**Table 1**).

**Table 1. Payments to Related Parties of the Entity and their Associates**

Item	Current Quarter (A\$)	Previous Quarter (A\$)
<b>Directors' Remuneration</b>		
CEO Salary and Superannuation	82,500	82,500
Non-Executive Director Fees	57,500	57,375
Company Secretarial Fees	9,000	9,000
<b>Total payments to related parties of the entity and their associates</b>	<b>149,000</b>	<b>148,875</b>

## Tenement Interests

**Table 2. Schedule of Tenement Interests as at 31 December 2021**

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%
EL24861	Mackay Potash	Agrimin Potash Pty Ltd	N.T.	Application	100%
EL30651	Mackay Potash	Agrimin Potash Pty Ltd	N.T.	Application	100%
EL31780	Mackay Potash	Agrimin Potash Pty Ltd	N.T.	Application	100%
EL31781	Mackay Potash	Agrimin Potash Pty Ltd	N.T.	Application	100%
E45/4925	Lake Auld Potash	Agrimin Potash Pty Ltd	W.A.	Granted	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%
<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%
L80/99	Mackay Potash	Northern Infrastructure Pty Ltd	W.A.	Application	100%

Tenement Ref.	Project	Holder	State	Status	Interest
L80/100	Mackay Potash	Northern Infrastructure Pty Ltd	W.A.	Application	100%
L80/101	Mackay Potash	Northern Infrastructure Pty Ltd	W.A.	Application	100%
L80/102	Mackay Potash	Northern Infrastructure Pty Ltd	W.A.	Application	100%

**ENDS**

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This ASX Release is authorised for market release by Agrimin’s Board.

**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’s shares are traded on the Australian Securities 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.