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COMPLETION OF EVAPORATION TRIAL AND PROCESS DESIGN

Highlights

- **Preliminary Process Design for the production of sulphate of potash ("SOP") at the Mackay Project has been successfully completed**
- **Process Design work confirms the applicability of conventional SOP production techniques to the Mackay Project brines**
- **Evaporation trial demonstrates the ability to yield potassium salts which are suitable for a conventional SOP production process**
- **Completion of this work significantly de-risks the Mackay Project**
- **Scoping Study is on schedule for completion in Q3-2016**

Agrimin Limited (**ASX: AMN**) ("**Agrimin**" or "**the Company**") is pleased to advise the successful completion of the initial evaporation trial and Process Design for its 100% owned Mackay SOP Project.

Process Design

The Process Design for the Mackay Project is a key component of the Scoping Study and has been completed.

The production process has been designed on the basis of extracting 67 million m^3 per year of brine from a trenching network on the lakebed surface. The hydrogeological model for the Mackay Project developed by independent consultants indicates that this steady-state brine extraction rate can be sustained over a nominal 20 year operational life.

SOP production commences with pumping brine from extraction trenches into a series of solar evaporation ponds. Evaporation within the ponds facilitates fractional crystallisation of the targeted potassium salts.

The pond system is estimated to cover a start-up area of 34km^2 upon commencement of the Mackay Project, and anticipated to expand to 59km^2 over a 20 year life.

It is planned to dry harvest the crystallised potassium salts from the ponds and deliver the salt to stockpiles as feed material for the process plant. The design incorporates retention and accumulation of waste salts within the ponds which creates the requirement for expansion of the ponds over time.

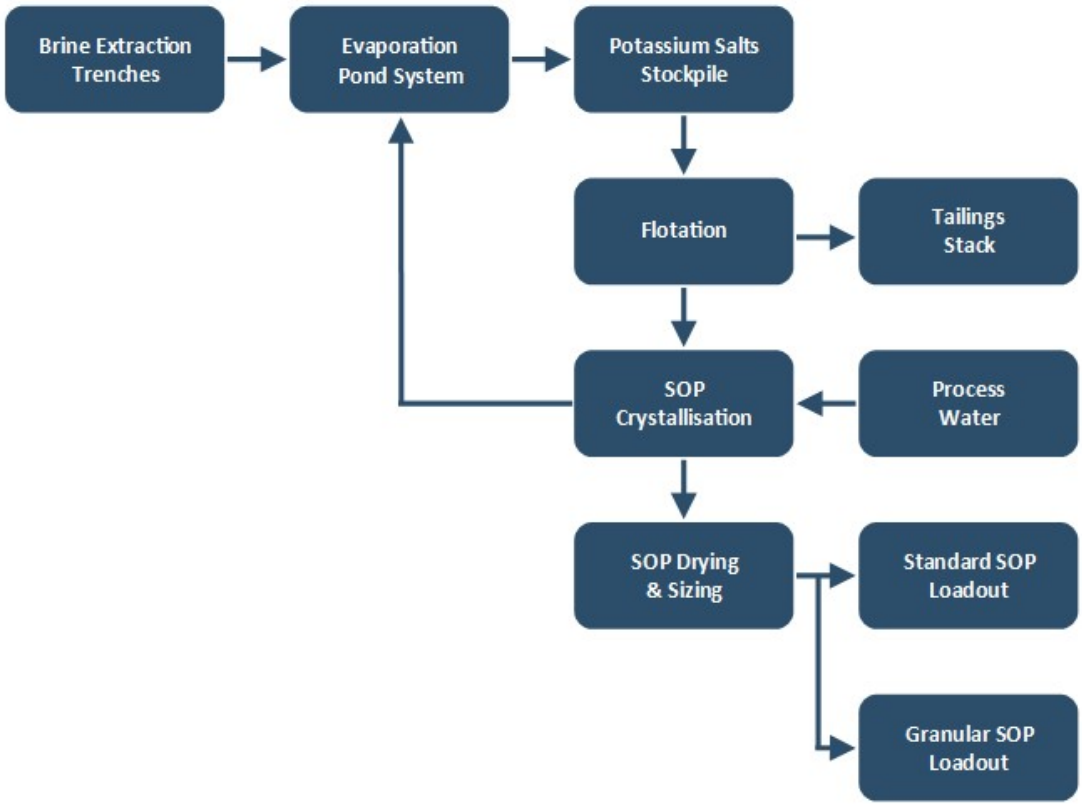
Stockpiled potassium salts will be coarsely crushed and screened and fed into a flotation process to separate the bulk of the potassium salts from halite and other minor materials. Concentrated potassium salts will then be sent to the SOP crystallisers where process water is added to dissolve excess magnesium sulphate to produce SOP. Dried SOP crystals will be screened, sized and a potentially granulated to meet desired product specifications.

The three commonly produced grades of SOP are standard, granular and soluble. It is believed that demand is growing fastest for soluble and granular grades. Nearly all major SOP producers have added the capacity to granulate a portion of their output.

The block flow diagram presented in **Figure 1** summarises the proposed production process for SOP from the Mackay Project brine.

Completion of the Process Design work has confirmed that conventional techniques utilised at SOP operations internationally are appropriate for the Mackay Project and this is a significant de-risking milestone.

Figure 1. Simplified Process Flow Diagram



Evaporation Trial

The Process Design incorporates the results from an evaporation trial which Agrimin commissioned in January 2016. This initial trial was undertaken by Independent Metallurgical Operations Pty Ltd at its facility in Perth over a 92 day period. Final laboratory analyses have now been received.

The evaporation trial used a 460 litre brine sample collected from the Mackay Project during trench pump testing activities. The trial started by utilising standard Class A evaporation pans, with pan sizes subsequently reduced to maintain steady evaporation rates. A strict regime of daily monitoring and sampling was undertaken to ensure a full suite of data was captured and critical harvest points were met. Both brine and harvested salt samples have been collected and retained from the trial for subsequent analysis and testwork.

XRD analysis on the harvested salt samples showed that the trial successfully produced the targeted potassium sulphate bearing salts, being Leonite ($K_2SO_4.MgSO_4.4H_2O$) and Kainite ($KCl.MgSO_4.3H_2O$). These salts are appropriate for production of SOP (K_2SO_4) using the conventional process described above. The successful production of the targeted salts represents a significant milestone towards demonstrating the ability to produce SOP from the Mackay Project brines.

The Company is currently designing further trials to test the variability of several key parameters, and subsequent flotation and crystallisation testwork. These next trials are planned to commence in Q3-2016.

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