

ASX Release
7 November 2016

SOP PRODUCED FROM LABORATORY TESTWORK

Highlights

- Process testwork has produced commercial grade SOP from Mackay brine
- Testwork demonstrates a high quality 52% K₂O grade is achievable at commercial scale
- Next stage of evaporation trials and PFS level studies are set to commence

Agrimin Limited (**ASX: AMN**) ("**Agrimin**" or "**the Company**") advises that process testwork has successfully produced commercial grade sulphate of potash ("**SOP**") for the Mackay SOP Project. The testwork was performed by the Saskatchewan Research Council ("**SRC**") and overseen by Global Potash Solutions. Both groups have extensive experience in the processing of potash salts.

The objective of the testwork was to demonstrate the production of commercial grade SOP using harvested salt samples from the Company's initial evaporation trial which used 460 litres of Mackay brine. The salt samples mainly contained leonite (32-41%), kainite (5-6%), halite (45-53%), and magnesium sulphate (6-15%) ¹. No deleterious elements were present in the samples.

The testwork confirmed that liberated leonite can be readily concentrated by flotation and that this concentrated leonite can be readily converted to SOP by adding heated water.

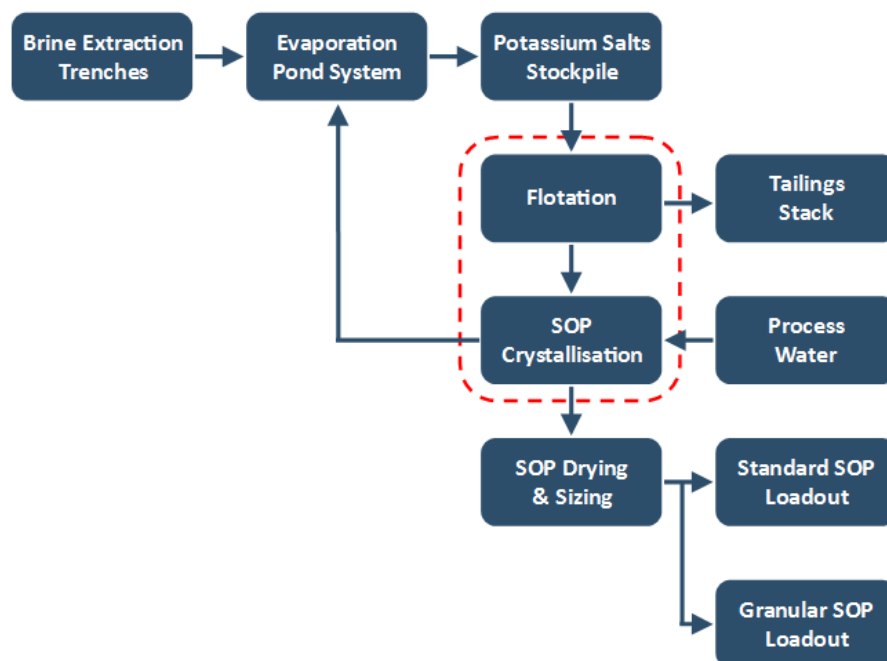
The SRC testwork produced a SOP product of 53.8% K₂O, as shown in **Figure 1**. Standard and granular SOP products sold in the market typically have K₂O grades of between 50% and 52% ².

Figure 1. SOP Produced by SRC



At full scale, Agrimin is targeting the production of a high quality 52% K₂O grade and this first stage of laboratory scale testing demonstrates this is achievable. The results also confirm that the general process flow diagram defined in the Scoping Study is suitable to be taken forward for assessment during the Pre-Feasibility Study (“PFS”). The aspects of the process flow diagram tested by SRC are outlined in red in **Figure 2**.

Figure 2. Simplified Process Flow Diagram



Given the initial evaporation trial was at the laboratory scale and had a short timeframe (92 days), not all characteristics of the harvested salts are representative of those expected at full scale, particularly the crystal size and structure (and subsequent liberation) of the salts. A larger more representative sample of salts will be available after the next stage of laboratory evaporation trials. These trials will be designed to slow down brine concentration, increase the retention time and incorporate additional site specific factors.

The Company is pleased with the positive results to date. The first stage of evaporation and process testwork provides clear direction on the key areas that require refinement and optimisation during the PFS. This covers the evaporation pond configuration to generate feed salts and the plant configuration to convert the feed salts into a high quality SOP product as efficiently as possible.

Detailed studies and planning for the next stage of evaporation trials and process testwork have commenced. The next stage will assess three variations of the Scoping Study’s flowsheet in order to determine the optimal process to be tested at a pilot scale at site.

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¹ Chemical formulae for the main minerals in the salt samples received by SRC included leonite (K₂SO₄.MgSO₄.4H₂O), kainite (KCl.MgSO₄.3H₂O), halite (NaCl) and magnesium sulphate (MgSO₄).

² Potassium oxide (K₂O) is the conventional term for reporting the potassium content in potash products, including SOP or potassium sulphate (K₂SO₄).

For more information contact:

Mark Savich

Chief Executive Officer

T: +61 402 746 757

E: msavich@agrimin.com.au

Alec Pismiris

Director & Company Secretary

T: +61 8 6141 6304

E: apismiris@agrimin.com.au

Or visit our website at www.agrimin.com.au

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 the interpretations of process testwork data was undertaken by Mr Don Larmour who is a full-time employee of Global Potash Solutions Inc. Mr Larmour is a chemical engineer with 36 years experience working in potash processing and is independent to Agrimin. Mr Larmour consents to the inclusion of such information in this statement in the form and context in which it appears.