

ASX Release 28 January 2021

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 31 DECEMBER 2020

Highlights

Mackay Potash Project

- . Agrimin's Sulphate of Potash certified as an allowable input for use in organic production systems
- Product marketing and project funding activities advanced with strong engagement from multiple international fertiliser companies
- Global engineering firm appointed as Independent Technical Expert to complete a review of the Mackay Potash Project on behalf of financiers
- Negotiation Protocol signed with the Ngururrpa native title holders and negotiations commenced to enter an agreement for the construction and operation of the project's haul road
- Environmental Impact Assessment progressed with the first draft of the Environmental Review Document submitted to the Environmental Protection Authority

Corporate

- Completion of placement to raise \$5.0 million (before costs) and initiation of Share Purchase Plan
- Tax refund of \$1.6 million received under the R&D Tax Incentive program
- Cash balance of \$7.7 million at 31 December 2020

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

Mackay Potash Project – Western Australia (100% owned)

Agrimin's vision is to establish the Mackay Potash Project as the world's leading seaborne supplier of Sulphate of Potash ("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 Mackay Potash 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. Additionally, Agrimin's SOP is certified as an allowable input for use in organic production systems.

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 project is located 940km by road south of the Wyndham Port in Western Australia (**Figure 1**). It comprises nine granted Exploration Licences covering 3,057km² in Western Australia and three Exploration Licence applications covering 1,240km² 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 operations.



Figure 1. Project Location Map



The project 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.

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 scope 1 and 2 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, the Mackay Potash Project is now rapidly advancing toward a Final Investment Decision. Current activities include:

- Product marketing and off-take agreements;
- Project funding and strategic partnerships;
- Front-End Engineering Design;
- Execution planning and contracting;
- Environmental approvals; and
- Mining tenements and secondary approvals.

Product Marketing and Project Funding

During the quarter, the Company appointed Advisian, a subsidiary of Worley Limited, as Independent Technical Expert on behalf of financiers. Completion of this Independent Technical Review of the Mackay Potash Project will be an important milestone to enable Agrimin to access significant debt finance, including from the Northern Australia Infrastructure Facility ("NAIF") which has continued to express its interest to provide concessional longer term debt finance for the project.

The Company also continues discussions with some of the world's largest fertiliser companies who are interested in participation in product marketing and development of the Mackay Potash Project. The Company remains in a fortunate position having retained marketing rights for 100% of its planned SOP production as it continues this engagement with potential strategic partners.

The Company is currently undertaking product marketing for its planned SOP production in conjunction with project funding. The majority of the project's production is planned to be committed under marketing and/or off-take contracts to support debt finance.



During the quarter, Agrimin's SOP product was certified by Southern Cross Certified Australia Pty Ltd and will allow the Company to provide third party assurance to its customers that its SOP product is suitable for use in certified organic production systems. Certification as an allowable input into organic production systems sets Agrimin's SOP apart from a large portion of global SOP supply which is currently produced from the Mannheim Process (an industrial process using sulphuric acid and potassium chloride).

Project Permitting

During the quarter, the Environmental Impact Assessment ("EIA") for the Mackay Potash Project continued and remains the critical path item for the commencement of full-scale project construction.

In February 2019, the Western Australian Environmental Protection Authority ("EPA") determined the project will be assessed under Part IV of the *Environmental Protection Act 1986* (EP Act) at a Public Environmental Review level with a four week public comment period. In August 2019, the Commonwealth Department of Agriculture, Water and the Environment ("DAWE") determined the project will be assessed under the *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act). The Commonwealth's assessment will occur by way of the Bilateral Agreement between the Commonwealth and the State of Western Australia made under Section 45 of the EPBC Act to accredit the state assessment process.

In May 2020, the Australian Federal Government awarded Major Project Status to the Mackay Potash Project which will allow the project to receive additional assistance with respect to the facilitation of Federal Government approvals for the project.

In parallel with the EIA, the Company also progressed the project's other remaining approvals, licences and agreements, which include:

- Department of Mines, Industry Regulation and Safety ("DMIRS") Miscellaneous Licences, Mining Lease, Mining Proposal and Mine Closure Plan approvals under the Mining Act 1978;
- Department of Water and Environmental Regulation ("DWER") Works Approval and Licence under Part V of the EP Act; and
- Agreements with Parna Ngururrpa (Aboriginal Corporation) RNTBC and Tjurabalan Native Title Lands (Aboriginal Corporation) for the grant of Miscellaneous Licences over the proposed haul road alignment.

During the quarter, the Company signed a Negotiation Protocol with the Ngururrpa native title holders and commenced negotiations to enter an agreement for the construction and operation of the project's 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 long 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) progressed 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)

The Lake Auld Potash Project is located approximately 640km south-east of Port Hedland, Western Australia (**Figure 1**). The project consists of a granted Exploration Licence covering a lakebed area of 108km² 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 project 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.

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

Corporate Activities

Annual General Meeting

On 26 November 2020, the Company held its Annual General Meeting of Shareholders. All resolutions put to shareholders at the meeting were carried.

Share Issues

During the quarter, the Company issued 11,111,112 ordinary shares at \$0.45 per share under a placement to raise approximately \$5.0 million (before costs). During the quarter, the Company also initiated a Share Purchase Plan 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.

The Company issued 3,650,000 performance rights under the Company's Employee Securities Incentive Plan 2019 during the quarter. No 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.

The Company holds a 40% interest in Tali Resources Pty Ltd which has Exploration Licences in the West Arunta and Madura regions of Western Australia which are prospective for gold and base metals mineralisation. During the quarter, Tali Resources Pty Ltd continued to progress potential funding options for its projects, including discussions with potential farm-in partners.



Summary of Expenditure Incurred on Activities

The Company incurred \$970,000 on exploration and evaluation activities during the quarter. No expenditure was incurred on development or production activities during the quarter. Exploration and evaluation expenditure during the quarter related to on-site operating costs, Front-End Engineering Design, 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 2020 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\$)
Directors' Remuneration		
CEO Salary and Superannuation	82,500	82,500
Non-Executive Director Fees	57,375	57,375
Company Secretarial Fees	9,000	9,000
Total payments to related parties of the entity and their associates	148,875	148,875

Tenement Interests

Table 2. Schedule of Tenement Interests as at 31 December 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%			
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%			



Tenement Ref.	Project	Holder	State	Status	Interest		
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%		
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%		

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.