



Agrimin Limited | ABN 15 122 162 396
ASX Code: AMN
2C Loch Street
Nedlands, Western Australia 6009
T: +61 8 9389 5363
E: admin@agrimin.com.au | W: www.agrimin.com.au

ASX Release
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BINDING OFFTAKE WITH CHINA'S MAJOR POTASH IMPORTER

Highlights

- **150,000tpa Binding Offtake Agreement signed with Sinochem Fertilizer Macao Limited, which belongs to Sinofert Holdings Limited, China's main importer of potash**
- **Largest offtake volume for any Australian Sulphate of Potash ("SOP") project**
- **10 year term with pricing negotiated quarterly based on a Chinese SOP price index quoted by an international marketing group**
- **Offtake quantity covers one third of Agrimin's planned SOP production of 450,000tpa¹ and supports a balanced offtake book**
- **Negotiations are advanced with other major global fertiliser companies for further offtakes**

Agrimin Limited (ASX: AMN) ("Agrimin" or "the Company") has signed a Binding Offtake Agreement with Sinochem Fertilizer Macao Limited ("Sinochem Fertilizer Macao") for the supply of 150,000tpa of SOP produced from the Mackay Potash Project for sale and distribution in China (see **Table 1**).

Sinochem Fertilizer Macao is a wholly owned subsidiary of Sinofert Holdings Limited ("Sinofert"), which is listed on the Hong Kong Stock Exchange (HKEX: 00297) and whose controlling shareholder is China National Chemical Corporation Limited, a major Chinese State-Owned Enterprise.

Sinofert is one of China's largest crop nutrition companies and plays a pivotal role with global potash suppliers to ensure the country's potash supply. China is the world's largest SOP market and currently accounts for more than half of all global SOP demand.



Mark Savich, CEO of Agrimin said: *"Sinochem Fertilizer Macao is a Tier 1 offtake partner and we welcome this long-term relationship with China's main importer of potash to create an important supply channel for Agrimin's SOP into the world's largest SOP market."*

¹ Refer to the ASX Release on 21 July 2020 for full Definitive Feasibility Study details. All material assumptions underpinning the production target and forecast financial information derived from the production target still apply and have not materially changed. The production target and financial information must be read in conjunction with the Cautionary Statement on page 3 of this ASX Release.

“This large tonnage, long-term supply deal with Sinochem Fertilizer Macao is testament to the quality and scale of the Mackay Potash Project. It is also further evidence of the considerable interest in the environmental and organic credentials of Agrimin’s SOP product.

“We are at an advanced stage of negotiations with other major fertiliser companies in different regions and we expect to announce further developments in the near term to underpin project financing.”

Table 1. Key Terms of the Binding Offtake Agreement

Terms			
Counterparty	Sinochem Fertilizer Macao Limited		
	 		
Quantity	150,000 tonnes per annum during steady-state production, with 90,000 tonnes and 120,000 tonnes during ramp-up in Years 1 and 2, respectively.		
SOP Specifications	Component	Chemical Formula	Typical %
	Potassium Oxide	K ₂ O	52
	Sulphur Trioxide	SO ₃	46
	Chloride	Cl	< 0.5
	Physical Parameter	Description	
	Appearance	White	
	Solubility	Soluble fertiliser suitable for soil application	
	Particle Size	+/- 200 µm powder	
Pricing	Negotiated quarterly with reference to an existing Chinese SOP price index quoted by a well-recognised international source.		
Duration	10 year term from commencement of commercial production.		
Delivery	Minimum 15,000 tonne bulk shipment volume per delivery.		
Jurisdiction	Exclusive sale and distribution rights in the People’s Republic of China only.		
Conditions Precedent	Agrimin making a final investment decision to develop the Mackay Potash Project and the commencement of commercial production by 30 June 2025.		

ENDS

For further information, please contact:

Investors

Mark Savich
 Chief Executive Officer
 T: +61 8 9389 5363
 E: msavich@agrimin.com.au

Media

Michael Vaughan
 Fivemark Partners
 T: +61 422 602 720
 E: michael.vaughan@fivemark.com.au

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

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 potash projects in Western Australia. 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).

About Sinochem Fertilizer Macao

Sinochem Fertilizer Macao Limited is under the full ownership of Sinofert Holdings Limited, which is listed on the Hong Kong Stock Exchange and whose controlling shareholder is China National Chemical Corporation Limited, a major Chinese State-Owned Enterprise. Sinofert Holdings Limited is a comprehensive crop nutrition enterprise centering on distribution services and vertically integrating production and network distribution.

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.

Production Target

The information in this ASX Release that relates to production targets and forecast financial information for the Mackay Potash Project were first reported in accordance with ASX listing rules 5.16 and 5.17 in the Company's ASX Release titled "Agrimin to be the World's Lowest Cost SOP Producer" announced on 21 July 2020. The Company confirms that all the material assumptions underpinning the production targets and forecast financial information derived from the production target in the previous announcement continue to apply and have not materially changed.

Cautionary Statement

The Definitive Feasibility Study results, production target and forecast financial information referred to in this ASX Release are supported by the Definitive Feasibility Study mine plan which is based on the extraction of 93% Ore Reserve and 7% Inferred Mineral Resource. There is a low level of geological confidence associated with the Inferred Mineral Resource and there is no certainty that further exploration work and economic assessment will result in the conversion to Ore Reserve or that the production target itself will be realised. The Mineral Resource and Ore Reserve underpinning the production target in this ASX Release have been prepared by a competent person in accordance with the requirements of the JORC Code (2012).