

ASX Release  
14 July 2021

## QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 30 JUNE 2021

### Highlights

#### Mackay Potash Project

- **150,000tpa Binding Offtake Agreement signed with Sinochem Fertilizer Macao Limited, which belongs to Sinofert Holdings Limited, China's main importer of potash**
- **Independent Technical Review of the Mackay Potash Project and the DFS successfully completed**
- **Primero Group awarded FEED contract for the process plant**
- **Long-term monitoring delivers exceptional wind resource and provides potential to increase renewables penetration beyond the DFS design of 58%**
- **FEED work underway to assess power load profiling to maximise renewables penetration and further reduce CO<sub>2</sub>-e emissions**

#### Corporate

- **Cash balance of \$5.5 million as at 30 June 2021**

Agrimin Limited (ASX: AMN) ("Agrimin" or "the Company") is pleased to report its activities for the quarter ending 30 June 2021.

### 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 3,057km<sup>2</sup> in Western Australia and three Exploration Licence applications covering 1,240km<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.

**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.

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 ("**FID**"). Current activities include:

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

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

During the quarter, the Company signed a Binding Offtake Agreement with Sinochem Fertilizer Macao Limited for the supply of 150,000tpa of SOP produced from the Mackay Potash Project for sale and distribution in China. This is the largest offtake volume for any Australian SOP project and has a 10-year term with pricing negotiated quarterly based on a Chinese SOP price index quoted by an international marketing group. 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.

The Company is at an advanced stage of negotiations with other major fertiliser companies in different regions and intends to finalise further agreements in the near term to underpin project financing.

Also, during the quarter, the Company announced that the Independent Technical Review ("**ITR**") of the Mackay Potash Project and the DFS was completed. 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 Mackay Potash Project, particularly when considering the FEED work programs and mitigations that are planned to occur prior to the Company making a FID. The ITR was completed by Advisian Pty Ltd, a subsidiary of the Worley Limited group of companies.

The ITR is 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.

### **Front End Engineering Design**

The Company’s integrated owner’s team is currently progressing the FEED phase of the Project.

During the quarter, the Company awarded Primero Group Limited (“Primero”), a subsidiary of NRW Holdings Limited, the FEED contract for the Project’s process plant and associated non-process infrastructure. At the completion of the FEED works, Primero will deliver to Agrimin an Engineering, Procurement and Construction (“EPC”) contract, inclusive of performance guarantees, to support a FID.

Royal IHC has been awarded the FEED contract for the Project’s automated wet harvesting equipment. Wet harvesting is currently used at the world’s largest SOP operation and Royal IHC is the world leader in the design and manufacture of dredging systems for wet harvesting solutions.

Coffey has been appointed to lead the FEED activities in relation to the construction methodology and detailed design of the Project’s haul road. In addition, the Company continues to work with Newhaul Pty Ltd and Transshipment Services Australia Pty Ltd regarding FEED works in relation to product haulage and shiploading.

During the quarter, the Company completed 12 months of Sonic Detection and Ranging (“SODAR”) data collection to obtain information about daily and seasonal wind patterns at the proposed process plant site. The SODAR data has been correlated to ERA5 and MERRA2 processed satellite data sets, providing accurate wind strength and variability. The data show that Lake Mackay has an average wind speed of approximately 27km per hour at the planned wind turbine hub height of 130m, with low seasonal variability.

This average wind speed at Lake Mackay exceeds the assumption used in the DFS which was based on regional wind data. Importantly, the SODAR data demonstrates that wind energy is typically stronger at night and in the morning, which will complement solar energy and greatly improve renewable energy utilisation.

Completion of long-term wind monitoring will now allow the for final power system selection and supports the extremely low carbon footprint of Agrimin’s SOP fertiliser. The Company is also committed to assessing opportunities to further reduce CO<sub>2</sub>-e emissions and has commenced studies to maximise renewables penetration by matching process the Project’s power demand with the availability of renewable energy supply (load profiling), as well as assessing the potential integration of hydrogen-based storage solutions.

### **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.

The Company is currently preparing its final Environmental Review Document for submission to the EPA.

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) for the grant of Miscellaneous Licences over the proposed haul road.

During the quarter, the Company finalised the heritage surveys across all three native title determination areas and successfully obtained heritage clearances for the proposed disturbance envelopes for the Project's haul road and associated infrastructure such as borrow pits, water bores and communication towers.

### **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)**

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.

During the quarter, the Company advanced plans for a heritage survey with Western Desert Lands Aboriginal Corporation (Jamukurnu-Yapalikunu) RNTBC, the Native Title representative body for the Martu people.

## Corporate Activities

During the quarter, the Company provided a number of virtual presentations, including the Shaw and Partners Potash Conference in May 2021.

### Share Issues

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.

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, pursuant to which Rio Tinto Exploration Pty Ltd can earn up to a 75% joint venture interest. There were no exploration activities completed during the quarter.

### Summary of Expenditure Incurred on Activities

The Company incurred \$1,385,000 which for accounting purposes has been allocated to on 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 30 June 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	57,375	57,375
Company Secretarial Fees	9,000	9,000
<b>Total payments to related parties of the entity and their associates</b>	<b>148,875</b>	<b>148,875</b>

## Tenement Interests

**Table 2. Schedule of Tenement Interests as at 30 June 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%
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%
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%

### 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.