

Press Release

Perth, 25 May 2016

New salt project set to boost Pilbara jobs & economy

A new solar salt project is set to create jobs and stimulate local business in the Pilbara while adhering to rigorous environmental standards.

International operating resources company K+S Group today announced initial plans to develop the Ashburton Salt project, 40 kilometers south-west of Onslow, Western Australia.

The Ashburton Salt project is still in the very early stages of development. K+S is currently preparing the required documents to apply for the necessary environmental permits and completing a feasibility study for the project.

The approval process is expected to last at least three years, and only when the necessary permits have been granted will K+S make a final decision on whether to build the solar salt production facility, in 2019 at the earliest.

K+S Group Board Member and head of K+S Group's Salt business unit Mark Roberts said the project, if realised, would provide long term job certainty while protecting the surrounding environment.

"Ashburton Salt is a completely new project and significantly different from previous proposals for the region. Minimising environmental impacts on the surrounding area is a priority and Ashburton Salt will be developed using the most advanced technical and management practices," Mr Roberts said.

The K+S approach to environmental management for this project includes:

- Locating the project 40 km south-west of Onslow, to minimise its interface with the Exmouth Gulf;
- Ensuring an adequate buffer to mangrove communities (recognising these are important components of the ecosystem);
- Minimising impacts on algae mat communities (recognising these are important primary producers in the local food chain);
- Not including long-term bitterns (salty water produced from seawater evaporation) storage in the project design, instead investigating other recognised best practice methods of bitterns management in use within the salt industry; and
- Minimising, if not eliminating, dredging of the ocean floor.

"From the outset, environmental scientists are working closely with project engineers, considering potential environmental impacts as part of each step of the design process."

Mr Roberts added the project had the potential to provide sustainable economic benefits.

Annual production capacity would be approximately 3.5 million tonnes (Mtpa) of solar salt, with early K+S estimates anticipating an approximate capital expenditure of AU\$ 350 million.

"The project may provide approximately 75 sustainable, full-time local jobs once in production. We are committed to employing locally where possible."

"This project has the potential to create a range of positions for local people - from engineers and plant operators to truck drivers," he said. "There will also be opportunities for a range of local businesses to provide goods and services."

Mr Roberts said engaging with the local community would be essential to the project's success.

"K+S wants to work with the Onslow and Exmouth communities throughout the project development," he said. Following today's announcement K+S representatives plan to meet with key stakeholders in Onslow and Exmouth.

"This will be the first step in a longer process of engaging and consulting local people throughout the environmental approval and development stages."

Ashburton Salt represents K+S' entry into the Australasian region. The project will supply the expected growing Asian market.

A small K+S team will be based in Perth to manage the Ashburton Salt project. They will be supported by a range of Western Australian service providers with an understanding of local conditions and communities.

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K+S is an international resources company and the world's largest salt producer. Operating at more than 30 locations in Europe, North and South America, the company has been mining and processing mineral raw materials for more than 125 years.

K+S' potash and salt products are used worldwide in agriculture, food production, road safety and industrial processes.

Learn more about K+S at www.k-plus-s.com.

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