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ASX Announcement

22 February 2021

ASX: PWN
FSE: 4IP

CORPORATE UPDATE – February 2021

Highlights

RECENT MILESTONES

- Fully funded to complete major corporate transformation.
- Significant progress in advancing core BPaaS™ technology platform.
- Strategic growth initiatives supported by initial acquisition of established business.

Parkway Minerals NL (ASX: **PWN**) (“**Parkway Minerals**” or the “**Company**”) is pleased to provide a short update on a number of recent developments.

The Company continues to make significant progress towards becoming a technology solution provider of choice, particularly in relation to addressing high concentration process and wastewater related challenges, in the global energy, mining and wastewater industries.

In order to better align the Company and enable the redeployment of capital towards key priorities, the Company has recently divested its shareholding in ASX listed Davenport Resources, raising approximately \$2.05 million in net proceeds. The divestment of this shareholding, together with the proceeds of the recently completed \$5.25 million capital raising, has enabled the Company to continue to make significant progress towards the near-term goals outlined at the [2020 Annual General Meeting](#).

Key Recent Developments

Advancing Brine Processing as a Solution (BPaaS™) Platform

The Company continues to make encouraging progress in advancing the [BPaaS™ platform](#) towards a number of key technical and commercial milestones. In addition to the ongoing and previously foreshadowed technology commercialisation related activities, the Company has recently completed a preliminary techno-economic evaluation for a major global energy company¹. This previously undisclosed evaluation continues to demonstrate the

¹ The energy company is classified as a Top 20 global energy company. As Parkway Minerals is bound by confidentiality related obligations, the identity of the energy company remains confidential at this time.

transformative potential of the BPaaS™ platform, to provide attractive wastewater processing options, for complex and problematic wastewater streams. Preliminary findings from this initial evaluation indicate that the range of annual benefits to the client from processing of the target problematic wastewater stream through the BPaaS™ platform, to be in the order of \$10 – 30 million a year, depending on a number of key assumptions².

In order to further support the roll-out of the BPaaS™ platform, the Company is in discussions with an established water industry player about the prospect of launching a collaborative partnership to assist in the realisation of certain priority BPaaS™ projects. Under the anticipated partnership, the Company would provide access to its portfolio of technologies and the partner would support project delivery as well as own and operate the wastewater treatment plant/s, for the benefit of the client. Under the proposed arrangement, the Company would generate direct revenues linked to both technology licensing fees and a share of the associated value creation realised by the client, as a result of adopting a BPaaS™ solution.

The Company is also in negotiations to acquire certain rights to an additional wastewater treatment technology that has synergies with the existing technology portfolio, as well as potential applications in the sustainable destruction of certain wastewater contaminants, including PFAS³ and related compounds. The acquisition cost is expected to be limited to the Company providing certain commercialisation related services, supported by the Company's BPaaS™ platform.

Whilst the discussions outlined above continue to progress positively and in good faith, there can be no certainty such discussions will necessarily be concluded successfully.

Advancing Synergistic Corporate Development Initiative

In parallel with the BPaaS™ related activities, the Company recently commenced the establishment of a small-scale products and services offering based on conventional technologies, to address broader opportunities in the water treatment sector. In addition to a number of key hires, the Company has established commercial relationships with several strategic industry players, including several leading OEM's and related service providers. As foreshadowed previously, this new business unit (Parkway Process Solutions⁴) will not only generate near-term revenue but will also support the successful commercialisation of the Company's next-generation technology portfolio, including the delivery of highly differentiated and integrated water treatment related solutions.

In order to assist the Company and this new business unit in particular, to fast-track the growth in capabilities and footprint, Parkway Process Solutions has agreed to acquire a small but profitable water treatment business based in Western Australia. The business being acquired has been in operation for over a decade, has an established client base with approximately 100 customers and provides the Company with significant and immediate growth opportunities, in line with Company's aspirations for Parkway Process Solutions. The business being acquired has generated annual revenues in the order of \$1 million, including in the most recent reporting period (FY20). The upfront acquisition cost (inclusive of on-site plant, equipment and stock) is \$420,000 before adjustments, with a further payment of up to \$100,000 payable at the 12-month anniversary, should the underlying business continue to generate net revenues of at least \$1 million in the 12 months, immediately following settlement. The Company intends to provide further details upon completion of the acquisition which is currently scheduled to occur later this month.

² Assumptions include a range of typical industrial and wastewater treatment plant related costs, with the key sensitivity being the assumed long-term wastewater disposal cost, and/or associated provisions. The estimate of annual benefits outlined in this context does not represent any form of guidance or financial forecast and is provided solely for illustrative purposes only.

³ PFAS and related manufactured chemicals are now considered major contaminants, including in groundwater and waterways.

⁴ Parkway Process Solutions Pty Ltd (ABN: 45 163 469 761) is a wholly owned subsidiary of the Company.

Commentary

Parkway Minerals – Managing Director, Bahay Ozcakmak commented:

“At Parkway, we continue to be resolutely focused on our core mission. We understand precisely the type of company we need to build, to enable us to provide leading global companies, with a suite of next-generation water treatment related technologies through our BPaaS™ platform. In a relatively short period of time, we have successfully realigned and recapitalised the company, grown both our team and capabilities and positioned the company strongly to capture existing and emerging growth opportunities, in the global water treatment industry.

Notwithstanding the global challenges arising from the Covid-19 pandemic, there appears to be a sudden realisation that business as usual for many industrial operations, particularly emissions or water intensives operations, is no longer acceptable. As expectations of key stakeholders and society more broadly evolves, we are witnessing a rapid deterioration and even demise of operations that are being increasingly viewed as unsustainable, resulting in the emergence of stranded assets. During this period of rapid change, we are seeing a scramble by industry incumbents to adapt to the new normal. It is increasingly clear that the winners will at the very least be ESG friendly, if not outright ESG champions. It is in this light; we expect our growing portfolio of world-class wastewater treatment technologies to play an important role in assisting industry make the necessary transition towards more water efficient and sustainable operations.

Against this backdrop, behind the scenes, at Parkway we have been making steadfast progress towards building our new strategic business division. Whilst initially small, upon closing of the acquisition we announce today, for the first time, we will have established a recurring revenue stream for Parkway. We expect these new initiatives, together with further (as yet) unannounced initiatives, will transform the company as a result of building the foundations for generating a rapidly growing revenue stream. Importantly, all of these growth focused initiatives will also immediately support, the timely commercialisation of our technology portfolio through our BPaaS™ platform.

I look forward to providing further details about the exciting, integrated water treatment business we are building, at a time when pressure on industry and our increasingly scarce water resources, has never been greater.”

On behalf of Parkway Minerals NL.



Bahay Ozcakmak

Managing Director

Additional Information

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aMES[®] Technology

The *activated Mineral Extraction System*, or **aMES[®]** is an innovative process technology that enables the treatment of concentrated brine solutions to recover a range of valuable compounds, reagents and fresh water. The technology utilises a proprietary multi-staged process incorporating novel membrane technology and is based on proprietary IP, incorporating patents, expertise and know-how acquired over more than a decade of intense process development.

Advantages of the aMES[®] technology include:

- improvements in mineral recovery and product quality,
- opportunity for substantial project capex & opex savings,
- efficient use of energy and produces pure water as a by-product, and
- improved project footprint and environmental sustainability.

Ongoing collaboration with a number of brine project developers and operators has confirmed there are many applications where the aMES[®] technology has the potential to deliver substantial value by enhancing existing flowsheets, in order to improve overall project performance.

Additional Information

www.parkwayminerals.com.au/ames-technology

iBC[®] Technology

The *integrated Brine Causticization*, or **iBC[®]** is a patented process technology that simultaneously removes common impurities from waste brine streams and converts sodium carbonates and bicarbonates commonly found in coal seam gas (CSG) brines, into more soluble sodium hydroxide.

As a result of the causticization step, the iBC[®] technology produces a purified brine suitable for downstream processing, including with the aMES[®] technology, for the production of various salt products and industrial-grade sodium hydroxide.

Additional Information

<https://www.parkwayminerals.com.au/ibc-technology>

aMES[®]

Brine Processing Technology

Key Industries (Applications)

- Mining natural brine (salt lakes)
- Solution mining brine (potash)
- Refinery & industrial waste brine
- Wastewater treatment brine

Target Products (Produced)

- Potash (MOP/SOP/KMS)
- Lithium and magnesium salts
- Range of byproducts (B, Br, Ca, Co, Cu, I, Na, Ni, REE, Si, Sr)
- Reagents
- Water

iBC[®]

Brine Pre-Treatment Technology

Key Industries (Applications)

- Oil & gas waste brine (CSG)
- Wastewater treatment brine

Target Products (Produced)

- Sodium hydroxide concentrate
- Sodium chloride
- Byproducts (Ca, Mg, Si)



About Parkway Minerals

In October 2019, Parkway Minerals (ASX: PWN) completed a transformational transaction by acquiring an Australian unlisted public company, Consolidated Potash Corporation (CPC). Through CPC, Parkway Minerals acquired a minority interest in the Karinga Lakes Potash Project (KLPP) in NT Australia, as well as a majority interest in the New Mexico Lithium Project (NMLP), in the United States. The CPC transaction, also resulted in Parkway Minerals acquiring the innovative aMES[®] technology, which has been developed to process a range of challenging brine streams from the mining industry, in order to recover valuable minerals, reagents as well as produce fresh water.

Given the significant market opportunities, Parkway Minerals is focused on commercialising a world-class technology portfolio to provide long-term sustainable solutions for processing complex brines, in the energy, mining and wastewater industries. In order to achieve this objective, Parkway Minerals is partnering with leading industry participants to provide, BPaaS – Brine Processing as a Solution[™].

Parkway Minerals is commercialising a world-class technology portfolio to provide long-term sustainable solutions for processing complex brines, in the energy, mining and wastewater industries.

Our mission is to collaborate with leading strategic partners to deliver:

BPaaS – Brine Processing as a Solution[™]

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; proposed or projected project or transaction timelines; uncertainties and risks associated with the advantages and/or performance of the Company’s projects and/or technologies; uncertainties and risks regarding the estimated capital and operating costs; uncertainties and risks regarding any envisaged timelines in relations to any results, milestones, partnerships, including but not limited to any milestones which may require obtaining approvals from third parties.

For a more detailed discussion of such risks and other factors, see 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.