HARVEST MINERALS LIMITED

ABN 12 143 303 388

Half-Year Financial Report

31 December 2017

CORPORATE DIRECTORY

Directors
Mr Brian McMaster (Executive Chairman)
Mr Luis Azevedo (Executive Director)
Mr Frank Moxon (Non-Executive Director)
Mr Jack James (Non-Executive Director)

Company Secretary
Mr Jack James

Share Registry
Computershare Investor Services LLC
The Pavilions
Bridgewater Road
Bristol BS99 6ZZ
Telephone: +44 370 703 6300

Auditors
HLB Mann Judd
Level 4
130 Stirling Street
Perth WA 6000

Nominated & Financial Adviser
Strand Hanson Limited
26 Mount Row
London W1K 3SQ
United Kingdom

Broker
Shard Capital Partners LLP
20 Fenchurch St
London EC3M 3BY
United Kingdom

Registered Office and Principal Place of Business
22 Lindsay Street
Perth WA 6000 Australia
Telephone: + 61 8 9200 1847
Facsimile: + 61 8 9227 6390

Stock Exchange
The Company's securities are quoted on
the AIM market of the London Stock Exchange.
AIM Code: HMI

Contents

Contents	Page
Directors' Report	1
Auditor's Independence Declaration	4
Condensed Consolidated Statement of Comprehensive Income	5
Condensed Consolidated Statement of Financial Position	6
Condensed Consolidated Statement of Changes in Equity	7
Condensed Consolidated Statement of Cash Flows	8
Notes to the Condensed Consolidated Financial Statements	9
Directors' Declaration	14
Independent Auditor's Review Report	15

DIRECTORS' REPORT

The Directors of Harvest Minerals Limited and its subsidiaries ('Harvest', 'HMI' or 'the Company') submit the financial report of the Company for the half-year ended 31 December 2017. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

Directors

The names of Directors who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr Brian McMaster	Executive Chairman
Mr Luis Azevedo	Executive Director
Mr Frank Moxon	Non-Executive Director
Mr Jack James	Non-Executive Director (appointed 3 July 2017)
Mr David Burton	Non-Executive Director (appointed 1 February 2018, resigned 19 March 2018))
Mr Matthew Wood	Executive Director (resigned 9 October 2017)
Mr Mark Reilly	Non-Executive Director (resigned 3 July 2017)

Results

The loss after tax for the half-year ended 31 December 2017 was $833,508 (2016: $1,425,453).

Review of Operations

Arapua Fertiliser Project

<u>*Studies, Test Work and Sales*</u>

On 3 July 2017, the Company announced the results from ongoing agronomic work at its Arapua Fertiliser Project. Harvest reported that multiple soil incubation tests had been completed, which confirmed that the Company's remineraliser product, KPfértil, has positive agronomic efficiency. The results of such testing indicated that KPfértil works effectively as a multi-nutrient, slow release remineraliser and visual comparisons indicated that larger, healthier plants develop when KPfértil is applied.

On 16 August 2017, the Company announced it had completed tests designed to determine if plants could use the nutrients in KPfértil when applied to the soil and compared these results with either no fertiliser or conventional fertilisers. These results continued to demonstrate that KPfértil works as a fertiliser and has a positive agronomic efficiency.

On 5 September 2017, the Company announced that results of further tests conducted over 180 days on juvenile (±1.5 year) and mature (+12 year) coffee plants indicated that KPfértil is as effective as traditional fertilisers in supplying potassium ("K") and phosphate ("P") to plants. As part of the test, a total of 12 treatments were applied to compare KPfértil to conventional fertilisers as a source of K and P and results indicated that KPfértil acted as efficiently as imported Potassium Chloride ("KCl"), a conventional source of potassium.

On 27 September 2017, the Company announced that it had submitted an application to register KPfértil as a remineraliser to the Brazilian Ministry of Agriculture, Livestock and Supply.

On 12 October 2017, the Company announced it had made its first sales of KPfértil after its initial testing, achieving pre remineraliser registration with customers including coffee growers, orchard and broad acre crop farmers.

On 22 November 2017, the Company announced positive leach test results for KPfértil. The test results demonstrated the superior behaviour of KPfértil over other traditional sources of potassium.

Infrastructure Work

On 12 October 2017, the Company announced that a modular processing plant had been fabricated and installed, completing a low-cost production chain whereby KPfértil can be milled and loaded into 1 tonne "big-bags" and picked up by the customer. The processing plant was designed such that further mills can be added to increase production capacity as the volume of order increases. The Company looks forward to transitioning from explorer to developer in the near future.

Other

In line with the Company's strategy to rapidly develop sales of KPfértil, the Company announced on 10 July 2017 the appointment of a new Brazilian based Sales Manager, Mr Lino Furia.

On 30 November 2017, the Company announced that the Federal Senate (Upper House of the National Congress of Brazil) approved a bill to reduce the royalty rates of fertiliser projects from 3% to 0.2%. The bill was approved by the Chamber of Deputies (lower house) on Wednesday 22 November 2017 and is part of wider reforms to boost the mining sector and the economy in general. This change will allow the Company to benefit significantly due to its low cost of production and forecast high production margin. The Company estimates cost savings of ~US$1.46/t at the Arapua Fertiliser Project.

As was disclosed in the Company's AIM Admission Document dated 2 September 2015 (the "Admission Document"), the Company is obliged to make a payment of US$1,000,000 at the commencement of commercial production in the areas of the mineral rights at Arapua. This payment was stated in the Admission Document as being due to RV2 Rio Verde Mineracao Ltda ("RV2"), which was the corporate vehicle incorporated to receive the payment on behalf of the previous owners of the mineral rights at Arapua, Fernando Pereira da Rocha Thomsen and Janine Tavares Camargo. As a result of a historical change in the transaction structure, this payment (when due) will be made directly to Fernando Pereira da Rocha Thomsen and Janine Tavares Camargo. The Company also updates that the mineral rights related to Arapua are held by its wholly owned subsidiary (save for one share), Triunfo Mineracao do Brasil Ltda, following the merger of its other wholly owned subsidiary (save for one share), Triunfo Fertilizantes & Mineracao Ltda, with Triunfo Mineracao do Brasil Ltda in September 2017.

Sergi Potash Project

On 23 July 2015, the Company announced that it had recorded a JORC (2012) Inferred Mineral Resource totalling 105.3MT grading 21.3% KCI, including all the sylvinite and carnallitite layers and using a cut-off grade of 13% KCI at its Sergi Potash Project. Given the scale of activity currently being undertaken at Arapua, the Company did not materially advance its Sergi Potash Project during the half-year period to 31 December 2017.

Capela Potash Project

Given the scale of activity currently being undertaken at Arapua, the Company did not materially advance its Capela Potash Project during the half-year period to 31 December 2017.

Mandacaru Phosphate Project

On 16 June 2016, the Company announced that the Mandacaru Phosphate Project contains a JORC (2012) compliant resource of 4.38 MT @ 4.55% P_2O_5, which includes an indicated resource of 1.47MT @5.30% P_2O_5 and an Inferred resource of 2.91 Mt @ 4.18% P_2O_5. The project has an estimated additional exploration potential of 4Mt of phosphate ore with similar grades, from the extension of the estimated mineralised layers, to be proven up by further exploration assessment. Given the scale of activity currently being undertaken at Arapua, the Company did not materially advance its Mandacaru Phosphate Project during the half-year period to 31 December 2017.

Corporate Activity

Issue of Shares

On 25 October 2017, the Company issued 12,000,000 ordinary fully paid shares at 10p per share (the “Placing”) to complete a fundraising of £1.2m (approximately A$ 2.1m).

Issue of Warrants

On 25 October 2017, in connection with the Placing, the Company issued the 600,000 warrants over ordinary shares with an exercise price of 10 pence expiring on 25 October 2019, to joint brokers of the Placing.

Appointment/Resignation of Directors

On 3 July 2017, the Company announced the appointment of Mr Jack James as a Non-Executive Director, and the resignation of Mr Mark Reilly as a Non-Executive Director.

On 4 October 2017, the Company announced the resignation of Mr Matthew Wood as an Executive Director, effective from 9 October 2017.

On 1 February 2018, the Company announced the appointment of Mr David Burton as a Non-Executive Director. On 19 March 2018, the Company announced the resignation of Mr Burton as a Non-Executive Director.

Auditor’s Independence Declaration

Section 307C of the *Corporations Act 2001* requires our auditors, HLB Mann Judd, to provide the Directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 4 and forms part of the Directors’ Report for the half-year ended 31 December 2017.

This report is signed in accordance with a resolution of the Board of Directors.

Brian McMaster
Chairman
22 March 2018

Competent Person Statement

The technical information in this report is based on complied and reviewed data by Mr Paulo Brito BSc(geol), MAusIMM, MAIG. Mr Brito is a consulting geologist for Harvest Minerals Limited and is a Member of AusIMM – The Minerals Institute, as well as, a Member of Australian Institute of Geoscientists. Mr Brito has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Brito also meets the requirements of a qualified person under the AIM Note for Mining, Oil and Gas Companies and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Mr Brito accepts responsibility for the accuracy of the statements disclosed in this report.

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Harvest Minerals Limited for the half-year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
22 March 2018

L Di Giallonardo
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4 130 Stirling Street Perth WA 6000 | PO Box 8124 Perth BC WA 6849 | Telephone +61 (08) 9227 7500 | Fax +61 (08) 9227 7533

Email: mailbox@hlbwa.com.au | Website: www.hlb.com.au

Condensed Consolidated Statement of Comprehensive Income
for the half-year ended 31 December 2017

	Notes	Consolidated 31 December 2017 $	Consolidated 31 December 2016 $
Revenue from fertiliser sales		42,294	-
Less: Transfer to capitalised exploration and evaluation expenditure	3	(42,294)	-
		-	-
Interest revenue		182	11,198
Other income		53,381	1,156
		53,563	**12,354**
Listing and share registry expenses		(25,596)	(21,871)
Accounting and audit expenses		(27,596)	(49,041)
Consulting and Directors' expenses		(448,349)	(726,345)
Rent and outgoings		(154,021)	(209,905)
Advertising		(70,548)	(47,296)
Legal expenses		(63,831)	(38,889)
Share based payment expense	6	-	(144,583)
Travel and accommodation expenses		(4,011)	(99,258)
Foreign exchange gain		(89)	(41,328)
Depreciation		(2,642)	(998)
Other expenses		(86,561)	(58,293)
Loss before income tax		**(829,681)**	**(1,425,453)**
Income tax expense		(3,827)	-
Loss after income tax		**(833,508)**	**(1,425,453)**
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(57,386)	51,279
Other comprehensive income / (loss) for the half-year		**(57,386)**	**51,279**
Total comprehensive loss for the half-year		**(890,894)**	**(1,374,174)**
Loss per share			
Basic and diluted loss per share (cents per share)		(0.68)	(1.47)

The accompanying notes form part of this half-year financial report.

Condensed Consolidated Statement of Financial Position
as at 31 December 2017

	Notes	Consolidated 31 December 2017 $	30 June 2017 $
Assets			
Current Assets			
Cash and cash equivalents		1,638,220	1,386,284
Trade and other receivables		84,645	39,924
Total Current Assets		**1,722,865**	**1,426,208**
Non-Current Assets			
Plant and equipment		86,881	12,149
Deferred exploration and evaluation expenditure	3	6,449,276	5,865,430
Total Non-Current Assets		**6,536,157**	**5,877,579**
Total Assets		**8,259,022**	**7,303,787**
Current Liabilities			
Trade and other payables	4	159,044	194,094
Total Current Liabilities		**159,044**	**194,094**
Total Liabilities		**159,044**	**194,094**
Net Assets		**8,099,978**	**7,109,693**
Equity			
Issued capital	5	25,696,654	23,892,802
Reserves		3,299,692	3,279,750
Accumulated losses		(20,896,367)	(20,062,859)
Total Equity		**8,099,979**	**7,109,693**

The accompanying notes form part of this half-year financial report.

Condensed Consolidated Statement of Changes in Equity for the half-year ended 31 December 2017

	Notes	Issued Capital $	Accumulated Losses $	Share Based Payment Reserve $	Foreign Currency Translation Reserve $	Total $
Balance as at 1 July 2017		**23,892,802**	**(20,062,859)**	**3,463,720**	**(183,970)**	**7,109,693**
Total comprehensive loss for the half-year						
Loss for the half-year		-	(833,508)	-	-	(833,508)
Other comprehensive loss		-	-	-	(57,386)	(57,386)
Total comprehensive loss for the half-year		**-**	**(833,508)**	**-**	**(57,386)**	**(890,894)**
Transactions with owners in their capacity as owners						
Shares issued as part of placement		2,061,179	-	-	-	2,061,179
Options Issued		-	-	77,328	-	77,328
Share issue costs		(257,327)	-	-	-	(257,327)
Balance at 31 December 2017		**25,696,654**	**(20,896,367)**	**3,541,048**	**(241,356)**	**8,099,979**
Balance as at 1 July 2016		**21,345,616**	**(17,432,103)**	**2,858,682**	**(64,568)**	**6,707,627**
Total comprehensive loss for the half-year						
Loss for the half-year		-	(1,425,453)	-	-	(1,425,453)
Other comprehensive income		-	-	-	51,279	51,279
Total comprehensive loss for the half-year		**-**	**(1,425,453)**	**-**	**51,279**	**(1,374,174)**
Transactions with owners in their capacity as owners						
Shares issued as consideration for acquisition	6	600,000	-	-	-	600,000
Shares issued on exercise of options		769,621	-	-	-	769,621
Share issue costs		(11,133)	-	-	-	(11,133)
Share based payment	6	-	-	144,583	-	144,583
Balance at 31 December 2016		**22,704,104**	**(18,857,556)**	**3,003,265**	**(13,289)**	**6,836,524**

The accompanying notes form part of this half-year financial report.

Condensed Consolidated Statement of Cash Flows

for the half-year ended 31 December 2017

	31 December 2017 $	31 December 2016 $
Cash flows from operating activities		
Payments to suppliers and employees	(857,883)	(1,151,912)
Interest received	182	11,198
Other receipts	53,381	1,156
Net cash outflow from operating activities	**(804,320)**	**(1,139,558)**
Cash flows from investing activities		
Payments for plant and equipment	(79,336)	-
Proceeds from trial mining	43,440	-
Payments for exploration and evaluation expenditure	(788,937)	(759,673)
Net cash outflow from investing activities	**(824,833)**	**(759,673)**
Cash flows from financing activities		
Proceeds from share issue	2,061,179	-
Proceeds from exercise of options	-	769,621
Share issue costs	(180,000)	(17,159)
Net cash inflow from financing activities	**1,881,179**	**752,462**
Net increase / (decrease) in cash and cash equivalents	252,026	(1,146,769)
Cash and cash equivalents at beginning of period	1,386,284	2,737,190
Effect of exchange rate fluctuations on cash held	(90)	(41,327)
Cash and cash equivalents at the end of the period	**1,638,220**	**1,549,094**

The accompanying notes form part of this half-year financial report.

Notes to the Condensed Consolidated Financial Statements

for the half-year ended 31 December 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

This general purpose half-year financial report of Harvest Minerals Limited (the "Company") and its subsidiaries (the "Group") for the half-year ended 31 December 2017 was authorised for issue in accordance with a resolution of the Directors on 22 March 2018.

Harvest Minerals Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the AIM market of the London Stock Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

Basis of Preparation

This financial report for the half-year ended 31 December 2017 has been prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 *Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"). Compliance with AASB 134 ensures compliance with IAS 134 "Interim Financial Reporting".* The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

These half-year financial statements do not include all notes of the type normally included within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements.

It is recommended that the half-year financial statements be read in conjunction with the annual report for the year ended 30 June 2017 and considered together with any public announcements made by Harvest Minerals Limited during the half-year ended 31 December 2017 in accordance with the continuous disclosure obligations of the AIM market.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period. The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards (as adopted by the European Union).

New and amending Accounting Standards and Interpretations

In the half-year ended 31 December 2017, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2017.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to the Group's accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2017. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change necessary to the Group's accounting policies.

Going Concern

This interim report has been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial report, for the half-years ended 31 December 2017 and 31 December 2016, the Group incurred losses of $833,508 and $1,425,453 respectively, net cash outflows from operating activities of $804,320 and $1,139,558 respectively, and net cash outflows from investing activities of $824,833 and $759,673 respectively.

Notes to the Condensed Consolidated Financial Statements

for the half-year ended 31 December 2017

Going Concern (Continued)

The ability of the Group to continue as a going concern is dependent on a combination of a number of factors, the most significant of which is the ability of the Group to raise additional funds in the following 12 months from the date of signing the annual report.

The Directors are of the opinion that there are reasonable grounds to believe that the Group will continue as a going concern, after consideration of the following factors:

- The Group has the ability to scale down its operations in order to reduce costs, in the event that any capital raising or other funding raising activities are delayed or insufficient cash is available, to meet future expenditure commitments;
- The Directors have reduced discretionary spending and have the ability to defer payment of Directors' fees or fees owing to Director related entities until the Company has sufficient funds;
- The Company has been able to successfully raise additional funds through equity raisings in the past; and
- The Group is progressing towards being able to sell its product to generate meaningful revenues.

In considering the above, the Directors have reviewed the Group's financial position and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will be able to secure funds to meet the working capital needs of the Group.

There are a number of inherent uncertainties relating to the Group's future plans including but not limited to:

- There is doubt as to whether the Company will be able to raise equity in the current market; and
- There is doubt as to whether the Group would be able to secure any other sources of funding.

Accordingly, there is a material uncertainty that may cast significant doubt whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

NOTE 2: SEGMENT REPORTING

For management purposes, the Group is organised into one main operating segment, which involves exploration. All of the Company's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

NOTE 3: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	6 months to 31 December 2017 $	Year ended 30 June 2017 $
At beginning of the period	5,865,430	3,967,167
Acquisition of Sergi Potash Project[1]	100,000	700,000
Exploration expenditure during the period	571,098	1,310,472
Proceeds from trial mining	(42,294)	-
Impairment loss	-	(2,494)
Net exchange differences on translation	(44,958)	(109,715)
Total deferred exploration and evaluation expenditure	**6,449,276**	**5,865,430**

Notes to the Condensed Consolidated Financial Statements

for the half-year ended 31 December 2017

NOTE 3: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE (Continued)

[1] As announced on the ASX on 20 April 2015 Harvest acquired a 100% interest in the Sergi Potash Project in Sergipe State, Brazil. The portion of consideration for this acquisition recorded during the period, as per the Sergi Project Mineral Rights Purchase and Sale Agreement, is a payment of $100,000 cash on 15 December 2017.

The ultimate recoupment of costs carried forward for exploration expenditure is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

NOTE 4: TRADE AND OTHER PAYABLES

	31 December 2017 $	30 June 2017 $
Trade payables	132,106	180,094
Accruals	9,500	14,000
Other payables	17,438	-
	159,044	**194,094**

Trade creditors, other creditors and goods and services tax are non-interest bearing and generally payable on 60 day terms. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

NOTE 5: ISSUED CAPITAL

	31 December 2017 $	30 June 2017 $
Issued and paid up capital		
Issued and fully paid	**25,696,654**	**23,892,802**

	6 months to 31 December 2017		Year ended 30 June 2017	
	No.	$	No.	$
Movements in ordinary shares on issue				
Opening balance	116,838,589	23,892,802	93,991,202	21,345,616
Shares issued as part of placement	12,000,000	2,061,179	-	-
Shares issued as consideration for acquisition (refer to note 3)	-	-	6,000,000	600,000
Shares issued on exercise of options	-	-	16,847,387	2,418,774
Share issue costs	-	(257,327)	-	(471,588)
Closing balance	**128,838,589**	**25,696,654**	**116,838,589**	**23,892,802**

Notes to the Condensed Consolidated Financial Statements

for the half-year ended 31 December 2017

NOTE 5: ISSUED CAPITAL (Continued)

Share Options

As at the date of this report, there were 3,355,125 unissued ordinary shares under options. The details of the options at the date of this report are as follows:

	Exercise at 14p by 31/12/19	Exercise at 10p by 25/10/19	Total
Balance at 1 July 2017	2,755,125	-	2,755,125
Issued 25 October 2017	-	600,000	600,000
Balance at 31 December 2017	**2,755,125**	**600,000**	**3,355,125**

No option holder has any right under the options to participate in any other share issue of the Company or any other entity. No options were exercised since the end of the half-year.

NOTE 6: SHARE BASED PAYMENTS

Share based payment transactions recognised during the period were as follows:

	6 months to 31 December 2017 $	6 months to 31 December 2016 $
Exploration expenditure[1]		
Share based payment to vendor	-	600,000
Capital raising expenses[2]		
Share based payments to supplier	77,328	-
Profit and Loss[3]		
Share based payments to supplier	-	144,583

[1]Exploration expenditure

On 20 December 2016, 6,000,000 shares were issued to Kmine Holdings Ltd as part of the agreed terms of acquisition in relation to the Sergi Potash Project agreements. The fair value of the shares of $600,000 was determined by reference to the market value on the date the agreement.

[2] *Capital raising expenses*

The table below summarises options granted to suppliers during the half-year ended 31 December 2017:

2017 Grant Date	Expiry date	Exercise price	Balance at start of the half-year Number	Granted during the half-year Number	Exercised during the half-year Number	Expired during the half-year Number	Balance at end of the half-year Number	Exercisable at end of the year Number
25 Oct 17	25 Oct 19	$0.176	-	600,000	-	-	600,000	600,000
Weighted remaining contractual life (years)			-	2.0	2.0	-	1.81	1.81
Weighted average exercise price			-	$0.176	$0.176	-	$0.176	$0.176

Notes to the Condensed Consolidated Financial Statements

for the half-year ended 31 December 2017

NOTE 6: SHARE BASED PAYMENTS (continued)

The options were valued using the Black & Scholes option pricing model with inputs noted in the above table and further inputs as follows:

- Grant date share price: $0.212
- Risk-free interest rate: 1.5%
- Volatility: 110%

[3]*Profit and loss*

The table below summaries options granted to suppliers during the half-year ended 31 December 2016:

2016 Grant Date	Expiry date	Exercise price	Balance at start of the half-year Number	Granted during the half-year Number	Exercised during the half-year Number	Expired during the half-year Number	Balance at end of the half-year Number	Exercisable at end of the year Number
31 Aug 16	12 Jul 21	$0.1308	-	266,667	(266,667)	-	-	-
31 Aug 16	12 Jul 21	$0.1745	-	200,000	(200,000)	-	-	-
Weighted remaining contractual life (years)			-	4.87	4.85	-	-	-
Weighted average exercise price			-	$0.1495	$0.1495	-	-	-

The options were valued using the Black & Scholes option pricing model with inputs noted in the above table and further inputs as follows:

- Grant date share price: $0.3577
- Risk-free interest rate: 1.5%
- Volatility: 110%

NOTE 7: DIVIDENDS

No dividends have been paid or provided for during the half-year (2016: nil).

NOTE 8: CONTINGENT LIABILITIES AND COMMITMENTS

There has been no material change in contingent liabilities or commitments since the last annual reporting date.

NOTE 9: SUBSEQUENT EVENTS

On 15 January 2018, the Company announced a substantial expansion of its operations at its 100% owned Arapua Fertiliser Project in Brazil.

On 1 February 2018, the Company announced the appointment of Mr David Burton as a Non-Executive Director.

On 5 February 2018, the Company announced the approval of an incentivisation scheme for Executive Directors and Senior Management. Approval was given for the issue of 6,000,000 ordinary fully paid shares for nil consideration subject to the achievement of four performance conditions. In aggregate, 1,500,000 ordinary shares were issued to certain Executive Directors and Senior Managers on the basis that the first performance condition had been met and these ordinary shares were admitted to trading on AIM on 8 February 2018.

On 19 March 2018, the Company announced the resignation of Mr Burton as a Non-Executive Director.

There have been no other known significant events subsequent to the end of the period that require disclosure in this report.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Harvest Minerals Limited ('the Company'), the Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 13, are in accordance with the *Corporations Act 2001,* including:

    a. complying with Accounting Standard AASB 134: *Interim Financial Reporting*; the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

    b. giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half-year ended on that date.

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Brian McMaster
Chairman
22 March 2018

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Harvest Minerals Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Harvest Minerals Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2017, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Harvest Minerals Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material uncertainty related to going concern

We draw attention to Note 1 in the half-year financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
22 March 2018

L Di Giallonardo
Partner