HARVEST MINERALS LIMITED

ABN 12 143 303 388

Half-Year Financial Report

31 December 2018

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

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

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CHAIRMAN'S STATEMENT

2018 was a transformational year for Harvest Minerals Limited ('Harvest or the 'Company') with the period under review playing a crucial role in that process, as we focused on generating value for shareholders through realising several key milestones and establishing a firm platform for future growth.

During the review period, we concentrated on the continued development of our Arapuá Project ('the Project'), in the heart of the largest and fastest growing fertiliser market in Brazil, where we produce KPfértil, a registered and approved organic multi-nutrient fertiliser that contains many of the essential nutrients required by plants.

In June 2018, following an oversubscribed placing, Harvest spent the remainder of the year completing the mine and associated processing plant expansion at the Project to facilitate the increased production of up to 320Kt per annum, to be in a position to service both existing and new sales contracts. Additionally, we have increased marketing activities to include local advertising, demonstration trials, attending trade events and strengthening key relationships with local customers and cooperatives.

In July 2018, we received approval from the Ministry of Agriculture ('MAPA') to register KPfértil as a remineraliser and generated more exceptional agronomic results that provided further validation for our product and the significant benefits it can provide to farmers. Through the planting of a demonstration farm adjacent to the site, we can clearly show the benefits to prospective customers first-hand.

Since inception, Harvest has been very successful, but like all new businesses we have had some outcomes that have fallen short of our expectations, the most notable of these was the premature termination of our strategic alliance with Geociclo Biotecnologia S/A ('Geociclo') that could have provided an impetus to the Company's expansion plans. The resultant insolvency of Geociclo, did create an opportunity in being able to appoint key members of its sales team to our own team and its existing client database.

The Company's expectations, at this stage, are that the sales price and cost of production numbers assumed by the Company brokers are materially in line with the Company's full year expectations. The Company expects that the assumptions relating to sales volumes (and therefore revenue) and resultant profit before tax, will not be met by the 30 June year end, predominately as a result of a timing issue where the prime selling seasons in Brazil and the Company's financial year end do not reconcile and as such we see this as a timing issue not as a permanent impairment. Additionally, the Company has experienced some unbudgeted one-off costs that have impacted the Company's profit before tax in H1 2019, which are not expected to be repeated in H2 2019 or thereafter. The Company therefore expects to report a 2019 full year revenue figure approximately 25 per cent below current analyst estimates, and to breakeven at the profit before tax level.

Some of the key metrics that the Company monitors internally to give us comfort that things are progressing well include our improving month-on-month sales rates and the fact that to date all customers who have received our product have either purchased again, or indicated that they will purchase again, when the need arises. Importantly, we have been able to maintain our selling price. Additionally, the Company has stabilised its production costs in accordance with expectations.

With an improving sales run rate and repeat customers, the business can only grow. We have entered the phase of building a profitable, sustainable business for the long term. There are many moving parts to achieving this and the timing and scheduling of achieving our objectives will not always fit the schedule of all shareholders or the timing of 6 monthly reporting. Building the business up to capacity will take months, not weeks and there will be periods where the communication with the market may be thin. This should be interpreted as a good thing; it means we are busy building the business.

As we report on the closing of the 2018-year, Harvest is well placed to move forward. The macro fundamentals that brought investors to Harvest remain as strong as ever: the very significant demand for fertiliser product in Brazil, the attractiveness of our product compared to alternatives, our proximity to customers, and our extremely attractive economics are all in place and bode well for a profitable and exciting future.

The Board believes that Harvest is an attractive proposition: it is well-funded; revenue generative; the Project is ideally located within an emerging market; with the product being competitively priced and an outstanding natural product with a robust profit margin.

As always, the Board would like to thank our team for their work and our shareholders for their continued commitment to Harvest.

Brian McMaster
Executive Chairman
28 March 2019

DIRECTORS' REPORT

The Directors of Harvest Minerals Limited and its subsidiaries ('Harvest', or 'the Company') submit the financial report of the Company for the half-year ended 31 December 2018. 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

Results

The loss after tax recorded in the Condensed Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2018 was $1,798,828 (2017: $833,508). Included in the calculation of this result are two material one off expenses totalling $958,532 that need to be identified separately because they are not part of the ongoing operations. These expenses are the Impairment of a loan totalling $486,257 (2017:NIL) and Share Based payment expenses totalling $472,275 (2017: NIL). Both of these expenses are discussed in more detail below.

Review of Operations

Arapua Fertiliser Project

Studies, Test Work and Sales

During the period, the Company announced approval from the Ministry of Agriculture ('MAPA') in Brazil to register KPfértil as a remineraliser and also received trademark approval for KPfértil by the Instituto Nacional da Propriedade Industrial in Brazil. The trademark has been officially registered for an initial ten year period.

Additionally, the Company submitted the Environmental Report and Feasibility Study to the Brazilian Department of Mines ('DNPM') as part of the final application process for the Full Mining Licence. These are the final submissions required and it is anticipated that the Full Mining Licence will be granted during 2019. Meanwhile, the Company continues to operate under its current Trial Mining Licence granted in December 2016 for four years.

In September 2018, the Company announced results from recent agronomic studies testing KPfértil on Brachiara (or Signal grass). Highlights of the testing included:

- As a slow release source of potassium ('K') and phosphate ('P'), KPfértil outperforms traditional Super Triple Phosphate ('TSP') fertilisers, increasing both plant growth (dry matter production) and yield (agronomic efficiency).
- The application of KPfértil improved the pH and nutrient content of the soil including potassium, phosphate, calcium ('Ca') and magnesium ('Mg').
- The study concluded there was a 53% increased concentration of phosphorus in the soil compared to using TSP meaning that KPfértil provided continued fertilisation for further crop cycles, highlighting its slow release, long term properties of KPfértil.

These results create a significant new market opportunity, which Harvest will seek to capitalise on moving forward.

During the period, the Company announced a strategic alliance with Geociclo Biotecnologia S/A ('Geociclo'), to enable KPfértil to be marketed and sold by Geociclo's sales team, gain access to its MAPA accredited research and trial production laboratory as well as storage facilities. The alliance resulted in Geociclo introducing the Company to new markets and generating initial sales.

At the time of this arrangement, Geocicl o and Harvest committed to provide adequate funding to allow the necessary resources from each company to be committed to the arrangement. As part of that commitment, Harvest advanced an amount of US$350,000 which was to be used towards developing sales channels, research and generally furthering the strategic alliance. Geociclo failed to commit any funding to the arrangement. In November 2018, Geociclo sought judicial administration. The recovery of the amount advanced by Harvest is subject to the judicial administration and the likelihood of any recovery is unknown and considered uncertain. As such, Harvest has elected to make a full provision for this amount as an impairment which has resulted in a one-off expense totalling $486,257 being recorded.

Despite the potential loss of this initial investment, Harvest created an opportunity from the judicial administration through acquiring the majority of the Geociclo sales team including associated experienced support staff and its existing client database. This has allowed the Company to build upon the progress made in developing new markets for KPfértil, but without having to pay on-going commissions to Geociclo. Harvest continues to have access to Geociclo's research facilities. Harvest has no ongoing strategic relationship with, or financial commitment to, Geociclo.

Infrastructure Work

During the period under review, the Company advanced its business plan through the completion of associated infrastructure works consistent with building an operating mine and the commission of an enlarged modular processing plant, which will support the existing and anticipated sales pipeline in line.

Sergi & Capela Potash Projects

Given the scale of activity currently being undertaken at Arapua, the Company did not materially advance either of its Sergi or Capela Potash Projects during the half-year period to 31 December 2018.

Mandacaru Phosphate Project

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 2018.

Corporate Activity

Issue of Shares

On 23 July 2018, the Company issued 1,500,000 ordinary fully paid shares to Directors and employees for services performed. The share price at grant date was 17.75p and valued in total at A$ 472,275 as explained in full in Note 11 below. The issue of shares was in accordance with the performance incentive scheme announced in February 2018. The issue of shares is a non-cash expense.

Appointment of Chief Financial Officer

On 10 September 2018, the Company announced the appointment of Mr David Edghill as Chief Financial Officer.

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 5 and forms part of the Directors' Report for the half-year ended 31 December 2018.

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

Brian McMaster
Executive Chairman
28 March 2019

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
ADVISORY AND ACCOUNTING

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 2018, 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	**L Di Giallonardo**
28 March 2019	**Partner**

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Condensed Consolidated Statement of Comprehensive Income

for the half-year ended 31 December 2018

	Notes	Consolidated 31 December 2018 $	31 December 2017 $
Revenue from contracts with customers	3	1,048,062	42,294
Less: Transfer to capitalised exploration and evaluation expenditure		-	(42,294)
		1,048,062	-
Cost of goods sold	4	(418,738)	-
Gross profit		**629,324**	**-**
Interest revenue		(13)	182
Other income		584	53,381
		629,895	**53,563**
Listing and share registry expenses		(21,026)	(25,596)
Accounting and audit expenses		(61,895)	(27,596)
Consulting expenses		(665,157)	(140,719)
Directors' expenses		(345,626)	(307,630)
Rent and outgoings		(90,057)	(154,021)
Advertising		(116,075)	(70,548)
Legal expenses		(17,866)	(63,831)
Impairment of loan	5	(486,257)	-
Share based payment expense	11	(472,275)	-
Travel and accommodation expenses		(103,026)	(4,011)
Wages & Salaries		(116,265)	-
Foreign exchange gain		175,025	(89)
Depreciation		(572)	(2,642)
Other expenses		(107,626)	(86,561)
Interest expense		(25)	-
Loss before income tax		**(1,798,828)**	**(829,681)**
Income tax expense		-	(3,827)
Loss after income tax		**(1,798,828)**	**(833,508)**
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		197,245	(57,386)
Other comprehensive income / (loss) for the half-year		**(1,601,583)**	**(57,386)**
Total comprehensive loss for the half-year		**(1,601,583)**	**(890,894)**
Loss per share			
Basic and diluted loss per share (cents per share)		(0.97)	(0.68)

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

Condensed Consolidated Statement of Financial Position

as at 31 December 2018

	Notes	Consolidated 31 December 2018 $	30 June 2018 $
Assets			
Current Assets			
Cash and cash equivalents		11,928,997	15,492,355
Trade and other receivables	5	1,307,194	231,008
Inventories	6	136,791	-
Total Current Assets		**13,372,982**	**15,723,363**
Non-Current Assets			
Plant and equipment	12	1,006,705	491,941
Mine properties	7	3,378,136	-
Deferred exploration and evaluation expenditure	8	4,011,596	6,854,518
Total Non-Current Assets		**8,396,437**	**7,346,459**
Total Assets		**21,769,419**	**23,069,822**
Current Liabilities			
Trade and other payables	9	255,058	426,153
Total Current Liabilities		**255,058**	**426,153**
Total Liabilities		**255,058**	**426,153**
Net Assets		**21,514,361**	**22,643,669**
Equity			
Issued capital	10, 11	43,048,343	42,576,068
Reserves		3,184,800	2,987,555
Accumulated losses		(24,718,782)	(22,919,954)
Total Equity		**21,514,361**	**22,643,669**

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 2018

	Notes	Issued Capital	Accumulated Losses	Option Reserve	Foreign Currency Translation Reserve	Total
		$	$	$	$	$
Balance as at 1 July 2018		**42,576,068**	**(22,919,954)**	**3,541,048**	**(553,493)**	**22,643,669**
Total comprehensive loss for the half-year						
Loss for the half-year		-	(1,798,828)	-	-	(1,798,828)
Other comprehensive loss		-	-	-	197,245	197,245
Total comprehensive loss for the half-year		**-**	**(1,798,828)**	**-**	**197,245**	**(1,601,583)**
Transactions with owners in their capacity as owners						
Shares issued to directors and other employees	11	472,275	-	-	-	472,275
Balance at 31 December 2018		**43,048,343**	**(24,718,782)**	**3,541,048**	**(356,248)**	**21,514,361**
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	11	-	-	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**

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

Condensed Consolidated Statement of Cash Flows

for the half-year ended 31 December 2018

	31 December 2018 $	31 December 2017 $
Cash flows from operating activities		
Receipts from customers	33,742	-
Payments to suppliers and employees	(2,872,794)	(857,883)
Interest received	-	182
Interest paid	(38)	-
Other receipts	-	53,381
Net cash outflow from operating activities	**(2,839,090)**	**(804,320)**
Cash flows from investing activities		
Payments for plant and equipment	(515,336)	(79,336)
Proceeds from trial mining	-	43,440
Payments for exploration and evaluation expenditure	(108,906)	(788,937)
Net cash outflow from investing activities	**(624,242)**	**(824,833)**
Cash flows from financing activities		
Proceeds from share issue	-	2,061,179
Proceeds from exercise of options	-	-
Share issue costs	-	(180,000)
Net cash inflow from financing activities	**-**	**1,881,179**
Net increase / (decrease) in cash and cash equivalents	(3,463,332)	252,026
Cash and cash equivalents at beginning of period	15,492,355	1,386,284
Effect of exchange rate fluctuations on cash held	(100,026)	(90)
Cash and cash equivalents at the end of the period	**11,928,997**	**1,638,220**

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 2018

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 2018 was authorised for issue in accordance with a resolution of the Directors on 28 March 2019.

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 2018 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 group 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 2018 and considered together with any public announcements made by Harvest Minerals Limited during the half-year ended 31 December 2018 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 2018, 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 current reporting periods beginning on or after 1 July 2018.

As a result of this review, the Group has initially applied AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers* from 1 July 2018.

Due to the transition methods chosen by the Group in applying AASB 9 and AASB15, comparative information throughout the interim financial statements has not been restated to reflect the requirements of the new standards.

The Directors have determined that there is no material impact of AASB 9 and AASB 15 revised Standards and Interpretations on the Group and therefore, no material change is necessary to the Group's accounting policies.

The Directors have also reviewed all new (including AASB 16 Leases) and revised Standards and Interpretations in issue but not yet adopted for the half-year ended 31 December 2018. As a result of this review the Directors have determined that there is no material impact, of the new and revised Standards and Interpretations on the Group's business and, therefore, no material change is necessary to the Group's accounting policies.

Notes to the Condensed Consolidated Financial Statements

for the half-year ended 31 December 2018

As a result of the Company having advanced its Arapua fertilizer project to production, the following amendments to accounting policies have been implanted:

Deferred Exploration and Evaluation Expenditure

During the period, the Directors determined that in respect of the Arapua Fertiliser Project, whilst the Company was still operating under its Trial Mining Licence granted in December 2016 for four years, the ramp up of production pending approval of a Full Mining Licence warranted reclassifying the costs carried forward in respect of the Arapua Fertiliser Project of $3,424,124 at 1 July 2018 from Deferred Exploration and Evaluation Expenditure to Mine Properties. This necessitated the Company testing this expenditure for impairment before reclassification. The results of this test were that the expenditure was not impaired.
The Company continues to carry forward deferred exploration and evaluation expenditure for its other projects in accordance with the Group's accounting policy for such expenditure.

Mine Properties

Mine properties represent the accumulation of all exploration, evaluation and development expenditure incurred in respect of areas of interest in which mining has commenced or in the process of commencing. When further development expenditure is incurred in respect of mine property after the commencement of production, such expenditure is carried forward as part of the mine property only when substantial future economic benefits are thereby established, otherwise such expenditure is classified as part of the cost of production.
Amortisation is provided on a unit of production basis which results in a write off of the cost proportional to the depletion of the proven and probable mineral reserves.

The net carrying value of each area of interest is reviewed regularly and to the extent to which this value exceeds its recoverable amount, the excess is either fully provided against or written off in the financial year in which this is determined.

The Group provides for environmental restoration and rehabilitation at site which includes any costs to dismantle and remove certain items of plant and equipment. The cost of an item includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs when an item is acquired or as a consequence of having used the item during that period. This asset is depreciated on the basis of the current estimate of the useful life of the asset.

In accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* an entity is also required to recognise as a provision the best estimate of the present value of expenditure required to settle the obligation. The present value of estimated future cash flows is measured using a current market discount rate.

Stripping costs

Costs associated with material stripping activity, which is the process of removing mine waste materials to gain access to the mineral deposits underneath, during the production phase of surface mining are accounted for as either inventory or a non-current asset (non-current asset is also referred to as a 'stripping activity asset').

To the extent that the benefit from the stripping activity is realised in the form of inventory produced, the Group accounts for the costs of that stripping activity in accordance with the principles of AASB 102 *Inventories*. To the extent the benefit is improved access to ore, the Group recognises these costs as a non-current asset provided that:

- it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the Group
- the Group can identify the component of the ore body for which access has been improved; and
- the costs relating to the stripping activity associated with that component can be measured reliably

Stripping activity assets are initially measured at cost, being the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of ore plus an allocation of directly attributable overhead costs. In addition, stripping activity assets are accounted for as an addition to, or as an enhancement to, an existing asset. Accordingly, the nature of the existing asset determines:

- whether the Group classifies the stripping activity asset as tangible or intangible; and
- the basis on which the stripping activity asset is measured subsequent to initial recognition

Notes to the Condensed Consolidated Financial Statements

for the half-year ended 31 December 2018

In circumstances where the costs of the stripping activity asset and the inventory produced are not separately identifiable, the Group allocates the production stripping costs between the inventory produced and the stripping activity asset by using an allocation basis that is based on volume of waste extracted compared with expected volume, for a given volume of ore production.

Revenue

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably. The following specific recognition criteria must be met before revenue is recognised:

Sale of goods

Revenue from the sale of fertiliser is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Inventories

Inventories are valued at the lower of cost and net realisable value.
Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- Raw materials – purchase cost; and
- Finished goods – cost of direct materials and labour and an appropriate proportion of variable and fixed overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

NOTE 2: SEGMENT REPORTING

For management purposes, in the current period the Group was organised into operating segments based on discrete financial information reported to the Board (Chief Operating Decision Maker). These segments have been designed to represent the following:

- Production (Arapua)
- Exploration and evaluation
- Corporate

In previous periods, the Group was organised into two main operating segments, being exploration and evaluation and corporate.

Notes to the Condensed Consolidated Financial Statements

for the half-year ended 31 December 2018

The following table present revenue and loss information and certain asset and liability information regarding business segments for the half years ended 31 December 2018 and 31 December 2017.

	Continuing operations			
	Production (Arapua)	**Exploration and Evaluation**	**Corporate**	**Consolidated**
	$	**$**	**$**	**$**
31 December 2018				
Segment revenue	1,048,062	-	571	1,048,633
Segment profit before income tax expense	629,324	-	(2,428,152)	(1,798,828)
Segment assets	**5,659,924**	**4,011,596**	**12,097,899**	**21,769,418**
Segment liabilities	**109,952**	**-**	**145,106**	**255,058**
31 December 2017				
Segment revenue	-	50,954	2,609	53,563
Segment profit before income tax expense	-	-	(883,244)	(883,244)
Segment assets	**-**	**6,449,276**	**1,809,746**	**8,259,022**
Segment liabilities	**-**	**-**	**159,044**	**159,044**

NOTE 3: REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group derives its revenue from the sale of goods at a point in time in the major category of Fertiliser.

	6 months to 31 December 2018	**6 months to 31 December 2017**
	$	**$**
At a point in time		
Fertiliser	1,048,062	42,294
Less: Transfer to capitalised exploration and evaluation expenditure (trial mining)	-	(42,294)
Total revenue	1,048,062	-

NOTE 4: COST OF GOODS SOLD

	6 months to 31 December 2018	**6 months to 31 December 2017**
	$	**$**
Mine operating costs	317,029	-
Royalty expense	20,961	-
Depreciation and amortisation	80,748	-
Total cost of goods sold	**418,738**	**-**

Notes to the Condensed Consolidated Financial Statements

for the half-year ended 31 December 2018

NOTE 5: TRADE AND OTHER RECEIVABLES

	6 months to 31 December 2018 $	Year ended 30 June 2018 $
Trade Debtors	1,025,037	-
Prepayments	137,128	-
Cash advances	116,498	192,343
Refundable security deposit	15,170	14,991
GST receivable	5,707	4,367
Other receivables	7,654	19,307
Unsecured Loan	486,257	-
Less: Provision for impairment [1]	(486,257)	-
Total trade and other receivables	**1,307,194**	**231,008**

[1] Impairment of advance to Geociclo which is the result of a judicial administration the recovery of which is uncertain.

NOTE 6: INVENTORIES

	6 months to 31 December 2018 $	Year ended 30 June 2018 $
Raw materials – at cost	37,658	-
Finished goods – at cost	99,133	-
Total inventories	**136,791**	**-**

NOTE 7: MINE PROPERTIES

	6 months to 31 December 2018 $	Year ended 30 June 2018 $
Mines in production	3,378,136	-
Balance at end of period	**3,378,136**	**-**
At beginning of the period	-	-
Transferred from deferred exploration and evaluation expenditure	3,424,124	-
Less: Accumulated amortisation	(45,988)	-
Balance at the end of the period	**3,378,136**	**-**

Notes to the Condensed Consolidated Financial Statements

for the half-year ended 31 December 2018

NOTE 8: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	6 months to 31 December 2018 $	Year ended 30 June 2018 $
Exploration and evaluation phase:		
At beginning of the period	6,854,518	5,865,430
Transfer to mining properties	(3,424,124)	-
Acquisition of Sergi Potash Project[1]	100,000	100,000
Exploration expenditure during the period	8,906	1,216,280
Proceeds from trial mining	-	(41,827)
Net exchange differences on translation	472,296	(285,365)
Balance at the end of the period	**4,011,596**	**6,854,518**

[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 24 September 2018.

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 9: TRADE AND OTHER PAYABLES

	31 December 2018 $	30 June 2018 $
Trade payables	148,427	401,022
Accruals	83,311	20,932
Other payables	23,320	4,199
	255,058	**426,153**

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.

Notes to the Condensed Consolidated Financial Statements

for the half-year ended 31 December 2018

NOTE 10: ISSUED CAPITAL

	31 December 2018 $	30 June 2018 $
Issued and paid up capital		
Issued and fully paid	**43,048,343**	**42,576,068**

	6 months to 31 December 2018 No.	$	Year ended 30 June 2018 No.	$
Movements in ordinary shares on issue				
Opening balance	184,335,884	42,576,068	116,838,589	23,892,802
Shares issued to Directors and other employees	1,500,000	472,275	3,000,000	928,979
Shares issued as part of placement	-	-	64,497,295	19,284,091
Share issue costs	-	-	-	(1,529,804)
Closing balance	**185,835,884**	**43,048,343**	**184,335,884**	**42,576,068**

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 2018	2,755,125	600,000	3,355,125
Balance at 31 December 2018	**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 11: SHARE BASED PAYMENTS

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

	6 months to 31 December 2018 $	6 months to 31 December 2017 $
Capital raising expenses[1]		
Share based payments to supplier	-	77,328
Profit and Loss[2]		
Share based payments to Directors and employees	472,275	-

Notes to the Condensed Consolidated Financial Statements

for the half-year ended 31 December 2018

[1] *Capital raising expenses*

The table below summarises options granted to suppliers during the half-year ended 31 December 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	-	0.819	0.819
Weighted average exercise price			-	$0.1712	$0.1712	-	$0.1712	$0.1712

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%

[2] *Profit and loss*

The following shares were issued during the current period to Directors and other employees as payment for services performed:

Date	Number of shares Number	Share price at grant date $	Value $
25 Jul 18	1,500,000	0.3148	472,275

The shares were valued at the Company's share price at grant date.

NOTE 12: PLANT AND EQUIPMENT

During the period under review, the Company advanced its business plan through the completion of associated infrastructure works consistent with building an operating mine and the commission of an enlarged modular processing plant, which will support the existing and anticipated sales pipeline in line. The acquisitions of plant and equipment totalled $515,336 (2017: $79,336).

NOTE 13: DIVIDENDS

No dividends have been paid or provided for during the half-year (2017: nil).

NOTE 14: CONTINGENT LIABILITIES AND COMMITMENTS

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

NOTE 15: SUBSEQUENT EVENTS

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 7 to 18, 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 2018 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
Executive Chairman
28 March 2019

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 2018, 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 2018 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*.

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 2018 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.

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HLB MANN JUDD
ADVISORY AND ACCOUNTING

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

L Di Giallonardo
Partner

Perth, Western Australia
28 March 2019