HARVEST MINERALS LIMITED

ABN 12 143 303 388

Half-Year Financial Report

30 June 2021

CORPORATE DIRECTORY

Directors
Mr Brian McMaster (Executive Chairman)
Mr Luis Azevedo (Executive Director)
Mr Jack James (Non-Executive Director)
Mr Alex Penha (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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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 30 June 2021. 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 Jack James	Non-Executive Director
Mr Alex Penha	Non-Executive Director (appointed 19 July 2021)

Results

The loss after tax recorded in the Condensed Consolidated Statement of Comprehensive Income for the half-year ended 30 June 2021 was $1,067,707 (30 June 2020: $1,843,743).

Review of Operations

Arapua Fertiliser Project

During the half-year ended 30 June 2021, Harvest sold 26,726 tonnes of its KP Fértil®, representing a 171% increase over the sales realised in the same period of 2020, and despite the continuing challenges imposed by the COVID-19 pandemic. Historically, the period July to December each year is where the majority of annual sales are achieved. In 2020, 82% of the total sales were placed in the second half of the year. With this in mind, the Company is maintaining its 2021 year-end sales target of 80,000 tonnes of KP Fértil®.

The Company's team includes 12 associates/agronomists split into two regional teams, which is supported by its third-party network comprising 20 resales' centres. In May 2021, a new marketing campaign was launched for coffee, sugarcane, and other crops, and boosted the Company's efforts towards the new marketing channels opened since it added the higher margin 25kg bag option that targets small to medium sized farmers and resellers. The Company has also started to actively market its KP Fértil® in other regions beyond its immediate market in Minas Gerais and Sao Paulo.

In terms of market fundamentals, notwithstanding the impacts of the COVID-19 (discussed further below), the performance of the Brazilian agriculture sector continued to be robust over the half-year and several sector associations forecast double digit growth in most of the crops targeted by Harvest.

Sergi Potash Project & Mandacaru Phosphate Project

Given the scale of activity currently being undertaken at Arapua and the impact of COVID-19, the Company did not materially advance either of its Sergi Potash Project or its Mandacaru Phosphate Project during the half-year to 30 June 2021.

Capela Potash Project

On 11 February 2021, the Company relinquished its exploration license over its 51% interest in the Capela Project in Brazil, to dedicate its resources and to ensure the continued growth trajectory at its 100% owned revenue generating

Arapua Project. Capitalised exploration and evaluation costs relating to the Capela project were fully written-off at 31 December 2020.

Impact of COVID-19

On 31 January 2020, the World Health Organisation ('WHO') announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (COVID-19 outbreak) and the risks to the international community as the virus spread globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic.

The full impact of the COVID-19 outbreak continues to evolve and at the date of this report, the current Delta variant of COVID-19 has resulted in border travel restrictions, lockdowns, and mask mandates within Australia. Management is actively monitoring the global situation and its impact on the Group's financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Group continues to monitor the situation very closely, with a primary focus on the health, wellbeing, and safety of all employees. The Group has implemented extensive business continuity procedures to ensure ongoing operations with minimal disruptions. To date there has been minimal impact to the Group.

Notwithstanding, sales for the half-year ended 30 June 2021 exceeded budget, it is expected that a robust performance will be achieved over the second half of the year, which is seasonally the strongest period for the business.

Other Developments

In June 2021, Harvest acquired at nominal value the mineral rights over an area highly prospective for the exploration of agriculture limestone, a critical soil input used by regional producers of different crops to neutralise soil acidity by raising its pH levels. Located in the municipality of Iguatama, Minas Gerais, the limestone project is approximately 168km from Harvest's Arapuá Fertiliser Project. The acquisition continues Harvest's strategy to build its profile in the region with an increased portfolio of products while leveraging its commercial channels, facilities and regional market knowledge. Harvest plans to undertake a preliminary assessment of the geological potential of the limestone project to establish the best approach for a cost-effective exploration programme, following the same strategy used to define and advance the now producing Arapua deposit.

In May 2021, Harvest received the London Stock Exchange's Green Economy Mark. The Green Economy Mark recognises companies that derive 50% or more of their total annual revenues from products and services that contribute to the global green economy. The underlying methodology incorporates the Green Revenues data model developed by FTSE Russell, which helps investors understand the global industrial transition to a green and low carbon economy with consistent, transparent data and indexes.

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 the Page 4 and forms part of the Directors' Report for the half-year ended 30 June 2021.

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

Brian McMaster
Executive Chairman
29 September 2021

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.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Harvest Minerals Limited for the half-year ended 30 June 2021, 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.

Norman Glad

Perth, Western Australia
29 September 2021

N G Neill
Partner

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Condensed Consolidated Statement of Comprehensive Income

for the half-year ended 30 June 2021

		Consolidated	
	Notes	6 months ended 30 June 2021 $	6 months ended 30 June 2020 $
Revenue from contracts with customers	3	790,224	299,449
Cost of goods sold	4	(414,113)	(185,968)
Gross profit		**376,111**	**113,481**
Interest revenue		7,852	801
Other income		506	567
Foreign exchange gain/(loss)		91,594	(16,113)
Accounting and audit fees		(95,372)	(60,195)
Advertising fees		(127,680)	(134,427)
Consultants fees		(184,228)	(331,923)
Directors fees		(296,649)	(412,337)
Depreciation		(15,158)	(7,671)
Legal fees		(4,377)	(40,281)
Wages & Salaries		(114,349)	(343,081)
Public company costs		(108,534)	(123,624)
Rent and outgoings expenses		(750)	(60,229)
Travel expenses		(164,573)	(142,296)
Other expenses		(432,100)	(286,415)
Loss before income tax		**(1,067,707)**	**(1,843,743)**
Income tax benefit		-	-
Loss after income tax		**(1,067,707)**	**(1,843,743)**
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		777,637	(1,962,491)
Other comprehensive income / (loss) for the half-year		**777,637**	**(1,962,491)**
Total comprehensive loss for the half-year		**(290,070)**	**(3,806,234)**
Loss per share			
Basic and diluted loss per share (cents per share)		(0.57)	(0.99)

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

Condensed Consolidated Statement of Financial Position

as at 30 June 2021

	Notes	Consolidated 30 June 2021 $	31 December 2020 $
Assets			
Current Assets			
Cash and cash equivalents		2,237,583	2,992,727
Trade and other receivables	5	1,632,365	1,651,013
Inventories		294,561	121,119
Total Current Assets		**4,164,509**	**4,764,859**
Non-Current Assets			
Plant and equipment	6	1,049,602	1,037,475
Mine properties	7	4,564,476	4,188,916
Deferred exploration and evaluation expenditure	8	3,312,319	3,317,445
Total Non-Current Assets		**8,926,397**	**8,543,836**
Total Assets		**13,090,906**	**13,308,695**
Current Liabilities			
Trade and other payables	9	265,456	204,584
Total Current Liabilities		**265,456**	**204,584**
NON-CURRENT LIABILITIES			
Provision for rehabilitation		71,364	59,955
TOTAL CURRENT LIABILITIES		**71,364**	**59,955**
Total Liabilities		**336,820**	**264,539**
Net Assets		**12,754,086**	**13,044,156**
Equity			
Issued capital	10	43,048,343	43,048,343
Reserves		1,380,063	602,426
Accumulated losses		(31,674,320)	(30,606,613)
Total Equity		**12,754,086**	**13,044,156**

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

Condensed Consolidated Statement of Changes in Equity

for the half-year ended 30 June 2021

Consolidated	Notes	Issued Capital $	Accumulated Losses $	Foreign Currency Translation Reserve $	Option Reserve $	Total $
Balance as at 1 January 2021		**43,048,343**	**(30,606,613)**	**(2,938,622)**	**3,541,048**	**13,044,156**
Total comprehensive loss for the half-year						
Loss for the half-year 30 June 2021		-	(1,067,707)	-	-	(1,067,707)
Other comprehensive loss		-	-	777,637	-	777,637
Total comprehensive loss for the half-year		**-**	**(1,067,707)**	**777,637**	**-**	**(290,070)**
Balance at 30 June 2021		**43,048,343**	**(31,674,320)**	**(2,160,985)**	**3,541,048**	**12,754,086**
Balance as at 1 January 2020		**43,048,343**	**(27,286,029)**	**(539,927)**	**3,541,048**	**18,763,435**
Total comprehensive loss for the half-year						
Loss for the half-year 30 June 2020		-	(1,843,743)	-	-	(1,843,743)
Other comprehensive loss		-	-	(1,962,491)	-	(1,962,491)
Total comprehensive loss for the half-year		**-**	**(1,843,743)**	**(1,962,491)**	**-**	**(3,806,234)**
Balance at 30 June 2020		**43,048,343**	**(29,129,772)**	**(2,502,418)**	**3,541,048**	**14,957,201**

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

Condensed Consolidated Statement of Cash Flows

for the half-year ended 30 June 2021

	Consolidated	
	6 months ended 30 June 2021 $	6 months ended 30 June 2020 $
Cash flows from operating activities		
Receipts from customers	1,402,588	393,720
Payments to suppliers and employees	(2,526,608)	(1,672,903)
Interest received	7,852	801
Net cash outflow from operating activities	**(1,116,168)**	**(1,278,382)**
Cash flows from investing activities		
Purchase of plant and equipment	(57,787)	-
Payments for mine properties	(32,066)	(1,509,232)
Payments for exploration and evaluation expenditure	-	(203,603)
Net cash outflow from investing activities	**(89,853)**	**(1,712,835)**
Cash flows from financing activities		
Net cash inflow from financing activities	**-**	**-**
Net decrease in cash and cash equivalents	(1,260,021)	(2,991,217)
Cash and cash equivalents at beginning of period	2,992,727	8,057,934
Effect of exchange rate fluctuations on cash held	450,877	(728,042)
Cash and cash equivalents at the end of the period	**2,237,583**	**4,338,675**

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

Notes to the Condensed Consolidated Financial Statements

for the half-year ended 30 June 2021

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 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on 29 September 2021.

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 30 June 2021 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 31 December 2020 and considered together with any public announcements made by Harvest Minerals Limited during the half-year ended 30 June 2021 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.

New and amending Accounting Standards and Interpretations

In the half-year ended 30 June 2021, 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 January 2021. As a result of this review, no changes were necessary to Group accounting policies.

Significant Accounting Policies

Deferred Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Notes to the Condensed Consolidated Financial Statements

for the half-year ended 30 June 2021

Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation. Exploration and evaluation expenditure for each area of interest is carried forward as an asset provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Expenditure which fails to meet the conditions outlined above is written off. Furthermore, the directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition, as determined by the requirements of AASB 6 Exploration for and Evaluation of Mineral Resources. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions referred to in AASB 6 is met.

Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the entity.

Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered. When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off. Expenditure is not carried forward in respect of any area of interest/mineral resource unless the Group's rights of tenure to that area of interest are current.

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 is 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 the Group is also required to recognise as a provision the best estimate of the present value of expenditure required to settle this obligation. The present value of estimated future cash flows is measured using a current market discount rate.

Notes to the Condensed Consolidated Financial Statements

for the half-year ended 30 June 2021

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

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.

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Revenue

Revenue arises mainly from the sale of fertiliser. The Group generates revenue in Brazil. To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer.

Notes to the Condensed Consolidated Financial Statements

for the half-year ended 30 June 2021

In determining the amount of revenue and profits to record, and related statement of financial position items (such as contract fulfilment assets, capitalisation of costs to obtain a contract, trade receivables, accrued income and deferred income) to recognise in the period, management is required to form a number of key judgements and assumptions. This includes an assessment of the costs the Group incurs to deliver the contractual commitments and whether such costs should be expensed as incurred or capitalised.

Revenue is recognised either when the performance obligation in the contract has been performed, so 'point in time' recognition or 'over time' as control of the performance obligation is transferred to the customer. For contracts with multiple components to be delivered such as fertiliser, management applies judgement to consider whether those promised goods and services are (i) distinct - to be accounted for as separate performance obligations; (ii) not distinct - to be combined with other promised goods or services until a bundle is identified that is distinct or (iii) part of a series of distinct goods and services that are substantially the same and have the same pattern of transfer to the customer.

Transaction price
At contract inception the total transaction price is estimated, being the amount to which the Group expects to be entitled and has rights to under the present contract. The transaction price does not include estimates of consideration resulting from change orders for additional goods and services unless these are agreed. Once the total transaction price is determined, the Group allocates this to the identified performance obligations in proportion to their relative stand-alone selling prices and recognises revenue when (or as) those performance obligations are satisfied.

For each performance obligation, the Group determines if revenue will be recognised over time or at a point in time. Where the Group recognises revenue over time for long term contracts, this is in general due to the Group performing and the customer simultaneously receiving and consuming the benefits provided over the life of the contract.

For each performance obligation to be recognised over time, the Group applies a revenue recognition method that faithfully depicts the Group’s performance in transferring control of the goods or services to the customer. This decision requires assessment of the real nature of the goods or services that the Group has promised to transfer to the customer. The Group applies the relevant output or input method consistently to similar performance obligations in other contracts.

When using the output method the Group recognises revenue on the basis of direct measurements of the value to the customer of the goods and services transferred to date relative to the remaining goods and services under the contract. Where the output method is used, in particular for long term service contracts where the series guidance is applied, the Group often uses a method of time elapsed which requires minimal estimation. Certain long term contracts use output methods based upon estimation of number of users, level of service activity or fees collected.

If performance obligations in a contract do not meet the over time criteria, the Group recognises revenue at a point in time. This may be at the point of physical delivery of goods and acceptance by a customer or when the customer obtains control of an asset or service in a contract with customer-specified acceptance criteria.

Disaggregation of revenue
The Group disaggregates revenue from contracts with customers by contract type, which includes only fertiliser as management believes this best depicts how the nature, amount, timing and uncertainty of the Group’s revenue and cash flows.

Performance obligations
Performance obligations categorised within this revenue type include the debtor taking ownership of the fertiliser product.

Notes to the Condensed Consolidated Financial Statements

for the half-year ended 30 June 2021

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, the Group is organised into one main operating segment, which involves mining exploration processing and sale of fertiliser. All of the Group's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. No revenue is derived from a single external customer.

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. Revenue earned by the Group is generated in Brazil and all of the Group's non-current assets reside in Brazil.

The following table present revenue and loss information and certain asset and liability information regarding business segments for the half year ended 30 June 2021.

	Continuing operations		
	Australia	Brazil	Consolidated
30 June 2021	$	$	$
Segment revenue	-	790,224	790,224
Segment loss before income tax expense	(503,487)	(564,220)	(1,067,707)
30 June 2021			
Segment assets	**2,141,141**	**10,949,765**	**13,090,906**
Segment liabilities	**109,577**	**227,243**	**336,820**
Additions to non-current assets	-	89,853	89,853

	Continuing operations		
	Australia	Brazil	Consolidated
30 June 2020	$	$	$
Segment revenue	-	299,449	299,449
Segment loss before income tax expense	(1,081,764)	(761,979)	(1,843,743)
30 June 2020			
Segment assets	**3,905,078**	**11,444,946**	**15,350,024**
Segment liabilities	**215,845**	**176,978**	**392,823**
Additions to non-current assets	-	1,712,835	1,712,835

Notes to the Condensed Consolidated Financial Statements

for the half-year ended 30 June 2021

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.

	Consolidated	
	6 months to 30 June 2021 $	6 months to 30 June 2020 $
Fertiliser sales	790,224	299,449
Total revenue	**790,224**	**299,449**

NOTE 4: COST OF GOODS SOLD

	Consolidated	
	6 months to 30 June 2021 $	6 months to 30 June 2020 $
Mine operating costs	256,096	54,843
Net smelter return	15,804	5,751
Royalty expense	20,316	5,840
Depreciation and amortisation	121,897	119,534
Total cost of goods sold	**414,113**	**185,968**

NOTE 5: TRADE AND OTHER RECEIVABLES

	Consolidated	
	30 June 2021 $	31 December 2020 $
Trade Debtors	922,430	924,054
Agrocerrado receivable[1]	653,993	607,127
Prepayments	-	36,417
Cash advances	39,003	47,366
Refundable security deposit	3,088	15,636
GST receivable	13,110	8,967
Other receivables	741	11,446
Total trade and other receivables	**1,632,365**	**1,651,013**

Trade debtors, other debtors and goods and services tax are receivable on varying collection terms. Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value. Some debtors are given industry standard longer payment terms which may cross over more than one accounting period. These trade terms are widely used in the agricultural market in Brazil and are considered industry norms.

[1] In September 2020, the Company instigated legal proceedings to recover the debt from Agrocerrado Produtos Agricolas ("Agrocerrado"). On 25 September 2020, the Tribunal de Justiça do Estado de Minas Gerais issued judgment against Agrocerrado for the full amount of the debt plus costs. The Company took steps to enforce the judgment. Subsequently, Agrocerrado presented a preliminary defence and applied to Court to stay the Company from enforcing the judgment. The Company has filed a response and is awaiting a decision of the Court in respect to Agrocerrado's application. The Company considers the amount to be fully recoverable and as such, no impairment has been made.

Notes to the Condensed Consolidated Financial Statements

for the half-year ended 30 June 2021

NOTE 6: PLANT AND EQUIPMENT

	Consolidated	
	6 months to 30 June 2021 $	12 months to 31 December 2020 $
At beginning of the period	1,037,475	1,048,158
Additions for the period	57,787	449,671
Depreciation charge for the period	(118,912)	(140,802)
Net exchange difference on translation	73,252	(319,552)
Balance at the end of the period	**1,049,602**	**1,037,475**

NOTE 7: MINE PROPERTIES

	Consolidated	
	6 months to 30 June 2021 $	12 months to 31 December 2020 $
At beginning of the period	4,188,916	3,774,441
Additions for the period	32,066	1,655,270
Amortisation charge for the period	(97,755)	(79,612)
Net exchange difference on translation	441,249	(1,161,183)
Balance at the end of the period	**4,564,476**	**4,188,916**

NOTE 8: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	6 months to 30 June 2021 $	12 months to 31 December 2020 $
Exploration and evaluation phase:		
At beginning of the period	3,317,445	4,116,578
Acquisition of Sergi Potash Project	-	200,000
Exploration expenditure during the period	-	3,745
Impairment loss	-	(956,918)
Net exchange differences on translation	(5,126)	(45,960)
Balance at the end of the period	**3,312,319**	**3,317,445**

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.

Notes to the Condensed Consolidated Financial Statements

for the half-year ended 30 June 2021

NOTE 9: TRADE AND OTHER PAYABLES

	Consolidated	
	30 June 2021 $	31 December 2020 $
Trade payables	150,620	28,421
Accruals	104,342	154,471
Other payables	10,494	21,692
	265,456	**204,584**

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 10: ISSUED CAPITAL

	30 June 2021 $	31 December 2020 $
Issued and paid up capital		
Issued and fully paid	**43,048,343**	**43,048,343**

	6 months to 30 June 2021		12 months year ended 31 December 2020	
	No.	$	No.	$
Movements in ordinary shares on issue				
Opening balance	185,835,884	43,048,343	185,835,884	43,048,343
Shares issued to Directors and other employees	-	-	-	-
	185,835,884	**43,048,343**	**185,835,884**	**43,048,343**
Share issue costs	-	-	-	-
Closing balance	**185,835,884**	**43,048,343**	**185,835,884**	**43,048,343**

NOTE 11: DIVIDENDS

No dividends have been paid or provided for during the half-year (half-year to 30 June 2020: $nil).

NOTE 12: CONTINGENT LIABILITIES AND COMMITMENTS

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

NOTE 13: 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 5 to 16, 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 30 June 2021 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
29 September 2021

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Harvest Minerals Limited

Report on the Condensed Half-Year Financial Report

Qualified 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 30 June 2021, 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 information, and the directors' declaration, for the consolidated entity 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, except for the possible effects of the matter described in the Basis for qualified conclusion section of our report, we have not become aware of any matter that makes us believe that the half-year financial report of Harvest Minerals Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 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*.

Basis for qualified conclusion

As disclosed in Note 5 to the financial statements, included in the trade and other receivables balance as at 30 June 2021 is an amount receivable of $653,993 from a third party, Agrocerrado Produtos Agricolas. In September 2020, the Company instigated legal proceedings to recover the debt. We have, however, been unable to obtain sufficient appropriate audit evidence to conclude on the recoverability of the receivable and whether any impairment loss on the receivable is appropriate. Consequently, we were unable to determine whether any adjustments might be necessary in respect of the accompanying financial statements for the half-year ended 30 June 2021.

We conducted our review in accordance with ASRE *2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the 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 for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 consolidated entity's financial position as at 30 June 2021 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*.

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
29 September 2021

N G Neill
Partner