agrimin

A.B.N. 15 122 162 396

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

CORPORATE INFORMATION

DIRECTORS

Brad Sampson	Non-Executive Chairman
Mark Savich	Chief Executive Officer and Executive Director
Alec Pismiris	Non-Executive Director and Company Secretary

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Nedlands, Western Australia, 6009

Telephone: +61 8 9389 5363

AUDITORS

Ernst & Young

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SHARE REGISTER

Automic Registry Services

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Perth, Western Australia, 6000

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WEBSITE

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STOCK EXCHANGE LISTING

Agrimin Limited shares are listed on the Australian Securities Exchange (ASX: AMN)

CONTENTS

DIRECTORS' REPORT

Your Directors are pleased to provide their report on Agrimin Limited (ASX: AMN) ("Agrimin" or "the Company") together with the consolidated interim financial statements for the Company and its controlled entities ("Group") for the half-year ended 31 December 2018.

DIRECTORS

The names of the Directors who held office during the half-year and until the date of this report are:

Brad Sampson	Non-Executive Chairman
Mark Savich	Chief Executive Officer and Executive Director
Alec Pismiris	Non-Executive Director and Company Secretary

REVIEW OF OPERATIONS

MACKAY SOP PROJECT (100% INTEREST)

The Mackay Sulphate of Potash ("SOP") Project is situated in Western Australia, approximately 785 kilometres south of the Wyndham Port. The Project comprises twelve Exploration Licences covering a total area of 4,335 square kilometres spanning Lake Mackay, which is the world's largest undeveloped SOP-bearing salt lake.

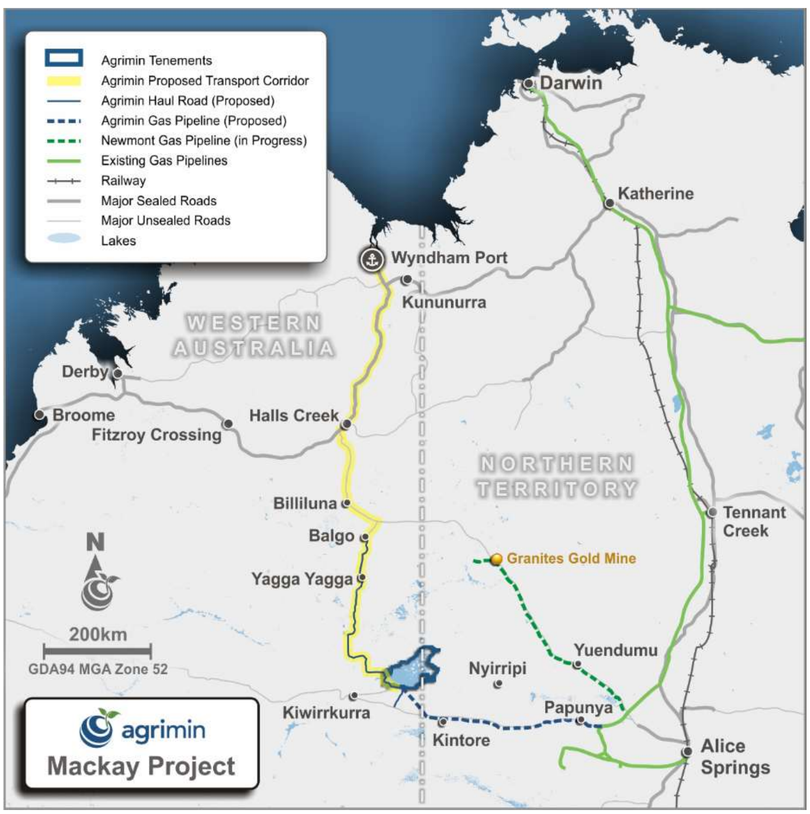

Figure 1: Map of Mackay SOP Project

The closest community is Kiwirrkurra which is located approximately 60 kilometres southwest of the Project. The Company has executed a Native Title Agreement with Tjamu Tjamu (Aboriginal Corporation) RNTBC, the native title registered body corporate for the Kiwirrkurra people. The agreement provides the necessary consents for the Project's development and operations.

PRE-FEASIBILITY STUDY

On 7 May 2018, the Company reported the results of a positive Pre-Feasibility Study ("PFS") for the Mackay SOP Project.

The PFS is based on the extraction of brine-hosted SOP from a single aquifer unit which commences approximately 40 centimetres below ground surface. Brine is planned to be extracted from shallow trenches and fed into a series of solar evaporation ponds. Potassium-bearing salts will precipitate in the ponds and will be wet harvested and pumped to the process plant.

The process plant has been designed for a capacity of 426,000 tonnes per annum of SOP as dry granular product, with the PFS assuming a product mix of 50% granular and 50% standard product. The PFS assumed all production is shipped through Wyndham Port via an integrated mine-to-port logistics chain.

DEFINITIVE FEASIBILITY STUDY

During the half-year, the Company commenced the Definitive Feasibility Study ("DFS") for the Mackay SOP Project.

The majority of the DFS fieldwork programs have been completed. This included deep diamond drilling, ongoing trench pump testing, gravity and passive seismic surveys, geotechnical test pitting, cone penetration testing, topography surveys and pilot evaporation trials.

The Company has investigated the option of trucking LNG to the Mackay SOP Project as an alternative to the natural gas pipeline which was assumed in the PFS. Outcomes of this investigation indicate that LNG fuel supply could potentially remove the large up-front capital cost associated with the gas pipeline, while maintaining operating costs at a similar level as estimated in the PFS. The Company is advancing negotiations with LNG suppliers.

The Company has also considered locating the back-end of its process plant (being all plant and equipment after the SOP conversion step) at Wyndham. A general layout for the storage shed, plant and equipment has been completed and discussions are underway in respect to the development of new infrastructure at Wyndham to support Agrimin's planned operations.

FUNDING

The Company is not currently funded for the estimated development capital cost of the Mackay SOP Project. Successful delivery of a DFS with appropriate economic metrics is expected to support ongoing convergence of the Company's market capitalisation with its future funding requirements.

The Project's positive technical and economic fundamentals as defined in the PFS, together with favourable SOP market fundamentals, provide a platform for the Company to advance discussions with potential strategic partners, off-takers and traditional financiers.

On 12 September 2018, the Company announced the expression of interest by Northern Australia Infrastructure Facility ("NAIF") to investigate potential NAIF support for the Mackay SOP Project. NAIF is a corporate Commonwealth entity that can provide long-term concessional loans to encourage and complement investment in infrastructure that benefits northern Australia.

ENVIRONMENT

Agrimin is committed to minimising the impact of its activities on the environment. Since exploration activities commenced in 2015, no reportable environmental incident has occurred and it is the Company's focus to maintain this performance as the Mackay SOP Project advances. The Company has commenced baseline environmental surveys in order to obtain data across the Project area and immediate surroundings. Several environmental studies will be required to support the environmental impact assessment and to facilitate the approvals process.

On 21 December 2018, the Company referred the Mackay SOP Project to the Environmental Protection Authority for assessment under Section 38 of the *Environmental Protection Act 1986*. Concurrently, the Company referred the Mackay SOP Project to the Commonwealth Department of the Environment and Energy for assessment under the *Environment Protection and Biodiversity Conservation Act 1999*.

COMMUNITY

The Mackay SOP Project is located within the Kiwirrkurra native title determination area. The Company values its relationship with the Kiwirrkurra people and is committed to maintaining an enduring partnership to ensure the Mackay SOP Project can bring many benefits to the local community.

The Company's discussions with local members of the Kiwirrkurra community indicate strong support for a SOP operation at the Mackay SOP Project and there is a high degree of interest in the range of opportunities the operation would create. If the Mackay SOP Project proceeds it has the potential to be one of the largest employers in the area and to provide substantial long-term benefits.

SAFETY

The Company is firmly committed to ensuring all work activities are carried out safely with all practical measures taken to remove risks to the health, safety and welfare of workers, contractors, authorised visitors, and anyone else who may be affected by the Company's activities.

Although the Company has increased activities at the Mackay SOP Project over the last year, it is pleased to report that no serious injuries have been reported. This safety performance, along with a strong safety culture, bodes well as the Company continues to increase its activity levels.

PERCIVAL SOP PROJECT (100% INTEREST)

The Percival SOP Project is situated in Western Australia, approximately 450 kilometres south-east of Broome.

On 18 December 2018, the Company announced it had lodged five Exploration Licence applications covering an area of 2,792 square kilometres over an extensive 450-kilometre-long lake system. The applications cover areas across both Percival Lakes and Lake Auld where reconnaissance SOP exploration activity has historically occurred. Historic sampling of brine within the Percival Lakes application area has returned the highest known grade sampled from an Australian salt lake to date.

The Company intends to progress native title consultations with a view to having the Exploration Licences granted in 2019.

CORPORATE

On 5 July 2018, the Company announced it successfully completed a capital raising of $10,000,000 (before costs) via a placement to institutional and sophisticated investors. The placement was conducted at an issue price of $0.80 per share, resulting in the issue of 12,500,000 ordinary shares.

On 25 September 2018, the Company issued 1,000,000 ordinary shares to Tjamu Tjamu (Aboriginal Corporation) RNTBC, the native title registered body corporate for the Kiwirrkurra people, pursuant to the terms of the Native Title Agreement signed by the parties on 8 November 2017. These shares are subject to a voluntary escrow period expiring on 29 June 2021.

On 18 December 2018, the Company announced that it agreed to the future issue of 1,000,000 ordinary shares to Potash Global Limited for services related to the facilitation of Exploration Licence applications covering areas across Percival Lakes and Lake Auld within Western Australia. The shares will be issued upon the earlier of the granting of the applications or 12 December 2019. The applications were still outstanding at 31 December 2018.

SCHEDULE OF TENEMENT INTERESTS HELD AT 31 DECEMBER 2018

Tenement Ref.	Project	Holder	State	Status	Interest
		Exploration Licences			
E80/4887	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Granted	100%
E80/4888	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Granted	100%
E80/4889	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Granted	100%
E80/4890	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Granted	100%
E80/4893	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Granted	100%
E80/4995	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Granted	100%
E80/5055	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Granted	100%
E80/5124	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Granted	100%
E80/5172	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Application	100%
EL30651	Mackay SOP	Agrimin Limited	N.T.	Application	100%
EL31780	Mackay SOP	Agrimin Limited	N.T.	Application	100%
EL31781	Mackay SOP	Agrimin Limited	N.T.	Application	100%
E80/5173	Mackay Metals	Agrimin Metals Pty Ltd	W.A.	Application	100%
E80/5175	Mackay Metals	Agrimin Metals Pty Ltd	W.A.	Application	100%
E80/5242	Mackay Metals	Agrimin Metals Pty Ltd	W.A.	Application	100%
E80/5243	Mackay Metals	Agrimin Metals Pty Ltd	W.A.	Application	100%
E80/5244	Mackay Metals	Agrimin Metals Pty Ltd	W.A.	Application	100%
E80/5315	Mackay Metals	Agrimin Metals Pty Ltd	W.A.	Application	100%
E80/5316	Mackay Metals	Agrimin Metals Pty Ltd	W.A.	Application	100%
E45/5417	Percival SOP	Agrimin Potash Pty Ltd	W.A.	Application	100%
E45/5418	Percival SOP	Agrimin Potash Pty Ltd	W.A.	Application	100%
E45/5419	Percival SOP	Agrimin Potash Pty Ltd	W.A.	Application	100%
E45/5420	Percival SOP	Agrimin Potash Pty Ltd	W.A.	Application	100%
E45/5421	Percival SOP	Agrimin Potash Pty Ltd	W.A.	Application	100%
		Miscellaneous Licences			
L80/87	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Granted	100%
L80/88	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Granted	100%
L80/95	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Application	100%
L80/96	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Application	100%

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results, Mineral Resource Estimates and Pre-Feasibility Study results are extracted from the relevant ASX Releases and are available on www.asx.com.au and Company's website on www.agrimin.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous ASX Releases and, in the case of the Mineral Resource, that all material assumptions and technical parameters underpinning the estimates in the ASX Release on 7 May 2018 continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the previous ASX Releases.

FORWARD LOOKING STATEMENTS

This ASX Release may contain certain "forward-looking statements" which may be based on forward-looking information that are subject to a number of known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those presented here. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. Forward-looking information includes exchange rates; the proposed production plan; projected brine concentrations and recovery rates; uncertainties and risks regarding the estimated capital and operating costs; uncertainties and risks regarding the development timeline, including the need to obtain the necessary approvals. For a more detailed discussion of such risks and other factors, see the Company's Annual Reports, as well as the Company's other ASX Releases. Readers should not place undue reliance on forward-looking information. The Company does not undertake any obligation to release publicly any revisions to any forward-looking statement to reflect events or circumstances after the date of this ASX Release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

DIRECTORS' REPORT

RESULTS OF OPERATIONS

The Company incurred a $968,703 loss after income tax for the period (2017: $330,033). This result was in line with expectations and reflected operating costs incurred during the period comprised largely of costs associated with general administration of the Company as well as compliance expenses. During the half-year, $6,865,752 of exploration expenditure was capitalised to exploration and evaluation assets.

CASH BALANCE

At Balance date the Group had $10,405,555 (30 June 2018: $5,931,474) of cash and cash equivalents.

SHARES ON ISSUE

170,618,112 ordinary shares were on issue at 31 December 2018 (30 June 2018: 157,118,112).

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 10.

EVENTS SUBSEQUENT TO REPORTING DATE

On 6 February 2019 the Company received a government grant of $2,008,829 (30 June 2018: $707,182) in the form of a refundable research and development offset for the financial year ended 30 June 2018. There were no unfulfilled conditions attached to the grant.

CHANGES IN STATE OF AFFAIRS

There were no other significant changes in the Company's state of affairs other than that referred to in the half-year financial statements and notes thereto.

This report is made with a resolution of the directors:

Mark Savich

Chief Executive Officer and Executive Director

Perth

28 February 2019

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Auditor's Independence Declaration to the Directors of Agrimin Limited

As lead auditor for the review of the half-year financial report of Agrimin Limited for the half-year ended 31 December 2018, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Agrimin Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Pierre Dreyer
Partner
28 February 2019

PD:KG:AGRIMIN:004

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED

	Note	31 Dec 2018 $	31 Dec 2017 $
Other income		4,349	7,458
Finance income		150,452	106,854
Administrative expenses	5	(1,123,504)	(444,345)
Loss before income tax		(968,703)	(330,033)
Income tax expense		-	-
Loss for the period		(968,703)	(330,033)
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		(968,703)	(330,033)
Earnings per share			
Basic and diluted loss per share		(0.6 cents)	(0.2 cents)

The above consolidated interim statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	31 Dec 2018 $	30 Jun 2018 $
Assets			
Current Assets			
Cash and cash equivalents	6	10,405,555	5,931,474
Other receivables	7	422,350	142,617
Deposits		274,464	148,607
Prepayments		4,215	56,193
Total Current Assets		11,106,584	6,278,891
Non-Current Assets			
Exploration and evaluation assets	8	19,114,075	12,248,323
Property, plant and equipment		89,414	13,756
Other assets	9	680,000	700,000
Total Non-Current Assets		19,883,489	12,962,079
Total Assets		30,990,073	19,240,970
Liabilities			
Current Liabilities			
Trade and other payables	10	2,677,179	1,111,008
Provisions		103,764	93,542
Total current liabilities		2,780,943	1,204,550
Non-Current Liabilities			
Provisions	11	916,257	784,243
Total Non-Current Liabilities		916,257	784,243
Total Liabilities		3,697,200	1,988,793
Net Assets		27,292,873	17,252,177
Equity			
Share capital	12	46,945,885	36,616,486
Reserves		1,031,080	351,080
Accumulated losses		(20,684,092)	(19,715,389)
Total Equity		27,292,873	17,252,177

The above consolidated interim statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED

	Note	Share Capital $	Equity remuneration Reserve/Share based payment reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2018		36,616,486	351,080	(19,715,389)	17,252,177
Loss for the period		-	-	(968,703)	(968,703)
Total comprehensive loss for the period		36,616,486	351,080	(20,684,092)	16,283,474
Transactions with owners directly recorded in equity					
Contributions by and distributions to owners					
Issue of ordinary shares	12	10,840,000	-	-	10,840,000
Share based payment		-	680,000	-	680,000
Costs from issue of ordinary shares	12	(510,601)	-	-	(510,601)
Total Transactions with owners		10,329,399	680,000	-	11,009,399
Balance at 31 December 2018		46,945,885	1,031,080	(20,684,092)	27,292,873
Balance at 1 July 2017		36,469,022	351,080	(18,522,705)	18,297,397
Loss for the period		-	-	(330,033)	(330,033)
Total comprehensive loss for the period		-	-	(330,033)	(330,033)
Balance at 31 December 2017		36,469,022	351,080	(18,852,738)	17,967,364

The above consolidated interim statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED

	Note	2018 $	2017 $
Cash flows from operating activities			
Payments to suppliers and employees		(982,111)	(539,277)
Interest received		98,171	65,751
Other income		4,349	2,957
Net cash used in operating activities		(879,591)	(470,569)
Cash flows from investing activities			
Payments for exploration and evaluation assets		(3,920,203)	(2,721,607)
Payments for exploration deposits		(135,103)	(9,246)
Payments for property, plant and equipment		(80,421)	-
Payments for exploration data		-	(700,000)
Acquisition of financial assets		-	(2,480,000)
Net cash used in investing activities		(4,135,727)	(5,910,853)
Cash flows from financing activities			
Proceeds from issue of share capital		10,000,000	-
Payment of share issue transaction costs		(510,601)	-
Cash flows from financing activities		9,489,399	-
Net increase/(decrease) in cash and cash equivalents		4,474,081	(6,381,422)
Cash and cash equivalents at 1 July		5,931,474	8,381,824
Cash and cash equivalents at 31 December		10,405,555	2,000,402

The above consolidated interim statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. REPORTING ENTITY

Agrimin is a for profit company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange ('ASX'). The consolidated interim financial statements comprise the Company and it's wholly owned subsidiaries (referred to as the 'Group' and individually as 'Group Entities'). Agrimin is primarily involved in mineral exploration in Western Australia.

2. BASIS OF PREPARATION OF HALF-YEAR REPORT

(a) Basis of Preparation

The consolidated interim financial statements are general purpose condensed financial statements for the six months ending 31 December 2018 prepared in accordance with the Corporations Act 2001 and Accounting Standard; AASB 134 Interim Financial Reporting.

The consolidated interim financial statements do not include all the notes of the type normally included in an annual financial report and should be read in conjunction with the annual consolidated financial statements of Agrimin for the year ended 30 June 2018 and any public announcements made by Agrimin during the interim period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

This consolidated interim financial statements of Agrimin for the half-year ended 31 December 2018 was authorised for issue in accordance with a resolution of the Directors on 28 February 2019.

The consolidated interim financial statements has been prepared on historical cost basis and is presented in Australian dollars.

The accounting policies adopted in the preparation of this consolidated interim financial statements are consistent with those adopted and disclosed in the Company's 30 June 2018 annual consolidated financial statements, other than as discussed below.

(b) Adoption of new and revised accounting standards

In the half-year ended 31 December 2018, the Company adopted all the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective from 1 July 2018. It has been determined that there is no material impact, or otherwise as a result of the newly adopted standards and interpretations. These standards are discussed below.

AASB 15 Revenue from Contracts with Customers (AASB 15)

The Group adopted AASB 15 with the date of initial recognition being 1 July 2018. In accordance with the transitional provisions in AASB 15 the standard has been applied.

AASB 15 supersedes AASB 118 Revenue, AASB 111 Construction Contracts and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in scope with other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

At 1 July 2018 it was determined that the adoption of AASB 15 had no impact on the Group as it is not revenue generating.

AASB 9 Financial Instruments (AASB 9)

The Group adopted AASB 9 with the date of initial recognition being 1 July 2018. In accordance with the transitional provisions in AASB 9, comparative figures have not been restated and continues to be reported under AASB 139. AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement ("AASB 139"), bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

Classification and measurement

Under AASB 9, debt instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria; the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). The SPPI test is applied to the entire financial asset, even if it contains an embedded derivative.

At the date of initial application, existing financial assets and liabilities of the Group were assessed in terms of the requirements of AASB 9. The assessment was conducted on instruments that had not been derecognised as at 1 July 2018. In this regard, the Group has determined that the adoption of AASB 9 has impacted the classification of financial instruments at 1 July 2018 as follows:

Class of financial instrument presented in the statement of financial position	Original measurement category under AASB 139 (prior to 1 July 2018)	New measurement category under AASB 9 (from 1 July 2018)
Cash and cash equivalents	Loans and receivables	Financial assets at amortised cost
Other receivables	Loans and receivables	Financial assets at amortised cost
Exploration deposits	Loans and receivables	Financial assets at amortised cost
Trade and other payables	Financial liability at amortised cost	Financial liabilities at amortised cost

The change in classification of financial instruments has not resulted in any re-measurement adjustments at 1 July 2018.

Impairment of financial assets

In relation to the financial assets carried at amortised cost AASB 9 requires an expected credit loss model to be applied as opposed to an incurred credit loss model under AASB 139. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial asset. AASB 9 requires the Group to measure the loss allowance at the amount equal to lifetime expected credit loss ("ECL") if the credit risk on the instrument has increased significantly since initial recognition. On the other hand, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group is required to measure the loss allowance for that financial instrument at an amount equal to the portion of the lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date. ECL's are based on the difference between contractual cashflows due in accordance with the contract and all the Group expects to receive. The shortfall is then discounted at an approximation to the assets original effective interest rate.

As at 1 July 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supporting information. In accordance with AASB 9, where the directors concluded that it would require undue cost and effort to determine the credit risk of a financial asset on initial recognition, the Group recognises lifetime ECL. The results of the assessment is as follows:

Items existing as at 1 July 2018 that are subject to the impairment provisions of AASB 9	Credit Risk Attributes	Cumulative additional loss allowance recognised on 1 July 2018 $
Cash and cash equivalents	All bank balances assessed have low credit risk as they are held with a reputable financial institution with a high credit rating.	-
Receivables at amortised cost	The Group applied the general approach and concluded that no transitional adjustment for the loss allowance was required at 1 July 2018.	-

Hedge Accounting

The Group has not applied hedge accounting.

3. SEGMENT INFORMATION

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker, which has been identified by the Group as the Chief Executive Officer and other members of the Board of Directors. The Group operates only in one reportable segment being predominantly in the area of mineral exploration in Western Australia.

4. GOING CONCERN

This consolidated interim financial statements have been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Directors believe that the Group has sufficient cash resources to allow to meet minimum exploration expenditure commitments on existing tenements and undertake continuing activities designed to advance the 100% owned Mackay SOP Project of the Group and operate corporately for at least the next 12 months. For this reason, these consolidated interim financial statements are prepared on a going concern basis.

In the longer term, the development of economically recoverable mineral deposits found on the Group's existing exploration properties or future exploration properties depends on the ability of the Group to obtain financing through equity financing, debt financing or other means. If the Group's exploration programs are ultimately successful, additional funds will be required to develop the Group's properties and place them into commercial production. The main source of future funds presently available to the Group is the raising of equity capital by the Group. The ability to arrange such funding in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Group and its exploration results.

The Group has no source of operating cash inflows other than interest income and funds sourced through capital raising activities. At 31 December 2018, the Group has cash and cash equivalents totalling $10,405,555 (30 June 2018: $5,931,474) and net working capital (current assets less current liabilities) of $8,325,641 (30 June 2018: $5,074,341).

5. ADMINISTRATIVE EXPENSES

	31 Dec 2018 $	31 Dec 2017 $
Fees, salaries and benefits	558,050	202,344
External professional fees	159,321	48,656
Travel and accommodation expenses	117,992	51,121
ASX fees	53,069	22,468
Depreciation expenses	4,763	4,238
Other administrative expenses	230,309	115,518
	1,123,504	444,345

6. CASH AND CASH EQUIVALENTS

	31 Dec 2018 $	30 June 2018 $
Cash and bank balances	2,853,555	879,474
Short term deposits	7,552,000	5,052,000
	10,405,555	5,931,474

7. OTHER RECEIVABLES

	31 Dec 2018 $	30 June 2018 $
Net tax receivable (GST)	343,659	121,146
Accrued interest	63,792	11,512
Security deposit	9,959	9,959
Other receivables	4,940	-
	422,350	142,617

8. EXPLORATION AND EVALUATION ASSETS

	31 Dec 2018 $	30 June 2018 $
Opening Balance	12,248,323	5,319,269
Additions	6,865,752	7,636,236
Refundable research and development grant	-	(707,182)
	19,114,075	12,248,323

The carrying amount of the exploration and evaluation assets at 31 December 2018 relates to the exploration capitalised on the Mackay SOP Project. This includes $840,000 (30 June 2018: Nil) attributable to the issue of 1,000,000 shares to Tjamu Tjamu (Aboriginal Corporation). The shares were valued at 10 August 2018, the date contractual terms were satisfied using the Group's share price of $0.84 per share which differs to issue date of 25 September 2018.

During the period, the Group reclassed $700,000 to exploration and evaluation assets for exploration data acquired in the financial year ended 30 June 2018 which was previously treated as an other non-current asset in accordance with the Group's pre-license exploration accounting policy. This reclassification resulted from the granting of tenements in July 2018.

At 31 December 2018, the Group assessed the carry amount of the assets for impairment. No impairment triggers were present (30 June 2018: Nil).

9. OTHER ASSETS

On 18 December 2018, the Company announced that it agreed to the future issue of 1,000,000 ordinary shares to Potash Global Limited for services related to the facilitation of Exploration Licence applications covering areas across Percival Lakes and Lake Auld within Western Australia. The shares have been valued at 12 December 2018, being the date which the agreement was reached between the parties using the Group's share price of $0.68 per share. The amount has been recognised as other assets during the half-year. The shares will be issued upon the earlier of the granting of the applications or 12 December 2019 (30 June 2018: Nil). The applications were still outstanding at 31 December 2018.

10. TRADE AND OTHER PAYABLES

	31 Dec 2018 $	30 June 2018 $
Trade payables	2,092,149	739,057
Accrued expenses	453,056	260,583
Other payables	131,974	111,368
	2,677,179	1,111,008

11. NON-CURRENT PROVISIONS

	31 Dec 2018 $	30 June 2018 $
Provision for rehabilitation		
Opening Balance	784,243	-
Provisions made during the period	132,014	784,243
	916,257	784,243

During the period, the Group assessed its legal and constructive obligation to restore the operating location to its original condition and as a result the estimated costs of rehabilitation has increased by $132,014 to $916,257 (30 June 2018: $784,243).

12. CONTRIBUTED EQUITY

	2018	
	Number	$
Share Capital		
Fully paid ordinary shares		
Balance at 1 July 2018	157,118,112	36,616,486
Issue of fully paid ordinary shares at $0.80	12,500,000	10,000,000
Issue of fully paid ordinary shares at $0.84	1,000,000	840,000
Less share issue costs	-	(510,601)
Balance at 31 December 2018	170,618,112	46,945,885

	2017	
	Number	$
Issued Capital		
Fully paid ordinary shares	156,118,112	36,469,022
Balance at 1 July and 31 December 2017	156,118,112	36,469,022

13. RELATED PARTY TRANSACTIONS

During the period $40,000 of fees were paid to Lexcon Services Pty Ltd (30 June 2018: $96,000) and $12,000 was payable for professional services provided by Mr Pismiris as Non-Executive Director and Company Secretary (30 June 2018: Nil).

14. EVENTS AFTER THE REPORTING PERIOD

On 6 February 2019 the Company received a government grant of $2,008,829 (30 June 2018: $707,182) in the form of a refundable research and development offset for the financial year ended 30 June 2018. There were no unfulfilled conditions attached to the grant.

15. FINANCIAL INSTRUMENTS

The fair value of financial assets and liabilities approximate their carrying amounts.

DIRECTORS' DECLARATION

In the opinion of the directors of Agrimin Limited ('the Company'):

1. the financial statements and notes set out on pages 15 to 19 are 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; and

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

Signed in accordance with a resolution of the directors.

Mark Savich

Chief Executive Officer and Executive Director

Perth

28 February 2019

Building a better
working world

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Independent auditor's review report to the members of Agrimin Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Agrimin Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated interim statement of financial position as at 31 December 2018, the consolidated interim statement of comprehensive income, consolidated interim statement of changes in equity and consolidated interim 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..

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial 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 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, anything has come to our attention that causes us to 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 consolidated financial position as at 31 December 2018 and its consolidated financial 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 Group, 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*.

Ernst & Young

Pierre Dreyer
Partner
Perth
28 February 2019