agrimin

A.B.N. 15 122 162 396

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

CORPORATE INFORMATION

DIRECTORS

Richard Seville	Non-Executive Chairperson
Mark Savich	Chief Executive Officer and Executive Director
Brad Sampson	Non-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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Telephone: +61 8 9249 2222

SHARE REGISTER

Automic Registry Services

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Perth, Western Australia, 6000

Investor enquiries: 1300 288 664

WEBSITE

www.agrimin.com.au

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 ("the Group") for the half-year ended 31 December 2019.

DIRECTORS

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

Richard Seville	Non-Executive Chairperson (appointed 5 August 2019)
Mark Savich	Chief Executive Officer and Executive Director
Brad Sampson	Non-Executive Director (Formerly Non-Executive Chairperson until 5 August 2019)
Alec Pismiris	Non-Executive Director and Company Secretary

PRINCIPAL ACTIVITIES

Agrimin Limited is primarily involved in the mineral exploration and development of its Mackay Potash Project in Western Australia. 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.

REVIEW AND RESULTS OF OPERATIONS

The Company incurred a $1,045,040 loss after income tax for the period (2018: $968,703). 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, $7,143,302 (2018: $12,302,368) of exploration expenditure was capitalised to exploration and evaluation assets.

CASH BALANCE

At balance date the Group had $5,518,512 (30 June 2019: $5,710,460) of cash and cash equivalents.

SHARES ON ISSUE

186,618,112 ordinary shares were on issue at 31 December 2019 (30 June 2019: 170,618,112).

REVIEW OF OPERATIONS

MACKAY POTASH PROJECT (100% INTEREST)

The Mackay Potash Project ("the 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, the world's largest undeveloped Sulphate of Potash ("SOP") bearing salt lake.

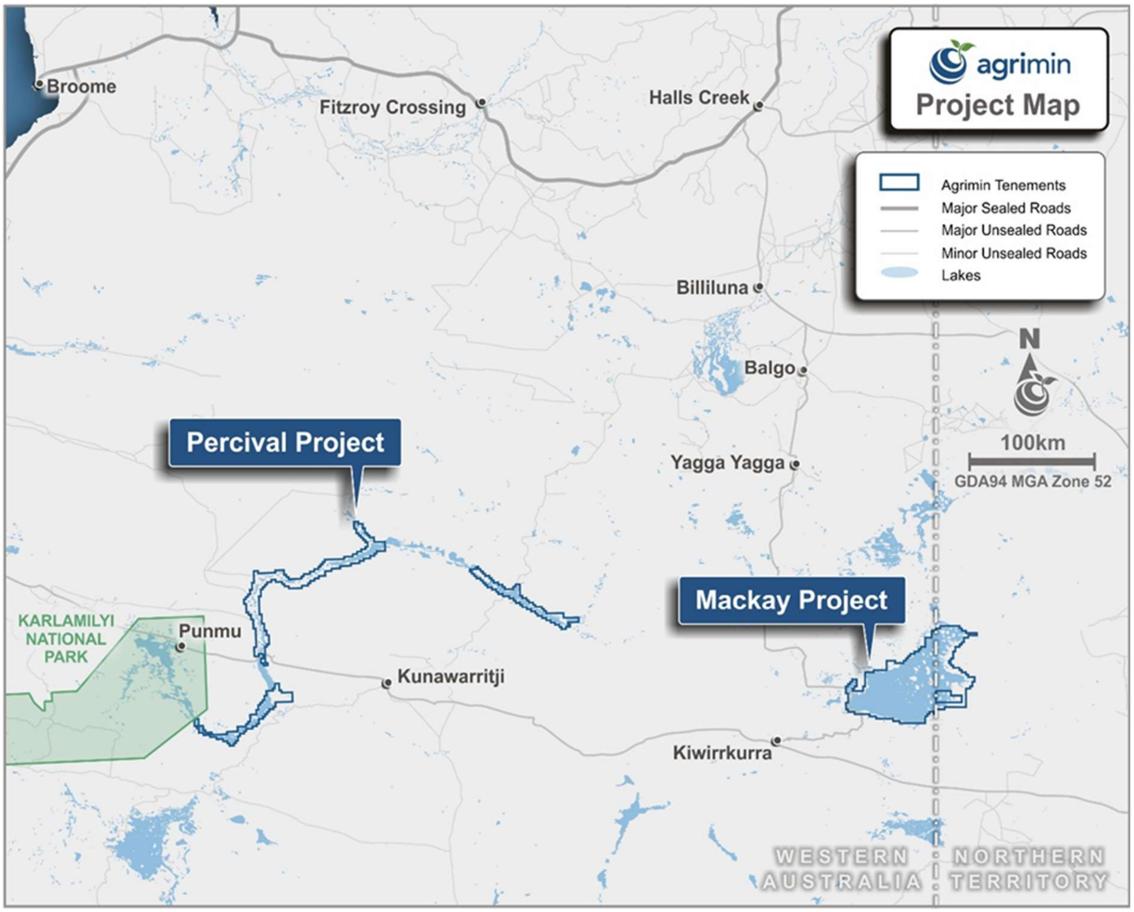

Figure 1: Map of Agrimin's Projects

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 within the Kiwirrkurra determination area.

The Company completed a Pre-Feasibility Study for the Project in 2018. This study was designed for a production rate of 426,000 tonnes per annum of SOP with all production being shipped through Wyndham Port in Western Australia.

DEFINITIVE FEASIBILITY STUDY

During the half-year, the Company continued to progress the Definitive Feasibility Study ("DFS") for the Project. All major fieldwork programs have been completed and DFS engineering studies are nearing completion.

Long-term data acquired from the Company's two-year pump testing program across Lake Mackay is being used as the basis for constructing robust and reliable hydrogeological models to simulate lake-wide groundwater flow and mass transport. During the half-year, Agrimin's hydrogeological consultants continued to work on an updated Mineral Resource Estimate, maiden Ore Reserve and DFS mine plan.

The pilot evaporation trial continued to operate throughout the half-year, with salt harvesting activities ongoing in order to allow the trial to operate uninterrupted over the long-term. The trial has operated with continuous flows since October 2018 with brines being transferred through the ponds under a daily transfer regime. The Company's on-site process engineering team are closely monitoring the brine chemistry and salt formation in each pond in order to support the DFS pond model. The evaporation pond operations will continue to capture important seasonal variation data and will produce increasing amounts of potash salts for product marketing purposes.

Significant progress was achieved towards the establishment of the fully integrated logistics chain for the Mackay Potash Project. Road trains are planned to transport the Company's potash from its Lake Mackay Processing Plant to its Wyndham Port Facility. The Company's Wyndham Port Facility is planned to contain a truck unloading hopper, covered storage sheds, workshops, offices, as well as a conveyor and jetty to support barge loading operations.

During the half-year, Agrimin signed a Haulage Joint Venture Agreement with Newhaul Pty Ltd. Under the agreement, Agrimin and Newhaul Pty Ltd have formed a 50:50 incorporated joint venture named Newhaul Bulk Pty Ltd which will provide road haulage and road maintenance services for the project. Mr Craig Mitchell, an experienced WA bulk logistics operator, has been appointed CEO of the joint venture.

During the half-year, Agrimin also signed a binding Memorandum of Understanding with Transhipment Services Australia Pty Ltd ("TSA") for the provision of barge loading services for the project. TSA has been appointed to develop a cost-effective and fit-for-purpose shiploading solution which will be fully integrated with Agrimin's planned Wyndham Port Facility. Established in 2010, TSA is one of Australia's leading and most experienced transhipment service providers.

The Wyndham Port Facility and barge loading operation is being designed to provide a bulk shiploading solution that is specifically tailored for the Company's potash fertiliser products and will support a range of cargo sizes. The Company continues to engage with several potential fertiliser customers to ensure the Project will incorporate the most cost-effective port and shiploading operations based on the variety of cargo types and sizes that have been requested.

FUNDING

Agrimin continues to liaise with a number of potential strategic partners and traditional financiers. The Company also continues to assess a number of options in relation to off-take agreements for its portfolio of chloride-free potash products.

The Federal Government has allocated $75 million in the Federal Budget to the Western Australian section of the Alice Springs to Halls Creek Corridor (Tanami Road). This funding is anticipated to occur under the Australian Government's Roads of Strategic Importance ("ROSI") initiative. In addition, the Western Australian Government has allocated $43 million to the Tanami Road in the State Budget.

The Company has received an expression of interest by Northern Australia Infrastructure Facility ("NAIF") to investigate potential NAIF support for the Project with particular reference to Agrimin's proposed infrastructure. NAIF is a corporate Commonwealth entity that can provide long-term concessional loans to encourage and complement investment in infrastructure that benefits northern Australia. This is separate to any funding provided under the Federal and State Budgets.

ENVIRONMENT

Agrimin is committed to minimising the impact of its activities on the environment. Since exploration activities commenced at the Project in 2015, no reportable environmental incident has occurred and it is the Company's focus to maintain this performance as the Project advances. The Company has completed 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.

The Environmental Protection Authority ("EPA") has determined the level of assessment under Section 38 of the *Environmental Protection Act 1986* (WA) be a Public Environmental Review. In addition, the Commonwealth Department of the Environment and Energy ("DoEE") has determined the Project is a controlled action under the *Environment Protection and Biodiversity Conservation Act 1999*. The DoEE has advised that the Project will be assessed by accredited assessment under the *Environmental Protection Act 1986* (WA).

COMMUNITY

The 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 Project can bring many benefits to the local community. The Company's consultations with local members of the Kiwirrkurra community indicate strong support for a potash operation at the Project and there is a high degree of interest in the range of opportunities the operation would create. The Project has the potential to be one of the largest employers in the area and to provide substantial long-term benefits. During the half-year, the Company also progressed native title consultations with respect to obtaining land access agreements for a proposed haul road corridor which passes through three native title determination areas, including Tjamu Tjamu (Aboriginal Corporation) RNTBC, Parna Ngururrpa (Aboriginal Corporation) RNTBC and Tjurabalan Native Title Land Aboriginal Corporation RNTBC.

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. The Company is pleased to report that no serious injuries have been reported during the half-year. The Company's past safety performance, along with a strong safety culture, bodes well as activity levels continue to grow.

PERCIVAL POTASH PROJECT (100% INTEREST)

The Percival Potash Project is situated in Western Australia, approximately 450 kilometres south-east of Broome. It comprises 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 potash exploration activity has historically occurred. Historic sampling of brine within the Percival Lakes application area has returned the highest known potash grade sampled from an Australian salt lake. During the half-year, the Company continued native title consultations with a view to having the Exploration Licences granted to allow the commencement of exploration activites.

MACKAY METALS PROJECT (100% INTEREST)

The Mackay Metals Project is situated in Western Australia, approximately 785 kilometres south of the Wyndham Port. It comprises four granted Exploration Licences and one application. During the half-year, the Company investigated a range of fundraising options to progress exploration activites.

CORPORATE

During the half-year, the Company successfully completed a capital raising of $8,250,000 (before costs) via a placement to institutional and sophisticated investors. The placement included 15,000,000 ordinary shares issued at a price of $0.55 per share. On 20 September 2019, the Company issued 14,710,000 of these ordinary shares. The remaining 290,000 ordinary shares were issued to two directors on 17 December 2019 following shareholder approval at the Company's Annual General Meeting.

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 20 January 2020 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.

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 9.

EVENTS SUBSEQUENT TO REPORTING DATE

On 28 February 2020 the Company received a government grant of $1,943,682 (30 June 2019: $2,008,829) in the form of a research and development refund for the financial year ended 30 June 2019. There were no unfulfilled conditions attached to the grant.

This report is made with a resolution of the directors:

Mark Savich

Chief Executive Officer and Executive Director

Perth

10 March 2020

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Building a better
working world

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 2019, 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
10 March 2020

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED

	Note	31 Dec 2019 $	31 Dec 2018 $
Other income		7,988	4,349
Finance income		36,219	150,452
Finance expenses		(22,096)	-
Exploration and evaluation expenditure	8	(48,795)	-
Depreciation of right of use assets	10	(50,640)	-
Administrative expenses	5	(967,716)	(1,123,504)
Loss before income tax		(1,045,040)	(968,703)
Income tax expense		-	-
Loss for the period		(1,045,040)	(968,703)
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		(1,045,040)	(968,703)
Earnings per share			
Basic and diluted loss per share		(0.58 cents)	(0.60 cents)

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

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT

	Note	31 Dec 2019 $	30 Jun 2019 $
Assets			
Current assets			
Cash and cash equivalents	6	5,518,512	5,710,460
Other receivables	7	324,291	221,968
Exploration deposits		113,078	173,878
Prepayments		12,670	45,851
Total current assets		5,968,551	6,152,157
Non-current assets			
Exploration and evaluation assets	8	29,636,369	22,541,862
Property, plant and equipment	9	106,210	75,749
Right of use assets	10	312,284	-
Other assets	11	800,326	748,640
Total non-current assets		30,855,189	23,366,251
Total assets		36,823,740	29,518,408
Liabilities			
Current liabilities			
Trade and other payables	12	2,245,799	2,023,610
Provisions		199,424	144,840
Lease liability	13	95,336	-
Total current liabilities		2,540,559	2,168,450
Non-current liabilities			
Provisions	14	912,970	882,980
Lease liability	13	222,702	-
Total non-current liabilities		1,135,672	882,980
Total liabilities		3,676,231	3,051,430
Net assets		33,147,509	26,466,978
Equity			
Share capital	15	54,671,456	46,945,885
Reserves	16	1,031,080	1,031,080
Accumulated losses		(22,555,027)	(21,509,987)
Total equity		33,147,509	26,466,978

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 2019		46,945,885	1,031,080	(21,509,987)	26,466,978
Loss for the period		-	-	(1,045,040)	(1,045,040)
Total comprehensive loss for the period		-	-	(1,045,040)	(1,045,040)
Transactions with owners directly recorded in equity					
Contributions by and distributions to owners					
Issue of ordinary shares	15	8,250,000	-	-	8,250,000
Costs from issue of ordinary shares	15	(524,429)	-	-	(524,429)
Total transactions with owners		7,725,571	-	-	7,725,571
Balance at 31 December 2019		54,671,456	1,031,080	(22,555,027)	33,147,509
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		-	-	(968,703)	(968,703)
Contributions by and distributions to owners					
Issue of ordinary shares	15	10,840,000	-	-	10,840,000
Share based payment			680,000		680,000
Costs from issue of ordinary shares	15	(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

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	31 Dec 2019 $	31 Dec 2018 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,109,005)	(982,111)
Interest received		46,819	98,171
Other income		7,988	4,349
Net cash used in operating activities		(1,054,198)	(879,591)
Cash flows from investing activities			
Payments for exploration and evaluation assets		(6,733,247)	(3,920,203)
Payments for property, plant and equipment		(45,847)	(80,421)
Payments for other assets		(25,000)	-
Payments for pre-license expenditure		(12,360)	-
Net proceeds/(payments) for exploration deposits		7,488	(135,103)
Net cash used in investing activities		(6,808,966)	(4,135,727)
Cash flows from financing activities			
Proceeds from issue of share capital		8,250,000	10,000,000
Payment of share issue transaction costs		(524,429)	(510,601)
Repayment of lease liability		(54,355)	-
Cash flows from financing activities		7,671,216	9,489,399
Net (decrease)/increase in cash and cash equivalents		(191,948)	4,474,081
Cash and cash equivalents at 1 July		5,710,460	5,931,474
Cash and cash equivalents at 31 December		5,518,512	10,405,555

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

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 its wholly owned subsidiaries (referred to as the 'Group' and individually as 'Group Entities'). Agrimin is primarily involved in mineral exploration and development of its Mackay Potash Project 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 2019 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 2019 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 2019 was authorised for issue in accordance with a resolution of the Directors on 10 March 2020.

The consolidated interim financial statements have 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 2019 annual consolidated financial statements, other than as discussed below.

(b) Adoption of new and revised accounting standards

In the half-year ended 31 December 2019, 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 2019. It has been determined that there is a material impact to the Group as a result of adopting AASB 16 Leases as discussed below and no material impact from other revised standards and interpretations.

AASB 16 Leases (AASB 16)

The Group adopted AASB 16 with the date of initial recognition being 1 July 2019. In accordance with the transitional provisions in AASB 16 the standard has been applied.

Lessees are required to recognise right-to-use assets and lease liabilities for all leases except where the entity has elected to apply the exemptions to leases with a term of less than 12 months, or leases where the underlying asset is of low value. Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments) and includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.

The standard provides for two approaches to transition: modified retrospective or full retrospective.

The Group adopted the standard using the modified retrospective approach from 1 July 2019. Prior-year comparatives were not restated. The Group utilised the transitional relief in the standard whereby the right-of-use asset capitalised was equal to the lease liability at the date of initial adoption. As part of the initial application of AASB 16, the Group has decided not to apply the new requirements to leases whose term will end within twelve months or where the underlying asset is of low value. Based on the Group's assessment, leases of low value assets are those less than $12,000. In such cases, the lease payments have been recognised on a straight-line basis over the lease term as an operating expense.

The effect of adoption of AASB 16 is as follows:

The impact on the consolidated statement of financial position as at the initial adoption date of 1 July 2019 is an increase in property, plant and equipment of $362,924 and an increase in the lease liability of $362,924.

Nature of the effect of adoption of AASB 16 (Group as lessee)

The Group has a lease contract for its head office. Before the adoption of AASB 16, the Group classified this lease (as lessee) at the inception date as an operating lease (as it held no finance leases). In an operating lease, the leased property was not capitalised and the lease payments were recognised as an expense in the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

Upon adoption of AASB 16, the Group applied a single recognition and measurement approach for all leases of which it is the lessee, except for short-term leases and leases of low-value assets. The Group recognised lease liabilities to make lease payments and right-of-use lease assets representing the right to use the underlying assets. In accordance with the modified retrospective method of adoption of AASB 16, the Group applied AASB 16 at the date of initial application by measuring the right-of-use assets based on the amount equal to the lease liabilities. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

<u>Summary of new accounting policies</u>

Set out below are the Group's new accounting policies upon adoption of AASB 16:

Group as Lessee

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the in-substance fixed lease payments.

Short-term lease and leases of low-value assets

The Group applies the short-term and lease of low-value assets recognition exemptions to leases that are considered short-term or of low value (i.e. those leases that have a lease term of 12 months or less or are below $12,000). Lease payments on short-term leases and leases of low-value assets are expensed over the lease term.

Right-of-use asset

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised assets are depreciated on a straight-line basis over the shorter of its estimated useful life and lease term. Right-of-use asset are assessed for impairment.

The following reconciliation to the opening balance for the lease liabilities as at 1 July 2019 is based on the operating lease obligations as at 30 June 2019:

		1 July 2019
		$
Operating lease commitments at 30 June 2019		406,129
Discounting of lease liabilities using an incremental borrowing rate of 5.5%		(38,165)
Less:	Leases of low value assets not recognised	(5,040)
		362,924

The weighted-average incremental borrowing rate for lease liabilities recognised as at 1 July 2019 was 5.5%.

The right of use asset capitalised was equal to the lease liability at the date of initial adoption. The right of use asset is being depreciated on a straight-line basis over the life of the lease.

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 Group has incurred a loss after tax of $1,045,040 (2018: $968,703) and had a net cash outflows from operations of $1,054,198 (2018: $879,591) for the half-year. The Group has no source of operating cash inflows other than interest income and funds sourced through capital raising activities. At 31 December 2019, the Group has cash and cash equivalents totalling $5,518,512 (30 June 2019: $5,710,460) and net working capital (current assets less current liabilities) of $3,427,992 (30 June 2019: $3,983,707).

During the half year, the Group continued to actively manage its operating and overhead expenditure by successfully completing a capital raising of $8,250,000 (before costs) via a placement to institutional and sophisticated investors in September 2019.

The Group's cashflow forecast for the period ending 31 March 2021 reflects that the Group will be required to raise additional working capital during the 12-month period. The Directors considers that the Group is a going concern and recognises that additional funding is required to ensure that it can continue to fund its operations during the twelve-month period from the date of this report. The Directors believe that such additional funding, as the Group has successfully accessed previously, can be derived from raising additional capital to fund the Group's ongoing operational and working capital requirements, as and when required.

Accordingly, the Directors believe that the Group will be able to obtain sufficient funding to enable it to continue as a going concern and that it is appropriate to adopt that basis in the preparation of the financial report.

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.

Should the Group be unable to obtain sufficient funding as outlined above, there is a material uncertainty that may cast significant doubt whether it will be able to continue as going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the consolidated financial statements.The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classifications of liabilities that might be necessary should the Group not continue as a going concern.

5. ADMINISTRATIVE EXPENSES

	31 Dec 2019 $	31 Dec 2018 $
Fees, salaries and benefits	636,653	558,050
Travel and accommodation expenses	62,585	144,862
External professional fees	53,695	159,321
ASX fees	52,360	53,069
Subscriptions and licencing expenses	38,112	15,649
Insurance	20,303	9,572
Office rent and outgoings	18,754	34,350
Depreciation expenses	-	4,763
Other administrative expenses	85,254	143,868
	967,716	1,123,504

6. CASH AND CASH EQUIVALENTS

	31 Dec 2019 $	30 June 2019 $
Cash and bank balances	2,439,512	806,460
Short term deposits	3,079,000	4,904,000
	5,518,512	5,710,460

7. OTHER RECEIVABLES

	31 Dec 2019 $	30 June 2019 $
Net tax receivable (GST)	292,157	179,233
Security deposit	22,947	22,947
Accrued interest	6,687	17,288
Other receivables	2,500	2,500
	324,291	221,968

8. EXPLORATION AND EVALUATION ASSETS

	31 Dec 2019 $	30 June 2019 $
Opening balance	22,541,862	12,248,323
Additions	7,143,302	12,302,368
Exploration and evaluation expenditure	(48,795)	-
Research and development grant	-	(2,008,829)
	29,636,369	22,541,862

The carrying amount of the exploration and evaluation assets at 31 December 2019 relates to the exploration capitalised on the Mackay SOP Project and Mackay Metals Project. During the period the Group voluntarily wrote off $48,795 of capitalised exploration expenditure of the Mackay Metals Project (30 June 2019: Nil).

At 31 December 2019, the Group assessed the carry amount of the assets for impairment. No impairment triggers were present (30 June 2019: Nil).

9. PROPERTY, PLANT AND EQUIPMENT

	31 Dec 2019 $	30 June 2019 $
At cost	156,875	111,028
Accumulated depreciation	(50,665)	(35,279)
	106,210	75,749
Movement in carrying amounts		
Opening balance	75,749	13,756
Additions	45,847	80,421
Depreciation	(15,386)	(18,428)
	106,210	75,749

10. RIGHT OF USE ASSET

	31 Dec 2019 $	30 June 2019 $
At cost	362,924	-
Accumulated depreciation	(50,640)	-
	312,284	-
Movement in carrying amounts		
Initial adoption of AASB 16	362,924	-
Depreciation	(50,640)	-
	312,284	-

The right of use asset is being depreciated on a straight-line basis over the life of the lease.

11. 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 were 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.

On 17 December 2019 these shares were issued to Potash Global Limited. Refer to Note 15. The Exploration Licences are yet to be granted at 31 December 2019. All pre-license expenditure for the Percival Potash Project is recognised in other assets.

12. TRADE AND OTHER PAYABLES

	31 Dec 2019 $	30 June 2019 $
Trade payables	1,760,734	1,324,306
Accrued expenses	391,293	580,744
Other payables	93,772	118,560
	2,245,799	2,023,610

13. LEASE LIABILITY

	31 Dec 2019 $	30 June 2019 $
Current		
Office lease	95,336	-
	95,336	-
Non-current		
Office lease	222,702	-
	222,702	-
Breakdown:		
Initial adoption of AASB 16	362,924	-
Minimum lease payment	(54,355)	-
Interest expense	9,469	-
	318,038	-

14. NON-CURRENT PROVISIONS

	31 Dec 2019 $	30 June 2019 $
Provision for rehabilitation		
Opening balance	882,980	784,243
Provisions made during the period	17,363	98,737
Unwind of discount	12,627	-
	912,970	882,980

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 $17,363 (30 June 2019: $98,737). The Group recognised the unwind of the discount of $12,627 (30 June 2019: Nil).

15. CONTRIBUTED EQUITY

	2019 Number	2019 $
Share Capital		
Fully paid ordinary shares		
Balance at 1 July 2019	170,618,112	46,945,885
Issue of fully paid ordinary shares at $0.55	15,000,000	8,250,000
Issue of fully paid ordinary shares – nil consideration	1,000,000	-
Less share issue costs	-	(524,429)
Balance at 31 December 2019	186,618,112	54,671,456

	2018 Number	2018 $
Issued Capital		
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

16. RESERVES

	31 Dec 2019 $	30 June 2019 $
Opening balance	351,080	351,080
1,000,000 shares to Potash Global Limited	680,000	680,000
	1,031,080	1,031,080

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 were 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.

On 17 December 2019 shares were issued to Potash Global Limited. The Exploration Licences are yet to be granted at 31 December 2019.

17. RELATED PARTY TRANSACTIONS

During the period $34,000 of fees were paid to Lexcon Services Pty Ltd (30 June 2019: $74,000) and $8,000 (30 June 2019: $6,000) was payable for professional services provided by Mr Pismiris as Non-Executive Director and Company Secretary Services provided by Lexcon Services Pty Ltd.

18. EVENTS AFTER THE REPORTING PERIOD

On 28 February 2020 the Company received a government grant of $1,943,682 (30 June 2019: $2,008,829) in the form of a research and development refund for the financial year ended 30 June 2019. There were no unfulfilled conditions attached to the grant.

19. FINANCIAL INSTRUMENTS

The fair value of financial assets and liabilities approximate their carrying amounts. The fair value of assets and liabilities are all level 2 in accordance with the fair value hierarchy (30 June 2019: Level 2). There were no transfers between Level 1 and Level 2 and no transfers into and out of Level 3 fair value measurements. The Level 2 assets are measured at discounted cashflows.

DIRECTORS' DECLARATION

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

1. the financial statements and notes set out on pages 14 to 22 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 2019 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. subject to the matters set out in note 4, 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

10 March 2020

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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 2019, 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 2019 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*.

Emphasis of matter - material uncertainty related to going concern

We draw attention to Note 4 of the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that 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 2019 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.

Building a better working world

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

Ernst & Young

Pierre Dreyer
Partner
Perth
10 March 2020