



**A.B.N. 15 122 162 396**

**AGRIMIN LIMITED  
INTERIM FINANCIAL REPORT FOR THE  
HALF-YEAR ENDED 31 DECEMBER 2017**

**AGRIMIN LIMITED**  
**INTERIM FINANCIAL REPORT FOR THE**  
**HALF-YEAR ENDED 31 DECEMBER 2017**

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**AGRIMIN LIMITED  
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**CORPORATE INFORMATION**

**DIRECTORS**

Bradley Sampson (Non-Executive Chairman)  
Mark Savich (Chief Executive Officer & Director)  
Alec Pismiris (Non-Executive Director)

**COMPANY SECRETARY**

Alec Pismiris

**REGISTERED OFFICE AND PRINCIPAL BUSINESS OFFICE**

2C Loch Street  
Nedlands, Western Australia, 6009

Postal Address:  
2C Loch Street  
Nedlands, Western Australia, 6009  
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**SHARE REGISTRY**

Automic Registry Services  
Level 2, 267 St Georges Terrace  
Perth, Western Australia, 6000  
Investor Enquiries: 1300 288 664

**AUDITOR**

KPMG  
235 St Georges Terrace  
Perth, Western Australia, 6000

**STOCK EXCHANGE LISTING**

ASX Limited (Australian Securities Exchange)  
ASX Code: AMN

**WEBSITE**

[www.agrimin.com.au](http://www.agrimin.com.au)

**AGRIMIN LIMITED  
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**DIRECTORS' REPORT**

The directors of Agrimin Limited ("Agrimin" or "the Company") present their report together with the condensed consolidated interim financial report for the Company and the entity it controlled during the half-year ended 31 December 2017 ("Group").

**Directors**

The directors of the Company at any time during or since the end of the half-year are:

<b>Name and qualifications and independence status</b>	<b>Experience, special responsibilities and other directorships</b>
<p><b>Bradley Sampson</b> B.E. (Mining) Hons, MBA, AMP, GAICD, MAusIMM Non-Executive Chairman <i>Appointed 22 April 2016</i></p> <p>Other current directorships: Former directorships (last 3 years):</p>	<p>Mr Sampson is an internationally experienced business leader, director and mining professional with 30 years' resources industry experience. In addition to significant project development and operating experience, he is an experienced director with listed and non-listed companies and joint venture governance experience across multiple international jurisdictions. Brad has been the Managing Director of Discovery Metals Ltd and held senior management roles in resources and engineering companies including Newcrest Mining, Gold Fields Ltd, and Thiess. His experience covers the entire cycle of exploration, development, operations and closure, and includes equity and debt funding of resources projects, government relations and product marketing.</p> <p>None. Tiger Resources Limited</p>
<p><b>Mark Savich</b> CA, CFA, B Comm., GAICD <i>GradDipMinExplGeoSc (Curtin).</i> Chief Executive Officer <i>Appointed 1 December 2012</i> <i>CEO from 1 March 2015</i> Other current directorships: Former directorships (last 3 years):</p>	<p>Mr Savich is a Chartered Financial Analyst with 15 years of experience dealing with technical and corporate aspects of resource companies, from early stage exploration through to production. He is skilled in project identification, technical and economic evaluation and corporate development. Mr Savich holds a Bachelor of Commerce and a Graduate Diploma in Mineral Exploration Geoscience and is a Chartered Financial Analyst (CFA) and a Chartered Accountant (CA).</p> <p>None. Regal Resources Limited</p>
<p><b>Alec Pismiris</b> B Comm., MAICD, AGIA Non-Executive Director and Company Secretary <i>Appointed 3 October 2013</i></p> <p>Other current directorships: Former directorships (last 3 years):</p>	<p>Mr. Pismiris has over 30 years' experience in the securities, finance and mining industries and currently is a director of five ASX listed companies. Since 1990 Mr Pismiris has served as a director and company secretary for various ASX listed companies as well as a number of unlisted public and private companies. Mr Pismiris completed a Bachelor of Commerce degree at the University of Western Australia, is a member of the Australian Institute of Company Directors and an associate of The Governance Institute of Australia. Mr Pismiris has participated numerous times in the processes by which boards have assessed the acquisition and financing of a diverse range of assets and has participated in and become familiar with the range of evaluation criteria used and the due diligence processes commonly adopted in the commercial assessment of corporate opportunities.</p> <p>Mr Pismiris is currently a director of the following ASX listed companies: Aguiá Resources Limited, HotCopper Holdings Limited and Pelican Resources Limited. Cardinal Resources Limited and Impression Healthcare Limited.</p>

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**DIRECTORS' REPORT**

**Review of operations**

Agrimin has 100% ownership of the Mackay Sulphate of Potash ("SOP") Project located in Western Australia.

Agrimin has a strategic focus on the exploration for and development of SOP deposits. The Company is aiming to take advantage of the strong market fundamentals which are currently supportive of new SOP production. Global demand of SOP currently exceeds supply and Agrimin expects that SOP deposits throughout Western Australia will become an important source of supply to meet world demand.

**Mackay SOP Project (100% Agrimin)**

**Project Overview**

The Mackay SOP Project is situated in Western Australia approximately 540 kilometres north-west of Alice Springs, Northern Territory and accessed via well-maintained existing roads. The Adelaide to Darwin transcontinental railway connects Alice Springs to the north and south coasts of Australia where major shipping terminals are located.

During the half-year, the Company expanded its project area, applying for three Exploration Licences (EL's) and two Miscellaneous Licences (ML's) located in Western Australia and two EL's located in the Northern Territory.

The Mackay SOP Project now covers a total area of 4,566km<sup>2</sup> which includes an on-lake area of 3,383km<sup>2</sup>. The Company's focus is on development studies for a 370,000 tonne per year operation contained solely in Western Australia and within the 2,384km<sup>2</sup> area which has been cleared under a Native Title Agreement signed during the half-year.

Lake Mackay is the largest known SOP-bearing salt lake in Australia and is the low point of an enormous groundwater and surface water catchment area that is approximately 87,000km<sup>2</sup>. The lakebed itself covers an area of approximately 3,500km<sup>2</sup> and measures approximately 100km east-west and north-south. The lakebed is comparable to the lakebed areas at two major sources of SOP production, being the 4,400km<sup>2</sup> Great Salt Lake in the USA and the 5,500km<sup>2</sup> Lop Nur (Luobupo operation) in China.

Lake Mackay's hydrogeological setting and significant size provide important attributes that support the development of a salt lake operation. The Project currently has Indicated Mineral Resources of 4.3 million tonnes and Inferred Mineral Resources of 18.9 million tonnes of SOP based on specific yield. The Mineral Resources encompass an area of 2,201km<sup>2</sup>, within Agrimin's granted tenure with brine commencing approximately 40cm below surface across the entire deposit area. The deepest hole drilled on Lake Mackay has been 30m with the deposit remaining open below this depth. The Mineral Resources do not take into account any natural recharge factor which could increase the amount of extractable resources over the life of an operation.

SOP production begins with pumping brine from trenches into a series of solar evaporation ponds. It is planned to harvest the crystallised Potassium salts from the ponds and feed them into the process plant. The planned process route is conventional and will comprise crushing, flotation, decomposition, SOP conversion, drying and sizing.

On 23 August 2016 the Company announced the Scoping Study compiled by Lycopodium Minerals Pty Ltd for the Mackay SOP Project. The Study outputs indicate SOP production of 370,000 tonnes per year over a 20 year life, and an average total cash cost of US\$256/t FOB ( $\pm 35\%$ ).

**Pre-Feasibility Study**

Agrimin continued to focus on maximising value from the development of its 100% owned Mackay SOP Project located in Western Australia by progressing with the Pre-Feasibility Study ("PFS") and components of a Definitive Feasibility Study ("DFS").

In July 2017, Advisian was appointed as the PFS engineer and project manager and throughout the half-year the Company's owners team and consultants continued to progress the PFS which included the assessment of a number of production and transport scenarios.

The Company elected to extend the PFS program to allow assessment of options which have the potential to materially increase production rates and lower the Project's cash costs. The extended PFS program is planned for completion in the second quarter of 2018. Based on the Company's project delivery timeline, the extension to the PFS will not impact the overall timeline to first production. Extension of the PFS is expected to allow a more efficient and focused approach for the DFS and the environmental assessment process.

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**DIRECTORS' REPORT**

**Hydrogeological Studies**

The Company has completed the excavation of 14 trenches as part of the pilot trenching program with average dimensions of 100m long and 5m deep. The trench sites are widely distributed across the lake and are designed to be representative of the hydrogeological conditions expected to be encountered across the entire Project area. A program of pump testing the trenches commenced in August 2017, allowing the Company to generate data that will improve confidence in key assumptions underpinning the hydrogeological model and brine recovery rates for the PFS.

Assay results of brine samples taken from trenches over the duration of the pumping tests are demonstrating consistently stable concentrations. Mineral Resources are hosted by a single deposit and brine chemistry is considered homogeneous across the deposit.

A trial of over 50 line kilometres of passive seismic (Tromino) system survey work was also undertaken to assess bedrock topography and identify basement structures (i.e. palaeochannels) which could represent further potential sources of Potassium rich brines. The deepest drill hole on Lake Mackay has been drilled to only 30m below surface with the deposit remaining open below this depth. The Company was encouraged by the initial results from the broadly spaced passive seismic survey work and is refining plans for an expanded survey effort.

**Geotechnical Studies**

Geotechnical testwork and studies have been completed for proposed locations for the large-scale solar evaporation ponds. Agrimin's geotechnical consultants have provided critical design assumptions for incorporation into the PFS. The outcomes have confirmed the natural lakebed surface has suitable geotechnical conditions for the application of un-lined ponds and for the planned cut-to-fill construction method for pond walls.

Several different trench designs have been trialled during the excavation of pilot trenches, providing valuable geotechnical information in relation to the long-term stability and operation of the trenches and is being incorporated into the PFS.

**Process Water Studies**

The Company completed a water exploration drilling program to the south of Lake Mackay in order to assess off-lake aquifers for supply of process and potable water for the Company's proposed SOP operation. Drilling was completed at five locations with monitoring bores installed at all drilling locations and test production bores installed at two sites.

Two distinct aquifer units were present in most drill holes. Firstly, a silcrete zone starting at approximately 35m depth yielded airlift flows of 1 to 3 litres per second ("l/sec"). Secondly, a sequence consisting of unconsolidated sands between 60m to 100m depth yielded airlift flows of 5 to 7 l/sec. These airlift yields are only an initial indicator of potential aquifer yields.

Water quality ranged from 2,700 to 98,000 mg/l of total dissolved salts (fresh to saline), with quality appearing to improve as drilling stepped away from Lake Mackay.

**Other Field Activities**

The Company commenced the construction of pilot evaporation ponds in December 2017 using the long arm excavator that is currently on site. The ponds will be built on the lake surface using a cut-to-fill construction method, which is the same method proposed for full-scale construction.

The pond design for the Mackay SOP Project has been developed by Global Potash Solutions based on the extensive process testwork completed at the Saskatchewan Research Council. The size, number of cells and configuration for the pilot pond will be representative of the full-scale PFS design. KP has developed the geotechnical design and construction details for the pilot ponds.

The pilot evaporation ponds are primarily designed to test the following key parameters:

- Confirm the evaporation and crystallisation pathway of the lake brines under site conditions with daily and seasonal variation;
- Provide further supporting evaporation data for pond sizing and configuration purposes;
- Confirm applicable geotechnical parameters to feed into scaled-up pond designs; and
- Address other specific technical parameters including pond operating depth, brine entrainment, pond start-up and timing, and various other operating requirements.

During November and December 2017, the Company completed a major track construction and maintenance program to provide improved site access in anticipation of increased activities during 2018. It has also created new access to the edge of Lake Mackay where the pilot ponds are currently being constructed.

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**Native Title**

In November 2017, a Native Title Agreement was signed by representatives of Agrimin and Tjamu Tjamu (Aboriginal Corporation) RNTBC, the native title registered body corporate for the Kiwirrkurra people. The proposed development area for the Mackay SOP Project, being the area subject of PFS, is based solely on Agrimin's existing tenements within the Kiwirrkurra determination area in Western Australia.

As part of the Native Title Agreement, Tjamu Tjamu's anthropologists prepared a Cultural Heritage Management Plan ("CHMP") for the Mackay SOP Project. The CHMP involved consultations with several communities surrounding Lake Mackay and included a number of heritage surveys. The CHMP identified exclusion areas covering only 2.5% of the SOP Mineral Resources within the Kiwirrkurra determination area. Agrimin has obtained heritage clearance for an on-lake area of 2,384km<sup>2</sup> for the Project's operations and has flexibility to locate trenches and solar evaporation ponds where required, based on ongoing feasibility studies. In addition, heritage clearances were obtained for a number of areas to locate a process plant and other project related infrastructure.

**Environmental Studies**

During the half-year, the Company completed further environmental surveys with assistance from the Kiwirrkurra IPA rangers. To date, the Company has carried out a range of studies to assist an environmental assessment of the Project. Additionally, the Company continues to consult with key authorities and stakeholders.

**Financing activities**

At a general meeting of shareholders held on 15 September 2017, the Company obtained shareholder approval to issue of 7.5 million performance share rights ("Rights") to directors and key employees of the Company pursuant to Agrimin Limited Performance Rights Plan 2017. These Rights are subject to a vesting condition (ASX announcement by the Company of the production of its first Sulphate of Potash from the Mackay SOP Project as per the final feasibility study) to be satisfied prior to the milestone date being five years from the date of grant.

No ordinary shares or other securities were issued by the Company during the half-year.

**Operating results for the half-year**

The Group's consolidated operating loss after income tax for the period was \$330,033 (2016: \$441,298). This result was in line with expectations and reflected the operating costs incurred over the period and comprised largely of costs associated with the general administration of the Company and compliance expenses incurred during the half-year. During the half-year, \$4,345,019 of expenditure was capitalised to the Group's exploration and evaluation assets.

**Liquidity and capital resources**

The consolidated cash flow statement illustrates that there was a decrease in cash and cash equivalents in the half-year ended 31 December 2017 of \$6,381,422 (2016: \$1,380,380). Operating activities resulted in \$470,569 (2016: \$260,794) of net cash out-flows. During the period, net cash out-flows from investing activities of \$5,910,853 (2016: \$1,283,792) was attributable to payments relating to exploration and evaluation of the Mackay SOP Project and the acquisition of term deposits. There were no cash flows (2016: in-flow \$164,206) from financing activities during the half-year.

At Balance Date the Group had \$2,000,402 in cash and short-term deposits and \$7,500,000 in term deposits to support its operations at the Mackay SOP Project.

**Subsequent Events**

Other than the above, in the period between the end of the half-year and the date of this report there has not arisen any other item, transaction or event of a material or unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

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**Schedule of Tenement Interests as at 31 December 2017**

Tenement Ref.	Project	Holder	State	Status	Interest
<b>Exploration Licences</b>					
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%
E80/5108	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Application	100%
E80/5124	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%
<b>Miscellaneous Licences</b>					
L80/87	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Granted	100%
L80/88	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Granted	100%
L80/89	Mackay SOP	Agrimin Potash Pty Ltd	W.A.	Application	100%

**Competent Person's Statements**

The information in this report that relates to exploration results, Mineral Resources Estimates and Scoping Study results are extracted from the relevant ASX Releases and are available on [www.asx.com.au](http://www.asx.com.au) and Company's website on [www.agrimin.com.au](http://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 Resources, that all material assumptions and technical parameters underpinning the estimates in the ASX Release on 15 December 2016 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 report 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.



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**DIRECTORS' REPORT**

**Lead auditor's independence declaration**

The lead auditor's independence declaration is set out on page 10 and forms part of the directors' report for the half-year ended 31 December 2017.

Signed in accordance with a resolution of the directors



Alec Christopher Pismiris  
*Director*

Dated at Perth, this 15<sup>th</sup> day of March, 2018.



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Agrimin Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Agrimin Limited for the half-year ended 31 December 2017 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Matthew Beevers  
*Partner*

Perth

15 March 2018

**AGRIMIN LIMITED**  
**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

	Note	31 Dec 2017 \$	30 Jun 2017 \$
<b>Assets</b>			
Cash and cash equivalents		2,000,402	8,381,824
Other financial assets		7,509,959	5,029,959
Exploration deposits		38,745	58,684
Other receivables		285,942	126,231
Prepayments		50,924	7,874
<b>Total current assets</b>		<b>9,885,972</b>	<b>13,604,572</b>
Exploration and evaluation assets	7	9,664,288	5,319,269
Property, plant and equipment		15,640	19,878
Other assets	8	700,000	-
<b>Total non-current assets</b>		<b>10,379,928</b>	<b>5,339,147</b>
<b>Total assets</b>		<b>20,265,900</b>	<b>18,943,719</b>
<b>Liabilities</b>			
Trade and other payables		1,546,355	603,561
Provisions		62,764	42,761
<b>Total current liabilities</b>		<b>1,609,119</b>	<b>646,322</b>
Provisions	12	689,417	-
<b>Total non-current liabilities</b>		<b>689,417</b>	<b>-</b>
<b>Total liabilities</b>		<b>2,298,536</b>	<b>646,322</b>
<b>Net assets</b>		<b>17,967,364</b>	<b>18,297,397</b>
<b>Equity</b>			
Share capital	10	36,469,022	36,469,022
Reserves	11	351,080	351,080
Accumulated losses		(18,852,738)	(18,522,705)
<b>Total equity</b>		<b>17,967,364</b>	<b>18,297,397</b>

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

**AGRIMIN LIMITED**  
**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Note	31 Dec 2017 \$	31 Dec 2016 \$
Other income		7,458	-
Administrative expenses		(440,107)	(324,341)
Depreciation expenses		(4,238)	(2,505)
Share based payments	11	-	(142,987)
<b>Results from operating activities</b>		<b>(436,887)</b>	<b>(469,833)</b>
Finance income		106,854	28,535
<b>Net finance income</b>		<b>106,854</b>	<b>28,535</b>
<b>Loss before income tax</b>		<b>(330,033)</b>	<b>(441,298)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(330,033)</b>	<b>(441,298)</b>
Other comprehensive income for the period		-	-
<b>Total comprehensive loss for the period</b>		<b>(330,033)</b>	<b>(441,298)</b>
<b>Earnings per share</b>			
Basic and diluted loss per share		(\$0.002)	(\$0.004)

The above condensed consolidated interim statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**AGRIMIN LIMITED**  
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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Share Capital	Equity Remuneration Reserve	Prepaid Share Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
<b>Half-Year Ended 31 December 2017</b>					
<b>Balance at 1 July 2017</b>	36,469,022	351,080	-	(18,522,705)	18,297,397
<i>Total comprehensive loss for the period</i>					
Loss	-	-	-	(330,033)	(330,033)
<b>Total comprehensive loss for the period</b>	-	-	-	<b>(330,033)</b>	<b>(330,033)</b>
<b>Transactions with owners recorded directly in equity</b>					
<i>Contributions by and distributions to owners</i>					
Share based payments	-	-	-	-	-
Issue of ordinary shares net of transaction costs	-	-	-	-	-
Transfer of options and performance rights on exercise/expiry	-	-	-	-	-
Total transactions with owners	-	-	-	-	-
<b>Balance at 31 December 2017</b>	<b>36,469,022</b>	<b>351,080</b>	<b>-</b>	<b>(18,852,738)</b>	<b>17,967,364</b>
<b>Half-Year Ended 31 December 2016</b>					
<b>Balance at 1 July 2016</b>	23,342,362	623,093	-	(18,034,920)	5,930,535
<i>Total comprehensive loss for the period</i>					
Loss	-	-	-	(441,298)	(441,298)
<b>Total comprehensive loss for the period</b>	-	-	-	<b>(441,298)</b>	<b>(441,298)</b>
<b>Transactions with owners recorded directly in equity</b>					
<i>Contributions by and distributions to owners</i>					
Share based payments	-	142,987	-	-	142,987
Issue of ordinary shares net of transaction costs	166,743	-	-	-	166,743
Transfer of options and performance rights on exercise/expiry	-	(415,000)	-	415,000	-
Total transactions with owners	166,743	(272,013)	-	415,000	309,730
<b>Balance at 31 December 2016</b>	<b>23,509,105</b>	<b>351,080</b>	<b>-</b>	<b>(18,061,218)</b>	<b>5,798,967</b>

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

**AGRIMIN LIMITED**  
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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

Note	31 Dec 2017	31 Dec 2016
	\$	\$
<b>Cash flows from operating activities</b>		
Cash paid to suppliers and employees	(539,277)	(293,162)
Interest received	65,751	32,368
Other income	2,957	-
<b>Net cash used in operating activities</b>	<b>(470,569)</b>	<b>(260,794)</b>
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation projects	(2,721,607)	(1,273,172)
Payments for exploration data	(700,000)	-
Payments for exploration deposits	(9,246)	(10,620)
Acquisition of property, plant and equipment	-	-
Proceeds from disposal of property, plant and equipment	-	-
Acquisition of other financial assets	(2,480,000)	-
<b>Net cash used in investing activities</b>	<b>(5,910,853)</b>	<b>(1,283,792)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	-	180,000
Proceeds for shares to be issued	-	-
Payment of share issue transaction costs	-	(15,794)
<b>Net cash from financing activities</b>	<b>-</b>	<b>164,206</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(6,381,422)</b>	<b>(1,380,380)</b>
Cash and cash equivalents at 1 July	8,381,824	3,153,707
<b>Cash and cash equivalents at 31 December</b>	<b>2,000,402</b>	<b>1,773,327</b>

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

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

### **1. Reporting entity**

Agrimin Limited is a for-profit company domiciled in Australia. The condensed consolidated interim financial statements of the Company as at and for the half-year ended 31 December 2017 comprise the Company and its subsidiary (together referred to as the "Group").

The consolidated annual financial report of the Group as at and for the year ended 30 June 2017 is available upon request from the Company's registered office 2C Loch Street, Nedlands, Western Australia or at [www.agrimin.com.au](http://www.agrimin.com.au).

### **2. Significant accounting policies**

#### **(a) Statement of compliance**

This condensed consolidated interim financial report is a general purpose financial report which has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of Agrimin Limited for the year ended 30 June 2017 and any public announcements made by Agrimin Limited and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This condensed consolidated interim financial report was approved by the Board of Directors on 15 March 2018.

#### **(b) Basis of preparation**

The condensed consolidated interim financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's annual financial report for the year ended 30 June 2017, other than the following new policies.

#### **(c) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

Provisions are made for site rehabilitation on the Lake Mackay project on an incremental basis during the life of the exploration licenses. These costs have been determined on the basis of current costs, current legal requirements and current technology. At each reporting date, the rehabilitation is re-measured to reflect any changes in the timing or amounts of the costs to be incurred. Any such changes are dealt with on a prospective basis.

#### **(d) Pre-licence exploration expenditure**

Pre-licence exploration expenditure is recognised as an asset during the pre-licensing phase when costs incurred give rise to proprietary information that the entity has the ability to control.

The Group has considered the implications of the new or amended Accounting Standards applicable to the Group for the first time in the current half-year reporting period 1 July 2017 to 31 December 2017 but determined that their application to the financial statements is either not relevant or not material.

### **3. Going Concern**

The condensed consolidated interim financial report has 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 no source of operating cash inflows other than interest income and funds sourced through capital raising activities. At 31 December 2017 the Group has cash and cash equivalents and other financial assets (term deposits) totalling \$9,500,402 (30 June 2017: \$13,401,824) and net working capital (current assets less current liabilities) of \$8,276,853 (30 June 2017: \$12,958,250).

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**3. Going Concern (continued)**

The Group intends to continue activities designed to more fully evaluate the Group's Mackay SOP Project. Expenditure in relation to these activities is planned but not yet committed and will require further equity raisings and/or other funding alternatives to be completed. The directors believe that the Group has sufficient cash resources to allow it to meet minimum exploration expenditure commitments on existing tenements and administration expenses for at least the next 12 months. For this reason, the directors consider the going concern basis of preparation to be appropriate.

**4. Estimates**

The preparation of condensed consolidated interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial report, the significant areas of judgement in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2017, other than the following new significant areas of judgement:

*Provisions*

In relation to rehabilitation provisions, the Group estimates the future costs of rehabilitating the site to its previous condition. In most instances, the costs occur many years into the future. This requires judgmental assumptions regarding rehabilitation date, future environmental legislation, the extent of rehabilitation activities required, the methodology for estimating costs and discount rates to determine the present value of these cash flows.

**5. Financial risk management**

The Group's financial risk management objectives and policies are materially consistent with those disclosed in the consolidated financial report as at and for the year ended 30 June 2017.

**6. Operating segments**

As a consequence of the Group's operations and tenements the Group now only operates in one reportable segment, being Australia.

**7. Exploration and evaluation assets**

	<b>31 Dec 2017</b>
	<b>\$</b>
Balance at 30 June 2017	5,319,269
Additions	4,345,019
Balance at 31 December 2017	<u>9,664,288</u>

The carrying amount of the exploration and evaluation assets at 31 December 2017 relates to expenditure capitalised on the Mackay Project of \$9,664,288. As at 31 December 2017, seven exploration licences and two miscellaneous licences located in Western Australia are granted. The remainder of the tenements are under application, with three tenements located in Western Australia and three located in the Northern Territory. The Company also has one miscellaneous licence under application located in Western Australia.

**8. Other assets**

Balance at 30 June 2017	-
Pre-licence exploration expenditure	700,000
Balance at 31 December 2017	<u>700,000</u>



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**9. Related parties**

9,800,000 ordinary shares in Agrimin Limited are held by entities related to Mr Savich at 31 December 2017 (30 June 2017: 9,800,000).

4,000,000 performance share rights, subject to a vesting condition (ASX announcement by the Company of the production of its first Sulphate of Potash from the Mackay SOP Project as per the final feasibility study) to be satisfied prior to the milestone date being five years from the date of grant are held by Mr Savich. Refer to Note 10.

4,210,000 ordinary shares in Agrimin Limited are held by entities related to Mr Pismiris at 31 December 2017 (30 June 2017: 4,210,000).

500,000 performance share rights, subject to a vesting condition (ASX announcement by the Company of the production of its first Sulphate of Potash from the Mackay SOP Project as per the final feasibility study) to be satisfied prior to the milestone date being five years from the date of grant are held by Mr Pismiris. Refer to Note 10.

600,000 ordinary shares in Agrimin Limited (30 June 2017: 600,000) and 1,000,000 unlisted \$0.15 options expiring 30 April 2018 are held by the spouse of Mr Sampson at 31 December 2017 (30 June 2017: 1,000,000).

500,000 performance share rights, subject to a vesting condition (ASX announcement by the Company of the production of its first Sulphate of Potash from the Mackay SOP Project as per the final feasibility study) to be satisfied prior to the milestone date being five years from the date of grant are held by Mr Sampson. Refer to Note 10.

During the period fees of \$25,000 (ex GST) were paid and as at period end fees of \$5,000 (ex GST) are payable to Lexcon Services Pty Ltd of which Mr Pismiris is a director and shareholder, for the provision of his services in his capacity as company secretary.

During the period fees of \$15,000 (ex GST) were paid and as at period end fees of \$3,000 (ex GST) are payable under normal terms and conditions to Lexcon Services Pty Ltd of which Mr Pismiris is a director and shareholder, for the provision of his services in his capacity as non-executive director.

**10. Share capital**

**Ordinary shares**

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regards to the Company's residual assets.

**11. Reserves**

**Equity compensation reserve**

*Employee share option programme*

There was no share based payment expense relating to the issue of options during the period (31 December 2016: \$142,987).

*Performance rights plan*

At a general meeting of shareholders held on 15 September 2017, the Company obtained shareholder approval to issue of 7.5 million performance share rights ("Rights") to directors and key employees of the Company pursuant to Agrimin Limited Performance Rights Plan 2017. These Rights are subject to a vesting condition (ASX announcement by the Company of the production of its first Sulphate of Potash from the Mackay SOP Project as per the final feasibility study) to be satisfied prior to the milestone date being five years from the date of grant. The fair value of each performance right is \$0.51. In accordance with accounting standards, the share based payment expense brought to account in the current period is nil.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**12. Non-current provisions**

*Rehabilitation provisions*

	<b>31 Dec 2017</b>
	<b>\$</b>
Balance at 30 June 2017	-
Provisions made during the period	689,417
Provisions used during the period	-
Balance at 31 December 2017	<u>689,417</u>

**13. Subsequent events**

Other than the above, in the period between the end of the half-year and the date of this report there has not arisen any other item, transaction or event of a material or unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

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**DIRECTORS' DECLARATION**

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

1. the financial statements and notes set out on pages 11 to 18 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 2017 and of its performance for the half-year ended on that date; and
  - b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company and the Group will be able to pay their debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.



Alec Christopher Pismiris  
*Director*

Dated at Perth, this 15<sup>th</sup> day of March, 2018.



# Independent Auditor's Review Report

To the shareholders of Agrimin Limited

## Report on the Interim Financial Report

### Conclusion

We have reviewed the accompanying **Interim Financial Report** of Agrimin Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Agrimin Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed consolidated interim statement of financial position as at 31 December 2017
- Condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the half-year ended on that date
- Notes 1 to 13 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The **Group** comprises Agrimin Limited (the Company) and the entity it controlled at the half-year's end or from time to time during the half-year.

### Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- for such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that is free from material misstatement, whether due to fraud or error.

## Auditor's responsibility for the review of the Interim Financial Report

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

A review of an Interim 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.

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

The logo for KPMG, consisting of the letters 'KPMG' in a stylized, blue, handwritten font.

KPMG

A handwritten signature in blue ink, appearing to read 'Matthew Beevers'.

Matthew Beevers  
*Partner*

Perth  
15 March 2018