



A.B.N. 15 122 162 396

**AGRIMIN LIMITED
ANNUAL FINANCIAL REPORT
30 JUNE 2018**

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

CORPORATE INFORMATION

DIRECTORS

Bradley Sampson (Non-Executive Chairperson)
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
Telephone: (+61 8) 9389 5363

POSTAL ADDRESS

2C Loch Street
Nedlands, Western Australia, 6009

SHARE REGISTRY

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

AUDITORS

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

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

CONTENTS

	Page
Directors' report	4
Remuneration report	13
Auditor's independence declaration	22
Corporate governance statement	23
Consolidated statement of financial position	30
Consolidated statement of profit or loss and other comprehensive income	31
Consolidated statement of changes in equity	32
Consolidated statement of cash flows	33
Notes to the consolidated financial statements	34
Directors' declaration	52
Independent auditor report	53
ASX additional information	57

AGRIMIN LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

Directors' Report

The directors present their report together with the financial statements of the Group comprising Agrimin Limited ("Agrimin" or "the Company") and its wholly owned subsidiaries ("the Group"), for the financial year ended 30 June 2018 ("Balance Date") and the auditor's report thereon.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Name, qualifications and independence status	Experience, special responsibilities and other directorships
<p>Bradley Sampson B.E. (Mining) Hons, MBA, AMP, GAICD, MAusIMM Chairperson <i>Appointed 22 April 2016</i></p> <p>Other current directorships: Former directorships (last 3 years):</p>	<p>Mr Sampson currently serves as Chief Executive Officer and Director of Kore Potash Plc. 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 company 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>Kore Potash Plc Tiger Resources Limited</p>
<p>Mark Savich CA, CFA, B. Comm., GAICD Grad Dip. Min Expl Geo Sc Chief Executive Officer (CEO) & Director <i>Appointed 1 December 2012, CEO from 1 March 2015</i></p> <p>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, a Graduate Diploma in Mineral Exploration Geoscience, and is a Chartered Financial Analyst, a Chartered Accountant and a graduate member of the Australian Institute of Company Directors.</p> <p>None Regal Resources Limited</p>
<p>Alec Pismiris B.Comm, MAICD, FGIA FCIS Non-Executive Director <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 several ASX listed companies. Mr Pismiris was recently appointed a director of Pacton Gold Inc., a company listed on the TSX Venture Exchange, where he is engaged as Interim President and Chief Executive Officer. 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 a fellow 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>Agua Resources Limited, HotCopper Holdings Limited, Pacton Gold Inc. (TSX listed) and Pelican Resources Limited Cardinal Resources Limited and Impression Healthcare Limited</p>

COMPANY SECRETARY

<p>Alec Pismiris B.Comm, MAICD, FGIA FCIS <i>Appointed 3 October 2013</i></p>	<p>Mr Pismiris has over 30 years' experience in the securities, finance and mining industries and has held a number of company secretary positions secretary for various ASX listed companies as well as a number of unlisted public and private companies over the years.</p>
--	--

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

The relevant interest of each director in the shares or options over such instruments issued by the Company, as notified by the directors to the ASX in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this report is as follows:

Director	Fully Paid Ordinary Shares Number	Share Options Number
B Sampson	1,600,000	-
M Savich	9,800,000	-
A Pismiris	4,210,000	-

AGRIMIN LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

Directors' Report

SECURITIES ON ISSUE

The Company has the following securities on issue as at the date of the Directors' Report.

Securities description	Number of Securities
Fully paid shares	170,618,112
Performance rights	8,000,000

SHARE OPTIONS

Shares under option or issued on exercise of options

As at the date of this report, there were no unissued ordinary shares under options (2017: 1,000,000).

Option holders do not have any right, by virtue of the options, to participate in any share issue of the Company or any related body corporate.

Share options granted to Directors and key management personnel

Since the end of the financial year, there have been no options granted to directors and key management personnel.

Shares issued as a result of the exercise of options

During the financial year ended there were 1,000,000 ordinary shares issued at a price of \$0.15 as a result of the exercise of unlisted options (2017: Nil).

PERFORMANCE RIGHTS

Performance rights granted to Directors and key management personnel

During the financial year ended there were a total of 8,000,000 performance rights over ordinary shares in the Company granted as remuneration to directors, key management personnel and senior executives (2017: Nil).

Shares issued as a result of the exercise of performance rights

During the financial year there were no ordinary shares issued on exercise of performance rights by directors and key management personnel (2017: 2,750,000).

DIRECTORS' MEETINGS

An audit committee was originally established in July 2007. However, due to the current composition of the Board of Directors and scale of activities of the Company, this committee was not utilised during the year ended 30 June 2018. All matters that would normally have been reviewed by this committee were reviewed by the full Board of Directors.

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year are:

Director	Board Meetings	
	Held	Attended
B Sampson	3	3
M Savich	3	3
A Pismiris	3	3

PRINCIPAL ACTIVITIES

The principal activity of the Group during the year focused on development of its 100% owned Mackay Sulphate of Potash ("SOP") Project located in Western Australia.

There have been no other significant changes in the nature of the Group's activities during the year.

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

Directors' Report

OPERATING AND FINANCIAL REVIEW

MACKAY SOP PROJECT (100% INTEREST)

Project overview

The Mackay Sulphate of Potash ("SOP") Project is located 785km south of the Port of Wyndham and covers an area of 4,335km². The Project comprises nine Exploration Licences and three Miscellaneous Licences, all of which are 100% owned by Agrimin.

The closest community to the Project is Kiwirrkurra which is approximately 60km southwest. Agrimin has signed a Native Title Agreement with Tjambu Tjambu (Aboriginal Corporation) RNTBC ("Tjambu Tjambu"), the native title registered body corporate for the Kiwirrkurra people. The agreement provides the necessary consents for the Project's development and operations.



Figure 1: Map of the Mackay Project

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. Lake Mackay covers an area of approximately 3,500km² and measures approximately 80km east-west and north-south. The salt lake is comparable in size to the two major sources of primary SOP production, being the 4,400km² Great Salt Lake in the USA and the 5,500km² Lop Nur (Luobupo operation) in China.

Lake Mackay's hydrogeological setting and significant size provide important attributes that support the development of a globally significant SOP operation. The SOP Mineral Resource is hosted by a single contiguous brine deposit that commences approximately 40cm below surface across the entire deposit area. The deepest drill hole on Lake Mackay is 30m with the deposit remaining open below this depth.

AGRIMIN LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

Directors' Report

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Project overview (continued)

During the financial year the Company reported an updated Mineral Resource Estimate which was completed in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code), 2012 Edition.

The specific yield Mineral Resource Estimate includes an Indicated Mineral Resource of 10.0 million tonnes ("Mt") and an Inferred Mineral Resource of 16.1Mt of SOP. The total porosity Mineral Resource Estimate includes an Indicated Mineral Resource of 92.2Mt and an Inferred Mineral Resource of 172.3Mt of SOP. The Mineral Resource Estimate has been defined to a depth of 30m and the deposit remains open beneath this depth.

Refer to the Company's ASX Release on 7 May 2018 for details of the Mineral Resource Estimate.

Activities undertaken during the year

The Company made substantial progress during the year towards the development of the Mackay SOP Project including completion of a Pre-Feasibility Study ("PFS") managed by Advisian, the consulting business line of WorleyParsons Group. During the financial year the Company undertook the following key activities:

- expanded the Project tenements by applying for three Exploration Licences and two Miscellaneous Licences in Western Australia and two additional Exploration Licence applications covering the majority of the portion of Lake Mackay in the Northern Territory;
- signing a Native Title Agreement with the Kiwirrkurra people, the recognised native title holders of the land at the Mackay SOP Project;
- completion of process testwork validating the use of conventional SOP production techniques that produced high quality SOP samples exceeding industry benchmark grades;
- completion of a PFS based on the extraction of brine-hosted SOP mineralisation from a single aquifer unit which commences approximately 40cm below ground surface with brine extracted solely from shallow trenches and fed into a series of solar evaporation ponds with potassium-bearing salts precipitating in the ponds to be wet harvested and pumped to a process plant;
- updated Mineral Resource Estimate which was completed in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code), 2012 Edition;
- signing a non-binding Memorandum of Understanding with Cambridge Gulf Ltd providing a framework to explore options to use the existing port infrastructure at Wyndham and/or develop new infrastructure to support the shipment of SOP from the Mackay SOP Project;
- long-term pumping tests to provide increased confidence in predicted brine recovery rates and the hydrogeological model for further studies; and
- continuation of environmental studies to assist an environmental assessment of the Project; and
- commenced a search process to recruit a new Chairperson following Mr Sampson informing the Board of his intention to transition to a Non-Executive Director role following his appointment as Chief Executive Officer and Director of Kore Potash Plc.

In addition to the above activities and subsequent to the completion of the PFS, the Company engaged consultants to commence a Definitive Feasibility Study ("DFS") activities on the Mackay SOP Project across various disciplines.

Pre-Feasibility Study

The PFS for the Mackay SOP Project was managed by Advisian, the consulting business line of WorleyParsons Group, and was completed in May 2018. Key highlights from the PFS included:

- Average SOP production target of 426,000 tonnes per annum over an initial 20 year life;
- Cash cost of US\$222/t of SOP (FOB Wyndham);
- Annual EBITDA forecast of US\$137M, totalling US\$2.7B over the initial project life;
- Post-tax NPV8 of US\$453M and post-tax IRR of 20%, based on an average SOP price of US\$555/t (FOB Wyndham);
- Capital cost of US\$409M (including US\$53M contingency) and a post-tax payback period of 4.2 years; and
- Integrated mine-to-ship logistics chain to be established through northern Australia.

Key assumptions which underpin the PFS production target are an average annual brine extraction rate of 66.3 million cubic metres with an average SOP grade of 8.0 kilograms per cubic metre. The PFS assessed the economics of an initial 20 year operation. The operation is based on the extraction of brine-hosted SOP mineralisation from a single aquifer unit which commences approximately 40cm below ground surface. Brine is planned to be extracted solely 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 production process is estimated to have an overall Potassium recovery of 80%. The process plant has been designed for a capacity of 426,000 tonnes per annum of SOP, with the PFS economics assuming a product mix of 50% granular and 50% standard product. The PFS assumed all production is shipped through the Port of Wyndham via an integrated mine-to-ship logistics chain.

The PFS, which utilised conventional evaporation and processing methodology, was completed to an AACE Class 4 estimate standard. The capital cost estimate included a 15% contingency. The capital and operating cost estimates had a $\pm 25\%$ level of accuracy.

Refer to the ASX Release on 7 May 2018 for full PFS details. All material assumptions underpinning the production target and forecast financial information derived from the production target continue to apply and have not materially changed.

AGRIMIN LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

Directors' Report

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Project overview (continued)

Safety

Agrimin 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 for the Company as continues to increase its activity levels.

Environment

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

Community

The Mackay SOP Project is located within the Kiwirrkurra native title determination area. Agrimin 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.

Agrimin'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 Project proceeds forward it has the potential to be one of the largest employers in the area and to provide substantial long-term benefits.

Funding

The Company completed a PFS and commenced a DFS during the year. It is not currently funded for the estimated development capital cost. A key dimension of the Company's strategy is the staged development and funding 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 Mackay SOP Project's positive technical and economic fundamentals as delivered in the PFS, together with favourable SOP market fundamentals, provide a platform for Agrimin to advance discussions with potential strategic partners and traditional financiers.

Sulphate of Potash

The Company is targeting the commencement of commercial production of SOP in 2021. SOP is a premium form of potash fertilizer which contains two of the six key nutrients that are essential to plant growth, being Potassium and Sulphur. As the world's population expands and the middle class in China continues to emerge, it is anticipated that increasing consumption of specialty crops will drive demand growth for SOP.

Estimated global potash consumption in 2017 was 67 million tonnes, predominantly comprising of 60 million tonnes of muriate of potash (MOP) and 7 million tonnes of SOP. MOP contains 46% Chloride. The major potash deposits around the world – such as those in Canada, Russia and Belarus – produce MOP. This product is most appropriate for the commercial cultivation of the carbohydrate crops including wheat, oats, barley and palm oil.

SOP contains 18% Sulphur and is Chloride free. It is a premium value product which is used principally for specialty crops such as fruits, vegetables and tree nuts. SOP improves the yield, taste, colour and shelf life of crops. SOP is also most suitable for agricultural areas affected by high salinity soils.

SOP can be produced from primary and secondary sources, with approximately 60% of global production controlled by the top five producers. Primary production capacity is currently installed at five salt lake (brine) deposits – located in China, India, USA and Chile. The balance of the world's supply is made up of more costly and inefficient secondary production, including underground mines in Germany and those produced through the Mannheim Process, a process that involves the addition of sulphuric acid to MOP in a Mannheim furnace to produce SOP and hydrochloric acid.

Agrimin is aiming to take advantage of strong market fundamentals which are supportive of new SOP production. In particular, the last 20 years has seen a clear trend towards environmentally friendly SOP production from salt lake deposits. Given that existing salt lake producers are unable to meet current SOP demand, Agrimin expects that the Mackay SOP Project in Western Australia will emerge as a globally significant SOP producing asset. In contrast to other major undeveloped SOP regions in the world, Australia benefits from low geopolitical risk and is strategically located for supplying the growing markets of Asia.

AGRIMIN LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

Directors' Report

OPERATING AND FINANCIAL REVIEW (CONTINUED)

EPM 18616 (1% Net Smelter Royalty)

The Company divested its interest in EPM 18616 to (located in Queensland) in 2016, however retains a 1% net smelter royalty.

Operating results for the year

The Group's consolidated operating loss after income tax was \$1,192,684 (30 June 2017: \$902,785). This result was in line with expectations and reflected the operating costs incurred over the financial year and comprised largely of costs associated with the general administration of the Company and compliance expenses incurred during the year.

Review of financial condition

During the financial year the Group utilised funds to achieve the following significant milestones:

- completion of a PFS indicating SOP production of 426,000 tonnes per year over an initial 20 year life with a total cash cost of US\$222/t (FOB Wyndham);
- based on the outcome of the PFS, the Company commenced activities associated with a DFS;
- collection of additional bulk brine samples for further evaporation trials, process testwork and flowsheet development;
- process testwork performed by the Saskatchewan Research Council and overseen by Global Potash Solutions successfully produced high quality SOP samples exceeding industry benchmark grades;
- hydrogeological consultants completed data compilation and interpretation process to update the Mineral Resources and Hydrogeological Model;
- drilling and bore installation program on Miscellaneous Licence L80/87 located south of Lake Mackay designed to define and characterise off-lake aquifers to potentially supply process and potable water requirements for the Mackay SOP Project;
- commenced construction of 20 pilot trenches with average dimensions of 100m long and 5m deep to improve confidence in key assumptions underpinning the hydrogeological model and brine recovery rates;
- finalisation of negotiations and signing of a Native Title Agreement for the development and operation of the Mackay SOP Project;
- finalisation of a Cultural Heritage Management Plan;
- completion of environmental surveys which included level 2 flora and vegetation surveys, level 2 terrestrial fauna surveys, a subterranean fauna survey and a lake ecology survey;
- maintenance of camp facilities and maintenance of access roads supporting fieldwork;
- expanded the Project tenements by applying for three Exploration Licences (E80/5055, E80/5124 and E80/5108) and two Miscellaneous Licences (L80/88 and L80/89) in Western Australia and two additional Exploration Licence applications (EL31780 and EL31781) covering the majority of the portion of Lake Mackay in the Northern Territory;
- progressively building an Owner's Team with the employment of further key personnel; and
- funds for the management and administration of the Group.

Liquidity and capital resources

The consolidated cash flow statement illustrates that there was a decrease in cash and cash equivalents in the year ended 30 June 2018 of \$2,450,350 (30 June 2017: increase of \$5,228,117). Operating activities generated \$997,586 (30 June 2017: \$772,299) of net cash out-flows. During the financial year the net cash out-flow from investing activities of \$1,600,611 (30 June 2017: \$7,123,708) was mainly attributable to payments relating to exploration and evaluation of the Mackay SOP Project, offset by proceeds from term deposits of \$5,020,000. There was a \$147,847 net cash in-flow (30 June 2017: \$13,124,123) from the exercise of unlisted options during the year.

The significant cash flow items for the Group during the financial year consisted of:

- funds received from the exercise of unlisted options with an exercise price of \$0.15;
- funds received from tax incentive rebate relating to research and development activities at Mackay SOP Project;
- payments relating to the exploration and evaluation of the Mackay SOP Project; and
- payments to employees, contractors and suppliers.

At Balance Date the Group had \$5,931,474 in cash and cash equivalents to support its operations at the Mackay SOP Project. Subsequent to year end, the Group raised a further \$9,493,950 after costs to provide funding to support the Mackay SOP Project.

AGRIMIN LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

Directors' Report

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Liquidity and capital resources (continued)

The Group will continue to monitor the cash required to meet future obligations, and the availability of additional equity at the appropriate time. The ongoing operation of the Group is dependent upon raising additional capital from shareholders or other parties from time to time. There is no assurance however that, in the current economic environment, the Group will be able to raise additional funds on reasonable terms.

Risk management

The Board takes a pro-active approach to management and mitigation of risk and is responsible for ensuring that risks and also opportunities are identified on a timely basis and the Group's objectives and activities are aligned with the risks and opportunities identified by the Board.

The Company believes that it is crucial for all Board members to be a part of this process and as such has not established a separate risk management committee. Risk management is a regular agenda item at meetings of the Board. The following risks are considered on a regular basis by the Board:

- legal and regulatory compliance;
- financial;
- human resources;
- occupational health;
- operational risks; and
- management of environmental issues.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year, the Company undertook the following capital raising and issue of securities:

- 1,000,000 fully paid ordinary shares were issued on the exercise of listed options with an exercise price of \$0.15 to the spouse of Mr Sampson;
- 7,000,000 Performance Rights over ordinary shares in the Company were granted as remuneration to key management personnel with a vesting condition linked to an ASX announcement by the Company of the production of its first Sulphate of Potash (SOP) 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; and
- 1,000,000 Performance Rights over ordinary shares in the Company were granted as remuneration to two senior employees with a vesting condition linked to an ASX announcement by the Company of the production of its first Sulphate of Potash (SOP) 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.

Agrimin's focus continued to be on the exploration and development of its 100% owned Mackay SOP Project in Western Australia. The Company made significant progress during the year, including completion of a PFS and commencement of activities in relation to a DFS. The Company continues with a major field program to support the DFS.

DIVIDENDS

No dividends have been paid, declared or recommended for payment during or since the end of the financial year (30 June 2017: nil).

EVENTS SUBSEQUENT TO REPORTING DATE

On 5 July 2018 the Company announced completion of a placement of 12,500,000 fully paid ordinary shares at an issue price of \$0.80 per share, to raise \$10,000,000 (before costs) to institutional and sophisticated investors. The issue of shares was made pursuant to the Company's new issues capacity in accordance with ASX Listing Rule 7.1.

On 12 September 2018 the Company announced the Northern Australia Infrastructure Facility ("NAIF") Board has expressed its interest in investigating the potential for NAIF support for the Mackay SOP Project. NAIF is an integral part of the Commonwealth Government's strategy to develop northern Australia and can provide long-term concessional loans to encourage and complement private sector investment in infrastructure.

LIKELY DEVELOPMENTS

The Group will continue to focus on maximising value from the development of its 100% owned Mackay SOP Project located in Western Australia by progressing with the current DFS. The Group will also continue its search for further opportunities. Given that the nature of the Group's activities is exploration focused, no further information can be provided as to likely developments as such developments will depend on exploration success at the Group's various project interests, and the nature of any new acquisitions going forward.

AGRIMIN LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

Directors' Report

OPERATING AND FINANCIAL REVIEW (CONTINUED)

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Indemnification

The Company has agreed to indemnify the directors of the Company, against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Insurance premiums

The Company has arranged directors' and officers' liability insurance, for past, present or future directors, secretaries, and executive officers. The insurance cover relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The insurance policies outlined above do not contain details of the premiums paid in respect of individual directors or officers of the Company.

ENVIRONMENTAL REGULATION

The Group is subject to significant environmental regulation to its exploration activities and aims to ensure that the highest standard of environmental care is achieved, and it complies with all relevant environmental legislation. There have been no material breaches during the period covered by this report.

NON-AUDIT SERVICES

During the year ended 30 June 2018, KPMG, the Group's auditor, has performed certain other services in addition to their statutory duties. The Board has considered the non-audit service provided, which was the preparation of income tax returns, and is satisfied that the provision of those non-audit services by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- the non-audit services were reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Group, KPMG for audit and non-audit services provided during the year are set out in note 31 to the financial statements.

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

Directors' Report

TENEMENT SCHEDULE

Tenements held as at the date of the Directors' Report are listed in the table below.

Tenement Reference	Project	Holder	State	Blocks/Area	Status	Interest
Exploration Licences						
E80/4887	Mackay SOP	Agrimin Potash Pty Ltd	Western Australia	195	Granted	100%
E80/4888	Mackay SOP	Agrimin Potash Pty Ltd	Western Australia	200	Granted	100%
E80/4889	Mackay SOP	Agrimin Potash Pty Ltd	Western Australia	88	Granted	100%
E80/4890	Mackay SOP	Agrimin Potash Pty Ltd	Western Australia	200	Granted	100%
E80/4893	Mackay SOP	Agrimin Potash Pty Ltd	Western Australia	36	Granted	100%
E80/4995	Mackay SOP	Agrimin Potash Pty Ltd	Western Australia	15	Granted	100%
E80/5055	Mackay SOP	Agrimin Potash Pty Ltd	Western Australia	82	Granted	100%
E80/5124	Mackay SOP	Agrimin Potash Pty Ltd	Western Australia	69	Application	100%
E80/5172	Mackay SOP	Agrimin Potash Pty Ltd	Western Australia	92	Application	100%
E80/5173	Mackay SOP	Agrimin Metals Pty Ltd	Western Australia	115	Application	100%
E80/5174	Mackay SOP	Agrimin Metals Pty Ltd	Western Australia	181	Application	100%
E80/5175	Mackay SOP	Agrimin Metals Pty Ltd	Western Australia	142	Application	100%
E80/5242	Mackay SOP	Agrimin Metals Pty Ltd	Western Australia	160	Application	100%
E80/5243	Mackay SOP	Agrimin Metals Pty Ltd	Western Australia	133	Application	100%
E80/5244	Mackay SOP	Agrimin Metals Pty Ltd	Western Australia	133	Application	100%
E80/5245	Mackay SOP	Agrimin Metals Pty Ltd	Western Australia	4	Application	100%
EL30651	Mackay SOP	Agrimin Limited	Northern Territory	57	Application	100%
EL31780	Mackay SOP	Agrimin Limited	Northern Territory	168	Application	100%
EL31781	Mackay SOP	Agrimin Limited	Northern Territory	167	Application	100%
Miscellaneous Licences						
L80/0087	Mackay SOP	Agrimin Potash Pty Ltd	Western Australia	14,379 ha	Granted	100%
L80/0088	Mackay SOP	Agrimin Potash Pty Ltd	Western Australia	153 ha	Granted	100%
L80/0089	Mackay SOP	Agrimin Potash Pty Ltd	Western Australia	710 ha	Application	100%

Notes:

1. The Company retains a 1% net smelter royalty on any and all minerals produced from tenement EPM 18616 (located in Queensland), owned by Crater Gold Mining Limited.

COMPETENT PERSON'S STATEMENT

The information in this ASX Release 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 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 Resources, 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.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is set out on page 22 and forms part of the directors' report for financial year ended 30 June 2018.

AGRIMIN LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

Directors' Report

REMUNERATION REPORT – AUDITED

PRINCIPLES OF REMUNERATION

Key management personnel have the authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the directors of the Company and the General Manager for the Group. The following principles of remuneration have been agreed to by the Board and formed the basis of the principles of remuneration during the relevant periods of employment and will remain relevant to future employment arrangements.

Remuneration levels for key management personnel of the Group are competitively set to attract and retain appropriately qualified and experienced directors and executives and as relevant to the circumstances of the Company from time to time. The remuneration structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The remuneration structures take into account the capability and experience of the key management personnel and the Group's performance including:

- the successful implementation of exploration programmes designed to confirm and establish resources for development into operations;
- the Group's earnings, when and if appropriate;
- the growth in share price and delivering enhancement of shareholder value;
- the relevant prevailing employment market conditions; and
- the amount of incentives within each key management person's remuneration.

Remuneration packages include a mix of fixed and variable remuneration and short and long-term performance-based incentives.

Fixed remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any fringe benefits tax charges related to employee benefits) as well as employer contributions to superannuation funds, as required by law. Remuneration levels are reviewed annually by the Chief Executive Officer and the Board through a process that considers individual performance, employment market conditions and overall performance of the Group.

Performance linked remuneration

Performance linked remuneration includes short-term and long-term incentives and is designed both to reward key management personnel for meeting or exceeding their financial and personal objectives and to keep the Group competitive in the marketplace. The STI is an at-risk bonus provided in the form of cash and based on agreed key performance indicators ('KPIs') for each position. In the previous financial year LTI has been provided as performance rights to ordinary shares of the Company under the rules of the Agrimin Limited Performance Rights Plan 2017 ('PRP'). The PRP provides for the issuance of performance rights which, upon determination by the Board that the performance conditions attached to the performance rights have been met, will result in the issue of one ordinary share in the Company for each performance right.

If a performance condition of a performance right is not achieved by the expiry date then the performance right will lapse. A performance right will also lapse if the Board determines the participant ceases to be an eligible employee for the purposes of the PRP for any reason (other than as a result of retirement, disability, bona fide redundancy or death).

Short-term incentive bonus

Each year the Board of Directors sets the KPIs for the Chief Executive Officer, other key management personnel and senior management. The KPIs will generally include measures relating to the Group, and to the individual, and include financial, people, strategy, and risk measures. The measures are chosen as they directly align the individual's reward to the KPIs of the Group and to its strategy and performance. The full Board reviews and confirms the cash incentive to be paid to each individual. This method of assessment was chosen as it provides the Board with an objective assessment of the individual's performance.

Chief Executive Officer STI Plan

During the year the Board determined that the STI opportunity would be payable up to 60% of the Chief Executive Officer's individual total fixed remuneration for the twelve month period from 1 March 2017 based on the achievement of the following STI performance measures:

- occupational health and safety management and performance;
- completion of Pre-Feasibility Study;
- project development for delivery of first production;
- product market development and development of strategic relationships;
- investor and broker relationships to meet funding requirements; and
- business development and strategy.

The STI payable to the Chief Executive Officer for the twelve month period from 1 March 2017 was approved by directors and paid subsequent to the Balance Date.

AGRIMIN LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

Directors' Report

REMUNERATION REPORT – AUDITED (CONTINUED)

PRINCIPLES OF REMUNERATION (CONTINUED)

General Manager STI Plan

During the year the Board determined that the STI opportunity would be payable up to 40% of the General Manager's individual total fixed remuneration for the twelve month period from 1 July 2017 based on the achievement of the following STI performance measures:

- occupational health and safety management and performance;
- completion of Pre-Feasibility Study;
- project development for delivery of first production; and
- business development and strategy.

The STI payable to the General Manager for the twelve month period from 1 July 2017 was approved by directors and paid subsequent to the Balance Date.

Long-term incentive

Performance rights are issued under the PRP (made in accordance with thresholds set in plans that have been initially approved by the Board) and it provides for key management personnel to receive varying numbers of performance rights for no consideration. The actual number of performance rights issued depends on the seniority and responsibility of the executive concerned. The performance conditions and vesting periods of the performance rights are set so as to provide a realistic incentive to each executive and to reflect the executive's contribution to the Group and enhancement of value for all shareholders.

At a general meeting of shareholders held on 15 September 2017, the Company obtained approval for (i) the renewal of the Agrimin Limited Performance Rights Plan in accordance with the requirements of ASX Listing Rule 7.2, Exception 9; and (ii) the issue of 5,000,000 performance rights to the following directors:

Director	Number issued
B Sampson	500,000
M Savich	4,000,000
A Pismiris	500,000

During the year the Company also issued 2,000,000 performance rights to the General Manager.

The current performance condition and expiry date of the performance rights issued are as follows:

Performance condition	Expiry date
An ASX announcement by the Company of the production of its first Sulphate of Potash (SOP) from the Mackay SOP Project as per the final feasibility study. The performance rights are subject to a milestone date being five years from the date of grant.	Six months from the date of satisfaction of the Vesting Condition.

At Balance Date the Company had 7,000,000 performance rights outstanding (30 June 2017: Nil) relating to key management personnel.

The grant date fair value of the performance rights ranges between \$0.51 to \$0.84 per right. Due to the effect of the above non-market performance condition, no share based payment expense has been recognised at 30 June 2018.

The Board considers that the incentive to the directors and other key management personnel represented by the grant of these performance rights, are a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of the directors and are consistent with the strategic goals and targets of the Company.

The Company does not have any securities on issue from the previous Employee Share Option Plan ("ESOP") which has been suspended and replaced with the implementation of the PRP.

Consequences of performance on shareholder wealth

The Board considers that the most effective way to increase shareholder wealth is through the successful exploration and development of the Group's exploration tenements. The Board considers that the Group's LTI schemes incentivise key management personnel to successfully explore the Group's tenements by providing rewards that are directly correlated to delivering value to shareholders through share price appreciation.

AGRIMIN LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

Directors' Report

REMUNERATION REPORT – AUDITED (CONTINUED)

PRINCIPLES OF REMUNERATION (CONTINUED)

The factors that are considered relevant to affect total shareholder returns as required to be disclosed by the Corporations Act are summarised in the following table. The table excludes return on capital employed as a relevant measure given the exploration basis of activity and operations of the Company.

	2018	2017	2016	2015	2014
Net loss after tax (\$000's)	(1,193)	(903)	(967)	(505)	(369)
Dividends paid	Nil	Nil	Nil	Nil	Nil
Share price at year end (\$'s)	\$0.940	\$0.465	\$0.410	\$0.200	\$0.140

Source of share prices quoted: CommSec & S&P Capital IQ

The Company also notes that - as an exploration and development company - operating revenue and profits are not KPIs in reviewing key management personnel STIs or LTIs. When establishing guidelines for any STIs, the Company looks to other measures such as raising market awareness, enhancement of share price and capital raising opportunities (as relevant), operational and achievement of goals and objectives in terms of establishment and milestones in attracting new and enhancing the Group's existing project.

Service contracts

Remuneration and other terms of employment for key management personnel are formalised in service agreements.

The Company has entered into an employment agreement with Chief Executive Officer, Mr Mark Savich. The material terms of the agreement are set out as follows:

- Commencement date: 1 March 2015
- Term: Ongoing and reviewed annually at the sole discretion of the Board
- Fixed remuneration: \$150,000 per annum exclusive of superannuation
- Annual bonus of up to 60% of remuneration based upon KPIs set by the Board and reviewed annually
- Termination for cause: no notice period
- Termination without cause: three month notice period

The Company has entered into a new employment agreement with General Manager, Mr Thomas Lyons. The material terms of the agreement are set out as follows:

- Commencement date: 1 July 2018
- Term: Ongoing and reviewed annually at the sole discretion of the Board
- Fixed remuneration: \$190,000 per annum exclusive of superannuation
- Annual bonus of up to 40% of remuneration based upon KPIs set by the Board and reviewed annually
- Termination for cause: no notice period
- Termination without cause: three month notice period

There are no other service contracts with any director and there are no other key management personnel in the Company currently.

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018
Directors' Report

REMUNERATION REPORT – AUDITED (CONTINUED)

DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION

Details of the nature and amount of each major element of remuneration of each director and key management person of the Group for the year ended 30 June 2018 are as follows.

	Short-term				Post-employment	Other long term	Termination benefits	Share-based payments	Total	
	Salary & fees \$	STI Cash Bonus \$	Consulting Fees ⁽²⁾ \$	Non-monetary benefits \$	Total \$	Superannuation benefits \$	\$	\$	\$	\$
Directors										
B Sampson	80,000	-	-	-	80,000	7,600	-	-	-	87,600
M Savich	150,000	68,400	-	-	218,400	20,748	8,654	-	-	247,802
A Pismiris ⁽¹⁾	36,000	-	60,000	-	96,000	-	-	-	-	96,000
Total - Directors	266,000	68,400	60,000	-	394,400	28,348	8,654	-	-	431,402
Other key management personnel										
T Lyons	164,384	65,754	-	-	230,138	21,863	10,111	-	-	262,112
Total – Other key management personnel	164,384	65,754	-	-	230,138	21,863	10,111	-	-	262,112
Total	430,384	134,154	60,000	-	624,538	50,211	18,765	-	-	693,514

(1) Mr Pismiris acted as company secretary during the year. Consulting fees represent the amounts paid to Mr Pismiris for the performance of these services.

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018
Directors' Report

REMUNERATION REPORT – AUDITED (CONTINUED)

DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION (CONTINUED)

Details of the nature and amount of each major element of remuneration of each director and key management person of the Group for the year ended 30 June 2017 are as follows:

	Short-term				Post-employment	Other long term	Termination benefits	Share-based payments	Total
	Salary & fees \$	STI Cash Bonus \$	Consulting Fees ⁽¹⁾ \$	Non-monetary benefits \$	Total \$	Superannuation benefits \$	\$	\$	\$
Directors									
B Sampson	80,000	-	-	-	80,000	7,600	-	-	142,987
M Savich ⁽¹⁾	150,000	60,000	-	-	210,000	19,950	8,077	-	238,027
A Pismiris ⁽²⁾	36,000	-	36,000	-	72,000	-	-	-	72,000
Total - Directors	266,000	60,000	36,000	-	362,000	27,550	8,077	-	142,987
Other key management personnel									
T Lyons ⁽³⁾	127,854	65,000	-	-	192,854	18,246	3,951	-	215,051
Total – Other key management personnel	127,854	65,000	-	-	192,854	18,246	3,951	-	215,051
Total	393,854	125,000	36,000	-	554,854	45,796	12,028	-	142,987

(1) Mr Savich was entitled to receive a short term incentive during the year.

(2) Mr Pismiris acted as company secretary during the year. Consulting fees represent the amounts paid to Mr Pismiris for the performance of these services.

(3) Mr Lyons was entitled to receive a short term incentive during the year.

AGRIMIN LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

Directors' Report

REMUNERATION REPORT – AUDITED (CONTINUED)

Non-Executive Directors

Total fees for all Non-Executive Directors was originally set by the Board on 22 June 2007 to not exceed \$147,000. The levels of fees set were based on a review involving reference to fees paid to other Non-Executive Directors of comparable companies at the time. There has been no change to these levels since 2007. Directors' fees are paid monthly in arrears. Members of the Board of Directors are entitled to performance related remuneration, subject to obtaining the appropriate shareholder approvals. The chairperson base fee is \$80,000 per annum exclusive of superannuation and base fees for the Non-Executive Director is \$36,000 per annum. Directors' fees cover all main board activities. Additional services provided outside of board duties attract a separate daily rate agreed by the full Board. There is no board retirement scheme and there is currently no intention to establish such a scheme.

At a general meeting held on 15 September 2017 the Company obtained shareholder approval for an increase of the maximum total aggregate amount of fees payable to Non-Executive Directors from \$147,000 per annum to \$250,000 per annum.

Details of performance related remuneration

The Group's policy in relation to the proportion of remuneration that is performance related is discussed under the section titled 'Performance linked remuneration'.

Analysis of bonuses included in remuneration

Mr Savich was entitled to receive a cash bonus of \$68,400 for the year end 28 February 2018 (2017: \$60,000). The cash bonus was approved by directors as determined against KPI measures set by the Board in relation to the 12 month period ended 28 February 2018 which included:

- occupational health and safety management and performance;
- completion of Pre-Feasibility Study;
- project development for delivery of first production;
- product market development and development of strategic relationships;
- investor and broker relationships to meet funding requirements; and
- business development and strategy.

The payment of this cash bonus amounted to 76% of the total available.

Mr T Lyons was entitled to receive a cash bonus of \$65,754 for the year ended 30 June 2018. The payment of this cash bonus amounted to 100% of the total available.

Equity instruments

All options refer to options over ordinary shares of Agrimin Limited, which are exercisable on a one-for-one basis. The ESOP established in 2007 was suspended with the implementation of the Agrimin Limited Performance Rights Plan in 2014.

Performance rights granted as remuneration

Performance rights are granted under a service condition whereby the grantee must be employed by the Group at the time the performance rights vest. If the performance rights are unvested at termination of the grantee's engagement by the Group, the performance rights expire on termination of the grantee's engagement. Upon performance rights vesting, the recipient is required to provide the Company with a Notice of Exercise. The Company within 10 business days must issue to the recipient the number of Shares in respect of which the performance rights have been exercised. Otherwise, performance rights expire on their expiry date. Performance rights issued under the Company's Performance Rights Plan have been provided at no cost to the recipient.

During the financial year there were 7,000,000 Performance Rights over ordinary shares in the Company granted as remuneration to key management personnel (2017: Nil).

Exercise of performance rights granted as remuneration

During the financial year there were no shares issued on the exercise of performance rights granted as remuneration to key management personnel (2017: 2,750,000).

Options granted as remuneration

During the financial year there were no other options over ordinary shares in the Company were granted as remuneration to key management personnel (2017: Nil).

Exercise of options granted as remuneration

During the financial year 1,000,000 shares were issued on the exercise of unlisted options granted as remuneration (2017: Nil).

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018
Directors' Report

REMUNERATION REPORT – AUDITED (CONTINUED)

Analysis of rights over equity instruments granted as remuneration

Details of vesting profiles of the Performance Rights granted as remuneration to each key management person of the Group are detailed below.

	Number of rights granted	Grant Date	% forfeited / cancelled in year	Financial years in which grant vests	Expiry Date
Directors					
B Sampson	500,000 ⁽¹⁾	15 September 2017		15 September 2022	6 months from vesting
M Savich	4,000,000 ⁽¹⁾	15 September 2017	-	15 September 2022	6 months from vesting
A Pismiris	500,000 ⁽¹⁾	15 September 2017	-	15 September 2022	6 months from vesting
Key management personnel					
T Lyons	2,000,000 ⁽¹⁾	15 September 2017	-	15 September 2022	6 months from vesting

Notes:

(1) includes performance conditions relating to an 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.

Analysis of options over equity instruments granted as remuneration

Shares under option

There were no unissued ordinary shares under options granted as remuneration on issue at 30 June 2018 (30 June 2017: 1,000,000).

Performance rights over equity instruments

Details of performance rights held by key management personnel of the Group during the financial year are as follows:

	Held at 1 July 2017	Granted as compensation during 2018	Forfeited/ Expired	Vested and exercised during 2018	Held at 30 June 2018	Vested at 30 June 2018
Directors						
B Sampson	-	500,000	-	-	500,000	-
M Savich	-	4,000,000	-	-	4,000,000	-
A Pismiris	-	500,000	-	-	500,000	-
Key management personnel						
T Lyons	-	2,000,000	-	-	2,000,000	-
	-	7,000,000	-	-	7,000,000	-

Details of performance rights held by key management personnel of the Group during the prior financial year are as follows:

	Held at 1 July 2016	Granted as compensation during 2017	Forfeited/ Expired	Vested and exercised during 2017	Held at 30 June 2017	Vested at 30 June 2017
2017						
Directors						
B Sampson	-	-	-	-	-	-
M Savich	1,500,000	-	-	1,500,000	-	-
A Pismiris	750,000	-	-	750,000	-	-
Key management personnel						
T Lyons	500,000	-	-	500,000	-	-
	2,750,000	-	-	2,750,000	-	-

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018
Directors' Report

REMUNERATION REPORT – AUDITED (CONTINUED)

Equity Instruments held by key management personnel

Option holdings of key management personnel

Options held, directly, indirectly or beneficially, by key management personnel of the Group, including their related parties and not issued under an ESOP during the financial year are as follows:

2018	Held at 1 July 2017	Purchases / other acquisitions	Exercise / other disposals	Total held at 30 June 2018	Exercisable
Directors					
B Sampson	1,000,000	-	1,000,000	-	-
M Savich	-	-	-	-	-
A Pismiris	-	-	-	-	-
Key management personnel					
T Lyons	-	-	-	-	-
	1,000,000	-	1,000,000	-	-

Options held, directly, indirectly or beneficially, by key management personnel of the Group, including their related parties and not issued under an ESOP during the previous financial year are as follows:

2017	Held at 1 July 2016	Purchases / other acquisitions	Exercise / other disposals	Total held at 30 June 2017	Exercisable
Directors					
B Sampson	-	1,000,000	-	1,000,000	1,000,000
M Savich	-	-	-	-	-
A Pismiris	-	-	-	-	-
Key management personnel					
T Lyons	-	-	-	-	-
	-	1,000,000	-	1,000,000	1,000,000

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018
Directors' Report

REMUNERATION REPORT – AUDITED (CONTINUED)

Shareholdings of key management personnel

Shares held, directly, indirectly or beneficially, by key management personnel, including their related parties during the financial year are as follows:

2018	Held at 1 July 2017	Purchases / other acquisitions	Sales / other disposals	Net Change Other	Held at 30 June 2018
Directors					
B Sampson	600,000	1,000,000	-	-	1,600,000
M Savich	9,800,000	-	-	-	9,800,000
A Pismiris	4,210,000	-	-	-	4,210,000
Key management personnel					
T Lyons	1,931,045	-	-	-	1,931,045
	16,541,045	1,000,000	-	-	17,541,045

Shares held, directly, indirectly or beneficially, by key management personnel, including their related parties during the previous financial year are as follows:

2017	Held at 1 July 2016	Purchases / other acquisitions	Sales / other disposals	Net Change Other ⁽⁴⁾	Held at 30 June 2017
Directors					
B Sampson	-	600,000	-	-	600,000
M Savich	7,690,439	2,109,561	-	-	9,800,000
A Pismiris	2,750,000	1,460,000	-	-	4,210,000
Key management personnel					
T Lyons	1,431,045	500,000	-	-	1,931,045
	11,871,484	4,669,561	-	-	16,541,045

This report is made with a resolution of the directors:

Alec Pismiris
 Director
 Dated this 27th day of September 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 audit of Agrimin Limited for the financial year ended 30 June 2018 there have been:

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

KPMG

KPMG

A handwritten signature in blue ink, appearing to read 'Matthew Beevers', with a long horizontal line extending to the right.

Matthew Beevers

Partner

Perth

27 September 2018

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018
Corporate Governance Statement

This statement outlines the main corporate governance practices adopted by the Board of Agrimin Limited ("Agrimin" or the "Company"), which comply with the ASX Corporate Governance Council recommendations unless otherwise stated.

The Board and management of Agrimin recognise their duties and obligations to shareholders and other stakeholders to implement and maintain a proper system of corporate governance. The Company believes that good corporate governance adds value to stakeholders and enhances investor confidence.

The ASX Listing Rules require listed companies to prepare a statement disclosing the extent to which they have complied with the recommendations of the ASX Corporate Governance Council ("Recommendations") in the reporting period. The Recommendations are guidelines designed to improve the efficiency, quality and integrity of the Company. They are not prescriptive, so that if a company considers a recommendation to be inappropriate having regard to its own circumstances, it has the flexibility not to follow it. Where a company has not followed all the Recommendations, it must identify which Recommendations have not been followed and give reasons for not following them.

This Corporate Governance Statement ("Statement") sets out a description of the Company's main corporate practices and provides details of the Company's compliance with the Recommendations, or where appropriate, indicates a departure from the Recommendations with an explanation.

This Statement is current as at 30 June 2018 and has been approved by the Board of Directors of Agrimin.

The Corporate Governance Statement is available on the Company's website at <http://www.agrimin.com.au/category/corporate-governance/>.

Principle 1 – Lay solid foundations for management and oversight

Recommendation	Requirement	Comply Yes/No
1.1	A listed entity should disclose: (a) The respective roles and responsibilities of its board and management: and (b) Those matters expressly reserved to the board and those delegated to management.	Yes
1.2	A listed entity should: (a) Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director: and (b) Provide security holders with all material information in its possession relevant to a decision on where or not to elect or re-elect a director.	Yes
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes
1.5	A listed entity should: (a) Have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them: (b) Disclose the policy or a summary of it: and (c) Disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: 1) The respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes): or 2) If the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under the Act.	Yes
1.6	A listed entity should: (a) Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors: and (b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes
1.7	A listed entity should: (a) Have and disclose a process for periodically evaluating the performance of its senior executives; and (b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018
Corporate Governance Statement

Commentary

The Corporate Governance Policies set out the functions and responsibilities of the Board of Agrimin and are available on the Agrimin website.

The Company seeks to have a Board comprising directors with an appropriate variety of skill, experience and expertise who are competent in dealing with current and emerging issues of the business and who can effectively review and challenge the performance of management and exercise independent judgement. The Board has procedures for the selection and appointment of new directors and the re-election of incumbent directors, which are set out in the Corporate Governance Policies which are available on the Agrimin website.

Non-executive Directors have written agreement with the Company setting out the terms of their appointment as directors, the executive director has an employment contract.

The Board meets on a regular basis. The agenda for these meetings is prepared by the Company Secretary who is also a Non-Executive Director, in conjunction with the Chairperson. Relevant information is circulated to directors in advance of the Board meetings. The Company Secretary is accountable directly to the Board on matters to do with the proper functioning of the Board.

The Board believes the Company is not of sufficient size to justify having a policy on achieving gender, age and ethnic diversity in the Company's Board and employees. The principal criterion for the appointment of new directors and employees is their ability to add value to the Group and its business.

The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation is as follows:

Gender	Total	Senior Management	Board
Female	-	-	-
Male	6	3	3
% Female	-	-	-

The evaluation of the performance of the Board and individual directors is undertaken annually and in accordance with the terms of their employment contract. Performance reviews were undertaken in the reporting period.

Principle 2 – Structure the Board to add value

Recommendation	Requirement	Comply Yes/No
2.1	The board of a listed entity should: (a) Have a nomination committee which: 1) Has at least three members, a majority of whom are independent directors; and 2) Is chaired by an independent director, and disclose 3) The charter of the committee; 4) The members of the committee; and 5) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) If it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	No
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Yes
2.3	A listed entity should disclose: (a) The names of the directors considered by the board to be independent directors; (b) If a director has an interest, position, association or relationship of the type describe in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) The length of service of each director.	Yes
2.4	A majority of the board of a listed entity should be independent directors.	No
2.5	The Chair of the board of a listed entity should be independent director and, in particular, should not be the same person as the CEO/Managing Director of the entity.	Yes
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018
Corporate Governance Statement

Commentary

The Board believes the Company is not of sufficient size to justify having a Nomination Committee. If any vacancies arise on the Board, the Board and all directors are involved in the search and recruitment of a replacement.

The Board strives to ensure that it is comprised of directors with a blend of skills, experience and attributes appropriate to the Company and its business. The principal criterion for the appointment of new directors is their ability to add value to the Company and its business. In light of this, it has not been deemed necessary to create a formal document setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

The Board consists of Executive Director and Chief Executive Officer, Mr Mark Savich (appointed 1 December 2012), Independent Non-Executive Chairperson Mr Bradley Sampson (appointed 22 April 2017) and Non-Executive director Mr Alec Pismiris (appointed 3 October 2013). The details of their skills, experience and expertise have been included in the 2018 Directors Report. The number of Board meetings and attendance of the directors are set out in the 2018 Directors Report.

Although the majority of the Board is not independent, the directors considers the current Board composition to be suitable in the present circumstances, with an appropriate range of qualifications and expertise, and directors who can understand and competently deal with current and emerging business issues as well as effectively review and challenge the performance of management. Furthermore, each individual member of the Board is satisfied that all directors bring an independent judgement to bear on board decisions.

New directors are provided with copies of all relevant documents and policies governing the Company's business, operations and management at the time of joining the Board. The Company is able to provide appropriate professional development opportunities for directors to assist in their roles. Directors are also encouraged to personally undertake appropriate training and refresher courses conducted by the Australian Institute of Company Directors.

Principle 3 – Act ethically and responsibly

Recommendation	Requirement	Comply Yes/No
3.1	A listed entity should: (a) Have a code of conduct for its directors, senior executives and employees; and (b) Disclose that code or a summary of it.	Yes

Commentary

As part of the Board's commitment to maintaining a proper system of corporate governance, the Company has adopted a Code of Conduct to guide directors and officers in carrying out their duties and responsibilities. The Code embraces the values of honesty, integrity, enterprise, excellence, accountability, justice, independence and equality of stakeholder opportunity. The Code of Conduct is available on the Agrimin website.

Principle 4 – Safeguard integrity in corporate reporting

Recommendation	Requirement	Comply Yes/No
4.1	The board of a listed entity should: (a) Have an audit committee which: 1) Has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and 2) Is chaired by an independent director, who is not the chair of the board, and disclose; 3) The charter of the committee; 4) The relevant qualifications and experience of the members of the committee; and 5) In relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or If it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	No
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes
4.3	A listed entity should that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes

Commentary

The Board believes that due to the size and composition of the Board and the size of the Company it is not appropriate to have an Audit Committee. The Board as a whole is responsible for the integrity of the Company's financial reporting, reviews and oversees the planning process for external audits, the conduct of the external audit process and the independence of all parties to the process as well as reviewing the performance of external auditors, the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018
Corporate Governance Statement

Prior to the approval of the Company's annual financial statements, the Board obtains a declaration from its Chief Executive Officer and Company Secretary that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with appropriate accounting standards and give a true and fair view of the financial position and performance of the Company, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Company's external auditor attends every Annual General Meeting as required by the Corporations Act, and member are allowed a reasonable opportunity at the meeting to ask the auditor questions relevant to the audit, their report and independence, and the accounting policies adopted by the Company.

Principle 5 – Make timely and balanced disclosure

Recommendation	Requirement	Comply Yes/No
5.1	A listed entity should: (a) Have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) Disclose that code or a summary of it.	Yes

Commentary

The Company's Disclosure Policy is available on the Agrimin website. The Disclosure Policy sets out the key obligations of directors and employees in relation to continuous disclosure as well as the Company's obligation under the ASX Listing Rules and the Corporations Act. The Policy also provides procedures for internal notification and external disclosure, as well as procedures for promoting understanding of compliance with disclosure requirements.

Principle 6 – Respect the rights of security holders

Recommendation	Requirement	Comply Yes/No
6.1	A listed entity should provide information about itself and its governance to investors via a website.	Yes
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meeting so security holders.	Yes
6.3	A listed entity should give security holders to option to receive communications from and send communications to, the entity and its security registry electronically.	Yes

Commentary

The Board is committed to open and accessible communications with holders of the Company's shares. In accordance with continuous disclosure obligations under the ASX Listing Rules, all disclosures are made in a time manner and posted on the Company's website.

Shareholders are forwarded the Company's Annual Report, if requested and documents relating to each General Meeting, being the Notice of Meeting, any Explanatory Memorandum and a Proxy Form, and shareholders are invited to attend these meetings. Shareholders may elect to receive communications electronically. The Company's external auditors are also required to be present at annual shareholder meetings to answer any queries shareholders may have with regard to the audit and preparation and content of the Audit Report.

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018
Corporate Governance Statement

Principle 7 – Recognise and manage risk

Recommendation	Requirement	Comply Yes/No
7.1	The board of a listed entity should: (a) Have a committee or committees to oversee risk, each of which: 1) Has at least three members, a majority of whom are independent directors; and 2) Is chaired by an independent director and disclose; 3) The charter of the committee 4) The members of the committee; and 5) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or If it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	No
7.2	The board or a committee of the board should: (a) Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) Disclose, in relation to each reporting period, whether such review has taken place.	Yes
7.3	A listed entity should disclose: (a) If it has an internal audit function, how the function is structured and what role it performs; or (b) If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	No
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes

Commentary

The Board as a whole is ultimately responsible for establishing and reviewing the Company's policies on risk profile, oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control in accordance with the Company's Corporate Governance Policies.

The Board believes that due to the size and composition of the Board, and the size of the Company it is not appropriate to have a Risk Committee.

The Company's risk management program is implemented under the direction of the Chief Executive Officer to ensure matters affecting goals, objectives and performance of the Company and the safety of its stakeholders are identified and assessed by an operational risk management framework in accordance with industry accepted standards.

The Company's risk management framework is reviewed annually. A review was undertaken in the reporting period.

The Board believes that the Company is not of a size to justify having an internal audit function for efficiency purposes. The Company evaluates its risk management and internal control processes in consultation with its external auditor with a view to continually improving its effectiveness.

The Board does not believe the Company has any material exposure to economic, environmental and social sustainability risks at the present time.

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018
Corporate Governance Statement

Principle 8 – Remunerate fairly and responsibly

Recommendation	Requirement	Comply Yes/No
8.1	The board of a listed entity should: <ul style="list-style-type: none"> (a) Have a remuneration committee which; <ul style="list-style-type: none"> 1) Has at least three members, a majority of whom are independent directors; and 2) Is chaired by an independent director, and disclose 3) The charter of the committee; 4) The members of the committee; and 5) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) If it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive. 	No
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes

Commentary

The Board believes it is not of a size to justify having a Remuneration Committee. The Company's remuneration policy is structured for the purpose of motivating executive directors and senior management to pursue the long-term growth and success of the Company. The Board sets the level and structure of remuneration to executive directors and senior executives for the purpose of balancing the Company's competing interest of attracting and retaining executive directors and senior management and not paying excessive remuneration.

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2018

	<i>Note</i>	2018 \$	2017 \$
Assets			
Current assets			
Cash and cash equivalents	17	5,931,474	8,381,824
Other financial assets	18	9,959	5,029,959
Exploration deposits	19	148,607	58,684
Other receivables	16	132,658	126,231
Prepayments		56,193	7,874
Total current assets		6,278,891	13,604,572
Non-current assets			
Exploration and evaluation assets	12	12,248,323	5,319,269
Property, plant and equipment	13	13,756	19,878
Other assets	14	700,000	-
Total non-current assets		12,962,079	5,339,147
Total assets		19,240,970	18,943,719
Current liabilities			
Trade and other payables	23	1,111,008	603,561
Provisions	23	93,542	42,761
Total current liabilities		1,204,550	646,322
Non-current liabilities			
Provisions	24	784,243	-
Total Non-current liabilities		784,243	-
Total liabilities		1,988,793	646,322
Net assets		17,252,177	18,297,397
Equity			
Share capital	20	36,616,486	36,469,022
Reserves	20	351,080	351,080
Accumulated losses		(19,715,389)	(18,522,705)
Total equity		17,252,177	18,297,397

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2018

	<i>Note</i>	2018 \$	2017 \$
Other income		15,359	3,602
Administration expenses	9	(1,386,924)	(848,793)
Share based payments	8	-	(142,987)
Finance income	10	178,881	85,393
Loss before income tax		(1,192,684)	(902,785)
Income tax expense	11	-	-
Loss for the year		(1,192,684)	(902,785)
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive loss for the year		(1,192,684)	(902,785)
Loss per share			
Basic and diluted loss per share	21	(0.76 cents)	(0.70 cents)

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2018

	Share capital	Equity remuneration reserve	Accumulated losses	Total equity
<i>Note</i>	\$	\$	\$	\$
Balance at 1 July 2017	36,469,022	351,080	(18,522,705)	18,297,397
<i>Total comprehensive income for the period</i>				
Loss for the period	-	-	(1,192,684)	(1,192,684)
Total other comprehensive loss	-	-	-	-
Total comprehensive loss for the period	-	-	(1,192,684)	(1,192,684)
Transactions with owners directly recorded in equity				
<i>Contributions by and distributions to owners</i>				
Share based payment transactions	22	-	-	-
Issue of ordinary shares	20	150,000	-	150,000
Costs from issue of ordinary shares	20	(2,536)	-	(2,536)
Total transactions with owners		147,464	-	147,464
Balance at 30 June 2018		36,616,486	(19,715,389)	17,252,177
Balance at 1 July 2016	23,342,362	623,093	(18,034,920)	5,930,535
<i>Total comprehensive income for the period</i>				
Loss for the period	-	-	(902,785)	(902,785)
Total other comprehensive loss	-	-	-	-
Total comprehensive loss for the period	-	-	(902,785)	(902,785)
Transactions with owners directly recorded in equity				
<i>Contributions by and distributions to owners</i>				
Share based payment transactions	22	-	(272,013)	142,987
Issue of ordinary shares	20	13,405,148	-	13,405,148
Costs from issue of ordinary shares	20	(278,488)	-	(278,488)
Total transactions with owners		13,126,660	(272,013)	13,269,647
Balance at 30 June 2017		36,469,022	(18,522,705)	18,297,397

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2018

	<i>Note</i>	2018	2017
		\$	\$
Operating activities			
Cash paid to suppliers and employees		(1,222,082)	(819,482)
Interest received		213,027	43,581
Other income		11,469	3,602
Net cash used in operating activities	17	(997,586)	(772,299)
Investing activities			
Proceeds from other financial assets		5,020,000	-
Payments for other financial assets		-	(5,028,669)
Payments for exploration deposits	19	(89,923)	(55,428)
Payments for exploration data		(700,000)	-
Payments for exploration and evaluation		(6,537,870)	(2,490,001)
Proceeds from research and development grant	12	707,182	450,390
Net cash used in investing activities		(1,600,611)	(7,123,708)
Financing activities			
Proceeds of issue of shares	20	150,000	13,405,148
Payment of share issue transaction costs	20	(2,153)	(281,025)
Net cash from financing activities		147,847	13,124,123
Net increase in cash and cash equivalents		(2,450,350)	5,228,117
Cash and cash equivalents at 1 July		8,381,824	3,153,707
Cash and cash equivalents at 30 June	17	5,931,474	8,381,824

AGRIMIN LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting entity

Agrimin Limited (the 'Company') is a company domiciled in Australia. The address of the Company's registered office is 2C Loch Street, Nedlands, Western Australia 6009. The consolidated financial statements of the Company as at and for the year ended 30 June 2018 comprise the Company and its wholly owned subsidiaries (together referred to as the 'Group' and individually as 'Group entities'). The Group is a for-profit entity and is primarily involved in exploration activities.

2. Basis of preparation

a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards ('IFRSs') adopted by the International Accounting Standards Board ('IASB').

The consolidated financial statements were authorised for issue by the Board of Directors on 27 September 2018.

b) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis.

c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

d) Use of estimates and judgements

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant judgments, estimates and assumptions made by the management in the preparation of these financial statements are outlined below:

Recoverability of capitalised exploration and evaluation expenditure and pre-license exploration expenditure

The future recoverability of capitalised exploration expenditure and pre-license exploration expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset and pre-license exploration expenditure through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure and pre-license exploration expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

Provision for rehabilitation

The Group records the present value of estimated costs of legal and constructive obligations to restore operating locations in the period in which the obligation is incurred. The nature of restoration activities includes dismantling and removing structures, rehabilitating mines, dismantling operating facilities, closure of plant and waste sites and restoration, reclamation and revegetation of affected areas.

In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred and timing of these expected future cost. The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other similar mine-sites. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates. Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

AGRIMIN LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Group entities.

a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Loss of control

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available for sale financial asset depending on the level of influence retained.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

b) Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated at fair value. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group's non-derivative financial assets are comprised of loans and receivables and financial assets at fair value through profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables are comprised of trade and other receivables.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

(ii) Non-derivative financial liabilities

The Group initially recognises financial liabilities on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group's non-derivative financial liabilities are comprised of trade and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within other income/other expenses in profit or loss.

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS

3. Significant accounting policies (continued)

c) Property, plant and equipment (continued)

(ii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives for the current and prior period are as follows:

- plant and equipment 5 – 10 years
- office furniture and equipment 3 – 5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

d) Exploration and evaluation assets

Exploration and evaluation costs are capitalised as exploration and evaluation assets on an area of interest basis. Such costs comprise net direct costs and an appropriate portion of related overhead expenditure, but do not include general overheads or administrative expenditure not having a specific connection with a particular area of interest. Costs incurred before the Group has obtained the legal right to explore an area of interest are recognised in profit or loss.

An exploration and evaluation asset is only recognised if the right to the area of interest is current and either:

- the expenditure is expected to be recouped through successful development and exploitation of an area of interest, or by its sale; or
- activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in or in relation to the area of interest are continuing.

Accumulated costs in respect of areas of interest are recognised in profit or loss when the above criteria do not apply or when the directors assess that the carrying value may exceed the recoverable amount.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated within costs of development. The aggregated cost is first tested for impairment and then reclassified from exploration and evaluation assets to mining property and development assets within property, plant and equipment. The costs of a productive area are amortised over the life of the area of interest to which such costs relate on the production output basis.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability, and facts and circumstances suggest that the carrying amount of the asset exceeds the recoverable amount. Such indicators of impairment include the following:

- the right to explore has expired during the period or will expire in the near future and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration and evaluation in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or
- sufficient data exists to indicate that the carrying amount of the asset is unlikely to be recovered in full from successful development or by sale even if development in the specific area is likely to proceed.

For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units consistent with exploration activity. The cash generating units are not larger than the areas of interest.

e) Pre-license exploration expenditure

Pre-license exploration expenditure, which includes the purchase of exploration data or analysis from third parties where the related exploration license is yet to be granted, is brought to account as an asset if it gives rise to proprietary information that the entity has the ability to control.

f) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised in the Group's statement of financial position.

g) Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise or indications that a debtor will enter bankruptcy.

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS

3. Significant accounting policies (continued)

g) Impairment (continued)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ('CGU') exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro-rata basis.

(ii) Non-financial assets (continued)

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

h) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iii) Share-based payment transactions

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market vesting conditions at the vesting date.

i) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

j) Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on lease liabilities that are recognised in profit or loss using the effective interest method and net loss on financial assets at fair value through profit or loss.

k) Income tax

Income tax expense comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity, or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS

3. Significant accounting policies (continued)

j) Income tax (continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Company and its wholly-owned Australian resident entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head company within the tax-consolidated group is Agrimin Limited.

k) Research and development

The Group undertakes expenditure on activities that are categorised as 'eligible expenditure' under the Research & Development Tax Concession which dependent upon certain criteria may be subject to a tax offset. Under AASB 120, where a tax offset has been received or receivable in cash, the Group accounts for the tax offset as follows:

- Where a grant is received or receivable in relation to research and development costs which have been capitalised, the tax offset shall be deducted from the carrying value of the asset.

l) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ('GST'), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

m) Earnings per share

The Group presents basic and diluted earnings per share ('EPS') data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options and performance rights granted to employees and agents of the Group.

n) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's managing director to make decisions about resources to be allocated to segments and to assess their performance.

Segment results that are reported to the managing director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and head office expenses.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS

3. Significant accounting policies (continued)

o) New Accounting Standards for Application in Future Periods

In the year ended 30 June 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for the current annual reporting period.

It has been determined by the Directors that there is no material impact of the new and revised Standards and Interpretations applicable for the year ended 30 June 2018 on the Group's business and, therefore, no change is necessary to Group accounting policies.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 July 2018 and earlier application permitted, however the Group has not early applied the following new or amended standards in preparing these consolidated financial statements.

New or amended standards	Summary of the requirements	Possible impact on consolidated financial statements
AASB 9 Financial Instruments	AASB 9, published in December 2014, replaces the existing guidance in AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from AASB 139. AASB 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.	The adoption of AASB 9 is not expected to have a material impact on the Group's financial assets or financial liabilities.
AASB 15 Revenue from Contracts with Customers	ASB 15 established a comprehensive framework for determine whether, how much, and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 Revenue, AASB 111 Construction contracts, and AASB Interpretation 13 Customer Loyalty Programmes. AASB 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.	The impact on the Group's revenue recognition of the adoption of AASB 15 is not expected to have a material impact.
AASB 16 Leases	AASB 16 removes the lease classification test for lessees and requires all leases (including those classified as operating leases) to be brought onto the balance sheet. There is new guidance on when an arrangement would meet the definition of a lease. AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted where AASB 15 Revenue from Contracts with Customers is adopted at the same time.	The Group is assessing the potential impact on its consolidated financial statements resulting from the application of AASB 16.

4. Going Concern

The consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Group will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of operations.

The Group currently has no source of operating cash inflows other than interest income and funds sourced through capital raising activities. At 30 June 2018, the Group has \$5,931,474 in cash and cash equivalents (30 June 2017: \$8,381,824) and no funds held in term deposits (other financial assets) (30 June 2017: \$5,020,000) and net working capital (current assets less current liabilities) of \$5,074,341 (30 June 2017: \$12,958,250). Subsequent to year end, the Group raised a further \$9,493,950 after costs to provide funding to support the Mackay SOP Project.

Directors believe that the Group has sufficient cash resources to allow it 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, the 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 to place them into commercial production. The only 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.

AGRIMIN LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS

5. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. Where this fair value is determined for disclosure purposes, the market rate of interest is that at reporting date. Where this fair value is determined when acquired in a business combination, the market rate of interest is at the date of acquisition.

Share-based payment transactions

The fair value of the employee share options is measured using a Black-Scholes model. Measurement inputs include share price on measurement date, exercise price of the option, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the options (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market conditions attached to the transactions are not taken into account in determining fair value.

6. Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board does not have a risk management committee and the Board as a whole is responsible for developing risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations.

At 30 June 2018, the Group is yet to generate operating revenue. Therefore, no formal policy for the analysis of creditworthiness is currently in place.

The Group's exposure to credit risk is limited to cash and cash equivalents, term deposits and refundable deposits lodged to secure the rights to projects. The Group mitigates credit risk on cash and term deposits by dealing with regulated banks in Australia. Refundable deposits are held with the Western Australian Department of Mines, Industry Regulation and Safety.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Cash flow is monitored on an ongoing basis. Management reports comparing actual cash flows to budget are circulated to the Board on a monthly basis.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group's investments in subsidiaries are not hedged.

Interest rate risk

The Group adopts a policy of optimising interest rates on its term deposits by investing in a range of terms that are conservative and ensure liquidity is available when required to meet the Group's commitments.

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS

6. Financial risk management (continued)

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the Group's exploration and evaluation activities and supporting functions.

There were no changes in the Group's approach to capital management during the year.

7. Operating segments

The Group has identified its operating segments based on the internal reports that are used by the chief operating decision makers in assessing performance and determining the allocation of resources.

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

The accounting policies used by the Group in reporting segments internally are the same as those contained in note 3 to the financial statements.

8. Share based payments

	2018	2017
	\$	\$
Performance related remuneration (refer to note 22)	-	142,987
Total share based payments	-	142,987

Share based payments includes all equity based payments to directors and other key management personnel.

9. Administration expenses

Accounting fees	20,090	25,060
Audit fees	40,000	40,453
Consulting fees	50,000	46,073
Depreciation expense	6,122	4,970
Fees, wages and salaries	552,190	382,190
Listing fees	45,473	41,921
Office accommodation expenses	59,865	46,088
Subscriptions and licencing expenses	97,205	13,833
Superannuation	42,134	28,607
Travel and accommodation expenses	175,413	60,055
Other administration expenses	298,432	159,543
Total administration expenses	1,386,924	848,793

10. Finance income and expenses

Finance income

Interest income on bank deposits	178,881	85,393
Net finance income	178,881	85,393

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS

11. Income tax expense	2018	2017
	\$	\$
Numerical reconciliation between tax expense and pre-tax accounting loss		
Loss for the year	(1,192,684)	(902,785)
Income tax using the Company's domestic tax rate of 27.5% (2017: 27.5%)	(327,988)	(248,266)
Non-deductible expenses	-	39,321
Change in unrecognised temporary differences	327,988	208,945
Income tax expense	-	-

12. Exploration and evaluation assets

Opening balance	5,319,269	2,871,700
Additions	7,636,236	2,897,959
Refundable research and development grant ⁽ⁱ⁾	(707,182)	(450,390)
Balance at 30 June 2018	12,248,323	5,319,269

(i) During the financial year, the Group received government grant of \$707,182 (2017: \$450,390) in the form of a refundable research and development offset. No unfulfilled conditions attach to the grant.

Impairment loss

Exploration and evaluation assets (including pre license exploration expenditure) are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability, and facts and circumstances suggest that the carrying amount of the asset exceeds the recoverable amount. Such indicators of impairment include the following:

- the right to explore has expired during the period or will expire in the near future and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration and evaluation in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or
- sufficient data exists to indicate that the carrying amount of the asset is unlikely to be recovered in full from successful development or by sale even if development in the specific area is likely to proceed.

During the financial year, there was no impairment of the Group's tenements (2017: Nil).

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. The Group recognises an impairment loss when there is objective evidence that the carrying amount of its exploration and evaluation assets exceeds the recoverable amount.

The directors have performed an assessment for impairment indicators as per note 3(f) and identified no indicators for the year ended 30 June 2018.

Refundable research and development grant

The Group undertakes expenditure on activities that are categorised as "eligible expenditure" under the Research and Development Tax Concession which is dependent upon certain criteria, may be subject to a tax offset. Under AASB 120, where a tax offset has been received or receivable in cash, the Group accounts for the tax offset as follows:

- Where a grant is received or receivable in relation to research and development costs which have been capitalised, the tax offset shall be deducted from the carrying value of the asset.

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018
NOTES TO THE FINANCIAL STATEMENTS

	Plant and equipment \$	Office furniture and equipment \$	Total \$
13. Property, plant and equipment			
Cost			
Balance at 1 July 2016	24,848	-	24,848
Additions	-	-	-
Disposals	-	-	-
Depreciation	(4,970)	-	(4,970)
Balance at 30 June 2017	<u>19,878</u>	<u>-</u>	<u>19,878</u>
Balance at 1 July 2017	19,878	-	19,878
Additions	-	-	-
Disposals	-	-	-
Depreciation	(6,122)	-	(6,122)
Balance at 30 June 2018	<u>13,756</u>	<u>-</u>	<u>13,756</u>

14. Other non-current assets

	2018 \$	2017 \$
Opening balance		
Pre-licence exploration expenditure ⁽ⁱ⁾	700,000	-
Balance at 30 June 2018	<u>700,000</u>	<u>-</u>

(i) During the financial year, the Group acquired exploration data relating to a tenement applied for during the year. The purchase was treated as a non-current asset in accordance with the Groups pre-licence exploration expenditure accounting policy. Refer to note 12 for impairment assessment.

15. Tax assets and liabilities

Unrecognised deferred tax assets

Deferred tax assets calculated at 27.5% (2017: 27.5%) have not been recognised in respect of the following items.

Deductible temporary differences	215,944	127,801
Tax losses carried forward	4,198,153	4,152,882
Tax losses brought to account to reduce income tax expense	-	-
Tax losses and temporary differences brought to account to reduce the provision for deferred tax liabilities	(3,152,470)	(1,221,770)
Total unrecognised deferred tax assets	<u>1,261,627</u>	<u>3,058,913</u>

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from.

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS

15. Tax assets and liabilities (continued)

Provision for deferred tax liability

The provision for deferred tax liability comprises the estimated expense at the applicable rate of 27.5% (2017: 27.5%) on the following items:

	2018	2017
	\$	\$
Exploration and evaluation assets	3,133,851	1,207,049
Prepayments and accrued income	18,619	14,721
Deferred tax asset attributable to tax losses and temporary differences brought to account to reduce the provision for deferred income tax	(3,152,470)	(1,221,770)
Total provision for deferred income tax	-	-

16. Other receivables

Net tax receivable (GST)	121,146	76,173
Other receivables	11,512	50,058
Total other receivables	132,658	126,231

17. Cash and cash equivalents

Cash and bank balances	879,474	5,881,824
Short term deposits	5,052,000	2,500,000
Total cash and cash equivalents	5,931,474	8,381,824

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 25.

(a) Reconciliation of cash flows from operating activities

Note

Cash flows from operating activities

Loss for the year		(1,192,684)	(902,785)
<i>Adjustments for:</i>			
Depreciation		6,122	4,970
Equity-settled share-based payment transactions	22	-	142,987
<i>Operating loss before changes in working capital</i>		(1,186,562)	(754,828)
Change in trade and other receivables		(10,828)	(104,121)
Change in prepayments		(3,039)	(7,032)
Change in trade and other payables		190,165	84,673
Change in provisions		12,678	9,009
Net cash used in operating activities		(997,586)	(772,299)

18. Other financial assets

Term deposits	-	5,020,000
Security deposits	9,959	9,959
Total other financial assets	9,959	5,029,959

The Group holds terms deposits with maturities greater than three months, but less than one year.

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 25.

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS

19. Exploration deposits

	2018	2017
	\$	\$
Exploration deposits	148,607	58,684
Total exploration deposits	<u>148,607</u>	<u>58,684</u>

The carrying amount of exploration deposits represents annual rents paid to the Western Australian Department of Mines, Industry Regulation and Safety ("DMIRS") in advance when application for tenements was made during the year. These amounts are held in trust by the DMIRS pending the grant of the tenements and are refundable if for any reason the tenements do not get granted.

20. Capital and reserves

Share capital

	2018	2017
	No. of shares	No. of shares
On issue at 1 July	156,118,112	119,938,575
Issued for cash ⁽¹⁾	-	33,429,537
Issued on exercise of options ⁽²⁾	1,000,000	-
Issued on exercise of performance rights ⁽³⁾	-	2,750,000
On issue at 30 June 2018	<u>157,118,112</u>	<u>156,118,112</u>

	2018	2017
	\$	\$
On issue at 1 July	36,469,022	23,342,362
Issued for cash ⁽¹⁾	-	13,405,148
Issued on exercise of options ⁽²⁾	150,000	-
Issued on exercise of performance rights ⁽³⁾	-	-
Transaction costs ⁽⁴⁾	(2,536)	(278,488)
On issue at 30 June 2018	<u>36,616,486</u>	<u>36,469,022</u>

(1) Issued for cash

During the financial year the Company did not issue any shares for cash (2017: \$13,405,148 before costs).

(2) Issued on exercise of options

During the financial year 1,000,000 fully paid ordinary shares were issued on the exercise of unlisted options with an exercise price of \$0.15 to the spouse of Mr Sampson (2017: Nil).

(3) Issued on exercise of performance rights

During the financial year there were no shares issued on the exercise of performance rights granted as remuneration (2017: 2,750,000).

(4) Transaction costs

Transaction costs represent the costs of issuing the shares.

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.

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS

20. Capital and reserves (continued)

Equity remuneration reserve

The equity remuneration reserve represents the fair value of the options and performance rights granted as remuneration to employees and suppliers as determined using the Black-Scholes option pricing model and taking into account the terms and conditions on which the options were granted.

On 22 April 2016 the Company agreed to issue 1,000,000 options exercisable at \$0.15 per share to Mr Sampson in accordance with the terms of his appointment as Non-Executive Directors and Chairperson. The options were subject to shareholder approval which was subsequently obtained on 26 July 2016 and the options were issued on 1 August 2016. The options expired on 30 April 2018 and did not have any performance conditions. The fair value of the equity settled share options was estimated at 30 June 2017 using the Black and Scholes model to be \$0.286 per option.

As the issue of options had not been approved at 30 June 2017, the valuation was estimated at that date. On 26 July 2017 the options were approved and the valuation increased to \$0.351 due to an increase in the share price to \$0.47. As this was a change in the estimate, the increased value was expensed in the financial year ended 30 June 2017.

21. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 30 June 2018 was based on the loss attributable to ordinary shareholders of \$1,192,684 (30 June 2017: \$902,785) and a weighted average number of ordinary shares of 156,244,139 (30 June 2017: 129,832,367).

	2018 \$	2017 \$
Loss attributable to ordinary shareholders		
Loss for the year	1,192,684	902,785
	<i>Note</i>	
	2018 No. of shares	2017 No. of shares
Weighted average number of ordinary shares		
Issued ordinary shares at 1 July	156,118,112	119,938,575
Effect of shares issued during the period	126,027	9,893,792
Weighted average number of ordinary shares at 30 June	156,244,139	129,832,367

Diluted earnings per share

There were no unlisted options outstanding at balance date (30 June 2017: 1,000,000).

There were 8,000,000 performance rights outstanding at balance date (30 June 2017: Nil).

These unlisted options and performance rights were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

22. Equity-based compensation

Description of the equity-based compensation arrangements

Performance Rights Plan

At a general meeting held on 31 July 2014, shareholders approved the establishment of the Agrimin Limited Performance Rights Plan 2014 ("Plan"). At a general meeting held on 15 September 2017, the Company obtained approval for the renewal of the Plan in accordance with the requirements of ASX Listing Rules. The purpose of the Plan was to incentivise and retain existing key management personnel and other eligible employees needed to achieve the Company's business objectives. The issuance of Performance Rights under the Plan is at the discretion of the Board. Upon the prescribed performance conditions attached to the Performance Rights being met, will result in the issue of one ordinary Share in the Company for each Performance Right.

During the financial year ended there were a total of 8,000,000 performance rights over ordinary shares in the Company granted as remuneration to directors, key management personnel and senior executives (2017: Nil).

The grant date fair value of the performance rights ranges between \$0.51 to \$0.84 per right. Due to the effect of the above non-market performance condition, no share based payment expense has been recognised at 30 June 2018.

During the financial year there were no ordinary shares issued on exercise of performance rights by directors and key management personnel. In the previous financial year 2,750,000 shares were issued on the exercise of performance rights by directors and key management personnel on achievement of vesting conditions related to completion of a scoping study and delineation of an Inferred Resource, determined in accordance with the provisions of the JORC Code, containing at least 50,000,000 tonnes of potash at an average potassium grade of not less than 2.50kg/m3 of brine on the Company's Mackay SOP Project.

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS

22. Equity-based compensation (continued)

Other equity-based compensation

During the financial year there were no other options over ordinary shares in the Company were granted as remuneration to directors or key management personnel (2017: Nil).

	2018 \$	2017 \$
Director and employee expenses		
Issue of options	-	142,987
Performance rights	-	-
	-	142,987

23. Trade and other payables

Trade payables	775,554	520,759
Other payables and accrued expenses	335,454	82,802
Total current trade and other payables	1,111,008	603,561

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 25.

Provision for annual leave	93,542	42,761
Total current provisions	93,542	42,761

24. Non-current provisions

Provision for rehabilitation

Opening balance	-	-
Provisions made during the period	784,243	-
Provisions used during the period	-	-
Balance at 30 June 2018	784,243	-

25. Financial instruments

Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Cash and cash equivalents	5,931,474	8,381,824
Other financial assets and deposits	158,566	5,088,643
Other receivables ⁽ⁱ⁾	67,705	50,058
	6,157,745	13,520,525

(i) Excludes net GST receivable.

The maximum exposure to credit risk for other receivables at the reporting date was:

Australia	67,705	50,058
Total other receivables	67,705	50,058

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS

25. Financial instruments (continued)

Impairment losses

The ageing of other receivables at the reporting date was as follows:

	Gross 2018 \$	Impairment 2018 \$	Gross 2017 \$	Impairment 2017 \$
Neither past due nor impaired	67,705	-	50,058	-
Past due	-	-	-	-
Total other receivables	67,705	-	50,058	-

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments.

	Carrying amount \$	Contractual cash flows \$	6 months or less \$	6-12 months \$	1-2 Years \$	2-5 years \$
30 June 2018						
Trade and other payables	(1,111,008)	(1,111,008)	(1,111,008)	-	-	-
	(1,111,008)	(1,111,008)	(1,111,008)	-	-	-
30 June 2017						
Trade and other payables	(603,561)	(603,561)	(603,561)	-	-	-
	(603,561)	(603,561)	(603,561)	-	-	-

Interest rate risk

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount	
	2018 \$	2017 \$
Fixed rate instruments		
Term deposits (other financial assets)	9,959	5,020,000
Term deposits (cash and cash equivalents)	5,052,000	2,500,000
	5,061,959	7,520,000
Variable rate instruments		
Cash and cash equivalents	879,474	5,881,824

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS

25. Financial instruments (continued)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates throughout the year would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity	
	100bp increase	100bp decrease	100bp increase	100bp decrease
30 June 2018				
Variable rate instruments	8,794	(8,794)	8,794	(8,794)
30 June 2017				
Variable rate instruments	58,818	(58,818)	58,818	(58,818)

Fair values

Fair values versus carrying amounts

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

26. Contingencies

The Company has no contingent assets or liabilities.

27. Capital and other commitments

Mining tenements

As a condition of retaining the right to explore its Australian tenements, the Group is required to pay an annual rental charge and incur a minimum level of expenditure for each tenement.

As at 30 June 2018, the Group had five exploration licences granted on its tenements located in Western Australia, three exploration licences located in Western Australia which had not been granted and one exploration licence located in the Northern Territory which had not been granted.

As at 30 June 2018, the Group had one miscellaneous licence granted on its tenements located in Western Australia and two miscellaneous licences located in Western Australia which had not been granted.

The Group has no expenditure commitments on the exploration licences which have not been granted.

Expenditure commitments are as follows:

	2018	2017
	\$	\$
Less than one year	1,427,172	905,987
Between one and five years	6,640,803	5,287,054
	8,067,975	6,193,041

28. Related parties

Key management personnel remuneration

The key management personnel remuneration is as follows:

	2018	2017
	\$	\$
Short-term benefits:		
- Fees, salaries and wages and non-monetary benefits	564,538	518,854
- Consulting fees	60,000	36,000
- Post-employment - superannuation	50,211	45,796
- Other long term	18,765	12,028
- Share based payment	-	142,987
Total key management personnel remuneration	693,514	755,665

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS

28. Related parties (continued)

Individual director and executive compensation disclosures

Information regarding individual directors and executives' compensation and some equity instruments disclosures as required by Corporations Regulation 2M.3.03 is provided in the remuneration report section of the directors' report.

Apart from the details disclosed in this note, no director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

Key management personnel and director transactions

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Group in the financial year. The terms and conditions of transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

Key management personnel remuneration

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

	Transaction	Note	Transaction value year ended 30 June	
			2018 \$	2017 \$
Other related parties				
Lexcon Services Pty Ltd	Consulting services	(i)	60,000	36,000
Lexcon Services Pty Ltd	Director's fees	(ii)	36,000	36,000

Balance receivable / (payable) as at 30 June

Other related parties				
Lexcon Services Pty Ltd	Secretarial fees	(i)	-	-
Lexcon Services Pty Ltd	Director's fees	(ii)	-	-

(i) Lexcon Services Pty Ltd, an entity controlled by Mr Pismiris, provided the Group with consulting and secretarial services during the year.

(ii) Lexcon Services Pty Ltd, an entity controlled by Mr Pismiris, received director fees during the financial year.

29. Group entities

	Country of incorporation	Ownership interest	
		2018 %	2017 %
Parent entity			
Agrimin Limited	Australia		
Significant subsidiaries			
Agrimin Metals Pty Ltd ⁽¹⁾	Australia	100	N/A
Agrimin Potash Pty Ltd ⁽²⁾	Australia	100	100

(i) Agrimin Metals Pty Ltd was incorporated on 7 February 2018.

(ii) Agrimin Potash Pty Ltd was incorporated on 30 October 2015.

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS

30. Subsequent events

On 5 July 2018 the Company announced completion of a placement of 12,500,000 fully paid ordinary shares at an issue price of \$0.80 per share, to raise \$10,000,000 (before costs) to institutional and sophisticated investors. The issue of shares was made pursuant to the Company's new issues capacity in accordance with ASX Listing Rule 7.1.

On 12 September 2018 the Company announced the Northern Australia Infrastructure Facility ("NAIF") Board has expressed its interest in investigating the potential for NAIF support for the Mackay SOP Project. NAIF is an integral part of the Commonwealth Government's strategy to develop northern Australia and can provide long-term concessional loans to encourage and complement private sector investment in infrastructure.

31. Auditor's remuneration

KPMG Australia

Audit and review of financial reports

Taxation services

	2018	2017
	\$	\$
	40,000	40,000
	8,900	12,310
	48,900	52,310

32. Parent entity disclosures

As at and throughout, the financial year ending 30 June 2018, the parent entity of the Group was Agrimin Limited.

Results of the parent entity

Loss for the year

Total comprehensive income for the year

(1,192,684)	(916,190)
(1,192,684)	(916,190)

Financial position of the parent entity at year end

Current assets

Total assets

6,070,328	13,545,706
18,456,727	18,943,719

Current liabilities

Total liabilities

1,204,550	646,322
1,204,550	646,322

Total equity of the parent entity comprising of:

Share capital

Reserves

Accumulated losses

Total equity

36,616,486	36,469,022
351,080	351,080
(19,715,389)	(18,522,705)
17,252,177	18,297,397

The parent entity does not have any capital or exploration expenditure commitments.

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

Directors' Declaration

1. In the opinion of the directors of Agrimin Limited (the "Company"):
 - (a) the consolidated financial statements and notes that are set out on pages 30 to 51 and the Remuneration Report in the Directors' Report on pages 13 to 21, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
 - (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
2. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Company Secretary performing the CFO function for the financial year ended 30 June 2018.
3. The directors draw attention to note 2(a) to the consolidated financial statements which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:



Alec Pismiris
Director
Dated this 27th day of September 2018



Independent Auditor's Report

To the shareholders of Agrimin Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Agrimin Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2018
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with *the Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.



Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Exploration and evaluation expenditure (\$12,248,323)

Refer to Note 13 'Exploration and Evaluation Assets'

The key audit matter

Exploration and evaluation expenditure capitalised (E&E) is a key audit matter due to:

- the significance of the activity to the Group's business and balance (being 64% of total assets); and
- the greater level of audit effort to evaluate the Group's application of the requirements of the industry specific accounting standard AASB 6 *Exploration for and Evaluation of Mineral Resources*, in particular the conditions allowing capitalisation of relevant expenditure and presence of impairment indicators. The presence of impairment indicators would necessitate a detailed analysis by the Group of the value of E&E, therefore given the criticality of this to the scope and depth of our work, we involved senior team members to challenge the Group's determination that no such indicators existed.

In assessing the conditions allowing capitalisation of relevant expenditure, we focused on:

- documentation available regarding rights to tenure via licensing, and compliance with relevant conditions, to maintain current rights to an area of interest and the Group's intention and capacity to continue the relevant E&E activities; and
- the Group's determination of whether the E&E are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale.

How the matter was addressed in our audit

Our audit procedures included:

- We evaluated the Group's accounting policy to recognise exploration and evaluation assets using the criteria in the accounting standard;
- We assessed the Group's determination of the Mackay SOP Project, as its only area of interest, for consistency with the definition in the accounting standard;
- For the Mackay SOP Project, we assessed the Group's current rights to tenure by corroborating the ownership of the relevant licenses to government registries. We also tested for compliance with conditions, such as minimum expenditure requirements, on each of the licenses;
- We tested the Group's additions to E&E for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Group's accounting policy and the requirements of the accounting standard;
- We evaluated Group documents, such as minutes of Board meetings, for consistency with their stated intentions for continuing E&E in certain areas. We corroborated this through interviews with key operational and finance personnel;
- We analysed the Group's determination of recoupment through successful development and exploitation of the area by evaluating the Group's documentation of planned future and



<p>In assessing the presence of impairment indicators, we focused on those that may draw into question the commercial continuation of E&E activities for the Mackay SOP Project (an area of interest) where significant capitalised E&E exists. In addition to the assessments above and financial position of the Group we paid particular attention to:</p> <ul style="list-style-type: none">• The ability of the Group to fund the continuation of activities; and• Results from latest activities regarding the existence or otherwise of economically recoverable reserves.	<p>continuing activities including work programmes and project and corporate budgets; and</p> <ul style="list-style-type: none">• We obtained project and corporate budgets identifying areas with existing funding. We compared this for consistency with areas with E&E, for evidence of the ability to fund continued activities.
--	--

Other Information

Other Information is financial and non-financial information in Agrimin Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf.

This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Agrimin Limited for the year ended 30 June 2018, complies with *Section 300A of the Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A of the Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2018.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Matthew Beevers

Partner

Perth

27 September 2018

AGRIMIN LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

ASX Additional Information

Additional information required by the Australian Stock Exchange Ltd Listing Rules and not disclosed elsewhere in this report is as follows. The information is current as at 3 September 2018.

TWENTY LARGEST SHAREHOLDERS

Name of Holder	No. of Ordinary Shares Held	Percentage of Issued Capital
J P Morgan Nominees Australia Limited	23,949,909	14.12%
Walloon Securities Pty Ltd	10,304,038	6.07%
UBS Nominees Pty Ltd	8,819,942	5.20%
Gugalanna Holdings Pty Ltd <Gugalanna Investment A/C>	7,900,000	4.66%
Hillboi Nominees Pty Ltd	7,050,833	4.16%
Perth Investment Corporation Ltd	6,046,381	3.56%
HSBC Custody Nominees (Australia) Limited-GSCO ECA	5,255,903	3.10%
Spar Nominees Pty Ltd	5,027,034	2.96%
Zero Nominees Pty Ltd	4,065,390	2.40%
Goldfire Enterprises Pty Ltd	3,729,628	2.20%
Mr Timothy Guy Lyons	3,502,778	2.07%
ACP Investments Pty Ltd	3,380,000	1.99%
Invia Custodian Pty Limited <B & D Family A/C>	3,360,333	1.98%
Eugob Nominees Pty Ltd	3,014,055	1.78%
Occasio Holdings Pty Ltd <Occasio Unit A/C>"	2,888,888	1.70%
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd Drp	2,583,389	1.52%
Mr Timothy Guy Lyons & Mrs Heather Mary Lyons <Gnowellen Super Fund A/C>	2,410,499	1.42%
Mrs Heather Mary Lyons	2,382,222	1.40%
Deering Nominees Pty Ltd	2,245,000	1.32%
Gugalanna Pty Ltd <Gugalanna Capital S/F A/C>	1,900,000	1.12%
Total	109,816,222	64.74%

Shares on Issue at 3 September 2018: 169,618,112

DISTRIBUTION OF MEMBER HOLDINGS

At 3 September 2018

Size of Holding	Listed Ordinary Shares	
	No. of Holders	No. of Shares
1 – 1,000	181	111,857
1,001 – 5,000	296	860,232
5,001 – 10,000	137	1,037,186
10,001 – 100,000	203	6,772,482
100,001 and over	124	160,836,355
Total Holders	941	169,618,112

There are 95 shareholders holding less than a marketable parcel of shares.

SUBSTANTIAL SHAREHOLDERS

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

Name of Holder	No. of Ordinary Shares Held	Percentage of Issued Capital
AustralianSuper Pty Ltd	23,731,723	13.99%
Hillboi Nominees Pty Ltd & associated entities	21,392,713	12.61%
Walloon Securities Pty Ltd	10,304,038	6.07%
Mark Savich & associated entities	9,800,000	5.78%

VOTING RIGHTS

All shares carry one vote per share without restriction.