



Harvest Minerals Limited / Index: LSE / Epic: HMI / Sector: Mining

11 October 2017

Harvest Minerals Limited
("Harvest" or the "Company")

Infrastructure Finalisation, First Sales & Placing

Harvest Minerals Limited, the AIM listed fertiliser development company, is pleased to provide an update highlighting progress and initial sales at its Arapua Fertiliser Project ('Arapua') in Brazil located in the heart of the Brazilian agriculture belt in Minas Gerais. In order to support the building of the sales pipeline, the Company is pleased to announce it has completed a placing for £1.2m.

Highlights

- First sales achieved pre remineraliser registration with customers including coffee growers, orchard and broad acre crop farmers
- Robust order book standing at over 20 direct consumers, distributors, blenders and co-operatives
- Modular processing plant fabricated and installed, completing low-cost production chain whereby KPfétil is milled and loaded into 1 tonne "big-bags" and picked up by the customer
- Number and size of orders expected to increase once KPfétil has been registered as a remineraliser by the Brazilian Ministry of Agriculture, Livestock and Supply ('MAPA') - expected by end of Q4 2017
- Successfully completed an oversubscribed placing of shares to raise £1.2m at 10p per share

Harvest's Executive Chairman, Brian McMaster, said, *"Completing the first sales of KPfétil prior to the certification by MAPA, is a testament to the market's recognition of its capabilities. The sales team in Brazil has been working hard to develop multiple sales channels and that hard work is now generating returns. There may be additional sales ahead of certification but it is anticipated that the bulk of our robust potential order book, currently standing at over 20 independent farmers and corporations, will cross the line quickly after certification."*

"We are also delighted with the response to the fundraise, which was oversubscribed, and have once again received longstanding and ongoing support from a family office shareholder in increasing its stake to 29.9% of the Company. The funds raised will be used to progress the full mining licence and application, further develop our rapidly growing sales channels, process additional stockpile, explore acquisition opportunities as well as for general working capital purposes. With the transition from explorer to developer and now producer complete, we look forward updating our Shareholders with news of the coming months which we look to with confidence."

Further Details on Infrastructure Finalisation & First Sales



HARVEST MINERALS

In response to feedback from customers, Harvest has installed a modular processing plant comprising a knife mill and feeder to pack the product into 1 tonne “big-bags”, along with the associated infrastructure. The plant has been designed so that a second knife mill and a further crusher can be added to increase production capacity as the volume of orders increase over the coming months. The plant is now fully operational and has commenced processing product for first deliveries before the end of October 2017. In addition, MAPA requested that Harvest provide a covered facility for its run-of-mine pad; accordingly, a covered shed is being installed and will be finished later this month to store the finished product prior to collection.

With the continuing excellent test results (as announced on 5 September 2017) and progress with registering KPfértil as a remineraliser, the sales team has focused on developing a broad distribution network through which to sell the product. The sales team is in discussion with numerous potential customers, including large fertiliser consumers, distributors, blenders and co-operatives. Some of these groups have been conducting their own internal test work on the products’ physical and chemical characteristics. Feedback from these tests, to date, has been positive.

Even though KPfértil is yet to be certified by MAPA, Harvest has achieved a modest level of sales with further modest quantities likely to be sold in the coming weeks. The order book for pre-registration sales currently stands at approximately USD80,000, including sales made to date.

Figure 1: Knife Mill processing material for packing and distribution.



Figure 2: Feeder filling 1t “Big Bag”.



Further details on the Placing

The Company is also pleased to announce that it has raised £1.2 million gross via an oversubscribed placing of 12,000,000 new ordinary shares of no par value in the capital of the Company ("Ordinary Shares") (the "Placing Shares") at a price of 10 pence per Placing Share (the "Placing Price") (the "Placing") with new and existing investors.

The net proceeds of the Placing will be used for full mining licence application preparatory work, developing sales channels, processing additional stockpile, consideration for potential acquisitions and for general working capital purposes.

Beaufort Securities Ltd and Mirabaud Securities LLP acted as joint brokers on the Placing. As part consideration for their services, they have been issued, in aggregate, 600,000 warrants over Ordinary Shares, which have an exercise price of 10 pence each and a two-year term (the "Placing Warrants"). Following the issue of the Placing Warrants, the Company has a total of 3,788,125 warrants over Ordinary Shares in issue.

Related Party Transaction



HARVEST MINERALS

Edwards Family Holdings Limited ("Edwards") currently has a 28.3 per cent. interest in the existing share capital of the Company and accordingly is classified as a substantial shareholder pursuant to the AIM Rules for Companies.

Edwards has committed to subscribe for 5,461,238 Placing Shares and accordingly the issue of such Placing Shares to Edwards constitutes a related party transaction in accordance with the AIM Rules for Companies. The Directors consider having consulted the Company's nominated adviser, Strand Hanson Limited, that the terms on which the Placing Shares will be issued to Edwards are fair and reasonable as far as its Shareholders are concerned.

Following the issue of the 5,461,238 Placing Shares to Edwards, it will have an enlarged holding of 38,522,738 Ordinary Shares, representing 29.9 per cent. of the Company's share capital as enlarged by the issue of the Placing Shares.

Admission to Trading on AIM

Application has been made for admission of the Placing Shares to trading on AIM ("Admission") and it is expected that Admission will take place at 8.00 a.m. on 25 October 2017. Following Admission, there will be a total of 128,838,589 Ordinary Shares in issue. The Company holds no shares in treasury.

Shareholders should therefore use the figure of 128,838,589 as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in the Company, under the FCA's Disclosure and Transparency Rules.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

For further information please visit www.harvestminerals.net or contact:

Harvest Minerals Limited	Brian McMaster (Chairman)	Tel: +61 8 9200 1847
Strand Hanson Limited (Nominated & Financial Adviser)	James Spinney Ritchie Balmer	Tel: +44 (0)20 7409 3494
Mirabaud Securities LLP (Joint Broker)	Rory Scott	Tel: +44 (0)20 7878 3360
Beaufort Securities Ltd (Joint Broker)	Jon Belliss	Tel: +44 (0)20 7382 8300
St Brides Partners Ltd	Isabel de Salis Olivia Vita	Tel: +44 (0)20 7236 1177

Notes:



HARVEST MINERALS

Harvest Minerals (HMI.L) is a Brazilian focused fertiliser Company targeting low cost, near term development projects. The Company's primary focus is the development of its 100% owned Arapua Fertiliser Project from which it produces its KPfétil product, a proven, multi-nutrient, slow release, organic fertiliser and remineraliser, which is produced from a weathered potassium and phosphate rich lava and offers many economic and agronomic benefits. Covering 14,946 hectares and located in the heart of the Brazilian agriculture belt in Minas Gerais, Arapua is a shallow, low cost mine with an indicated and inferred resource of 13.07Mt at 3.1% K_2O and 2.49% P_2O_5 . This resource translates into a mine life of over 100 years at a rate of 450k tonnes per annum and crucially is based on drilling just 6.7% of the known mineralisation, leaving significant upside potential. With a trial mining licence in place, allowing Harvest to extract 50kt of product on a rolling basis whilst the full mining licence application process is underway, and official registration of KPfétil as a remineraliser expected by the end of 2017, Harvest is ideally placed to address the significant demand for locally produced fertiliser in Brazil; Brazil has abundant agricultural land but lacks domestic fertiliser, with the country currently importing 90% of the potash it uses. Furthermore, the Brazilian Government has set a target to be self-sufficient in fertilisers by 2020, creating significant market opportunity for Harvest and its KPfétil product. Additionally, the Company has four assets at various stages of development and continues to explore other opportunities that fit its investment criteria.