

29 November 2021

## Harvest Minerals Limited ('Harvest' or the 'Company')

### Acquisition of Advanced Stage Phosphate Project

Harvest Minerals Limited, the AIM listed remineraliser producer, is pleased to announce that it has entered into a binding share purchase agreement to acquire the entire issued share capital of BF Mineração Ltda ('BF Mineração') for a total consideration of US\$800,000 payable in cash and new Harvest shares over a period of time (the 'Agreement'). BF Mineração owns the advanced Miriri Phosphate Project (the 'Project') in the State of Pernambuco, Brazil, which will complement the Company's existing Arapua Fertiliser Project ('Arapua') and expand its profile into the Northeast region of Brazil.

#### Overview

- Project comprised of seven mineral rights spanning a total area of 6,112 hectares in a predominantly agricultural state in Brazil with excellent infrastructure in place
- Developed to date by the Brazilian Geological Agency, CPRM, which has executed substantial exploration work
- CPRM estimated historical non-NI 43-101 inferred resources of 4.8 million tonnes at 4.19% P<sub>2</sub>O<sub>5</sub>
- Planned development strategy includes the certification of an international standard resource and commissioning a Preliminary Feasibility Study ('PFS'), which the Company is fully funded for, and then, subject to funding, fast-tracking the Project to production

**Brian McMaster, Chairman of Harvest, said:** *"We are excited to be expanding our activities to other agricultural regions of Brazil and leveraging our in-house experience on direct shipping ore project implementation. Given the substantial work already completed, we are confident that we can replicate the success seen at Arapua and fast-track the Project to production. Notably, as a simple Direct Application Natural Fertiliser operation, the Project also ticks the sustainable box, which is key given the growing demand for organic crop farming and increased focus on providing an all-natural solution to boost soil nutrition. We look forward to updating the market on the next steps of this value accretive acquisition and subsequent developments."*

#### Details

As part of its strategy to build its position as a producer of natural fertilisers in Brazil, Harvest is acquiring BF Mineração, a privately held company, which owns the option to acquire 100% of the Miriri Phosphate Project from a group of Brazilian individuals (the "Vendors"). BF Mineração is 100% owned by Luis Azevedo, a director of the Company, which, for structuring reasons, has purchased the option on behalf of the Company from the Vendors. Mr Azevedo is receiving no separate consideration from Harvest for facilitating this acquisition structuring.

The Company believes the Project is amenable for the fast-track development of a Direct Application Natural Fertiliser ("DANF") operation at low capex and opex similar to its producing Arapua Project. Comprised of seven mineral rights for a total area of 6,112 hectares and with excellent infrastructure in place, the Project has been developed to date by the Brazilian Geological Agency CPRM (Companhia de Pesquisa de Recursos Minerais), which executed substantial exploration work including 176 drill holes totalling 6,890 meters, aerial geophysics, and ground geochemistry.

While the Project has an estimated historical non-NI 43-101 inferred resources of 4.8 million tonnes at 4.19% P<sub>2</sub>O<sub>5</sub>, Harvest, through an independent Qualified Person, aims to undertake the certification of the resources under international standards and commission a PFS. It is anticipated that the ore will be processed through simple mining, crushing, and screening separation to deliver a widely sellable fertiliser product without the need of costly and capex intensive flotation and/or further beneficiation.

The terms of the Transaction, which will see Harvest take 100% ownership of BF Mineração and in turn exercise the option to acquire 100% of the Project, include:

- The entire share capital of BF Mineração shall be assigned to Harvest upon the payment to BF Mineração of US\$100,000 in cash, plus the issue of the equivalent of US\$200,000 in new ordinary shares in the capital of Harvest ("Ordinary Shares") at a price of £0.045 pence (being approximately the current share price), equating the issue of 3,333,333 new Ordinary Shares in Harvest;
  - The full amount of cash and new Ordinary Shares received by BF Mineração will be distributed to the Vendors immediately following receipt, and the option to purchase 100% of the Project exercised.
- Within two years of the delivery of a NI 43-101 Resource or PFS for the Project, Harvest shall issue to the Vendors the equivalent of US\$250,000 in new Ordinary Shares, calculated on a 10-day VWAP basis; and
- Following the first sales of product from the Project, Harvest shall pay US\$250,000 in cash to the Vendors.

BF Mineração was incorporated for the purpose of the Transaction, and its sole asset is the option to acquire the Project. Accordingly, it does not have a trading history.

### **Related Party Transaction**

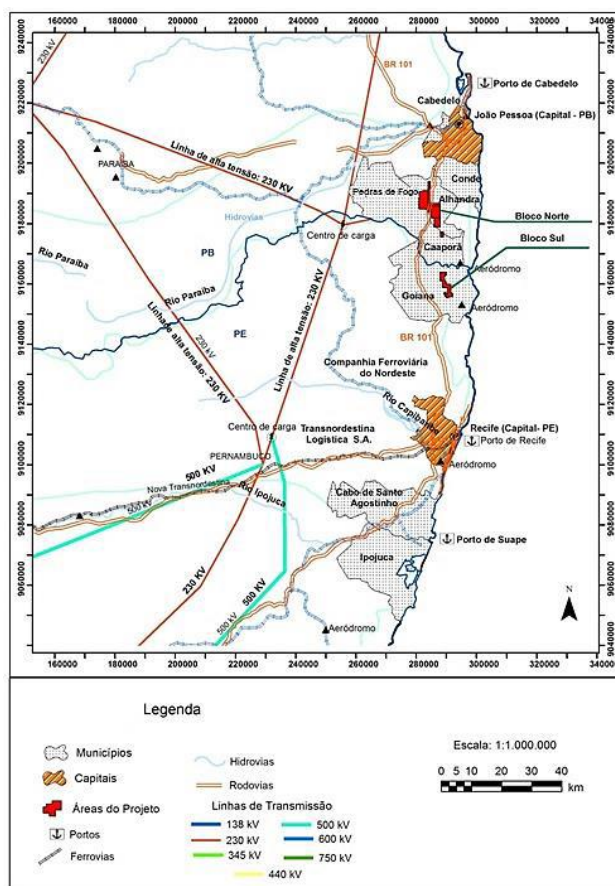
Entering into the Agreement constitutes a related party transaction under Rule 13 of AIM Rules. In this context, Brian McMaster, Jack James, and Alex Penha (being the Directors on the Board who are considered to be independent of BF Mineração) consider, having consulted with the Company's nominated adviser, Strand Hanson Limited, that the terms of the Agreement are fair and reasonable insofar as its shareholders are concerned.

### **Admission to Trading and Total Voting Rights**

The 3,333,333 new Ordinary Shares issued rank pari passu with the Company's existing Ordinary Shares. Application has been made for these new Ordinary Shares to be admitted to trading on AIM ('Admission'). It is expected that Admission will become effective and dealings in these new Ordinary Shares will commence on or around 1 December 2021.

Following the issue of these new Ordinary Shares, the total issued share capital of the Company consists of 189,169,217 Ordinary Shares with voting rights. The Company does not hold any Ordinary Shares in treasury. Therefore, the total number of voting rights in the Company is 189,169,217 and this figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

**Figure 1: Miriri DANF Phosphate Project Location and Associated Infrastructure**



**\*\*ENDS\*\***

For further information, please visit [www.harvestminerals.net](http://www.harvestminerals.net) or contact:

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