

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

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

Full Year 2023 KP Fétil® Sales Performance and 2024 Guidance

Harvest Minerals Limited, the AIM listed fertiliser producer, provides the following update on its 2023 performance and 2024 guidance in respect of sales of its organic, multi-nutrient, direct application fertiliser, KP Fétil®, from its 100% owned Arapuá Fertiliser Project in Brazil ('Arapuá').

OVERVIEW

- Orders to the end of December 2023 totaled 34,880 tonnes, of which 28,707 were invoiced in the same calendar year, and the remaining will continue to be invoiced through Q1 2024.
 - As at this date, the Company has been paid for 27,024 tonnes of the above invoiced amounts
- 7,067 tonnes of orders have been placed up to this date in 2024, of which 1,250 tonnes invoiced.
- Fertilizer demand expected still to be challenging in 2024 but signals of improvements, especially in the coffee sector, gives Board confidence to set 2024 sales guidance of 70,000 tonnes of placed orders.
- Cash position as at end 2023 of c. US\$630,000
- Company has implemented a cost reduction exercise to reflect reduced activity.

Brian McMaster, Chairman of Harvest, said: *"2023 started with a sharp drop in fertilizer prices, political changes, and along with it, a decrease in the value of agricultural commodities, mainly soybeans, which is the country's largest agricultural crop. All of this created a scenario of many uncertainties. Although soybean prices remain low, fertilizer values began to stabilize since the end of 2023, bringing a little more predictability and to our particular advantage, coffee crops in our target region are expected to have a year of growth. We have already started the year by booking meaningful orders, and the sales team is signaling positively for this year's goal of 70k tonnes. The Company has implemented sharp cost reductions while it has kept key commercial efforts and renewed strategy to reap the benefits of an expected better market in 2024."*

FURTHER INFORMATION

2023 / YTD 2024 Sales at Arapuá Fertiliser Project

In 2023, Harvest received new orders totalling 34,880 tonnes for its KP Fétil® product produced at its Arapuá Fertiliser Project in Brazil, of which 28,707 were invoiced by end of the year and the remaining orders are being invoiced through Q1 2024. Regrettably, approximately 8,469 tonnes of placed orders at the end of September of 2023 were cancelled by clients in the last quarter of the year due to unforeseen operational and financial issues with such clients.

Orders to date in early 2024 have amounted to 7,067 tonnes, or 20% of the total volume of 2023. While the market prospects are still uncertain, the coffee crops in our target regions are signaling for a modest growth and we are positioned to reap the benefits of an increased volume of fertilizer orders.

Update on 2022 invoice collection

Cash is gradually being received upon delivery for the total of orders invoiced in 2022. At the end of 2023, approximately 11,620 tonnes have been delivered. We continue to work with customers which have placed the orders in 2022 but which have not yet agreed to take delivery of the product from our storage facility. We have also started to seek ways to legally enforce the deliveries. As a reminder for Shareholders, accounting regulations that the Company is subject to require delivery of the product to have occurred for revenue to be recognised in the financial statements.

Financial position

At the end of 2023, the Company's cash position was R\$3.1 million (approximately US\$630,000), including about a third held as cash collateral with financial institution.

Harvest has implemented a sharp cost reduction exercise across all its departments, especially in the commercial and mine operations activities, in order to reflect reduced activities. Approximately 50 per cent. of the mine workforce has been let go once sufficient product inventory had been built up, together with a cut back in agronomic trials and exploration activities. Additionally, all director fee payments have been suspended since mid 2023.

Outlook

Given the historic expectation that approximately 80% of sales are seasonally placed in the second half of the year and, factoring in the orders placed up to the date of this press release, we are setting a guidance target of 70,000 tonnes to the year of 2024 and will keep the market informed of the performance as we advance the year.

****ENDS****

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019 ("UK MAR").

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