

AMMAROO PHOSPHATE PROJECT – PROGRESS UPDATE

The Ammaroo Phosphate project bankable feasibility study (BFS), environmental approvals process and associated development activities continue to progress in order to de-risk the project and underpin the project's value.

HIGHLIGHTS

- The company has been advised that it has received approval from the Northern Australia Infrastructure Facility (NAIF) to proceed to the due diligence phase for the Ammaroo Phosphate Project. This does not yet involve a commitment by NAIF to provide finance for the Project, but a commitment to allocate further NAIF resources to assessing the Project and its potential suitability for NAIF finance. This follows the strategic assessment phase, which involved preliminary assessment of the project.
- The Company continues discussions with regional buyers of phosphate rock with a view of establishing the off-take agreements and partnerships that will be necessary to underpin project financing.
- A draft Environmental Impact Statement (EIS) is currently undergoing internal review and adequacy checks before formal submission in October 2017.
- The bulk pilot floatation beneficiation trial has formally commenced at Corem following on from successful confirmatory bench-scale floatation test work and additional test-work on an alternate milling strategy.
- BFS activities are progressing with detailed engineering design underway for critical elements including the beneficiation plant and rail spur, mine planning, and commencement of discussions with providers of rail and port capacity as well as potential gas suppliers.
- Access authority and other tenement applications for the transport corridor, gas pipeline, construction gravel pits and water pipeline easements have been submitted to the NT Government for approval.

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MAJOR PROJECTS – Ammaroo Rock Phosphate | Karinga Lakes Sulphate of Potash

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PROJECT SCHEDULE

The impact of additional milling strategy test work highlighted above has been a delay of approximately six weeks to the overall schedule for the BFS. As the phosphate ore is relatively friable, a different milling technology was trialled to reduce the proportion of ultra-fines produced that would normally be lost in the process and inhibit flotation efficiency. The outcome of this additional work has been positive and should lead to improved phosphate recoveries, lower initial capital in the beneficiation plant and lower power usage, which should have a positive impact on operating costs.

Accordingly it is expected that the BFS will not be completed until Q1 2018 rather than end of 2017 as originally targeted.

ENVIRONMENTAL IMPACT STATEMENT

The EIS is the critical component that initiates the government approvals process. The formal submission of the EIS will trigger a six week public review and assessment period. Over the last few weeks, the Company and its consultants have engaged with key Northern Territory Government regulators and the Northern Territory Environmental Protection Authority to discuss the key environmental impacts of the project. Discussions have included the company's plans to mitigate these impacts with a view to facilitating understanding and alignment among the assessing authorities prior to formal submission.

Although this consultation process has delayed our initial September target for formal submission by a number of weeks, it is hoped that this will avoid lengthy supplementary submissions after the initial assessment period and accelerate final sign-off by the Minister (expect this to occur in early 2018).

BULK FLOATATION BENEFICIATION TRIAL

This programme of work is critical in underpinning the process flowsheet design, plant engineering and project economics. Importantly, this work will provide approximately ten tonnes of phosphate rock concentrate that can be tested by prospective customers, as well in pending programs of test work to assess product flow characteristics to support design of transport infrastructure and storage, drying characteristics and phosphoric acid conversion.



The flotation pilot plant set up at Corem, Quebec, Canada.

Managing Director Chris Tziolis stated that *“the Company is pleased with the positive progress to date in moving the Ammaroo Phosphate project ahead. Although the completion target date has been pushed out due to a decision to undertake additional milling test work, the outcomes of which have been positive, it is critical to ensure the technical parameters of the project are clearly defined to ensure future capital and operating costs can be minimised and allocated appropriately. We are focused on achieving our objectives of taking the Ammaroo phosphate project to a bankable level of feasibility, with a licence to operate and sufficient off-take to underpin the financing of the project.”*

Chris Tziolis
Managing Director

About Verdant Minerals

Verdant Minerals Ltd's (ASX: VRM) strategic intent is to create shareholder value through the discovery, development and operation of fertiliser and industrial mineral projects, located in close proximity to existing transport infrastructure, focused on the Northern Territory of Australia.

The Company is currently developing its 100% owned world class Ammaroo Phosphate Project which has commenced a bankable feasibility study and environmental approvals processes. In addition the Company is the proponent of sulphate of potash projects in the Northern Territory and South Australia and the Dingo Hole Silica project, located in the Northern Territory, which has the potential to produce a high purity quartz product.

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