



For personal use only



# 2018

## ANNUAL REPORT

Verdant Minerals Ltd  
ABN 33 122 131 622

# VERDANT MINERALS LTD

## CORPORATE DIRECTORY

**Directors:** James Whiteside Chairman and Non-Executive Director  
Mr Jason Conroy Non-Executive Director  
Mr Robert Cooper Non-Executive Director  
Mr Chris Tziolis Managing Director

**Company Secretary:** Mr Bruce Arnold Chief Financial Officer

**Verdant Minerals Ltd:** **ABN 33 122 131 622**

**Notice of Annual General Meeting:** Annual General Meeting of Verdant Minerals Ltd  
Held at: Ashurst Lawyers  
Level 26  
181 William Street,  
Melbourne, Vic 3000  
Time: 11.00 am  
Date: Thursday 29<sup>th</sup> November 2018

**Head Office:** Unit 20 Post:  
90 Frances Bay Drive GPO Box 775  
Stuart Park, Northern Territory, 0820 Darwin NT 0801  
Telephone: + 61 8 8942 0385  
Facsimile: + 61 8 8942 0318

**Registered Office:** Unit 20  
90 Frances Bay Drive  
Stuart Park, Northern Territory, 0820

**Share Registry:** Computershare Investor Services Pty Limited  
Yarra Falls  
452 Johnston Street  
Abbotsford, Victoria 3067  
Telephone: 1300 850 505 (within Australia)  
+ 61 3 9415 4000 (outside Australia)  
Facsimile: + 61 3 9473 2570

**Auditor:** KPMG  
Chartered Accountants  
18 Smith Street  
Darwin, Northern Territory, 0800

**Stock Exchange Listing:** ASX Limited  
Securities Code - VRM: *Shares*

**E-mail:** [info@verdantminerals.com.au](mailto:info@verdantminerals.com.au)

**Website Address:** [www.verdantminerals.com.au](http://www.verdantminerals.com.au)

For personal use only

# VERDANT MINERALS LTD

---

## MISSION STATEMENT

Verdant Minerals Ltd (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.

Verdant Minerals Ltd's portfolio of projects includes the global-scale Ammaroo Phosphate Project, the Karinga Sulphate of Potash Project and the Dingo Hole Silica Project.

## ANNUAL REPORT – 30 JUNE 2018

### Contents

	Page
Operations Review	3
Resource and Reserve Register	24
Directors' Report	26
Remuneration Report (forming part of Directors' Report)	31
Corporate Governance	38
Auditor's Independence Declaration	39
Annual Financial Report – 30 June 2018	40
Tenement Schedule	73
Additional Shareholder Information	75

For personal use only

## CHAIRMAN'S LETTER

Verdant Minerals Ltd is pleased to report that it has made significant progress during the course of the year to finalise the opportunity to commercially develop the Ammaroo Phosphate project that has the potential to be the first step in the evolution of a significant phosphate fertiliser province in the western Georgina Basin of the Northern Territory.

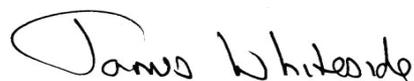
Most importantly, in May, the company completed the Feasibility Study phase of the project, to enable a Class 3 (+/-15%) capital cost to be determined for the construction of a 2 million tonne phosphate rock beneficiation plant, with an ungeared, post tax internal rate of return ("IRR") of 18.1%. Achieving this important milestone has allowed discussions to advance with a number of parties considering further investment and/or taking offtake from the project. The Company entered into two phosphate rock offtake MOU's with Wilson International Trading, the buyer for Greenstar Fertilisers Phosphoric Acid production facilities in India and Ameropa Ltd, a significant local consumer of phosphate rock for their Superphosphate plant in Tasmania, and a substantial international trader.

Approval from the Federal Government's Department of Environment and Energy was achieved in June of this year. Work now continues to secure the important final components of the feasibility study, namely securing environmental approval from the Northern Territory Government, and finalising a Native Title Agreement with the indigenous community, negotiated via the Central Land Council. Both these streams of work are expected to be complete in the very near future.

Given the delays in gaining these approvals, shareholders will be aware that the company raised approximately \$2 million in June by way of a placement of ordinary shares to a number of institutions and high net worth individuals. These funds are being used to allow us to continue to pursue the outstanding approvals, continue confirmatory and optimisation work on the design of the beneficiation plant and to further our engagement with industry in pursuit of commercial partners.

The Chairman and the Managing Director have continued to discuss the project with a number of global fertiliser companies and potential off-takers, and have a continued line of dialogue with a number of these companies who are keenly tracking our progress. We continue to be encouraged by the interest shown by a number of parties, a number of which are awaiting the successful conclusion of the approvals process before more actively engaging.

In conclusion, I would once again like to thank our Managing Director Chris Tziolis, the small team he oversees and my fellow directors, Rob Cooper and Jason Conroy, for their tireless work throughout the year. Finally, I would also like to acknowledge the support and patience of our shareholders, and assure you that the Company remains committed to a successful commercialisation of the Ammaroo Phosphate Project and of realising its significant value to shareholders.



**James Whiteside**  
Chairman

## OPERATIONS REVIEW

### HIGHLIGHTS AND ACHIEVEMENTS

#### **Health, Safety, Environment and Community**

- 400 hours of field work were conducted throughout the year. There were no Lost Time Injuries (LTIs) reported and no reportable environmental incidents

Project	Field Hours Worked
Ammaroo	318
Karinga Lakes	82
<b>Total</b>	<b>400</b>

Table 1. Field hours worked in each project.

- A number of community consultations were conducted in the region as part of developing the Draft Environmental Impact Statement (Draft EIS) and the Native Title Agreement for the Ammaroo Phosphate Project

#### **Corporate**

- Jason Conroy, an experienced finance executive, was appointed to the Board on 7 August 2017
- Option Deed exercised to settle Royalty on Ammaroo Tenements by share issue
- A \$2 million placement with institutional and sophisticated investors was completed on 14 June 2018
- Cash Balance of \$2.7 million at 30 June (including secured Term Deposits of \$210k held against security guarantees)

#### **Phosphate**

The Ammaroo Phosphate project continued its progress towards development

- The Ammaroo Phosphate project Feasibility Study for a stage 1 development of 1 million tonnes per annum of phosphate rock concentrate with a subsequent stage 2 expansion to 2 million tonnes per annum was completed during the year. The Study demonstrated the project's technical and economic feasibility when developed in accordance with the prescribed design criteria. The results of the feasibility study were released to the ASX on 17 May 2018
- A non-binding offtake MOU for the potential sale of up to 100,000 tonnes per annum of rock concentrate to Ameropa Australia Pty Ltd was announced to the ASX 21 May 18. This is in addition to the Offtake MOU with Wilson International Trading, the buyer for India's Greenstar Fertilisers, for 350,000 tonnes per annum. Discussions with a number of other buyers of phosphate rock in the Asia Pacific region continue. The company's view is that the transition of off-take discussions will benefit from the completion of environmental approvals and a line of sight to project financing and commercial viability
- Federal Government environmental approval has been received for the Ammaroo Project and was announced to the ASX on 25 June 2018
- The Supplement to the Environmental Impact Statement underwent an adequacy review by the NTEPA during the financial year. Feedback was received which required additional work to be completed by Verdant Mineral's Environmental Consultants and further consultation with the NTEPA and a number of NT Government Departments. This work is now complete and the Supplementary EIS has been formally submitted to the NTEPA after the end of the financial year
- The Company met with Native Title Holders in mid-May at Ampilatwatja and presented its proposed terms and compensation package as per the draft Native Title Agreements. Negotiations regarding specific terms of the agreement have continued with the Central Land Council (CLC), who represents the Native Title Holders

## OPERATIONS REVIEW

### ***Sulphate of Potash***

- Consolidated Potash Corporation (CPC, formerly Aqua Guardian Group) and its corporate affiliate Activated Water Technologies (AWT) continued to test the performance of the aMES™ technology on brine and salt samples sourced from the Karinga Lakes project. Significant progress continues to be made in process flow sheet design improvements, including successful validation that potassium sulphate (SOP) can be produced from the Karinga Lakes with aMES™ technology, without the need for flotation and its associated reagents and fresh water usage. In order to scale-up the highly encouraging laboratory scale aMES™ test work, AWT and its strategic research partner, Victoria University's Institute for Sustainable Industries & Liveable Cities, have designed and are constructing, a larger capacity aMES™ pilot plant, that will assist in further optimising and validating the sulphate of potash flow sheet design. Testing with a pilot plant is being planned for the fourth Quarter of 2018
- Given the potential of aMES™ technology to eliminate the capital and operating costs of a remote fresh water bore field and a flotation plant, and is also anticipated to require substantially less reagents during SOP processing, the Karinga Lakes project partners continue to be encouraged by the transformative potential of the technology in the extraction of valuable minerals from salt lake brine resources

### **High Purity Quartz**

- Project covers approximately 117 hectares of silica outcrop. Outcrops located 10km from the Ammaroo Phosphate Project. First-pass chemical analysis of visually-selected rock chip samples indicates potential to produce quartz that meets the industry IOTA standard for HPQ.  
The results show that:
  - All of Dingo Hole samples tested were found to contain greater than 99.94% SiO<sub>2</sub> before beneficiation tests
  - Initial processing tests confirmed that HPQ levels of purity could be reached but bubbles caused by small amounts of carbonate impurities in the substrate product would limit its utility
- Recent research conducted in conjunction with a Tier 1 Australian University successfully produced samples of clear glass substrate which may be suitable for use as LED/OLED glass substrate from Dingo Hole silica samples. The proprietary methods developed have enabled the removal of the bubbles associated with small quantities of carbonate elements within the silica which appear when melted at very high temperatures. The glass substrate samples, produced at laboratory scale, align with the high purity chemical and optical qualities required in this market

PHOSPHATE PROJECTS

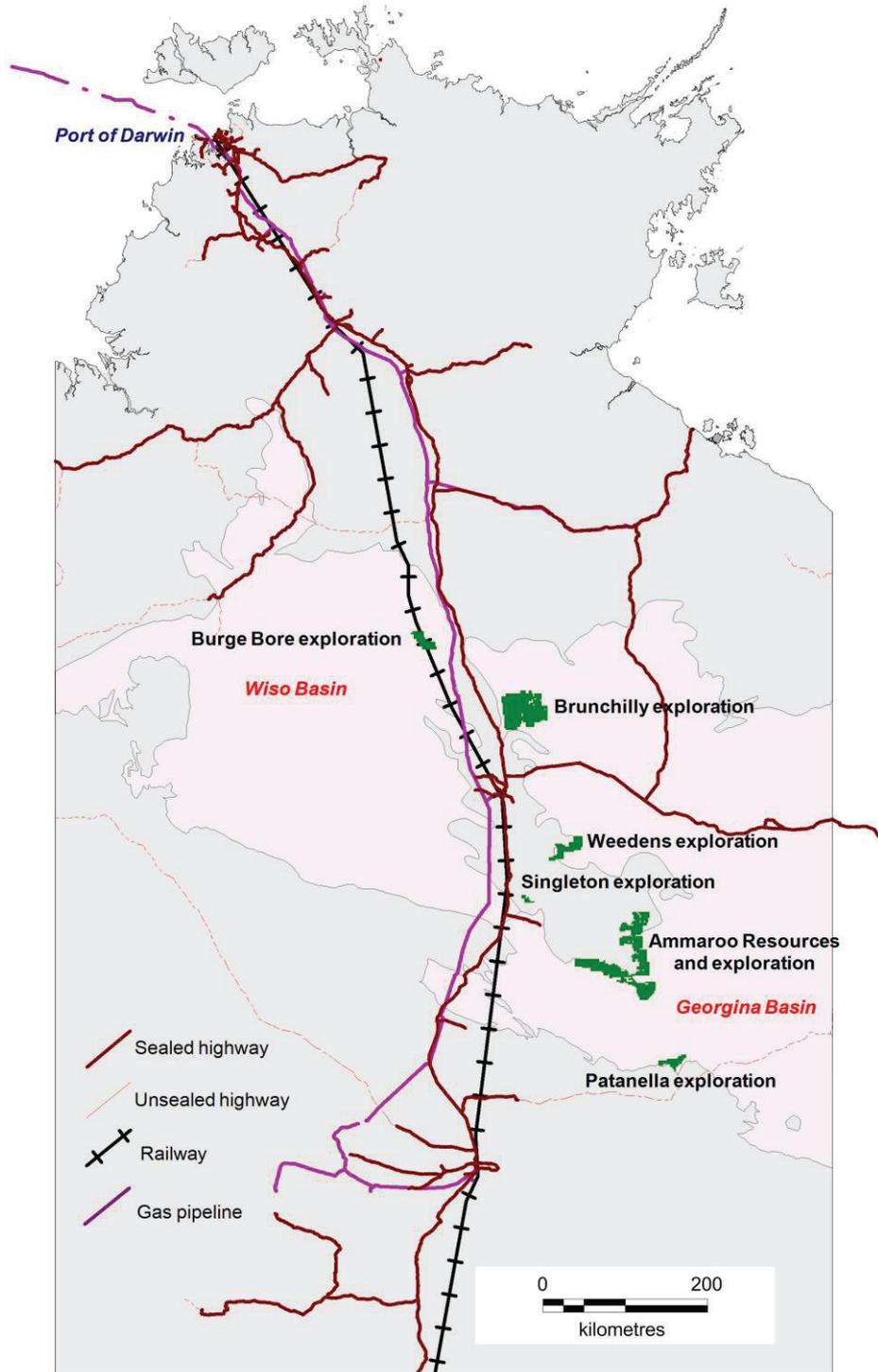


Figure 1. Phosphate projects in the Georgina and Wiso Basins (shown in pink) in relation to transport infrastructure and gas pipelines (pink lines).

For personal use only

## OPERATIONS REVIEW

### AMMAROO PHOSPHATE PROJECT, NT

The Ammaroo Phosphate Project is located 200 km southeast of Tennant Creek. The project area contains the billion tonne 40 km long Ammaroo Phosphate JORC Resource, the satellite Ammaroo South JORC Resource, the Rockhole Exploration Target, and significant greenfields potential in the east. The Feasibility Study has been completed, the Federal environmental approval has been received and the Northern Territory Environmental Impact Assessment is nearing completion.

#### Ammaroo Project Tenement Rationalisation

A rationalisation of the Ammaroo Projects titles is underway. The aim is to reduce the patchwork of 12 historical ELs (some dating back over 10 years) to the minimum number possible while still retaining the same overall landholding securely under ELRs (Exploration Licence in Retention). When completed, this rationalisation will have one deposit or prospect per EL, rather than having phosphate entities spread over multiple contiguous ELs. It will also simplify dealings with stakeholders and will reduce rental payments to NT Government. The interim tenement situation at the end of the financial year is shown below. Offers of grant for the new ELs were received after the end of the financial year.

Tenement	Area	Blocks	Comment	Expiry	Holder
ELA 31789	759.58 km <sup>2</sup>	238	application 27/12/2017	6 years from grant	Territory Phosphate
ELA 31790	746.27 km <sup>2</sup>	233	application 27/12/2017	6 years from grant	Territory Phosphate
ELA 31791	798.47 km <sup>2</sup>	250	application 27/12/2017	6 years from grant	Territory Phosphate
EL 24726	63.91 km <sup>2</sup>	20	grant 01/04/2008	31/03/2020	Territory Phosphate
EL 25184	60.72 km <sup>2</sup>	19	grant 19/04/2007	18/04/2019	Territory Phosphate
MLA 29463	5,912 hectares	na	application 30/03/2012 amended 29/09/2017	30 years from grant	Territory Phosphate
MLA 29854	6,072 hectares	na	application 14/02/2013 amended 29/09/2017	25 years from grant	Territory Phosphate
MLA 31713 (borefield)	171.00 hectares	na	application 22/09/2017	30 years from grant	Territory Phosphate
MLA 31717 (ballast quarry)	161.17 hectares	na	application 25/09/2017	25 years from grant	Territory Phosphate

Table 2. Ammaroo phosphate titles as of 30 June 2018 excluding ELR applications.

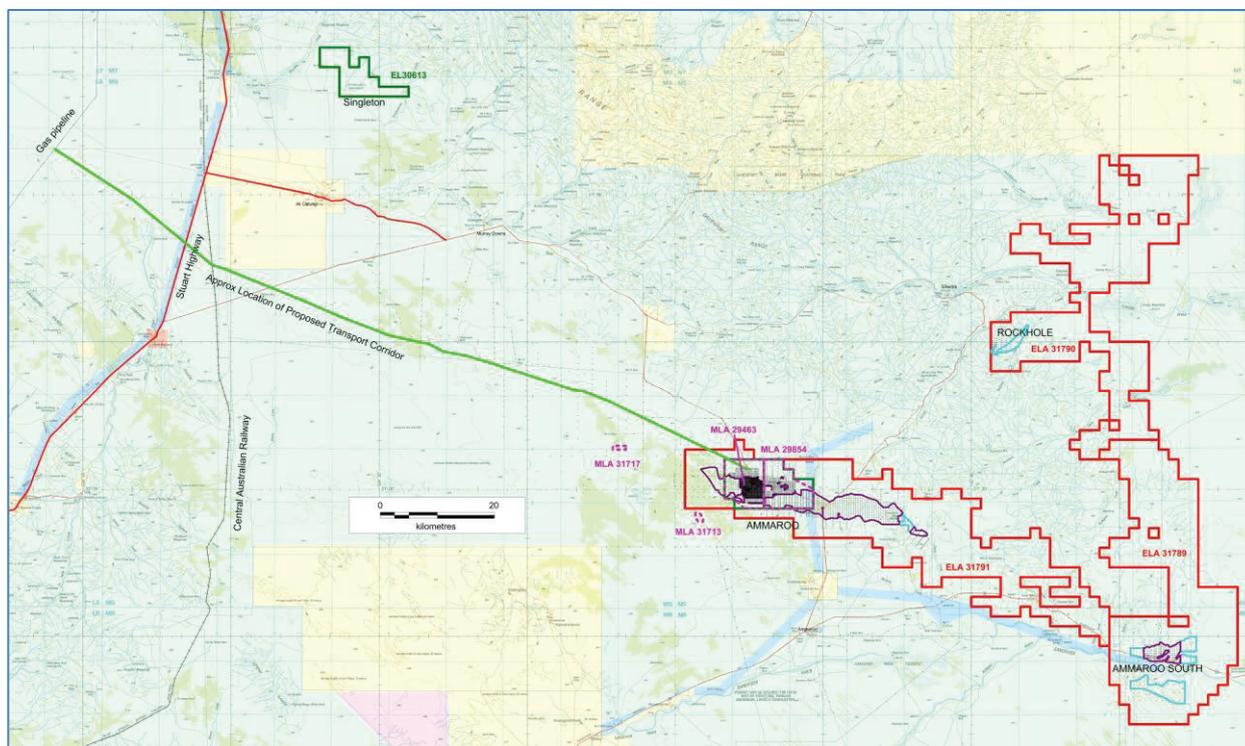


Figure 2. Tenement status as of 30 June 2018, showing granted ELs in dark green, new EL applications in red, and ML applications in dashed pink. ELR applications which are coincident with the old ELs are not plotted. All drilling including in areas now relinquished is shown as black dots. JORC resources are outlined in purple and areas of independently estimated exploration potential are outlined in light blue. Proposed new infrastructure being evaluated in the BFS is shown in light green. The green tone background is pastoral lease and the yellow is Aboriginal land.

## OPERATIONS REVIEW

### Rockhole Exploration Target Statement

On 7 August 2017, the company announced an independently assessed Exploration Target for its Rockhole Phosphate Prospect, located 51 km to the north of the Ammaroo Project, of approximately 40 Mt to 70 Mt at 17% to 24% P<sub>2</sub>O<sub>5</sub> at a cut-off grade of 10% P<sub>2</sub>O<sub>5</sub> or approximately 30 Mt to 50 Mt at 20% to 27% P<sub>2</sub>O<sub>5</sub> at a cut-off grade of 15% P<sub>2</sub>O<sub>5</sub>. These estimates are based on broad-spaced drilling information of uncertain reliability. The potential quantities and grades are conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain that future exploration will result in estimation of a Mineral Resource.

### Environmental Impact Assessments

Federal Government environmental approval under the EPBC Act was announced to the ASX on 25 May 2018. The Supplementary EIS response to the NT EPA was submitted after the end of the financial year.

### Feasibility Study

The Feasibility Study (FS) announced 17 May 2018 confirmed that the Ammaroo Phosphate Project is technically feasible and will deliver positive economic benefits, if developed in accordance with the prescribed design criteria. The business case was established around an initial project (Stage 1, installed cost of A\$368M) to produce 1 million tonnes per annum of phosphate rock concentrate. Enabling infrastructure including a rail spur, gas pipeline and water supply infrastructure for the whole mine life and beyond would be constructed during Stage 1. This will be followed by a replication of the Stage 1 processing and site infrastructure during year 5 to produce 2 million tonnes per annum of rock concentrate from year 6 for a 20 year mine life (Stage 2, A\$200M). Initial 20 year mine life represents utilization of approximately 8% of the known Ammaroo JORC 2012 Mineral Resource and does not include the inferred resource at Ammaroo South or the exploration potential of the Rockhole prospect. Production is based on conventional truck and shovel open pit mining and a screening, crushing, grinding and flotation circuit to produce a low cadmium, high quality rock concentrate at approximately 33% P<sub>2</sub>O<sub>5</sub>. Ore Reserve for the first 9.5 years of production of 32.5 Mt at 18.2% P<sub>2</sub>O<sub>5</sub> at a cut-off grade of 10% P<sub>2</sub>O<sub>5</sub> which has converted approximately 10.8% of the current Measured and Indicated Mineral Resource to Ore Reserve.

Parameter	Unit	Base Case
Life of Mine net cash flows	A\$m	1,973
Average EBITDA Stage 1 yrs 1-5	A\$m	74
Average EBITDA Stage 2 yrs 5-10	A\$m	166
Project NPV @10% nominal ungeared, post tax	A\$m	344
Project IRR, ungeared, post tax	%	18.1
Equity NPV @15% nominal geared, post tax	A\$m	169
Equity IRR, geared, post tax	%	24.9

Table 3. Key elements of the Feasibility Study.

The business case has been built on the export of phosphate rock concentrate to regional markets, including India, Indonesia, southeast Asia, north east Asia as well as Australia and New Zealand. The project also presents a compelling opportunity for large scale global participants in the fertiliser industry to build downstream phosphoric acid and fertiliser production capacity in northern Australia, utilizing Ammaroo Phosphate rock.

### Offtake MOUs

A non-binding offtake MOU was signed (announced to the ASX 19 March 2018) with Wilson International Trading Limited for up to 350,000 tonnes per annum of phosphate rock concentrate or other phosphate products produced at Ammaroo. Wilson International Trading procures up to 1 million tonnes per annum of phosphate rock concentrate for Greenstar Fertilizers, one of India's leading manufacturers and marketer of fertilisers.

A second non-binding offtake MOU for potential sale of up to 100,000 tonnes per annum of the Ammaroo rock concentrate to Ameropa Australia Pty Ltd was signed 21 May 2018. Ameropa Australia is one of Australia's leading manufacturers and marketers of fertilisers and currently imports over 100,000 tonnes of phosphate rock into Hobart Tasmania, for conversion to single super phosphate. It is a 100% subsidiary of Ameropa AG, a Swiss based privately owned agribusiness producing and marketing fertilisers and grains globally. This is the second potential offtake agreement for this project.

## OPERATIONS REVIEW

Offtake discussions continue with other regional importers of phosphate rock and an additional two fertilizer manufacturers have requested and received samples of Ammaroo Rock Concentrate for assessment during the year. The company's view is that the transition of off-take discussions will benefit from the completion of environmental approvals and a line of sight to project financing.

### **Native Title Agreement**

The Company met with Native Title Holders several times, most recently in mid-May at Ampilatwatja and presented its proposed terms and compensation package as per the draft Native Title Agreements. Negotiations regarding specific terms of the agreement have continued with the Central Land Council (CLC), who represents the Native Title Holders. What is hoped to be a final negotiation meeting with the CLC was scheduled for August 2018.

### **Northern Australian Infrastructure Facility**

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.

## SINGLETON PHOSPHATE PROJECT, NT

EL 30613, close to the railway as shown in Figure 2 previously, covers potentially prospective rocks which were intersected in waterbores and any potential phosphate would be above the watertable. There has been no on-ground work to date.

Tenement	Area km <sup>2</sup>	Blocks	Grant	Expiry	Holder
EL 30613	67.42	21	15/06/2015	14/06/2021	Territory Phosphate Pty Ltd

Table 4. Singleton EL.

## OPERATIONS REVIEW

### PATANELLA PHOSPHATE PROJECT, NT

The Patanella project, formerly called Lucy Creek, is 265 km northeast of Alice Springs, 155 km southwest of the Ammaroo Resource and 100 km south-southeast of Ammaroo South on the southern margin of the Georgina Basin. The project contains the Patanella Prospect of approximately **50 Mt and 100 Mt at 10% to 17% P<sub>2</sub>O<sub>5</sub> at a cut-off grade of 5% P<sub>2</sub>O<sub>5</sub> or approximately 20 Mt to 50 Mt at 15% to 20% P<sub>2</sub>O<sub>5</sub> at a cut-off grade of 10% P<sub>2</sub>O<sub>5</sub>**. This was announced to the market on 24 June 2014 and has not changed since. These estimates are based on variably broad-spaced drilling information of uncertain reliability. The potential quantities and grades are conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain that future exploration will result in estimation of a Mineral Resource. There was no on-ground work this year.

Tenement	Area km <sup>2</sup>	Blocks	Grant	Expiry	Holder
EL 24716	187.11	59	01/12/2005	30/11/2019	Territory Phosphate Pty Ltd
EL 24724	47.57	15	02/12/2005	01/12/2019	Territory Phosphate Pty Ltd

Table 5. Patanella Project ELs.

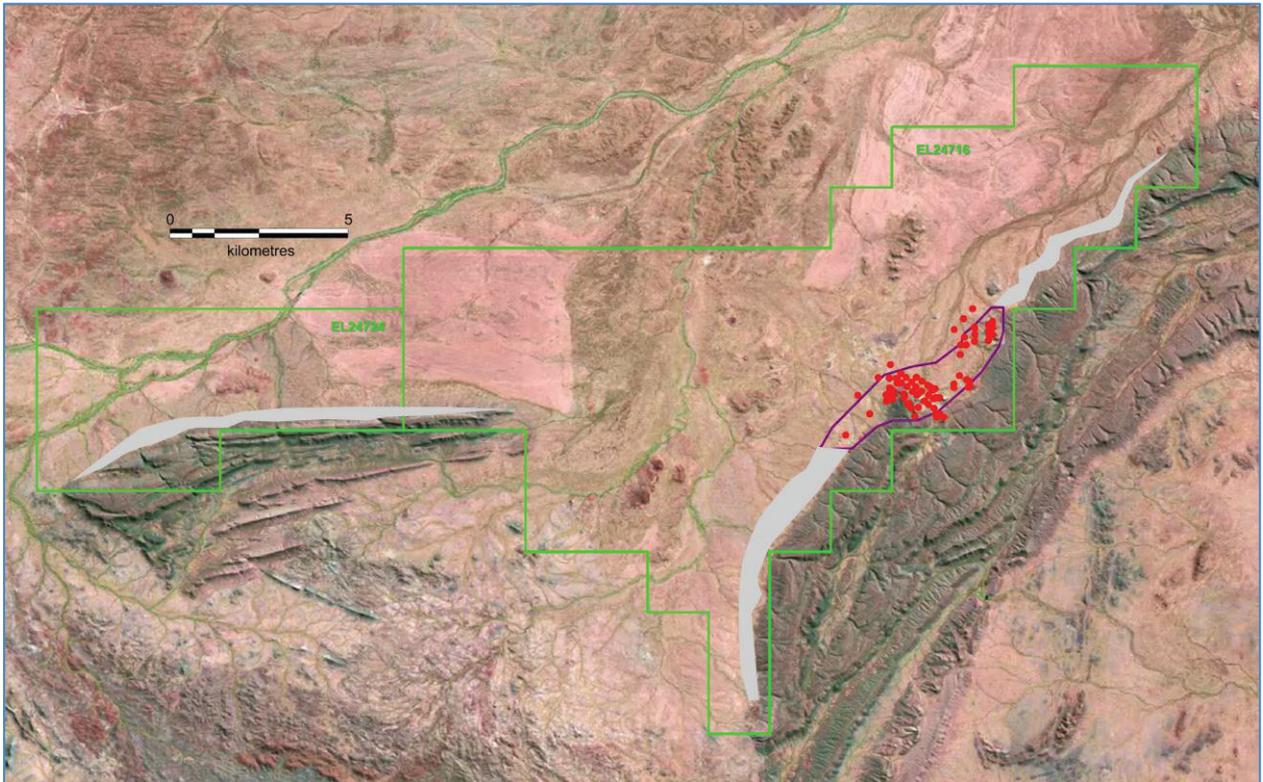


Figure 3. Patanella Prospect Exploration Target outlined in purple, existing drillholes as red dots and the prospective interval in grey. This extrapolation is based on encouraging rock chip and soil sampling conducted by Central Australian Phosphate and previously announced by them.

OPERATIONS REVIEW

BRUNCHILLY PHOSPHATE PROJECT, NT

The Brunchilly Project consists of three contiguous phosphate ELs near Tennant Creek. The area has previously been targeted for Cambrian phosphate, in separate but coeval projects, by Minemakers and Vale. Minemakers and a Minemakers-Geotech JV mapped out a prospective 35 km long by 10 km wide northwest-trending Cambrian embayment, partly based on soil sampling. The partners planned to drill but the joint venture was dissolved as Minemakers focused on its Wonarah deposit. This target zone is in the northern part of the Brunchilly Project and remains untested. Vale previously held only the southern part of the Brunchilly Phosphate Project. Vale commissioned a waterbore study by CSIRO. Of the 12 waterbores within the Brunchilly Project area tested during that study, three were rated as highly prospective and five as moderately prospective. Vale did not adequately drill test the area. Research by Verdant Minerals has identified highly anomalous vanadium (>500 ppm, best of 2,160 ppm). Such levels of vanadium are known to be a halo around some high grade Georgina Basin phosphate deposits and could be a vector to phosphate. The geological interpretation of NTGS drillhole 96/1 north of the applications was confirmed and the HyLogger data checked. All this adds credence to the geological rationale for Brunchilly. Group reporting has been approved and an MMP for approval of reconnaissance drilling was submitted to stakeholders. The company is again reviewing the future of these tiles.

Tenement	Area km <sup>2</sup>	Blocks	Grant Date	Expiry	Holder
EL 30222	768.25	236	15/10/2014	14/10/2020	Territory Phosphate Pty Ltd
EL 30223	507.24	156	15/10/2014	14/10/2020	Territory Phosphate Pty Ltd
EL 30224	718.44	221	15/10/2014	14/10/2020	Territory Phosphate Pty Ltd

Table 6. Brunchilly phosphate titles.

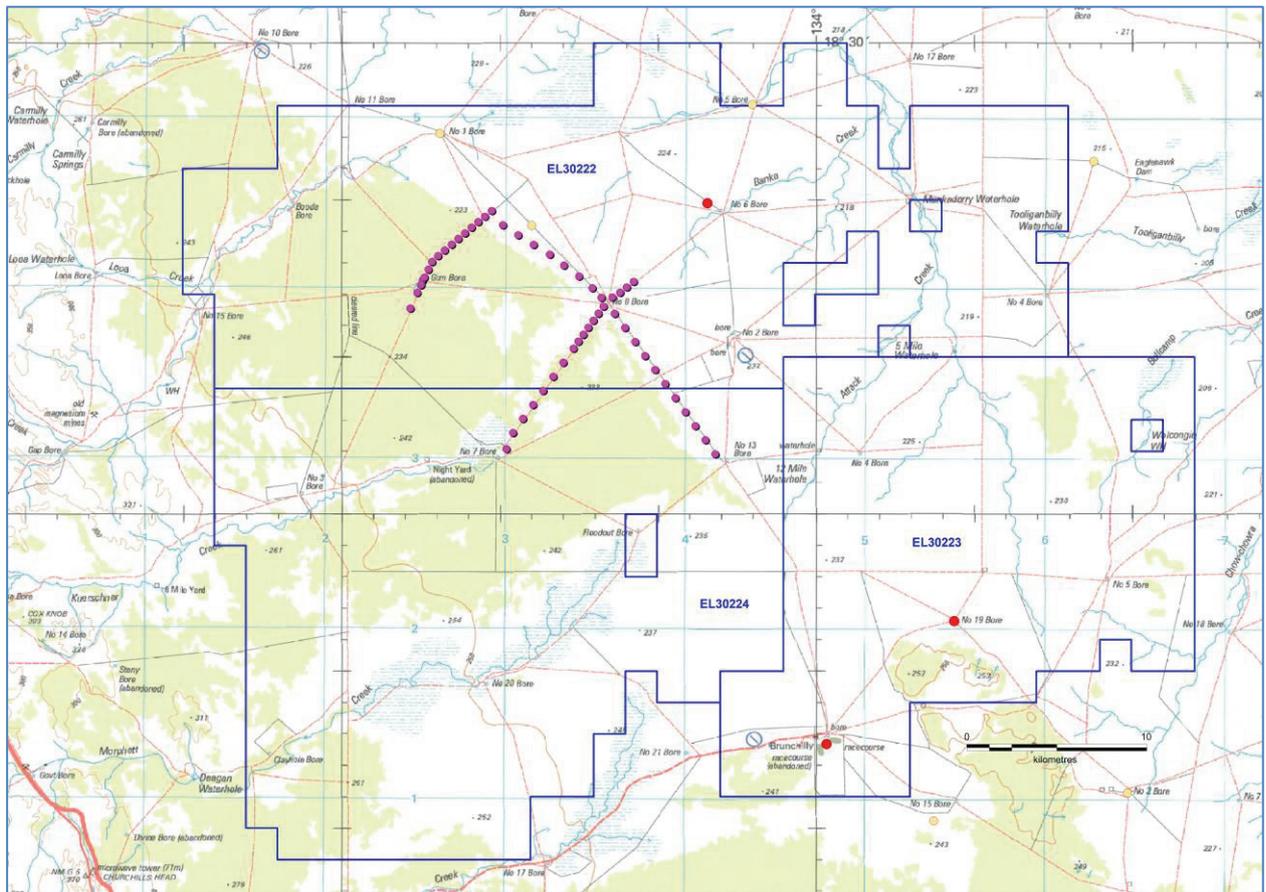


Figure 4. Brunchilly Project area showing waterbores rated as highly prospective for phosphate by CSIRO/Vale (red) and moderately prospective (yellow). Minemakers' soil sampling, which also gave some encouraging results, is shown in pink.

For personal use only

OPERATIONS REVIEW

BURGE BORE PHOSPHATE PROJECT, NT

This is a single EL that straddles the Central Australian Railway. Waterbore intercepts of phosphate indicate prospectivity. Geophysical data and the MIRA depth to basement modelling indicate a favourable setting straddling an eroded basement ridge. An in-house study of the available data confirmed the prospectivity. There was no on-ground work this year.

Tenement	Area km <sup>2</sup>	Blocks	Grant Date	Expiry	Holder
EL 30225	352.87	108	15/05/2015	14/05/2021	Territory Phosphate Pty Ltd

Table 7. Burge Bore phosphate title.

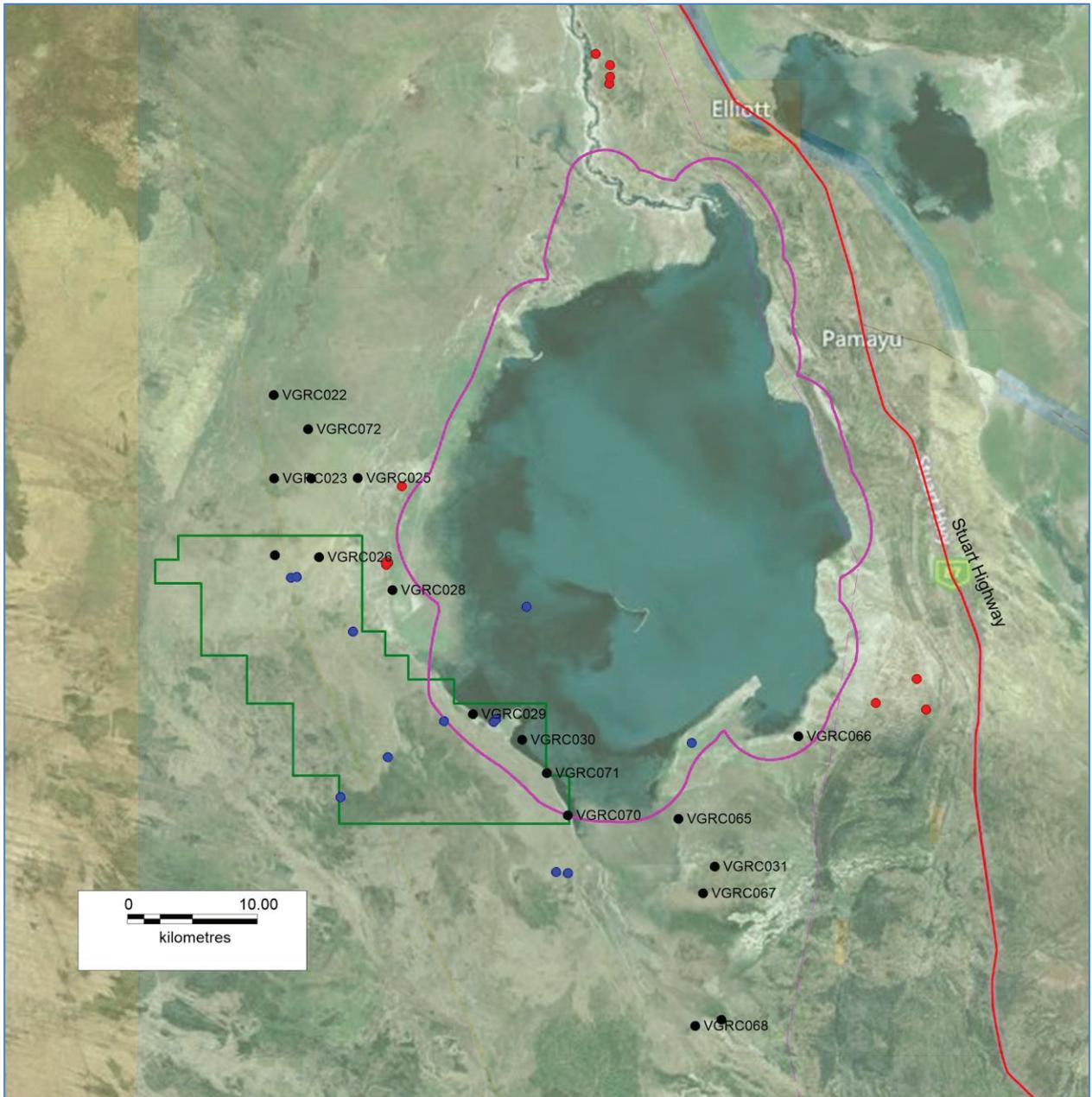


Figure 5. The Burge Bore Project area. The pink polygon is the Lake Woods Site of Conservation Significance. This satellite image shows the maximum Wet Season extent of Lake Woods. The waterbores (blue dots), Vale exploration holes (labelled black dots) and other drillholes (red dots) used in the in-house study are shown.

For personal use only

OPERATIONS REVIEW

WEEDENS PHOSPHATE, NT

EL 30672 is held based on previous exploration in the mid 1990s for under-cover Tennant Creek IOCG deposits which showed that the Cambrian section is at least 60 m thick. The ground has only been held once previously for phosphate exploration, by Vale from 2010 to 2012. They drilled only three holes to 59 m max, 5 km apart, all of which were south of EL 30672. Vale was side-tracked by iron in the south of their former tenement package and suddenly withdrew NT-wide without testing the area now applied for. Territory Phosphate/Rum Jungle Resources compiled and studied the waterbore data from the area. This supported the geological rationale. There has been no on-ground work by Verdant Minerals and the company is again reviewing the future of this title.

Tenement	Area km <sup>2</sup>	Blocks	Grant Date	Expiry	Holder
EL 30672	447.96	139	15/05/2015	14/05/2021	Territory Phosphate Pty Ltd

Table 8. Weedens phosphate title.

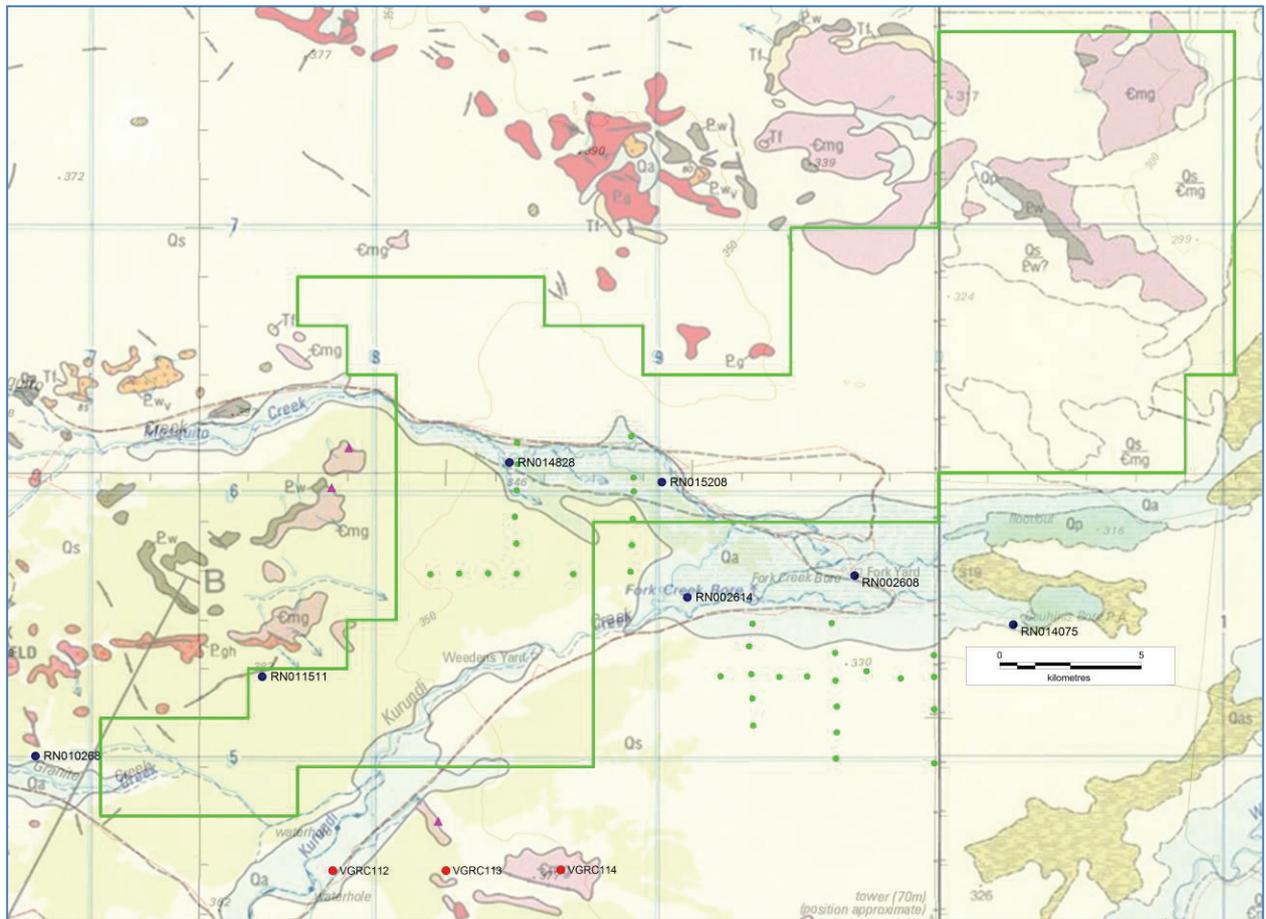


Figure 6. Previous work in the area. Green dots are percussion holes targeted on basement IOCG. Most in EL 30672 intersected prospective Cambrian stratigraphy but were not tested for phosphate. Red dots are Vale holes, 5 km apart, south of the EL. Pink triangles are Vale rock chip samples. Waterbores used in the in-house study are shown as labelled dark blue dots. The pink outcrops labelled Cmg are the few outcrops of target formation, which is otherwise under shallow surficial cover, superimposed on the topographic map. Pg is unprospective granite.

WARREGO WISO, NT

The Warrego Wiso Basin phosphate applications were re-evaluated and withdrawn because they were considered a low priority relative to Rockhole and Brunchilly.

SULPHATE OF POTASH PROJECTS

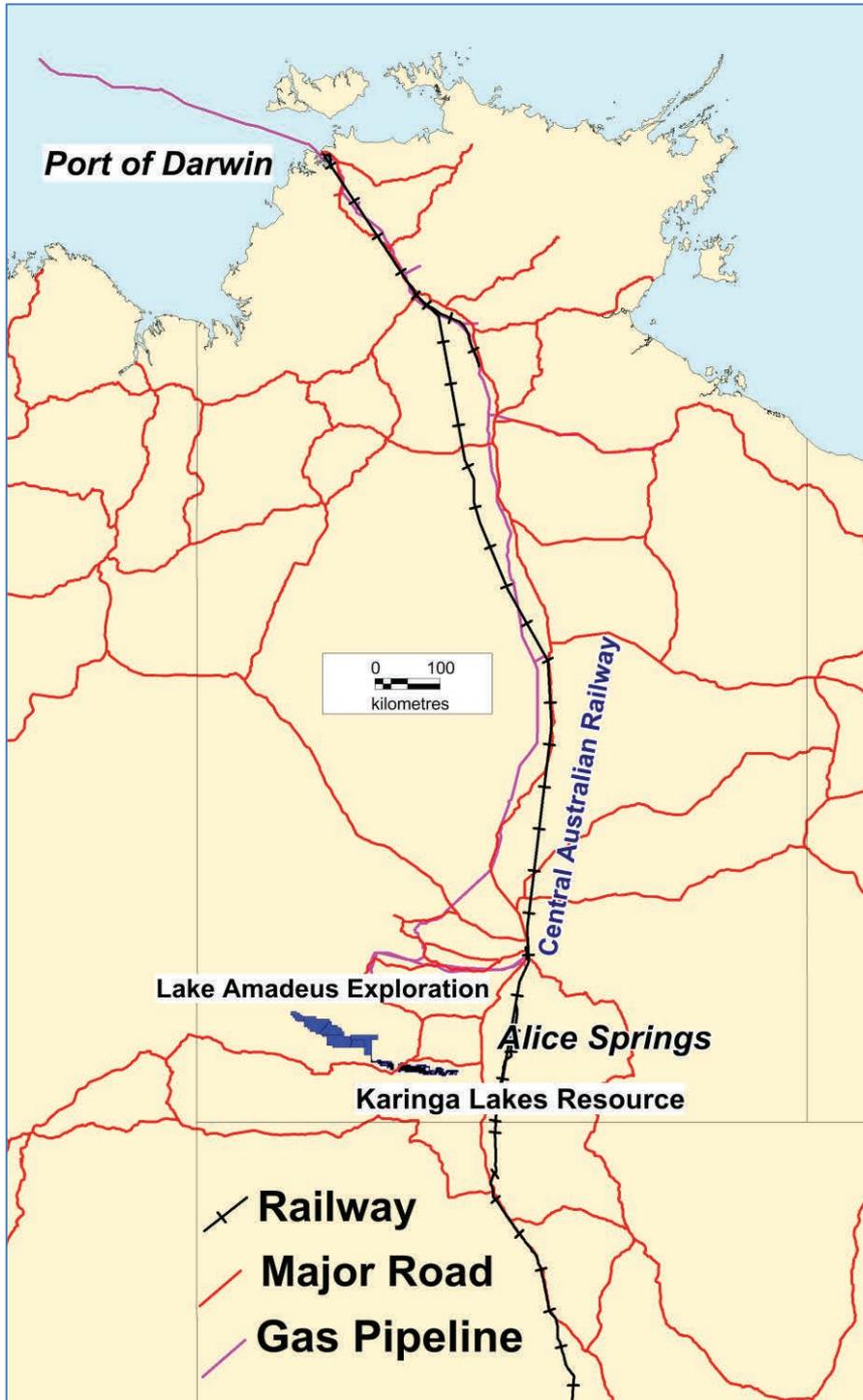


Figure 7. Sulphate of potash projects.

For personal use only

## OPERATIONS REVIEW

### KARINGA LAKES POTASH PROJECT, NT

The Karinga Lakes Potash project is located along the Lasseter Highway between Alice Springs and Uluru. The project contains a chain of dozens of dry salt lakes. The lake sediments and the underlying rocks contain potassium-rich brines, some of which are being fed from the Central Australian Groundwater Discharge Zone. The brines can be processed through solar evaporation and flotation, or other means, to produce potash fertiliser minerals such as sulphate of potash (SOP). All current work on this project is being conducted in collaboration with the Consolidated Potash Corporation (CPC, formerly Aqua Guardian Group) and its corporate affiliate Activated Water Technologies (AWT).

#### *Karinga Lakes Titles*

The tenement situation as of 30 June 2018 is shown below.

Tenement	Area km <sup>2</sup>	Blocks	Grant	Expiry	Holder
EL 24987	220.37	71	10/10/2006	09/10/2018	Territory Potash Pty Ltd
EL 25080	633.58	204	09/10/2006	08/10/2018	Territory Potash Pty Ltd
EL 28205	59.04	19	09/03/2011	08/03/2019	Territory Potash Pty Ltd
EL 28272	59.03	19	14/04/2011	13/04/2019	Territory Potash Pty Ltd
EL 28872	34.15	11	06/03/2012	05/03/2019	Territory Potash Pty Ltd
EL 30381	12.43	4	16/03/2015	15/03/2021	Territory Potash Pty Ltd
EL 30382	22.20	8	16/03/2015	15/03/2021	Territory Potash Pty Ltd

Table 9. Karinga Lakes potash titles.

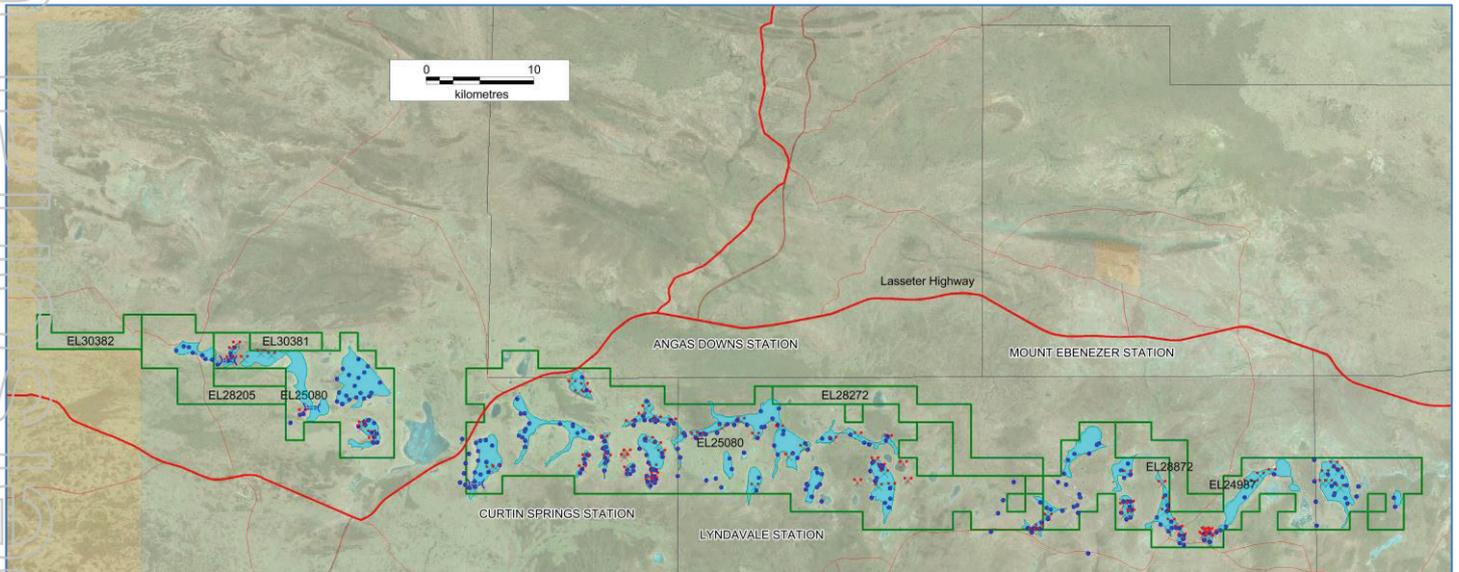


Figure 8. Karinga titles showing all sampling to date, including in areas now relinquished. Drilling (blue dots), shovel sampling (red crosses) and trenches (blue symbols, not to scale). JORC resource shown in light blue.

#### *Aqua Guardian / Consolidated Potash Earn-In*

A \$3M earn-in agreement with Aqua Guardian Group Limited (now Consolidated Potash Corporation) for 40% the Karinga Project was announced to the ASX on 10 August 2017. The agreement is based on the staged commercialization of aMES™ - a novel mineral processing technology developed for the more efficient and cost effective production of valuable minerals from salt lake brines than traditional production methodologies.

## OPERATIONS REVIEW

### *Evaporation and Processing Trials*

Recently completed evaporation trials of an 8,000 litre brine sample have provided mixed potash salts for pilot testing. Consolidated Potash Corporation and Activated Water Technologies continued to test the performance of the aMES™ technology on brine and salt samples sourced from the Karinga Lakes project. Significant progress continues to be made in process flow sheet design improvements, including successful validation that potassium sulphate (SOP) can be produced from the Karinga Lakes with aMES™ technology, without the need for flotation and its associated reagents and fresh water usage. In order to scale-up the highly encouraging laboratory scale aMES™ test work, AWT and its strategic research partner, Victoria University's Institute for Sustainable Industries & Liveable Cities, have designed and are constructing, a larger capacity aMES™ pilot plant, that will assist in further optimising and validating the sulphate of potash flow sheet design. Testing with a pilot plant is being planned for the third Quarter of 2018. Given the potential of aMES™ technology to eliminate the capital and operating costs of a remote fresh water bore field and a flotation plant, and is also anticipated to require substantially less reagents during SOP processing, the Karinga Lakes project partners continue to be encouraged by the transformative potential of the technology in the extraction of valuable minerals from salt lake brine resources.

For personal use only

## OPERATIONS REVIEW

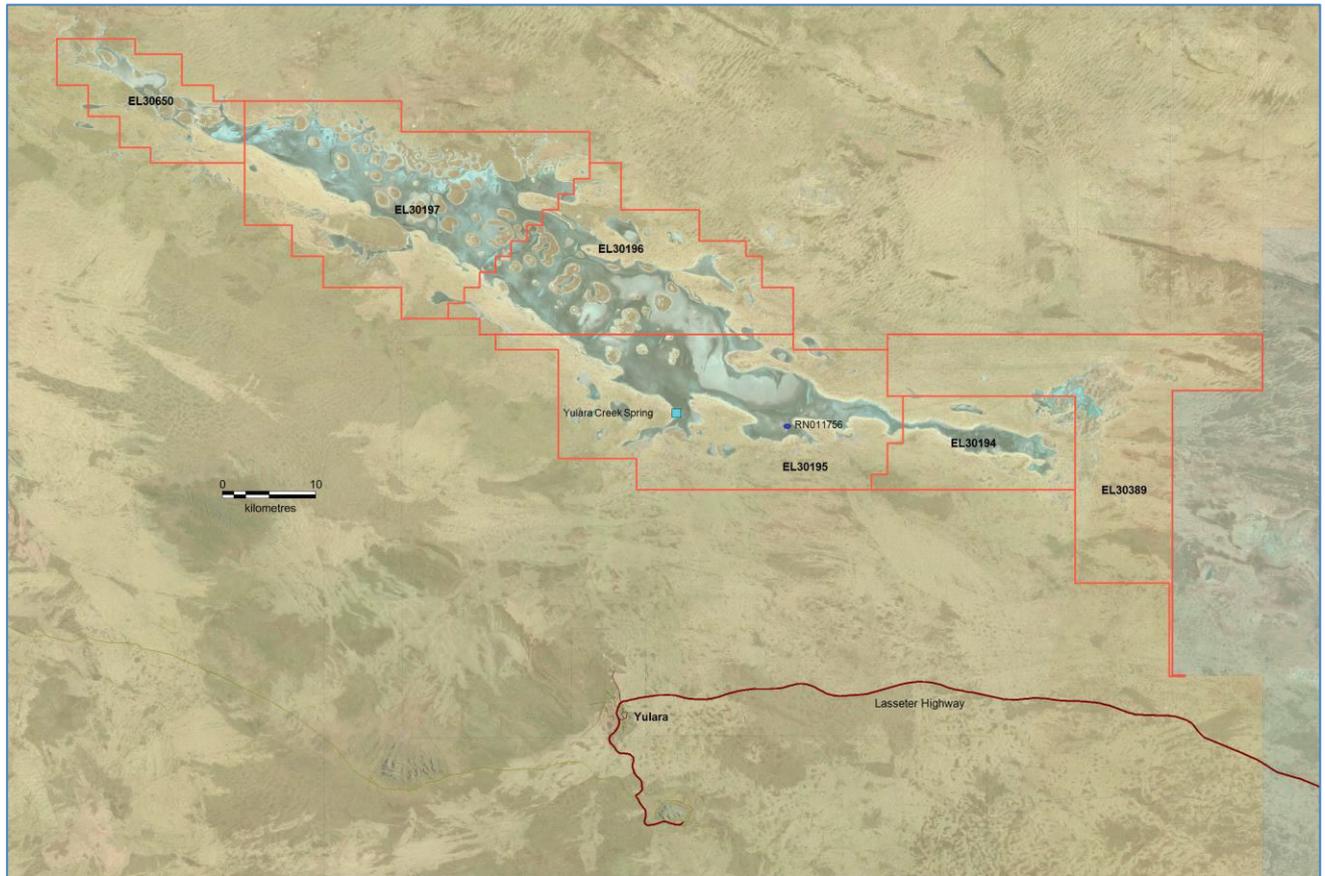
### LAKE AMADEUS POTASH PROJECT, NT

Six contiguous ELs applications cover all of Lake Amadeus in the NT. The applications include 1,010 km<sup>2</sup> of lake area along a 130 km length. The eastern boundary is contiguous with the Karinga Lakes Project and corresponds to the Aboriginal Land Rights Act (ALRA)/pastoral boundary. The Lake Amadeus sediments are known to be much thicker than at Karinga. The best historical potassium assay is a Bureau of Mineral Resources (BMR) sample from a spring just off the southern edge of Lake Amadeus itself. This sample had 6,100 mg/l (= ppm) potassium. This is over twice the cut-off concentration used in the Karinga Lakes Resource. Newmont gave a brine assay of 3,950 ppm potassium at an unspecified location “from a soakage near the surface of the lake”. Newmont also drilled twinned holes into the Bitter Springs Formation “basement” under Lake Amadeus (plotted in the following Figure). The Bitter Springs aquifer at 80-110 m depth did not contain significant potassium at that location.

All the Lake Amadeus applications are on Aboriginal land as defined under the Aboriginal Land Rights Act (ALRA). The titles have gone into five year ALRA moratorium during which the Traditional Owners can reopen negotiations but not Verdant Minerals.

Tenement	Area km <sup>2</sup>	Blocks	Application Date	Holder
ELA 30194	218.00	70	05/12/2013	Territory Potash Pty Ltd
ELA 30195	622.88	200	05/12/2013	Territory Potash Pty Ltd
ELA 30196	446.18	143	05/12/2013	Territory Potash Pty Ltd
ELA 30197	633.44	203	05/12/2013	Territory Potash Pty Ltd
ELA 30389	527.56	186	09/05/2014	Territory Potash Pty Ltd
ELA 30650	190.51	61	04/11/2014	Territory Potash Pty Ltd

**Table 10. Lake Amadeus potash applications.**



**Figure 9. Yulara Creek Spring (BMR Sample 90201) and the collars of Newmont’s twinned drillholes, one recorded as a waterbore RN011755, plotted on the Lake Amadeus applications. Aboriginal land in yellow. These Lake Amadeus applications abut Karinga Lakes to the east.**

SILICA (HIGH PURITY QUARTZ)

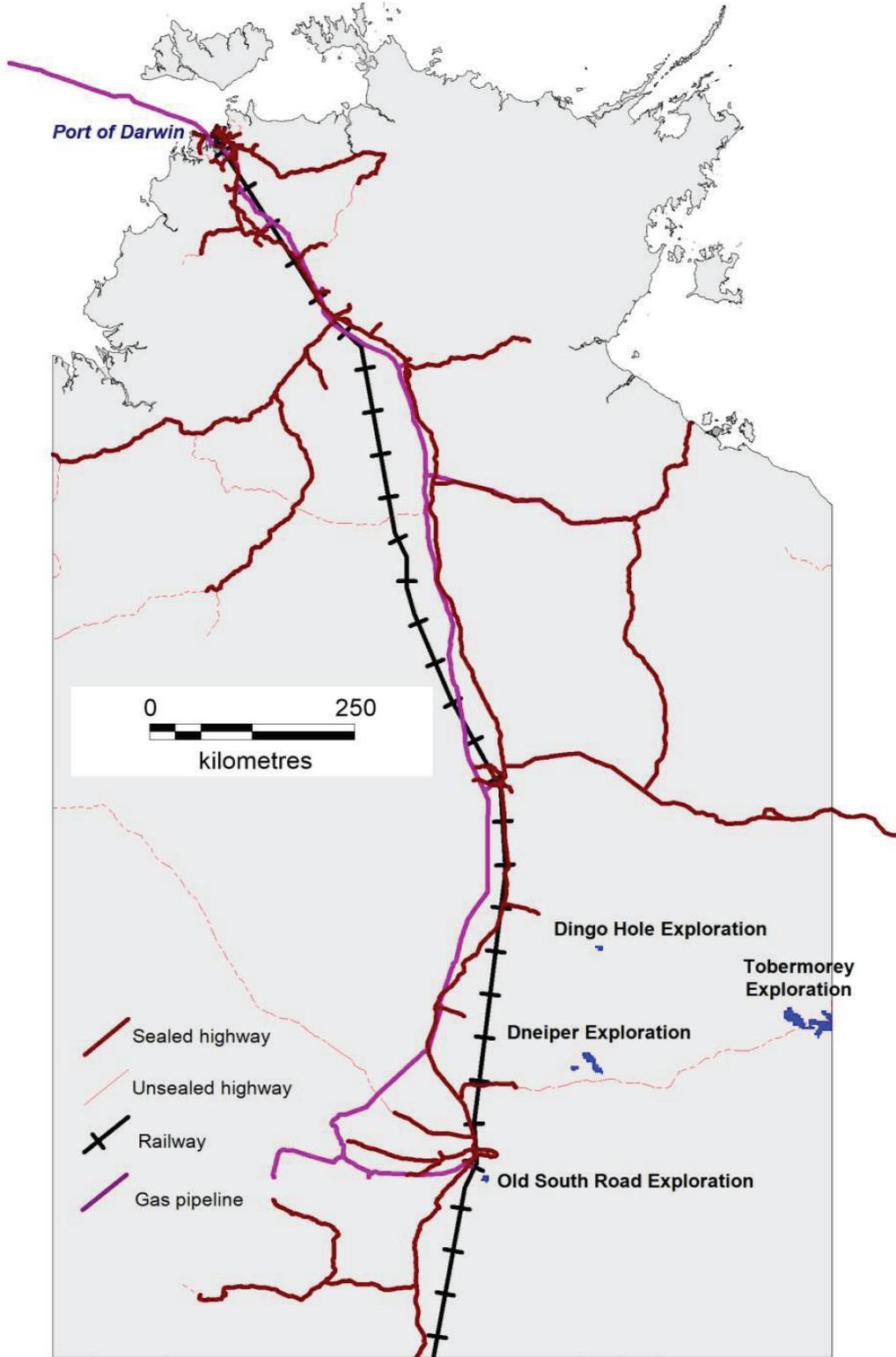


Figure 10. Silica projects in the Northern Territory.

For personal use only

## OPERATIONS REVIEW

### DINGO HOLE SILICA, NT

This project is targeting potentially high-purity silica quartz rock. Samples of Dingo Hole Silica has been utilized in research conducted in conjunction with a Tier 1 Australian University to successfully produce samples of clear glass substrate which may be suitable for use as LED/OLED glass substrate. The proprietary methods developed have enabled the removal of the bubbles associated with small quantities of carbonate elements within the silica which appear when melted at very high temperatures. The glass substrate samples, produced at laboratory scale, align with the high purity chemical and optical qualities required in this market. If these findings can be confirmed at an industrial scale, this may open up access to a large, growing and potentially valuable market.

Tenement	Area km <sup>2</sup>	Blocks	Grant Date	Expiry	Holder
EL 31078	35.16	11	15/01/2016	14/01/2022	Verdant Minerals Ltd

Table 11. Dingo Hole title.

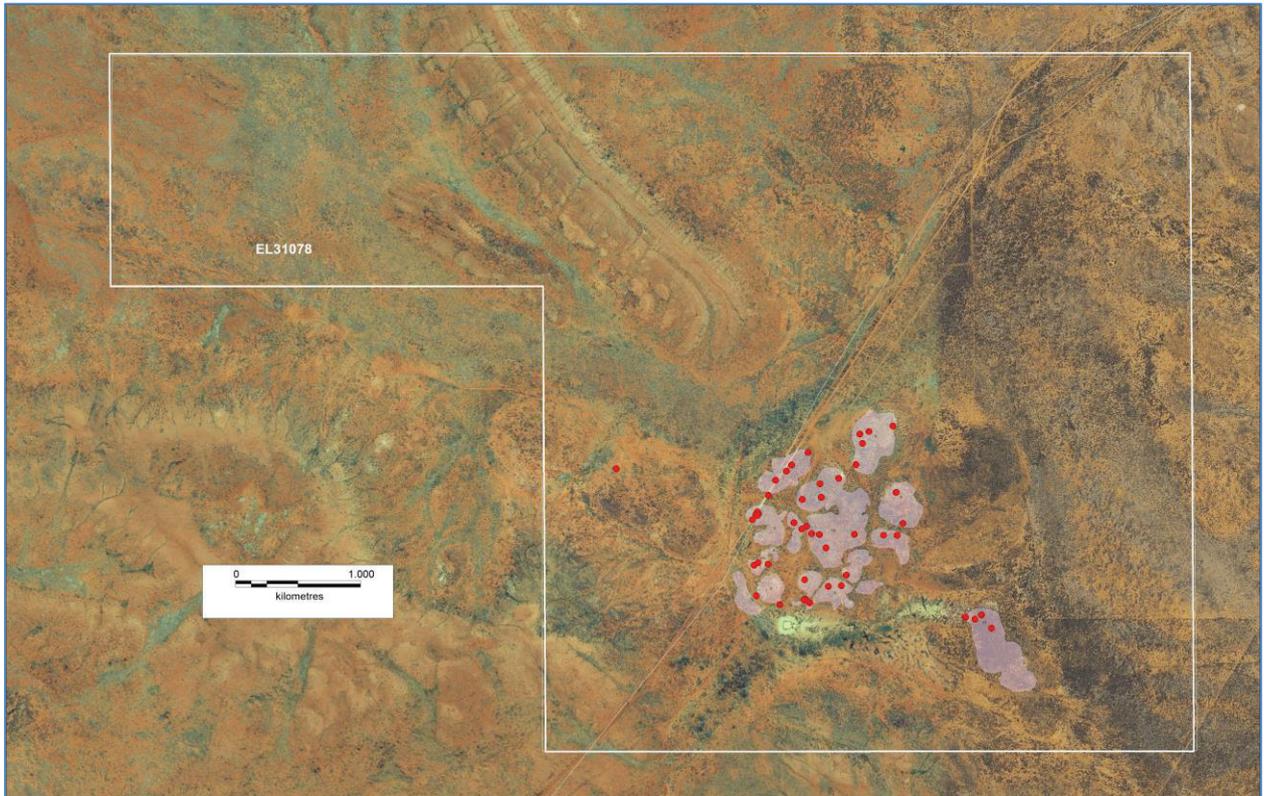


Figure 11. Dingo Hole Silica Project showing sampling to date and minimum extent of outcrop interpreted from satellite imagery.



## OPERATIONS REVIEW

### DNEIPER SILICA PROJECT, NT

This project is just north of the Plenty Highway, 120 km south of Ammaroo and 135 km from the Central Australian Railway. It covers mapped Waite Formation (Tw). Historical exploration was mainly for uranium, base metals and diamonds. Rio took some rockchip samples but their locations were not recorded. ABM Resources previously sampled silcrete on Waite Formation (EL 24454, CR2010-0521) and these results have been captured. They didn't test for SiO<sub>2</sub> as such, but the lowest Al by ME-MS61 was over 2% and ranged up 3.66% which is too high for HPQ. Further sampling would be required. The grant of the titles has been deferred until the results of the Dingo Hole analytical and test work are known.

Tenement	Area km <sup>2</sup>	Blocks	Holder
ELA 31035	37.99	12	Territory Mining Pty Ltd
ELA 31036	205.92	65	Territory Mining Pty Ltd

Table 13. Dneiper silica applications.

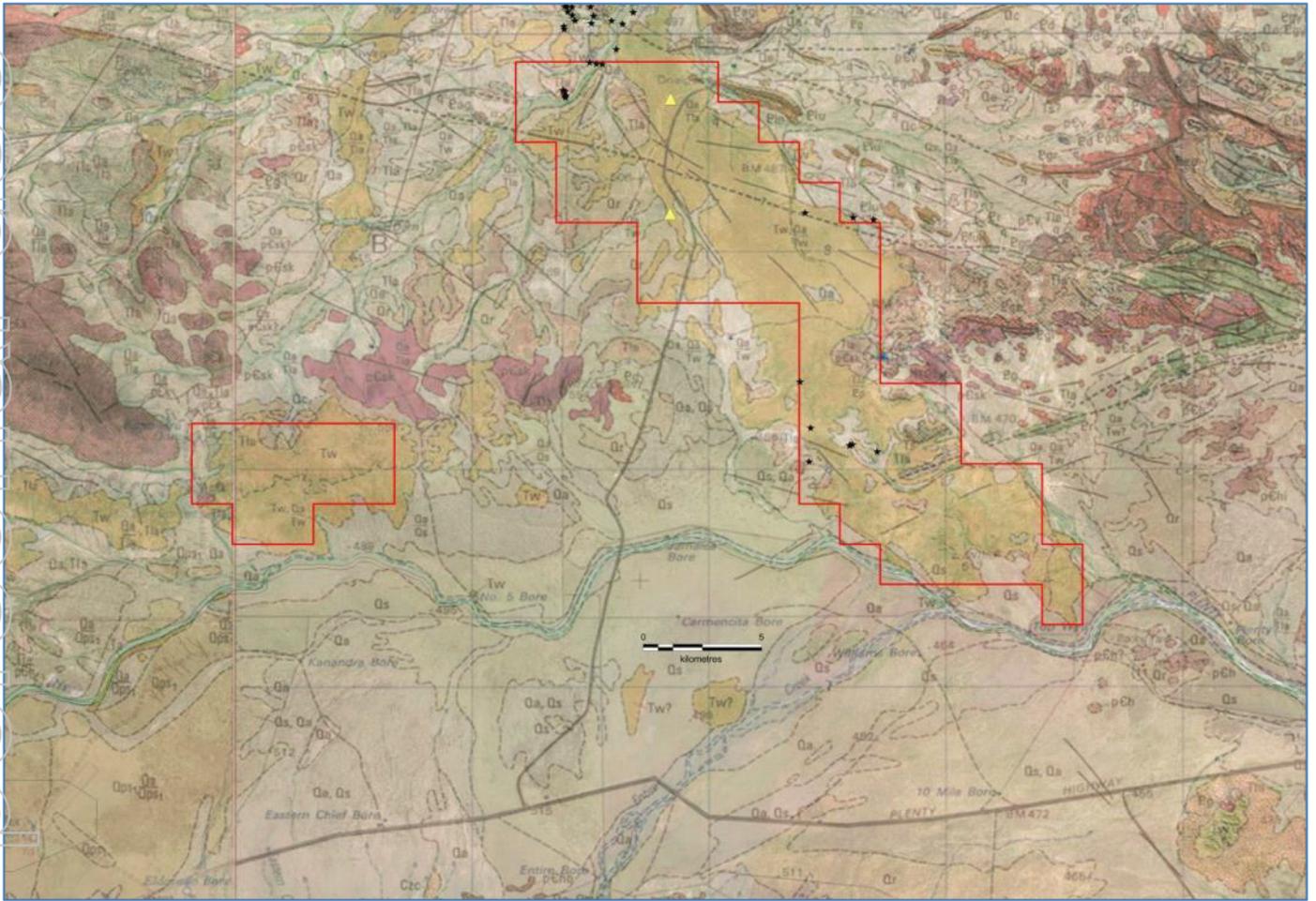


Figure 13. Dneiper Silica Project applications and geology with previous sampling by ABM as black stars and other previous samples as yellow triangles.



OPERATIONS REVIEW

OTHER TARGET COMMODITIES

SILVER VALLEY, NT

This polymetallic exploration licence covers the Murray Downs Dome. Uranium and lithium are not targets.

Tenement	Area km <sup>2</sup>	Blocks	Grant	Expiry	Holder
EL 31340	157.98	50	07/04/2017	06/04/2023	Territory Mining Pty Ltd

Table 15. Silver Valley EL.

The exploration licence is on Murray Downs Perpetual Pastoral Lease east of Ali Curung and between Singleton and Ammaroo phosphate projects. In the north, the EL borders Aboriginal Land/Davenport Ranges National Park. An AAPA Register Search has been received and there are no sites of significance on the EL. The EL has a history of small-scale lead mining going back at least to the 1950s. Despite the name “Silver Valley” and the high Ag grades, silver was not considered the primary target historically. There are several named Pb-Ag vein prospects called Silver Valley 1-4 and other unnamed outcropping epigenetic polymetallic prospects and occurrences within the ELA. There has been no systematic (gridded) surface sampling, no drilling (other than possibly undocumented work in the 1960s at one prospect) and there is no local geophysical data. The area was last worked by unlisted AMI Resources whose selective surface sample assays have been compiled by Verdant Minerals. These are regarded as encouraging for vein-style polymetallic mineralisation. There is an opportunity to use modern geophysics to target mineralisation under cover away from the known surface prospects.

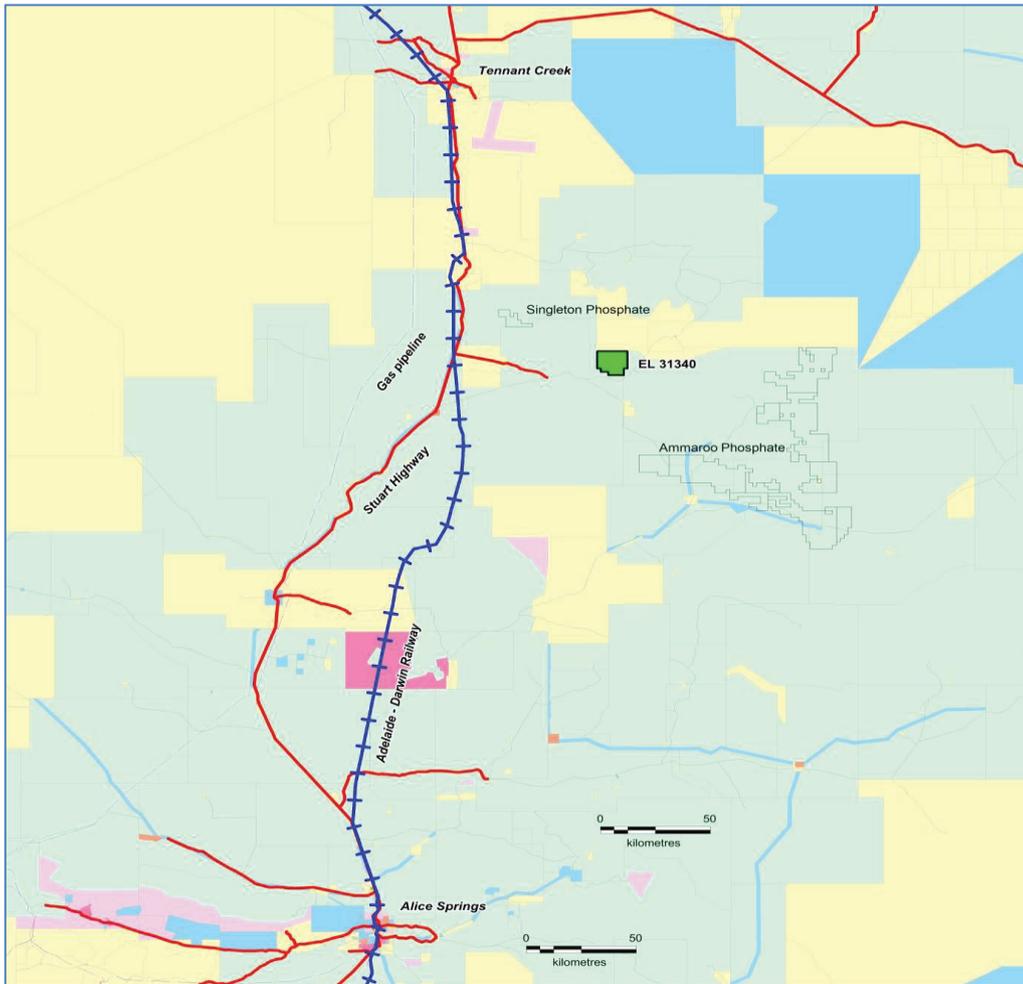


Figure 15. Regional setting of EL 31340 between Tennant Creek and Alice Springs and in close proximity to Territory Phosphate’s flagship Ammaroo project. Pastoral Lease is shown in green, Aboriginal Land in yellow and Crown Land in blue.

For personal use only



# VERDANT MINERALS LTD

## OPERATIONS REVIEW

### RESOURCE REGISTER as of 30 JUNE 2018

Commodity	Project	Ownership	Resource Category	Mt P <sub>2</sub> O <sub>5</sub>	Grade P <sub>2</sub> O <sub>5</sub> %	Cut-Off P <sub>2</sub> O <sub>5</sub> %	JORC	Announced	Status
Phosphate	Ammaroo, NT	Territory Phosphate Pty Ltd	Measured	136	15.4	10	2012	Verdant Minerals 15 March 2017	PFS completed, Feasibility Study completed
			Indicated	165	15.5				
			Inferred	840	13				
			Total	1,141	14				
	Ammaroo South, NT	Territory Phosphate Pty Ltd	Inferred	70	13	10	2012	Rum Jungle Resources 12 June 2014	exploration

Commodity	Project	Ownership	Resource Category	Mt K <sub>2</sub> SO <sub>4</sub>	Grade mg/L K	Cut-Off mg/L K	JORC	Announced	Status
Potash	Karinga Lakes, NT	Territory Potash Pty Ltd	Measured	5.8	-	3,000	2012	Rum Jungle Resources 20 February 2014	Scoping Study completed
			Indicated	0.46	-				
			Inferred	2.1	-				
			Total	8.4	av 4,760				

#### Notes

Territory Phosphate Pty Ltd and Territory Potash Pty Ltd are wholly-owned subsidiaries of Verdant Minerals Ltd. All resources are listed as of the time of the ASX announcement given above and have not changed materially since. Figures are rounded and totals include rounding errors.

### RESERVE REGISTER as of 30 JUNE 2018

Commodity	Project	Ownership	Resource Category		Mt P <sub>2</sub> O <sub>5</sub>	Cut-Off P <sub>2</sub> O <sub>5</sub> ≥10% and Fe <sub>2</sub> O <sub>3</sub> ≤ 5%		JORC	Announced	Status
						P <sub>2</sub> O <sub>5</sub> %	Fe <sub>2</sub> O <sub>3</sub> %			
Phosphate	Ammaroo	Territory Phosphate Pty Ltd 100%	Proved	Measured	11.8	18.91	2.01	2012	Verdant Minerals 17 May 2018	Feasibility Study completed
				Probable	Measured	4.1	18.92			
			Indicated		16.4	17.51	1.58			
			Total	Proved	11.8	18.91	2.01			
				Probable	20.6	17.79	1.65			
Grand Total		32.4	18.20	1.78						

#### Notes

Ammaroo Ore Reserve Estimate by MiningPlus May 2018. The Reserve is a subset of the Resource. The total pit tonnage is 101.3Mt including 68.9Mt of waste rock material. The pit design's strip ratio is 2.1:1.

## OPERATIONS REVIEW

### DISCLAIMER

*This Annual Report has been prepared by Verdant Minerals Ltd (Verdant Minerals) and is available to shareholders (Recipients) for use in considering their interests in Verdant Minerals' assets.*

*The Annual Report has been prepared to assist Recipients in making their own evaluation of Verdant Minerals and its subsidiaries and does not purport to contain all of the information that a shareholder or prospective acquirer may require. None of Verdant Minerals, its shareholders, its related bodies corporate and advisers, and each of those parties' officers, employees, agents and associates (each a Relevant Person) is, or may be taken to be, under any obligation to correct, update or revise the report or any written or oral communications given to the Recipient in the course of its evaluation of Verdant Minerals. In all cases, Recipients must (a) conduct their own independent investigations and analysis of Verdant Minerals and the information set out in the report, (b) rely entirely on such investigations and analysis and not in this report in relation to their assessment Verdant Minerals and (c) form their own opinion as to whether or not to seek to invest in Verdant Minerals' assets.*

*Any forward looking statements (including forecasts) included in this report are not representations as to future matters and should not be relied upon by Recipients. The statements are based on a large number of assumptions about future events and are subject to significant uncertainties and contingencies, many of which are outside the control of Verdant Minerals. No representation is made that any forecast or future event will be achieved. Actual results may vary significantly from the forecasts. Each Recipient should make its own enquiries and investigations regarding the assumptions, uncertainties and contingencies which may affect Verdant Minerals' assets.*

*No Relevant Person makes any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of the information, statements and opinions expressed in this report (Information). To the maximum extent permitted by law, all liability in respect of the Information is expressly excluded, including any liability arising from fault or negligence, for any direct, indirect or consequential loss or damage arising from the use of the Information or otherwise. No responsibility is accepted by any Relevant Person, for any of the Information, any omission from this report, any written or oral communications given to the Recipient in the course of its evaluation of Verdant Minerals or for any action taken by the Recipient or any other person on the basis of the Information.*



**Chris Tziolis**  
**BSc, MA, MBA, MAICD**  
**Managing Director**

### FURTHER TECHNICAL INFORMATION

For further information regarding any of Verdant Minerals' projects:

Website [www.verdantminerals.com.au](http://www.verdantminerals.com.au)

Phone 08 8942 0385 (Int.) +61 8 8942 0385

E-mail [info@verdantminerals.com.au](mailto:info@verdantminerals.com.au)

# VERDANT MINERALS LTD

## DIRECTORS' REPORT

The directors present their report together with the consolidated financial statements of the Group comprising Verdant Minerals Ltd (the Company) and its subsidiaries for the year ended 30 June 2018 and the auditor's report thereon.

### DIRECTORS

The directors of the Company at any time during or since the end of the financial year and up to the date of this report:

Mr James Whiteside	Non-Executive Chairman	(Appointed 6 October 2016) (Nominated chairman 24 November 2016)
Mr Jason Conroy	Non-Executive Director	(Appointed 7 August 2017)
Mr Robert Cooper	Non-Executive Director	
Mr Jeff Landels	Non-Executive Director	(Resigned 15 September 2017)
Mr Chris Tziolis	Managing Director	

### COMPANY SECRETARY

Mr Bruce Arnold BAgEc, CA was appointed Company Secretary on 31 July 2013 and has held the role of Company Secretary and Chief Financial Officer for a number of public companies.

### PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the financial year were the exploration and evaluation of fertiliser minerals (in particular phosphate and sulphate of potash) and exploration for other minerals in northern and central Australia.

### DIVIDENDS

The Directors recommend that no dividend be paid or declared at this point in time. No amounts have been paid or declared by way of dividends during the year.

### OPERATING AND FINANCIAL REVIEW

#### Review of Operations

A detailed operations review and highlights discussion is included in the front section of this annual report.

#### Operating Results

The consolidated entity recorded a loss after tax of \$2,714,209 after impairment and write downs of \$1,073,317 in exploration costs (2017 loss \$3,086,274). The impairment reflects the assessment of future potential made in relation to areas of interest that have been deemed non-prospective and where no further testing is anticipated. In this situation costs associated with the tenements are impaired and written off in the profit or loss and other comprehensive income statement. Corporate costs of \$1,723,591 (2017 \$2,048,669) decreased marginally during the year. Exploration and evaluation expenditure (including tenement holding costs and development studies) for the year was \$4,745,500 (2017 \$3,278,717).

#### Shareholder Performance

	2018	2017	2016	2015
Loss attributable to shareholders (\$)	2,714,209	3,086,274	5,060,223	1,922,469
Basic EPS (Loss) cents per share	(0.27)	(0.32)	(1.27)	(0.50)
Dividends	Nil	Nil	Nil	Nil
Closing Share price at 30 June	\$0.017	\$0.025	\$0.02	\$0.051

## DIRECTORS' REPORT

### Review of Financial Position

The Group's net assets increased marginally by 0.1% compared to the prior year reflecting the expenditure undertaking the feasibility study and corporate costs from operations for the year. The increase reflects the benefit of a share issue and placement during the year. The cash balance was \$2,490,249 at 30 June 2018.

### Future Developments, Business Strategies and Prospects

The Group strategy is to actively continue its evaluation and project development activities in Northern Australia. The principal focus in the short to medium term will be the Ammaroo phosphate bankable feasibility study and to a limited extent the Karinga Lakes potash project. Other prospects considered to have potential (including Silica) will have work programmes sufficient to maintain the tenements and enable assessment of the areas of interest in the medium term.

The overarching objective is to progress the phosphate bankable feasibility study and obtain approvals to enable value to be realised through the development of a fertiliser mineral production business in due course.

### Business Risks

#### **Economic Factors**

Share market conditions may affect the value of the Company's quoted securities regardless of operating performance. Share market conditions are affected by many factors such as economic outlook; interest and inflation rates; currency exchange rates; investor sentiment; demand and supply of capital; terrorism or other hostilities and fiscal, monetary and regulatory policies.

#### **Market Conditions**

The market price of the shares in the Company can rise and fall and may be subject to unpredictable influences on the market and exploration stocks in particular. The future performance or return on investment cannot be warranted. A key risk for a minerals development company to manage is the need to maintain access to capital markets in order to source equity from new and existing shareholders to fund the retention of land tenure, feasibility studies and to progress towards project development.

#### **Tenement Title**

Each tenement is for a specific term with annual expenditure and reporting obligations as well as conditions requiring compliance. Consequently the Group could lose part or all of a tenement if conditions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise. The inability to meet tenement conditions may affect the operations, financial position and /or performance of the Group.

#### **Native Title**

Areas of interest are potentially subject to native title claims and identification of areas of cultural significance which may affect future operations or performance if relevant agreements cannot be established.

#### **Political, Commodity Price and Exchange Rate Risks**

The potential to establish the timing and investment in projects and operations will depend on expected revenues that will be exposed to commodity price and exchange rate risk which are impacted by volatility in international markets and political factors including approvals to operate.

#### **Upgrading Resources to Reserves**

Resource and reserve estimates are judgments based on knowledge, experience and industry practice in compliance with reporting codes such as JORC. By their nature resource estimates are imprecise and depend on interpretations which can lead to variations through an ore body.

#### **Environmental Risk**

Exploration and project development activity has the potential to cause environmental disturbance and exposure if it is not managed. Rehabilitation is conducted progressively but not withstanding this, unforeseen environmental liabilities may arise.

### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

As an exploration company the regular access to capital markets and ongoing support from shareholders is necessary to support exploration programmes.

As reported in prior years R&D tax offsets received for certain projects have been reviewed by a Government agency. Findings by AusIndustry were unfavourable and \$640,526 has been repaid plus associated ATO interest of \$103,402.

Other than as noted above or otherwise disclosed in this report, there were no other significant changes in the nature of activities that occurred during the course of the financial year under review.

## DIRECTORS' REPORT

### EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen since the end of the financial year that has significantly affected, or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs, in subsequent financial years.

### LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group proposes to continue its project development activities. Specifically, the Company aims to continue phosphate evaluation activities on the Ammaroo project. The completion of the feasibility study and approvals will form the basis for potential to actively pursue project investment and financing. The implementation of off-take agreements and the attraction of development and financing partnerships will be critical in moving the project forward. Neither of these is currently in place.

### ENVIRONMENTAL REGULATION

The Group has a policy of complying with its environmental performance obligations in accordance with regulations determined by statute and regional entities in the areas in which it undertakes its exploration activities. The directors of the Company are not aware of any breach of environmental legislation or any matter which requires disclosure with respect to any significant environmental regulation associated with its operating activities.

### INFORMATION ON DIRECTORS

#### Mr James Whiteside

*Chairman – Non-Executive*

*Qualifications* BSc Ag, Grad Dip Bus Admin, GAICD

#### *Experience and Expertise*

Appointed to Verdant Minerals Ltd board in October 2016.

Mr Whiteside is the Chief Executive Officer of Ausveg Ltd. He has had a successful and senior career in agriculture, previously as Chief Operating Officer of Incitec Pivot Fertilisers ("IPF"), a division of Incitec Pivot Limited ("IPL"). IPF is Australia's largest input manufacturer and supplier into Australian agriculture, and is also a significant exporter of Australian made fertiliser into export markets. Whilst at IPF he was responsible for the establishment of a global trading joint venture based in Hong Kong, Quantum Fertilisers, and was CEO of Quantum for over five years. He also had executive responsibility for global procurement and supply chain for the IPL Group.

Mr Whiteside was a director of Quantum Fertilisers and he is a past director and chairman of Fertilizer Australia and a director of the International Fertilizer Association. He is a current director of Agribusiness Australia.

Other Listed Directorships - Nil

Former Listed Directorships in the last 3 years - None

#### Mr Jason Conroy

*Non-Executive Director*

*Qualifications* BCom, MBA, FCPA, MAICD

#### *Experience and Expertise*

Appointed to Verdant Minerals Ltd board in August 2017.

Mr Conroy is the Chief Executive Officer of MMJ Phytotech Limited (ASX: MMJ).

Previously he was Chief Financial Officer of DUET Group, a member of the ASX100, for 9 years. DUET owned and operated five energy infrastructure businesses and was acquired in May 2017 for \$7.4 billion by a consortium of global infrastructure investors. Prior to DUET, Mr Conroy had gained experience in restructuring, advisory, venture capital, corporate development and corporate finance roles in Australia and overseas.

Other Listed Directorships – Nil

Former Listed Directorships in the last 3 years – None

# VERDANT MINERALS LTD

## DIRECTORS' REPORT

### INFORMATION ON DIRECTORS (continued)

#### Mr Robert Cooper

**Non-Executive Director**

**Qualifications** BE (Mining), MEngSc, MAusIMM CP(Min), MAICD

#### **Experience and Expertise**

Appointed to Verdant Minerals Ltd board in July 2016.

Mr Cooper is a mining engineer with more than 25 years' industry experience, having held leadership roles across a diverse range of commodities, both in Australia and overseas. He has a broad foundation of operating and technical experience in both operations and project development. He has held leadership positions with BHP Billiton as General Manager of Leinster Nickel Operations within Nickel West and as Asset President of Ekati Diamonds in Canada. More recently he held positions with Discovery Metals as General Manager - Operations in Botswana and as General Manager - Development in their Brisbane office. Mr Cooper is currently the CEO of Round Oak Minerals Pty Limited (formerly CopperChem Pty Limited), a 100% owned subsidiary of the Washington H Soul Pattinson Group.

Following a rights issue under a prospectus dated 17 May 2016 Mr Cooper was nominated to the Board by Verdant Minerals major shareholder Washington H Soul Pattinson which holds 33.43% as at the date of this report.

#### Other Listed Directorships

Syndicated Metals Limited

Novonix Limited

Former Listed Directorships in the last 3 years – None

#### Mr Jeff Landels

**Non-Executive Director**

**Qualifications** BSc (Hons)

#### **Experience and Expertise**

Appointed to Verdant Minerals Ltd board in October 2012.

- Resigned 15<sup>th</sup> September 2017

Mr Landels was the General Manager of (then) Western Mining Corporation's fertiliser Operations at Phosphate Hill, Mt Isa and Townsville from 2002 to 2006. Prior to this he spent over 30 years in the pulp and paper industry in both Australia and New Zealand. He was the Group General Manager for PaperlinX at its Gippsland operations and General Manager at AMCOR's Maryvale operations.

Other Listed Directorships – Nil

Former Listed Directorships in the last 3 years – None

#### Mr Chris Tziolis

**Managing Director**

**Qualifications** BSc, MA, MBA, MAICD

#### **Experience and Expertise**

Appointed to Verdant Minerals Ltd board in June 2013.

Mr Tziolis was appointed to Verdant Minerals (then Rum Jungle Resources) as Director of Development Projects in October 2012. On 30 June 2014 he was appointed as Managing Director. Prior to this he held senior management roles at Rio Tinto, most recently as the Chief Development Officer of Energy Resources of Australia Ltd. He was also the Manager of Business Development and Manager of Rail and Port Infrastructure with Rio Tinto Coal Australia. Prior to Rio Tinto, he was a consultant with McKinsey and Company primarily engaged on strategy development and operational performance improvement for global mining companies. Mr Tziolis commenced his career as an operations officer in the Royal Australian Navy which included command of a patrol vessel. He is a Member of the Australian Institute of Company Directors and has an MBA, MA in International Relations and a BSc in Chemistry.

Other Listed Directorships – Nil

Former Listed Directorships in the last 3 years – None

# VERDANT MINERALS LTD

## DIRECTORS' REPORT

### MEETINGS OF DIRECTORS

The number of Board meetings held during the year for each director who held office during the financial year and the numbers of meetings attended by each director is as follows:

	Board Meetings of Directors		Audit Committee	
	Number eligible to attend	Meetings attended	Number eligible to attend	Meetings attended
James Whiteside	8	8	2	2
Jason Conroy	7	7	2	2
Robert Cooper	8	8	2	2
Jeff Landels	2	2	-	-
Chris Tziolis	8	8	-	*-

\* Participated by invitation

### DIRECTORS' INTERESTS

The relevant interests of the directors (and related parties) in securities of the Company at the date of this report are as follows:

	Ordinary shares	Options over ordinary shares
James Whiteside	400,000	3,500,000
Jason Conroy	200,000	1,750,000
Robert Cooper	1,500,000	1,750,000
Chris Tziolis	2,125,025	10,500,000

### SHARES UNDER OPTIONS

Unissued ordinary shares of Verdant Minerals Ltd under option from the Employee Share Option Plan at the date of this report are as follows:

Grant date	Vesting date	Expiry date	Exercise price	Number of options
01/07/2014	01/07/2015	01/07/2019	* \$0.2101	3,550,000
14/12/2016	Subject to VWAP hurdles	30/06/2019 to 31/12/2019	\$0.025	15,500,000
31/03/2017	Subject to VWAP hurdles	30/06/2019 to 31/12/2019	\$0.035	3,750,000
15/12/2017	Subject to VWAP hurdles	30/06/2019 to 31/12/2019	\$0.032	1,750,000
				24,550,000

\* Updated in accordance with the plan rules after Rights issue.

Corporate options issued in conjunction with the share placement in June 2018.

Grant date	Vesting date	Expiry date	Exercise price	Number of options
14/06/2018	14/06/2018	01/07/2019	\$0.025	80,000,000
14/06/2018	14/06/2018	01/07/2020	\$0.03	66,666,634
				146,666,634

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

### Shares issued on the exercise of options

During the year ended 30 June and to the date of this report there were no shares issued on the exercise of options.

## DIRECTORS' REPORT

### REMUNERATION REPORT – AUDITED

#### (a) Policy for determining the nature and amount of key management personnel remuneration

The Board of Verdant Minerals Ltd is responsible for determining and reviewing compensation arrangements for the directors, chief executive officer and the executive team. The Board's remuneration policy is to ensure that the remuneration package properly reflects the person's duties and responsibilities, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team. Such officers can be given the opportunity to receive their base emolument in a variety of forms. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost to the Group.

In accordance with corporate governance guidelines, the structure of non-executive director and executive remuneration is separate and distinct.

##### (i) *Non-Executive Director Remuneration*

###### **Objective**

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

###### **Structure**

Remuneration of non-executive directors is determined by the Board, within the maximum amount approved by the shareholders from time to time (currently set at an aggregate of \$250,000 per annum). The Board intends to undertake an annual review of its performance and the performance of the Board committees against goals set at the start of the year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst the directors is reviewed annually. The Board may consider advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking its annual review.

Each director receives a fee for being a director of the Company. Directors who are called upon to perform extra services beyond the director's ordinary duties may be paid for those services on a commercial rate basis. Options may also be issued to directors with the approval of shareholders.

##### (ii) *Senior Executive Remuneration (including executive directors)*

###### **Objective**

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and to:

- Reward executives for company, business unit and individual performance against targets set by reference to appropriate benchmarks;
- Align the interest of executives with those of shareholders;
- Link reward with the strategic goals and performance of the Company; and
- Ensure total remuneration is competitive by market standards.

###### **Structure**

In determining the level and make-up of executive remuneration, the Board may obtain independent advice from external consultants on market levels of remuneration for comparable executive roles. It is the Board's policy that employment contracts are entered into with all senior executives.

##### (iii) *Variable remuneration – Short and Long Term Incentives (executives and executive directors)*

###### **Objective**

The objectives of incentives are to:

- Recognize the ability and efforts of the employees of the Company who have contributed to the success of the Company and to provide them with rewards where deemed appropriate;
- Provide an incentive to the employees to achieve the long term objectives of the Company and improve the performance of the Company; and
- Attract persons of experience and ability into employment with the Company and foster and promote loyalty between the Company and its employees.

###### **Structure**

Long term incentives granted to senior executives are options issued in accordance with an Employee Share Option Plan, which has been subject to shareholders' approval. At the commencement of each financial year, the Company and each senior executive will agree upon a set of financial and non-financial objectives targeted to the business and financial performance. There is currently no short term incentive scheme and no bonuses are paid while the Company is in exploration and evaluation phase.

# VERDANT MINERALS LTD

## DIRECTORS' REPORT

### REMUNERATION REPORT – AUDITED (continued)

#### (b) Remuneration, Company performance and shareholder wealth.

The development of remuneration policies and structure are considered in relation to the effect on Company performance and shareholder wealth. They are designed by the Board to align Director and executive behaviour with improving Company performance and, ultimately shareholder wealth.

In considering the Group's performance and impacts for shareholder wealth, the Board has regard to the geological finds, resource and reserves, net profit or loss, share price and cash balance in respect of the current financial years

	2018	2017	2016	2015	2014
Loss attributable to shareholders (\$)	2,714,209	3,086,274	5,060,223	1,922,469	7,317,965
Share price at 30 June	\$0.017	\$0.025	\$0.02	\$0.051	\$0.086

Executives are currently remunerated based on a base pay and options. The options granted are considered by the Board to provide an alignment between the employees' and shareholders' interests.

#### (c) Key management personnel

Unless otherwise stated, the following persons were key management personnel of Verdant Minerals Ltd during the financial year under review:

Name	Date appointed	Date resigned	Position held
James Whiteside	6 October 2016		Chairman
Jason Conroy	7 August 2017		Non-executive Director
Robert Cooper	1 July 2016		Non-executive Director
Jeff Landels	18 October 2012	15 September 2017	Non-executive Director
Chris Tziolis	15 October 2012		Managing Director
Bruce Arnold	31 July 2013		Company Secretary/Chief Financial Officer
Nigel Doyle	1 February 2008		Exploration Manager

#### (d) Details of remuneration

Compensation paid, or payable by the Company to key management personnel is set out below. Key management personnel include all directors of the Company and executives who, in the opinion of the Board have authority and responsibility for planning, directing and controlling the Group directly or indirectly.

2018	Short-term benefits		Post-employment	Share-based payments	Proportion of remuneration share based	
	Salary and fees	Non Cash	Superannuation	Options	Total	%
	\$	\$	\$	\$	\$	%
<b>Non-executive directors</b>						
James Whiteside <i>Chairman</i>	60,000	-	5,700	25,743	91,443	28.2
Jason Conroy	35,978	-	3,418	*15,415	54,811	28.1
Robert Cooper	40,000	-	3,800	12,872	56,672	22.2
Jeff Landels	10,000	-	950	14,784	25,734	57.4
<b>Total non-executive directors</b>	<b>145,978</b>	<b>-</b>	<b>13,868</b>	<b>68,814</b>	<b>228,660</b>	<b>30.1</b>
<b>Executive director</b>						
Chris Tziolis	335,000	-	25,000	62,213	422,213	14.7
<b>Total executive directors</b>	<b>335,000</b>	<b>-</b>	<b>25,000</b>	<b>62,213</b>	<b>422,213</b>	<b>14.7</b>
<b>Other key management personnel</b>						
Bruce Arnold	200,000	14,991	19,000	19,133	253,124	7.6
Nigel Doyle	200,000	-	19,000	19,133	238,133	8.0
<b>Total other key management personnel</b>	<b>400,000</b>	<b>14,991</b>	<b>38,000</b>	<b>38,266</b>	<b>491,257</b>	<b>7.8</b>
<b>Total directors' and executive remuneration</b>	<b>880,978</b>	<b>14,991</b>	<b>76,868</b>	<b>169,293</b>	<b>1,142,130</b>	<b>14.8</b>

\* Options approved by shareholders at the AGM 23 November 2017

# VERDANT MINERALS LTD

## DIRECTORS' REPORT

### REMUNERATION REPORT AUDITED (continued)

Where a director undertakes work that is in addition to the traditional role and duties as a director then a payment can be made on an arm's length basis for consulting services with board approval.

2017	Short-term benefits		Post-employment	Share-based payments	Proportion of remuneration share based	
	Salary and fees	Non Cash	Superannuation	Options	Total	
	\$	\$	\$	\$	\$	%
<b>Non-executive directors</b>						
James Whiteside <i>Chairman</i>	41,723	-	3,964	*43,900	89,587	49.0
Robert Cooper	40,000	-	3,800	*21,950	65,750	33.4
Jeff Landels	40,000	-	3,800	*21,950	65,750	33.4
David Muller	24,167	-	2,296	-	26,463	-
<b>Total non-executive directors</b>	<b>145,890</b>	<b>-</b>	<b>13,860</b>	<b>87,800</b>	<b>247,550</b>	<b>-</b>
<b>Executive director</b>						
Chris Tziolis	330,417	-	29,583	*105,400	465,400	22.6
<b>Total executive directors</b>	<b>330,417</b>	<b>-</b>	<b>29,583</b>	<b>105,400</b>	<b>465,400</b>	<b>-</b>
<b>Other key management personnel</b>						
Bruce Arnold	200,000	17,160	19,000	28,250	264,410	10.7
Nigel Doyle	200,000	-	19,000	28,250	247,250	11.4
<b>Total other key management personnel</b>	<b>400,000</b>	<b>17,160</b>	<b>38,000</b>	<b>56,500</b>	<b>511,660</b>	<b>-</b>
<b>Total directors' and executive remuneration</b>	<b>876,307</b>	<b>17,160</b>	<b>81,443</b>	<b>249,700</b>	<b>1,224,610</b>	<b>-</b>

\* Options approved by shareholders at the AGM 24 November 2016

In 2017 a payment of \$11,340 was made to the chairman (Mr Whiteside) for consulting, contact and liaison with the fertiliser industry.

There were no bonus payments in 2018 or 2017.

#### (e) Service agreements

On appointment to the Board, non-executive directors enter into service agreements with the Company in the form of a letter of appointment. The letter summarises the Board's policies and terms, including compensation, relevant to the office of director.

Remuneration and other terms of employment for the Managing Director and other key management personnel are recorded in service agreements. Major provisions of the agreements relating to remuneration are set out below.

##### Chris Tziolis, Executive Director – Managing Director

- Term of Agreement – open ended effective 1 July 2014.
- Base package \$360,000 including SGC superannuation.
- Contract may be terminated by executive giving three month's notice or payment in lieu thereof.
- Company may terminate (without cause) by giving 12 months notice or payment in lieu of notice or a combination of notice and a payment in lieu.
- Company may terminate immediately where there is cause.

##### Bruce Arnold, Company Secretary & Chief Financial Officer

- Term of Agreement – open ended commencing 24 July 2013.
- Contract may be terminated by either party with one month's notice or payment in lieu thereof.

##### Nigel Doyle, Exploration Manager

- Term of Agreement – open ended commencing 1 February 2008.
- Contract may be terminated by either party with one month's notice or payment in lieu thereof.

# VERDANT MINERALS LTD

## DIRECTORS' REPORT

### REMUNERATION REPORT - AUDITED (continued)

#### (f) Share-based compensation

Details of options over ordinary shares in the Company provided as remuneration to each director and key management personnel of the Company as at the date of this report are set out below. When exercised, each option is convertible into one ordinary share of Verdant Minerals Ltd. Options are issued by the Board and the exercise price prior to 30 June 2016 was double the average weighted share price at the date of being awarded. After the 30 June 2017 there are vesting hurdle prices (volume weighted average share prices for 10 days) that must be exceeded to vest and be exercisable. There are no other performance criteria.

	Grant Date	No. of options	No. of options vested during year	Fair value per option at grant date (cents)	Exercise price (cents)	Expiry date	Date exercisable
James Whiteside	14/12/16	3,500,000	-	0.89 to 0.91	2.5	30/6/19 to 31/12/2019	Vesting hurdles 8, 12 cents
Jason Conroy	15/12/17*	1,750,000	-	0.72 to 0.83	3.2	30/6/19 to 31/12/2019	Vesting hurdles 8, 12 cents
Robert Cooper	14/12/16	1,750,000	-	0.89 to 0.91	2.5	30/6/19 to 31/12/2019	Vesting hurdles 8, 12 cents
Jeff Landels	14/12/16	1,750,000	-	0.89 to 0.91	2.5	30/6/19 to 31/12/2019	Vesting hurdles 8, 12 cents
Chris Tziolis	01/07/14	3,000,000	-	2.36	16.01	01/07/18	01/07/14
Chris Tziolis	01/07/14	2,000,000	-	2.50	21.01	01/07/19	01/07/15
Chris Tziolis	14/12/16	8,500,000	-	0.89 to 0.91	2.5	30/6/19 to 31/12/2019	Vesting hurdles 8, 12 cents
Nigel Doyle	01/07/14	750,000	-	2.36	16.01	01/07/18	01/07/14
Nigel Doyle	01/07/14	750,000	-	2.50	21.011	01/07/19	01/07/15
Nigel Doyle	31/03/17	1,500,000	-	1.37 to 1.49	3.5	30/6/19 to 31/12/2019	Vesting hurdles 8, 12 cents
Bruce Arnold	01/07/14	400,000	-	2.36	16.01	01/07/18	01/07/14
Bruce Arnold	01/07/14	400,000	-	2.50	21.01	01/07/19	01/07/15
Bruce Arnold	31/03/17	1,500,000	-	1.37 to 1.49	3.5	30/6/19 to 31/12/2019	Vesting hurdles 8, 12 cents

\* Issued after 2017 AGM with shareholder approval.

Options are granted to attract and retain key management personnel and the number is set by the Board.

In the event of termination (specified circumstances) only vested options are entitled to be exercised up to 30 days after termination. Unvested options are forfeited unless retained with Board approval.

During the year there were no alterations to the terms and conditions of options granted since their grant date.

#### Analysis of movements in options

During the financial year 2,500,000 options were issued under the Company's Employee Share Option Plan and 8,500,000 options lapsed or expired. As at 30 June 2018 the Company's share price was 1.7 cents.

	A Value of options granted	B Value of options exercised	C Fair Value at expiry date	D Remuneration that consists of options
	\$	\$	\$	%
<b>Directors of Verdant Minerals Ltd</b>				
James Whiteside	-	-	25,500	28.2
Jason Conroy	18,275	-	12,750	28.1
Robert Cooper	-	-	12,750	22.2
Jeff Landels	-	-	12,750	57.4
Chris Tziolis	-	-	59,500	14.7
<b>Other key management personnel</b>				
Nigel Doyle	-	-	8,500	7.6
Bruce Arnold	-	-	8,500	8.0

# VERDANT MINERALS LTD

## DIRECTORS' REPORT

### REMUNERATION REPORT - AUDITED (continued)

A = the value at grant date, calculated in accordance with AASB 2 – Share-based Payment, of options granted during the year as part of remuneration.

B = the value at exercise date of options that were granted as part of remuneration and were exercised during the year, being the intrinsic value (spot price less exercise price) of the options at that date.

C = the value at lapse or expiry date of options that were granted as part of remuneration and that lapsed during the year. The value is determined at the time of lapsing and usually out of the money at the expiry.

D = the percentage of the value of remuneration consisting of options, based on the value of options expensed during the current year.

The assessed fair value at grant date of options granted to the individuals is expensed in the reporting period in which the grant occurs and the amount is included in the remuneration tables appearing on the previous page. Fair values at grant date are independently determined using a Black-Scholes option pricing model or Monte Carlo simulation that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

For each grant of options, the percentage of the grant value that vested in the financial year, and the percentage that was forfeited because the person did not meet the service performance criteria, are set out below. The options generally expire after 3 to 4 years.

	Year granted	Vested %	Yet to Vest %	Expired %	Financial years in which the options vest
<b>Directors of Verdant Minerals Ltd</b>					
James Whiteside	2016	-	70	30	Subject to vesting hurdles 8, 12 cents
Jason Conroy	2017	-	70	30	Subject to vesting hurdles 8, 12 cents
Robert Cooper	2016	-	70	30	Subject to vesting hurdles 8, 12 cents
Jeff Landels	2016	-	70	30	Subject to vesting hurdles 8, 12 cents
Chris Tziolis	2014	100	-	-	2014 & 2015
Chris Tziolis	2016	-	70.8	29.2	Subject to vesting hurdles 8, 12 cents
<b>Other key management personnel</b>					
Nigel Doyle	2014	100	-	-	2014 & 2015
Nigel Doyle	2017	-	75	25	Subject to vesting hurdles 8, 12 cents
Bruce Arnold	2014	100	100	-	2014 & 2015
Bruce Arnold	2017	-	75	25	Subject to vesting hurdles 8, 12 cents

### Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director and other key management personnel of the Company, including their related parties, are set out below:

Name	Balance at start of year	Granted as Compensation	Exercised	Expired	Balance at end of year	Vested and exercisable
<b>Directors of Verdant Minerals Ltd</b>						
J D Whiteside	5,000,000	-	-	(1,500,000)	3,500,000	-
J A Conroy	-	2,500,000	-	(750,000)	1,750,000	-
R J Cooper	2,500,000	-	-	(750,000)	1,750,000	-
J D Landels	2,500,000	-	-	(750,000)	1,750,000	-
C N Tziolis	17,000,000	-	-	(3,500,000)	13,500,000	5,000,000
<b>Other key management personnel of the Group</b>						
N J Doyle	3,500,000	-	-	(500,000)	3,000,000	1,500,000
B W Arnold	2,800,000	-	-	(500,000)	2,300,000	800,000

# VERDANT MINERALS LTD

## DIRECTORS' REPORT

### REMUNERATION REPORT - AUDITED (continued)

#### Share holdings

The number of shares in the Company held during the financial year by each director of Verdant Minerals Ltd and other key management personnel of the Group as at the date of this report, including their related parties are set out below. There were no shares granted during the reporting period as compensation.

Name	Balance at start of the year	Received during the year on exercise of options	Other changes during the year	Balance at end of the year
<b>Directors of Verdant Minerals Ltd</b>				
<b>Ordinary Shares</b>				
J D Whiteside	-	-	400,000	400,000
J A Conroy	-	-	200,000	200,000
R J Cooper and related parties	1,500,000	-	-	1,500,000
C N Tziolis and related parties	2,125,025	-	-	2,125,025
<b>Other key management personnel of the Group</b>				
N J Doyle and related parties	557,747	-	(355,156)	202,591
B W Arnold and related parties	186,800	-	-	186,800

#### End of Remuneration Report – Audited

#### INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During or since the end of the year, the Company has not given any indemnity to a current or former officer or auditor against a liability or made any agreement under which an officer or auditor may be given any indemnity of the kind covered by the Corporations Act 2001.

During the year, the Company paid premiums in respect of directors' and officers' indemnity insurance contracts for the period ended 30 June 2018. The insurance contracts offer continued indemnity to officers of the Company where the person is no longer an officer at the time the claim is made. The Company paid a premium of \$22,700 to insure the directors and secretaries of the Company during the financial year. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Company.

## DIRECTORS' REPORT

### PROCEEDINGS ON BEHALF OF THE COMPANY

The Company is not aware that any person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings in which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

The Company was not a party to proceedings during the year or to the date of this report.

### NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group is appropriate.

The board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of non-audit services is compatible with and did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor;
- the services provided do not undermine the general principles relating to Auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

Details of the amounts paid or payable to the auditors for audit services provided during the year are set out in note 18 in the financial report.

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated Group	
	2018	2017
	\$	\$
Non-audit services	-	-
Total remuneration for non-audit services	-	-

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 39.

This report is made in accordance with a resolution of the directors.



James D Whiteside

Chairman



Chris N Tziolis

Managing Director

Darwin, Northern Territory  
26 September 2018

## CORPORATE GOVERNANCE

The Board of Directors is responsible for the corporate governance of Verdant Minerals Ltd (the Company) and its controlled entities (the Group). The Group acknowledges and adopts the best practice where reasonable, taking into account the size of the Company and its activities when establishing policy and procedures. Corporate governance is having a set of core values and behaviours that ensure integrity, accountability and protection of the interests of all stakeholders – including shareholders, personnel, suppliers and communities in which the Group operates.

The Board of Directors supports the Corporate Governance Principles and Recommendations (3rd Edition, released in March 2014) (ASX Recommendations) developed by the ASX Corporate Governance Council (Council) and in accordance with ASX listings rules uses these principles as guidelines for establishing policy and procedures.

The Company endeavours to follow guidelines and practices are broadly consistent with the ASX Recommendations. In some instances the Board considers that the implementation of a small number of ASX Recommendations is not appropriate or reasonable given the size of the company and the scale of operations as the company is in exploration and evaluation phase at this point in time.

The Corporate Governance Statement (CGS) and ASX Appendix 4G – Key to Disclosures lodged to the ASX disclose the extent to which the Company has followed the ASX Recommendations or otherwise departed from recommendations during the Reporting Period. The statement is current to the date 24 September 2018 and addresses the following principles:

### **ASX Corporate Governance Principles**

Principle 1 – Lay solid foundations for management and oversight

Principle 2 – Structure the Board to add value

Principle 3 – Act ethically and responsibly

Principle 4 – Safeguard integrity in corporate reporting

Principle 5 – Make timely and balanced disclosure

Principle 6 – Respect the rights of security holders

Principle 7 – Recognise and manage risk

Principle 8 – Remunerate fairly and responsibly

The Company's 2018 Corporate Governance Statement, ASX Appendix 4G (Key to Disclosures of Corporate Governance Principles and Recommendations) and other ancillary corporate governance related documents can also be sourced on the Company's website at the following URL: <http://www.verdantminerals.com.au/about/corporate-governance>

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001



Lead Auditor's Independence Declaration under  
Section 307C of the Corporations Act 2001

To the Directors of Verdant Minerals Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of Verdant Minerals Ltd 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**

*Jeff Frazer*

KPMG

Jeff Frazer

*Partner*

Gold Coast

26 September 2018

## ANNUAL FINANCIAL REPORT – 30 JUNE 2018

### Contents

	Page
Financial Report	
Consolidated Statement of Profit or Loss and Other Comprehensive Income	41
Consolidated Statement of Financial Position	42
Consolidated Statement of Changes in Equity	43
Consolidated Statement of Cash Flows	44
Notes to the Financial Statements	45
Directors' Declaration	68
Independent Auditor's Report	69

For personal use only

# VERDANT MINERALS LTD

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
<b>Income from continuing operations</b>			
Other income	4.	82,699	226,595
<b>Total income</b>		<b>82,699</b>	<b>226,595</b>
<b>Expenses from continuing operations</b>			
Audit fees	18.	(62,760)	(77,056)
Corporate advisory costs		(128,131)	(140,536)
Employee benefits expense	6.	(829,896)	(1,088,720)
Impairment of exploration and evaluation assets	12.	(1,073,317)	(611,062)
Insurance		(55,144)	(68,835)
Occupancy		(100,565)	(94,901)
Office service costs		(219,082)	(289,302)
Share registry fees		(33,992)	(34,290)
Stock exchange fees		(53,066)	(41,809)
Travel		(117,013)	(200,982)
R&D grant expense (interest 2018)		(103,402)	(640,526)
Other		(14,982)	(5,631)
Depreciation and amortisation	5.	(5,558)	(6,607)
Loss on disposal of assets		-	(12,612)
<b>Total expenses</b>		<b>(2,796,908)</b>	<b>(3,312,869)</b>
<b>Loss before income tax</b>		<b>(2,714,209)</b>	<b>(3,086,274)</b>
Income tax expense	7.	-	-
<b>Loss for the year</b>		<b>(2,714,209)</b>	<b>(3,086,274)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss attributable to members of the Company</b>		<b>(2,714,209)</b>	<b>(3,086,274)</b>
<b>Earnings per share for loss attributable to ordinary equity holders of the Company</b>			
		<b>Cents</b>	<b>Cents</b>
Basic and diluted (loss) per share	21.	(0.27)	(0.32)

The accompanying notes form part of these financial statements.

# VERDANT MINERALS LTD

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION – AS AT 30 JUNE 2018

	Notes	2018 \$	2017 \$
<b>Current assets</b>			
Cash and cash equivalents	8.	2,490,249	6,540,369
Trade and other receivables	9.	70,478	100,413
Other assets	10.	216,307	395,497
<b>Total current assets</b>		<b>2,777,034</b>	<b>7,036,279</b>
<b>Non-current assets</b>			
Property, plant and equipment	11.	552,539	631,964
Exploration and evaluation assets	12.	47,105,474	43,333,291
<b>Total non-current assets</b>		<b>47,658,013</b>	<b>43,965,255</b>
<b>TOTAL ASSETS</b>		<b>50,435,047</b>	<b>51,001,534</b>
<b>Current liabilities</b>			
Trade and other payables	13.	341,805	326,282
Short-term provisions	14.	113,389	754,465
<b>Total current liabilities</b>		<b>455,194</b>	<b>1,080,747</b>
<b>TOTAL LIABILITIES</b>		<b>455,194</b>	<b>1,080,747</b>
<b>NET ASSETS</b>		<b>49,979,853</b>	<b>49,920,787</b>
<b>EQUITY</b>			
Contributed equity	15.	86,731,565	83,976,565
Reserves	16.	1,729,830	1,711,555
Accumulated losses	16.	(38,481,542)	(35,767,333)
<b>TOTAL EQUITY</b>		<b>49,979,853</b>	<b>49,920,787</b>

*The accompanying notes form part of these financial statements*

# VERDANT MINERALS LTD

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Share capital \$	Share-based payments reserve \$	Accumulated losses \$	Total \$
<b>2018</b>					
<b>Balance at 30 June 2017</b>		83,976,565	1,711,555	(35,767,333)	49,920,787
Loss for the year		-	-	(2,714,209)	(2,714,209)
Shares issued during the year, net of transaction costs		2,755,000	-	-	2,755,000
Share based payment expense		-	18,275	-	18,275
<b>Balance at 30 June 2018</b>		<b>86,731,565</b>	<b>1,729,830</b>	<b>(38,481,542)</b>	<b>49,979,853</b>
<b>2017</b>					
<b>Balance at 30 June 2016</b>		83,976,565	1,447,730	(32,681,059)	52,743,236
Loss for the year		-	-	(3,086,274)	(3,086,274)
Share based payment expense		-	263,825	-	263,825
<b>Balance at 30 June 2017</b>		<b>83,976,565</b>	<b>1,711,555</b>	<b>(35,767,333)</b>	<b>49,920,787</b>

*The accompanying notes form part of these financial statements.*

For personal use only

# VERDANT MINERALS LTD

## CONSOLIDATED STATEMENT OF CASH FLOWS – FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
Interest received		89,832	219,462
Payments to suppliers and employees		(2,348,319)	(1,745,654)
<b>Net cash (used in) operating activities</b>	20 (a).	<b>(2,258,487)</b>	<b>(1,526,192)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(1,925)	(11,049)
Receipts for property, plant and equipment		-	111,100
Receipts for tenements and information		700,000	-
Payments for exploration and evaluation assets		(4,669,708)	(3,278,717)
Refund (Payments) for Term Deposits (secured)		180,000	(40,000)
<b>Net cash (used in) investing activities</b>		<b>(3,791,633)</b>	<b>(3,218,666)</b>
<b>Cash flows from financing activities</b>			
Share issue (net of costs)		2,000,000	-
Payments for capital raising		-	(890,627)
<b>Net cash provided by financing activities</b>		<b>2,000,000</b>	<b>(890,627)</b>
Net (decrease) increase in cash and cash equivalents		(4,050,120)	(5,635,485)
Cash and cash equivalents at the beginning of the year		6,540,369	12,175,854
<b>Cash and cash equivalents at the end of the year</b>		<b>2,490,249</b>	<b>6,540,369</b>

*The accompanying notes form part of these financial statements.*

## NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 30 JUNE 2018

### Note

	Page
1. Summary of significant accounting policies	46
2. Financial risk management	52
3. Critical accounting estimates and judgments	54
4. Other income	55
5. Depreciation and amortisation	55
6. Employee benefits expense	55
7. Income tax expense	55
8. Cash and cash equivalents	56
9. Trade and other receivables	56
10. Other assets	56
11. Property, plant and equipment	57
12. Exploration and evaluation assets	59
13. Trade and other payables	59
14. Short-term provisions	59
15. Contributed equity	60
16. Reserves and accumulated losses	61
17. Segment information	61
18. Remuneration of auditors	61
19. Key management personnel disclosures	62
20. Cash flow information	63
21. Earnings per share	63
22. Share-based payments	64
23. Subsidiaries	65
24. Related parties	65
25. Commitments	66
26. Contingencies	66
27. Subsequent events	66
28. Joint Operations - Exploration	67
29. Parent Entity Information	67

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 1. Summary of significant accounting policies

The consolidated financial statements of the Company as at and for the year ended 30 June 2018 comprise the Company and its subsidiaries (together the Group). The Group is a for profit entity and primarily is involved in the exploration of minerals and other metals and is domiciled in Australia.

The consolidated financial statements were authorised by the Board of Directors on 26 September 2018.

#### **Basis of Preparation**

The consolidated financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (AASBs), other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the International accounting Standards Board (IASB). Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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

#### **Going Concern**

Notwithstanding the loss for the year of \$2,714,209 the financial statements have been prepared on a going concern basis, which contemplates continuity of normal activities and realisation of assets and settlement of liabilities in the normal course of business. The Group's current assets exceed its current liabilities at 30 June 2018 by \$2,321,840 (2017: \$5,955,532) and net cash outflows from operating and investing were \$6,050,120 for the year (2017: net operating and investing outflow \$4,744,858). As is generally the case for explorers, the ability of the Company to continue exploration and evaluation activities as a going concern including meeting its obligations is dependent upon accessing investor funds in the capital markets.

The Board believes the going concern basis of the financial statements is appropriate due to:

- availability of cash reserves of \$2,490,249 at 30 June 2018; and
- the ability for the Group to manage the level of activity and curtail expenditure if necessary relative to the availability of cash reserves.

The Board anticipates the Group will be able to raise additional equity capital or funds from other sources for working capital and planned expenditure as the Group has a history of securing such funding as required in the past to support their confidence. While the Board is confident in the ability to continue as a going concern, if the cash flow forecasts are adversely impacted by not being able to raise additional finance there would be material uncertainty as to whether the Group would be able to continue as a going concern.

Consequently, material uncertainty exists as to whether the Group will continue as a going concern and it may therefore be required to realise assets at amounts different to their carrying amounts in the statement of financial position and settle liabilities other than in the ordinary course of business.

#### **a) Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Verdant Minerals Ltd ("Company" or "parent entity") as at 30 June 2018 and the results of all subsidiaries for the year then ended.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group at the acquisition date.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 1. Summary of significant accounting policies (continued)

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the financial statements of Verdant Minerals Ltd.

#### **Business combinations**

All acquisition costs are expensed in the period in which they occur.

The contingent consideration associated with a business combination is included as part of the cost of the business combination. These are recognised at the fair value of expected payment. Any subsequent changes in the fair value or probability of settlement are recognised in the statement of comprehensive income, except to the extent that they relate to conditions that existed at the date of acquisition that are identified during any "measurement period". In this case, the cost of acquisition is adjusted.

At acquisition any excess consideration over the fair value of net identifiable assets acquired for exploration assets will be firstly measured for tenement value and any residual value recorded as goodwill.

#### **b) Segment reporting**

A management approach is taken to the identification, measurement and disclosure of operating segments. Operating segments are identified on the basis of internal reports that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources and assessing performance.

#### **c) Income tax**

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amounts and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

#### **d) Revenue recognition**

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

#### **Interest revenue**

Interest is recognised on a time proportion basis using the effective interest method.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 1. Summary of significant accounting policies (continued)

#### e) *Impairment of assets (other than exploration and evaluation)*

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequent if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the statement of profit or loss and other comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of impairment at each reporting date.

#### f) *Cash and cash equivalents*

For cash-flow presentation purposes cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### g) *Exploration and evaluation expenditure*

Exploration and evaluation costs, including costs of acquiring licences, are capitalised as exploration and evaluation assets on an areas of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised as an expense in the income statement.

Exploration and evaluation assets are only recognised if the rights to the area of interest are current and either:

- i. the expenditures are expected to be recouped through successful development and exploitation of the area of interest or by its sale; or
- ii. activities in the areas 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 is continuing.

Exploration and evaluation assets are assessed for impairment when sufficient data exists to determine technical feasibility and commercial viability and information suggests that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Impairment will generally occur when the following circumstances exist:

- The tenement has expired or will expire in the near future and is not expected to be renewed;
- Further exploration and evaluation of mineral resources in the specific area are not budgeted or planned; and
- Exploration and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable resources and the decision has been made to discontinue such activities in the specified area.

Once the technical feasibility and commercial viability of an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are tested for impairment and then reclassified from exploration and evaluation expenditure to development assets.

Restoration costs that are incurred are capitalised into the cost of the exploration and evaluation phases that give rise to the need for restoration. Rehabilitation obligations are covered by lodgement of bank guarantees with the government.

#### h) *Trade and other receivables*

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade and other receivables are generally due for settlement within 30 days.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 1. Summary of significant accounting policies (continued)

#### *i) Investments and other financial assets*

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, available-for-sale, loans and receivables and held-to-maturity investments. The classification depends on the purpose for which the assets were acquired.

The Group has no financial assets at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

Subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest rate method. The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

#### *j) Trade and other payables*

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

#### *k) Contributed equity*

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

#### *l) Leases*

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of financial charges, are included in liabilities. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the estimated useful life of the asset. Where there is no reasonable certainty that the lessee will obtain ownership, the asset is depreciated over the shorter of the lease term and the asset's useful life.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 1. Summary of significant accounting policies (continued)

#### m) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation of assets is generally calculated on the diminishing value (DV) method to allocate their cost, net of their residual values, over their estimated useful lives. The depreciation rates used for each class of depreciable asset are consistent with the prior period and disclosed below:

<i>Classification</i>	<i>Rate</i>	<i>Depreciation Basis</i>
Motor vehicles	15 - 18.75%	DV
Scientific instruments	22.5 - 33.33%	DV
Office equipment	12.5 - 50%	DV
Leasehold improvements	20%	Straight line
Furniture and fittings	11.25 - 20%	DV
Plant and equipment	7.5 - 40%	DV
Site camp equipment	7.5 - 25%	DV

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

#### n) Employee benefits

##### i. Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employee's services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

##### ii. Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to anticipated future wages and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity that match as closely as possible to the estimated future cash outflows.

##### iii. Superannuation

The Group makes contributions to defined contribution superannuation funds. Contributions are recognised as an expense as they become payable.

##### iv. Share-based payments

Share-based compensation benefits are provided to employees via the Verdant Minerals Ltd (established as the Rum Jungle Resources Ltd) Employee Share Option Plan.

The fair value of options granted for services rendered is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised as an expense over the period during which the employee becomes unconditionally entitled to the options.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 1. Summary of significant accounting policies (continued)

#### ***o) Earnings per share***

##### *i. Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

##### *ii. Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

#### ***p) Goods and services tax (GST)***

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

#### ***q) Foreign currency translation***

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

#### ***r) New standards and interpretations not yet adopted***

A number of new standards and amendments to standards are effective for annual periods beginning after 1 July 2018. Although earlier application maybe permitted, currently the Group has no plans to adopt the standards earlier.

AASB 9 Financial Instruments (December 2014) and Amendments to Australian Accounting Standards arising from AASB 9 (AASB 2014-7, AASB 2014-8). The amendment becomes effective for periods beginning from 1 January 2018. The Group is not required to adopt the amendments until the annual reporting period ending 30 June 2019. The amendment proposes a revised framework for the classification and measurement of financial assets and financial liabilities. The amendment is in the process of assessment and is not expected to have significant impact on the financial statements of the Group.

AASB 15 Revenue from Contracts with Customers is effective for periods beginning from 1 January 2018. The Group is not required to adopt this new standard until the annual reporting period ending 30 June 2019. The potential impact of the standard, as the Group is operating with no sales revenue, has been assessed at this stage to have no material impact.

AASB 16 Leases is effective for periods beginning from 1 January 2019. The Standard removes the classification of leases as either operating or finance leases for the lease, effectively treating all leases on balance sheet. Short-term leases and leases of low value assets are exempt from the lease accounting requirements. The Group is not required to adopt this new standard until the annual reporting period ending 30 June 2020. The Group will assess the potential impact of the application of AASB 16 on its financial statements, including the potential impact of the various transition provisions available to the Group.

# VERDANT MINERALS LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 2. Financial risk management

The Group's principal financial instruments comprise cash and term deposits. The main purpose of these financial instruments is to manage the finances for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the period under review, the Group's policy that no trading in speculative financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are liquidity and interest rate risk (during the financial period and up to the date of this report).

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 1 to the financial statements.

Primary responsibility for identification and control of financial risks rests with the Board of directors. However, the day-to-day management of these risks is under the control of the Managing Director and the Chief Financial Officer. The Board agrees with the strategy for managing future cash flow requirements and projections.

#### a) Financial instruments

The Group and the parent entity hold the following financial instruments:

	Consolidated Group	
	2018	2017
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	2,490,249	6,540,369
Other	216,307	395,497
Trade and other receivables *	70,478	100,413
	<u>2,777,034</u>	<u>7,036,279</u>
<b>Financial Liabilities</b>		
Trade and other payables **	341,805	326,282
	<u>341,805</u>	<u>326,282</u>

\* Loans and receivables category

\*\* Financial liabilities at amortised cost category

#### b) Market risk

##### i. Foreign exchange risk

The Group does not operate internationally and is not exposed to foreign exchange risk.

##### ii. Price risk

The Group is not exposed to any significant equity security or commodity price risk.

##### iii. Interest rate risk

The Group's exposure to interest rate risk arises predominately from cash and cash equivalents bearing variable interest rates. At balance date the Group maintained the following variable rate accounts:

	30 June 2018		30 June 2017	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	%	\$	%	\$
Cash and cash equivalents - floating (including secured term deposits)	2.0	2,700,249	2.1	6,930,369
Total cash and cash equivalents		<u>2,700,249</u>		<u>6,930,369</u>

Over the financial period, if the interest rates had changed, as illustrated in the table below, with all other variables remaining constant, after-tax profit and equity would have been affected as follows:

	After-tax profit higher / (lower)		Equity higher / (lower)	
	2018	2017	2018	2017
	\$	\$	\$	\$
<b>Consolidated</b>				
+1% (100 bp)	47,500	97,281	47,500	97,281
-1% (100 bp)	(47,500)	(97,281)	(47,500)	(97,281)

# VERDANT MINERALS LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 2. Financial risk management (continued)

#### c) Credit risk

Credit risk primarily arises from cash and cash equivalents and term deposits deposited with banks. Cash and cash equivalents and term deposits are currently placed with Westpac Banking Corporation and ANZ, which have an independently rated credit rating of AA-. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised in the table above.

#### d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents in order to meet the Group's forecast requirements. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in bank deposits. At reporting date, the Group and parent entity did not have access to any undrawn borrowing facilities.

#### Maturity of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

	Less than 3 months	Total contractual cash flows	Carrying amount
<b>Group – 30 June 2018</b>	\$	\$	\$
Trade and other payables	341,805	341,805	341,805
<b>Group – 30 June 2017</b>	\$	\$	\$
Trade and other payables	326,282	326,282	326,282

#### e) Fair valuation estimation

The carrying amount of financial assets (net of any provision for impairment) and financial liabilities as disclosed in note 2 (a) above approximate their fair values primarily due to their short maturities.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 3. Critical accounting estimates and judgments

In preparing the consolidated financial statements judgements, estimates and assumptions that affect the application of the Group's accounting policies and the amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgements are reviewed on an on going basis. Revisions to accounting estimates are recognised prospectively.

Information about assumptions and estimation uncertainties that have a significant risk or a material adjustment are set out below and in respect of Going Concern (note 1) and Exploration and Evaluation (note 12).

#### Critical judgements

##### *Going concern*

A key assumption underlying the preparation of the financial statements is that the entity will continue as a going concern. As a going concern the group is considered to be able to pay its debts as and when they are due and to continue in operation without any intention or necessity to liquidate or otherwise wind up operations. A significant amount of judgement has been required in assessing that the entity is a going concern.

##### *Deferred tax assets*

The Group has made a judgement not to recognise the deferred tax assets disclosed in note 7(b) as the directors remain uncertain as to their future opportunity for application against any future taxable income.

#### Estimates and assumptions

##### *Exploration and evaluation assets (note 12)*

Determining the recoverability of exploration and evaluation expenditure capitalised in accordance with the Group's accounting policy (note 1 (g)) requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation or sale of the respective areas of interest will be achieved.

Changes in these estimates and assumptions as new information about the presence or recoverability of ore resources becomes available, may impact the assessment of the recoverable amount of exploration and evaluation assets. If, after having capitalised the expenditure a judgement is made that recovery of the expenditure is unlikely, an impairment loss is recorded in the statement of profit or loss and other comprehensive income.

The Group reviews the key indicators for impairment of its Exploration and Evaluation assets to consider if impairment indicators exist at year end on tenements. This consideration includes:

- If substantive expenditure on further exploration and evaluation in the projects is either budgeted or planned.
- Exploration in the project area have has not led to the discovery of potentially viable resources and the entity has decided to discontinue activities in the near term in the project areas.
- Sufficient data exists that the carrying value of the exploration and evaluation asset is unlikely to be recovered in full by development or sale.
- Where tenements have been relinquished.

Where these criteria are met the exploration and evaluation asset is impaired. Based on the impairment review of exploration of assets at 30 June 2018 a direct impairment loss of \$1,073,317 (including costs not allocated to specific tenements) was expensed.

Where exploration and evaluation activities in a particular area of interest have not reached a stage to allow a reasonable assessment to be made regarding the existence of economically recoverable reserves results will be reviewed as test work continues. Accordingly, exploration and evaluation assets may be subject to impairment in the future.

# VERDANT MINERALS LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
<b>4. Other income</b>		
Interest income	82,699	226,595
Profit on disposal of fixed assets	-	-
	<b>82,699</b>	<b>226,595</b>
<b>5. Depreciation and amortisation</b>		
<i>Depreciation of non-current assets</i>		
Motor vehicles *	24,536	35,570
Scientific instruments *	3,402	4,973
Office equipment	3,584	4,433
Furniture & fittings	1,746	1,889
Leasehold improvements	228	285
Plant & equipment *	19,767	27,198
Site camp equipment *	28,087	30,794
	<b>81,350</b>	<b>105,142</b>
*Depreciation of exploration assets capitalised to Exploration and evaluation expense	(75,792)	(98,535)
	<b>5,558</b>	<b>6,607</b>
<b>6. Employee benefits expense</b>		
Wages, salaries, directors' fees, and other remuneration expenses	1,210,978	1,270,986
Superannuation	104,893	118,813
Share-based payments expense	18,275	263,825
Movement in employee entitlement provisions	(550)	9,495
	<b>1,333,596</b>	<b>1,663,119</b>
Capitalised to exploration and evaluation assets	(503,700)	(574,399)
	<b>829,896</b>	<b>1,088,720</b>
<b>7. Income tax expense</b>		
<b>(a) Reconciliation of income tax expense to prima facie tax</b>		
Loss before income tax	(2,714,209)	(3,086,274)
Tax (Benefit) thereon at 30% (2017: 30%)	(814,263)	(925,882)
Tax effect of amounts that are not deductible/ (taxable) in calculating taxable income:		
Share based expense	5,483	79,148
Non-deductible items	445	193,964
Sundry timing differences	(863,313)	(1,049,640)
Equity raising costs current year amortised	13,500	-
	<b>(1,658,148)</b>	<b>(1,702,410)</b>
Deferred tax assets not recognised	1,658,148	1,702,410
Income tax expense	-	-

# VERDANT MINERALS LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$

### 7. Income tax expense (continued)

#### (b) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

Tax losses	30,942,914	29,015,512
Temporary differences	(9,629,567)	(8,539,754)
Temporary differences and tax losses	<u>21,313,347</u>	<u>20,475,758</u>

Tax expense / income, deferred tax liabilities and deferred tax assets arising from temporary differences and tax losses are not recognised as it is not probable that currently the Group can assume that future taxable profits will be available against which deductible temporary differences and tax losses can be utilised in the short to medium term.

#### (c) Tax consolidation

The company and its wholly-owned Australian entities formed a tax-consolidated group on 1 July 2014 and therefore are taxed as a single consolidated entity. Verdant Minerals Ltd is the head entity for the tax-consolidated group.

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts can be recognised as payable to or receivable by the company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement.

#### *Nature of tax funding arrangements and tax sharing agreements*

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax-sharing agreement with the head entity. Under the terms of the tax funding arrangement, Verdant Minerals Ltd and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current and tax liability or current tax asset of the entity.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity leaves the tax-consolidated group. The effect of the tax sharing agreement is that each member's liability for tax payable by the tax-consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

### 8. Cash and cash equivalents

Cash at bank and on hand	1,500,249	590,369
Term deposits	990,000	5,950,000
	<u>2,490,249</u>	<u>6,540,369</u>

Cash in at call bank accounts bear floating interest rates of an average 0.75% (2017: 0.80%). Term deposits during the year were held with Westpac Banking Corporation and ANZ with had an average maturity of 3 months and earned interest of approximately 2.2%.

### 9. Trade and other receivables

#### Current

Other receivables	<u>70,478</u>	<u>100,413</u>
-------------------	---------------	----------------

Other receivables mainly represent entitlement to interest receivable on term deposits and recoverable GST. No receivables are past due or impaired.

### 10. Other assets

Prepayments	6,307	5,497
Term deposits (secured against Bank Guarantees in lieu of Security Deposits)	210,000	390,000
	<u>216,307</u>	<u>395,497</u>

# VERDANT MINERALS LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
<b>11. Property, plant and equipment</b>		
Motor vehicles – at cost	455,948	455,948
Accumulated depreciation	(347,156)	(322,620)
	<u>108,792</u>	<u>133,328</u>
Scientific instruments – at cost	192,659	192,659
Accumulated depreciation	(185,666)	(182,264)
	<u>6,993</u>	<u>10,395</u>
Office equipment – at cost	122,909	136,316
Accumulated depreciation	(115,317)	(127,065)
	<u>7,592</u>	<u>9,251</u>
Furniture and fittings – at cost	43,419	43,419
Accumulated depreciation	(29,941)	(28,195)
	<u>13,478</u>	<u>15,224</u>
Leasehold improvements – at cost	75,821	75,821
Accumulated depreciation	(74,911)	(74,683)
	<u>910</u>	<u>1,138</u>
Plant and equipment – at cost	266,642	266,642
Accumulated depreciation	(164,112)	(144,345)
	<u>102,530</u>	<u>122,297</u>
Site camp equipment – at cost	531,702	531,702
Accumulated depreciation	(219,458)	(191,371)
	<u>312,244</u>	<u>340,331</u>
<b>Total property, plant and equipment</b>	<b><u>552,539</u></b>	<b><u>631,964</u></b>

### Summary of individual asset groups

#### Motor vehicles

Carrying amount at beginning of year	133,328	192,609
Additions	-	-
Disposals	-	(23,712)
Depreciation	(24,536)	(35,569)
<b>Carrying amount at end of year</b>	<b><u>108,792</u></b>	<b><u>133,328</u></b>

#### Scientific instruments

Carrying amount at beginning of year	10,395	14,461
Additions	-	907
Disposals	-	-
Depreciation	(3,402)	(4,973)
<b>Carrying amount at end of year</b>	<b><u>6,993</u></b>	<b><u>10,395</u></b>

# VERDANT MINERALS LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
<b>11. Property, plant and equipment (continued)</b>		
<b>Office equipment</b>		
Carrying amount at beginning of year	9,251	12,570
Additions	1,925	1,113
Disposals	-	-
Depreciation	(3,584)	(4,432)
<b>Carrying amount at end of year</b>	<b>7,592</b>	<b>9,251</b>
<b>Furniture and fittings</b>		
Carrying amount at beginning of year	15,224	16,729
Additions	-	385
Disposals	-	-
Depreciation	(1,746)	(1,889)
<b>Carrying amount at end of year</b>	<b>13,478</b>	<b>15,224</b>
<b>Leasehold improvements</b>		
Carrying amount at beginning of year	1,138	1,422
Additions	-	-
Disposals	-	-
Depreciation	(228)	(285)
<b>Carrying amount at end of year</b>	<b>910</b>	<b>1,138</b>
<b>Plant and equipment</b>		
Carrying amount at beginning of year	122,297	140,854
Additions	-	8,644
Disposals	-	-
Depreciation	(19,767)	(27,201)
<b>Carrying amount at end of year</b>	<b>102,530</b>	<b>122,297</b>
<b>Site camp equipment</b>		
Carrying amount at beginning of year	340,331	371,124
Additions	-	-
Disposals	-	-
Depreciation	(28,087)	(30,793)
<b>Carrying amount at end of year</b>	<b>312,244</b>	<b>340,331</b>
<b>Group Summary</b>		
Carrying Amount at beginning of year	631,964	749,769
Additions	1,925	11,049
Disposals	-	(23,712)
Depreciation	(81,350)	(105,142)
<b>Carrying amount at end of year</b>	<b>552,539</b>	<b>631,964</b>

# VERDANT MINERALS LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
<b>12. Exploration and evaluation assets</b>		
At cost	43,333,291	43,333,291
Carrying amount at beginning of year	43,333,291	40,667,102
Expenditure	4,745,500	3,377,251
Impairment and write-off of exploration and evaluation assets	(1,073,317)	(611,062)
Option Deed Termination of Royalty	800,000	-
Sale of Tenements	(700,000)	(100,000)
Carrying amount at end of year	<b>47,105,474</b>	<b>43,333,291</b>

The ultimate recoupment of these costs is dependent upon the successful development and commercial exploitation, or alternatively sale, of the respective areas of interest.

The exploration and evaluation targets are assessed regularly and when an area of interest has been adequately tested and deemed unprospective for target commodities the tenement costs are impaired where there is no further work anticipated and no development potential. The impairment reflects assessment by management for tenements where evaluation has been assessed to be complete during the period. The Group's focus has moved to new areas of interest including fertiliser minerals such as phosphate and potash. Any exploration costs in the period that are not captured specifically as tenement associated costs are included in the impairment charge.

### 13. Trade and other payables

Trade creditors	261,805	275,282
Other creditors	35,000	-
Accrued expenses	45,000	51,000
Total trade and other payables	<b>341,805</b>	<b>326,282</b>

Trade payables and accrued expenses are unsecured, non-interest bearing and due approximately 1 month from the date of recognition.

### 14. Short-term provisions

Employee entitlements	113,389	113,939
Provision for R&D grant review	-	640,526
	<b>113,389</b>	<b>754,465</b>

# VERDANT MINERALS LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 15. Contributed equity

	Company	
	2018	2017
	\$	\$
Ordinary shares – fully paid	86,731,565	83,976,565

#### (a) Movements in contributed equity

	No. of shares	\$
Balance at 30 June 2017	963,761,492	83,976,565
Option Deed Termination of Royalty at 2 cents (c)	40,000,000	800,000
Share placement at 2 cents per share	100,000,000	2,000,000
Qualifying costs attributable to equity:		
Placement Fees	-	(45,000)
Balance at 30 June 2018	<b>1,103,761,492</b>	<b>86,731,565</b>

Ordinary shares entitle the holder to participate in dividends and the proceeds from winding up of the company in proportion to the number of shares held and amounts paid.

On a show of hands every holder of ordinary shares present at a meeting either in person or by proxy, is entitled to one vote, and upon a poll, each share is entitled to one vote.

#### (b) Capital risk management

When managing capital, management's objective is to ensure the Group continues as a going concern and to maintain a structure to enable the lowest cost of capital available, with sufficient capital available for exploration and evaluation of tenements.

In order to maintain or adjust the capital structure, the Group may seek to issue new shares.

Consistent with others in the industry, the Group and the parent entity monitor capital on the basis of forecast exploration and evaluation expenditure required to reach a stage which permits a reasonable assessment of the existence or otherwise of an economically recoverable reserve. Total capital is calculated as "equity" as shown in the balance sheets.

#### (c) Share issue under Option Deed (Termination of Royalty)

Under an Option Deed approved by shareholders on 24 November 2016 Verdant Minerals had the option to allot and issue shares to effect termination of a royalty by 31 December 2017. The share allotment price was 2 cents compared to 5 day VWAP of 1.91 cents at 23 November 2016 and was the basis approved by shareholders. Share price on exercise of the option in December 2017 was 3.5 cents on 12 December 2017.

#### (d) Share options

At 30 June 2018, the following options for ordinary shares in Verdant Minerals Ltd were on issue:

	2018	2017
	Number	Number
Director options	22,250,000	27,000,000
Employee options	6,850,000	8,100,000
	<b>29,100,000</b>	<b>35,100,000</b>
Options - exercise price 2.5cents, expire 1 July 2019 *	80,000,000	-
Options – exercise price 3.0cents, expire 1 July 2020 *	66,666,634	-
Corporate Options - Total	<b>146,666,634</b>	-
Total Options	<b>175,766,634</b>	<b>35,100,000</b>

\* Options issue in conjunction with share placement of 2 cents per share at June 2018

# VERDANT MINERALS LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 16. Reserves and accumulated losses

	2018	2017
	\$	\$
<b>(a) Reserves</b>		
Share-based payments reserve	1,729,830	1,711,555
<b>Movements:</b>		
<i>Share-based payments reserve</i>		
Balance at beginning of year	1,711,555	1,447,730
Share based payment expense	18,275	263,825
Balance at end of year	<b>1,729,830</b>	<b>1,711,555</b>
<b>(b) Accumulated losses</b>		
Movements in accumulated losses were as follows:		
Balance at beginning of year	(35,767,333)	(32,681,059)
Net (loss) for the year	(2,714,209)	(3,086,274)
Balance at end of year	<b>(38,481,542)</b>	<b>(35,767,333)</b>

### (c) Nature and purpose of reserves

#### *Share-based payments reserve*

The share-based payments reserve is used to recognise the fair value of options granted over the vesting period.

### 17. Segment Information

Segment information is presented using a "management approach" i.e. segment information is provided on the same basis as information used for internal reporting purposes by the Board including making strategic decisions. The Board has determined that there is only one operating segment because there is no other discrete information provided to them. The Board only receives consolidated financial information for the Group. The Group operates in one business segment being mineral exploration and evaluation and one geographic segment being Northern Australia.

The Group is not selling products and as such no information has been provided on a product basis. The Group has no sales revenue and no customers. As such no information is relevant for sales revenue on a geographic basis.

### 18. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity.

	2018	2017
	\$	\$
<b>1. Audit services</b>		
KPMG	62,760	77,056
<b>2. Other services</b>		
Other	-	-
	<b>62,760</b>	<b>77,056</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 19. Key management personnel disclosures

#### Key management personnel compensation

	2018	2017
	\$	\$
Short-term employee benefits	895,969	893,467
Post-employment benefits	76,868	81,443
Share-based payments	18,275	249,700
	<b>991,112</b>	<b>1,224,610</b>

As expensed to the profit and loss statement and/or capitalised to exploration.

Information regarding individual director and other key management compensation is included in the remuneration report in the Directors' report.

#### Loans to key management personnel

There were no loans to key management personnel at any time during the financial year.

#### Other transactions with key management personnel

If the directors undertake work that is in addition to the traditional role and duties as a director then a payment maybe made for consulting services with the approval of the board. No payments were made in 2018. In 2017 a payment of \$11,340 was made to the chairman for consulting, contact and liaison with the fertiliser industry.

There were no other transactions with key management personnel other than reimbursement of company expenses incurred by them in performing their respective duties.

# VERDANT MINERALS LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 20. Cash flow information

	Consolidated Group	
	2018	2017
	\$	\$
<b>(a) Reconciliation of loss after income tax to net cash outflow from operating activities</b>		
Loss for the year	(2,714,209)	(3,086,274)
Non cash employee based expense – share-based payments	18,275	263,825
Depreciation and amortisation	5,558	6,607
Loss on disposal of assets	-	12,612
Profit on sale of assets	-	-
Impairment of exploration and evaluation assets	1,073,317	611,062
(Decrease) / Increase in provisions	(641,076)	650,021
Decrease in trade and other receivables	29,125	26,365
(Decrease) in trade payables	(29,477)	(10,410)
Net outflow from operating activities	<b>(2,258,487)</b>	<b>(1,526,192)</b>
<b>(b) Non-cash investing and financing activities</b>		
Option Deed Termination of Royalty	800,000	-

### 21. Earnings per share

	Company	
	2018	2017
	Cents	Cents
<b>(a) Basic and diluted earnings per share</b>		
Loss from operations attributable to the ordinary equity holders of the company	(0.27)	(0.32)
<b>(b) Weighted average number of ordinary shares used as the denominator</b>		
	2018	2017
	Number	Number
Number used in calculating basic and diluted earnings per share	990,025,228	963,761,492

#### (c) Information concerning earnings per share

Options granted are considered to be potential ordinary shares. Details relating to options are set out in the directors' report and note 22.

In 2018 and 2017 the options are anti-dilutive and are therefore not included in the calculation of diluted earnings per share. The options potentially could dilute basic earnings per share in the future.

# VERDANT MINERALS LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 22. Share-based payments

Options have been issued to key management personnel and employees. The number of options issued, the strike price of options issued and all other relevant terms have been set having regard to the person's position in the Company and level of experience. All employee options have a maximum life of three to four years. Such options vest according to the terms that are agreed at the time of grant between the Company and the employee, however options normally vest either immediately upon grant or progressively over the life of the option. Upon termination by either Verdant Minerals Ltd or by the employee, vested options can be exercised up to 30 days after termination. Upon termination all unvested options normally lapse.

Set out below are the summaries of options granted as share-based payments for services and incentives to directors and employees.

Grant date	Expiry date	Exercise Price	Balance at start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at end of the year	Vested and exercisable at end of the year
			Number	Number	Number	Number	Number	Number
<b>Group – 2018</b>								
01/07/2014	01/07/2018	\$0.1601	4,550,000	-	-	-	4,550,000	4,550,000
01/07/2014	01/07/2019	\$0.2101	3,550,000	-	-	-	3,550,000	3,550,000
14/12/2016	30/06/2018	\$0.025	6,500,000	-	-	6,500,000	-	-
14/12/2016	30/06/2019	\$0.025	9,000,000	-	-	-	9,000,000	-
14/12/2016	31/12/2019	\$0.025	6,500,000	-	-	-	6,500,000	-
31/03/2017	30/06/2018	\$0.035	1,250,000	-	-	1,250,000	-	-
31/03/2017	30/06/2019	\$0.035	2,500,000	-	-	-	2,500,000	-
31/03/2017	31/12/2019	\$0.035	1,250,000	-	-	-	1,250,000	-
15/12/2017	30/06/2018	\$0.032	-	750,000	-	750,000	-	-
15/12/2017	30/06/2019	\$0.032	-	1,000,000	-	-	1,000,000	-
15/12/2017	31/12/2019	\$0.032	-	750,000	-	-	750,000	-
			<b>35,100,000</b>	<b>2,500,000</b>	<b>-</b>	<b>8,500,000</b>	<b>29,100,000</b>	<b>8,100,000</b>
Weighted average exercise price			\$0.0627	\$0.032	-	\$0.0271	\$0.0704	\$0.1820
<b>Group – 2017</b>								
01/07/2014	01/07/2018	\$0.1601	4,550,000	-	-	-	4,550,000	4,550,000
01/07/2014	01/07/2019	\$0.2101	3,550,000	-	-	-	3,550,000	3,550,000
14/12/2016	30/06/2018	\$0.025	-	6,500,000	-	-	6,500,000	-
14/12/2016	30/06/2019	\$0.025	-	9,000,000	-	-	9,000,000	-
14/12/2016	31/12/2019	\$0.025	-	6,500,000	-	-	6,500,000	-
31/03/2017	30/06/2018	\$0.035	-	1,250,000	-	-	1,250,000	-
31/03/2017	30/06/2019	\$0.035	-	2,500,000	-	-	2,500,000	-
31/03/2017	31/12/2019	\$0.035	-	1,250,000	-	-	1,250,000	-
			<b>8,100,000</b>	<b>27,000,000</b>	<b>-</b>	<b>-</b>	<b>35,100,000</b>	<b>8,100,000</b>
Weighted average exercise price			\$0.1820	\$0.02669	-	-	\$0.0627	\$0.1820

During the reporting period 8,500,000 options expired, no options were exercised and 2,500,000 options were granted during the year.

The assessed fair value at grant date of options issued is determined using the Monte Carlo Simulation option pricing model which takes into account the exercise price, the term of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the option.

# VERDANT MINERALS LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 22. Share-based payments (continued)

In respect of the options issued to directors during the 2017 /2018 period, the model inputs were as follows:

	Options issued December 2017		
	750,000	1,000,000	750,000
Options issued	750,000	1,000,000	750,000
Consideration	-	-	-
Options Life (years)	0.54	1.54	2.04
Exercise price (cents)	3.2c	3.2c	3.2c
Share price at valuation date	3.4c	3.4c	3.4c
Expected volatility	67%	67%	67%
Expected dividend yield	-	-	-
Risk free interest rate	1.69%	1.82%	1.81%
Vesting 10 day VWAP Hurdle (cents)	5.0c	8.0c	12.0c
Fair value (cents)	0.61c	0.83c	0.72c

The expected price volatility is based on the historical volatility of a number of similar entities (based on a period with a similar life of the options).

	2018	2017
	\$	\$
<b>Expenses arising from share-based transactions</b>		
Options issued to directors and employees		
- Employee benefits expense	18,275	263,825
	<b>18,275</b>	<b>263,825</b>

### 23. Subsidiaries

The consolidated financial statements of Verdant Minerals Ltd incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(a).

Name of entity	Country of incorporation	Class of shares	Equity holding*	
			2018	2017
			%	%
Territory Mining Pty Ltd	Australia	Ordinary	100	100
Territory Potash Pty Ltd	Australia	Ordinary	100	100
Territory Phosphate Pty Ltd	Australia	Ordinary	100	100
Central Australian Phosphate Pty Ltd	Australia	Ordinary	100	100

\*The proportion of ownership interest is equal to the proportion of voting power held.

### 24. Related parties

#### a. Key management personnel

Disclosures relating to key management personnel are set out in note 19.

#### b. Loans to/from related parties

The Company has not entered into any loan agreements with related parties.

#### c. Major shareholder

There were no transactions with the major shareholder in the year ended 30 June 2018.

# VERDANT MINERALS LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 25. Commitments

#### Operating Leases

	2018	2017
	\$	\$
Property and office equipment		
Not later than 1 year	76,496	69,033
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
	<b>76,496</b>	<b>69,033</b>

Property leases for some facilities are rolling monthly commitments. For the purpose of the ongoing business a /minimum commitment of up to six months is reflected in the commitments for leases.

#### Exploration expenditure

In order to maintain an interest in the exploration tenements the Group is committed to meet the conditions under which the tenements were granted. The timing and amount of exploration expenditure and obligations of the Group are subject to the minimum expenditure requirements of the relevant regulatory bodies and may vary significantly from the forecast based on availability of funds and the results of the work performed, which will determine the prospectivity of the relevant areas of interest. The obligations are not provided for in the financial statements.

Commitments in relation to minimum statutory expenditures with respect to mining tenements:

	2018	2017
	\$	\$
Within one year	731,931	1,106,378
Later than one year but not later than five years	1,117,713	1,710,786
	<b>1,849,644</b>	<b>2,817,154</b>

### 26. Contingencies

As at the date of this report there are no contingent liabilities for which provision is required.

The Group's bankers have provided guarantees of \$210,000 to certain government bodies as security over the Group's performance of rehabilitation obligations on tenements. The group has indemnified the bank under agreement in relation to these guarantees. The guarantees are backed by secured term deposits amounting to \$210,000 as at 30 June 2018. (2017: \$390,000)

### 27. Subsequent events

No significant events have occurred since balance date that would impact materially upon the Group and that would warrant separate disclosure in this report.

# VERDANT MINERALS LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 28. Joint Operations – Exploration

JV Project	Parties	Tenements	Verdant Minerals interest 30 June 2018
Top End	Primary Minerals Ltd Verdant Minerals Ltd	Various EL's amended by Primary Minerals tenement restructure.	Uranium Exploration Agreement  100% Uranium No rights other minerals
Westmoreland	Central Australian Phosphate Pty Ltd Lagoon Creek Resources Pty Ltd	EL 23573	Tenements 50/50

### 29. Parent Entity Information

The financial statements for the parent entity show the following aggregate amounts:

	2018 \$	2017 \$
<b>Statement of Financial Position</b>		
Current assets	2,776,714	7,035,959
Non-current assets	47,643,070	43,947,882
Total assets	<u>50,419,784</u>	<u>50,983,841</u>
Current liabilities	455,195	1,080,747
Total Liabilities	<u>455,195</u>	<u>1,080,747</u>
Equity		
Contributed equity	86,731,565	83,976,565
Reserves	1,729,830	1,711,555
Accumulated losses	(38,496,806)	(35,785,026)
Total equity	<u>49,964,589</u>	<u>49,903,094</u>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>		
Loss for the year	(2,711,780)	(3,079,185)
Total comprehensive loss for the year	<u>(2,711,780)</u>	<u>(3,079,185)</u>

The parent entity has not provided any financial guarantees in respect of subsidiaries, nor did it have any contingent liabilities as at 30 June 2018.

Commitments of the parent entity are the same as those for the Group reflected in note 25.

## DIRECTORS' DECLARATION

---

1. In the Directors' opinion
  - (a) the consolidated financial statements and notes set out on pages 41 to 67 and remuneration report set out on pages 31 to 36 of the Directors' Report are in accordance with the Corporations Act 2001, including:
    - i. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
    - ii. giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date; and
  - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations by the Chief Executive Officer and the Chief Financial Officer required by section 295A of the Corporations Act 2001.
3. The Directors draw attention to Note 1 to the consolidated financial statements which include a statement of compliance with International Financial Reporting Standards.

This declaration made in accordance with a resolution of the Directors.



---

James D Whiteside

Chairman



---

Chris N Tziolis

Managing Director

Darwin, Northern Territory  
26 September 2018

## INDEPENDENT AUDITOR'S REPORT



To the shareholders of Verdant Minerals Ltd

### Report on the audit of the Financial Report

#### Opinion

We have audited the **Financial Report** of Verdant Minerals Ltd (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.

#### Material uncertainty related to going concern

We draw attention to Note 1, "Going Concern" in the financial report. The conditions disclosed in Note 1, indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

In concluding there is a material uncertainty related to going concern we evaluated the extent of uncertainty regarding events or conditions casting significant doubt in the Group's assessment of going concern. Our approach to this involved:

- Evaluating the feasibility, quantum and timing of the Group's plans to raise additional shareholder



funds to address going concern;

- Assessing the Group's cash flow forecasts for incorporation of the Group's operations and plans to address going concern;
- Determining the completeness of the Group's going concern disclosures for the principle matters casting significant doubt on the Group's ability to continue as a going concern, the Group's plans to address these matters, and the material uncertainty.

## Key Audit Matters

In addition to the matter described in the *Material uncertainty related to going concern* section, the **Key Audit Matter** we identified was the exploration and evaluation Assets.

**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 Assets (\$47.1 million)	
Refer to Note 12 to the Financial Report	
The key audit matter	How the matter was addressed in our audit
<p>Exploration and evaluation expenditure capitalised (E&amp;E) is a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• the significance of the E&amp;E activity to the Group's business and the balance being 93% of total assets; and</li> <li>• the level of audit effort required to evaluate the Group's application of the requirements of the industry specific accounting standard AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, in particular the conditions allowing capitalisation of relevant expenditure and presence of impairment indicators.</li> </ul> <p>Assessing the conditions allowing capitalisation of relevant expenditure require judgement, particularly in respect of:</p> <ul style="list-style-type: none"> <li>• the determination of the areas of interest (areas);</li> <li>• the Group's intention and capacity to continue the relevant E&amp;E activities; and</li> </ul>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Evaluating the Group's accounting policy to recognise exploration and evaluation assets using the criteria in the accounting standard;</li> <li>• Assessing the Group's determination of its areas of interest for consistency with the definition in the accounting standard. This involved analysing the licenses in which the Group holds an interest and the exploration programmes planned for those for consistency with documentation such as license related technical conditions, joint venture agreements, results of the external expert engaged by the Group, and planned work programmes;</li> <li>• For each area of interest, assessing the Group's current rights to tenure by corroborating the ownership of the relevant license to government registries and evaluating agreements in place with other parties. We also tested for compliance with conditions, such as minimum expenditure</li> </ul>



For personal use only

<ul style="list-style-type: none"> <li>the Group's determination of whether the E&amp;E is expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale.</li> </ul> <p>Assessing the presence of impairment indicators also requires judgement and given the financial position of the Group, particular attention needs to be given to:</p> <ul style="list-style-type: none"> <li>the ability of the Group to fund the continuation of activities;</li> <li>results from latest activities regarding the existence or otherwise of commercially viable quantity of reserves; and</li> <li>the strategic direction of the Group and their intentions in relation to each area of interest. In the current year, the Group engaged external experts to assess the feasibility of the Ammaroo Phosphate Project.</li> </ul>	<p>requirements, on a sample of licenses;</p> <ul style="list-style-type: none"> <li>Testing the Group's additions to E&amp;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;</li> <li>Evaluating Group documents, such as minutes of Board meetings, for consistency with their stated intentions for continuing E&amp;E in certain areas. We corroborated this through interviews with key operational and finance personnel.</li> <li>Comparing the results from the external expert engaged by the Group regarding the feasibility of the Ammaroo Phosphate Project for consistency to the treatment of E&amp;E and the requirements of the accounting standard. We used our corporate finance specialists to assist in the consideration of the external experts' work.</li> </ul>
--	--

## Other Information

Other Information is financial and non-financial information in Verdant Minerals Ltd'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 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 the 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](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 Verdant Minerals Ltd 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 *pages 31 to 36* of 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

*Jeff Frazer*

KPMG

Jeff Frazer

Partner

Gold Coast

26 September 2018

# VERDANT MINERALS LTD

## TENEMENT SCHEDULE at 30 June 2018

Commodity	Project & Tenements	Registered Holder	Tenement Ownership	Expiry Date	Area	Area km <sup>2</sup>
					Blocks	
Phosphate	<b>Ammaroo NT</b>					
	EL 24726	Territory Phosphate Pty Ltd	100%	31-Mar-20	20	63.91
	EL 25184	Territory Phosphate Pty Ltd	100%	18-Apr-19	19	60.72
	ELA 31789	Territory Phosphate Pty Ltd	100%	na	238	759.58
	ELA 31790	Territory Phosphate Pty Ltd	100%	na	233	746.27
	ELA 31791	Territory Phosphate Pty Ltd	100%	na	250	798.47
	ERLA 31739	Territory Phosphate Pty Ltd	100%	na	na	44,080 ha
	ERLA 31740	Territory Phosphate Pty Ltd	100%	na	na	7,568 ha
	ERLA 31741	Territory Phosphate Pty Ltd	100%	na	na	7,829 ha
	ERLA 31742	Territory Phosphate Pty Ltd	100%	na	na	40,825 ha
	ERLA 31743	Territory Phosphate Pty Ltd	100%	na	na	1,599 ha
	ERLA 31744	Territory Phosphate Pty Ltd	100%	na	na	7,027 ha
	ERLA 31745	Territory Phosphate Pty Ltd	100%	na	na	21,402 ha
	ERLA 31746	Territory Phosphate Pty Ltd	100%	na	na	1,281 ha
	ERLA 31747	Territory Phosphate Pty Ltd	100%	na	na	30,669 ha
	ERLA 31748	Territory Phosphate Pty Ltd	100%	na	na	40,068 ha
	ERLA 31749	Territory Phosphate Pty Ltd	100%	na	na	8,642 ha
	ERLA 31750	Territory Phosphate Pty Ltd	100%	na	na	10,525 ha
	MLA 29463	Territory Phosphate Pty Ltd	100%	na	na	6,375 ha
	MLA 29854	Territory Phosphate Pty Ltd	100%	na	na	9,074 ha
MLA 31713	Territory Phosphate Pty Ltd	100%	na	na	171 ha	
MLA 31717	Territory Phosphate Pty Ltd	100%	na	na	167.17 ha	
Phosphate	<b>Singleton NT</b>					
	EL 30613	Territory Phosphate Pty Ltd	100%	14-Jun-21	21	67.42
Phosphate	<b>Patanella NT</b>					
	EL 24716	Territory Phosphate Pty Ltd	100%	30-Nov-19	59	187.11
	EL 24724	Territory Phosphate Pty Ltd	100%	1-Dec-19	15	47.57
Phosphate	<b>Brunchilly NT</b>					
	EL 30222	Territory Phosphate Pty Ltd	100%	14-Oct-20	236	768.25
	EL 30223	Territory Phosphate Pty Ltd	100%	14-Oct-20	156	507.24
	EL 30224	Territory Phosphate Pty Ltd	100%	14-Oct-20	221	718.44
Phosphate	<b>Burge Bore NT</b>					
	EL 30225	Territory Phosphate Pty Ltd	100%	14-May-21	108	352.87
Phosphate	<b>Weedens NT</b>					
	EL 30672	Territory Phosphate Pty Ltd	100%	30-Jul-21	139	447.96
Potash	<b>Karinga Lakes NT</b>					
	EL 24987	Territory Potash Pty Ltd	100%	9-Oct-18	71	220.37
	EL 25080	Territory Potash Pty Ltd	100%	8-Oct-18	204	633.58
	EL 28205	Territory Potash Pty Ltd	100%	8-Mar-19	19	59.04
	EL 28272	Territory Potash Pty Ltd	100%	13-Apr-19	19	59.03
	EL 28872	Territory Potash Pty Ltd	100%	5-Mar-20	11	34.15
	EL 30381	Territory Potash Pty Ltd	100%	15-Mar-21	4	12.43
	EL 30382	Territory Potash Pty Ltd	100%	15-Mar-21	8	22.22

# VERDANT MINERALS LTD

Commodity	Project & Tenements	Registered Holder	Tenement Ownership	Expiry Date	Area	Area km <sup>2</sup>
					Blocks	
Potash	<b>Lake Amadeus NT</b>					
	ELA 30194	Territory Potash Pty Ltd	100%	na	70	218.00
	ELA 30195	Territory Potash Pty Ltd	100%	na	200	622.88
	ELA 30196	Territory Potash Pty Ltd	100%	na	143	446.18
	ELA 30197	Territory Potash Pty Ltd	100%	na	203	633.44
	ELA 30389	Territory Potash Pty Ltd	100%	na	186	527.56
	ELA 30650	Territory Potash Pty Ltd	100%	na	61	190.51
Silica	<b>Dingo Hole NT</b>					
	EL 31078	Verdant Minerals Ltd	100%	14-Jan-22	11	35.16
Silica	<b>Tobermorey NT</b>					
	ELA 31033	Territory Mining Pty Ltd	100%	na	110	349.70
	ELA 31034	Territory Mining Pty Ltd	100%	na	113	359.08
Silica	<b>Dneiper NT</b>					
	ELA 31035	Territory Mining Pty Ltd	100%	na	12	37.99
	ELA 31036	Territory Mining Pty Ltd	100%	na	65	205.92
Silica	<b>Old South Road NT</b>					
	ELA 31041	Territory Mining Pty Ltd	100%	na	14	43.80
Silver Lead	<b>Silver Valley</b>					
	EL 31340	Territory Mining Pty Ltd	100%	6-Apr-23	50	157.98
Uranium	<b>Westmoreland NT</b>					
	EL 23573	50% Central Australian Phosphate Pty Ltd 50% Laramide JV (Lagoon Creek Resources)	50% / 50%	22-Dec-18	65	189.90

key: EL - Exploration Licence ELR - Exploration Licence in Retention ML - Mineral Lease A - Application

## ADDITIONAL SHAREHOLDER INFORMATION

Additional information required by the ASX Limited ("ASX") Listing Rules as at 21 September 2018 and not disclosed elsewhere in the report is set out below.

### Substantial shareholders

The following shareholders have lodged substantial shareholder notices with ASX:

Substantial Shareholder	Number of VRM Shares held	Percentage of issued share capital
Washington H Soul Pattinson and Co Ltd	368,941,067	33.43%
Regal Funds Management Pty Ltd	59,275,840	5.43%

### Distribution of Shareholders

The distribution of security holders is as follows:

Range of holding	Shareholders	Number of Ordinary Shares
100,001 and over	629	1,054,272,623
10,001 – 100,000	1,077	45,494,858
5,001 – 10,000	314	2,594,311
1,001 – 5,000	451	1,210,492
1 – 1,000	566	189,208
<b>Totals</b>	<b>3,037</b>	<b>1,103,761,492</b>

The number of shareholders holding less than a marketable parcel of ordinary shares is 1,793.

### Voting Rights (Ordinary Shares)

The voting rights attaching to Ordinary Shares are governed by the Constitution. On a show of hands every person present who is a member or representative of a member shall have one vote and on a poll, every member present in person or by proxy or by attorney or duly authorised representative shall have one vote each share held. Options have no voting rights.

### On-Market Buyback

There is no current on-market buyback.

### Listed Options

There are no listed options

### Securities exchange

The Company is listed on the Australian Securities Exchange. The Home exchange is Melbourne.

### Other information

Verdant Minerals Ltd incorporated and domiciled in Australia, is a publicly listed company limited by shares.

# VERDANT MINERALS LTD

## ADDITIONAL SHAREHOLDER INFORMATION (continued)

Twenty Largest Shareholders

Name	Number of Shares	% Held of Issued Capital
WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	368,941,067	33.43
FARJOY PTY LTD	51,420,683	4.66
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	50,123,520	4.54
J P MORGAN NOMINEES AUSTRALIA LIMITED	37,966,145	3.44
CITICORP NOMINEES PTY LIMITED	28,137,294	2.55
JOHN A NEWTON & WANDA G NEWTON <DRAWONE S/F A/C>	25,000,000	2.26
FINCHING PTY LTD <D W MULLER MINING A/C>	21,000,000	1.90
3RD WAVE INVESTORS LTD	16,000,000	1.45
MR SAMIR RAHME	14,067,000	1.27
BARBWAY PTY LTD <SPENCER FAMILY A/C>	13,078,795	1.18
KEO PROJECTS PTY LTD <SUPERANNUATION FUND A/C>	13,059,462	1.18
MR IAN LAWTON BARDEN + MRS LESLEY CORRIE BARDEN <BARDEN SUPER FUND A/C>	10,000,000	0.91
KENSINGTON CAPITAL MANAGEMENT PTY LTD	10,000,000	0.91
KIM GLASFURD SUPER PTY LTD <THE GLASFURD S/F A/C>	10,000,000	0.91
AMVEST CAPITAL PRINCIPAL STRATEGIES LLC	9,250,000	0.84
MR VALDIS KOGTEVS	9,000,000	0.82
MRS MARION MATTHEWS + MR STEPHEN MATTHEWS	8,035,000	0.73
DRAWONE PTY LTD <NEWTON INVESTMENT A/C>	8,000,000	0.72
RJ & KE SUPER FUND PTY LTD <RJ & KE SUPER FUND A/C>	6,375,000	0.58
CHAFCO PTY LTD <D CHAFFEY SUPER FUND A/C>	6,175,000	0.56
<b>Total</b>	<b>715,628,966</b>	<b>64.84</b>
<b>Balance of Register</b>	<b>388,132,526</b>	<b>35.16</b>
<b>Grand Total</b>	<b>1,103,761,492</b>	<b>100.00</b>

For personal use only



[www.verdantminerals.com.au](http://www.verdantminerals.com.au)