

CHAIRMAN'S ADDRESS TO SCHEME MEETING

Welcome and thank you for attending this important meeting.

The purpose of this meeting is to consider, and if thought fit, to agree to a scheme of arrangement (the **Scheme**) proposed to be made between Verdant Minerals Ltd and the holders of its fully paid ordinary shares (other than Washington H Soul Pattinson and Company Limited (referred to as **WHSP**)).

The details of the Scheme have been outlined in the scheme booklet, which has been sent to all shareholders and made available online (**Scheme Booklet**). The Scheme Booklet includes the Independent Expert's Report prepared by PriceWaterhouseCoopers (**PwC**), which has concluded that the Scheme is fair and reasonable to, and in the best interest of, Verdant's shareholders.

The Company formed a committee of independent directors (the **Independent Board Committee**), comprised of the Managing Director, Chris Tziolis, Jason Conroy and myself to consider the Scheme. We also unanimously recommend that Scheme Shareholders vote in favour of the Scheme, and in the absence of a superior offer, have assured ourselves that it is fair and reasonable to, and in the best interest of Verdant's shareholders.

Before opening the meeting up to questions, let me make some comments regarding what is being asked of shareholders.

We have been very clear in our communications over the last 12 to 18 months that the feasibility study funded by the capital raising in 2016 has clearly demonstrated the size, complexity and capital intensity of the company's flagship project, the Ammaroo Phosphate project. In its simplest form, a 2 million tonne phosphate rock beneficiation project will require around \$500 million dollars for capital expenditure. Any further downstream manufacture of either (or all of) sulphuric acid, phosphoric acid and ammonia (the essential ingredients of ammonium phosphate fertilisers) would drive this capital cost up substantially.

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DIRECTORS – James Whiteside | Jason Conroy | Robert Cooper | Chris Tziolis, MD

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

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Prior to the offer received from CD Capital Natural Resources Fund III LP (**CD Capital**), the Company had a market capitalisation of less than \$20 million. It was clear to the Board that the Company did not have sufficient scale or the shareholder base that could ever fund this sort of investment. Consequently, and again as has been regularly communicated to shareholders, the Company has been engaging with regional and global fertiliser industry players, mining companies, private equity and other financial institutions to provide a platform to secure the capital that will be required.

This engagement has resulted in the offer from CD Capital that shareholders are today voting on. Because the offer is contingent on WHSP remaining as a shareholder, the Board established the Independent Board Committee to consider it, negotiate the terms of the agreements and to manage the process of engaging the independent expert. In this case, the Independent Board Committee was comprised of all directors with the exception of Robert Cooper, who is currently the Chief Executive Officer of Round Oak Minerals Pty Limited (formerly CopperChem Pty Limited), a 100% owned subsidiary of the WHSP. Robert Cooper was nominated to the VRM Board by WHSP,, and so could not be considered independent of WHSP.

The key reasons why the Independent Board Committee unanimously encourages Scheme Shareholders to support the offer are as follows:

1. the price of 3.2 cents per share represents a 113% premium to the closing price of the company's shares on the day prior to the announcement of the offer, and a 76% premium to the average share price over the last 12 months. In other words, the offer price values the company at a significantly higher price than the market has valued it for at least a year, recognising also that the 2016 rights issue was priced at 2 cents per share.
2. No alternate, or superior offer has been subsequently received.
3. The independent expert (PwC) has concluded that the Scheme is fair and reasonable to, and in the best interests of, Verdant Shareholders. The alternative facing the Company, if Scheme Shareholders choose not to support the proposed Scheme, is to immediately raise more capital to provide further working capital to keep the Company running and to repay the loan to CD Capital. Your Board expects that any such capital raising would substantially dilute the value of existing shares and be highly unlikely to provide sufficient capital to materially advance the project.

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I am sure I do not need to remind shareholders that exploration and project development companies such as Verdant, with no revenues generated by product sales, and with large, complex projects requiring considerable capital to develop, are speculative in nature. They sometimes result in substantial profits; though can also result in a total loss of shareholder funds. In this case, the Board is very aware that for a number of shareholders, particularly those that have held their shares for some time, this transaction may result in a loss. Those that have participated in more recent capital raisings, are likely to record a modest profit. In all cases, the Independent Board Committee is strongly of the view that this offer is in the best interest of all Scheme Shareholders.

- ENDS -



James Whiteside
Chairman

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About Verdant Minerals

Verdant Minerals is focused on the discovery, development and operation of fertiliser and industrial mineral projects, located in close proximity to existing transport infrastructure, focused on the Northern Territory of Australia.

The Company's portfolio of projects includes:

- Developing the 100% owned world class Ammaroo Phosphate Project located approx. 200km south-east of Tennant Creek and 300km north-east of Alice Springs in the Northern Territory;
- Sulphate of Potash projects in the Northern Territory; and
- The Dingo Hill Silica Project in the Northern Territory, which has the potential to produce high purity quartz.

Forward Looking Statements

This announcement has been prepared by Verdant Minerals Ltd. It is not intended to be and does not constitute an offer to sell, or a solicitation of an offer to buy or sell, Verdant Minerals' securities.

This announcement does not constitute a recommendation to invest in Verdant Minerals' assets, nor investment, accounting, financial, legal, tax or other advice and does not take into consideration the investment objectives, financial situation or particular needs of any recipient of the announcement (Recipient). Before making an investment decision, Recipients should (a) conduct their own independent investigations and analysis of Verdant Minerals and the information set out in the announcement, (b) rely entirely on such investigations and analysis and not on this announcement in relation to their assessment of Verdant Minerals and (c) form their own opinion as to whether or not to invest in Verdant Minerals' securities.

The announcement contains information on Verdant Minerals and its activities which are current as at the date of this announcement. The information in this announcement is general in nature and does not purpose to be complete nor does it purport to contain all of the information that a prospective investor may require in evaluating a possible investment in Verdant Minerals or that would be required in a prospectus or a product disclosure statement prepared in accordance with the Corporations Act. To the maximum extent permitted by law, none of Verdant Minerals and its related bodies corporate, and each of those parties' officers, employees, agents, advisers and associates (each a Relevant Person) is, or may be taken to be, under any obligation to correct, update or revise the announcement.

Any forward looking statements (including forecasts) included in this announcement 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.

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