

CHAIRMAN'S REPORT TO AGM

I am delighted to be able to report that with the completion of the Feasibility Study into the company's major asset, the Ammaroo Phosphate project and the environmental approvals process completed, that our efforts going forward can now be firmly focussed on the commercialisation of the project. We remain as confident as ever that Ammaroo and its near region has the potential to be one of the next really significant global phosphate provinces, to meet the worlds growing demand for phosphate fertilisers.

Over the last twelve months, your board and the management team have been solely focussed on completing this work. Chris, the MD, will provide more information on the project at the conclusion of this AGM, although in summary, we now have a plant and associated logistics design with capital and operating costs. In June we announced that the project had Federal Government environmental approval, and in October the Northern Territory Government advised us that it had satisfactorily completed its Environmental Impact Assessment. The finalisation of a Native Title mining agreement, which the company is negotiating with the Central Land Council, and which is required for the granting of the Ammaroo Mineral Lease, has taken longer than we would have wished, however as we now know that Native Title Holders have accepted the proposed compensation package, we are confident that this process will also be completed in the very near future.

As stated previously, our focus has turned to confirming and optimising the process flow sheet and to commercialisation, by converting offtake MOUs into bankable offtake agreements, securing commercial debt and endeavouring to secure support and equity investment from one or more global industry players or sophisticated financial investors. Whilst the delays we have experienced in finalising the environmental approvals and native title agreement have been frustrating, it has meant that we now find ourselves seeking external industry partners at a time when the phosphate market is in a more buoyant mood. A number of global downstream manufacturers have expressed their growing interest in securing access either to rock from new geographies, or being able to produce their own rock supply to either shore up supply or as a means of investing upstream in relatively stable and secure country.

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

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Chairman's Report to the Annual General Meeting

With the potential for readily available, competitively priced natural gas in the Northern Territory, other key inputs such as sulphur available in the south east Asian region, the very real opportunity for the development of a downstream manufacturing operation supported by the Ammaroo phosphate resource is also attracting significant interest.

A downstream project will have a capital bill in excess of \$1 billion dollars but a valuation substantially higher. Verdant Minerals, in its current form could not complete such a project without partners of substance. In the meantime, the economics supporting the development of an up to 2 million tonne per annum phosphate rock concentrate project are robust.

The team at Verdant is small, but has been well supported by several external agencies, and I would like to acknowledge the support the company has received from them, most notably Worley Parsons on plant and supply chain design, capex and opex, GHD on the Environmental Impact Statement and Ward Keller on Native Title. We are also grateful for the support from KMPG as the company's auditors and our legal advisers Ashurst.

Shareholders will be aware that projects such as these are not without risk and that companies with no sales revenue have to raise capital to fund these ongoing works. Your board is acutely aware of the support and patience of all of its shareholders, and are very focussed on endeavouring to deliver as much value as possible for existing shareholders.

Finally, on behalf of the Board and shareholders, I would like to thank our Managing Director Chris Tziolis, and the small team he oversees for their relentless focus over the last 12 months. They have successfully juggled a number of different work streams, requiring a range of different skills, and have been absolutely committed to the successful commercialisation of the project. Their efforts are greatly appreciated.



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

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