

Viridis Mining and Minerals Limited

ABN 12 345 678 901

Interim Report - 31 December 2023

Viridis Mining and Minerals Limited
Directors' report
31 December 2023

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Viridis Mining and Minerals Limited (referred to hereafter as the 'Viridis', the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

The following persons were directors of Viridis Mining and Minerals Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Agha Shahzad Pervez
Christopher Gerteisen
Timothy Harrison
Faheem Ahmed
Jose Carlos Guedes Rosado (appointed 20 February 2024)

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of mining exploration.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

Statement of profit or loss and other comprehensive income

As an exploration company, Viridis Mining and Minerals does not have an ongoing source of revenue. Its revenue stream is normally from interest received on cash at bank. Corporate costs increased from \$229,353 in 2022 to \$371,711 in 2023 primarily due to an increase in ASX fees, director fees, consultant and share registry costs. Administration expenses increased from \$61,500 in 2022 to \$350,423 in 2023 primarily due to an increase in travel and office expenses. Share based payments increased from \$nil in 2022 to \$2,554,461 in 2023. As a result, the Company made a net loss after tax of \$3,746,423 in 2023 compared to a net loss after tax of \$425,317 in 2022.

Statement of financial position

At 31 December 2023, the Company had cash at bank of \$1,561,828 (June 2023: \$1,241,233). During the period, trade and other receivables increased from \$103,635 to \$131,990, other current assets decreased from \$132,671 to \$104,260 and capitalised exploration expenditure increased from \$3,063,076 to \$9,300,404 as result of expenditure incurred on the projects. As at 31 December 2023, the Company had total liabilities of \$2,223,956. As a result, the Company had net assets of \$9,021,128 on 31 December 2023 (30 June 2023: \$3,842,977).

Cashflow

During the period, the Company paid \$800,454 (2022: \$364,356) for operating activities; paid \$3,780,110 (2022: \$316,155) for investing activities; and received 4,926,412 (2022: Paid \$65,255) from financing activities.

The following is a summary of the activities of Viridis Mining & Minerals during the period 1 July 2023 to 31 December 2023.

Corporate

Capital Raises

As announced on 14 September 2023, the Company completed a placement to raise A\$2.20 million through an equity issue of 8,800,000 shares at \$0.25 per share to institutional and sophisticated investors.

As announced on 26 October 2023, the Company completed a placement to raise A\$3.09 million through an equity issue of 3,250,000 shares at \$0.95 to institutional and sophisticated investors. Sixty Two Capital Pty Ltd provided cornerstone investment in the placement for a total of A\$1.0 million.

Management Team

As announced in August 2023, the Company appointed Dr Jose Marques Braga Junior and Dr Klaus Petersen as in country executives based in Brazil, to advance exploration at the Colossus Project.

The Company also appointed Rafael Moreno to the role of Chief Executive Officer based in Perth, commencing with the Company in late January 2024.

Viridis Mining and Minerals Limited
Directors' report
31 December 2023

Allotment of Securities

A total of 152,699 unlisted options were exercised during the period, increasing the Company's shares on issue by 152,699.

During the period and following shareholder approval, the Company issued:

- (a) 1,500,000 introducer Shares as an introduction and facilitation fee;
- (b) 2,000,000 unlisted options exercisable at \$0.40 expiring 14 September 2026 to the lead manager of the September 2023 placement;
- (c) 200,000 unlisted options exercisable at \$0.40 expiring 22 December 2026 to director Timothy Harrison;
- (d) 899,999 performance rights to the Brazilian management team with various vesting milestones; and
- (e) 5,000,000 performance rights to the vendors of the Colossus Project with various vesting milestones.

The following is a summary of the activities of Viridis during the period 1 July 2023 to 31 December 2023

Company Projects

Colossus Project (Minas Gerais, Brazil)

On 1 August 2023 the Company announced that it had secured a potential world class Ionic Adsorption Clay ('IAC') Rare Earth Element ('REE') project in the Poços De Caldas Alkaline Complex, Minas Gerais, Brazil from the Varginha Parties ('Vendors').

The Company entered into a binding agreement to acquire 100% of the rights to the REEs comprising the Colossus Rare Earth Project ('Colossus Project'), consisting of 41 licenses (including 2 mining licenses) covering 5,616 hectares (56km²) within South America's largest known Alkaline Complex.

The Colossus Project directly adjoins the world-class Caldeira Ionic Adsorption Clay Project (409Mt @ 2,626ppm TREO, 'Caldeira Resource') and shares the same weathering profile which has been proven to be a true "Ionic Adsorption Clay Deposit" by Meteoric Resources Ltd (ASX:MEI), whereby rare earths are recovered via single step leaching with ammonia sulphate at room temperatures (MEI ASX announcement dated 1 May 2023).

On 14 August 2023 the Company announced it had secured an additional 3,453 hectares (34.5km²) of licences from the Vendors by way of addendum to the Company's existing agreement with the Vendors, representing a 61% increase in land position ('New Areas') requiring no further consideration payable by the Company to the Vendors.

The New Areas consist of rare earth and yttrium rights across 12 licences (including 8 in the Mining Request phase). This increases the Company's total landholding in the Poços De Caldas Complex to 90.69km². All 12 licences are in good standing and will be incorporated into the Company's exploration programs.

The maiden exploration program commenced on 14 September 2023 with three auger rigs targeting all four priority prospects of the Phase I drilling campaign, which adjoin the Caldeira Resource (409Mt @ 2,626ppm TREO) – Caminho Das Pedras, Fazenda, Cetem, and Carijo prospects.

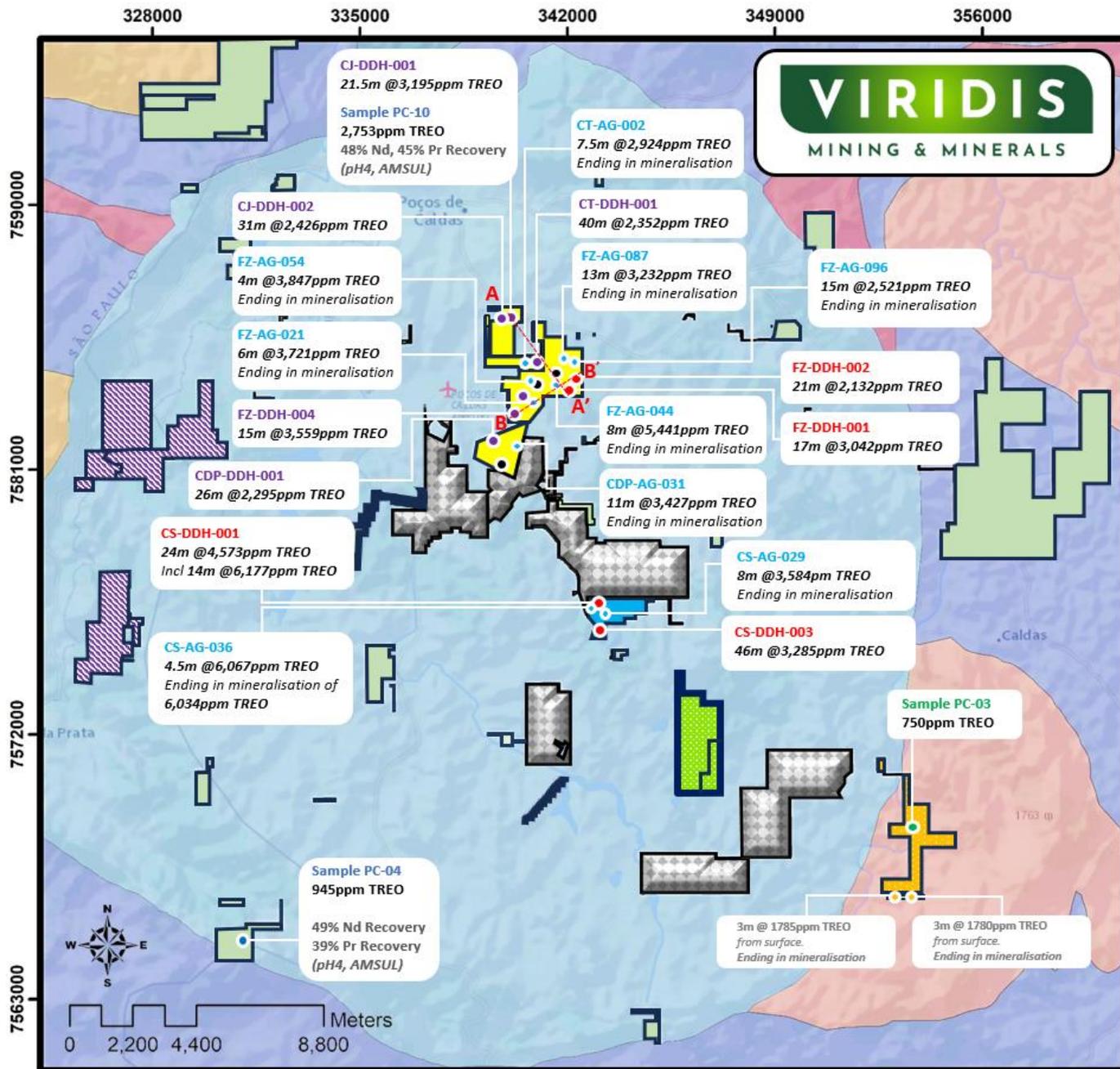
The Phase II drilling program commenced on 3 October 2023 to progress exploration at the Colossus Project, with a total of five drill rigs operational across the project. The Phase II scope consisted of diamond and air-core drilling to target new areas of the Alkaline Complex at depth, focusing first on Cupim South and Sien prospects. Previous auger drilling by JOGMEC (Japan Oil, Gas and Metals National Corporation) intersected 15m @ 3,127ppm TREO (MEI ASX announcement dated 1 May 2023), 5 metres away from Cupim South Prospect.

On 10 November 2023 the Company announced it had signed a binding agreement to secure an exclusive option over a further 5,388 Hectares (53.88km²) of licenses, representing a 60% increase in Viridis landholdings in Poços De Caldas. The new areas consist of rare earth and yttrium rights across 15 exploration licenses and 12 exploration license applications, which increases the Colossus Project to a total landholding of 144.57km².

On 30 November 2023, the Company appointed Australian Nuclear Science and Technology Organisation ('ANSTO') to follow up on previous surface samples by Viridis, which has confirmed Rare Earth ionic mineralisation, and conduct a depth and spatial analysis of ionic desorption across the Colossus Project.

By the end of 2023, the Company had announced the results of its first and second set of assays for auger and diamond drilling, confirming further widespread world-class discoveries of high-grade IAC mineralisation. Key intercepts and grades are summarised in Figure 1.

Figure 1: Map Exploration Data Highlights on Colossus Project (VMM ASX announcement dated 1 February 2024)



LEGEND

- | | | |
|---|---|----------------------------------|
| Newly Optioned Centro Sul Prospect | Diamond Drills (Assays this Report) | Cross Section AA' |
| Northern Concession Prospects | Diamond Drills (Previously Reported) | Cross Section BB' |
| Cupim South Prospect | Diamond Drills (Pending Assays) | Poços de Caldas alkaline complex |
| W1 & W2 Prospects | Auger Holes | Syenite |
| Sien Prospect | Weathered outcrop samples from Colossus Concessions – Chemical Analysis | Charnockite |
| Colossus Project - Other Licenses | Saprolite samples from Colossus Concessions – Chemical & Metallurgical Analysis (Ammonia Sulfate) | Paragneiss |
| Caldeira Mineral Resource Estimate boundary – 409Mt @ 2,626ppm TREO | Previous areas of historic hand-held auger drilling to 3meters depth | Orthogneiss |

Ytterby and Star Lake Claims (Newfoundland and Labrador, Canada)

On 22 May 2023 the Company announced the successful staking of 842 claims, covering a total area of 211km², prospective for REE and uranium in Newfoundland and Labrador, Canada.

The Ytterby exploration claims are strategically situated near the Mistastin Batholith, Labrador, and Mistastin and Misery Lakes. The Star Lake exploration claims are located 35km from the town of Pasadena, Newfoundland, and represent a greenfield exploration opportunity for rare earths and uranium.

Newfoundland and Labrador offer a favourable mining environment, with a supportive government for mineral exploration and operations. In 2010 and 2011 this section of Labrador, south and west of Mistastin Lake, was explored for the first time, and REE mineralisation was discovered in association with compositionally evolved granitoid rocks (A Kerr and M A Hamilton 2014).

Ytterby Project

The Mistastin Batholith is known for potentially hosting substantial Zr-Y-Nb-REE deposits, which have generated significant exploration interest. The mineral property is within the southeastern Churchill and Grenville Province of the Canadian Shield. The properties within this region have previously attracted the attention of JOGMEC for their potential to host rare earths. The project provides the Company with exposure to a significant land footprint (~107km²) prospective for REE, at minimal cost of acquisition.

Star Lake Project

The Company staked the second property which is prospective for REE mineralisation associated with uranium in Newfoundland comprising of 418 claims covering a total 104km². This ground is considered by the Company to be a greenfield exploration opportunity for REE and uranium potential based on historical data, with minimal modern exploration completed to date.

Initial planned work at the Ytterby and Star Lake Projects will comprise of UAV radiometric/aeromagnetic surveys to acquire higher resolution imagery, followed by geochemical sampling of any identified anomalous targets.

Future exploration will comprise onsite geological evaluation (structure, lithological, stratigraphic disposition) and rock chip sampling to prioritise target definition for future drilling.

South Kitikmeot Gold Project (Nunavut, Canada)

The South Kitikmeot Gold Project consists of seven properties (Hiqiniq, Ujaraq, Gold Bug, Esker, Bling, Uist and Qannituq) covering 11,448 hectares within the Back River – Contwoyto Gold Belt of Western Nunavut, Canada.

Following approvals for drilling at the Esker Lake Property in March 2023, the Company completed a 7-hole maiden diamond drill program in April 2023. The program was intended to confirm and expand the historic gold mineralisation discovered during drill programs completed in the 1980s and 1990s including 3m @11.7g/t Au from 33.4m, 4m @4.8g/t Au from 37m and 3.94m @3.8g/t Au from 77m (see VMM Prospectus dated 16 November 2021).

The results provided from the diamond drilling program returned high-grade intervals of gold mineralisation which are characteristic of previously explored areas in the Esker Lake property (see VMM ASX announcement 6 June 2023).

As part of the 2023 exploration program at the South Kitikmeot Gold Project, the Company also conducted a geophysics program at the Esker 2, Gold Bugs and Thistle Lake properties. Geophysical surveys were designed to add to the understanding of the underlying lithological and structural controls on mineralisation.

The ground ARRT and magnetic surveys were completed in early April 2023, and as announced on 29 May 2023 successfully defined iron formation at the Gold Bugs and Esker 2 properties, with the iron formation at Gold Bugs known to host gold mineralisation. Two previously unrecognised linear magnetic responses were mapped at the Bling Property, and combining the new data with historical gold-bearing surface grab samples will allow the Company to generate new drill targets on these properties.

The Company received the first instalment of the Community Engagement Support Program grant of C\$28,000, with the remaining C\$36,000 expected to be received shortly.

As announced on 14 July 2023, Viridis has now earned 51% of the project upon meeting the \$1.5 million expenditure requirement ahead of schedule.

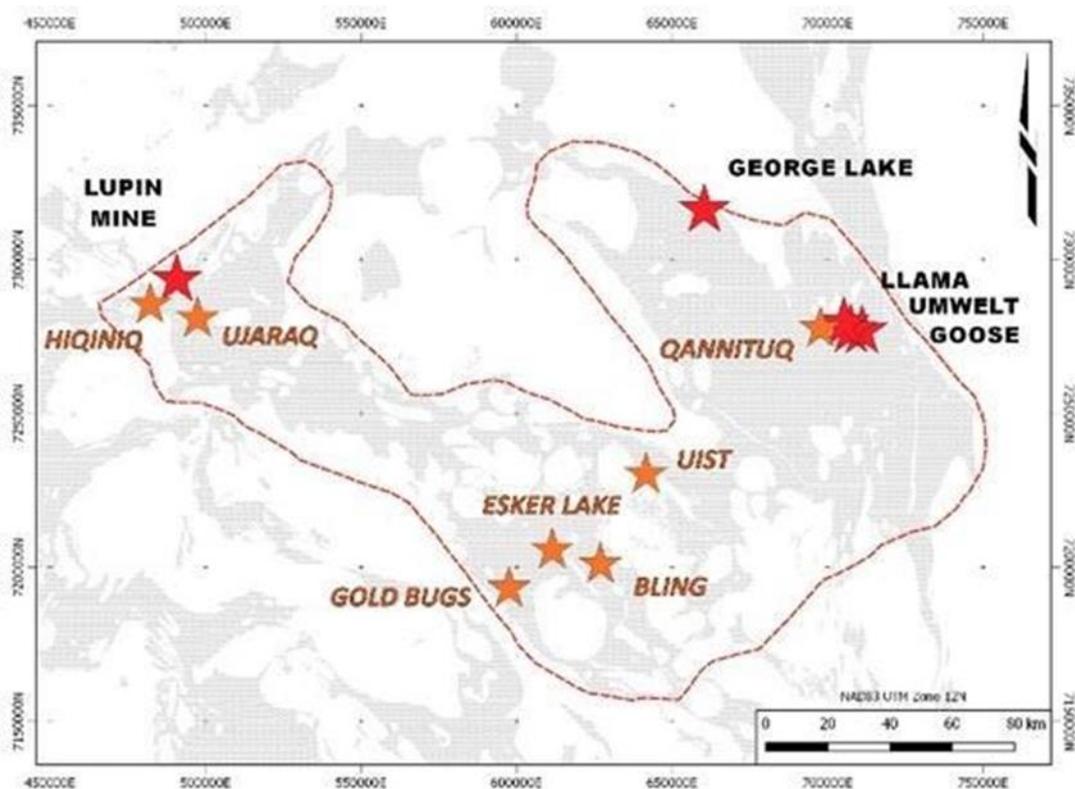


Figure 2: South Kitikmeot Gold Project Sections (Orange Stars) with neighbouring Projects (Red Stars)

Boddington West Project (WA, Australia)

The Boddington West Project consists of one ELA (E 70/5453) covering an area of 26km², located 1km west of the Boddington Gold mine.

Results from reconnaissance surface sampling undertaken in the previous financial year identified gold targets west of the Boddington gold mine on the Company's ground, with gold anomalism associated with major north-west trending faults that may control gold mineralisation at the nearby mine.

An application to commence exploration activities has been sent to the Department of Mines, Industry Regulation and Safety ('DMIRS'), with the Company waiting for approval before commencing any further work.

Bindoon Project (WA, Australia)

The Bindoon project consists of tenements E70/5606 (Bindoon North), E70/5428 (Bindoon Central) and E60/5616 (Bindoon South). Viridis plans to continue exploration of the tenements for the potential to host nickel, copper and platinum group elements.

No exploration work was conducted at Bindoon Central and South during the period as the Company is still awaiting approval from DMIRS.

Poochera Project (SA, Australia)

The Poochera Project comprises one 100% owned exploration licence (EL6733) that covers an area of 329km² in the Eastern Eucla Basin in South Australia. The project is located adjacent to major halloysite-kaolin deposits, including the Great White Kaolin Project, but has never been systematically explored for kaolin-halloysite.

The Company's maiden drill program for the Poochera Project was approved in August 2022, with the first stage of the 150 hole, 3,000m aircore program commenced in September 2022. The drilling was designed to target potential areas of kaolin-halloysite mineralisation, in locations with geophysical characteristics similar to known kaolin deposits elsewhere on the Eyre Peninsula.

Stage 1 of the program, comprising of 55 holes for 1,686m, was completed identifying thick zones of kaolin >30m in multiple drill holes in the newly discovered Philips Kaolin Deposit, north from Karcultaby in the central part of the tenement. Thirteen initial samples from three dispersed drillholes were shipped to the James Hutton Institute in Scotland for kaolin determination and to test for the presence of Halloysite mineralisation. Composite samples were also sent to Bureau Veritas in Adelaide.

Viridis Mining and Minerals Limited
Directors' report
31 December 2023

In November 2022 laboratory analysis of selected aircore drill material from the Philips Kaolin Deposit confirmed the presence of high grade kaolinite at Poochera. Examination by the James Hutton Institute showed the average for the minus 45 micron fraction at 92% kaolinite and a brightness of 89 (L*D65). The minus 45 micron fraction averaged 45% of the raw material. The discovery marked the first confirmation of kaolinite mineralisation within the Philips Kaolin Deposit (see VMM ASX announcement 28 November 2022).

The first stage drilling identified thick zones of kaolin >30m in multiple drill holes, with sampling returning over 38 metres of mostly >90% kaolinite (<45um fraction) for drillhole VM22-022 (see ASX announcement 28 November 2022).

First confirmation of halloysite mineralisation from the aircore drill program at Poochera was announced in March 2023, with significant thickness from shallow depth of halloysite recorded including (see ASX announcement 16 March 2023):

- weighted average of 7.3% halloysite over 15m from 7m depth in drillhole VM22-019 in the 50.9% minus 45 micron fraction; and
- weighted average of 8.9% halloysite over 14m from 14m depth in drillhole VM22-036 in the 52.8% minus 45micron fraction.

Local high concentrations of halloysite were observed with 18.9% halloysite over two metres from 35m depth in drillhole VM22-009 and weighed average 15% halloysite over 6m from 14m depth in drillhole VM22-036 (both <45um fraction). High grade kaolinite over thick intercepts was confirmed with 90.4% kaolin over 31m from 14m depth in drillhole VM22-037 now reported (<45um fraction).

Further assays received in April 2023 demonstrated thick, close to surface halloysite mineralisation including (see ASX announcement 26 April 2023):

- weighted average of 6.3% halloysite over 12m from 20m depth in drillhole VM22-017 in the 29.9% minus 45 micron fraction;
- weighted average of 11.4% halloysite over 16m from 25m depth in drillhole VM22-039 in the 50.7% minus 45 micron fraction; and
- weighted average of 8.9% halloysite over 14m from 14m depth in drillhole VM22-036 in the 52.8% minus 45 micron fraction.

Results received during the period are being incorporated into the Company's Stage 2 drill planning, which has been postponed to focus existing funds on the Colossus Project. The Department of Mining of SA has extended the drilling permit to 30 June 2024.

Smoky Halloysite Project (NSW, Australia)

The Smoky Project comprises a single exploration license (EL8944), which covers 6km² in the upper Hunter Valley region of New South Wales. The exploration license contains a historic halloysite quarry, and covers potentially more than 3km strike length of a known and unique kaolin-halloysite bearing sequence.

Viridis completed an initial 7-hole air-core drill program in March and April 2023. All drill holes were terminated within the Werrie Basalt. One metre of selected samples was sent to the Hutton Institute, with ten samples of one metre selected intervals (and one blind duplicate) examined in detail.

The results from the initial drill program delivered outstanding results. Both the halloysite and kaolinite proportions of the <45um material are exceptionally high as shown in Table 1. Highlights from the drilling came from Drillhole VS23-06 and Drillhole VS23-07 as shown below.

Drillhole VS23-06 intersected:

- 8m of 74.6% halloysite (74% <45um fraction) from 10m. This includes two separate 1m samples with over 90% halloysite (<45um fraction); and
- 2m of 92.0% kaolinite (41.5% <45um fraction) from 19m.

Drillhole VS23-07 intersected:

- 7m of 78.7% halloysite (61% <45um fraction) from 3m; and
- 1m of 97.6% kaolinite (25.5% <45um fraction) from 17m

Viridis Mining and Minerals Limited
 Directors' report
 31 December 2023

| Drillhole | Depth from | Depth to | Sample | Brightness ISO | Fraction <45um % | Halloysite % | Kaolinite % | Kaolin % |
|-----------|------------|----------|--------------|----------------|------------------|--------------|-------------|----------|
| VS23-05 | 2 | 3 | VK-334 | 13.3 | 80.3 | 29.2 | 45.6 | 74.8 |
| VS23-05 | 3 | 4 | VK-335 | 14.6 | 67.6 | 32.8 | 45.2 | 78.0 |
| VS23-05 | 4 | 5 | VK-144* | 18.3 | 42.9 | 9.1 | 65.3 | 74.4 |
| VS23-06 | 10 | 11 | VK-326 | 36.8 | 75.6 | 88.1 | 0.0 | 88.1 |
| VS23-06 | 11 | 12 | VK-325 | 47.5 | 79.0 | 91.9 | 0.0 | 91.9 |
| VS23-06 | 12 | 13 | VK-324 | 32.6 | 89.1 | 63.3 | 0.0 | 63.3 |
| VS23-06 | 13 | 14 | VK-323 | 35.0 | 79.9 | 66.5 | 0.0 | 66.5 |
| VS23-06 | 14 | 15 | VK-322 | 32.5 | 75.8 | 72.8 | 0.0 | 72.8 |
| VS23-06 | 15 | 16 | VK-147*/327 | 37.4 | 56.3 | 91.4 | 1.0 | 92.4 |
| VS23-06 | 16 | 17 | VK-145*/146* | 10.8 | 47.1 | 79.3 | 0.0 | 79.3 |
| VS23-06 | 17 | 18 | VK-321 | 10.8 | 89.0 | 43.6 | 42.0 | 85.6 |
| VS23-06 | 19 | 20 | VK-148* | 7.8 | 27.3 | 0.0 | 88.1 | 88.1 |
| VS23-06 | 20 | 21 | VK-149* | 19.3 | 55.8 | 0.0 | 95.8 | 95.8 |
| VS23-07 | 3 | 4 | VK-328 | 22.3 | 87.7 | 88.4 | 0.0 | 88.4 |
| VS23-07 | 4 | 5 | VK-329 | 32.5 | 83.7 | 87.1 | 0.0 | 87.1 |
| VS23-07 | 5 | 6 | VK-330 | 34.8 | 66.1 | 85.9 | 0.5 | 86.4 |
| VS23-07 | 6 | 7 | VK-331/333 | 32.5 | 52.9 | 75.3 | 10.8 | 86.1 |
| VS23-07 | 7 | 8 | VK-136* | 38.4 | 50.4 | 84.3 | 5.4 | 89.7 |
| VS23-07 | 8 | 9 | VK-137* | 22.5 | 47.7 | 69.9 | 4.8 | 74.7 |
| VS23-07 | 9 | 10 | VK-138* | 14.6 | 40.6 | 60.0 | 9.5 | 69.5 |
| VS23-07 | 10 | 11 | VK-139* | 5.7 | 34.0 | 37.9 | 37.9 | 75.8 |
| VS23-07 | 11 | 12 | VK-332 | 2.7 | 79.7 | 8.1 | 51.4 | 59.5 |
| VS23-07 | 17 | 18 | VK-140* | 19.6 | 25.5 | 0.0 | 97.6 | 97.6 |
| VS23-07 | 25 | 26 | VK-141* | 7.6 | 26.5 | 6.0 | 50.9 | 56.9 |
| VS23-07 | 38 | 39 | VK-142* | 5.8 | 15.5 | 2.1 | 60.5 | 62.6 |
| VS23-07 | 39 | 40 | VK-143* | 17.1 | 43.8 | 1.4 | 23.6 | 25.0 |

Table 1: All sample intervals showing halloysite and kaolinite content (% <45um fraction) from drilling in March and April 2023. Asterisks denote samples previously reported in VMM ASX release dated 3 July 2023.

Viridis Mining and Minerals Limited
Directors' report
31 December 2023

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

The following events have occurred subsequent to the period end:

As announced on 24 January 2024, the Company signed two binding agreements to secure significant additional mining rights that are contiguous to its currently held licenses, within and adjacent to the Poços De Caldas Alkaline Complex. The new licenses cover an additional 10,085 Hectares (101 km²), taking Viridis' total landholding in this highly prospective region to 22,863 Hectares (228.63 km²). Surface grab samples collected previously at the Tamoyo Prospect within the new areas and from the superficial leached layer have returned highly encouraging assays, with Sample No. 26 and Sample No. 30 returning a remarkable 3,848ppm and 2,019ppm TREO, respectively (see VMM ASX announcement dated 24 January 2024).

Also on 24 January 2024, 4,188,891 Company shares and 9,719,447 unquoted Company options were released from ASX escrow restrictions.

On the 5 February 2024, the Company completed a placement to raise A\$4.5 million through an equity issue of circa 3.9 million shares at \$1.15 (per new share) to institutional and sophisticated investors. Board and management subscribed for \$1,239,500 in the placement with \$1,057,500 subject to shareholder approval, including cornerstone participation of \$1.0m from Viridis Executive Chairman, Mr Agha Shahzad Pervez.

The Company appointed Mr Jose Carlos Guedes Rosado to the role of Non-Executive Director on 20 February 2024. Mr Guedes will receive 200,000 unquoted Company options exercisable at \$2.00 and expiring two years from the date of issue, pursuant to the Company's incentive plan and subject to shareholder approval.

On 4 March 2024, the Company announced the signing of Memorandum of Understanding agreements with the State Government of Minas Gerais, the associated State Secretariat for Economic Development, the Instituto de Desenvolvimento Integrado de Minas Gerais (Invest Minas) and the local Municipality of Poços De Caldas, which provide support from the state and local governments during the regulatory and environmental approvals process.

On 6 March 2024, the Company announced a binding agreement to secure a further 998 Hectares (9.98km²) of licenses which extend and adjoin the Cupim South Prospect. The new areas consist of 3 Mining Licenses and 1 Mining Request in which Viridis will hold the mining rights across all licenses. This new expansion connects the Cupim South and Centro Sul Prospects into a continual land-position of 15.75km² in the central and southern part of the alkaline complex (see VMM ASX announcement dated 6 March 2024).

The following securities were issued by the Company subsequent to the end of the period:

- 400,000 performance rights to Director Faheem Ahmed, subject to various vesting milestones and expiring 15 January 2029.
- 650,000 performance rights to CEO Rafael Moreno, subject to various vesting milestones and expiring 15 January 2029.
- 2,000,000 performance rights to Executive Chairman Agha Shahzad Pervez, subject to various vesting milestones and expiring 14 February 2029.
- Two tranches of 1,000,000 and 138,890 fully paid ordinary shares on the conversion of Company options exercisable at \$0.30 per option.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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 immediately after this directors' report.

Viridis Mining and Minerals Limited
Directors' report
31 December 2023

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Agha Shahzad Pervez
Executive Chairman

14 March 2024

To the Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Director for the review of the financial statements of Viridis Mining and Minerals Limited for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated this 14th day of March 2024
Perth, Western Australia

Viridis Mining and Minerals Limited

Contents

31 December 2023

| | |
|---|----|
| Statement of condensed consolidated profit or loss and other comprehensive income | 12 |
| Statement of condensed consolidated financial position | 13 |
| Statement of condensed consolidated changes in equity | 14 |
| Statement of condensed consolidated cash flows | 15 |
| Notes to the condensed consolidated financial statements | 16 |
| Directors' declaration | 29 |
| Independent auditor's review report to the members of Viridis Mining and Minerals Limited | 30 |

General information

The condensed financial statements cover Viridis Mining and Minerals Limited as a consolidated entity consisting of Viridis Mining and Minerals Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Viridis Mining and Minerals Limited's functional and presentation currency.

Viridis Mining and Minerals Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 50, 108
St Georges Terrace
Perth, WA 6000

Principal place of business

Level 50, 108
St Georges Terrace
Perth, WA 6000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 14 March 2024.

Viridis Mining and Minerals Limited
Statement of condensed consolidated profit or loss and other comprehensive income
For the half-year ended 31 December 2023

| | | Consolidated | |
|--|-------------|---------------------|--------------------|
| | Note | 31 Dec 2023 | 31 Dec 2022 |
| | | \$ | \$ |
| Revenue | | | |
| Interest income | | 13,523 | 9,691 |
| Government grant | | 40,891 | - |
| Total revenue | | <u>54,414</u> | <u>9,691</u> |
| Expenses | | | |
| Administration expenses | | (350,423) | (61,500) |
| Corporate costs | 3 | (371,711) | (229,353) |
| Exploration and evaluation expenditure | | (410,104) | (42,605) |
| Depreciation of right-of-use assets | 3 | (28,350) | (34,674) |
| Legal fees | | (82,339) | (13,655) |
| Sharebased Payments | 20 | (2,554,461) | - |
| Option fee | | - | (50,000) |
| Finance costs | 3 | (3,449) | (3,221) |
| Total expenses | | <u>(3,800,837)</u> | <u>(435,008)</u> |
| Loss before income tax expense | | (3,746,423) | (425,317) |
| Income tax expense | | - | - |
| Loss after income tax expense for the half-year | | (3,746,423) | (425,317) |
| Other comprehensive income | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | |
| Foreign currency translation | | (180,094) | - |
| Other comprehensive income for the half-year, net of tax | | (180,094) | - |
| Total comprehensive income for the half-year | | <u>(3,926,517)</u> | <u>(425,317)</u> |
| | | Cents | Cents |
| Basic earnings per share | 19 | (9.62) | (1.20) |
| Diluted earnings per share | 19 | (9.62) | (1.20) |

The above statement of condensed consolidated profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Viridis Mining and Minerals Limited
Statement of condensed consolidated financial position
As at 31 December 2023

| | | Consolidated | |
|--------------------------------|-------------|---------------------|---------------------|
| | Note | 31 Dec 2023 | 30 June 2023 |
| | | \$ | \$ |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 4 | 1,561,828 | 1,241,233 |
| Trade and other receivables | 5 | 131,990 | 103,635 |
| Other current assets | 7 | 104,260 | 132,671 |
| Total current assets | | <u>1,798,078</u> | <u>1,477,539</u> |
| Non-current assets | | | |
| Property, plant and equipment | 8 | 56,699 | - |
| Right-of-use assets | 6 | 89,903 | 118,253 |
| Exploration and evaluation | 9 | 9,300,404 | 3,063,076 |
| Total non-current assets | | <u>9,447,006</u> | <u>3,181,329</u> |
| Total assets | | <u>11,245,084</u> | <u>4,658,868</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 10 | 2,125,741 | 687,676 |
| Lease liabilities | 11 | 56,314 | 43,467 |
| Total current liabilities | | <u>2,182,055</u> | <u>731,143</u> |
| Non-current liabilities | | | |
| Lease liabilities | 11 | 41,901 | 84,748 |
| Total non-current liabilities | | <u>41,901</u> | <u>84,748</u> |
| Total liabilities | | <u>2,223,956</u> | <u>815,891</u> |
| Net assets | | <u>9,021,128</u> | <u>3,842,977</u> |
| Equity | | | |
| Issued capital | 12 | 32,776,185 | 26,497,415 |
| Reserves | 13 | 3,700,048 | 1,054,244 |
| Accumulated losses | | <u>(27,455,105)</u> | <u>(23,708,682)</u> |
| Total equity | | <u>9,021,128</u> | <u>3,842,977</u> |

The above statement of condensed consolidated financial position should be read in conjunction with the accompanying notes

Viridis Mining and Minerals Limited
Statement of condensed consolidated changes in equity
For the half-year ended 31 December 2023

| Consolidated | Issued capital \$ | Reserves \$ | Retained profits \$ | Total equity \$ |
|--|----------------------------------|------------------------|------------------------------------|----------------------------|
| Balance at 1 July 2022 | 26,488,185 | 1,011,243 | (22,894,456) | 4,604,972 |
| Loss after income tax expense for the half-year | - | - | (425,317) | (425,317) |
| Other comprehensive income for the half-year, net of tax | - | - | - | - |
| Total comprehensive income for the half-year | - | - | (425,317) | (425,317) |
| Balance at 31 December 2022 | <u>26,488,185</u> | <u>1,011,243</u> | <u>(23,319,773)</u> | <u>4,179,655</u> |

| Consolidated | Issued capital \$ | Option Reserves \$ | Foreign Currency Reserves \$ | Retained profits \$ | Total equity \$ |
|--|----------------------------------|-----------------------------------|---|------------------------------------|----------------------------|
| Balance at 1 July 2023 | 26,497,415 | 1,011,243 | 43,001 | (23,708,682) | 3,842,977 |
| Loss after income tax expense for the half-year | - | - | - | (3,746,423) | (3,746,423) |
| Other comprehensive income for the half-year, net of tax | - | - | (180,094) | - | (180,094) |
| Total comprehensive income for the half-year | - | - | (180,094) | (3,746,423) | (3,926,517) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | | |
| Contributions of equity, net of transaction costs (note 12) | 6,278,770 | - | - | - | 6,278,770 |
| Share option expense for period | - | 595,597 | - | - | 595,597 |
| Performance rights granted | - | 2,230,301 | - | - | 2,230,301 |
| Balance at 31 December 2023 | <u>32,776,185</u> | <u>3,837,141</u> | <u>(137,093)</u> | <u>(27,455,105)</u> | <u>9,021,128</u> |

The above statement of condensed consolidated changes in equity should be read in conjunction with the accompanying notes

Viridis Mining and Minerals Limited
Statement of condensed consolidated cash flows
For the half-year ended 31 December 2023

| | Consolidated | |
|---|---------------------|--------------------|
| | 31 Dec 2023 | 31 Dec 2022 |
| | \$ | \$ |
| Cash flows from operating activities | | |
| Payments to suppliers and employees (inclusive of GST) | (851,424) | (373,905) |
| Interest received | 13,523 | 9,691 |
| Finance costs | (3,448) | (142) |
| Grants received | 40,891 | - |
| | <u>(800,458)</u> | <u>(364,356)</u> |
| Net cash used in operating activities | | |
| Cash flows from investing activities | | |
| Payments for property, plant and equipment | (57,568) | - |
| Payments for exploration and evaluation | (2,213,744) | (301,155) |
| Payments for security deposits | - | (15,000) |
| Advance royalty payment | (1,508,798) | - |
| | <u>(3,780,110)</u> | <u>(316,155)</u> |
| Net cash used in investing activities | | |
| Cash flows from financing activities | | |
| Proceeds from issue of shares | 5,333,311 | - |
| Payments for capital raising costs | (376,899) | - |
| Payment of lease | (30,000) | (31,255) |
| Rent deposit | - | (34,000) |
| | <u>4,926,412</u> | <u>(65,255)</u> |
| Net cash from/(used in) financing activities | | |
| Net increase/(decrease) in cash and cash equivalents | 345,844 | (745,766) |
| Cash and cash equivalents at the beginning of the financial half-year | 1,241,233 | 3,906,774 |
| Effects of exchange rate changes on cash and cash equivalents | (25,249) | - |
| | <u>1,561,828</u> | <u>3,161,008</u> |
| Cash and cash equivalents at the end of the financial half-year | | |

The above statement of condensed consolidated cash flows should be read in conjunction with the accompanying notes

Viridis Mining and Minerals Limited
Notes to the condensed consolidated financial statements
31 December 2023

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The Directors have prepared the financial report on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the financial period ended 31 December 2023, the consolidated entity incurred a net loss after tax of \$3,746,423 (December 2022 425,317) and utilised cash in operating and investing activities of \$800,458 (December 2022: 364,356) and \$3,780,100 (December 2022: \$316,155) respectively. The ability to continue as a going concern and realise its exploration asset is dependent on a number of factors, the most significant of which is obtaining additional funding to complete the exploration activities.

These factors indicate a material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The directors have reviewed the consolidated entity's overall position and outlook in respect of the matters identified above and are of the opinion that the use of the going concern basis is appropriate in the circumstances for the following reasons:

- Directors have committed to subscribe for \$1.06 million in placement shares (\$1.15 per share);
- The consolidated entity has a strong track record in raising external capital. The Board are confident of raising further capital through equity raising when deemed necessary;
- The consolidated entity has the ability to scale back its exploration activities should funding not be available continue exploration at its current levels;

Accordingly, the Directors believe that the consolidated entity will be able to continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the financial reports.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as going concerns.

Note 2. Operating segments

Operating segment information is disclosed on the same basis as information used for internal reporting purposes.

Viridis Mining and Minerals Limited
Notes to the condensed consolidated financial statements
31 December 2023

Note 2. Operating segments (continued)

At regular intervals, the board is provided management information for the Company's cash position, the carrying values of exploration permits and Company cash forecast for the next twelve months of operation. On this basis, the board considers the consolidated entity operates in one segment being exploration of minerals and three geographical areas, being Australia, Brazil and Canada. All corporate activities, equity raising related activities and project management is conducted in Australia whilst exploration activities are conducted in Australia, Brazil USA, and Canada.

Operating segment information

| Consolidated – 31 December 2023 | Australia \$ | Brazil \$ | Canada \$ | USA \$ | Total \$ |
|--|--------------------|------------------|------------------|------------------|--------------------|
| Revenue | | | | | |
| Interest revenue | 13,488 | 35 | - | - | 13,523 |
| Government Grants | - | - | 40,891 | - | 40,891 |
| Total revenue | <u>13,488</u> | <u>35</u> | <u>40,891</u> | <u>-</u> | <u>54,414</u> |
| EBITDA | 13,488 | 35 | 40,891 | - | 54,414 |
| Administration expenses | (280,417) | (70,009) | 3 | - | (350,423) |
| Corporate costs | (362,739) | (5,788) | (3,184) | - | (371,711) |
| Exploration expense | (53,718) | - | - | (356,386) | (410,104) |
| Depreciation of right-of-use assets | (28,350) | - | - | - | (28,350) |
| Legal fees | (82,339) | - | - | - | (82,339) |
| Sharebased payments | (2,554,461) | - | - | - | (2,554,461) |
| Finance costs | (2,616) | (8) | (825) | - | (3,449) |
| Profit/(loss) before income tax expense | <u>(3,351,152)</u> | <u>(75,770)</u> | <u>36,885</u> | <u>(356,386)</u> | <u>(3,746,423)</u> |
| Income tax expense | | | | | - |
| Loss after income tax expense | | | | | <u>(3,746,423)</u> |
| Assets | | | | | |
| Geographical assets | <u>1,399,538</u> | <u>6,340,488</u> | <u>1,943,229</u> | <u>-</u> | <u>9,683,255</u> |
| <i>Unallocated assets:</i> | | | | | |
| Cash and cash equivalents | | | | | <u>1,561,829</u> |
| Total assets | | | | | <u>11,245,084</u> |
| Liabilities | | | | | |
| Segment liabilities | <u>279,119</u> | <u>1,944,837</u> | <u>-</u> | <u>-</u> | <u>2,223,956</u> |
| Total liabilities | | | | | <u>2,223,956</u> |

Viridis Mining and Minerals Limited
Notes to the condensed consolidated financial statements
31 December 2023

Note 2. Operating segments (continued)

| Consolidated – 31 December 2022 | Australia \$ | Canada \$ | United States \$ | Total \$ |
|--|------------------|------------------|---------------------|------------------|
| Revenue | | | | |
| Interest revenue | 9,691 | - | - | 9,691 |
| Total revenue | <u>9,691</u> | <u>-</u> | <u>-</u> | <u>9,691</u> |
| EBITDA | 9,691 | - | - | 9,691 |
| Administration expenses | (61,500) | - | - | (61,500) |
| Corporate costs | (229,353) | - | - | (229,353) |
| Exploration expense | (42,605) | - | - | (42,605) |
| Depreciation of right-of-use assets | (34,674) | - | - | (34,674) |
| Legal fees | (13,655) | - | - | (13,655) |
| Option fee | (50,000) | - | - | (50,000) |
| Finance costs | (3,221) | - | - | (3,221) |
| Loss before income tax expense | <u>(425,317)</u> | <u>-</u> | <u>-</u> | <u>(425,317)</u> |
| Income tax expense | | | | - |
| Loss after income tax expense | | | | <u>(425,317)</u> |
| Consolidated – 30 June 2023 | | | | |
| Assets | | | | |
| Geographical assets | <u>1,155,295</u> | <u>1,997,188</u> | <u>265,153</u> | 3,417,636 |
| <i>Unallocated assets:</i> | | | | |
| Cash and cash equivalents | | | | <u>1,241,232</u> |
| Total assets | | | | <u>4,658,868</u> |
| Liabilities | | | | |
| Segment liabilities | <u>249,784</u> | <u>449,508</u> | <u>116,599</u> | 815,891 |
| Total liabilities | | | | <u>815,891</u> |

Note 3. Expenses

| | Consolidated | Consolidated |
|--|---------------------|---------------------|
| | 31 Dec 2023 | 31 Dec 2022 |
| | \$ | \$ |
| Loss before income tax includes the following specific expenses: | | |
| <i>Corporate Costs</i> | | |
| Director fees | 107,591 | 108,000 |
| Consulting & contractors fees | <u>264,120</u> | <u>69,102</u> |
| | <u>371,711</u> | <u>177,102</u> |
| <i>Leases</i> | | |
| Depreciation of rights-of-use assets | <u>28,350</u> | <u>34,674</u> |
| <i>Finance costs</i> | | |
| Interest and finance charges paid | <u>3,449</u> | <u>3,221</u> |

Viridis Mining and Minerals Limited
Notes to the condensed consolidated financial statements
31 December 2023

Note 4. Cash and cash equivalents

| | Consolidated | |
|-----------------------|---------------------|---------------------|
| | 31 Dec 2023 | 30 June 2023 |
| | \$ | \$ |
| <i>Current assets</i> | | |
| Cash at bank | 1,561,828 | 1,241,233 |
| | <u>1,561,828</u> | <u>1,241,233</u> |

Note 5. Trade and other receivables

| | Consolidated | |
|-----------------------|---------------------|---------------------|
| | 31 Dec 2023 | 30 June 2023 |
| | \$ | \$ |
| <i>Current assets</i> | | |
| BAS receivable | 131,990 | 103,635 |
| | <u>131,990</u> | <u>103,635</u> |

Note 6. Right-of-use assets

| | Consolidated | |
|--------------------------------|---------------------|------------------|
| | Dec 2023 | June 2023 |
| | \$ | \$ |
| <i>Non-current assets</i> | | |
| Right of use assets | 170,090 | 170,090 |
| Less: Accumulated depreciation | (80,187) | (51,837) |
| | <u>89,903</u> | <u>118,253</u> |

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

| Consolidated | Level 50, 108 St Georges Terrace Perth \$ | Total \$ |
|-----------------------------|--|---------------|
| Balance at 1 July 2023 | 118,253 | 118,253 |
| Depreciation expense | (28,350) | (28,350) |
| Balance at 31 December 2023 | <u>89,903</u> | <u>89,903</u> |

The consolidated entity entered into a new office lease on 1 September 2022 and expires on 31 August 2025 for part of premises level 50, 108 St Georges Terrace, Perth. The lease has been recognised as a right-of-use asset.

Viridis Mining and Minerals Limited
Notes to the condensed consolidated financial statements
31 December 2023

Note 7. Other current assets

| | Consolidated | |
|-----------------------|---------------------|---------------------|
| | 31 Dec 2023 | 30 June 2023 |
| | \$ | \$ |
| <i>Current assets</i> | | |
| Prepayments | 45,260 | 73,671 |
| Security deposits | 25,000 | 25,000 |
| Rent Deposit | 34,000 | 34,000 |
| | <u>104,260</u> | <u>132,671</u> |

Note 8. Property, plant and equipment

| | Consolidated | |
|--------------------------------|---------------------|---------------------|
| | 31 Dec 2023 | 30 June 2023 |
| | \$ | \$ |
| <i>Non-current assets</i> | | |
| Plant and equipment – at cost | 57,568 | - |
| Less: Accumulated depreciation | (869) | - |
| | <u>56,699</u> | <u>-</u> |

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

| Consolidated | \$ |
|-----------------------------|---------------|
| Balance at 1 July 2023 | - |
| Additions | 57,568 |
| Depreciation expense | <u>(869)</u> |
| Balance at 31 December 2023 | <u>56,699</u> |

Note 9. Exploration and evaluation

| | Consolidated | |
|----------------------------|---------------------|---------------------|
| | 31 Dec 2023 | 30 June 2023 |
| | \$ | \$ |
| <i>Non-current assets</i> | | |
| Exploration and evaluation | 6,321,121 | 3,063,076 |
| Advance Royalty Payment | 2,979,283 | - |
| | <u>9,300,404</u> | <u>3,063,076</u> |

Viridis Mining and Minerals Limited
Notes to the condensed consolidated financial statements
31 December 2023

Note 9. Exploration and evaluation (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

| Consolidated | \$ |
|---|-------------------------|
| Balance at 1 July 2023 | 3,063,076 |
| Advance royalty payment ⁽¹⁾ | 2,979,283 |
| Expenditure during the half-year | 1,948,923 |
| Facilitator shares for acquisition of Colossus Rare Earth Project | 1,567,500 |
| Foreign exchange differences | (46,343) |
| Impairment of assets ⁽²⁾ | <u>(212,035)</u> |
| Balance at 31 December 2023 | <u><u>9,300,404</u></u> |

- (1) As part of the acquisition to acquire the rights to explore and mine the Colossus project Viridis paid US\$1,000,000 advance royalty and is required to pay an additional US\$1,000,000 advance royalty six months from the anniversary of the first payment
- (2) During the period \$212,035 expenditure was impaired in relation to exploration expenditure incurred in the USA on the Cooper Mountain claims

Note 10. Trade and other payables

| | Consolidated | |
|--|-------------------------|-----------------------|
| | 31 Dec 2023 | 30 June 2023 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Trade payables | 216,856 | 669,675 |
| Accruals | 438,400 | 18,001 |
| Advance royalty payment payable ¹ | <u>1,470,485</u> | <u>-</u> |
| | <u><u>2,125,741</u></u> | <u><u>687,676</u></u> |

- (1) As part of the acquisition to acquire the rights to explore and mine the Colossus project Viridis is required to pay an US\$1,000,000 advance royalty payment six months from the anniversary of the first payment

Note 11. Lease liabilities

| | Consolidated | |
|--------------------------------|----------------------|-----------------------|
| | 31 Dec 2023 | 30 June 2023 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Lease liability | <u>56,314</u> | <u>43,467</u> |
| <i>Non-current liabilities</i> | | |
| Lease liability | <u>41,901</u> | <u>84,748</u> |
| | <u><u>98,215</u></u> | <u><u>128,215</u></u> |

Viridis Mining and Minerals Limited
Notes to the condensed consolidated financial statements
31 December 2023

Note 12. Issued capital

| | Consolidated | | | |
|--|---------------------|---------------------|--------------------|---------------------|
| | 31 Dec 2023 | 30 June 2023 | 31 Dec 2023 | 30 June 2023 |
| | Shares | Shares | \$ | \$ |
| Ordinary shares – fully paid | 49,100,558 | 35,397,889 | 34,036,338 | 27,135,527 |
| Capital raising cost | - | - | (1,260,153) | (638,112) |
| | <u>49,100,558</u> | <u>35,397,889</u> | <u>32,776,185</u> | <u>26,497,415</u> |
| | 31 Dec 2023 | 31 Dec 2023 | June 2023 | June 2023 |
| | No | \$ | No | \$ |
| At the beginning of the period | 35,397,889 | 26,497,415 | 35,397,889 | 26,488,185 |
| Contributions of equity private placements | 12,050,000 | 5,287,501 | - | - |
| Exercise of options | 152,669 | 45,810 | - | - |
| Facilitator shares – Colossus rare earth project ^{note 9} | 1,500,000 | 1,567,500 | - | - |
| Share issue costs – cash payments | - | (350,604) | - | 9,230 |
| Share issue costs – broker options ^{note 20} | - | (271,437) | - | - |
| | <u>49,100,558</u> | <u>32,776,185</u> | <u>35,397,889</u> | <u>26,497,415</u> |

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 13. Reserves

| | Consolidated | |
|------------------------------|---------------------|---------------------|
| | 31 Dec 2023 | 30 June 2023 |
| | \$ | \$ |
| Foreign currency reserve | (137,093) | 43,001 |
| Share-based payments reserve | 2,230,301 | - |
| Options reserve | 1,606,840 | 1,011,243 |
| | <u>3,700,048</u> | <u>1,054,244</u> |

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Viridis Mining and Minerals Limited
Notes to the condensed consolidated financial statements
31 December 2023

Note 13. Reserves (continued)

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

| Consolidated | Option Reserves \$ | Share Based Payment \$ | Foreign Currency \$ | Total \$ |
|---|--------------------------|------------------------------|---------------------------|------------------|
| Balance at 1 July 2023 | 1,011,243 | - | 43,001 | 1,054,244 |
| 2,000,000 exercise price 0.40 – issued to brokers for capital raising | 271,437 | - | - | 271,437 |
| 200,000 exercise price 0.30c - issued to Directors | 324,160 | - | - | 324,160 |
| Vendor performance rights | - | 44,377 | - | 44,377 |
| Executive performance rights | - | 14,294 | - | 14,294 |
| Foreign currency reserve movement | - | - | (180,094) | (180,094) |
| Director performance rights | - | 2,171,630 | - | 2,171,630 |
| Balance at 31 December 2023 | <u>1,606,840</u> | <u>2,230,301</u> | <u>(137,093)</u> | <u>3,700,048</u> |

Note 14. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 15. Contingent assets

The Company has no other known contingent assets at 31 December 2023 and 30 June 2023.

Note 16. Contingent liabilities

The Company has no other known contingent liabilities at 31 December 2023 and 30 June 2023.

Note 17. Commitments

The Company has certain obligations to perform minimum exploration work on the tenements which have been granted. These obligations vary from time to time. The aggregate of the prescribed expenditure conditions applicable to the granted tenements for next twelve months.

| | Consolidated | |
|---|---------------------|---------------------|
| | 31 Dec 2023 | 30 June 2023 |
| | \$ | \$ |
| Committed at the reporting date but not recognised as liabilities, payable: | | |
| Within one year | 66,454 | 66,454 |
| One to five years | 204,507 | 204,507 |
| | <u>270,961</u> | <u>270,961</u> |

Note 18. Events after the reporting period

The following events have occurred subsequent to the period end:

As announced on 24 January 2024, the Company signed two binding agreements to secure significant additional mining rights that are contiguous to its currently held licenses, within and adjacent to the Poços De Caldas Alkaline Complex. The new licenses cover an additional 10,085 Hectares (101 km²), taking Viridis' total landholding in this highly prospective region to 22,863 Hectares (228.63 km²). Surface grab samples collected previously at the Tamoyo Prospect within the new areas and from the superficial leached layer have returned highly encouraging assays, with Sample No. 26 and Sample No. 30 returning a remarkable 3,848ppm and 2,019ppm TREO, respectively (see VMM ASX announcement dated 24 January 2024).

Viridis Mining and Minerals Limited
Notes to the condensed consolidated financial statements
31 December 2023

Note 18. Events after the reporting period (continued)

Also on 24 January 2024, 4,188,891 Company shares and 9,719,447 unquoted Company options were released from ASX escrow restrictions.

On 5 February 2024, the Company completed a placement to raise A\$4.5 million through an equity issue of circa 3.9 million shares at \$1.15 (per new share) to institutional and sophisticated investors. Board and management have subscribed for \$1,239,500 in the placement with \$1,057,500 subject to shareholder approval, including cornerstone participation of \$1.0m from Viridis Executive Chairman, Mr Agha Shahzad Pervez.

The Company appointed Mr Jose Carlos Guedes Rosado to the role of Non-Executive Director on 20 February 2024. Mr Guedes will receive 200,000 unquoted Company options exercisable at \$2.00 and expiring two years from the date of issue, pursuant to the Company's incentive plan and subject to shareholder approval.

On 4 March 2024, the Company announced the signing of Memorandum of Understanding agreements with the State Government of Minas Gerais, the associated State Secretariat for Economic Development, the Instituto de Desenvolvimento Integrado de Minas Gerais (Invest Minas) and the local Municipality of Poços De Caldas, which provide support from the state and local governments during the regulatory and environmental approvals process.

On 6 March 2024, the Company announced a binding agreement to secure a further 998 Hectares (9.98km²) of licenses which extend and adjoin the Cupim South Prospect.

The following securities were issued by the Company subsequent to the end of the period:

- 400,000 performance rights to Director Faheem Ahmed, subject to various vesting milestones and expiring 15 January 2029.
- 650,000 performance rights to CEO Rafael Moreno, subject to various vesting milestones and expiring 15 January 2029.
- 2,000,000 performance rights to Executive Chairman Agha Shahzad Pervez, subject to various vesting milestones and expiring 14 February 2029.
- Two tranches of 1,000,000 and 138,890 fully paid ordinary shares on the conversion of Company options exercisable at \$0.30 per option.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 19. Earnings per share

| | Consolidated | |
|---|---------------------|--------------------|
| | 31 Dec 2023 | 31 Dec 2022 |
| | \$ | \$ |
| Loss after income tax | <u>(3,746,423)</u> | <u>(425,317)</u> |
| | Number | Number |
| Weighted average number of ordinary shares used in calculating basic earnings per share | <u>38,927,894</u> | <u>35,387,889</u> |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>38,927,894</u> | <u>35,387,889</u> |
| | Cents | Cents |
| Basic earnings per share | (9.62) | (1.20) |
| Diluted earnings per share | (9.62) | (1.20) |

Viridis Mining and Minerals Limited
Notes to the condensed consolidated financial statements
31 December 2023

Note 20. Share-based payments

From time to time, the Group provides Incentive Options and Performance Rights to officers, employees, consultants, Vendors and other key advisors as part of remuneration and incentive arrangements. The number of options or rights granted, and the terms of the options or rights granted are determined by the Board. Shareholder approval is sought where required. During the period the following share-based payments have been recognised:

Share-based payments:

During the period, the following share-based payments have been granted:

| | Consolidated 31 December 2023 |
|--------------------------------------|-------------------------------------|
| Options Recognised in profit & loss: | |
| 1. Options Issued to directors | 324,160 |
| Options Recognised in Equity | |
| 2. Broker options | 271,437 |
| Performance rights recognised | |
| Vendor Performance rights granted | 44,377 |
| Executive Performance rights granted | 14,294 |
| Director performance rights | 2,171,630 |
| | <u>2,230,301</u> |
| | <u><u>2,825,898</u></u> |

Options granted

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

| | 1. Director Option | 2. Broker Options |
|--|-----------------------|----------------------|
| Recognised in | Profit & Loss | Share Capital |
| Grant date | 29/09/2023 | 28/07/2023 |
| Number of options issued | 200,000 | 2,000,000 |
| Expiry date | 22/12/2026 | 14/09/2026 |
| Vesting date | 22/12/2023 | 14/09/2023 |
| Share price at grant date | 1.875 | 0.25 |
| Exercise Price | 0.4 | 0.4 |
| Expected Volatility | 100% | 100% |
| Risk-Free Interest Rate | 3.80% | 3.80% |
| Underlying fair value at grant date | 1.62 | 0.1357 |
| The total share-based payment expense recognised as of the 31 December 2023 for the issued options | 324,160 | 271,437 |

Option movements

Set out below are movements in options on issue over ordinary shares of Viridis Mining and Minerals Limited during the 31 December 2023 half year period

Viridis Mining and Minerals Limited
Notes to the condensed consolidated financial statements
31 December 2023

Note 20. Share-based payments (continued)

2023

| Grant date | Expiry date | Exercise price | Balance at the start of the half-year | Granted | Exercised | Expired/ forfeited/ other | Balance at the end of the half-year |
|------------|-------------|----------------|---------------------------------------|------------------|------------------|---------------------------|-------------------------------------|
| 30/04/2021 | 29/04/2024 | \$0.30 | 694,450 | - | (152,699) | - | 541,751 |
| 24/01/2022 | 24/01/2025 | \$0.30 | 9,400,000 | - | - | - | 9,400,000 |
| 14/09/2023 | 14/09/2026 | \$0.40 | - | 200,000 | - | - | 200,000 |
| 22/12/2023 | 22/12/2026 | \$0.40 | - | 2,000,000 | - | - | 2,000,000 |
| | | | <u>10,094,450</u> | <u>2,200,000</u> | <u>(152,699)</u> | <u>-</u> | <u>12,141,751</u> |

The weighted average remaining contractual life of options outstanding at the end of the financial half-year was 1.38 years

Performance Rights

Performance rights – Executive performance right

During the period the Company issued 899,999 performance rights to two Brazil based executives. The performance rights are long-term incentives to offer conditional rights to fully paid ordinary shares in the Company upon satisfaction of vesting criteria over the vesting periods for no cash consideration. Fair value has been measured using the share price at grant date.

| Class | Number of Performance Rights | Vesting Condition | Expiry Date |
|---------|------------------------------|---|---------------------------------------|
| Class A | 299,999 | Delineation of an Inferred Mineral Resource Estimate (JORC 2012) of not less than 100Mt at or above a Total Rare Earths Oxide (TREO) grade of 1,500ppm in saprolite/clay by no later than 23rd August 2024. | Five (5) years from the date of issue |
| Class B | 299,999 | Delineation of an Indicated & Measured Mineral Resource Estimate (JORC 2012) of not less than 200Mt at or above a Total Rare Earths Oxide (TREO) grade of 2,000ppm in saprolite/clay by no later than 23rd August 2025. | Five (5) years from the date of issue |
| Class C | 300,001 | Completion of favourable feasibility studies, as evidenced by a decision to mine by the Company by no later than 23rd August 2027. | Five (5) years from the date of issue |

The performance rights were valued as the closing share price \$1.87 on the grant date 29 September 2023. The total share-based payment expense recognised from the amortisation of the issued performance rights was \$14,294 for the period 31 December 2023.

Performance rights - Vendor performance right

During the period the Company issued 5,000,000 performance rights to the vendors of the Poços de Caldas Project. The performance rights are long-term incentives to offer conditional rights to fully paid ordinary shares in the Company upon satisfaction of vesting criteria over the vesting periods for no cash consideration. Fair value has been measured using the share price at grant date.

Viridis Mining and Minerals Limited
Notes to the condensed consolidated financial statements
31 December 2023

Note 20. Share-based payments (continued)

| Class | Number of Performance Rights | Vesting Condition | Expiry Date |
|---------|------------------------------|---|---------------------------------------|
| Class D | 1,666,667 | upon delineation at the Poços de Caldas Project of an Inferred Mineral Resource Estimate (JORC 2012) of not less than 100 million tons, | Five (5) years from the date of issue |
| Class E | 1,666,667 | upon delineation at the Poços de Caldas Project of an Inferred Mineral Resource Estimate (JORC 2012) of not less than 200 million tons, | Five (5) years from the date of issue |
| Class F | 1,666,667 | upon completion of positive feasibility studies on the Poços de Caldas Project, as evidenced by a mineral exploration decision by the Board of Directors of Viridis Mining and Minerals Limited | Five (5) years from the date of issue |

The performance rights were valued as the closing share price \$1.045 on the grant date 12 September 2023. The total share-based payment expense recognised from the amortisation of the issued performance rights was \$ 44,377 for the period 31 December 2023.

Director performance rights obligated to issue:

As of the 31 December 2023 the company has the obligation to issue 2,400,000 performance rights to two directors of Viridis. The terms of the performance rights issued were disclosed in the annual general meeting notice announced 12 September 2023. The performance rights are long-term incentives to offer conditional rights to fully paid ordinary shares in the Company upon satisfaction of vesting criteria over the vesting periods for no cash consideration. Fair value has been measured using the share price at grant date.

| Class | Number of Performance Rights | Vesting Condition | Expiry Date |
|-------------|------------------------------|---|---------------------------------------|
| Class K / N | 600,000 | The Share price of the Company achieving at least a 20-day VWAP of \$0.60 | Five (5) years from the date of issue |
| Class L / O | 600,000 | The Share price of the Company achieving at least a 20-day VWAP of \$0.80 | Five (5) years from the date of issue |
| Class M / P | 1,200,000 | The Share price of the Company achieving at least a 20-day VWAP of \$1.00 | Five (5) years from the date of issue |

The performance rights were valued as the closing share price \$1.045 on the grant date 12 September 2023. The total share-based payment expense recognised from the of the performance rights payable was \$ 2,171,630 for the period 31 December 2023.

For the performance rights granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Viridis Mining and Minerals Limited
Notes to the condensed consolidated financial statements
31 December 2023

Note 20. Share-based payments (continued)

| | Class K / N | Class L / O | Class M / P |
|--|----------------|----------------|----------------|
| Number rights | 600,000 | 600,000 | 1,200,000 |
| Grant date | 12/9/2023 | 12/9/2023 | 12/09/2023 |
| Share price | 1.045 | 1.045 | 1.045 |
| Exercise price | - | - | - |
| Vesting date | 12/09/2028 | 12/09/2028 | 12/09/2028 |
| Expiry date | 12/09/2028 | 12/09/2028 | 12/9/2028 |
| Expiry Period (Yrs) | 5 | 5 | 5 |
| Performance Measurement Period | 5 | 5 | 5 |
| Share Price Target | 0.60 | 0.80 | 1 |
| Consec days price must remain above target | 20 | 20 | 20 |
| Volatility | 100% | 100% | 100% |
| Continuously compounded RFR | 3.80% | 3.80% | 3.80% |
| Dividend yield | 0% | 0% | 0% |
| Fair value | 0.9336 | 0.9002 | 0.8928 |
| Total Value | 560,130 | 540,123 | 1,071,376 |

Viridis Mining and Minerals Limited
Directors' declaration
31 December 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Agha Shahzad Pervez
Executive Chairman

14 March 2024

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF VIRIDIS MINING AND MINERALS LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Viridis Mining and Minerals Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Viridis Mining and Minerals Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$3,746,432 during the half year ended 31 December 2023. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated this 14th day of March 2024
Perth, Western Australia