

July 11, 2018

Verde joins Bonsucro to increase sustainability in sugar cane production

Dioxins emissions reduction and better soils ecosystem to be targeted

BELO HORIZONTE, BRAZIL, July 11, 2018 - **Verde AgriTech Plc** (TSX: "NPK") (OTCQB: "AMHPF") ("Verde" or the "Company") is pleased to announce that it was accepted as a member of Bonsucro.

Bonsucro is an international non-profit multi-stakeholder organization established in 2008 to promote sustainable sugar cane production. Bonsucro has a global network with over 480 members dedicated to improving the sustainability of sugarcane cultivation.

In Brazil, 52 sugarcane mills are certified by Bonsucro. Among major Brazilian companies already certified are: Raízen, Bunge, Adecoagro, Biosev, BP Biocombustíveis, CMAA.

President and CEO, Cristiano Veloso, commented: "It is an honor to receive a Bonsucro Membership. Super Greensand[®] brings several solutions to the 21st Century challenges in sustainable sugarcane production. In Brazil alone, Bonsucro certified mills have the potential to consume about 1 million tons of Super Greensand[®] as they migrate from conventional potash salt source to our sustainable product. We are eager to help the environment by serving this important market".

The problem of Chloride and its nefarious impact to the ecosystem

Chloride is a harmful chemical across the whole sugar production chain: it harms the development of sugarcane roots; it kills beneficial soil microorganisms; and it has disastrous effects in the sugar industry, where it catalyzes aggressive corrosion of machinery, leading to its premature replacement.¹

Potassium Chloride (KCl) is the most commonly used fertilizer for the supply of potash. KCl is composed of 52.6% potash and 47.4% chloride. Producers often use an amount of 250kg of KCl per hectare/year on sugarcane fields. An amount of 250kg of KCl is composed of 130.87 kg of potash and 119.12 kg of chloride. In Brazil, approximately 9 million hectares are cultivated with sugarcane. It is thereby possible to estimate that Brazilian sugarcane-covered soils receive 1.07 million tons of chloride every year due to KCl application. At a smaller scale, applying 1 pound of Potassium Chloride (KCl) to the soil is the equivalent of spraying 1 gallon of microorganism-killing Clorox to the soil².

¹ MARINHO, Ericson . Desempenho de caldeiras com palha de cana de açúcar. Seminário STAB - Fenasucro Agroindustrial (2014). http://stab.org.br/sem_stab_fena_agroind_2014/ericson.pdf .

² Hermary, H. Effects of some synthetic fertilizers on the soil ecosystem. (2007).

Carcinogenic effects of dioxins and furans

Dioxins and furans (PCDD/Fs) are formed as an unintentional by-product of many processes involving chlorine, such as biomass burning. Dioxins and furans are some of the most toxic chemicals known to science³.

Sugarcane biomass is a leftover from the juicing process, used to extract the sugar rich sap. Biomass burning is one of the main sources of toxic gases⁴, particulate matter and greenhouse gases on the planet. One of the gases released by this burning is chlorine. If the residue has chlorine in its composition, it may result in the formation of HCl, dioxins and furans.

The most toxic compound is 2,3,7,8-tetrachlorodibenzo-p-dioxin or TCDD⁵. The formation of dioxins during any natural or human activity requires three basic ingredients: an organic starting material, a source of chlorine and, in processes with relatively low temperatures, a metallic catalyst⁶. There are 75 PCDDs and 135 PCDFs, of which 17 are considered toxic. The number of chlorine atoms can range from 1 to 8⁷.

The U.S. National Toxicology Program classifies dioxin as a human carcinogen and reaffirmed in a report that there is no known "safe dose" or "threshold" below which dioxin will not cause cancer⁸. A report from the U.S. Environmental Protection Agency (EPA)⁹ confirmed that dioxin is a cancer hazard to people. In addition to cancer, exposure to dioxin can also cause severe reproductive and developmental problems. Dioxin is well-known for its ability to damage the immune system and interfere with hormonal systems.

Chloride is devastating to the Ozone layer

Gases produced by burning biomass can cause atmospheric pollution, destruction of the ozone layer and worsening of the greenhouse effect¹⁰. Methyl Chloride (CH₃Cl) is the gas that most contributes to the presence of organic chlorine in the atmosphere¹¹.

The combination of Chloride and Ozone generates a catalytic reaction where an atom of Chloride can rapidly destroy thousands of Ozone molecules. As Ozone molecules are broken, they become unable to absorb ultraviolet rays. Therefore, UV radiation is more intense on the Earth's surface.

Super Greensand[®] benefits for sugarcane production

Besides its overall nutritional qualities, for sugarcane production Super Greensand[®] combines two great benefits: it is rich in silicon and is free of chloride. Sugarcane is known as a silicon-

³ <http://www.ejnet.org/dioxin/>

⁴ Silveira et al. Emissions generated by sugarcane burning promote genotoxicity in rural workers: a case study in Barretos, Brazil
<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4126064/pdf/1476-069X-12-87.pdf>

⁵ EJnet.org. <http://www.ejnet.org/dioxin/>

⁶ Kobylecki, R., Ohira, K., Ito, I., Fujiwara, N. and Horio, M., "Dioxin and Fly Ash Free Incineration by Ash Pelletization and Reburning," Environmental Science and Technology, Vol. 35, p. 4313-4319, 2001. Disponível em: <https://www.ejnet.org/dioxin/catalysts.html>

⁷ Abrantes et al. Comparison of Emission of Dioxins and Furans from Gasohol- and Ethanol-Powered Vehicles (2011). Disponível em: <https://doi.org/10.1080/10473289.2011.608617>

⁸ U.S. National Toxicology Program, 11th Report on Carcinogens.

⁹ <http://www.ejnet.org/dioxin/#reassessment>

¹⁰ LOBER; KEENE; YEVICH. Global chlorine emissions from biomass burning: Reactive Chlorine Emissions Inventory (1999). Disponível em: <http://onlinelibrary.wiley.com/doi/10.1029/1998JD100077/pdf>

¹¹ LOBER; KEENE; YEVICH. Global chlorine emissions from biomass burning: Reactive Chlorine Emissions Inventory (1999). Disponível em: <http://onlinelibrary.wiley.com/doi/10.1029/1998JD100077/pdf>

accumulating crop, which means that it extracts large quantities of this element from the soil. Silicon is responsible for increasing the natural resistance of plants against pests, diseases, drought, large temperature variations, salinity etc.

Super Greensand[®] is also being used to enrich sugarcane filter cake, which is the accumulated residue from cane juice filtration. For each ton of ground cane about 25 kilograms of filter cake is produced. About 90 million tons of filter cake are produced, annually, in Brazil¹². Filter cake can pollute soil and water, and in some sugar factories it is considered a waste that requires special disposal. Some producers, however, are now recycling this residue as a fertilizer or adding it to composting processes.

By mixing Super Greensand[®] to the filter cake, it becomes enriched with nutrients, helps hold adequate moisture during the composting process and absorbs ammonia that increases the compost nitrogen content. Consequently, the addition of Super Greensand[®] boosts the sustainability of sugar cane filter cake, rendering it a useful byproduct rather than a hazardous waste.

About Bonsucro

Bonsucro is an international not-for-profit, multi-stakeholder organization established in 2008 to promote sustainable sugar cane. Its stated aim is to reduce 'the environmental and social impacts of sugarcane production while recognizing the need for economic viability'. It does this through setting sustainability standards and certifying sugar cane products including ethanol, sugar and molasses. Bonsucro is one of few certifications to have developed measures for greenhouse gas emissions. Bonsucro has more than 480 members around the world, and nearly 3 million tonnes of sugar is Bonsucro Certified.

About Verde AgriTech

Verde AgriTech promotes sustainable and profitable agriculture through the development of its Cerrado Verde Project. Cerrado Verde, located in the heart of Brazil's largest agricultural market, is the source of a potassium-rich deposit from which the Company intends to produce solutions for crop nutrition, crop protection, soil improvement and increased sustainability.

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Bonsucro

www.bonsucro.com

Visit and subscribe to our YouTube Channel

www.youtube.com/verdeagritech

Cautionary Language and Forward Looking Statements

All Mineral Reserve and Mineral Resources estimates reported by the Company were estimated in accordance with the Canadian National Instrument 43-101 and the Canadian Institute of Mining, Metallurgy, and Petroleum Definition Standards (May 10, 2014). These standards differ significantly from

¹² <http://www.bv.fapesp.br/namidia/noticia/109777/residuos-producao-cana-acucar/>

the requirements of the U.S. Securities and Exchange Commission. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

This document contains "forward-looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. This information and these statements, referred to herein as "forward-looking statements" are made as of the date of this document. Forward-looking statements relate to future events or future performance and reflect current estimates, predictions, expectations or beliefs regarding future events and include, but are not limited to, statements with respect to:

- (i) the estimated amount and grade of Mineral Resources and Mineral Reserves;
- (ii) the PFS representing a viable development option for the Project;
- (iii) estimates of the capital costs of constructing mine facilities and bringing a mine into production, of sustaining capital and the duration of financing payback periods;
- (iv) the estimated amount of future production, both produced and sold; and,
- (v) estimates of operating costs and total costs, net cash flow, net present value and economic returns from an operating mine.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives or future events or performance (often, but not always, using words or phrases such as "expects", "anticipates", "plans", "projects", "estimates", "envisages", "assumes", "intends", "strategy", "goals", "objectives" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements.

All forward-looking statements are based on Verde's or its consultants' current beliefs as well as various assumptions made by them and information currently available to them. The most significant assumptions are set forth above, but generally these assumptions include:

- (i) the presence of and continuity of resources and reserves at the Project at estimated grades;
- (ii) the geotechnical and metallurgical characteristics of rock conforming to sampled results; including the quantities of water and the quality of the water that must be diverted or treated during mining operations;
- (iii) the capacities and durability of various machinery and equipment;
- (iv) the availability of personnel, machinery and equipment at estimated prices and within the estimated delivery times;
- (v) currency exchange rates;
- (vi) Super Greensand® sales prices, market size and exchange rate assumed;
- (vii) appropriate discount rates applied to the cash flows in the economic analysis;
- (viii) tax rates and royalty rates applicable to the proposed mining operation;
- (ix) the availability of acceptable financing under assumed structure and costs;
- (x) anticipated mining losses and dilution;
- (xi) reasonable contingency requirements;
- (xii) success in realizing proposed operations;
- (xiii) receipt of permits and other regulatory approvals on acceptable terms; and
- (xiv) the fulfilment of environmental assessment commitments and arrangements with local communities.

Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Many forward-looking statements are made assuming the correctness of other forward looking statements, such as statements of net present value and internal rates of return, which are based on most of the other forward-looking statements and assumptions herein. The cost information is also prepared using current values, but the time for incurring the costs will be in the future and it is assumed costs will remain stable over the relevant period.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that estimates, forecasts, projections and other forward-looking statements will not be achieved or that assumptions do not reflect future experience. We caution readers not to place undue reliance on these forward-looking statements as a number of important factors could cause the actual outcomes to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates assumptions and intentions expressed in such forward-looking statements. These risk factors may be generally stated as the risk that the assumptions and estimates expressed above do not occur as forecast, but specifically include, without limitation: risks relating to variations in the mineral content within the material identified as Mineral Resources and Mineral Reserves from that predicted; variations in rates of recovery and extraction; the geotechnical characteristics of the rock mined or through which infrastructure

is built differing from that predicted, the quantity of water that will need to be diverted or treated during mining operations being different from what is expected to be encountered during mining operations or post closure, or the rate of flow of the water being different; developments in world metals markets; risks relating to fluctuations in the Brazilian Real relative to the Canadian dollar; increases in the estimated capital and operating costs or unanticipated costs; difficulties attracting the necessary work force; increases in financing costs or adverse changes to the terms of available financing, if any; tax rates or royalties being greater than assumed; changes in development or mining plans due to changes in logistical, technical or other factors; changes in project parameters as plans continue to be refined; risks relating to receipt of regulatory approvals; delays in stakeholder negotiations; changes in regulations applying to the development, operation, and closure of mining operations from what currently exists; the effects of competition in the markets in which Verde operates; operational and infrastructure risks and the additional risks described in Verde's Annual Information Form filed with SEDAR in Canada (available at www.sedar.com) for the year ended December 31, 2016. Verde cautions that the foregoing list of factors that may affect future results is not exhaustive.

When relying on our forward-looking statements to make decisions with respect to Verde, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Verde does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by Verde or on our behalf, except as required by law.