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Verde's Technological Achievements Pave the Way for Entrance into the Agri-tech Market

Verde Potash (TSX: "NPK") ("Verde" or the "Company") is pleased to announce its evolution from a commodities company into an agri-tech company focused on continual innovation. Verde has been devoted to the development of its potassium silicate mineral asset through technology that converts it into solutions for sustainable and profitable agriculture.

Overview

- Verde expects its proprietary technologies will allow for successful penetration of multiple agri-tech markets: crop nutrition, crop protection, soil improvement and increased sustainability.
- As a result, the Company proposes changing its name to **Verde AgriTech** to better reflect its progression and commitment to agricultural technology innovation.
- Verde expects to start initial TK47 production using small existing idle industrial facilities on a contract basis. This approach can reduce upfront capital cost and accelerate cash generation ("Phase 1").
- Verde's agri-tech growth plan includes partnerships with some of the world's largest agricultural producers. In time and upon the successful implementation of Phase 1, Verde expects to substantially grow TK47 production by advancing initiatives to develop its own Greenfield site production facility ("Phase 2").

The agri-tech market

Investment in agri-tech amounted to US\$ 2.06 billion in the first half of 2015 and is on track to beat last year's record of US\$ 2.36 billion¹. According to Todd Solow, a partner at Norwest Equity Partners (Minneapolis, U.S.), "if you have differentiated technology and can prove to the market that you have yield-enhancing capabilities, you have the potential for very significant growth."² The agri-tech market is involved in defining new opportunities for technology, products and processes in the agriculture

¹ According to AgFunder which matches startups with investors (www.agfunder.com)

² Nickel, R., & Gillam, G. (2015, September 15). Market turbulence or not, North American investors plow into farm tech. *Reuters*.



sector, a cornerstone of the global economy representing nearly 8.5% of world GDP. Agricultural science and technology is one of the fastest growing markets driven by global changes such as rising population (projected to reach 10 billion by 2050), development of emerging economies, climate change and shortages of resources³. The agricultural upswing is being determined not only by these global trends, but also by increasingly demanding and conscious consumers, who oppose excessive use of chemicals, and favour organic and sustainable farming.

Verde's progression

In an effort to monetize the Company's sizeable mineral asset, Verde successfully undertook a large exploration program, resulting in a NI43-101 compliant resource ([filed on March 31, 2014](#)), of more than 1.47 billion tonnes of potassium rich rock located in the heartland of Brazilian agriculture. Developing technology with the help of notable scientists from around the globe, Verde has produced a highly innovative and superior agri-tech product: TK47.

As a direct result of its extensive research and development of TK47 and its likely derivatives, the Company now recognizes that a significant opportunity has been created and that it will be better advanced by positioning itself as an agri-tech company. Numerous lab and field studies have demonstrated TK47's multi-functionality, allowing the Company to increasingly understand its fuller range of commercial and agronomic benefits. TK47 is a highly advanced product that delivers benefits not only for crop nutrition but also for crop protection, soil improvement and increased sustainability thus allowing for multiple market penetration (see [May 26th, 2015 news release](#)). Brazil's crop protection market alone was worth US\$12.2 billion in 2014⁴.

Scalable development

Verde's proposed development plan has 2 phases:

In Phase 1, the Company expects to initiate production by subcontracting most required industrial steps to existing local companies. Phase 1 is dependent on receipt of the environmental license as well as signing an agreement with local industrial subcontractors. Verde is in ongoing discussions with such subcontractors and plans to conclude and sign a definitive agreement by H1/16. BNDES (Brazil's

³ GOV.UK. (Updated 2015, December 24). "UK Strategy for agricultural technologies: executive summary." Retrieved from <https://www.gov.uk/government/publications/uk-agricultural-technologies-strategy/uk-agricultural-technologies-strategy-executive-summary>

⁴ Carvalho, Jefferson. "Slowdown in Brazil Will Continue to Impact the Crop Protection Industry's Performance." *Far.rabobank.com*. Rabobank, 1 May 2015. Web. 5 Oct. 2015. <https://far.rabobank.com/en/sectors/farm-inputs/Slowdown_in_Brazil.html>.



National Development Bank), under its Inova Agro program, has expressed the possibility to provide funding for this phase. Initial TK47 production capacity would be between 2,000 to 4,000 tons per month. Verde is currently evaluating the required capital expenditure for this scenario.

In Phase 2, the Company expects to build a proprietary manufacturing facility. This will support the Company's growth plan as Verde is in active discussions with more than 40 agriculture partners, including some of the world's largest agricultural producers.

This scalable plan is expected to reduce upfront capital expenditure, fast track production and expedite cash flow while protecting the Company's capital structure. Since the nature of the deposit allows for scalability, production size is mainly dependent on capital.

Name Change: Verde AgriTech

The Company's partnership with leading research institutions, agriculture experts, and some of the world's largest agricultural producers has put Verde at the forefront of innovation in this highly specialized field. In consideration of this, the Company is proposing changing its name to **Verde AgriTech** to better reflect this positioning. The new name will be put forward at the next annual general meeting for shareholders' approval.

The Company will continually work on product research and development. As advances become material, Verde will announce new products as well as TK47 crop specific versions.

President & CEO, Cristiano Veloso, commented: "The Company has gone through a meticulous review of its products and business opportunities and believes there is a much more lucrative future in agri-tech as opposed to the highly capital intensive route of building, developing and operating mines. Verde's years of successful exploration, research and development have paved the way for entry into this market and will allow us to participate in its evolution. Utilizing existing manufacturing facilities will allow Verde to start generating cash almost from the outset and thus minimizes dilution and greatly reduces equity holder loss."

Current resource estimate

Verde's potassium silicate mineral asset hosts a combined Measured and Indicated Mineral Resource Estimate of 1,472Mt at an average grade of 9.28% K₂O and an Inferred Mineral Resource Estimate of 1,850Mt at an average grade of 8.60% K₂O (both using a 7.5% K₂O cut-off grade).



About Verde Potash

Verde Potash is an agri-tech company promoting 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 TK47 in addition to a line of advanced products for the agricultural market. TK47, is a multi-functional, innovative product that provides benefits for crop nutrition, crop protection, soil improvement and increased sustainability.

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