



Investors Newsletter

October 31, 2020

TSX:NPK | OTCQB:AMHPF

DISCLAIMER

This document contains “forward-looking information” within the meaning of Canadian securities laws, which includes but is not limited to, statements with respect to Verde AgriTech Plc’s (the Company’s) strategy, the commercial production of Super Greensand®, K Forte®, Silício Forte®, TK47 and Alpha (“Products”), design and building of a manufacturing facility, receipt of environmental permits, and the generation of cash flow. All statements other than statements of historical facts constitute forward-looking information, including but not limited to statements regarding plans, prospects and business strategies; timing and amount of future production; expectations regarding the results of operations and costs; permitting requirements and timelines; timing and possible outcome of pending litigation or labour disputes; timing for any required repairs and resumption of any interrupted operations; the results of any Feasibility Study, economic studies or Mineral Resource and Mineral Reserve estimations and life of mine estimates; market prices of metals, currency exchange rates, and interest rates; the ability to comply with permitting or other regulatory requirements; anticipated exploration and development activities; and the integration and benefits of acquisitions. Words such as “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “goal”, “aim”, “intend”, “continue”, “budget”, “estimate”, “may”, “will”, “can”, “could”, “should”, “schedule” and similar expressions identify forward-looking statements. Forward-looking information is necessarily based upon various assumptions including, without limitation, the expectations and beliefs of management, including that the Company can access financing, equipment and labour; assumed and future price of metals; anticipated costs; ability to achieve goals; the effective integration of acquisitions; the political environment supporting mining projects; and assumptions related to the factors set forth below. While these factors and assumptions are considered reasonable by Verde as at the date of this document in light of management’s experience and perception of current conditions and expected developments, these statements are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected. Such factors include, but are not limited to: volatility in commodity prices; global financial conditions; risks inherent in mining including but not limited to the environment, industrial accidents, catastrophic equipment failures, unexpected geological formations or unstable ground conditions, and natural phenomena; uninsurable risks; equity markets volatility; outbreaks of viruses and infectious diseases (such as COVID-19); negative publicity and reputation risks; reliance on a single asset; fraud and corruption risks; actual ore mined and/or recoveries varying from estimates; risks associated with the estimation of Mineral Resources and Mineral Reserves and the geology, grade and continuity of mineral deposits; ore processing efficiency; foreign country and emerging markets risks; security; taxation regimes; health and safety risks; exploration, development or mining results not being consistent with expectations; infrastructure risks; counterparty and credit risks and customer concentration; environmental regulation risks; exchange rate fluctuations; stakeholder opposition; civil disruption; labour disputes or difficulties; interruptions in production; uncertain political and economic environments; litigation; regulatory investigations, enforcement and/or sanctions; changes in laws or policies; climate change; cybersecurity risks; estimates of future production, operations, capital and operating cash and all-in sustaining costs; permitting risks; compliance with laws; mine closure risks; challenges to title; the price/availability of supplies or services; liquidity risks and limited financial resources; the estimation of asset carrying values; risks relating to dividends; and other risks and uncertainties, including but not limited to those described in the “Risk Factors” section of the Annual Information Form and the “Risks” section of the Company’s MD&A for the year ended December 31, 2019, which are available on SEDAR at www.sedar.com under the Company’s profile. All of the forward-looking statements made in this document are qualified by these cautionary statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, forecast or intended and readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in web sites. Accordingly, there can be no assurance that forward-looking information will prove to be accurate and forward-looking information is not a guarantee of future performance. Readers are advised not to place undue reliance on forward-looking information. The forward-looking information contained herein speaks only as of the date of this document. The Company has filed on SEDAR a NI 43-101 compliant updated pre-feasibility study, published date December 22, 2017. All technical information should be reviewed according to this pre-feasibility study. Readers are cautioned not to rely solely on the summary of such information contained in this document and are directed to complete information posted on Verde’s website (www.investor.verde.ag) and filed on SEDAR and any future amendments to such. This document may include facts, views and opinions of individuals and organizations deemed of interest. Verde does not guarantee the accuracy, completeness or timeliness of, or otherwise endorse, such views, opinions or recommendations, give investment advice, or advocate the purchase or sale of any security or investment. Verde is therefore not responsible for the content, accuracy or timeliness of any linked web site or any link contained in a linked web site. Verde provides such links only as a convenience and the inclusion of any link does not imply endorsement, investigation or verification by Verde of the linked web site or information contained therein. Use of such third party web site will be solely at your risk. The reader should seek the advice of a securities professional or other appropriate investment advisor regarding such reader’s particular situation. The Company does not control any third-party web site and in viewing any third-party web sites. Potential investors should conduct their own investigations as to the suitability of investing in securities of Verde AgriTech Plc.

WE ARE BLUNT

We are not good enough for you to invest if you:

Are risk averse.

Just want to make a quick buck.

Care too much about quarterly results.

Expect delayed growth so you can earn dividends in the near term.

Only want to make money.

Are looking for a traditional potash company.

Don't deal well with changes.

Don't understand the difficulties in developing technologies and markets for innovative products.

Join our journey if you:

Are willing to risk losing all your money.

Want to change the world into a better place.

Are looking for a real-world and producing technology company.

Want to help Brazilian farmers protect the Amazon.

Believe Verde can make you and the Planet healthier.

Like a team that will be fast at making mistakes and learning from them.

LATEST PRESS RELEASE AND FILINGS

On August 14, 2020 Verde filed its Q2 2020 Results.

The Company also hosted a conference call on August 26, 2020 to present the results.

Please find below weblinks to the relevant materials:

[MD&A](#)

[Financial Statements](#)

[Press Release](#)

[Results Presentation](#) (Video)

[Results Presentation](#) (PDF File)

All new information since the last newsletter will be highlighted in green.

1. PERMITS *

1.1. Summary

Verde has 3 different mine pits, each one at a different permitting stage and targeting different volumes, as summarized in the table below:

Mine Pit	Fully Permitted to Produce (tpy)	Mining (tpy)		Environmental (tpy)	
		Granted	Pending	Granted	Pending
1	233,000	233,000	0	233,000	0
2	150,000	150,000	25,050,000	200,000	2,500,000
3	49,800	49,800	2,500,000	49,800	2,500,000
Total	432,800	432,800	27,550,000	482,800	5,000,000

With this latest Mining Permit, the Group is fully permitted to mine 432,800 tpy (i.e. Verde can produce such amount because it holds both a mining Concession/Permit and Environmental Licenses) and has submitted joint mining and environmental applications for an additional 5,000,000 tpy.

1.2. Last 12 months

Verde has 3 different mine pits, each one at a different permitting stage and targeting different volumes, as summarized in the table below:

Mine Pit	Date	Category	Status	Event
3	August 24, 2020	Environment	Applied	2,500,000 tpy Preliminary, Installation and Operation License
1	August 19, 2020	Environment	Granted	233,000 tpy Operating License
2	March 30, 2020	Environment	Applied	2,500,000 tpy Preliminary and Installation License
2	March 26, 2020	Mining	Approved	25,000,000 tpy Feasibility Study
3	March 25, 2020	Mining	Applied	2,500,000 tpy Mining Concession Application
2	December 23, 2019	Mining	Granted	100,000 tpy Mining Permit

* Please refer to the Glossary on page 10 for technical terms.

2. SALES GROWTH

The following table shows Verde's sales growth per quarter:

Quarter	Product Sales (Tonnes)		Growth
	2019	2020	
Q1	1,093	10,170	830%
Q2	23,600	71,183	202%
Q3	62,895	To be announced	-
Q4	32,221	To be announced	-
Total	119,809	81,353	-

Quarter	Revenue (CAD \$'000)		Growth
	2019	2020	
Q1	154	510	230%
Q2	1,329	2,492	87%
Q3	3,055	To be announced	-
Q4	1,491	To be announced	-
Total	6,029	3,002	-

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE

- Verde's production process is sustainable, with no water or chemical consumption and no dams or waste generation. Recovery rate is 100%.
- Mined area is mainly composed of degraded pasture, which is being transformed into tropical forest by Verde.
- Verde planted 4,300 trees in 2019 and will plant 5,019 more in 2020.
- Verde was awarded the "Good Environmental Practices Award", promoted by the State System of Environment and Water Resources (SISEMA, in Portuguese) in the category "Best Practice of Mineral Solid Waste Management", 2019.

4. OPERATIONS

Cheaper Electricity Access Through New Grid Connection

Plant 1 is located in the outskirts of São Gotardo, in the state of Minas Gerais. The region is served by the electric utility company Cemig, but initially the Company didn't have access to the power grid. Therefore, when the construction of Verde's plant began, the Company requested to Cemig a high voltage connection to the grid. In parallel, Verde applied to be a member of the Electric Energy Trading Chamber ("Chamber"), an agency that regulates the purchase and sale of electrical energy throughout the country. Since this was a lengthy process, at the start of the plant's operation, Verde was leasing and relying on oil-powered electricity generators.

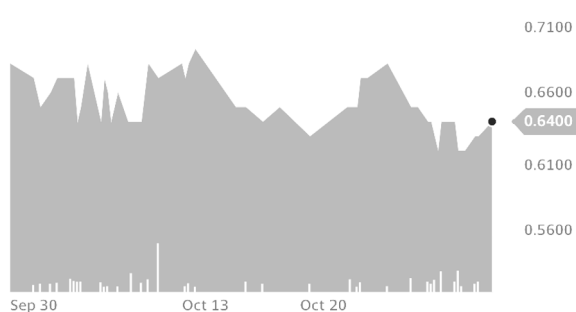
In July 2020, Cemig finalized the construction of a industrial powerline to Verde's plant. In September 2020 The Company was approved as a member of the Chamber, which now allows it to purchase electrical energy provided by third-party companies at a lower cost. With the combined access to Cemig's grid and the Chamber's marketplace, Verde has reduced the cost per tonne of its products by approximately C\$0,80.

Better Grounding At Plant 1

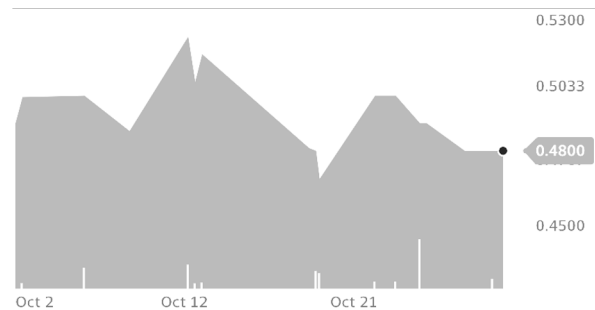
Originally Plant 1 was built on compacted soil, in order to reduce Verde's upfront construction expenses. As Verde's operations grew, more and more dust started to break loose from the ground during the dry season. During the wet season, trucks and forklifts would be less efficient due to the wet soil. Therefore, to ensure better air quality and provide greater operational efficiency, Verde will pave the areas used by heavy vehicles in the plant area. The paving process started in October 2020 and is expected to be concluded between December 2020 and January 2021.

5. SHARE STATISTICS

The graphs below show Verde's stock value over the past 30 days and average volume statistics over the past 3 months, as of October 30, 2020:



TSX: NPK
Average Volume (3 months) = 18.13k



OTCQB: AMHPF
Average Volume (3 months) = 7.29k

6. TOP HEADLINES

Verde's Channel

[Q2 2020 Results Presentation](#): Watch Verde's latest results presentation.

Farmers Testimonials

- [Mr. Munhoz | Coffee](#): "Last year these clients bought some K Forte and this year they will use it again, because they really liked it. It delivers what it promises. People have enjoyed the product and intend to use it in larger areas. We have sold a larger and larger volume of K Forte every year."
- [Mr. Antonio | Banana](#): "When we heard about the micronutrients in K Forte, we knew right away that it would work."

Relevant Agribusiness News

- [How impact investing is making a difference](#): Eleonore Bedel explains how helping BNP Paribas Wealth Management clients to make the right investment decisions can create a greater impact for all. According to her, "with the choices you make as an investor, you can have a really positive effect with your wealth".
- [Impact investing most effective on carbon industries](#): Investors are making the most impact when engaging with carbon intensive industries, a survey of Fidelity International's in-house analysts has found.

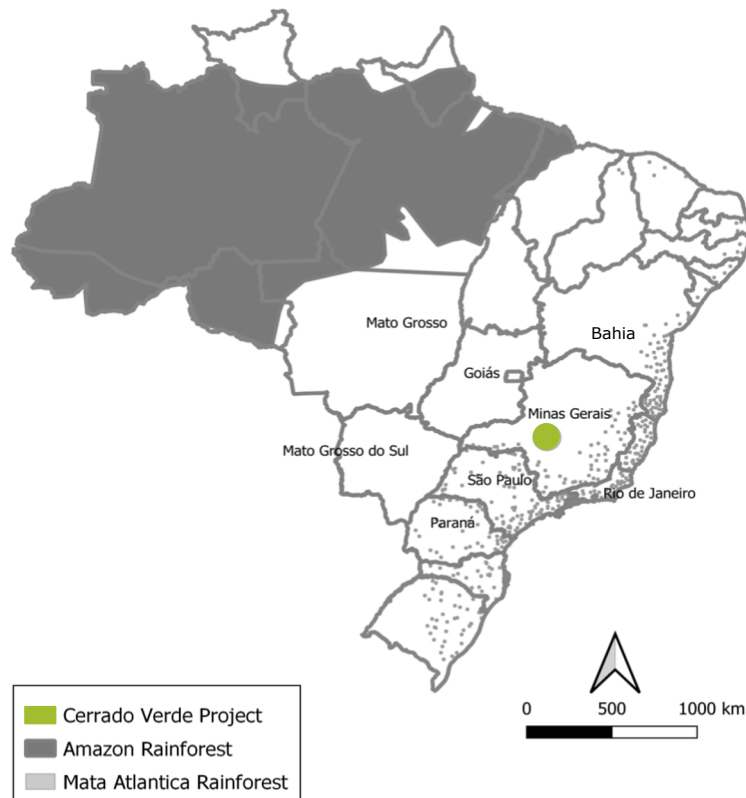
7. K FORTE® APPLICATION CALENDAR

The calendar below shows the agricultural production cycles and the period for application of K Forte® in different crops, according to seasonality.

Crop	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Soybeans					K Forte® Application								
		Harvest								Planting			
Corn					K Forte® Application								
		Harvest				Harvest (Second Crop)				Planting			
	Planting (Second Crop)												
Cotton						K Forte® Application							
						Harvest					Planting		
Coffee					K Forte® Application								
		Planting - Top Dressing			Harvest					Planting - Top Dressing			
Sugarcane					K Forte® Application								
		Harvest (Northeast Region)				Harvest (Central-West and South Regions)							
	Planting (18-month cycle)									Planting - Top Dressing			

8. AREA USED FOR CROP PRODUCTION IN BRAZIL*

State	Area (ha)
Mato Grosso	16,611,799
Paraná	10,565,962
São Paulo	8,172,747
Goiás	6,522,432
Mato Grosso do Sul	5,790,276
Minas Gerais	5,596,641
Bahia	4,073,219
Other States	21,913,415
Total area	79,246,491



* Source: Brazilian Institute of Geography and Statistics, Systematic Survey of Agricultural Production, 2019.

9. HOW MUCH K FORTE® IS USED IN AVERAGE PER CROP

- Soybeans: 1 tonne per hectare
- Corn: 1 tonne per hectare
- Cotton: 1.5 tonne per hectare
- Coffee: 3 tonnes per hectare
- Sugarcane: 1.5 tonne per hectare

10. RESULTS CALENDAR

Results	Due Date
Q3/20	November 16, 2020
Q4/20	March 31, 2021
Q1/21	May 14, 2021
Q2/21	August 13, 2021

11. ANALYSTS COVERING VERDE

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12. VERDE`S SOCIAL MEDIA

Verde has investors-only Social Media. Click on the links below and follow the company to receive the latest news:

YouTube	Twitter	Linkedin	Facebook	Website
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13. SCHEDULE A CALL WITH THE CEO

[Click here](#) to schedule call for a full Corporate Presentation with Verde's Founder, CEO & President, Cristiano Veloso.

If you are already familiar with Verde and would like to schedule a Q&A meeting please [click on this link](#).

14. GLOSSARY

ANM: See "National Mining Agency".

Cerrado Verde Project ("the Project"): Located in Minas Gerais state, Brazil. Potassium-rich deposit owned by Verde, from which the Group is producing solutions for crop nutrition, crop protection, soil improvement, and increased sustainability. The Project has an NI 43-101 Measured and Indicated Mineral Resource Estimate of 1.47 billion tonnes at a grade of 9.2% K₂O, which includes a Measured Mineral Resource of 83 million tonnes with an average grade of 10.1% K₂O. The Pre-Feasibility Study of the Project evaluated the technical and financial aspects of producing 25 Mtpy of the Product divided in three phases: Phase 1 (0.6 Mtpy); Phase 2 (5 Mtpy) and Phase 3 (25 Mtpy). Cerrado Verde Project has been in production since 2017.

Exploration Authorization Application ("Requerimento de Pesquisa"): Claim for the geological exploration of an area. Interested parties must file an application for exploration authorization with the ANM and state a case for conducting mineral exploration activities. The Exploration Authorization Applications are analyzed in order of filing date. If the party requesting an exploration authorization meets the necessary legal requirements and an exploration authorization has not been previously issued for any part of the area in question, then the ANM will grant the exploration authorization.

Exploration Authorization ("Alvará de Pesquisa"): Once mineral exploration is completed, a final exploration report must be submitted for ANM's review and approval. If approved, the next step is to file, within one year, all applications for a mining concession with the Ministry of Mines and Energy (MME). The Exploration Authorization guarantees to the owner, be it an individual or a legal entity, the power and duty to carry out mineral research work in the entitled area. It grants the rights to conduct exploration activities for a period from two to four years, which may be renewed for an additional period (and potentially additional renewals on a case-by-case basis). An exploration authorization does not give the holder the right to extract mineral substances. During the research work, extraction will only be allowed in exceptional circumstances, with a specific title issued by the ANM (Mining Permit - "Guia de Utilização"). At the end of the research stage, the holder of the mining right must present a Final Exploration Report with the results obtained from the work.

14. GLOSSARY

Environmental Licenses (“Licenças Ambientais”): The environmental licensing process consists of a three-step system, each step is a separate license contingent upon the prior step. In the state of Minas Gerais there is the possibility of licensing phases simultaneously, depending on the size of the project, according to the Normative Resolution 217/2017. The three phases are, as follows:

- **Preliminary License (“Licença Prévia – LP”):** Granted at the planning stage of the project, this license signals the approval of its location, concept and environmental feasibility. It establishes the basic requirements to be met during the subsequent implementation phases. The maximum term for LPs is five years.
- **Installation License (“Licença de Instalação – LI”):** This license authorizes the setup of the works and commencement of construction based on the specifications set forth in the previous license and the approved plans, programs and project designs, including environmental control measures. The maximum term for LIs is six years.
- **Operating License (“Licença de Operação – LO”):** This license authorizes the operation contingent upon compliance with the terms of the LO and the LI, including any environmental control measures and operating conditions. The maximum term for LOs is 10 years.

At the federal level, the environmental licenses are regulated by the Brazilian National Council for the Environment (Conselho Nacional do Meio Ambiente - CONAMA) Resolution No. 237/1997 and by Complementary Law No. 140/2011; at the state level, the environmental license are regulated by the State Environmental Policy Council (Conselho Estadual de Política Ambiental - COPAM).

Feasibility Study (“Plano de Aproveitamento Econômico – PAE”): report filed as part of the Mining Concession Application. It contains quantitative geological and technological studies of the mineral deposit and demonstrate the technical-economic feasibility of a mine.

K Forte® (“the Product”): Multinutrient potassium fertilizer brand marketed in Brazil by the Group.

MME: See “Ministry of Mines and Energy”.

Mine Site: An economic unit comprised of an underground and/or open pit mine, a treatment plant and equipment and other facilities necessary to produce metal concentrates, in existence at a certain location.

14. GLOSSARY

Mining Concession Application (“Requerimento de Lavra”): This application must satisfy certain requirements, including the presentation of the mining company’s Feasibility Study (Plano de Aproveitamento Econômico - PAE). While the ANM reviews the application for a mining concession, the applicant retains the exclusive rights to this area. Mine construction and development activity can only begin after the publication of a mining concession issued by the MME and provided that the respective license is also granted pursuant to applicable Brazilian environmental laws.

Mining Concession (“Portaria de Concessão de Lavra”): guarantees to the owner the power and duty to explore the mineral deposit until it is exhausted, without a definite term. The title can only be obtained by mining companies and only after undertaking the authorized exploration through an exploration authorization and subsequent approval of the Final Exploration Report. One of the essential documents for requesting a mining concession is the Feasibility Study, which must demonstrate the technical and economic viability of the project and indicate, among other information, the mining method, the planned scale of production and the mine closure plan.

Mining Permit (“Guia de Utilização”): exceptional mining permit with predetermined expiration date. It is granted by the ANM and allows the mineral extraction in the area before the grant of a Mining Concession, according to the environmental legislation.

Mineral Right (“Direito Minerário”): Authorization to research and/or prospect a tenement. It is granted by the federal government through the ANM or the MME, depending on their respective competencies.

Ministry of Mines and Energy (“Ministério de Minas e Energia – MME”): federal government’s branch responsible for making public policy that covers the geological, mineral and energy resources, hydroelectric, mining and metallurgic energy sectors.

National Mining Agency (“Agência Nacional de Mineração – ANM”): federal agency subordinated to the Ministry of Mines and Energy. It is responsible for the management of mining activities and Brazilian mineral resources. Former National Department of Mineral Production (“Departamento Nacional de Produção Mineral - DNPM”).

Product: Multinutrient potassium fertilizer marketed in Brazil under the brand K Forte® and internationally as Super Greensand® , whose production and sale is the principal activity of the Group.

Tonne: A unit of weight. One metric tonne equals 2,204.6 pounds or 1,000 kilograms.

tpy: Tonnes per year.

Super Greensand® (“the Product”): Multinutrient potassium fertilizer brand marketed internationally by the Group.



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