

QUESTIONS & ANSWERS EVENT

January 21, 2021



[Click here to access the Q&A video](#)

[Click here to access the BAKS + Technologies Launch video](#)

Please find below the Q&A questions which were answered live and their time location in the presentation video:

- Has revenue from BAKS been assumed in the 2021 guidance? if so, how much? **(00:04:12)**
- What will the price per tonne for BAKS be? **(00:04:54)**
- There are many blenders in Brazil who are mixing fertilisers for farmers...what differentiates you from them, apart from the fact that you have glauconite (and if that's the answer, that's fine!) **(00:06:37)**
- What is the total cost (on average) of production of BAKS and what is the expected added value revenue? **(00:08:19)**
- How closely is Verde working with Minas Gerais State and the federal Government to help maximise its chances of becoming a key provider of fertiliser products to Brazilian farmers? What else needs to happen before Verde can wield some true influence and become a significant player? **(00:10:19)**
- The Brazil Potash project is recognised by the Government as one of 8 projects of national importance...is there any chance of yours being recognised as such? If so, when? **(00:12:13)**
- Is it just that you are going to be adding sulfur to K Forte in accordance with how much each farmer wishes you to, or is there some proprietorial science here which justifies the technological badge you wish to put on the business? **(00:13:00)**
- With 2.5m tons to ship each year, how are you going to get 50,000 trucks in and out of your mines, to the plants, and then to the customers each year...we need to start getting an understanding of the logistics here **(00:14:43)**
- You mention the market in dollars for Sulphur in the world, but how big is the market in Brazil? **(00:16:41)**
- In light of the development of the new product offer of BAKS, what is your new production guidance for 2021? **(00:17:44)**
- What is the expected production for 2022? **(00:18:01)**
- How is the structure of your loans? What is the percentage of your loans that are associated with IPCA? **(00:20:50)**
- Please can you confirm that you are currently permitted to mine ~480,000 tons of pay in 2021 plus 120,000 tons unused from 2020? **(00:21:24)**
- How are such large amounts of unrefined elemental sulfur to be obtained, trucked and then amalgamated without impacting margins? All of the economics and logistics of this new product rollout are unclear. **(00:22:27)**
- How much capability has Verde got in the technology area and how much needs to be farmed out to labs? How scientific do you need to be or is just a question of responding to each farmer's demands? **(00:24:51)**
- It may be useful for you to say a few words on what a great year Brazilian farmers had in 2020, how this normally leads to more investment into their farms and the outlook for potash prices in 2021? **(00:27:48)**
- If your average debtor is going to take a year to pay, you are going to either need some very significant facilities or you are going to need more capital...and how are you going to pay for your new plant in H2 next year with all this working capital tied up in debtors? **(00:31:04)**

- What are your plans regarding Verde's sales team ramp up? **(00:33:15)**
- What is the biggest challenge to growth of the production (sales, bureaucracy, technical issues, logistics)? **(00:35:44)**
- Have you got any pre-orders already from customers for BAKS? **(00:37:24)**
- How much BAKS will you be able to produce at your facilities as they are configured today? **(00:37:53)**
- Is there a process where Verde could change its product from a powder form to granular? **(00:38:15)**
- What percentage of total sales is BAKS estimated? **(00:39:10)**
- What are your sales estimates for BAKS in 2021? **(00:39:22)**
- Can you please provide an explanation as to why you decided to change auditors mid year after having received shareholder approval at the AGM? **(00:39:28)**
- In 3 years time, what is your guess about how Verde's sales will be split between pure K Forte and new products? **(00:41:27)**
- How long is it going to take for the average farmer in Brazil to buy into your story and do away with KCI? Or do you believe that many will remain loyal to what they know? **(00:41:50)**
- Is it possible that the Government will help push farmers towards your products? **(00:44:05)**
- Why was there no real substance to the technology presentation on Dec 15? And no opportunity to ask questions? **(00:44:56)**
- How are you going to develop your sales channels so that investors can start to see your potential? At the moment, the market doesn't believe you are going to get to 1m tons of sales per annum never mind 25m...this disconnect needs to be addressed... **(00:46:00)**
- What pressures are there on logistics at 250k tons per annum? **(00:47:26)**
- Can you make Verde less dependent on Q3 or are the rains and the times the farmers apply their fertiliser always going to make this the dominant quarter? **(00:47:46)**
- How much could one large farmer who really liked your products order from you each year? **(00:49:31)**
- Your ultimate target is 25m tons per annum...how many years is it going to take for you to reach that target? **(00:50:23)**
- Will the new feasibility study mean you have to go back to square one with the regulators? **(00:51:13)**
- It is wonderful to hint that the NPV may be more than \$2bn but this needs to be backed up with substance...why? **(00:51:39)**
- Can you please provide an update on the 21st as to how many of the March 2021 warrants have been exercised by holders to date. **(00:53:28)**
- Can you please address the reason for the change in auditor previously appointed by the shareholders at the AGM last summer? I understand you requested the current auditor step down, which they did without raising any issues, providing their voluntary resignation letter which was duly filed on Sedar. Why did you believe this mid year change was helpful to the Company and its shareholders? **(00:53:50)**
- What is the plan of campaign for the 2021 warrants, what your wishes are for them, your plans on taking them up, the fact that there are only 10 investors involved in this, and what they need to do to take them up? **(00:54:31)**
- Would you release the sales number for Q4 2020 so that investors have some knowledge about whether they should take up their warrants or not? **(00:55:12)**

- You are advertising for a lot of new staff, what is your current staffing levels, where are the shortfalls and what number of employees are you aiming at? **(00:56:21)**
- Given the “bespoke” blending it sounds like you are now offering farmers with BAKS, will it be feasible to stockpile or will it be just in time? Further, if you were to guess, how many different BAKS blends so you think will be requested by the market? **(00:59:16)**
- Your web site is a usability disaster with way too many decorative graphics and not enough information. It also serves Portuguese popups and blends Portuguese content with English content. What are you willing to do to make it more effect for people researching your story? **(01:02:00)**
- As you openly admitted in your latest monthly letter, you lost repeat sales due to a less than ideal CRM system. What have you done to remedy this? **(01:04:00)**
- Wouldn't it be good to put out press releases for things such as BAKS intro and 2.5 million environmental license? I think that would draw more attention to the company and make the knowledge of your products and technologies spread faster, there are a lot of people who aren't active on stock chats and/or subscribe to your monthly newsletters. **(01:06:45)**
- What will it sell for and how much will the estimated profit be per metric tonne? **(01:07:34)**
- When using 1000 tons of your feedstock to mix BAKS, how much does your BAKS weigh? I.E. what is the weight of the component you add to make BAKS? **(01:07:55)**
- How was the BAKS product developed? **(01:08:46)**
- Was BAKS in direct response to customer feedback or is it a Verde initiative? **(01:09:15)**
- Do you have any comment on the recent Nobel Prize nomination? That was very exciting and a big congratulations to Alysson Paulinelli. **(01:12:05)**
- One of the advantages of Verde's current product is that it is slow release. Given that BAKS is a dust rather than granular, does this make run off and leaching more likely with BAKS compared to the competing products that you say are granular? **(01:14:20)**
- We need to know how much traction you are gaining with some of the larger farmers...if you take your 900 farmers and total sales of say \$15m, that doesn't give a huge average sale per farmer... **(01:15:20)**
- What is the guidance for 2021 in tons and revenue? **(01:16:43)**
- Are you planning on selling product in Canada? There is a growing market in marijuana production. **(01:17:15)**
- Cristiano, who keeps your hair so neatly cut during the Covid pandemic or are barbers still allowed to operate in Brazil? All barbers are shut down in Canada as being unessential during our ongoing lockdown. **(01:18:46)**
- Who is going to come up with the soil analysis for each farm? Is this another potential Verde added service which could be done on annual basis? **(01:18:56)**



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