



VERDE AGRITECH PLC
ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2020

March 30, 2021

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FORWARD-LOOKING INFORMATION

Certain statements contained in this annual information form (“**AIF**”) contain forward-looking information about Verde AgriTech Plc (“**Verde AgriTech**”, “**Verde**” or the “**Company**”). Forward-looking information can often be identified by the use of forward-looking terminology such as “anticipate”, “believe”, “continue”, “estimate”, “expect”, “goal”, “intend”, “may”, “plan” or “will” or the negative thereof or variations thereon or similar terminology.

Forward-looking information in this AIF includes, but is not limited to:

- the Pre-Feasibility study (“**PFS**”) on the production of the Company’s multinutrient potassium fertilizer, marketed and sold in Brazil under the brand K Forte® and internationally as Super Greensand® (“**the Product**”) at the Cerrado Verde Project (defined herein), including forecasts of total resource tonnage, average grade of potash (“**K₂O**”) in the glauconitic siltstone material (a potassium (“**K**”) silicate rock - defined herein), production, capital and operating cost estimates, net present value, internal rate of return and payback period (the “**Product PFS**”);
- the Company’s plans for the exploration and development of, and production from the Cerrado Verde Project and, its other mineral properties;
- the Company’s environmental license for the Product production;
- the suitability of the Company’s agricultural products for their intended commercial use and Brazil’s domestic fertilizer needs;
- the prospects of the Company’s exploration properties.

Forward-looking information is subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. Although the Company believes that its expectations reflected in the forward-looking information are reasonable, such information involves known or unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company or the Company’s projects and operations in Brazil to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, but are not limited to:

- general business, economic, competitive, political and social uncertainties;
- the actual results from current or future exploration activities;
- conclusions of economic evaluations;
- unexpected increases in capital or operating costs;
- changes in equity markets, inflation and changes in foreign currency exchange rates;
- changes in project parameters as plans continue to be refined;
- changes in labour costs;
- expected sales price of the Product;
- expected market potential for the Product;
- possible variations of mineral grade or recovery rates;
- accidents, labour disputes and other risks of the mining industry;
- political risks arising from operating in Brazil;
- delays in obtaining governmental consents, permits, licenses and registrations, approvals or financing; and
- those factors discussed in the sections entitled “Risk Factors” in this AIF.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

The Company has made several assumptions that it believes appropriate, and these include but are not limited to:

- the Product PFS capital and operating estimates will be achieved if development is undertaken;
- the expected sales price of the Product;
- a 36-year mining lifetime for the Product;
- inferred mineral resources and indicated mineral resources will be upgraded to measured mineral resources or mineral reserves;
- necessary licenses and permits will be obtained when and as required; and
- the Company will be able to secure financing on reasonable terms for required capital.

There can be no assurance that forward-looking information will prove to be accurate, and actual results and future events could differ materially from those anticipated in or implied by such forward-looking information. Readers are cautioned not to place undue reliance on forward-looking information, which speak only as of the date the statements were made, and readers are also advised to consider such forward-looking information while considering the risk factors set forth herein under the heading “*Risk Factors*”. The Company does not intend to update or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors, which affect this information, except where required by law.

CURRENCY AND EXCHANGE RATE INFORMATION

References to “U.S. dollars” and “US\$” in this AIF are to U.S. dollars, references to “Canadian dollars” and “C\$” in this AIF are to Canadian dollars, references to “Brazilian real”, “R\$” and “BR” are to Brazilian reais and references to “Pounds Sterling” and “£” are to U.K. Pounds Sterling. The Company’s cash resources are held in Canadian dollars and Brazilian reais. The Product is sold throughout the world primarily in U.S. dollars and in Brazil as Brazilian reais.

The closing, high, low and average exchange rates for Brazilian real (based on the noon rates) expressed in Canadian dollars for the year ended December 31, 2020, as reported by the Bank of Canada, were as follows:

Table 1: Brazilian Real Exchange Rates

Brazilian Real	(\$)
Closing	0.2451
High	0.3226
Low	0.2297
Average	0.2625

As of March 30, 2021, the exchange rate for one Brazilian real expressed in Canadian dollars, based upon the noon rate provided by the Bank of Canada was \$0.2180.

The closing, high, low and average exchange rates for U.S. dollars (based on the noon rates) expressed in Canadian dollars for the year ended December 31, 2020, as reported by the Bank of Canada, were as follows:

Table 2: U.S. Dollars Exchange Rates

U.S. Dollars	(\$)
Closing	1.2732
High	1.4496
Low	1.2718
Average	1.3415

As of March 30, 2021 the exchange rate for one US\$ expressed in Canadian dollars, based upon the noon rates provided by the Bank of Canada was \$1.2594.

CORPORATE STRUCTURE

Name, Address and Incorporation

Verde AgriTech Plc was incorporated in England on August 14, 2006 as “Amazon Mining Holding PLC” under the U.K. Companies Act 1985, which was replaced by the U.K. Companies Act 2006 (the “**U.K. Companies Act**”). The initial authorised share capital of the Company was £50,000,000 divided into 500,000,000 ordinary shares of the Company (“**Ordinary Shares**”) of £0.10 each. On August 14, 2006, the authorised share capital, issued and unissued, was subdivided into 1,000,000,000 Ordinary Shares of £0.05 each. On May 17, 2007, the Company consolidated its authorised share capital of 1,000,000,000 Ordinary Shares of £0.05 each into 200,000,000 Ordinary Shares of £0.25 each and increased its authorised share capital by the creation of an additional 300,000,000 Ordinary Shares of £0.25 each.

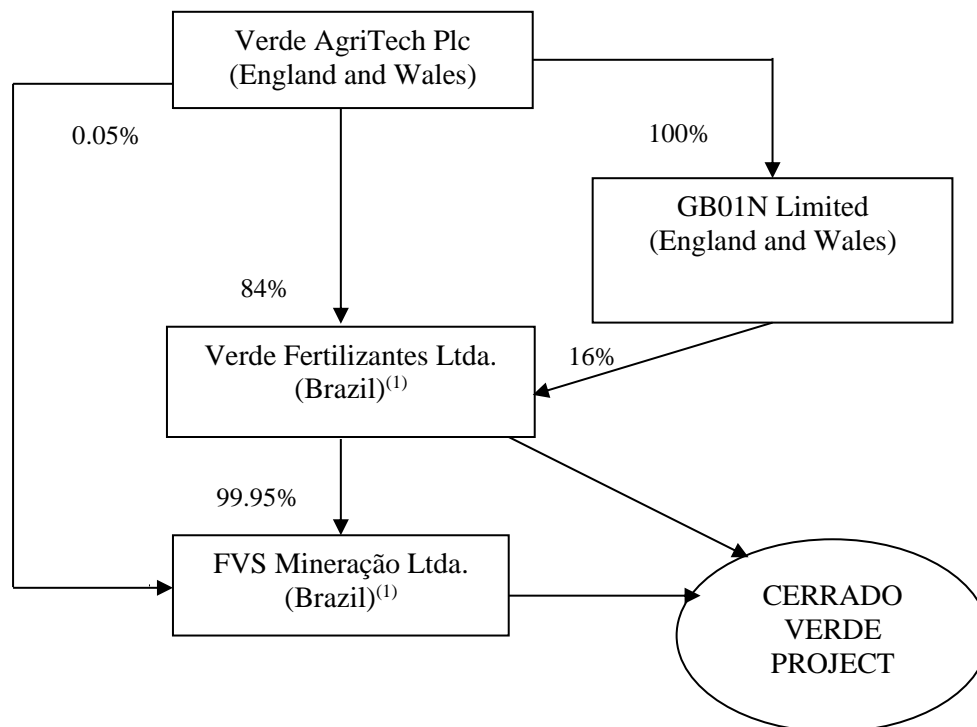
Effective on April 12, 2011, the Company redenominated its share capital into Canadian dollars. At its annual general meeting held on May 31, 2018, the shareholders of the Company authorised the board of directors of the Company (the “**Board of Directors**”) to allot shares up to a maximum aggregate nominal amount of \$195,900,000, which represents up to 500,000,000 Ordinary Shares at \$0.3918 each, for a period of five years.

The registered office of the Company is located at Salatin House, 19 Cedar Road, Sutton, Surrey, SM2 5DA, U.K. The Company’s head office is in Brazil and is located at Av. Álvares Cabral 1777, 2° andar, Lourdes - Belo Horizonte-MG, 30180-008.

The Company’s Ordinary Shares trade on the Canadian Toronto Stock Exchange (“**TSX**”) under the symbol “**NPK**” and the New York Open Transparent Connected Venture Market (“**OTCQB**”) under the symbol “**AMHPF**”.

Inter-corporate Relationships

The following diagram sets out the relationship between the Company, its material subsidiaries and the Company’s material mineral project.



Notes:

- (1) Verde Fertilizantes Ltda. (“**Verde Fertilizantes**”) and FVS Mineração Ltda. (“**FVS**”) together own 100% of the Cerrado Verde Project.
- (2) *Other projects:* Verde AgriTech also owns a Limestone Project (Moema and Jaguará limestone deposits – the Calcario Limestone Project), which is not considered material at this time. This project is located in Brazil and is held by Verde AgriTech’s subsidiary, Verde Fertilizantes.

GENERAL DEVELOPMENT AND DESCRIPTION OF THE BUSINESS

General

Verde AgriTech is an agri-tech company with mineral exploration and mining properties in Brazil. The principal activity of the Company is the production and sale of a multinutrient potassium fertilizer marketed in Brazil as K Forte® and internationally as Super Greensand® (“the Product”).

In November 2017, the Company announced the conclusion of a Pre-Feasibility Study (“PFS”) for the expansion of the current the Product production. The PFS evaluated the technical and financial aspects of producing 25 Million tonnes per year (“Mtpy”) of the Product divided in three phases: Phase 1 (0.6Mtpy); Phase 2 (5Mtpy) and Phase 3 (25Mtpy). The proposed scalable development is predicated on production growth being financed largely from expected internal cash flow.

Project Highlights:

- Proven and Probable Reserves of 777.28 Mt, grading 9.78% K₂O.
- Capex for Phase 1 is estimated at US\$3.05 million.
- Capex for all Phases is estimated at US\$369.53 million.
- Sustaining capital for the Project is estimated at US\$222.26 million.

- Estimated after-tax Net Present Value (“NPV”) for the Project, using an 8% discount rate, of US\$1,987.97 million.
- Estimated after-tax Internal Rate of Return (“IRR”) of 290%.
- Payback of 0.5 years for Phase 1, payback of 0.2 years for Phase 2 and payback of 1.2 years for Phase 3, counted from the start of production in each phase (years 1, 3 and 6, respectively).
- Adopted Potassium Chloride (“KCl”) long term price of US\$250 CFR Brazil as reference for the Product pricing.
- Estimated Operating Cost of US\$14.53, US\$6.77, US\$7.92 per product tonne for Phases 1, 2 and 3 respectively.

The PFS is based on the following assumptions:

- 100% equity.
- Phase 1 production of 0.6 Mtpy; Phase 2 production of 5 Mtpy; Phase 3 production of 25 Mtpy.
- A projected mine life of 36 years.
- Contract Mining.
- A 15% contingency applied to Capex.
- US Dollar-Brazilian Real exchange rate of US\$1 = R\$3.28.
- Potassium Chloride (“KCl”) long term price of US\$250 CFR Brazil as reference for the Product pricing.

On December 22, 2017, the Company received the results of the new NI43-101 compliant technical report of its Pre-Feasibility studies. The results of the study indicated that the Product could be produced in the desired purity and that there is demand in the market for its use as a fertilizer.

Following the announcement of commercial production on July 1, 2018, 2019 was the first full trading year of the Product, produced at the Cerrado Verde Project (“Cerrado Verde” or the “Project”) located in the state of Minas Gerais, Brazil.

The Company remains focused on advancing the Cerrado Verde Project and expansion of the processing plant while at the same time continues to evaluate the potential of its mineral resource for additional products for the agricultural market.

Cerrado Verde, located in the heart of Brazil’s largest agricultural market, is the source of a naturally occurring potassium silicate rock from which the Company produces the Product. The Product is both a fertilizer and a soil conditioner, rich in minerals and 100% natural, it is ideally suited for organic agriculture.

Three Year History

Table 3: Three Year Permit Status

Mine Pit	Date	Category	Status	Event
2	December 23, 2020	Environment	Granted	2,500,000 tpy Preliminary, Installation and Operation License
2	November 03, 2020	Mining	Granted	50,000 tpy Mining Permit
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
1	September 19, 2019	Environment	Applied	233,000 tpy Operating License
1	July 19, 2019	Mining	Granted	233,000 tpy Mining Concession
3	July 16, 2019	Mining	Granted	49,800 tpy Mining Permit
2	January 23, 2019	Environment	Granted	200,000 tpy Preliminary, Installation and Operation Environmental License
1	November 22, 2018	Mining	Applied	233,000 tpy Mining Concession
1	August 18, 2018	Environment	Granted	233,000 tpy Preliminary and Installation License
2	July 16, 2018	Mining	Granted	50,000 tpy Mining Permit
2	April 06, 2018	Mining	Granted	50,000 tpy Mining Permit
2	February 23, 2018	Environment	Granted	100,000 tpy Preliminary, Installation and Operation Environmental License
2	February 15, 2018	Environment	Granted	50,000 tpy Preliminary, Installation and Operation Environmental License

2018

In March 2018, the Company signed a turnkey agreement for 45 tonnes per hour production facility and planned to build their own processing plant in São Gotardo, Minas Gerais ("Plant 1"). The total expected cost was US\$500,000 and it was anticipated that production would start in the second half of 2018. A permit application to allow production on the site to reach 600,000 tpy was filed.

In May 2018, the Company secured funding from BNDES (Santander) of approximately C\$350,000 (B\$1,040,000) to finance the turnkey agreement signed in March 2018.

In May 2018, the Company announced a new product, Product Granular, increasing the product line to three, Micronized, Powder and Granular.

In June 2018, the Company obtained an environmental license for construction and operation of Plant 1, with annual capacity of 199,500 tonnes, valid until September, 2021.

In July 2018, the Company announced the start-up of the processing plant. The cost of the production facility was initially budgeted at US\$500 thousand. However, the total investment reached US\$600 thousand because the Company advanced part of the ground work necessary for an expansion to reach the 600,000 tpy capacity projected for Phase 1 in the pre-feasibility study ("PFS").

With the successful commencement of the production process the Company declared commercial production on July 1, 2018.

In September 2018, the Company entered into an agreement with Ysao Munemassa in order to buy all rights he had over the Project, in connection to a discovery contract (Finder's Fee) dated September 29, 2008, by issuing 165,975 shares in Verde AgriTech PLC.

In October 2018, the Company announced it had sold out of the Product. It also announced its expansion plan for 2019 which included continuing to use the existing processing plant to produce 200,000 tonnes per year, and in parallel, to start construction of a new processing facility capable of producing an additional 600,000 tpy. The total 800,000 tpy capacity was expected to be reached by early 2020. Financing was expected to be a mix of accumulated cashflow and debt from BNDES bank.

2019

In February 2019, the environmental license to expand Plant 1's production to 600,000 tpy was granted.

In March, 2019 the Company closed a non-brokered private placement raising C\$1.7 million (the "Placement") through the issuance of 2,820,114 units of securities ("Units") at a price of C\$0.60 per Unit. Each Unit comprised of one ordinary share of the Company (an "Ordinary Share") and one-half of one Ordinary Share purchase warrant (a "Warrant"). Each whole Warrant is exercisable to purchase an Ordinary Share at an exercise price of C\$1.00 until the second anniversary of the closing of the Placement.

In March, 2019 the Company was pleased to welcome Felipe Buscacio Paolucci as the Chief Financial Officer ("CFO"). Mr. Paolucci is an executive with over 15 years of experience in finance in multinational companies and over 9 years of experience in the agricultural business. Mr. Paolucci is based in Belo Horizonte, Brazil, and replaced Mr. Tim Slater, who has acted as the Company's interim CFO for the past few years, based out of London, UK.

In August 2019, the Company was granted an environmental license for a new Plant to be built on a site adjacent to Mine Pit 2 with annual production of 890,000 tpy of Product, ("Plant 2").

In September 2019, the Company 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". The Company has presented its sustainable mining project that is intended to improve the health of people and of the planet.

In October 2019, Plant 1 expansion was concluded, increasing the production capacity to 500,000 tonnes per year.

2020

In March 2020, the ANM approved the Feasibility Study (in Portuguese termed “Plano de Aproveitamento Econômico - PAE”) for the extraction of 25,000,000 tpy for Mine Pit 2, as part of the Mining Concession Application process.

In October 2020, the Company concluded a new expansion project in Plant 1, which enabled the combination of two additional nutrients to the Product according to the specific needs of each customer’s crop, enhancing its effectiveness.

In December 2020, the Company introduced a new product to the market, named BAKS®, which is a combination of K Forte® plus three other nutrients that can be chosen by customers according to their crops’ needs. Along with the new product, Verde also introduced two new technologies: 3D Alliance®, which was developed to transform the three-dimensional structure of the raw materials added to the fertilizer, and Micro S Technology®, an exclusive elemental sulfur (“S”) micronization technology.

Employees

The Company currently has 98 employees.

Competitive Conditions

See “*Risk Factors – Competition*” for a discussion of the Company’s competitive conditions.

Foreign Operations

The Cerrado Verde Project is located in Brazil and the material operating subsidiary for the Project is Verde Fertilizantes Ltda., a Brazilian limited liability corporation.

Product Development

The Product is used both as a fertilizer and as a soil conditioner. As a fertilizer it provides potassium, magnesium, silicon, iron and manganese. As a soil conditioner it increases the soil’s capacity to retain water and nutrients. A 100% natural product the Product is certified for use by organic agriculture.

CERRADO VERDE PROJECT

General

The Cerrado Verde Project (“Cerrado Verde”) is the source of a naturally occurring potassium silicate rock, a glauconitic siltstone material, from which the Company intends to produce the Product. BNA Consultoria e Sistemas (BNA) prepared the PFS for the production of the Product from Cerrado Verde.

The current PFS has been prepared under the guidelines of National Instrument 43-101 and accompanying documents *Form 43-101.F1 Technical Report and Companion Policy 43-101.CP*. This PFS follows the PFS completed by Amec Americas Limited (AMEC), NCL Ingeniería y Construcción Spa (NCL) and Andes Mining Services Limited (AMS) (March 31, 2014), and contains changes to the Project’s mineral classification (from glauconitic meta-argillite to glauconitic siltstone), without modifying the mineral

resource classification. Moreover, the reserves and economic assessment were updated due to a change in the product to be produced (ThermoPotash to the Product).

The Product is a multi-nutrient fertilizer product that has been studied since 2009 by the Company in partnership with specialists in Brazil and abroad. The Product is an alternative to Potassium Chloride ("KCl"), which is a widely used fertilizer in Brazil. The country has only one KCl mine and must therefore import over 90% of what is used. Compared with KCl, which is not the most suitable product for tropical agriculture, the Product production has two great advantages: the rock has a high potassium grade (average of 10% K₂O) and the Project is close to the largest agricultural region of the country, the Brazilian savannah (Cerrado). The Product is an alternative that may allow Brazil to decrease its dependence on potassium imports and is a more sustainable and appropriate fertilizer for tropical soils.

The Company's only material mineral property for purposes of NI 43-101 is the Cerrado Verde Project.

The following information is derived from the 2017 Technical Report, which is incorporated by reference into this AIF, however, certain updates have been made by employees of the Company and have been approved by Bradley Ackroyd of AMS and Beck Nader of BNA, each of whom is a Qualified Person as defined in NI 43-101. A complete copy of the 2017 Technical Report, portions of which are quoted verbatim or paraphrased herein, is available under the Company's profile on SEDAR or on the Company's website, www.investor.verde.ag. Please refer to the 2017 Technical Report for a more extensive discussion of the matters summarized here.

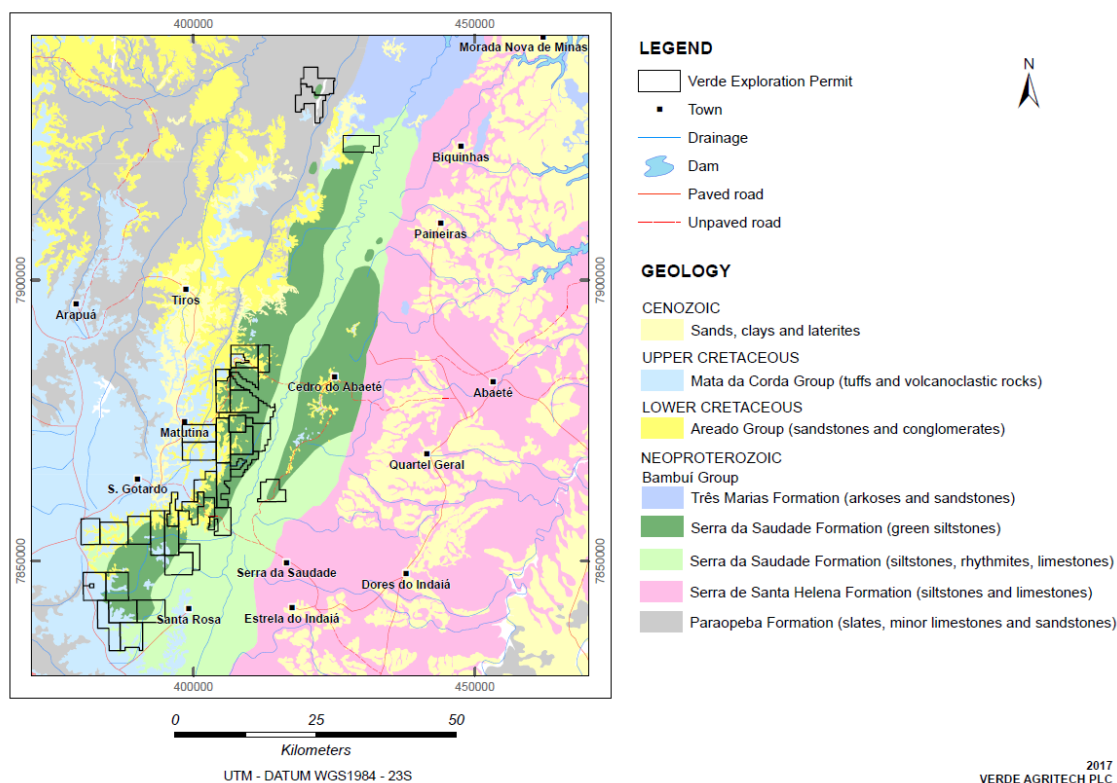
Project Description and Location

Project Location

The Cerrado Verde Project is located in the western Alto Paranaíba region of Minas Gerais State, Brazil (Figure 1). It is approximately 39 km east from the city of São Gotardo. São Gotardo is located approximately 320km west from Belo Horizonte (state capital of Minas Gerais) via a good quality paved road (BR-262). From São Gotardo, the project area is accessed via a number of secondary gravel roads, which connect the farming region.

The permit boundaries are defined by UTM coordinates with WGS84 datum (Zone 23S). Coordinates for a central point within the Cerrado Verde permits are: 7,856,500 N and 394,500 E.

Figure 1: Cerrado Verde Project Location and Permits Map



Permit Status

The Cerrado Verde Project area comprises a total of 30 granted exploration permits covering an aggregate area of 47,789 ha and 2 additional areas covering 2,808 ha. An application has been submitted for a permit for these 2 additional areas

Verde owns 100% of the Project through its Brazilian subsidiary companies. There was no prior ownership of permits immediately before the submission of Verde's applications. The Company has submitted the necessary applications to acquire the rights to explore the permits.

The mineralized zones of the Cerrado Verde Project are composed of glauconitic siltstone units from the Serra da Saudade Formation. The known mineralization is located within the areas covered by the permits held by Verde.

Summary of Mineral Rights and Mining Permits

The Company currently has full rights to mine 482,800 tpy (since it holds mining Concessions/Permits and Environmental Licenses) and has submitted joint mining and environmental applications for an additional 2,500,000 tpy.

The Company has 3 different mine pits, each at different permitting stages and targeting different volumes, as explained below and summarized in Table 4.

Table 4: Summary of Mineral Rights and Mining Permits

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	200,000	200,000	25,000,000	2,600,000	0
3	49,800	49,800	2,500,000	49,800	2,500,000
Total	482,800	482,800	27,500,000	2,882,800	2,500,000

Agreements and Encumbrances

1) Tenement Transfer

On March 30, 2012, the Company prepared and signed a contract for the full transfer of the mining permits related to exploration permit number 830.383/2008 (“830.383/2008”). A payment was made in the amount of R\$50,000.00 (approximately US\$15,243.90) and a royalty of US\$0.03 per tonne of mined ore will be due if a mine is operated in this area.

2) Fragata

On October 4, 2016, the Company prepared and signed a private agreement by means of a *Mining Permit* (a document that allows the extraction of mineral resources in a titled area, prior to the granting of the mining permit, based on technical, environmental and market criteria, with prior authorization from ANM) related to ANM permit number 830.383/2008, allowing the extraction of up to 100,000 t of ore.

A royalty of R\$0.50 is paid per tonne of mined ore.

The Company obtained an exploitation consent from ANM through a *Guia de Utilização*, allowing Verde to mine 100,000 tpy until August 2022.

3) Selado

Verde signed a lease for a property with a 51 Mt ore resource (called Fazenda Selado), on May 22, 2014. The payments resulting from this agreement are listed below:

- Construction of a house;
- R\$10,000.00 for renovation of the existing house;
- Monthly income for the occupants: (to begin following signature of the agreement);
- R\$15,000.00 per effectively impacted hectare, due when the impact effectively occurs. The maximum impacted area is 35 ha.

4) Confusão

The Company has signed a private agreement by means of a *Mining Permit* related to ANM permit number 833.264/2008. A royalty of R\$0.50 per tonne of mined ore will be due if there is any extraction in this area. A mining permit was granted in July 2019 to produce 49,800 tpy.

5) Londônia

The Company obtained an exploitation consent from *Mining Permit* related to ANM permit number 833.263/2008, allowing Verde to mine 50,000 t until February, 2022. A royalty of R\$0.50 per tonne of mined ore will be due for extraction in this area.

Taxes and Royalties

In Brazil, the ANM (National Agency of Mining) monitors exploration, mining, and mineral processing. This regulatory body also administers mineral exploration permits and mining concessions. Mineral exploration permits are issued by ANM and mining concessions by the Ministry of Mines and Energy.

A mining concession carries a royalty payment obligation to the federal government, the Financial Compensation for the Exploitation of Mineral Resources (CFEM), which is established at 2% of the gross sales price of the mineral product, less taxes levied on its sale.

Environmental Liabilities and Permitting

Environmental regulations and general environmental rules and obligations in Brazil are relatively similar to those applicable in Canada. The Brazilian environmental policy is the responsibility of the Ministry of the Environment and is executed at three levels: federal, state, and municipal. Verde intends to file an Environmental Impact Assessment and associated documentation required to advance the whole Project from exploration to the exploitation phase.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access to Property

The Project can be accessed by air from Rio de Janeiro, São Paulo, Brasília and other cities to the city of Patos de Minas, from there overland to São Gotardo (approximately 126 km) via good quality paved roads (federal highways BR-354 and BR-352). From Belo Horizonte, the Project site is accessed by over 320 km through of the federal highway BR-352. From the town of Matutina, the Project area is accessed by secondary gravel roads that traverse the farming region.

The unpaved roads are in reasonable conditions, although some sections require improvement.

Climate and Length of Operating Season

The climate of the region is classified, according to the Brazilian Institute of Geography and Statistics (IBGE) annual report in 2002, as half-humid warm tropical, with average annual temperatures of 22 °C. Annual rainfall in the area averages between 1,300 mm and 1,800 mm, 84% of which falls during the

rainy season between October and March, with the highest rainfall between December and January. Exploration and mining operations can be conducted year-round.

Local Resources and Infrastructure

São Gotardo is the closest town, located 39 km west from the Project site, with a significant population to provide manpower for a potential mining operation, having a population of around 34,000. São Gotardo also has good infrastructure, with domestic power and telephone service available. Also, the Project is very close to Patos de Minas (129 km away), the main city in the Alto Paranaíba area, which has a strong economic, cultural, educational and social environment.

Belo Horizonte, located about 320 km from the Project site, is the capital and the largest city in the state of Minas Gerais, with a population above 2 million people. It is the major center of Brazil's mining industry, with infrastructure for mining equipment and services available. There is a large commercial airport with domestic and international flights. Several state and federal government agencies are based there, in addition to private businesses that provide services to the mining industry. Skilled labor is readily available in Belo Horizonte, as well as at the towns near the Project.

Surface Rights

According to Brazilian law, surface rights are separately held from mining rights. Therefore, the landowner has no title to the minerals contained in the soil or in the sub-soil, which are deemed a property of the federal government. The federal government can grant to private companies or individuals the right to exploration and mining of sub surface minerals.

Private companies or individual holders of an Exploration Permit are expected to enter into an agreement with the landowner, allowing them access to the area, in order to conduct exploration activities. If an agreement is not reached, Brazilian Mining Code establishes a judicial procedure by means of which the mining company or individual secures access to the area by paying the landowner a compensation for damages to his or her property and loss of income due to exploration.

Verde has agreements in place with the relevant landowners, which allows them to undertake exploration in the permits.

Private companies or individuals holding a Mining Permit are entitled to access the area necessary for the mine infrastructure. Such surface rights are obtained by agreement with the landowner, providing compensation for the price of the land and additional losses caused by the occupation of such land. In case such agreement is not reached, surface rights are granted by the local Court based upon previous payments by the mining company or individual according to the amount judicially determined for such compensation.

In addition to compensation for damages, the landowner is entitled by law to a royalty equal to 50% of the Financial Compensation for the Exploitation of Mineral Resources (CFEM). However, there may be an agreement between the mining company and the landowner, establishing a compensation that is satisfactory for both parties (J. MENDO, 2009). The Company is considering the purchase of all properties within their permits, so this amount will not be owed once Verde will be the owner.

Physiography

The Cerrado Verde Project is located within the hydrographic basin of Indaiá River, a tributary river on the left hand margin of the São Francisco River. According to Secretaria do Estado de Ciência e Tecnologia de Minas Gerais, the Indaiá River basin is part of the geomorphological unit known as São Francisco Plateau, where the edges of the hills and the crest points dip towards the NE with high structural controls.

The main drainages in the Cerrado Verde region are the rivers Indaiá, Abaeté, Borrachudo and its tributaries. These rivers have meandering channel style morphology with predominantly dendritic drainage patterns evident in areas where pelitic rocks dominate. To the north of the project is the Três Marias Dam which constitutes the main mouth / confluence point of the rivers in the region.

The main topographic feature across the Cerrado Verde region is the Serra da Saudade ridge. The landscape can be separated into three domains that may be correlated to typical South American surfaces:

- **Upper Surface:** Older stage of the group that has exposed the Areado Group Sandstones and Mata da Corda Group;
- **Intermediate Surface:** Refers to the second stage of the group after the dissection of the Upper Surface (triggered by the resumption of the erosive process). The average altitude of the intermediate surface is 750 to 850m ASL. The intermediate surface presents as an irregular surface which stretches along a N-S strike and is developed over the Serra da Saudade Formation represented by psammitic lithotypes; and
- **Basal Surface:** the youngest, bordering the São Francisco River, with elevation ranging from 570 to 630m. Exposure occurs in pelites of the Serra de Santa Helena and Serra da Saudade formations.

Topography, Elevation and Vegetation

The peneplain developed by the glauconitic siltstone unit (i.e., the ground over which the Areado Group was deposited) undulates between an altitude of 850m and 1,000m. Higher elevations of peneplain development are found in the more southern parts of the Serra da Saudade range. In the middle portion of the Serra da Saudade range (location of Cerrado Verde Project), the peneplain is placed between 880m and 920m. Therefore, it is reasonable to infer that all of the surface exposures of the glauconitic meta-argillite unit were the result of the Tertiary erosion cycles that stripped off the Mesozoic rocks (Mata da Corda and Areado groups).

The local vegetation consists of primitive savannah (cerrado) relicts, still preserved between subsistence plantations and familiar livestock.

History

Exploration History

The glauconitic siltstone occurrence has been known as a potential potash resource since the 1960's, although only regional mapping has been undertaken in the permits held by Verde over the years.

Verde does not have data with respect to past owners or any prior exploration work. Verde is not aware of any historic resource estimation work on the property. There has been no historical mining on the property. There is no data or information available on prior exploration or development previous to the current owner.

Resource Estimation History

Coffey Mining (March 2010)

Verde commenced drilling across the Cerrado Verde Project in late 2009. In March 2010, Coffey Mining Pty Ltd ("**Coffey Mining**") was commissioned by Verde to complete a mineral resource estimate.

The maiden mineral resource estimate was based upon 19 RC drill holes (997m), which targeted only a select portion of the regional glauconitic siltstone within the Verde permits. All holes were successful in intersecting the glauconitic siltstone.

Coffey Mining estimated a Mineral Resource for the Cerrado Verde Project with an effective report date of February 27, 2010. All grade estimations were completed using Ordinary Kriging (OK) for K₂O. The estimation was constrained within the mineralization interpretations.

A total Inferred resource of 161Mt at 8.75% K₂O was determined (no cut-off grade applied).

Coffey Mining considered the permits to have the potential to host a very large tonnage potash resource within the glauconitic siltstone unit. This was demonstrated by the preliminary resource numbers generated from an initial drilling program, as well as regional mapping and grab sampling across the permit package.

Coffey Mining recommended that a Preliminary Economic Assessment ("PEA") be undertaken on the Cerrado Verde Project prior to undertaking any additional resource definition drilling.

SRK Consulting (February 2012)

In late February 10, 2012, SRK Consulting (SRK) was commissioned by Verde to prepare an NI 43-101 PEA for the Cerrado Verde Project.

As part of the PEA, SRK reported an updated mineral resource estimate for the Cerrado Verde Project based on drilling completed throughout 2010 and 2011.

The resource update included: Target 1, Target 2, Target 3, Target 4, Target 5, Target 6, Target 7, Target 10, Target 11, Target 12, Target 13, Target 14, Target 16, Target 17. Funchal Norte is now referred to as Target 8 and is included in Target 7. Volodymyr Myadzel constructed the geologic and resource model for Targets 1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 16 and 17. Dr. Myadzel was responsible for the resource estimation methodology and the resource statement.

A total indicated resource of 71 Mt at 9.22% K₂O was determined by SRK Consulting (7.5% K₂O cut-off grade applied) with an additional inferred resource totaling 2,764 Mt at 8.91% K₂O (7.5% K₂O cut-off grade applied).

The resource estimate has been undertaken in compliance with accepted CIM definitions for indicated and inferred resources in accordance with NI 43-101 Standards of Disclosure for Mineral Projects.

AMS (March 2014)

In late March 2014, Verde retained AMEC, NCL and AMS to prepare a Pre-Feasibility Study (PFS) for the Cerrado Verde Thermo Potash (TK) Project.

A combined mineral resource statement that incorporates previously reported mineral resources completed by SRK Consulting has been prepared for the Cerrado Verde Project by AMS. A combined measured and indicated mineral resource of 1,472 Mt at 9.28% K₂O (using a 7.5% K₂O cut-off) and an inferred mineral resource of 1,850 Mt at 8.60% K₂O (using a 7.5% K₂O cut-off grade) are reported for the Cerrado Verde Project.

The statement has been classified by Qualified Person Bradley Ackroyd (MAIG) in accordance with NI 43-101, and accompanying documents 43-101.F1 and 43-101.CP. It has an effective date of 31 of March 2014.

Mining History

The mining works were initiated in May 15, 2017, by means of a *Mining Permit*. Mining is performed as an open pit operation without production of waste. The Company extracted 29,648 tonnes of ore in 2018, 123,000 tonnes in 2019 248,653 tonnes in 2020.

Geology and Mineralization

The Cerrado Verde Project region is mainly underlain by Neoproterozoic and Cretaceous rock units, which are partly covered by Cenozoic sandstones, lateritic sediments and soils.

The thickness of the glauconitic siltstone unit varies from 15 m to 80 m in the southernmost domain, to over 50 m in the northern half of the Serra da Saudade range.

Verde's permits run for the entire 120 km strike length and reach a potential width of up to 500 m.

The previous Pre-Feasibility Study (March 2014) presented the Project's mineralization as a glauconitic meta-argillite. However, after performing detailed mineralogical studies using a combination of optical microscopy, X-ray diffraction, electron microprobe analysis and scanning electron microscopy, it was determined that the ore is a silty-clayed sedimentary rock. Despite the folds found in the outcrops, no minerals, metamorphic structures or evidence of deformation were identified in the thin sections. The natural fragmentation in the outcrops is due to the fractures and bedding surfaces. Therefore, the Project's mineralization is now appropriately referred to as a glauconitic siltstone. Despite this change in nomenclature, the Project's mineral resources were not affected, as the ore deposit is homogeneous in its glauconitic siltstone content.

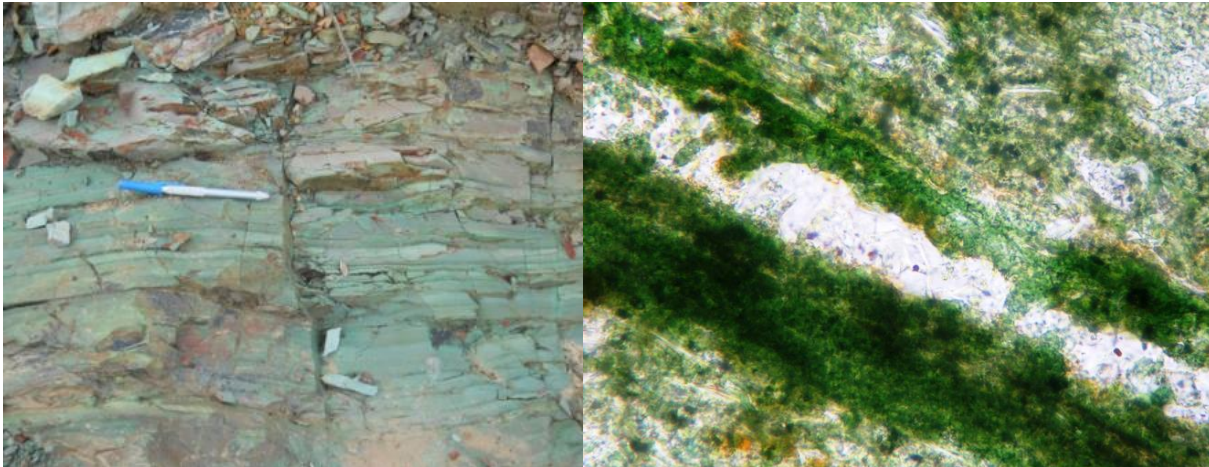
The glauconitic siltstone unit shows millimeter-to centimeter-thick bands that are rich in glauconite, dark green in color and interbedded with quartz-rich layers.

Studies of thin cross sections conducted on fresh samples of glauconitic siltstone identified: glauconite (40%-80%), K-feldspar (10%-15%), quartz (10%-60%), muscovite-sericite (5%), biotite (2%), titanium

oxide (<1%), manganese oxide (<1%), goethite (<1%), barium phosphate and rare-earth element phosphates (trace amounts).

Enriched levels of potassium with K₂O grades from 8% to 12% are associated with the glauconitic levels, which are dark-green in color.

Figure 2: Mineralized Glauconitic Siltstone Unit and Photomicrograph of sample CV DH 05 (32m – 34m)



The Figure shows parallel banding, where glauconite-rich bands (green) are intercalated with quartz feldspar bands (colorless to light brown)/ 50x, on a plane polarized light.

Exploration and Drilling

Up until 2011, exploration work was focused on a number of glauconitic siltstone units across the Cerrado Verde permit areas, known as Target 1, Target 2, Target 3, Target 4, Target 5, Target 6, Target 7, Target 10, Target 11, Target 12, Target 13, Target 14, Target 16 and Target 17.

In 2012 exploration activities were concentrated on a select number of higher grade K₂O targets. Four specific areas were chosen based on the preliminary K₂O grades from exploration drilling: target areas 7, 10 and 12 were selected, in addition to a new area located within exploration permit number 830.383/2008, which was acquired by VERDE from a third party. Geological mapping suggests that these four target areas belong to a single glauconitic siltstone 'domain'. Subsequently, these 4 individual target areas were collectively grouped into a single target area known as Target 7.

A total of four drilling campaigns were completed across Verde's exploration permits. Verde drilled a total of 695 Reverse Circulation (RC) holes totaling 40,225 m and 25 diamond core (DC) holes totaling 1,717 m. Exploration drilling conducted throughout the 2012 field campaign focused entirely on testing K₂O mineralization within the Target 7 mineralized domain.

Sample Preparation, Analyses and Security

Sampling Method

Samples for laboratory analyses were prepared at the project site by Verde technicians and sent in a Verde vehicle to the respective laboratories. A summary of the current drilling completed by Verde, along with the laboratories utilised for each phase of drilling is shown in Table 5 below.

Table 5: Laboratories Used in Analysing Verde Drilling

Year	Company Name	Type of Drilling	Number of Holes	Meters Drilled	Lab Used
2009	VERDE	RC	19	997m	Bureau Veritas (Brazil)
2011	VERDE	RC / DDH	452	26,609m	SGS Geosol
2012	VERDE	RC / DDH	264	15,865m	SGS Geosol

Sample Preparation and Assaying Methods

2009 Program

For the initial RC drilling program, samples were taken on 2m intervals and then riffle split down to 3kg samples for submission.

Samples were sent to Bureau Veritas laboratory in Vespasiano, Minas Gerais State, Brazil. This laboratory is part of the international chain of laboratories owned by Bureau Veritas that has ISO 14001 certification. The samples were received, dried, crushed to 2mm, riffle split and analysed by XRF for Fe₂O₃, SiO₂, Al₂O₃, CaO, MgO, MnO, TiO₂, Na₂O, K₂O, BaO, P₂O₅, Cr₂O₃, SrO and LOI.

While Verde undertook no quality control for this initial drilling program, Bureau Veritas inserted duplicates, blanks and certified standards at a rate of 5% to ensure their own quality control.

2011 and 2012 Programs

RC samples were generally taken on 1 to 3m intervals and then riffle split down to 1.3kg samples for submission. DC samples were taken on 2m intervals (half core samples collected) and submitted to the laboratory.

Approximately 96% of the total drill meters are accounted for by RC drilling, of which a total of 12% were drilled moist and further 4.7% were drilled wet. AMS have reviewed the sampling procedure, quantity and spatial location of wet drill samples across the Cerrado Verde project area, and believe there to be no significant bias within the database, which is material to the overall resource reported. In addition, AMS madenote of a number of DDH twin holes to original RC drilling (include moist and wet sampling), and noted no significant bias between DDH and RC sampling.

Quality Controls and Quality Assurance

Before May 2010, the Company did not have appropriate internal QA/QC systems for the drilling campaign.

In May 2010, Verde introduced a QA/QC program. For the internal control reference, at every 20 routine samples, a certified standard, a powder blank and a duplicate were inserted and sent to the laboratory. In this program, as the analytical results were received, they were immediately imported into the respective sampling spreadsheets, where any undesirable analytical deviations of standards, blanks, duplicates, or inconsistency between the sample result and its respective lithology could be easily compared. Simple inversions of sample results and typographical errors of the spreadsheets compiled after receiving the assay certificates were common. As a result, all the results of all samples from this program were checked one by one by Verde personnel (database manager).

Initially, duplicates were prepared from the splitting of the previous sample pulps. After analysis at the SGS laboratory, the pulps were returned and forwarded for analysis at the ALS Brasil Ltda laboratory ("ALS"), located at Vespasiano, Minas Gerais State. From there, the pulps were sent to the ALS laboratory located in Lima, Peru for analysis. The pulps were analysed by XRF and LOI. The ALS quality management system complies with the requirements of the International Standards ISO 9001:2008 and ISO/IEC 17025:2005. Quality control samples were inserted within each analytical run. For XRF methods, the minimum number of QA/QC samples is 2 standards, 1 duplicate and 1 blank, introduced every 39 samples. The blank was inserted at the beginning, standards were inserted at random intervals, and duplicates were analysed at end of the batch. Every batch of samples analysed has a dual approval and review process. The individual analytical runs were monitored and approved by the analyst. The results were compared with the initial values of SGS in graphics for duplicate controls like Thompson and Howarth, QQ and Correlation plots. This procedure was adopted until sample CV-RCS-2151 (March 2011).

From March 2011 onwards, starting at the sample CV-RCS-2171, the duplicate was obtained by quartering the routine sample prepared by Verde personnel in the field to assist in verifying the entire laboratory sample preparation process.

For the accuracy control, the Australian GeoStats Pty Ltd certified reference material and IPT - Brazilian Instituto de Pesquisas Tecnológicas reference material were used. These were submitted to SGS for conventional XRF analysis. The standards certificates are attached at the end of this report.

The blank material was prepared from pulverized quartz obtained from The Brazilian laboratory Sulfal Química Ltda. At the time, the company did not have appropriate internal contamination control. Gravel blanks composed of quartz was suggested as a suitable alternative to verify the contamination of the sample preparation stage of sample processing.

For the external control reference, after analysis at the SGS laboratory, pulps were selected each 20 routine samples, and sent for analysis to ALS or to Bureau Veritas Brazil.

Further details regarding QA/QC protocol is discussed in Section 12 of the 2017 Technical Report.

Sample Security

Verde DDH and RC drill cuttings are currently stored in a rented facility. After logging, core samples are marked for splitting and sampling by Verde geologists. Each RC and DDH core sample is placed in a plastic bag, which in turn is placed in a nylon bag for transporting via truck to the sample preparation laboratories located in Belo Horizonte. AMS considers the sampling security implemented by Verde to meet current industry best practice.

Mineral Processing and Metallurgical Testing

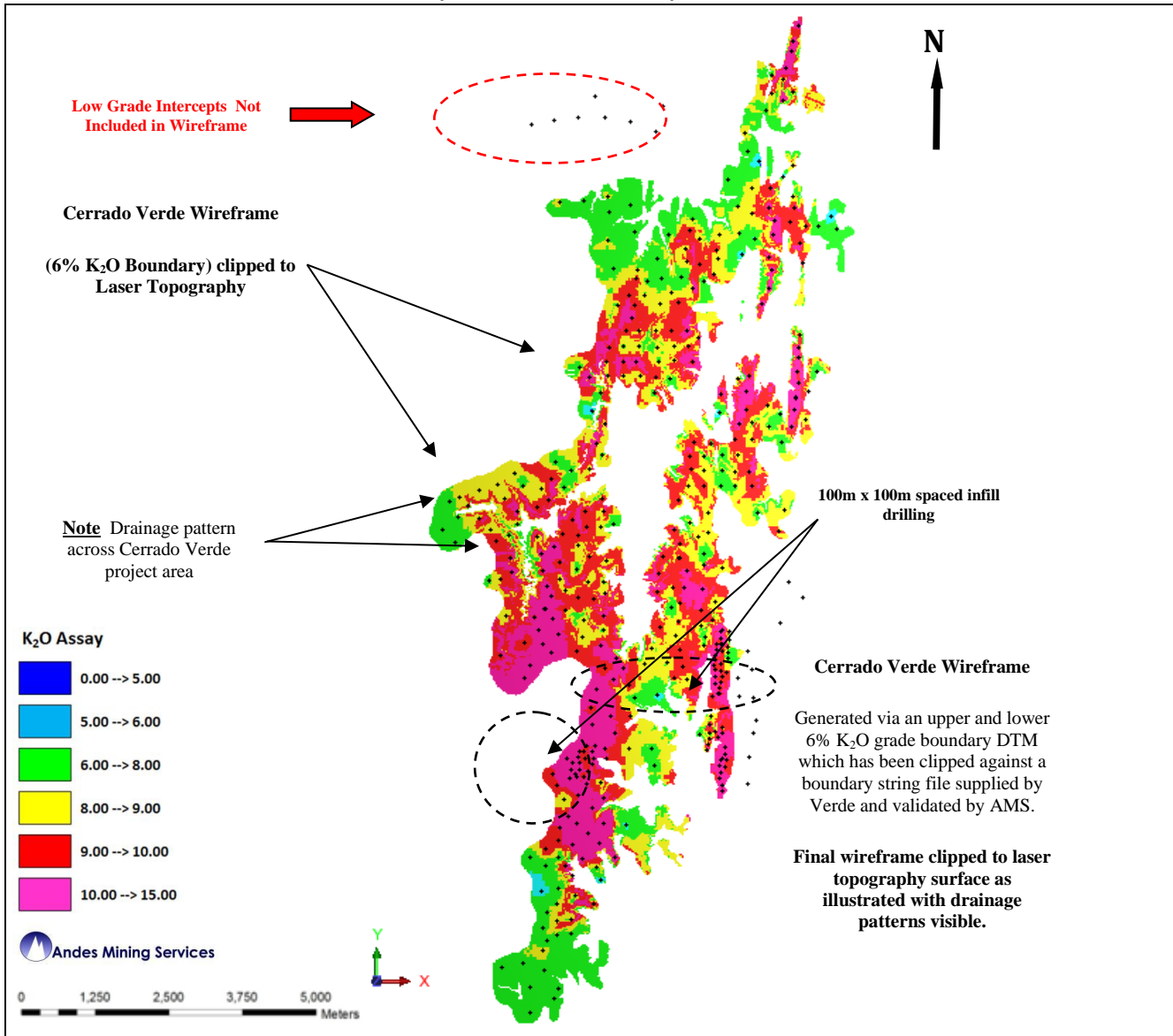
All required metallurgical tests to produce the Product were performed with the glauconitic siltstone. FLSmidth performed a crushability test on September 9, 2011, using their certified method. Other tests were performed for products other than the the Product (such as KCl and ThermoPotash).

Mineral Resources

The Cerrado Verde Project mineral resource estimate is based on 435 drill holes (26,609m) drilled at a nominal spacing of approximately 200m by 200m. A total of 420 reverse circulation drill holes (25,563m) and 15 diamond drill holes (1,046m) have been completed.

The mineral resource estimate has focused on a flat-lying, sub horizontal mineralized domain which has been defined at surface and drill tested to the depth of mineralization using a nominal 6% K₂O grade cut-off to guide the wire framing process, as shown for Target 7 in Figure 3.

**Figure 3: Cerrado Verde Block Model Target 7– Coded by K₂O Grade (Estimate)
(AMS, 28 March 2014)**



A combined mineral resource statement that incorporates previously reported mineral resources completed by SRK has been prepared for the Cerrado Verde Project. A combined Measured and Indicated Mineral Resource Estimate of 1,472Mt at 9.28% K₂O (using a 7.5% K₂O cut-off) and an Inferred Mineral Resource Estimate of 1,850Mt at 8.60% K₂O (using a 7.5% K₂O cut-off grade) (Table 6) are reported for the Cerrado Verde Project.

The statement has been classified by Qualified Person Bradley Ackroyd (MAIG) in accordance with NI 43-101 and accompanying documents 43-101.F1 and 43-101.CP. It has an effective date of March 31, 2014.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. AMS and Verde are not aware of any factors (environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors) that may materially affect the Mineral Resource Estimate.

Table 6: Measured, Indicated and Inferred Mineral Resource Grade Tonnage Report (AMS & SRK Consulting)

**Ordinary Kriging (OK) & Inverse Distance Weighting With Power Two (IDW2)*
(Block Model – 50mE X 50mN X 5mRL / 10mRL)***

Target	Cut-Off (% K ₂ O)	Tonnes (Mt)	Average Grade (% K ₂ O)
Measured Resource Category			
Target 7	7.5	83	10.13
Total Measured		83	10.13
Indicated Resource Category			
Target 6	7.5	23	8.83
Target 7	7.5	1,366	9.24
Total Indicated		1,389	9.23
Total Measured & Indicated		1,472	9.28
Inferred Resource Category			
Target 1	7.5	236	8.72
Target 2	7.5	12	8.54
Target 3	7.5	126	8.72
Target 4	7.5	147	9.03
Target 5	7.5	27	8.31
Target 6	7.5	48	8.84
Target 7	7.5	305	8.89
Target 11	7.5	47	8.27
Target 13	7.5	168	8.50
Target 14	7.5	325	8.65
Target 16	7.5	257	8.15
Target 17	7.5	151	8.19
Total Inferred		1,850	8.60

Mineral resources that are not mineral reserves do not have demonstrated economic viability.

* IDW2 Estimate (SRK Block Model - 50mE x 50mN x 10mRL) --> Targets 1,2,3,4,5,6,11,13,14,16 and 17

* OK Estimate (AMS Block Model - 50mE x 50mN x 5mRL) --> Target 7

* Appropriate rounding has been applied to Table 2

Effective Date of the mineral resource estimate is: 31 March 2014

- **Mineral Reserve Estimates**

BNA studied the Cerrado Verde Project as a conventional open pit operation, with the following characteristics:

- Both ore and waste mining will be performed using hydraulic excavators. As a precautionary measure, it has been assumed that 30% of the ore and 30% of the waste will be mined after a drilling and blasting operation;
- Loading and hauling operations, including equipment maintenance, will be conducted by a mining contractor.

A series of economic pit shells were calculated using the Lerchs-Grossman algorithm through the application of the Revenue Adjustment Factor (RAF). This factor is applied to the selling price(s) of the product(s), in such a manner that a mathematical pit is generated for each applied factor. The selection of a final pit shell for mine design was based on an NPV maximization strategy.

The Project was divided into three distinct phases, with their respective production rates and duration shown below:

- Phase 1: 600,000 t of final product per year, for the first 2 years;
- Phase 2: 5 Mt of final product per year, from year 3 to year 6;
- Phase 3: 25 Mt of final product per year for the remainder of the life of the mine.

The expected mass recovery is 100%.

The Mineral Resources are inclusive of the Mineral Reserves.

Table 7: Mineable Reserve Results

	Proven Reserve	Probable Reserve	Total Reserve
Tonnes (Mt)	68.11	709.17	777.28
K ₂ O Grade (%)	10.34	9.72	9.78

(1) As of November 27, 2017.

(2) A cutoff grade of 8.5% K₂O was used to report reserves.

(3) Overall strip ratio of 0.29 to 1.

(4) Waste contains inferred resources, which have the potential to be upgraded to higher category resources, and possibly reserves, after sufficient definition work has been completed.

(5) Based on 100% mining recovery.

○ **Recovery Methods**

The Project will consist of 3 phases with distinct processing rates: 600 Ktpy, 5 Mtpy and 25 Mtpy. The ore from the mine will have a top size of 500 mm.

The processing circuit consists of crushing, sifting and grinding stages, during all three phases, as depicted in Figure 4.1, Figure 4.2 and Figure 4.3, respectively.

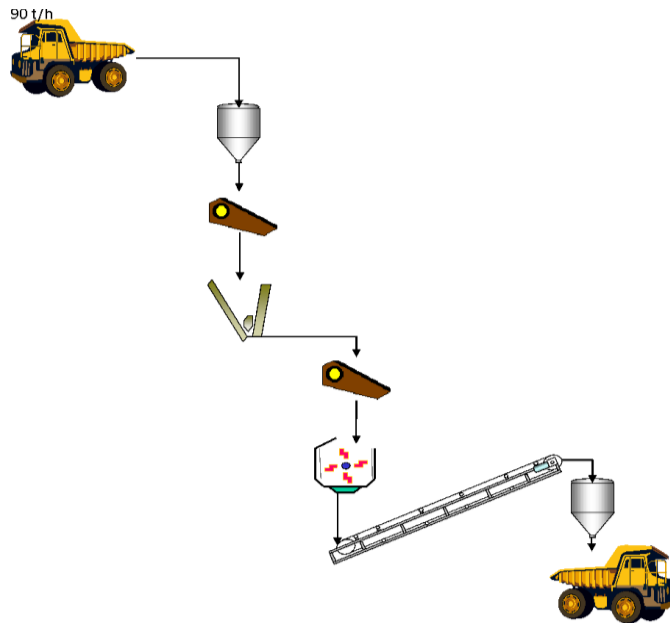


Figure 4.1 Simplified processing flowchart for Phase 1 (600 Ktpy)

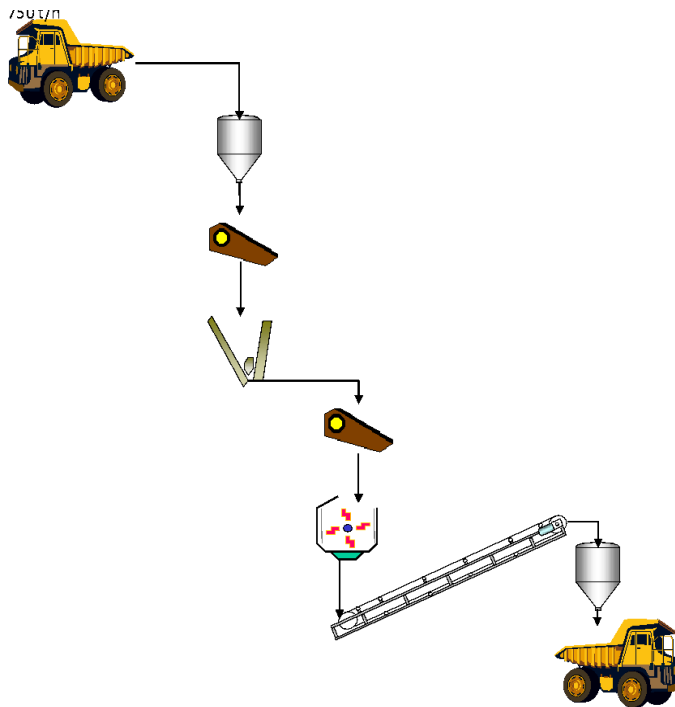


Figure 4.2 Simplified processing flowchart for Phase 2 (5 Mtpy)

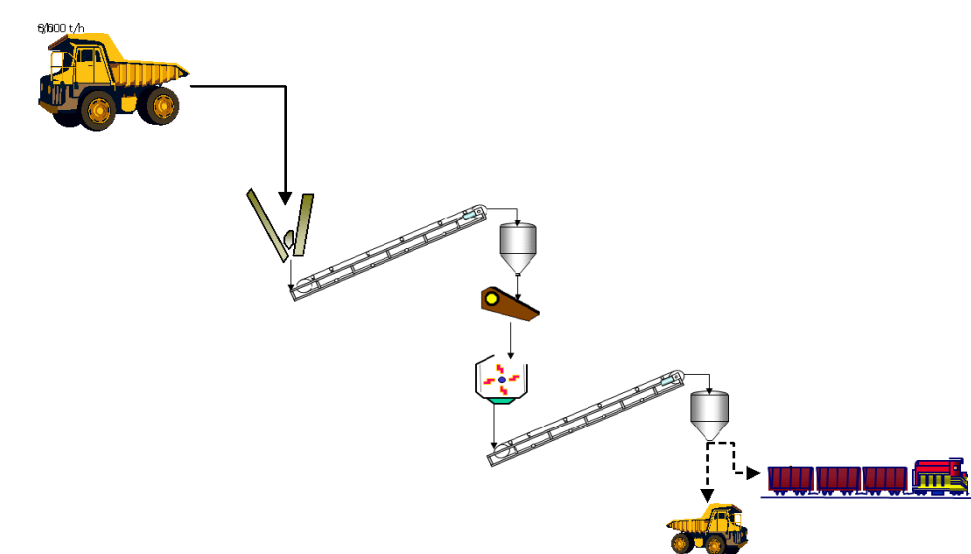


Figure 4.3 Simplified processing flowchart for Phase 3 (25 Mtpy)

Market Study

The Market Study evaluates the market in Brazil for the Product. the Product is the commercial name given by the Company to the ore (glaucanitic siltstone) mined at Cerrado Verde project.

A conservative methodology was chosen to estimate the product price and its market.

First, the Product was priced exclusively based on its potassium content. No additional value was given to the other several nutrients the product supplies.

Second, the Product's potassium content was valued based on the cost of potassium content from the market's cheapest source: KCl. There are other sources of potassium, such as Nitrate of Potash and Sulfate of Potash, which are sold at a premium to KCl because they do not have chloride. the Product also doesn't contain chloride but no additional value was charged for this benefit.

Third, the price for KCl CFR port Brazil adopted in the study was the lowest among independent analysts - US\$250. The average KCl delivered cost from the port to the farmer was calculated at US\$346.

Fourth, US\$346 was divided by 6 in order to account for the fact that the concentration of potassium in the Product is 6 times lower. KCl is 60% K₂O while the Product is 10% K₂O. As a result, farmers will pay US\$57.67 per tonne of the Product, meaning they will continue spending the same amount on potash as if they were buying KCl.

Targeted markets, planted area and the K₂O demand per state in 2016 were the parameters selected to determine the FOB price for the Product during each phase of the Project. Assuming a given market share for each phase, it was possible to define the sales volumes in each mesoregion and, based on these, calculate the weighted average FOB price. The average FOB prices for each phase are:

- Phase 1: US\$38.15;
- Phase 2 US\$35.17;
- Phase 3 US\$25.10.

Indicative Economics

As part of the verification process for the reserves presented in this report, BNA conducted an economic valuation of the Cerrado Verde Project for the material classified as reserves. This section outlines the capital and operating costs considered in this valuation. All costs are based on a conversion rate of US\$1.00 = R\$3.28.

The total capital cost for the Project (with a nominal accuracy of -25% to +25% and including a 15% contingency) is estimated at US\$369.59 million. Table 8.1 shows the CAPEX summary for all Project Phases.

Table 8.1: CAPEX Summary for all Project Phases

Description	Investment (US\$x1,000)		
	Phase 1	Phase 2	Phase 3
Processing			
Plant	1,267	8,397	16,687
Belt Conveyor	82	324	126,831
Processing Total	1,349	8,721	143,518
Road Improvement	884	5,258	-
Railway Branch Line	-	-	145,427
Owner's Cost	478	933	14,815
Subtotal 1	2,710.45	14,911.29	303,759.71
Contingency	15%	406.57	2,236.69
TOTAL CAPEX	3,117.02	17,147.98	349,323.67

Operating costs are estimated based on preliminary mine and process design criteria and engineering, as well as budgetary quotes. Operating costs are calculated to a PFS-level of accuracy and are expected to have an accuracy of $\pm 25\%$, including a 15% contingency. Table 8.2 Annual Operating **Costs** summarizes the operating costs for the Project over the first 10 years.

Table 8.2 Annual Operating Costs

Description	Annual Operating Costs (US\$x1,000)									
	1	2	3	4	5	6	7	8	9	10
A – Mining Labor	543	543	777	777	777	777	1,495	1,495	1,495	1,495
B – Mining Operation	5,004	5,312	18,871	19,208	18,236	17,678	125,369	117,321	121,653	121,653
C – Environmental Recovery	97	97	800	796	800	797	3,978	3,974	4,084	4,084
D - Processing	1,769	1,775	7,247	7,211	7,250	7,215	27,697	27,669	28,437	28,437
E - G&A	323	324	2,667	2,654	2,668	2,655	13,261	13,247	13,615	13,615
F - Environmental Compensation	121	121	121	121	121	121	121	121	121	121
G - Support Facility Maintenance	150	150	1,246	1,246	1,246	1,246	6,256	6,256	6,256	6,256
Subtotal	7,857	8,172	30,483	30,768	29,852	29,243	171,922	163,827	169,405	169,405
Contingency (15%)	1,179	1,226	4,572	4,615	4,478	4,386	25,788	24,574	25,411	25,411
TOTAL OPERATING COST	9,035	9,398	35,056	35,383	34,330	33,629	197,710	188,402	194,816	194,816
H- Unit Cost										
ROM	14.00	14.52	6.57	6.67	6.43	6.33	7.45	7.11	7.15	7.15
TOTAL (ore+waste)	13.31	11.68	5.66	5.81	5.95	6.03	4.89	5.25	5.92	5.92

An economic-financial analysis was conducted in order to evaluate the feasibility of the Project. The economic-financial analysis showed that the Project presents attractive results, with an average cashflow (EBTIDA) corresponding to approximately 71% of the Project's gross revenue during the first 10 years and an NPV, discounted to 8% per year, of 1.99 billion dollars.

The Project's IRR corresponds to 287% of the Project's total CAPEX.

OTHER MINERAL PROJECTS

RISK FACTORS

The Board regularly reviews the risks to which the Company is exposed and ensures through Board Committees and regular reporting that these risks are minimized to the extent possible. The Audit Committee is responsible for the implementation and review of the Company's internal financial controls and risk management systems.

The extraction of natural resources involves a high degree of risk. The following risk factors should be considered in assessing the Company's activities. Should any one or more of these risks occur, it could have a material adverse effect on the business, prospects, assets, financial position or operating results of the Company. The risks noted below do not necessarily comprise all those faced by the Company.

Additional risks not currently known to the Company or that the Company currently deems would not likely influence an investor's decision to purchase securities of the Company may also impact the Company's business, prospects, assets, financial position or operating results.

There has been no change to the impact of risks on the previous year.

Covid-19 (Coronavirus) risk

Covid-19 (Coronavirus) remains an ongoing risk for all businesses worldwide. It is not clear for how long the pandemic will last or how much more extensive it will become, or the further measures that will be taken by governments and others to seek to control the pandemic and its impact.

At the date of signing this report, the globe is already showing signs of recovery following the development of multiple vaccines.

The Company's trade agriculture continues to fall under the food chain category and as such, the Brazilian government has confirmed there is no restriction on trade. During 2020 the plant remained open and was in full operation. Office staff worked from home.

Management has considered the risk to the supply chain and consider this low due to the simplicity of the operations. The Company can manage the on-site risk at the production facility if the employees were to get ill and have contingency plans in place. Management and the directors have stress tested the cashflow forecast for a worse case scenario if the operations shut down for six months and have demonstrated they would have necessary funds. Management and the directors consider this scenario to be a remote risk.

Uncertainty in the estimation of mineral resources and mineral reserves

The estimation of mineral reserves, mineral resources and related grades has a degree of uncertainty. Until such time as the mineral reserves and mineral resources are actually mined and processed, the quantity of grades must be considered as estimates only. The mineral reserve estimates of the Company have been determined or reviewed by an independent consultant and are based on assumed cut-off grades and costs that may prove to be inaccurate. Any material change in these variables may affect the economic outcome of current and future projects.

Mining risks

Mining operations are inherently risky. These operations are subject to all hazards and risks encountered in exploration, development and production. These include but are not limited to formation pressures, seismic activity, rock bursts, fires, power outages, cave-ins, flooding, explosions and other conditions involved in the drilling and removal of material. Any of these events could result in serious damage to the mine and other infrastructure, damage to life or property, environmental damage and possible legal liability.

The Company has all necessary permits in place to continue with the current operation. As expansion plans progress, the Company will be required to submit revised plans for approval. There can be no guarantee that these revised plans will be agreed to or approved in a timely manner.

The Company's profitability will depend, in part, on the economic returns and actual costs of developing its mining projects, which may differ from the estimates made by the Company.

Credit risk

The Company is exposed to credit risk, which is the risk that one party of a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Exposure to credit risk arises primarily from trade receivables.

The Company has developed procedures to ensure that the sale of goods is made only to customers with an appropriate credit history. Customers who do not meet the Company's credit requirements may only conduct transactions with the Company on a prepayment basis.

Production risk

Production risk relates to the possibility that the Company output levels will be lower than expected. Factors affecting production include adverse weather conditions and failure of equipment and machinery. Mining of the Product continues throughout the year with maximum capacity (within permitted mining limits) during the summer, dry months of the year. Regular inspection and service of equipment and machinery is carried out to ensure they are in full working order.

Expected Market Potential of the Product

The Product is a new product without an established market. Substantial investment may be required to develop the market in Brazil and, if relevant, internationally. Although an established market for potassium-based fertilizers already exists, there is no assurance that the Company's market development efforts will result in the sales of the Product.

Uncertainty of Acquiring Necessary Permits

The Company's current and future operations will require approvals and permits from various federal, state and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of such approvals and permits for the existing operations or additional approvals or permits for any possible future changes to operations. Prior to any development on any of its properties, the Company must receive permits from appropriate governmental authorities. There can be no assurance that the Company will continue to hold all permits necessary to develop or continue operating at any particular property or obtain all the required permits on reasonable terms or in a timely basis. The Company has been successful in obtaining environmental and mining licences for small scale production and continues to apply for the appropriate licences to meet future production in line with its expansion plans.

Uninsurable Risks

The development and production of mineral properties involves numerous risks including unexpected or unusual geological operating conditions such as rock bursts, cave-ins, fires, flooding and earthquakes. Insurance may not be available to cover all of these risks, may only be available at economically unacceptable premiums or may be inadequate to cover any resulting liability. Any uninsured liabilities that arise would have a material adverse effect on the Company's business and results of operations.

Operations in a Foreign Country and Regulatory Requirements

All the Company's properties are located in Brazil and mineral exploration and mining activities as well as project development may be affected in varying degrees by changes in political, social and financial stability, inflation and changes in government regulations relating to the mining industry. Any changes in regulations or shifts in political, social or financial conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and mine safety. Brazil's status as a developing country may make it more difficult for the Company to obtain any financing required for the exploration and development of its properties due to real or perceived increased investment risk.

Currently there are no restrictions on the repatriation from Brazil on the earnings of foreign entities. Capital investments registered with the central bank in Brazil may similarly be repatriated. There can be no assurance that restrictions on repatriation of earnings and capital investments from Brazil will not be imposed in the future.

Competition

The Company competes with other mining companies as well as other companies producing agricultural products, many of which have greater financial and technical resources and experience, particularly with respect to the potash industry and the limited number of mineral opportunities available in South America. Competition in the mining industry is primarily for properties which can be developed and can produce economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. In addition, many competitors not only explore for and mine potash, but conduct refining and marketing operations on a world-wide basis. Such competition may result in the Company being unable to acquire desired properties on terms

acceptable to the Company, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's business and results of operations.

The Company also competes with other potash mining and/or marketing companies, many of which have greater marketing, financial and technical resources and experience, in exporting and marketing its potash or potassium-based products. The Company is vulnerable to increases in the supply of potash beyond market demand either from the opening of new potash mines or the expansion of existing potash mines by the Company's competitors, which could depress prices and have a material adverse effect on the Company's business, financial condition and results of operation.

Title Matters

While the Company has diligently investigated title to all mineral properties and, to the best of its knowledge, title to all properties is in good standing; this should not be construed as a guarantee of title. The properties may be affected by undetected defects in title, such as the reduction in size of the mineral claims and other third party claims affecting the Company's priority rights, at the discretion of the ANM. The Company's interests in mineral properties are comprised of exclusive rights under government licences and contracts to conduct operations in the nature of exploration and, in due course if warranted, development and mining, on the licence areas. Maintenance of such rights is subject to ongoing compliance with the terms of such licences and contracts.

Uncertainty of Additional Capital

In the past, the Company has relied on sales of equity securities to meet its capital requirements. The Company plans to use predominately production revenue to cover costs going forward with a small amount of bank financing. There is no assurance that the Company will be successful in obtaining the required financing.

The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of the Company. The development of the Company's projects may require substantial additional financing. Failure to obtain such financing may result in delaying or indefinite postponement of exploration, development or production on any or all of the Company's projects or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company. If the Company, through the issuance of securities from treasury, raises additional financing, control of the Company may change and security holders may suffer additional dilution. See "Risk Factors – Dilution".

Government Royalties

The Federal Government of Brazil collects royalties on mineral production, with up to half of such royalties being paid to surface rights owners. The current Brazilian federal royalty applicable to fertilizer production is a 2% net smelter return ("NSR") and a 3% NSR in the case of potash. This level and the level of any other royalties, payable to the Brazilian government in respect of the production of minerals may be varied at any time as a result of changing legislation, which could materially adversely affect the Company's results of operations.

Market Factors and Volatility of Commodity Prices

The Company's future profitability and long-term viability will depend, in large part, on the global market price of minerals produced and their marketability. The marketability of mineralized material, which may be acquired or discovered by the Company, will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations in the prices of minerals sought, which are highly volatile, inflation, consumption patterns, speculative activities, international political and economic trends, currency exchange fluctuations, interest rates, production costs and rates of production. The effect of these factors cannot be accurately predicted, but may result in the Company not receiving an adequate return on invested capital. Prices of certain minerals have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the control of the Company. Future mineral prices cannot be accurately predicted. A severe decline in the price of a mineral being produced or expected to be produced by the Company would have a material adverse effect on the Company, and could result in the suspension of mining operations by the Company.

Cyclical Industry

The market for potash tends to move in cycles. Periods of high demand, increasing profits and high capacity utilization lead to new plant investment and increased production. This growth increases supply until the market is over-saturated, leading to declining prices and declining capacity utilization until the cycle repeats. This cyclical nature in prices can result in supply/demand imbalances and pressures on potash prices and profit margins, which may impact the Company's financial results, and common share prices. The potash industry is dependent on conditions in the economy generally and the agriculture sector. The agricultural sector can be affected by adverse weather conditions, cost of inputs, commodity prices, animal diseases, the availability of government support programs and other uncertainties that may affect sales of fertilizer products.

Exchange Rate Fluctuations

Exchange rate fluctuations may adversely affect the Company's financial position and results. The Company's financial results are reported in Canadian dollars and its costs are incurred primarily in Canadian dollars and Brazilian Reals. The appreciation of the Brazilian real against the Canadian dollar could increase the actual capital and operating costs of the Company's mineral exploration projects and materially adversely affects the results presented in the Company's financial statements. Currency exchange fluctuations may also materially adversely affect the Company's future cash flow from operations, its results of operations, financial condition and prospects. The Company does not currently have in place a policy for hedging against foreign currency risks. The Company manages foreign currency risk by regularly reviewing the balances held in currencies other than the functional currency.

Dependence on Key Executives and Technical Personnel

The Company is currently dependent on the services of a relatively small management team. Locating mineral deposits and successfully bringing them into production in Brazil depends on a number of factors, not the least of which is the technical skill of the personnel involved. Due to the relatively small size of the Company, the loss of members of the management team or the Company's inability to attract and retain additional highly skilled employees may materially adversely affect its business and future operations. The Company does not currently carry any "key man" life insurance on any of its executives. The non-executive directors of the Company devote only part of their time to the affairs of the Company.

Lack of Hedging Policy

The Company does not have a resource hedging policy and has no present intention to establish one. Accordingly, the Company has no protection from declines in mineral prices. The Company will explore the merits of hedging foreign currency reserves against foreign currency exchange rate fluctuations.

History of Earnings

The Company generated operating revenue of C\$9,167,000 and achieved an operating profit of C\$1,126,000 for the year ended 31 December 2020. Management anticipates that the Company will generate net profits going forward. However, there is no assurance the Company will generate sufficient earnings, operate profitably, or provide a return on investment in the future.

Dilution

The Company currently has 50,364,858 Ordinary Shares outstanding and 54,214,430 on a fully diluted basis. The Company currently has no warrants outstanding. To the extent the Company should, in future, issue any additional warrants, additional options, convertible securities or other similar rights, the holders of such securities will have the opportunity to profit from a rise in the market price of the Ordinary Shares with a resulting dilution in the equity interest of any persons who become holders of Ordinary Shares. The Company's ability to obtain additional financing during the period such rights are outstanding may be adversely affected and the existence of the rights may have an adverse effect on the price of the Ordinary Shares. The holders of warrants, options and other rights may exercise such securities at a time when the Company would, in all likelihood, be able to obtain any needed capital by a new offering of securities on terms more favourable than those provided by the outstanding rights.

In some circumstances, the increase in the number of Ordinary Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of the Ordinary Shares. In addition, as a result of such additional Ordinary Shares, the voting power of the Company's existing shareholders may be diluted.

Officers and Directors of the Company Own a Significant Number of Ordinary Shares and Can Exercise Significant Influence

The officers and directors of the Company, as a group, beneficially own, on a non-diluted basis, approximately 21.33% of the outstanding Ordinary Shares. The officers and directors, as shareholders, will be able to exert significant influence on matters requiring approval by shareholders, including the election of directors and the approval of any significant corporate transactions.

Future Sales of Ordinary Shares by Existing Shareholders

Sales of a large number of Ordinary Shares in the public markets, or the potential for such sales, could decrease the trading price of the Ordinary Shares and could impair the Company's ability to raise capital through future sales of Ordinary Shares.

Conflicts of Interest

Directors of the Company are or may become directors of other reporting companies or have significant shareholdings in other mining companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The Company

and its directors attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. The directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Company, the degree of risk to which the Company may be exposed and its financial position at that time.

The Cerrado Verde Project is Managed by a Subsidiary

The material operating subsidiary for the Cerrado Verde Project is Verde Fertilizantes. The managers (“administradores”) of Verde Fertilizantes are Felipe Paolucci, CFO, and Elton Golçaves, Mining Engineer, but the ultimate control of Verde Fertilizantes is with Cristiano Veloso, Director and Chairman. Despite the controls that the Company has put in place, there may be risks associated with ensuring that the corporate actions of Verde Fertilizantes reflect the decisions of the Board of Directors and management of the Company.

DIVIDENDS

Dividend Policy

The Company has neither declared nor paid any dividends on its Ordinary Shares since the date of its incorporation. The Company intends to retain its earnings, if any, to finance growth and expand its operations and does not anticipate paying any dividends on its Ordinary Shares in the foreseeable future. The actual timing, payment and amount of any dividends declared and paid by the Company will be determined by and at the sole discretion of the Board of Directors from time to time based upon, among other factors, the cash flow, results of operations and financial condition of the Company, the need for funds to finance ongoing operations and exploration and such other considerations as the Board of Directors in its discretion may consider or deem relevant.

DESCRIPTION OF CAPITAL STRUCTURE

Ordinary Shares

As at the date of this AIF, the Company has 50,364,858 Ordinary Shares of \$0.3918 each, issued and outstanding. The maximum amount of Ordinary Shares that the Company may allot is \$195,900,000, divided into 500,000,000 Ordinary Shares of \$0.3918 each.

The Company is an English public limited company and is therefore subject to a number of restrictions when issuing shares.

The Articles of Association of the Company and the U.K. Companies Act contain restrictions on the maximum number of shares that the Company may allot, the authority of the Board of Directors to allot and issue new shares and whether rights of pre-emption will apply to the issue of new shares.

Articles of Association

The Articles of Association of the Company contain provisions as described below.

Voting Rights

At general meetings of the Company, subject to any rights attached to any shares, on a show of hands, every member who is present in person shall have one vote and on a poll every member present in person or by proxy shall have one vote for every share held by him.

Alteration of Capital

The Company may by ordinary resolution and subject to the provisions of the U.K. Companies Act:

- A. increase its share capital as the resolution shall prescribe;
- B. consolidate and divide all or any of its shares into share capital of larger amount than its existing shares;
- C. sub-divide all or any of its shares into shares of smaller amount and attach varying rights to the shares resulting from such sub-division; and
- D. cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

The Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way subject to the provisions of the U.K. Companies Act.

Dividends and Other Distributions

Subject to the provisions of the U.K. Companies Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board of Directors.

Subject to the provisions of the U.K. Companies Act, the Board of Directors may pay interim dividends if it appears that they are justified by the profits of the Company available for distribution.

All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

The Board of Directors may, if authorised by ordinary resolution, offer any holders of shares the right to elect to receive shares, credited as fully paid, instead of cash in respect of the whole or any part of all or any dividends. Where any difficulty arises in regard to the distribution, the Board of Directors may settle the same as it thinks fit and, in particular, may fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of the members and may vest any assets in trustees.

Distribution of Assets on Liquidation

With the sanction of a special resolution of the Company and any other sanction required by the U.K. Insolvency Act 1986, on a winding-up of the Company the surplus assets available for distribution shall be divided among the holders of shares in the Company as determined by the liquidator.

Restrictions on Shares

If the Board of Directors is satisfied that any member, or any other person appearing to be interested in shares held by such member has been duly served with a notice under Section 793 of the U.K. Companies Act and is in default in supplying to the Company the information thereby required within a prescribed period after the service of such notice, or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular, the Board of Directors may in its absolute discretion serve on such member or on any such person a notice (a “direction notice”) in respect of the shares in relation to which the default occurred (“default shares”) directing that a member shall not be entitled to vote at any general meeting or any other meeting of the Company.

Where default shares represent at least 0.25% of the class of shares concerned the direction notice may in addition direct that, except in a liquidation of the Company, any dividend (including shares issued in lieu of a dividend) which would otherwise be payable on such shares shall be retained by the Company without liability to pay interest and no transfer of any of the shares held by the member shall be registered unless the member is not in default and provides a certificate or transfer, in such form as the Board of Directors may in its absolute discretion require to the effect that after due and careful enquiry the member is satisfied that no person interested in the shares subject to transfer is in default or the transfer is by way of sale to a bona fide unconnected third party, or by the acceptance of a take-over offer as defined in Section 974 of the U.K. Companies Act, or through a sale through a recognised investment exchange as defined in the U.K. Financial Services and Markets Act 2000 or any other stock exchange outside the United Kingdom on which the Company’s shares are normally traded. The prescribed period referred to above means 14 days from the date of service of the notice under Section 793 where the default shares represent at least 0.25% of the issued shares of the class of shares concerned and 28 days in all other cases.

COMPARISON OF FOREIGN LAWS

Ontario vs. English Corporate Law

The Company is incorporated under the U.K. Companies Act. Set out below is a summary of some of the shareholder rights and remedies found under Ontario and English corporate law, respectively. The following summary is not an exhaustive statement of all relevant laws, rules and regulations and is intended only as a general guide only and should not be construed as legal advice. Investors should consult with their own legal adviser if they require further information.

Table 9: Ontario vs. English Corporate Law Summary

	Business Corporations Act (Ontario)	Companies Act 2006 (England)
Share Capital	Under the Business Corporations Act (Ontario) (the “ OBCA ”) articles specify share capital. Typically a corporation is authorised to issue an unlimited number of common shares.	Under the Companies Act 2006 (the “ Act ”), a company (and for the purposes of this section, all references to “company” are deemed to be references to a public company incorporated in England) may specify in its by-laws (which are more commonly known in England as its articles of association) a maximum number of shares which the directors are permitted to

		issue. If the articles of association are silent in this regard, then the directors must be given the authority to issue such shares by an ordinary resolution (as defined below) of the shareholders.
Voting Rights	Under the OBCA and typical articles, each common share of a corporation entitles the holder to one vote at a meeting of shareholders. Unless the by-laws or applicable stock exchange rules provide otherwise, voting at a meeting of shareholders is generally conducted by show of hands, except where a ballot is demanded. Any shareholder or proxy holder entitled to vote at the meeting may demand a ballot either before or after any vote by show of hands.	Voting rights may be specified in a company's articles of association. Generally, a holder of ordinary shares has the right to vote at a general meeting of the company and on a vote by a show of hands is entitled to a single vote. In circumstances where a poll is called, each shareholder has one vote for every share he or she owns. The following have the right to demand a poll vote: (a) not less than five shareholders having a right to vote on a resolution; (b) shareholders representing not less than 10% of the total voting rights of all shareholders having the right to vote on a resolution; or shareholders holding shares in the company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all the shares conferring that right, have the right to demand a poll vote.
Quorum of Shareholders	Typical by-laws provide that the presence of two persons present in person, each being a shareholder entitled to vote or a duly appointed proxy or proxy holder for an absent shareholder so entitled, holding or representing in the aggregate not less than a specified percentage of the issued shares of the corporation with voting rights at such meeting will constitute a quorum for the transaction of business at the meeting of shareholders.	The Act and typical articles of association require the presence of two shareholders entitled to vote, (in person or by a duly appointed proxy) to form a quorum at a general meeting of the company.
Notice of Shareholders Meetings	Under the OBCA, notice of a general meeting of a corporation's shareholders must be given to the shareholders entitled to vote (and the directors and auditors) at least 21 days (but not more than 50 days) before the date of the meeting.	Under the Act, notice of an annual general meeting of a company must be given to the shareholders who are entitled to vote (and the directors and auditors) at least 21 "clear" days (i.e., excluding the day the notice is served and the day the meeting is held) prior to the date of the meeting. In the case of any other general meeting, notice must be given to shareholders at least 21 clear days prior to the meeting, although

		this can be reduced to 14 clear days' notice if the articles of association expressly permit this and, in the case of traded public companies, if certain other conditions are satisfied.
Annual General Meeting	Under the OBCA, the annual meeting of the corporation must be called by the directors not later than 15 months after holding the last preceding annual meeting.	Under the Act, directors are required to call an annual general meeting of a company within six months following its accounting reference date.
Calling Meetings	Under the OBCA, the board of directors of a corporation may call a special meeting of shareholders at any time. The OBCA further provides that the holders of not less than 5% of the issued shares of a corporation that carry the right to vote at a meeting may requisition the directors to call a meeting of shareholders for the purposes stated in the requisition.	Under the Act, the board of directors of a company may call a general meeting of shareholders at any time. The Act further provides that the holders of not less than 5% of the issued and paid-up shares of a company that carry the right to vote at a general meeting may request that the directors call a general meeting.
Shareholder Proposed Resolutions	The OBCA entitles a shareholder to submit to a corporation notice of any matter that the person proposes to raise at the meeting ("Proposal") and discuss at the meeting any matter in respect of which the person would have been entitled to submit a Proposal. If a corporation receives notice of a Proposal and is soliciting proxies, it would then be required to set out the Proposal in its management proxy circular (and, if requested by the person submitting the Proposal, include or attach the Proposal and a statement in support of the Proposal not exceeding 500 words in the aggregate). However, a Proposal for the nomination for the election of directors is required to be signed by the holders of at least 5% of the outstanding shares entitled to vote at such meeting.	Under the Act, shareholders can propose resolutions at a general meeting convened by them in accordance with the above section. In addition, a company is required to circulate with the notice of a general meeting, a statement of not more than 1,000 words with respect to a matter referred to in a proposed resolution to be dealt with at that meeting after receiving a request to do so from a shareholder or shareholders representing at least 5% of the total voting rights of all shareholders who have a right to vote or at least 100 shareholders who have a right to vote and who hold shares in the company in respect of which there has been paid an average sum, per shareholder, of at least GBP£100.
Passing Resolutions at a General Meeting	Under the OBCA, a resolution at a general meeting of a corporation's shareholders is to be passed by a simple majority of votes cast by the shareholders entitled to vote on the resolution.	Under the Act, an ordinary resolution proposed at a general meeting is passed on a simple majority of votes cast in favour by the shareholders present, either in person or by proxy, who are entitled to vote on the resolution.
Special Resolutions	Under the OBCA, a special resolution must be passed by a majority of not less than two-thirds of the votes cast by the shareholders entitled to vote on the resolution. Approval by special resolution of	Under the Act, a special resolution is passed by not less than 75% of the votes cast. Approval by special resolution of the shareholders is required for such actions as:

	<p>the shareholders is required for such actions as:</p> <ul style="list-style-type: none"> ● amending a corporation's articles; ● changing a corporation's name; ● increasing or reducing stated capital, if the corporation's stated capital is stated in its articles; ● undertaking a voluntary liquidation and dissolution; ● amalgamating with another arm's length corporation; ● continuing under the laws of another jurisdiction; and ● undertaking the sale, lease or exchange of all or substantially all of the property of the corporation other than in the ordinary course of business. 	<ul style="list-style-type: none"> ● amending a company's articles; ● changing a company's name; ● reducing a company's capital; or ● winding-up a company.
<p>Relief from Oppression</p>	<p>The OBCA provides that a corporation's shareholder or the Ontario Securities Commission may apply to a court for an order directing an investigation to be made of the corporation and any of its affiliated corporations. For the court to make such an order of investigation, among other requirements, it must appear to the court that the business of the corporation or any of its affiliates has been carried on with intent to defraud a person or that powers of the directors were exercised in a manner that was oppressive or unfairly prejudicial to the interests of a shareholder. No person may publish anything relating to the application for investigation except with the authorization of the court or the written consent of the corporation being investigated. In addition, a "complainant" (as that term is defined under the OBCA, which includes shareholders, former shareholders, directors and officers, former directors and officers, and any other persons who, in the discretion of the court,</p>	<p>Under the Act, a shareholder may apply to the court for an order that the company's affairs are being conducted in a manner that is unfairly prejudicial to its interests or the interests of some of the shareholders or the interests of all the shareholders generally, or that an actual or proposed act or omission of the company (including an act or omission on its behalf) is or would be so prejudicial.</p> <p>The court may make such order as it thinks fit, including an order:</p> <ul style="list-style-type: none"> ● to regulate the company's affairs in the future; ● to require the company to refrain from doing or continuing the act complained of, or to do an act that the shareholder has complained it has omitted to do; ● to authorize civil proceedings to be brought in the name and on behalf of the company by such person or persons

	<p>are proper persons to bring an action) who complains that:</p> <ul style="list-style-type: none"> ● any act or omission of the corporation or any of its affiliates effects or threatens to effect a result; ● the business or affairs of the corporation or any of its affiliates have been or are threatened to be carried on or conducted in a manner; or ● the power of the directors of the corporation or its affiliates have been or are threatened to be exercised in a manner; <p>that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of any security holder, creditor, director or officer, may apply to the court for an order to rectify the matters complained of. This remedy is known as the “oppression remedy”. The powers of the court under the OBCA in making an order are broad: it may make any order it thinks fit, from a simple order amending a corporation’s by-laws to an order liquidating and dissolving the corporation.</p>	<p>and on such terms as the court may direct;</p> <ul style="list-style-type: none"> ● to require the company not to make any, or any specified, alterations in its articles without the leave of the court; or ● to provide for the purchase of the shares of any shareholder if the company by the other shareholders or by the company itself and, in the case of a purchase by the company itself, to authorize the reduction of the company’s capital accordingly. ● In practice, the latter remedy is the most commonly given.
Inspection of Books	<p>Under the OBCA, a shareholder or creditor of a corporation, their agent or legal representative may examine the corporate records (including the securities register, articles and by-laws, minutes of meetings and resolutions of shareholders) at the corporation’s registered office or such other place where such records are kept during the corporation’s usual business hours and may take extracts from those records, free of charge. If a corporation is an “offering corporation” (as defined in the OBCA), any other person may examine the corporation’s corporate records upon payment of a reasonable fee.</p>	<p>Under the Act, a company’s register of shareholders must be kept available for inspection at its registered office or such other place as it may specify in compliance with the Act. The register must be open to inspection by any shareholder of the company without charge and to any other person on payment of such fee as may be prescribed. If a person wishes to inspect or obtain a copy of the register, he or she must make a request to the company which must contain specified information including the purpose for which the information is to be used.</p>
Derivative Action and Shareholder Class Action	<p>Under the OBCA, representative shareholder actions or derivative actions are available to a corporation’s shareholders and other “complainants” (as defined under the OBCA to include shareholders, former shareholders,</p>	<p>A derivative action may be brought pursuant to the Act in respect of a cause of action arising from an actual or proposed act or omission involving negligence, default, breach of duty or breach of trust by a director of a company (for these purposes,</p>

<p>directors and officers, former directors and officers, the director appointed under the OBCA to carry out duties and exercise powers under the OBCA, and any other persons who, in the discretion of the court, are proper persons to bring an action). The OBCA, to a large extent, has supplemented the Canadian common law and equity rules on the availability of actions. In addition to allowing complainants to bring actions in the name and on behalf of a corporation or any of its subsidiaries, the statutory provisions of the OBCA also allow complainants to intervene in existing proceedings, either for prosecuting or defending it, or to bring about its discontinuation on behalf of the corporation. Whether seeking to bring an action or to intervene, certain substantive and procedural requirements must first be met, including the requirement that the court be satisfied that the complainant is acting in good faith and that it appears to be in the interests of the corporation or its subsidiary.</p> <p>To bring a derivative action, it is first necessary to obtain the leave of the court. The granting of leave is not automatic, but requires the court to exercise judicial discretion. The court may grant leave if:</p> <ul style="list-style-type: none"> ● the complainant is acting in good faith; ● the complainant has given notice to the directors of a corporation or its subsidiary of the complainant's intention to apply to the court not less than 14 days before bringing the application, or as otherwise ordered by the court, if the directors of the corporation or its subsidiary do not bring, diligently prosecute or defend or discontinue the action; and ● it appears to the court that it is in the interests of the corporation or its subsidiary for the legal proceeding to be brought, prosecuted, defended or discontinued. 	<p>a director includes a former director and a shadow director.) It is immaterial whether the cause of action arose before or after a person seeking to bring or continue the derivative claim become a shareholder of the company.</p> <p>The Act, to a large extent, has codified and supplemented the English common law position on derivative actions.</p> <p>A shareholder who brings a claim must request permission from the court to continue such a claim. The court is required to consider the issue on the basis of the evidence filed by the shareholder and if the court finds that the evidence filed does not disclose a prima facie case for giving permission it must dismiss the application and make such consequential order as it considers appropriate.</p> <p>Permission must be refused if the court is satisfied that a person acting in accordance with the general duty to promote the success of the company would not continue the claim, or where the act or omission has been ratified or authorised by the company. The court must take into account the following additional factors in deciding whether to give permission:</p> <ul style="list-style-type: none"> ● whether the shareholder is acting good faith in seeking to continue the claim; ● whether the claimant could pursue the claim in his or her own right rather than on behalf of the company. <p>If the derivative action is successful, any damages are awarded to the company.</p>
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	The court has broad powers to direct the conduct of any such legal proceeding.	
Takeover Regulations	Subject to certain exceptions, in the Securities Act (Ontario) (and Multilateral Instrument 62-104 in all other Canadian jurisdictions) requires any person or persons acting in concert to make a formal offer to all other security holders for their securities when they acquire, together with securities already owned, more than 20% of the outstanding securities of that class.	Public companies are subject to the UK Takeover Code. Rule 9 of the UK Takeover Code requires any person or persons acting in concert to make a general offer to all other shareholders for their shares in a company when either (i) they acquire an interest in shares carrying 30% or more of the voting rights of the company, or (ii) they already hold an interest in shares carrying between 30% and 50% of the voting rights of the company and acquire an interest in other shares which increases the percentage of the shares carrying voting rights in which they are interested.

Brazilian Corporate Law

The *Sociedade Limitada* (hereafter “**LLC**”), which is comparable to the limited liability company in Canada or the United States, is the most common form of company in Brazil. LLCs are governed by a *Contrato Social* (Articles of Association).

The authorised capital of an LLC consists of a fixed number of “*quotas*”, or shares, held by quotaholders or members, which can be increased at any time by the quotaholders. There are generally no minimum capital requirements for an LLC. Each share has a voting right attached to it, and voting rights can vary based on the value of each quota. LLCs in Brazil require a minimum of two quotaholders, either individuals or corporations, domiciled in Brazil or abroad.

LLCs do not have boards of directors. Instead, they are managed by one or more “*administrador*”, or manager, resident in Brazil and appointed by the quotaholders. The appointment of managers who are not quotaholders is subject to the approval of all quotaholders, where the capital stock is not fully paid, and of at least 2/3 of the quotas once the capital is fully paid up. The powers of the managers are set forth in the articles of association of the LLC. Managers of LLCs can be removed by the quotaholders.

There must be at least one quotaholders’ meeting each year in order to approve the previous year’s financial reports. Quotaholders have the right to call a quotaholders’ meeting if the managers of the LLC unreasonably delay the calling of a meeting. Meetings of quotaholders are subject to the following procedures: the notice of meetings must be published a minimum of three times; there must be eight days between the first and second notices; and five days between subsequent notices. If all quotaholders attend the meeting or declare, in writing, to know the place, date, time and agenda of the meeting, the foregoing procedural requirements for the meeting can be waived. Also, if the LLC has less than 10 quotaholders, the notice requirement can be made by alternative means if permitted in the LLC’s articles of association.

Generally, quotaholder approval is obtained by receiving 50% plus one vote of the quotaholders attending the meeting. Brazilian Law requires some decisions to be ratified by a qualified majority. The most common situations are: an alteration in the articles of association, a merger, an acquisition or a liquidation

requires the approval of quotaholders representing $\frac{3}{4}$ of the total capital; and the appointment of quotaholders as administrators, the removal of administrators, administrators' salaries and the request for protection against creditors require the approval of quotaholders representing a majority of the capital.

Quotaholders have a right to inspect the minute books of the LLC at any time, unless the articles of association establish special procedures or time windows for the inspection.

As a general rule, dividends are distributed proportionally to each quotaholder based on their capital holdings. Articles of association may establish a non-proportional distribution of profits.

Quotaholders have a right to start a derivative action against an LLC for unfair treatment or oppression.

Upon dissolution, the LLC's assets are subject to liquidation. Except in special circumstances, quotaholders do not have any personal liability for the LLC's debt. In some exceptional cases, where fraud has been demonstrated, a court may order the piercing of the corporate veil. In these exceptional cases, the personal assets of quotaholders might be used to pay the LLC's debts. In the event that there is a positive balance as a result of the liquidation, the remaining assets of the LLC are distributed to the quotaholders.

Traditionally, limited liability companies in Brazil needed at least two members. In 2011, the Brazilian Civil Code was amended to allow the incorporation of companies with a single quotaholder, called the *Empresa Individual de Responsabilidade Limitada* ("EIRELI"). The National Department of Commercial Registration has taken the view that it will only allow an EIRELI where the single quotaholder is an individual and not a corporation.

MARKET FOR SECURITIES

Trading Price and Volume

The Company's Ordinary Shares are currently listed for trading under the trading symbol "NPK" on the Toronto Stock Exchange (TSX) and the New York Open Transparent Connected Venture Market ("OTCQB") under the symbol "AMHPF". The following table lists the price ranges and average volumes traded on TSX for such shares for each month during the year ended December 31, 2020.

Table 10: NPK Trading Price and Volume

Month	Low (\$)	High (\$)	Avg Volume
January, 2020	0.38	0.45	11,745
February, 2020	0.33	0.45	13,395
March, 2020	0.23	0.37	31,395
April, 2020	0.30	0.48	22,086
May, 2020	0.40	0.57	18,855
June, 2020	0.48	0.61	18,086
July, 2020	0.52	0.70	33,895
August, 2020	0.64	0.75	22,005
September, 2020	0.61	0.70	17,905
October, 2020	0.62	0.68	13,781
November, 2020	0.63	0.78	49,300
December, 2020	0.72	0.87	45,120

Prior Sales

The Company did not issue any securities not listed or quoted on a marketplace during the year ended on December 31, 2020.

DIRECTORS AND OFFICERS

Names, Occupation and Security Holding

The following table and the notes thereto set out the name, province or state and country of residence of each director and executive officer of the Company, their current position and office with the Company, their principal occupation or employment during the last five years, and the date on which they were first elected or appointed a director of the Company.

Table 11: Director's and Executive Officer's Names, Occupation and Security Holding

Name, Place of Residence and Position Held Within the Company	Principal Occupation(s) During Last Five Years If Different from Office Held	Since
<p>Cristiano Botelho Veloso Holetown, Barbados Founder, President, Chief Executive Officer and Chairman</p>	<p>Mr. Veloso is the President and Chief Executive Officer of the Company. Mr. Veloso founded Verde AgriTech (as Amazon Mining) in 2005 and has since led its development. He earned a certificate in Sustainable Business Strategy from Harvard Business School (USA), holds a Master's Degree from the University of East Anglia (UK) and a Bachelor of Laws Degree from the Federal University of Minas Gerais (Brazil). Mr. Veloso has nearly two decades of experience and knowledge in the agricultural and mineral sectors.</p>	<p>August 2006</p>
<p>Getulio Lamartine de Paula Fonseca⁽²⁾⁽³⁾ Brasília, Brazil Director</p>	<p>Mr. Fonseca is a senior economist with over 40 years of government and consulting experience in the Brazilian resource, electrical and power generation sectors. Since 1990, Mr. Fonseca has been employed by GL Consultoria Ltda. As a consultant to the Brazilian resource, electric and power generation industries. In that role, Mr. Fonseca has assisted businesses such as Bank of Montréal, Samarco Mineração S.A., Klabin S.A., Alcoa Inc., KLM Aerocarto B.V., Construtora Norberto Odebrecht S.A., Acesita S.A. and Dow Corning Corporation with major projects in Brazil.</p>	<p>June 2007</p>
<p>Renato Gomes⁽¹⁾⁽²⁾⁽³⁾ Helsinki, Finland Director</p>	<p>Mr. Gomes is co-Founder & President of Pix Force, ranked as Brazil's number one artificial intelligence startup, he is also co-Founder and a Board Director of Graphite Company of the Americas, which is developing a graphite mine and processing plant in Brazil. Renato Gomes holds a degree in electronics and a law degree both from the Federal University of Minas Gerais (Brazil), a masters</p>	<p>June 2009</p>

	degree from the London School of Economics (U.K.) and a doctorate from Georgetown University (U.S.A.).	
Alysson Paolinelli Belo Horizonte, Brazil Director	Mr. Paolinelli is the President of the Brazilian Association of Corn Producers. Mr. Paolinelli held positions such as the Brazilian Minister of Agriculture, President of the National Confederation of Agriculture, President of Minas Gerais State Bank, Congressman, Secretary of Agriculture for Minas Gerais State, and Professor and Dean of Lavras University. In 2006 he was awarded the World Food Prize. In 2021, Mr. Paolinelli has been nominated for the Nobel Peace Prize.	January 2014
Paulo Sergio Ribeiro Machado⁽¹⁾ Belo Horizonte, Brazil Director	Mr. Machado was a former executive at Vale and has spent his career developing and operating large mining projects. From 1988 to 2002, Mr. Machado was the General Manager of Vale's Igarapé Bahia Gold Mine, at the time the largest gold producer in Latin America, where he was responsible for implementation, operation and decommissioning. Between 2002 and 2006 Mr. Machado was the Director for all iron ore mines in the central region of Minas Gerais state, overseeing management and operations of mining activities, plants and railway terminals. Mr. Machado was also a director of CEMIG, one of the largest power generators and distributors in Brazil and Subsecretary of Mines and Energy for Minas Gerais state from 2007 to 2014.	February 2017
Michael St Aldwyn⁽¹⁾⁽²⁾⁽³⁾ London, UK Director	Mr. St Aldwyn is an executive with strong connections with global investment markets and with long track record in Latin America. He worked in Brazil from 1973-1979; between 1979-1989 was responsible for Latin American markets when at the New York office of ED&F Man and moving to London from 1989-1994 still with ED&F Man, an agricultural commodities trader with over 7,000 staff spread across 60 countries started in 1783. Mr. Aldwyn then established his own company, 1994-2010, dedicated to the promotion of hedge funds. He also served as Chairman of the Anglo-Brazilian Society from 1996-2002 and as a Director of BlackRock Latin American Investment Trust from 1996-2017. He is currently Chairman of Itacaré Capital Investment Ltd. He is fluent in Portuguese and in 2017 he completed a Master's degree at King's College London in "Brazil in Global Perspective".	June 2018
Tim Slater Sutton, Surrey, U.K. Company Secretary	Mr. Slater is the Managing Director of Harmer Slater Limited Chartered Accountants in the United Kingdom, and has been involved in the preparation of all of the Company's financial statements and audit materials since 2007.	n/a

Felipe Paolucci Belo Horizonte, Brazil Chief Financial Officer	Mr. Paolucci is an executive with over 15 years of experience in finance in multinational companies and over 9 years of experience in the agricultural business. Mr. Paolucci replaced Mr. Slater, who has acted as the Company's interim CFO for the past few years.	March 2019
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Notes:

- (1) Member of the Corporate Governance and Nominating Committee.
- (2) Member of the Audit Committee.
- (3) Member of the Compensation Committee.

The Company's Articles of Association require one-third of the directors to retire at each annual meeting. A director retiring by rotation may offer himself for re-election to the Board of Directors. Notwithstanding the foregoing, the TSX requires that all directors of listed issuers be elected annually.

As of the date of this AIF, an aggregate of 10,743,503 Ordinary Shares were beneficially owned, or controlled or directed, directly or indirectly, by the current directors and executive officers of the Company as a group representing approximately 21.64% of the issued and outstanding Ordinary Shares on a non-diluted basis. The information as to Ordinary Shares beneficially owned, or controlled or directed, directly or indirectly, by the current directors and executive officers, not being within the knowledge of the Company, has been provided by the respective directors and executive officers and aggregated.

Management of Subsidiaries

The managers ("administradors") of Verde Fertilizantes and FVS are Felipe Paolucci CFO and Elton Golçaves, the Mining Engineer, but the ultimate control of Verde Fertilizantes is with Cristiano Veloso, Director and Chairman. The director of GB01N Limited is Cristiano Veloso and the secretary is Tim Slater. Mr. Veloso's term as director of GB01N Limited began in 2006. Mr. Slater's term as secretary of GB01N Limited began in 2009.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

To the Company's knowledge, no current director or executive officer of the Company is, or has been within the ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company that: (i) was subject to a cease trade order or similar order or an order that denied such company access to any exemptions under securities legislation, for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; (ii) was subject to a cease trade order or similar order or an order that denied such company access to any exemptions under securities legislation, for a period of more than 30 consecutive days that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

To the Company's knowledge, no director or executive officer of the Company, and no shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company: (i) is, or has been within the ten years before the date of this AIF, a director or executive officer of any

company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the ten years before the date of this AIF become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

To the Company's knowledge, no director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court, or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain directors and officers of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. Pursuant to the U.K. Companies Act, directors who have an interest in a proposed transaction are required to disclose their interest and refrain from voting on the transaction. See also "Risk Factors – Conflicts of Interest".

LEGAL PROCEEDINGS

There are no legal proceedings that the Company is or was a party to, or that any of its property is or was the subject of, during the Company's financial year.

Brazilian labour law entitles a former employee to lodge within two years of leaving the company claims for alleged unpaid remuneration and compensation in the event of dismissal. The Company, whilst contesting each claim, notes that should a claim be successful future liability may arise.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Company is not aware of any transaction of any of the following persons or companies within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company: (i) a director or executive officer of the Company; (ii) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding common shares of the Company; and (iii) an associate or affiliate of any of the persons or companies referred to in (i) and (ii).

Readers should note that the Company's public disclosure documents for the three most recently completed financial years, which are available under the Company's profile on SEDAR at www.sedar.com, including the management information circulars of the Company for the meetings of the Company's shareholders held in those years, provide information on various consulting and service agreements entered into by the Company with certain of its directors and officers or companies controlled

by such persons. However, all such agreements were entered into in the ordinary course of business and were not then, and are not now, deemed to materially affect the Company.

TRANSFER AGENTS AND REGISTRARS

The principal registrar and transfer agent of the Company is TSX Trust Company, at its office in the City of Toronto, Canada.

MATERIAL CONTRACTS

There have been no material contracts entered into by the Company within the last financial year or before the last financial year that are still in effect, other than contracts entered into in the ordinary course of business.

NAMES AND INTERESTS OF EXPERTS

The following is a list of the persons or companies named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under National Instrument 51-102 – *Continuous Disclosure Obligations* by Verde AgriTech during, or relating to Verde AgriTech's most recently completed financial year and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company:

- The “qualified person” (as defined in NI 43-101) for the 2017 Technical Report are Mr. Bradley Ackroyd of Andes Mining Services Ltd (AMS) and Mr. Beck Nader of BNA Consultoria e Sistemas (BNA). The aforementioned firms or persons held less than one percent of the outstanding Ordinary Shares (or no Ordinary Shares) of the Company or an associate or affiliate of the Company when they prepared the 2017 Technical Report, or following the preparation of such report, and did not receive any direct or indirect interest in any securities of the Company or of any associate or affiliate of the Company in connection with the preparation of such report. None of the aforementioned persons are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.
- BDO LLP resigned as auditor and PKF Littlejohn LLP were appointed to act as the Group and Company's auditor on 27 November 2020. PKF Littlejohn LLP reports that it is independent of the Company as required by Ethical Standards published by the Auditing Practices Board, an operating body of the Financial Reporting Council in the United Kingdom.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The text of the Audit Committee's charter is set out as Schedule “C” to this AIF.

Composition of the Audit Committee

The members of the Audit Committee are Messrs. Renato Gomes, Michael St Aldwyn, and Getulio Fonseca. Mr. Gomes, Mr. St Aldwyn, and Mr. Fonseca are all “financially literate” and all three members are “independent”, as those terms are defined in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”).

Relevant Education and Experience

The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an audit committee member is as follows:

Mr. Gomes is co-Founder & President of Pix Force, ranked as Brazil's number one artificial intelligence startup, he is also co-Founder and a Board Director of Graphite Company of the Americas, which is developing a graphite mine and processing plant in Brazil. Renato Gomes holds a degree in electronics and a law degree both from the Federal University of Minas Gerais (Brazil), a masters degree from the London School of Economics (U.K.) and a doctorate from Georgetown University (U.S.A.).

Mr. St Aldwyn is an executive with strong connections with global investment markets and with long track record in Latin America. He worked in Brazil from 1973-1979; between 1979-1989 was responsible for Latin American markets when at the New York office of ED&F Man and moving to London from 1989-1994 still with ED&F Man, an agricultural commodities trader with over 7,000 staff spread across 60 countries started in 1783. Mr. Aldwyn then established his own company, 1994-2010, dedicated to the promotion of hedge funds. He also served as Chairman of the Anglo-Brazilian Society from 1996-2002 and as a Director of BlackRock Latin American Investment Trust from 1996-2017. He is currently Chairman of Itacaré Capital Investment Ltd. He is fluent in Portuguese and in 2017 he completed a Master's degree at King's College London in "Brazil in Global Perspective".

Getulio Fonseca is a senior economist with over 40 years of government and consulting experience in the Brazilian resource, electrical and power generation sectors, and served as Deputy Minister of the Environment (Brazil) in 1994. Since 1990, Mr. Fonseca has been employed by GL Consultoria Ltda as a consultant to the Brazilian resource, electric and power generation industries. In that role, Mr. Fonseca has assisted businesses such as Bank of Montréal, Samarco Mineração S.A., Klabin S.A., Alcoa Inc., KLM Aerocarto B.V., Construtora Norberto Odebrecht S.A., Acesita S.A. and Dow Corning Corporation with major projects in Brazil. From 1985 to 1990, Mr. Fonseca was the General Director of the National Department of Power and Water Supply (DNAEE) at the Brazilian Ministry of Mining and Power Supply, and from 1979 to 1984, was the Executive Secretary of the Industrial Development Council at the Brazilian Industry and Commerce Ministry. For various periods between 1972 and 1979, Mr. Fonseca was the Associate Secretary for the Minas Gerais State Industry, Commerce and Tourism Secretariat, and also served as the Co-ordinator of the Economic Advisory Team to the Minas Gerais State Finance Secretariat. From 1971 to 1972, he was employed with the Minas Gerais state Industrial Development Institute, and the office of the Industry, Commerce and Tourism Superintendent. From 1966 to 1971, Mr. Fonseca held positions with Companhia Energetica de Minas Gerais S.A. (CEMIG).

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions contained in section 2.4 or Part 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services

were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board of Directors, and where applicable by the audit committee, on a case by case basis.

External Auditor Service Fees (By Category)

The aggregate fees charged to the Company by the external auditor BDO LLP for the financial years ended December 31, 2019, and December 31, 2018 are as follows:

Table 12: External Auditor Service Fees

Services	PKF Littlejohn LLP December 31, 2020 (C\$)	BDO LLP December 31, 2019 (C\$)
Audit Fees for the Year Ended	59,668	92,350
All Other Fees	Nil	2,309
Total Fees	59,668	94,659

Notes:

- (1) The term “Audit Fees” means the aggregate fees billed by the Company’s external auditor for services provided in auditing the Company’s annual financial statements for the subject year.
- (2) “All Other Fees” includes a 2.5% support cost, on the total agreed upon fee, by the Company’s external auditor.
- (3) Converted from Pounds Sterling and Brazilian Real to Canadian dollars using the average noon buying rate for Pounds Sterling reported by the Bank of Canada for the fiscal period ended December 31, 2020, being £1.00 = C\$1.72, BRL1.00 = C\$4.07.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com and on the Company’s website at <https://investor.verde.ag/>.

Additional financial information is provided in the Company’s audited financial statements and management discussion and analysis for the Company’s most recently completed year-end.

SCHEDULE A GLOSSARY

3D Alliance®: Technology developed to transform the three-dimensional structure of the raw materials added to the fertilizer. The materials are subjected to a mechanical process, increasing their specific surfaces and forming microparticles that release nutrients progressively. The fertilizers resulting from the mixture are homogeneous and can be evenly distributed in the soil. The 3D Alliance® technology is used in the BAKS® production process.

ANM: See “National Mining Agency”.

BAKS®: The Company’s newest product, which is a combination of K Forte® (source of potassium, silicon and magnesium) plus three other nutrients that can be chosen by customers according to their crops’ needs. BAKS® was launched by the Company on December 15, 2020.

Cerrado Verde Project (“the Project”): Located in Minas Gerais state, Brazil. Potassium-rich deposit owned by Verde, from which the Company 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). The Cerrado Verde Project has been in production since 2017.

CIF (“Cost Insurance and Freight”): Shipment term used to indicate that the seller is responsible for the goods and costs of insurance and freight from the factory to the buyer’s destination.

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

Exploration Authorisation (“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 Authorisation 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 authorisation does not entitle 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.

Environmental License (“Licença Ambiental”): 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 authorises 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 authorises 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 demonstrates quantitative geological and technological study of the mineral deposit and as well as demonstrating the technical-economic feasibility of a mine.

Final Exploration Report (“Relatório Final de Pesquisa”): At the end of the exploration stage, the holder of the mining right must present a Final Exploration Report with the results obtained from the work, containing a quantitative geological and technological study of the mineral deposit and demonstrate the technical-economic feasibility of a mine. The ANM analyses this report technically through a site visit. If the ANM approves the report based on the potential merits of a future mining operation, the titleholder has a one-year period to prepare and file the Mining Concession Application with the Federal Minister of Mines and Energy.

FOB (“Free on Board”): Shipment term used to indicate that the buyer is responsible for the goods and costs of insurance and freight from the seller’s product factory.

Company: Verde AgriTech Plc and its subsidiaries.

Hectare: Metric unit of square measure, equal to 10,000 square meters.

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

K₂O: Chemical term used in the analysis and marketing of fertilizers that contain different potassium compounds, as a comparison of their relative potassium content when compared to equivalent potassium oxide (K₂O).

Kilometer: Metric unit of measurement approximately equal to 0.62 miles.

MME: See “Ministry of Mines and Energy”.

Micro S Technology®: The Company’s exclusive elemental sulfur micronization technology, that allows for a larger contact surface. This facilitates the work of microorganisms and oxidation rate increases and so nutrients become available to plants more efficiently. This increases the absorption of sulfur and, consequently, the development of the plant. Micro S Technology® allows micronized sulfur, one of the additional nutrients most required by farmers, to be added to BAKS®.

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 metals concentrates, in existence at a certain location.

Mineral Reserve: A mineral reserve is the economically mineable part of a measured and/or indicated mineral resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of modifying factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which mineral reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a mineral reserve must be demonstrated by a pre-feasibility study or feasibility study.

- **Probable Mineral Reserve:** The economically mineable part of an indicated, and in some circumstances, a measured mineral resource. The confidence in the modifying factors applied to a probable mineral reserve is lower than that applied to a proven mineral reserve.
- **Proven Mineral Reserve:** The economically minable part of a measured mineral resource. A proven mineral reserve implies a high degree of confidence in the modifying factors.

Mineral Resource A mineral resource is a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

- **Indicated Mineral Resource:** That part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed. An indicated mineral resource has a lower level of confidence than that applied to a measured mineral resource and may only be converted to a probable mineral reserve.
- **Inferred Mineral Resource:** That part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An inferred mineral resource has a lower level

of confidence than that applying to an indicated mineral resource and must not be converted to a mineral reserve. It is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration.

- **Measured Mineral Resource:** That part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity. A measured mineral resource has a higher level of confidence than that applying to either an indicated mineral resource or an inferred mineral resource. It may be converted to a proven mineral reserve or to a probable mineral reserve.

Mineral Right (“Direito Minerário”): Authorisation 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.

Mineralization: The concentration of minerals within a body of rock.

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 authorised exploration through an exploration authorisation 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.

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.

Mtpy: Million tonnes per year.

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”).

NI 43-101: National Instrument 43-101 - Standards of Disclosure for Mineral Projects within Canada.

Open Pit: Surface mining in which the ore is extracted from a pit. The geometry of the pit may vary with the characteristics of the ore body.

Ore: A mineral or aggregate of minerals from which metal can be economically mined or extracted.

Ore Grade: The average amount of K₂O expressed as a percentage.

PFS: See “Pre-Feasibility Study”.

Pre-Feasibility Study (“PFS”): A pre-feasibility study is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the mineral resource may be converted to a mineral reserve at the time of reporting. A pre-feasibility study is at a lower confidence level than a feasibility study.

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 Company.

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

tpy: Tonnes per year.

Qualified Person: As defined in NI 43-101, an individual who: (a) is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation, or mineral project assessment, or any combination of these; (b) has experience relevant to the subject matter of the mineral project and the technical report; and (c) is a member or licensee in good standing of a professional association.

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

**SCHEDULE B
TABLE OF ABBREVIATIONS**

Abbreviations	Description
"	inches
%	percent
°	degrees
°C	degrees centigrade
3D	tridimensional
AMS	Andes Mining Services
ANDA	Brazil's National Fertilizer Distributors Association
Ca	calcium
CAPEX	capital expenditure
CFEM	financial compensation for the exploitation of mineral resources
cfr	cost and freight
CIM	Canadian Institute of Mining
Cl	chlorine
cm	centimeter
CMEC	Consórcio Mineiro de Engenheiros Consultores Ltda
DC	diamond core drilling
DDH	diamond drill hole
DFS	Definitive Feasibility Study
ANM	National Mining Agency
DTM	digital terrain model
E	east
EIA	environmental impact study
EPAMIG	Empresa de Pesquisa Agropecuária de Minas Gerais
FOB	free on board
g/cm ³	grams per cubic centimeter
h	hour
h/Wk	hour per week
ha	hectare
ICMS	imposto sobre circulação de mercadorias e prestação de serviços
IDW2	inverse distance weighting with power two
IPD	Instituto de Promoção do Desenvolvimento
IRR	Internal rate of return
K	potassium
K ₂ O	potassium oxide
K ₂ SO ₄	potassium Sulfate
KCl	potassium chloride

kg	kilogram
km	kilometer
km ²	square kilometers
KNO ₃	potassium nitrate
kt	kilo tonnes
ktpy	kilo tonnes per year
L	liter
LI	Construction Permit
LOI	loss on ignition
LOM	life of mine
LP	Preliminary Permit
m	meter
m ³	cubic meters
MAPA	Brazilian Ministry of Agriculture
MDIC	Ministry of Development, Industry and Foreign Trade
MME	Ministry of Mines and Energy
Mg	magnesium
mm	millimeter
Mt	million tonnes
Mtpy	million tonnes per year
N	north
N	nitrogen
Na	sodium
NE	northeast
NPV	net present value
OK	ordinary kriging
PEA	Preliminary Economic Assessment
PFS	Pre-Feasibility Study
QA/QC	quality assurance/quality control
R	coefficient of correlation
R\$	brazilian reais
RC	rotary-percussion reverse circulation drilling
RL	relative level
RU	Ramp-up
S	south
s	second
Si	Silicon
t	tonnes
TAH	annual permit tax
TK	ThermoPotash
tpy	Tonnes per year

US\$	united states dollar
USA	United States of America
UTM	Universal Transverse Mercator coordinate system
W	west
WACC	weighted average cost of capital
WGS84	World Geodetic System 1984
XRF	X-ray fluorescence
Y	year

SCHEDULE C
AUDIT COMMITTEE CHARTER

VERDE AGRITECH PLC
(the “Company” or the “Corporation”)

VERDE AGRITECH PLC
Charter of the Audit Committee of the Board of Directors

1. PURPOSE

The Audit Committee (the “**Committee**”) is appointed by the Board of Directors (the “**Board**”) of Verde AgriTech Plc. (the “**Corporation**”) to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee’s primary duties and responsibilities are to:

- conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;
- ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel
- review the quarterly and annual financial statements and management’s discussion and analysis of the Corporation’s financial position and operating results and report thereon to the Board for approval of same;
- select and monitor the independence and performance of the Corporation’s outside auditors (the “**Independent Auditors**”), including attending at private meetings with the Independent Auditors and reviewing and approving all renewals or dismissals of the Independent Auditors and their remuneration; and
- provide oversight to related party transactions entered into by the Corporation.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditors as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee’s duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part III of this Charter.

2. AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

3. COMPOSITION AND MEETINGS

- (a) The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission (“**OSC**”), the Toronto Stock Exchange, the Business Corporations Act (Ontario), and all applicable securities regulatory authorities. Each member of the Committee shall be financially literate (as defined by the OSC).
- (b) The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair.
- (c) Each member of the Committee shall be “independent” (as defined by the OSC) and shall be remunerated only in accordance with applicable laws and regulations.
- (d) The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.
- (e) If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
- (f) If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
- (g) The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours’ notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.

- (h) Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
- (i) The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
- (j) The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as it may see fit, from time to time, to attend at meetings of the Committee.
- (k) The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.
- (l) Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Audit Committee shall require the approval of the Board prior to implementation.

4. RESPONSIBILITIES

A. Financial Accounting and Reporting Process and Internal Controls

- (i) The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with International Financial Reporting Standards (“IFRSs”) and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the Independent Auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
- (ii) The Committee shall review management’s internal control report and the evaluation of such report by the Independent Auditors, together with management’s response.
- (iii) The Committee shall review management’s discussion and analysis relating to annual and interim financial statements and any other public disclosure documents that are required to be reviewed by the Committee under any applicable laws prior to their being filed with the appropriate regulatory authorities.

- (iv) The Committee shall meet no less frequently than annually with the Independent Auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, deems appropriate.
- (v) The Committee shall inquire of management and the Independent Auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.
- (vi) The Committee shall review the post-audit or management letter containing the recommendations of the Independent Auditors and management's response and subsequent follow-up to any identified weaknesses.
- (vii) The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
- (viii) The Committee shall establish procedures for:
 - (A) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - (B) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- (ix) The Committee shall provide oversight to related party transactions entered into by the Corporation.

B. Independent Auditors

- (a) The Committee shall be directly responsible for the selection, appointment, compensation and oversight of the Independent Auditors and the Independent Auditors shall report directly to the Committee.
- (b) The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the Independent Auditors.
- (c) The Committee shall monitor and assess the relationship between management and the Independent Auditors and monitor, confirm, support and assure the independence and objectivity of the Independent Auditors. The Committee shall establish procedures to receive and respond to complaints with respect to accounting, internal accounting controls and auditing matters.
- (d) The Committee shall review the Independent Auditor's audit plan, including scope, procedures and timing of the audit.

- (e) The Committee shall review the results of the annual audit with the Independent Auditors, including matters related to the conduct of the audit.
- (f) The Committee shall obtain timely reports from the Independent Auditors describing critical accounting policies and practices, alternative treatments of information within GAAP that were discussed with management, their ramifications, and the Independent Auditors' preferred treatment and material written communications between the Corporation and the Independent Auditors.
- (g) The Committee shall review fees paid by the Corporation to the Independent Auditors and other professionals in respect of audit and non-audit services on an annual basis.
- (h) The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Corporation.

C. Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.