

February 10, 2022

## 2.5 million tonnes per year potash mining concession granted to Verde

**Belo Horizonte, Brazil. Verde AgriTech Plc** (TSX: “NPK”) (OTCQB: “AMHPF”) (“Verde” or the “Company”) is pleased to announce that it has received a Mining Concession<sup>1</sup> for extraction of up to 2,500,000 tonnes per year (“**tpy**”) of potash rich ore, which is processed into Verde’s multinutrient potassium products, BAKS® and K Forte®, sold internationally as Super Greensand®, (the “Product”). With this new Mining Concession, the Company is now fully permitted to produce up to 2,833,000 tpy.

“This mining concession marks one more milestone for Verde. It will supply raw material for our Plant 2, which will boost production and accelerate sales growth. It is also another important governmental stamp of approval for our efforts towards reducing Brazil’s crippling dependency on imported potash”, said Cristiano Veloso, Verde’s Founder and CEO.

On March 26, 2020, the National Mining Agency (“**ANM**”), Brazil’s mining regulatory body, approved the Feasibility Study (“**PAE**”, from *Plano de Aproveitamento Econômico*) for the extraction of 25,000,000 tpy for Verde’s Mine Pit 2, as part of the Mining Concession Application (known in Brazil as *Requerimento de Lavra*). The Feasibility Study details the technical and economic viability of the project and indicates, among other information, the mining method and scale of production.

The Mining Concession was preceded by an Environmental License assessed and issued at the state level by Minas Gerais’ Environmental and Sustainable Development Secretary (known in Brazil as *Secretaria de Estado de Meio Ambiente e Desenvolvimento Sustentável*). The Company had applied for the 2,500,000 tpy Environmental License for Mine Pit 2 on March 30, 2020, and it was approved on December 23, 2020.

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<sup>1</sup> Mining Concession (known in Brazil as “*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.

This Mining Concession was granted to the Company as an expansion to the existing 100,000 tpy Mining Permit (in Brazil known as *Guia de Utilização*), previously granted for Mine Pit 2. In total, the Company is now permitted to extract up to 2,600,000 tpy from Mine Pit 2 alone.

Under Brazilian law, a pit is fully permitted to mine when the Company holds both a Mining Concession/Permit and Environmental License for that area. With this latest Mining Concession, Verde is now fully permitted to mine 2,833,000 tpy (please see the topic “Summary of Licenses and Permits” below) and has submitted concurrent mining and environmental applications for an additional 2,500,000 tpy, still pending approval.

## SUMMARY OF LICENSES AND PERMITS

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

Mine Pit	Fully Permitted to Produce (tpy)	Mining (tpy)		Environmental (tpy)	
		Granted	Pending	Granted	Pending
1	233,000	233,000	0	233,000	0
2	2,600,000	2,600,000	22,500,000	2,600,000	0
3	0	49,800	2,500,000	0	2,500,000
<b>Total</b>	<b>2,833,000</b>	<b>2,882,800</b>	<b>25,000,000</b>	<b>2,833,000</b>	<b>2,500,000</b>

## 2022 GUIDANCE

On January 10, 2022, Verde issued a press release announcing the 2022 and 2023 guidance. The Company’s target is detailed on a quarterly basis, reflecting the market demand’s seasonality, as follows:

Period	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Sales target (tonnes)	115,000	200,000	250,000	135,000	700,000
Revenue (C\$’000)	10,070	21,954	27,228	13,011	72,263
EBITDA (C\$’000)	1,358	10,155	13,414	3,506	28,434
EPS (C\$)	0.02	0.18	0.25	0.06	0.50

The 2022 guidance is underpinned by the following assumptions:

- Grant of mining concession
- Average Brazilian Real (“R\$”) to Canadian dollar exchange rate: C\$1.00 = R\$4.40
- Average KCI CFR Brazil of US\$500, compared to current price of US\$760 per tonne (as per the market intelligence firm Acerto Limited weekly price as of December 3, 2021).
- Sales Incoterms: 50% CIF and 50% FOB
- Sales channels: 50% direct sales and 50% indirect sales

## 2023 GUIDANCE

For 2023, Verde’s sales volume target is 1.4 million tonnes. This target represents a potential 100% growth Year-on-Year (“YoY”).

## ABOUT VERDE AGRITECH

Verde is an agricultural technology company that produces fertilizers. Our purpose is to improve the health of all people and the planet. Rooting our solutions in nature, we make agriculture healthier, more productive, and profitable.

## CORPORATE PRESENTATION

For further information on the Company, please view shareholders’ deck:

<https://verde.docsend.com/view/p9qyzinwe64ii4ke>

## INVESTORS NEWSLETTER

Subscribe to receive the Company’s updates at:

<http://cloud.marketing.verde.ag/InvestorsSubscription>

The last edition of the newsletter can be accessed at: <https://bit.ly/InvestorsNL-November2021>

## CAUTIONARY LANGUAGE AND FORWARD-LOOKING STATEMENTS

[This news release contains “forward-looking information” and “forward-looking statements” \(collectively, “forward-looking statements”\) within the meaning of the applicable Canadian securities legislation. The Cautionary Language and Forward-Looking Statements can be accessed at this link.](#)

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