

May 16, 2022

Verde Announces Pre-Feasibility study

Plant 3's 2023 construction to be fully funded from accumulated cashflow

Plant 3's NPV of US\$2.91 billion considering US\$368.65 Brazil CFR long term potash prices

Belo Horizonte, Brazil. Verde AgriTech Plc (TSX: “NPK”) (OTCQB: “AMHPF”) (“Verde” or the “Company”) is pleased to disclose the conclusions of the Pre-Feasibility Study announced by the Company on March 01, 2021 (the “PFS”) for the Cerrado Verde Project (the “Project”), which supplants the Pre-Feasibility Study completed in December 2017 (“2017 PFS”).

Verde operates Plant 1 with a capacity of 0.6 million tonnes per year (“Mtpy”), Plant 2 is on track for commissioning in Q3 2022 with an additional capacity of 2.4Mtpy, and Plant 3 is expected to add 10Mtpy with construction planned for 2023.

Plant 3's capex is estimated by the PFS at US\$52.77 million. Plant 3's post-tax net present value (“NPV”) is projected at US\$2.91 billion (8% discount rate) with an internal rate of return (“IRR”) of 427.17%, assuming a potash price at less than a third of current Potassium Chloride (“KCl”) prices and those adopted by Verde. The capex for Plant 3 is expected to be covered by accumulated cashflow generated by sales up to Q2 2023, without need for equity or debt financing.

The Company's Special Committee of the Board of Directors is concluding work on the Paid for Growth strategy, as announced in the press releases dated January 24, 2022, and February 22, 2022, respectively. The Committee's findings and recommendations will soon be made publicly available, with the expectation that financing Plant 3 entirely from cashflow will not impact the return of gains to shareholders via dividends, buyback or a combination of both.

PFS OVERVIEW

The PFS contemplates three Product compositions:

- The Product as a source of potash (“K₂O”)
- The Product as a source of potash and sulphur (“K₂O+S”)
- The Product as a source of potash, sulphur, zinc, boron, copper and manganese (“K₂O+S+Micronutrients”)

The PFS contemplates three distinct production scenarios:

- Annual production of 10Mtpy ("**Plant 3 Scenario**"), representing 13.51% of the Brazilian potash market demand projected for 2025.
- Annual production of 23Mtpy ("**23Mtpy Scenario**"), representing 31.07% of the Brazilian potash market demand projected for 2025.
- Annual production of 50Mtpy ("**50Mtpy Scenario**"), representing 54.97% of the Brazilian potash market demand projected for 2030.

The PFS relies on a KCI CFR Brazil port price of US\$368.65 per tonne, as per the Market Study (the "**Study**") as detailed in the press release of April 21, 2022. Currently, the KCI CFR Brazil port price is approximately US\$1,125 per tonne. The Study underpinned the preparation of the PFS and it comprises information about the Product pricing and market share for each composition.

For further information on the Study, please see the press release issued on April 2022: <https://investor.verde.ag/wp-content/uploads/2022/04/Verde-AgriTech-Press-Release-Market-Study-April-21-2022.pdf>

Figures referenced in this news release can be viewed through the following link:

<https://investor.verde.ag/wp-content/uploads/2022/05/Figures-Press-Release-Pre-Feasibility-Results-Verde-AgriTech.pdf>

PFS HIGHLIGHTS

Tables 01 through 03 show the summary of the financial-economic analysis for the three Scenarios.

Table 01: Summary of the financial-economic analysis for the Plant 3 Scenario

Plant 3 Scenario				
Description	Unit	Value		
Proven and probable reserves	million tonnes	715.67		
K ₂ O grade	%	10.01		
Capex	US\$ million	52.77		
Operating cost	US\$/tonne of Product	12.83		
Sustaining capital	US\$/tonne of Product	0.50		
Product composition	Unit	K ₂ O	K ₂ O + S	K ₂ O + S + Micronutrients
Product Sale Price	US\$/tonne of Product	80.75	91.54	100.21
NPV after-tax	US\$ billion	2.91	3.41	3.97
NPV discount rate	%	8.00	8.00	8.00
IRR after-tax	%	427.17	482.93	560.86
Cumulative Cash Flow	US\$ billion	17.05	19.97	23.22

Table 02: Summary of the financial-economic analysis for the 23Mtpy Scenario

23Mtpy Scenario				
Description	Unit	Value		
Proven and probable reserves	million tonnes	715.67		
K ₂ O grade	%	10.01		
Capex	US\$ million	129.84		
Operating cost	US\$/tonne of Product	11.18		
Sustaining capital	US\$/tonne of Product	0.50		
Product composition	Unit	K ₂ O	K ₂ O + S	K ₂ O + S + Micronutrients
Product sale price	US\$/tonne of Product	80.72	91.66	99.90
NPV after-tax	US\$ billion	5.81	6.84	7.95
NPV discount rate	%	8.00	8.00	8.00
IRR after-tax	%	387.11	437.95	505.02
Cumulative Cash Flow	US\$ billion	16.14	19.02	22.07

Table 03: Summary of the financial-economic analysis for the 50Mtpy Scenario

50Mtpy Scenario				
Description	Unit	Value		
Proven and probable reserves	million tonnes	1,297.66		
K ₂ O grade	%	9.19		
Capex	US\$ million	553.99		
Operating cost	US\$/tonne of Product	10.07		
Sustaining capital	US\$/tonne of Product	0.50		
Product composition	Unit	K ₂ O	K ₂ O + S	K ₂ O + S + Micronutrients
Product Sale Price	US\$/tonne of Product	74.05	84.79	92.05
NPV after-tax	US\$ billion	9.34	11.50	13.54
NPV discount rate	%	8.00	8.00	8.00
IRR after-tax	%	167.86	196.19	227.08
Cumulative Cash Flow	US\$ billion	22.74	28.04	32.98

The mineral resource for the PFS remains unchanged from the 2017 PFS (effective date March 2014). The 2017 PFS mineral resource estimate was completed by Bradley Ackroyd (MAIG), an independent “Qualified Person,” in accordance with NI 43-101. The 2017 PFS mining plan was modified, considering the three independent production scenarios of and Product compositions.

The PFS is based on the following assumptions:

- Contract mining.
- A projected mine life of 72 years for the Plant 3 Scenario, 31 years for the 23Mtpy Scenario and 26 years for the 50Mtpy Scenario.
- Expected mass recovery of 98%.
- A 15% contingency applied to Capex.
- US Dollar-Brazilian Real exchange rate of US\$1 = R\$5.30.
- KCl long term price of US\$368.65 per tonne CFR Brazil, which is the price reference for Product pricing in terms of K₂O equivalent content.
- S-bentonite long term price of US\$410.40 per tonne, which is the price reference for Product pricing in terms of Sulphur content.
- Zinc fertilizer (10%) long-term price of US\$400.00 per tonne, which is the price reference for the Product pricing in terms of Zinc content.

- Boron fertilizer (10%) long term price of US\$1,130.00 per tonne, which is the price reference for the Product pricing in terms of Boron content.
- Copper fertilizer (20%) long term price of US\$2,700.00 per tonne, which is the price reference for the Product pricing in terms of Copper content.
- Manganese fertilizer (10%) long term price of US\$120.00 per tonne, which is the price reference for the Product pricing in terms of Manganese content.

MINERAL RESOURCE ESTIMATE

A combined measured and indicated mineral resource of 1.47 billion tonnes at 9.28% K₂O (using a 7.5% K₂O cut-off) and an inferred mineral resource of 1.85 billion tonnes at 8.60% K₂O (using a 7.5% K₂O cut-off grade) are reported for the Project.

The Mineral Resources estimated by the PFS are:

Table 04: Mineral Resources Summary¹

Total	Volume (million tonnes)	Average Grade (% K ₂ O)
Measured Resource	83	10.13
Indicated Resource	1,389	9.23
Measured & Indicated	1,472	9.28
Inferred	1,850	8.60

CAPITAL COST ESTIMATE

A summary of expected capital costs for each Scenario is presented as follows:

¹ Mineral resources are not mineral reserves and do not have demonstrated economic viability. Effective Date of the mineral resource estimate is March 31, 2014.

Table 07: Capital Costs Summary

Investments (US\$ million)			
Description	Plant 3 Scenario	23Mtpy Scenario	50Mtpy Scenario
Processing plant			
Plants	29.38	70.60	111.17
Conveyor belt and loading wagons	N/A	N/A	28.49
Unloading of wagons	N/A	N/A	19.12
Processing subtotal	29.38	70.60	158.78
Roads improvement	10.57	30.88	6.80
Railway branch line ²	N/A	N/A	283.02
Owner's cost ³	5.93	11.42	33.13
Subtotal	45.89	112.90	481.73
Contingencies (15%)	6.88	16.93	72.26
Total	52.77	129.84	553.99

OPERATING COST ESTIMATE

Table 08: Operating Costs Summary

Operating Costs (US\$/tonne of Product)			
Description	Plant 3 Scenario	23Mtpy Scenario	50Mtpy Scenario
Mining ⁴	4.55	4.24	4.48
Processing	2.07	2.38	2.01
General and Administrative	4.20	2.81	2.01
Others ⁵	0.34	0.29	0.26
Contingency	1.67	1.46	1.31
Total	12.83	11.18	10.07

² The investment in the railway branch construction is expected to be assumed by the rail operator.

³ Owner's cost includes licensing, technical studies and projects, land purchase, equipment and personnel mobilization and demobilization.

⁴ Mining operating costs are estimated as a weighted average between transport distance and the feedstock's mass.

⁵ Others Include: Mining Labour, Environmental Recovery, Environmental Compensation and Support Facilities Maintenance.

SENSITIVITY ANALYSIS

Project economics are most sensitive to CAPEX and changes in the Product's sales price. A sensitivity analysis of the Project's NPV was carried out for each Scenario, with different sales prices for each Product composition. The charts can be seen in Figures 02 to 10, through the following link:

[Figures 02 to 10: NPV sensitivity analysis charts](#)

TECHNICAL DISCLOSURE

The Pre-Feasibility Study has been prepared by the following Qualified Persons: Mr Bradley Ackroyd (MAIG (C.P.)) who is a principal consulting geologist with Andes Mining Services Ltd. and Dr Beck Nader. (D.Sc., M.Sc., FAIG), who is a principle at BNA Mining Solutions.

Dr Beck Nader. (D.Sc., M.Sc., FAIG), BNA Mining Solutions' principal, has reviewed and approved the scientific and technical information contained in this news release. Dr Nader is a "Qualified Person" within the meaning of Canadian Securities Administrator's National Instrument 43-101 ("NI 43-101").

The Company expects to file a technical report prepared in accordance with NI 43-101 on SEDAR at <http://www.sedar.com> within 45 days of the date of this release.

ABOUT VERDE AGRITECH

Verde is an agricultural technology company that produces potash 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.

Verde is a fully integrated Company: it mines and processes its main feedstock from its 100% owned mineral properties, then sells and distributes the Product.

Verde's focus on research and development has resulted in one patent and eight patents pending. Among its proprietary technologies are Cambridge Tech, 3D Alliance, MicroS Technology, N Keeper, and Bio Revolution.⁶ Currently, the Company is fully licensed to produce up to 2.8 million tonnes per year of its multinutrient potassium fertilizers K Forte® and BAKS®, sold internationally as Super Greensand®.⁷ By the end of 2022, it plans to become Brazil's largest potash producer by capacity.⁸ Verde has a combined measured and indicated mineral resource of 1.47 billion tonnes at 9.28% K₂O and an inferred

⁶ Learn more about our technologies: <https://verde.docsend.com/view/yvthnpuv8jx6g4r9>

⁷ See the release at: <https://investor.verde.ag/2-5-million-tonnes-per-year-potash-mining-concession-granted-to-verde/>

⁸ See the release at: <https://investor.verde.ag/verde-to-reach-3-million-tonnes-potash-production-capacity-in-2022/>

mineral resource of 1.85 billion tonnes at 8.60% K₂O (using a 7.5% K₂O cut-off grade).⁹ This amounts to 295.70 million tonnes of potash in K₂O. For context, in 2021 Brazil's total consumption of potash in K₂O was 7.92 million¹⁰.

Brazil ranks second in global potash demand and is its single largest importer, currently depending on external sources for over 96% of its potash needs. In 2021, potash accounted for approximately 2% of all Brazilian imports by dollar value.

CORPORATE PRESENTATION

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

<https://verde.docsend.com/view/2h4fmnwt9apfa42n>

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-April2022>

CAUTIONARY LANGUAGE AND FORWARD-LOOKING STATEMENTS

All Mineral Reserve and Mineral Resources estimates reported by the Company were estimated in accordance with the Canadian National Instrument 43-101 and the Canadian Institute of Mining, Metallurgy, and Petroleum Definition Standards (May 10, 2014). These standards differ significantly from the requirements of the U.S. Securities and Exchange Commission. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

This document contains "forward-looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. This information and these statements, referred to herein as "forward-looking statements" are made as of the date of this document. Forward-looking statements relate to future events or future performance and reflect current estimates, predictions, expectations or beliefs regarding future

⁹ As per the National Instrument 43-101 Standards of Disclosure for Mineral Projects within Canada ("NI 43 -101"), filed on SEDAR in 2017. See the Pre-Feasibility Study at: <https://investor.verde.ag/wp-content/uploads/2021/01/NI-43-101-Pre-Feasibility-Technical-Report-Cerrado-Verde-Project.pdf>

¹⁰ Union of the Agricultural Fertilizers and Correctives Industry, in the State of São Paulo ("SIACESP", from *Sindicato da Indústria de Fertilizantes e Corretivos Agropecuários, no Estado de São Paulo*).

events and include, but are not limited to, statements with respect to:

- (i) the estimated amount and grade of Mineral Resources and Mineral Reserves;
- (ii) the PFS representing a viable development option for the Project;
- (iii) estimates of the capital costs of constructing mine facilities and bringing a mine into production, of sustaining capital and the duration of financing payback periods;
- (iv) the estimated amount of future production, both produced and sold;
- (v) timing of disclosure for the PFS and recommendations from the Special Committee;
- (vi) the Company's competitive position in Brazil and demand for potash; and,
- (vii) estimates of operating costs and total costs, net cash flow, net present value and economic returns from an operating mine.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives or future events or performance (often, but not always, using words or phrases such as "expects", "anticipates", "plans", "projects", "estimates", "envisages", "assumes", "intends", "strategy", "goals", "objectives" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements.

All forward-looking statements are based on Verde's or its consultants' current beliefs as well as various assumptions made by them and information currently available to them. The most significant assumptions are set forth above, but generally these assumptions include, but are not limited to:

- (i) the presence of and continuity of resources and reserves at the Project at estimated grades;
- (ii) the geotechnical and metallurgical characteristics of rock conforming to sampled results; including the quantities of water and the quality of the water that must be diverted or treated during mining operations;
- (iii) the capacities and durability of various machinery and equipment;
- (iv) the availability of personnel, machinery and equipment at estimated prices and within the estimated delivery times;
- (v) currency exchange rates;
- (vi) Super Greensand® and K Forte® sales prices, market size and exchange rate assumed;
- (vii) appropriate discount rates applied to the cash flows in the economic analysis;
- (viii) tax rates and royalty rates applicable to the proposed mining operation;
- (ix) the availability of acceptable financing under assumed structure and costs;
- (x) anticipated mining losses and dilution;

- (xi) reasonable contingency requirements;
- (xii) success in realizing proposed operations;
- (xiii) receipt of permits and other regulatory approvals on acceptable terms; and
- (xiv) the fulfilment of environmental assessment commitments and arrangements with local communities.

Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Many forward-looking statements are made assuming the correctness of other forward looking statements, such as statements of net present value and internal rates of return, which are based on most of the other forward-looking statements and assumptions herein. The cost information is also prepared using current values, but the time for incurring the costs will be in the future and it is assumed costs will remain stable over the relevant period.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that estimates, forecasts, projections and other forward-looking statements will not be achieved or that assumptions do not reflect future experience. We caution readers not to place undue reliance on these forward-looking statements as a number of important factors could cause the actual outcomes to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates assumptions and intentions expressed in such forward-looking statements. These risk factors may be generally stated as the risk that the assumptions and estimates expressed above do not occur as forecast, but specifically include, without limitation: risks relating to variations in the mineral content within the material identified as Mineral Resources and Mineral Reserves from that predicted; variations in rates of recovery and extraction; the geotechnical characteristics of the rock mined or through which infrastructure is built differing from that predicted, the quantity of water that will need to be diverted or treated during mining operations being different from what is expected to be encountered during mining operations or post closure, or the rate of flow of the water being different; developments in world metals markets; risks relating to fluctuations in the Brazilian Real relative to the Canadian dollar; increases in the estimated capital and operating costs or unanticipated costs; difficulties attracting the necessary work force; increases in financing costs or adverse changes to the terms of available financing, if any; tax rates or royalties being greater than assumed; changes in development or mining plans due to changes in logistical, technical or other factors; changes in project parameters as plans continue to be refined; risks relating to receipt of regulatory approvals; delays in stakeholder negotiations; changes in regulations applying to the development, operation, and closure of mining operations from what currently exists; the effects of competition in the markets in which Verde operates; operational and infrastructure risks and the additional risks described in Verde's Annual Information Form filed with SEDAR in Canada (available at www.sedar.com) for the year ended December 31, 2021. Verde cautions that the foregoing list of factors that may affect future results is

not exhaustive.

When relying on our forward-looking statements to make decisions with respect to Verde, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Verde does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by Verde or on our behalf, except as required by law.

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