May 14, 2024

Verde Announces Q1 2024 Results

(All figures are in Canadian dollars, unless stated otherwise. Average exchange rate in Q1 2024: C$1.00 = R$3.67)

Singapore. Verde AgriTech Ltd (TSX: "NPK") (**"Verde**" or the "**Company**") announces its financial results for the period ended March 31, 2024 ("**Q1 2024**").

Verde's Q1 2024 results were affected by adverse climate conditions, which reduced overall fertilizer demand in Brazil. This contrasts with Q1 2023, which benefitted from record potash prices and agricultural commodity prices, in good part as a consequence of the outbreak of Ukraine-Russia war.

In 2022, Brazilian farmers committed to purchasing agricultural inputs in advance for the 2023 "second crop" (known locally as *safrinha*) of corn that is sowed after the main crop. That year, agricultural commodity prices were high and the outlook for the 2023 *safrinha* of corn was still excellent. The application of fertilizers for the *safrinha* usually occurs in the first quarter of the year, which further drove the positive financial results for Verde in Q1 2023.

In Q1 2024, however, a "perfect storm" hit the Brazilian fertilizer market. Startin in the second half of 2023, the El Niño effects altered rainfall patterns, severely affecting Brazil's agricultural cycle all the way through early 2024. The irregular and unpredictable precipitation complicated agricultural planning, increasing risks to crop productivity and profitability. Consequently, many soybean farmers postponed planting, leading to a widespread decision to forego planting the *safrinha* corn. This resulted in a significant decrease in fertilizer demand in the first quarter of 2024.

All in all, the Company's results for Q1 2024 are lower than those for Q1 2022 and Q1 2023, quarters that benefitted from the previously mentioned geopolitical factors. When compared to the sales volume and revenue of Q1 2021 however, the Q1 2024 results were approximately five times greater, confirming the broader trend:

	Q1 2021	Q1 2024	∆Q1 21-24
Sales ('000 tons)	17	85	400%
Revenue (C$'000)	831	5,068	510%

	FY 2021	FY 2024	∆FY 21-24
Sales ('000 tons)	400	TBD	TBD
Revenue (C$'000)	27,709	TBD	TBD

"Though we are disappointed with the overall market conditions and results for Q1 2024, these were still over five times greater than Q1 2021. In that year, by December 2021, Verde had delivered 400 thousand tonnes. The fundamentals are in place and Verde's new sales and marketing teams are making significant progress, this makes me very excited about the long-term trajectory for our Company. Now that Verde was recognized as one of the world's Top 100 most promising carbon removal companies by the XPRIZE Carbon Removal competition, it is clear that the faster we can spread greater and greater quantities of our products to agricultural land, the better the planet will be", declared Verde's Founder, President & CEO Cristiano Veloso.

First Quarter 2024 Highlights

Operational and Financial Highlights

- Sales in Q1 2024 were 85,000 tonnes, compared to 108,000 tonnes in Q1 2023 and 16,558 tonnes in Q1 2021.
- Revenue in Q1 2024 was $5.1 million, compared to $11.1 million in Q1 2023 and $0.8 million in Q1 2021.
- Cash and other receivables held by the Company in Q1 2024 were $17.3 million, compared to $34.3 million in Q1 2023 and 4.9 million in Q1 2021.
- EBITDA before non-cash events was -$0.7 million in Q1 2024, compared to $2.0 million in Q1 2023 and a -$0.9 million in Q1 2021.
- Net loss in Q1 2024 was $4.8 million, compared to a $0.1 million loss in Q1 2023 and a $1.8 million loss in Q1 2021.

Other Highlights

- The Product sold in Q1 2024 has the potential to capture up to 1,131 tons of carbon dioxide ("CO_2") from the atmosphere via Enhanced Rock Weathering ("ERW").[1] The potential net amount of carbon captured, represented by carbon dioxide removal ("CDR"), is estimated at 716 tons of CO_2.[2] In

1 Out of the total sales in Q1 2024, 40,127 tons were sold in compliance with our Monitoring, Verification, and Report ("MRV") Protocol, qualifying them as potential carbon credits. The carbon capture potential of Verde's products, through Enhanced Rock Weathering (ERW), is 120 kg CO2e per ton of K Forte®. For further information, see "Verde's Products Remove Carbon Dioxide From the Air".

2 Net Carbon Dioxide Removal (CDR): volume of 1 ton of Long-Term CO_2 Removal, equivalent to 1 carbon credit.

addition to the carbon removal potential, Verde's Q1 2024 sales avoided the emissions of 316 tons of CO_2e, by substituting potassium chloride ("KCl") fertilizers.[3]

- Combining the potential carbon removal and carbon emissions avoided by the use our Product since the start of production in 2018, Verde's total impact stands at 260,341 tons of CO_2.[4]
- 6,736 tons of chloride have been prevented from being applied into soils Q1 2024, by farmers who used the Product in lieu of KCl fertilizers.[5] A total of 153,299 tons of chloride has been prevented from being applied into soils by Verde's customers since the Company started production.[6]

SUBSEQUENT EVENT

- In the second quarter of 2024, the Company initiated a Strategic Debt Restructuring Plan, which includes seeking specific Preliminary Judicial Relief to obtain temporary protection against actions and foreclosures by 7 banks. This request is aimed at ensuring stability while we renegotiate terms with our financial creditors. In compliance with legal requirements, all loan payment obligations have been suspended since April 2024. It is important to emphasize that this measure does not affect the Company's operations, nor does it compromise our contractual obligations to suppliers. Negotiations with the banks are progressing constructively, and the Company anticipates achieving a significant improvement in debt terms, including a substantial extension of the payment period, a grace period, and a reduction in interest rates. This strategy is aligned with Verde's long-term objectives and reaffirms the Company's commitment to financial and operational sustainability.

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3 K Forte® is a fertilizer produced in Brazil using national raw materials. Its production process has low energy consumption from renewable sources and, consequently, a low environmental and GHG emissions footprint. Whereas the high carbon footprint of KCl results from a complex production process, involving extraction, concentration, and granulation of KCl, in addition to the long transportation distances to Brazil, given that 95% of the KCl consumed in the country is imported. 12Mt of K Forte® is equivalent to 2Mt of KCl in K_2O content. Emissions avoided are calculated as the difference between the weighted average emissions for KCl suppliers to produce, deliver, and apply their product in each customer's city and the emissions determined according to K Forte®'s Life Cycle Assessment for its production, delivery, and application in each customer's city.

4 From 2018 to Q1 2024, the Company has sold 1.93 million tons of Product, which can remove up to 212,067 tons of CO_2. Additionally, this amount of Product could potentially prevent up to 48,274 tons of CO_2 emissions.

5 Verde's Product is a salinity and chloride-free replacement for KCl fertilizers. Potassium chloride is composed of approximately 46% of chloride, which can have biocidal effects when excessively applied to soils. According to Heide Hermary (Effects of some synthetic fertilizers on the soil ecosystem, 2007), applying 1 pound of potassium chloride to the soil is equivalent to applying 1 gallon of Clorox bleach, with regard to killing soil microorganisms. Soil microorganisms play a crucial role in agriculture by capturing and storing carbon in the soil, making a significant contribution to the global fight against climate change.

6 1 ton of Product (10% K_2O) has 0.1 tons of K_2O, which is equivalent to 0.17 tons of potassium chloride (60% K_2O), containing 0.08 tons of chloride.

Q1 2024 IN REVIEW

Agricultural Market

Following the onset of the Ukraine-Russia conflict in early 2022, the agricultural sector experienced a historic surge in the prices of inputs and commodities. Notably, the average potash price jumped by 204% in Q1 2022, peaking at US$1,200 per ton in March 2022, compared to an average of US$293 in Q1 2021.[7] This spike in KCl CFR prices in 2022 was so significant that, despite a downward trend beginning in the latter half of the year, the market in 2023 still benefited the effects of the record-high levels reached in 2022. The average KCl CFR price in Q1 2024 had dropped by 40% compared to Q1 2023, and by 66% compared to Q1 2022.

The Association of Soybean and Corn Producers of Brazil (Aprosoja) reported that during the 2023 soybean planting period, most regions faced excessively dry conditions, while the south experienced excessive rainfall. This variability forced some farmers to plant soybeans in dry soil, attempting to avoid disrupting the subsequent safrinha corn planting. Regrettably, these soybeans often failed to thrive, leading to two or three replanting attempts, which significantly increased expenses on seeds, pesticides, fuel, and labor.

This series of challenges persisted into 2024, creating a "perfect storm" scenario. Ongoing El Niño effects from 2023 altered rainfall patterns, severely affecting crop harvests in 2024. The irregular and unpredictable precipitation complicated agricultural planning, increasing the risks to crop productivity and profitability. Consequently, many soybean farmers, challenged by insufficient rainfall, postponed planting, leading to a widespread decision to forego planting safrinha corn. This resulted in a significant decrease in fertilizer demand in the first quarter of 2024.

The market prices for Brazil's main crops remained stable in Q1 2024 with minor variations, although they continued to be significantly lower than the levels observed in Q1 2022 and Q1 2023. A sack of soybeans, previously valued at R$207 in the market, is now trading below R$120,[8] while the sack of corn has dropped from R$103 to R$61.[9]

Global market competition

In 2022, Brazil experienced its highest interest rates since 2006, a situation that has been showing signs of improvement since H2 2023 but still impacts the Company's financing conditions.

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[7] Source: Acerto Limited Report.

[8] Soybeans Paranaguá. As of Q1 2022 and Q1 2024. Source: EPEA – ESALQ / USP.

[9] As of Q1 2022 and Q1 2024. Source: EPEA – ESALQ / USP.

The current SELIC interest rate is 10.5%.[10] The Central Bank of Brazil projects the SELIC rate to reach 9.8% per annum by the end of 2024, 9.0% in 2025 and 2026.[11] Annual inflation forecast for 2024 and 2025 are 3.8% and 3.7% respectively.[12]

Brazilian farmers have grappled with tight working capital amid challenging market conditions in 2023, and they have sought for input suppliers offering the most favorable payment terms and interest rates, allowing them to defer payment until after the harvest, typically between 9 to 12 months later. Verde's ability to provide financing with longer tenors is considerably lower compared to international players[13], which represents terms less competitive for its customers. Unlike its competitors, Verde does not have the option to incur most of its cost of debt in US dollar-denominated liabilities. Overall, the Company is not able to provide financing for more than 20% of its revenue due to constraints related to lines of credit.

Verde's average cost of debt is 14.4% per annum. To incentivize sales, the Company offers its customers a credit line that charges a spread to its finance cost to comprise operational costs, provisions, and expected credit losses, leading to an average lending cost of 17.5% for credit-based purchases. This approach, while necessary in the agricultural sector, increases the risk of non-payment for suppliers such as fertilizer companies, reflecting the heightened financial pressures within the sector.

Currency exchange rate

Canadian dollar devaluated by 4% versus Brazilian Real in Q1 2024 compared to Q1 2023.

Q1 2024 Results Conference Call

The Company will host a conference call on Thursday, May 16, 2024, at 08:00 am Eastern Time, to discuss Q1 2024 results and provide an update. Subscribe using the link below and receive the conference details by email.

Date:	Thursday, May 16, 2024
Time:	08:00 am Eastern Time
Subscription link:	https://bit.ly/Q1-2024_ResultsPresentation

[10] As of May 08, 2024. Source: Brazilian Central Bank

[11] Source: Brazilian Central Bank.

[12] As of May 08, 2024. Source: Brazilian Central Bank.

[13] Verde's normal credit term is 30 to 120 days upon shipment, depending on the period of the year, while competitors can provide 180-360 days to collect its payments.

The questions must be submitted in advance through the following link up to 48 hours before the conference call: https://bit.ly/Q1-2024-ResultsPresentation_Questions.

The Company's first quarter financial statements and related notes for the period ended March 31, 2024 are available to the public on SEDAR at www.sedar.com and the Company's website at www.investor.verde.ag/.

RESULTS OF OPERATIONS

The following table provides information about three months ended March 31, 2024, as compared to the three months ended March 31, 2023. All amounts in CAD $'000.

All amounts in CAD $'000	3 months ended Mar 31, 2024	3 months ended Mar 31, 2023
Tons sold ('000)	85	108
Average revenue per ton sold $	60	103
Average production cost per ton sold $	(20)	(25)
Average gross profit per ton sold $	40	78
Average gross margin	67%	76%
Revenue	5,068	11,125
Production costs	(1,671)	(2,710)
Gross Profit	3,397	8415
Gross Margin	67%	76%
Sales and marketing expenses	(970)	(1,207)
Product delivery freight expenses	(1,595)	(3,867)
General and administrative expenses	(1,501)	(1,372)
EBITDA (1)	(670)	1,969
Share Based, Equity and Bonus Payments (Non-Cash Event) (2)	(1,777)	(28)
Depreciation and Amortization (3)	(919)	(911)
Operating (Loss) / Profit after non-cash events	(3,366)	1,030
Interest Income/Expense (4)	(1,377)	(1,042)
Net (Loss) / Profit before tax	(4,743)	(12)
Income tax (5)	(9)	(96)
Net (Loss) / Profit	(4,752)	(108)

(1) – Non GAAP measure
(2) – Included in General and Administrative expenses in financial statements
(3) – Included in General and Administrative expenses and Cost of Sales in financial statements
(4) – Please see Summary of Interest-Bearing Loans and Borrowings notes
(5) – Please see Income Tax notes

External Factors

Revenue and costs are affected by external factors including changes in the exchange rates between the C$ and R$ along with fluctuations in potassium chloride spot CFR Brazil, agricultural commodities prices, interest rates, among other factors. For further details, please refer to the Q1 2024 Review section:

Financial and operating results

In Q1 2024, revenue from sales fell by 54%, accompanied by a 42% reduction in the average revenue per ton compared to Q1 2023. Excluding freight expenses (FOB price), the average revenue per ton decreased by 38% in Q1 2024 compared to Q1 2023. The proportion of products sold in jumbo bags, which command a higher sales price per ton compared to bulk, represented 6% of the Company's total volume sold, down from 24% in Q1 2023. This shift further affected the average revenue per ton in Q1 2024.

Sales declined by 21% in Q1 2024 compared to Q1 2023, due to the conditions outlined in the Q1 2024 Review section.

The decline in EBITDA is primarily due to the reduced revenue in Q1 2024.

The Company generated a net loss of $4.8 million in Q1 2024, compared to a net loss of $0.1 million in Q1 2023.

Basic loss per share was $0.09 for Q1 2024, compared to a loss of $0.002 for Q1 2023.

Production costs

In Q1 2024, total production costs were reduced by 37% compared to Q1 2023, influenced by the decrease in sales volume. The average cost per ton experienced a 18% reduction compared to Q1 2023, due to the commissioning of Plant 2 in 2022. This new plant operates at a lower production cost compared to Plant 1 due to enhanced operational efficiency. In 2022, Plant 1 operated across four work shifts to fulfil market demand. With the inauguration of Plant 2, it became possible to reduce headcounts at Plant 1, with both plants operating just one shift each from 2023. Sales from Plant 2 constituted 86% of the total sales in Q1 2024. Moreover, the decrease in the proportion of sales made with Jumbo Bags to 6% in Q1 2024, down from 24% in Q1 2023, also contributed to the reduction in average production cost.

Production costs include all direct costs from mining, processing, and the addition of other nutrients to the Product, such as Sulphur and Boron. It also includes the logistics costs from the mine to the plant and related salaries.

SALES, GENERAL AND ADMINISTRATIVE EXPENSES:

SG&A represents a non-operating segment that includes corporate and administrative functions, essential for supporting the Company's operating segments.

Sales Expenses

CAD $'000	3 months ended Mar 31, 2024	3 months ended Mar 31, 2022
Sales and marketing expenses	837	1,070
Fees paid to independent sales agents	133	137
Total	**970**	**1,207**

Sales and marketing expenses cover salaries for employees, car rentals, domestic travel in Brazil, hotel accommodations, and Product promotion at marketing events. The 22% reduction in these expenses in Q1 2024 compared to Q1 2023 is attributed to Verde's decision to scale back investments in media channels that were not anticipated to yield short-term returns.

As part of the Company's marketing and sales strategy, Verde compensates its independent sales agents via commission-based remuneration. Despite a decrease in overall sales for the first quarter of 2024, the proportion of sales made by these agents increased significantly, accounting for 58% of total sales in Q1 2024, up from 30% in Q1 2023. Due to the overall decline in sales volume, the fees paid to independent sales agents decreased by 3% in Q1 2024 compared to the same period in 2023.

Product delivery freight expenses

Expenses decreased by 59% compared to the same period last year. The volume sold as CIF (Cost Insurance and Freight) in Q1 2024 represented 66% of total sales, slightly less than the 68% in Q1 2023. However, the Company achieved a reduction in average freight costs per ton for products sold on a CIF basis, to $29 in Q1 2024 from $53 in the comparable period of the previous year. The 46% decrease in freight costs can primarily be attributed to a reduction in the percentage of sales made to regions that are more distant from Verde's production facilities.

Sales, General and Administrative Expenses (Continued):

General and Administrative Expenses

CAD $'000	3 months ended Mar 31, 2024	3 months ended Mar 31, 2023
General administrative expenses	805	916
Allowance for expected credit losses	146	4
Legal, professional, consultancy and audit costs	341	317
IT/Software expenses	181	112
Taxes and licenses fees	28	23
Total	**1,501**	**1,372**

General administrative expenses include general office expenses, rent, bank fees, insurance, foreign exchange variances and remuneration of executives, directors of the Board and administrative staff. General administrative decreased by 12% compared to the same period last year, due to a reduction in leasing expenses, such as water trucks and metallic structures to support operations.

According to Verde's sales policy, any customer payments that are overdue for more than 12 months must be provisioned for. The increase in the allowance for expected credit losses in Q1 2024 compared to Q1 2023 is attributed to the financial constraints faced by farmers, which are a result of low prices for agricultural commodities, among other factors, as outlined in the Q1 2024 Review section.

Legal, professional and audit costs include fees along with accountancy, audit and regulatory costs. Consultancy fees encompass consultants employed in Brazil, such as accounting services, patent processes, lawyer's fees and regulatory consultants.

IT/Software expenses include software licenses such as Microsoft Office, Customer Relationship Management ("CRM") software and Enterprise Resource Planning (ERP). Expenses increased by 62% in Q1 2024 compared to the same period last year due to an increase in costs associated with the Company's CRM software.

Share Based, Equity and Bonus Payments (Non-Cash Event)

Share Based, Equity and Bonus Payments (Non-Cash Events) encompass expenses associated with stock options granted to employees and directors, as well as equity compensation and non-cash bonuses awarded to key management personnel. In Q1 2024, the costs associated with share-based payments increase to $1,777 compared to $28 for the same period last year. This increase was primarily due to new options issuance.

Liquidity and Cash Flows

For additional details see the consolidated statements of cash flows for the quarters ended March 31, 2024 and March 31, 2023 in the quarterly financial statements.

Cash generated from / (utilised in): CAD $'000	3 months ended Mar 31, 2024	3 months ended Mar 31, 2023
Operating activities	(2,859)	(3,277)
Investing activities	(269)	(1,889)
Financing activities	(772)	8,163

On March 31, 2024, the Company held cash of $3,200 a decrease of $1,089 on the same period in 2023.

Operating activities

In agricultural sales, credit transactions are common due to the cyclical nature of farming income, which sees fluctuations with seasonal highs during harvests and lows during planting. This cycle necessitates that farmers have access to essential inputs like seeds, fertilizers, and pesticides ahead of their selling season. To accommodate this, credit terms are offered, allowing farmers to procure these inputs in advance and align their payments with their revenue cycle.

The Company's credit terms vary according to the needs of its clients, tailored to the specific requirements of each farmer. This includes considerations such as the crop cycle, creditworthiness, and other relevant factors, with terms extending up to 360 days upon shipment depending on the period of year. This strategy ensures farmers have the necessary resources for each planting season, while Verde secures its financial interests through aligned payment schedules.

In Q1 2024, net cash utilised in operating activities decreased to $2,859, compared to $3,277 utilized in Q1 2023.

Trade and other receivables decreased by 61% in Q1 2024, to $14,078 compared to $29,996 in Q1 2023. This is expected as the Company had lower revenues from sales in the quarter.

Investing activities

Cash utilized from investing activities decreased to $269 in Q1 2024, compared to $1,889 in Q1 2023. This reduction is attributable to the significant infrastructure investments in Plant 2 and mineral property during 2023.

Financing activities

Cash utilized in financing activities increased to $772 in Q1 2024, compared to $8,163 (generated) in Q1 2023. This was due to additional loans being acquired during 2023.

Financial condition

The Company's current assets decreased to $19,570 in Q1 2024, compared to $36,937 in Q1 2023. Current liabilities decreased to $28,629 in Q1 2024, compared to $29,707 in Q1 2023; providing a working capital deficit of $9,059 in Q1 2024, compared to the working capital surplus of $7,230 in Q1 2023.

About Verde AgriTech

Verde AgriTech is dedicated to advancing sustainable agriculture through the innovation of specialty multi-nutrient potassium fertilizers. Our mission is to increase agricultural productivity, enhance soil health, and significantly contribute to environmental sustainability. Utilizing our unique position in Brazil, we harness proprietary technologies to develop solutions that not only meet the immediate needs of farmers but also address global challenges such as food security and climate change. Our commitment to carbon capture and the production of eco-friendly fertilizers underscores our vision for a future where agriculture contributes positively to the health of our planet.

For more information on how we are leading the way towards sustainable agriculture and climate change mitigation in Brazil, visit our website at https://verde.ag/en/home/.

CORPORATE PRESENTATION

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

HTTPS://VERDE.DOCSEND.COM/VIEW/5GV6EVJDT8X2G7M7

COMPANY UPDATES

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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 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 estimated amount of CO_2 removal per ton of rock;
(iii) the PFS representing a viable development option for the Project;
(iv) 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;
(v) the estimated amount of future production, both produced and sold;
(vi) timing of disclosure for the PFS and recommendations from the Special Committee;
(vii) the Company's competitive position in Brazil and demand for potash; and,
(viii) 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 estimation of CO_2 removal based on the chemical and mineralogical composition of assumed resources and reserves;
(iii) 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;
(iv) the capacities and durability of various machinery and equipment;
(v) the availability of personnel, machinery and equipment at estimated prices and within the estimated delivery times;
(vi) currency exchange rates;
(vii) Super Greensand® and K Forte® sales prices, market size and exchange rate assumed;
(viii) appropriate discount rates applied to the cash flows in the economic analysis;
(ix) tax rates and royalty rates applicable to the proposed mining operation;
(x) the availability of acceptable financing under assumed structure and costs;
(xi) anticipated mining losses and dilution;
(xii) reasonable contingency requirements;
(xiii) success in realizing proposed operations;
(xiv) receipt of permits and other regulatory approvals on acceptable terms; and
(xv) 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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