

October 07, 2024

## High grade ionic absorption clay magnetic rare earths mineralization found in Verde's historical drill holes

**Verde will explore ways to generate shareholder value from this opportunity while remaining committed to its focus on fertilizers**

**Singapore. Verde AgriTech Ltd** (TSX: "NPK") ("**Verde**" or the "**Company**") is pleased to announce that 4,708 hectares of its mineral concessions are prospective for Magnetic Rare Earths ("**MRE**") mineralization. MREs, which in Verde's find include Praseodymium ("**Pr**"), Neodymium ("**Nd**"), Dysprosium ("**Dy**"), and Terbium ("**Tb**"), are in high demand due to their critical role in the energy transition. These elements are essential components in the production of high-performance magnets used in electric vehicles, wind turbines, and other green technologies, positioning Verde as a strategic player in supporting the global shift towards renewable energy solutions.

"We are thrilled by the potential we have uncovered in the Magnetic Rare Earth elements and are committed to conducting thorough work to fully understand their scope and application. Verde remains focused on its fertilizer business and will investigate alternatives to generate shareholder value from those concessions", confirmed Cristiano Veloso, Verde's Founder and CEO.

Verde has initiated the re-assaying of select historical drill holes within a geological formation previously explored for phosphate. This strategic decision aligns with evolving market dynamics in the rare earth elements ("**REE**") sector, driving Verde to reevaluate historical exploration data with a new focus on potential REE mineralization. As global demand for REEs intensifies, particularly due to their essential role in renewable energy technologies, Verde aims to further investigate the presence of high-value magnetic rare earths within its concessions.

The Company reanalyzed 15 drill holes in the mineralized zone of the Nau de Guerra Target and results included<sup>1</sup>:

Hole	From	To	Thickness	TREO <sup>2</sup>	MREO <sup>3</sup>	Nd <sub>2</sub> O <sub>3</sub>	Pr <sub>6</sub> O <sub>11</sub>	Dy <sub>2</sub> O <sub>3</sub>	Tb <sub>4</sub> O <sub>7</sub>
AP-ND-02	0	43	43	3,968	969	728	208	27	6
	0	15	15	5,217	1,348	1,015	287	38	8
AP-ND-03	0	74	74	3,181	726	542	157	22	5
	17	30	13	6,419	1,458	1,088	316	45	10

<sup>1</sup> Oxide Conversion Factors: the conversion factors for rare earth oxides represent the multiplier used to convert the elements into their oxide forms. The conversion factors are as follows: Cerium Oxide (CeO<sub>2</sub>) = 1.2284; Dysprosium Oxide (Dy<sub>2</sub>O<sub>3</sub>) = 1.1477; Erbium Oxide (Er<sub>2</sub>O<sub>3</sub>) = 1.1435; Europium Oxide (Eu<sub>2</sub>O<sub>3</sub>) = 1.1579; Gadolinium Oxide (Gd<sub>2</sub>O<sub>3</sub>) = 1.1526; Holmium Oxide (Ho<sub>2</sub>O<sub>3</sub>) = 1.1455; Lanthanum Oxide (La<sub>2</sub>O<sub>3</sub>) = 1.1728; Lutetium Oxide (Lu<sub>2</sub>O<sub>3</sub>) = 1.1372; Neodymium Oxide (Nd<sub>2</sub>O<sub>3</sub>) = 1.1664; Praseodymium Oxide (Pr<sub>6</sub>O<sub>11</sub>) = 1.2082; Samarium Oxide (Sm<sub>2</sub>O<sub>3</sub>) = 1.1596; Terbium Oxide (Tb<sub>4</sub>O<sub>7</sub>) = 1.1762; Thulium Oxide (Tm<sub>2</sub>O<sub>3</sub>) = 1.1421; Yttrium Oxide (Y<sub>2</sub>O<sub>3</sub>) = 1.2699; Ytterbium Oxide (Yb<sub>2</sub>O<sub>3</sub>) = 1.1387.

<sup>2</sup> Total Rare Earth Oxides (TREO) refers to the sum of the oxides of rare earth elements, which include: Lanthanum Oxide (La<sub>2</sub>O<sub>3</sub>), Cerium Oxide (CeO<sub>2</sub>), Praseodymium Oxide (Pr<sub>6</sub>O<sub>11</sub>), Neodymium Oxide (Nd<sub>2</sub>O<sub>3</sub>), Samarium Oxide (Sm<sub>2</sub>O<sub>3</sub>), Europium Oxide (Eu<sub>2</sub>O<sub>3</sub>), Gadolinium Oxide (Gd<sub>2</sub>O<sub>3</sub>), Terbium Oxide (Tb<sub>4</sub>O<sub>7</sub>), Dysprosium Oxide (Dy<sub>2</sub>O<sub>3</sub>), Holmium Oxide (Ho<sub>2</sub>O<sub>3</sub>), Erbium Oxide (Er<sub>2</sub>O<sub>3</sub>), Thulium Oxide (Tm<sub>2</sub>O<sub>3</sub>), Ytterbium Oxide (Yb<sub>2</sub>O<sub>3</sub>), Lutetium Oxide (Lu<sub>2</sub>O<sub>3</sub>), and Yttrium Oxide (Y<sub>2</sub>O<sub>3</sub>).

<sup>3</sup> Magnetic Rare Earth Oxides (MREO) refers to the sum of the oxides of rare earth elements with magnetic properties, which include: Praseodymium Oxide (Pr<sub>6</sub>O<sub>11</sub>), Neodymium Oxide (Nd<sub>2</sub>O<sub>3</sub>), Terbium Oxide (Tb<sub>4</sub>O<sub>7</sub>), and Dysprosium Oxide (Dy<sub>2</sub>O<sub>3</sub>).

Hole	From	To	Thickness	TREO <sup>2</sup>	MREO <sup>3</sup>	Nd <sub>2</sub> O <sub>3</sub>	Pr <sub>6</sub> O <sub>11</sub>	Dy <sub>2</sub> O <sub>3</sub>	Tb <sub>4</sub> O <sub>7</sub>
AP-ND-04	0	40	40	2,599	593	444	128	17	4
	5	25	20	3,004	702	526	150	21	5
AP-ND-05	0	69	69	3,526	839	628	182	23	5
	9	26	17	5,690	1,456	1,092	313	40	10
AP-ND-06	0	43	43	3,058	730	547	157	21	5
	0	21	21	3,633	880	658	188	27	6
AP-ND-07	0	31	31	4,024	968	728	208	26	6
	0	26	26	4,537	1,092	822	236	28	7
AP-ND-08	0	39	39	4,594	1,141	854	248	32	8
AP-ND-09	0	78	78	3,109	717	535	156	21	5
	20	34	14	6,063	1,398	1,039	312	38	9
AP-ND-11	0	38	38	3,386	817	615	174	23	5
	0	11	11	4,035	1,036	780	215	33	7
AP-ND-12	0	22	22	3,589	838	630	181	22	5

Hole	From	To	Thickness	TREO <sup>2</sup>	MREO <sup>3</sup>	Nd <sub>2</sub> O <sub>3</sub>	Pr <sub>6</sub> O <sub>11</sub>	Dy <sub>2</sub> O <sub>3</sub>	Tb <sub>4</sub> O <sub>7</sub>
AP-ND-13	0	17	17	3,432	779	585	170	20	5
AP-ND-14	0	65	65	4,209	975	729	210	29	7
	20	50	30	6,012	1,419	1,061	306	42	10
AP-ND-15	0	57	57	3,184	703	525	153	20	4
	12	32	20	4,000	940	704	203	27	6
AP-ND-16	0	49	49	3,591	878	661	187	25	6
	2	22	20	5,014	1,317	994	277	37	8
AP-ND-17	0	19	19	3,445	775	577	172	21	5
	2	16	14	4,102	923	687	206	25	6

Those results were noteworthy for the following reasons:

1. high grade TREO
2. very high grade MRE
3. mineralization proximity to surface with minimal overburden
4. excellent location close to Verde's existing operations

Upon its preliminary success, the Company decided to assess if ionic absorption clay mineralization was present. Ionic absorption clay rare earths deposits are the gold standard of REEs mining. These deposits have the industry's lowest OPEX and CAPEX. Verde sent samples to SGS lab, and the results confirmed the presence of ionic absorption clay mineralization, yet non-optimized recovery as detailed below:

### Non-optimized results for Magnetic REO

	MREO (ppm)	Nd <sub>2</sub> O <sub>3</sub> (ppm)	Pr <sub>6</sub> O <sub>11</sub> (ppm)	Dy <sub>2</sub> O <sub>3</sub> (ppm)	Tb <sub>4</sub> O <sub>7</sub> (ppm)
Head grade	1,187	893	258	32	7
Leached grade	399	302	84	11	3
Recovery (%)	34%	34%	33%	35%	34%

Ionic absorption clay mineralization is confirmed when metallurgical recovery is achieved through ammonium sulfate leaching tests, involving low-temperature, atmospheric-pressure leaching followed by the selective precipitation of REE, ensuring efficient extraction with minimal impurities. In Verde's case, samples were leached using a 0.5 M ammonium sulfate solution at pH 4 for 30 minutes under ambient conditions, demonstrating the effectiveness of this method.

Once ionic absorption clay mineralization is confirmed it is also crucial to explore leaching contaminants which would potentially increase costs. Again, results were very positive with extremely low concentration of any contaminants as below:

IMPURITY	Wt %
Ca (Calcium)	0.012
Al (Aluminium)	0.008
Ni (Nickel)	0.0005
Fe (Iron)	0.0005
U (Uranium)	<0.000004
Th (Thorium)	0.00006

Verde has 3,640 meters of historical diamond drilling covering the same geological formation where those outstanding results were uncovered. The Company has resampled those drill cores under supervision of independent Qualified Person (“QP”) João Batista Guimarães Teixeira. The Company expects to report those results shortly and, if warranted by results, will undertake a resource calculation.

“No matter how exciting this discovery is, it will not distract Verde from realizing its potential as a leading low carbon sustainable Fertilizer supplier. The evaluation work is being cost efficiently undertaken with a clear proposition to generate shareholder value without generating any undue distraction to our team”, stated Cristiano Veloso, Verde’s Founder and CEO.

## QUALIFIED PERSON

The information in this announcement that relates to exploration results is based on information reviewed, collated and fairly represented by QP Dr. João Batista Guimarães Teixeira. Dr. Teixeira holds a PhD in Geosciences from Pennsylvania State University (USA), an MSc in Economic Geology from the Federal University of Bahia (Brazil), and a BSc in Geology from the University of São Paulo (Brazil). He has held key roles at VALE's exploration branch, DOCEGEO, including geologist, senior geologist, and Project Manager, leading projects on geological mapping, drilling, and economic evaluation of iron deposits at Serra dos Carajás, gold, base metals, and bauxite exploration in the Amazon, and copper exploration in high-grade terrains across Brazil. In 1998, he joined the Metallogeny Group at the Federal University of Bahia, first as an invited researcher and later as an associate professor. Currently, he is an independent consulting geologist specializing in gold, iron, and nickel deposits, with numerous publications in international journals such as *Mineralium Deposita*, *Economic Geology*, *Precambrian Research*, and *Ore Geology Reviews*. Dr. Teixeira has been a member of the Association of Professional Geoscientists of Ontario (APGO) since 2007 and became a Fellow of the Society of Economic Geologists in 2014. Dr. Teixeira is a recognized Qualified Person (QP) under Canada’s NI 43-101 standards.

## 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/>.

## 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<sub>2</sub> 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<sub>2</sub> 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.
- (xvi) the development of the project is contingent upon the receipt of necessary governmental permits and approvals, which may be delayed or withheld. Additionally, evolving environmental regulations and obligations may impose additional costs and operational limitations.

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](http://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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