

December 20, 2024

# Verde Announces EGM Results, Oby Rare Earths Transaction Record Date, and Cost Reductions

**Singapore, Verde AgriTech Ltd.** (TSX: “NPK”) (OTCMKTS: “VNPKE”) (“**Verde**” or the “**Company**”) held its Extraordinary General Meeting of Shareholders (the “**Meeting**”) on Friday, December 20, 2024, at 300 Prof. Antônio Aleixo, Lourdes, Belo Horizonte, Minas Gerais, Brazil. The Company is pleased to announce that all resolutions presented to shareholders have been approved. Additionally, Verde has set the Record Date for the distribution of interests in Oby Rare Earths Pty Ltd (“**Oby**”) to shareholders of the Company, marking a significant milestone in its strategic growth.

## RECORD DATE FOR OBY RARE EARTHS AND CAPITAL REDUCTION:

The Company established the Record Date for the distribution of interests in Oby for January 27<sup>th</sup>, 2025, in compliance with regulatory requirements, ensuring the minimum notice period of five trading days prior to the earliest possible completion date of the share capital reduction process.

The distribution will transition the Man of War project to an independent entity, Oby, enabling greater focus and autonomy for its development. This step allows Verde to focus exclusively on its core fertilizer operations while enabling Oby to focus on rare earth elements and correlated mineralization in the Man of War project. As part of this process, the Company is conducting a share capital reduction, reducing the issued and paid-up share capital of the Company by CD\$350,000, taking into account the net book value of the Oby Shares.

As informed in the Management Information Circular (“**MIC**”) published on November 20<sup>th</sup>, 2024<sup>1</sup>, there will be a distribution of Verde’s interests in Oby to the shareholders of the Company by way of a capital reduction, in proportion to their respective shareholdings in the Company, on the basis of 1 Oby Share for every 1 ordinary share in the share capital of the Company held by a Shareholder on January 27<sup>th</sup>, 2025, disregarding fractional entitlements.

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<sup>1</sup> See more: [https://investor.verde.ag/wp-content/uploads/2024/11/VAL-2024-Extraordinary-General-Meeting-MIC-Nov-11-DMS-cmts\\_13-Nov-2024.pdf](https://investor.verde.ag/wp-content/uploads/2024/11/VAL-2024-Extraordinary-General-Meeting-MIC-Nov-11-DMS-cmts_13-Nov-2024.pdf)

The capital reduction is currently in progress and is expected to be completed between February 3<sup>rd</sup> and February 13<sup>th</sup>, 2025, subject to the conclusion of all necessary approvals and procedural steps.

The spin-off of Oby will enable the focused development and progress of the Man of War project, which is composed of three targets hosting a maiden mineral resource estimate of 1.35 billion tons, with an average grade of 3,437 ppm Total Rare Earth Oxides (TREO)<sup>2</sup> and 793 ppm Magnet Rare Earth Oxides<sup>3</sup>, calculated using a 1,000 ppm TREO cut-off. It presents significant potential and warrants investment for its further development.

In Q1 2025, Oby plans to raise funds aimed primarily at completing a scoping study and advancing environmental impact assessment. **Verde shareholders who are accredited investors and interested in participating in this opportunity are encouraged to contact Verde directly at [investor@verde.aq](mailto:investor@verde.aq).**

## COST REDUCTION

As part of its ongoing commitment to operational excellence, Verde has implemented a robust cost-reduction initiative that is projected to achieve savings of up to R\$9.3 million in the coming year. This represents a 15% reduction in manageable costs, including both expenses and operational costs. The reduction has been accomplished through comprehensive renegotiations of supplier contracts, streamlining operations by reducing team size, and eliminating middle management positions. Furthermore, the Company has undertaken a thorough review of its internal processes to identify inefficiencies and implement targeted optimizations.

These measures are designed to enhance productivity, agility, and long-term sustainability, while reducing costs.

“Operational efficiency, coupled with strict and effective management of costs and expenses, is essential to excel in today’s challenging economic environment. At Verde, we will leverage the lessons and performance metrics of the past years to further evolve and achieve productivity excellence at reduced costs”, stated Cristiano Veloso, Founder & CEO of Verde.

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<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>).

## RESOLUTION PASSED AT THE 2024 EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS:

The results were as follows:

<b>Item Voted On</b>	<b>Votes For</b>	<b>Votes Against / Withheld</b>
Appointment of RSM SG Assurance as Auditors of the Company	13,162,519 (98.172%)	245,028 (1.828%)
Reduction of the share capital of the Company, and authority for directors to do all such acts and things to complete the share capital reduction	13,284,880 (99.085%)	122,667 (0.915%)

## 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.

## 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;
- (viii) estimates of operating costs and total costs, net cash flow, net present value and economic returns from an operating mine.
- (ix) the expected terms of the debt restructuring;
- (x) the expected financial impact of the debt restructuring to the Company;
- (xi) the timeline for court approval of the debt restructuring; and
- (xii) the potential arising from the re-assaying of certain core samples.

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.

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 related to the court approval process for the debt restructuring; 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, 2023. 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.

**For additional information please contact:**

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