



MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED SEPTEMBER 30, 2025

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TO OUR SHAREHOLDERS

The following Management's Discussion and Analysis ("**MD&A**") of the operating results and financial condition of Verde Agritech Ltd and its subsidiaries ("**Verde**" or the "**Group**") covers the period ended September 30, 2025 ("**Q3 2025**").

It provides information that management believes is relevant to an assessment and understanding of the consolidated results of operations and financial condition. This MD&A should be read in conjunction with the financial statements for the second quarter of 2025 ("**FS Q3 2025**"). The financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and their interpretations issued by the International Accounting Standards Board ("**IASB**"), and with IFRS and their interpretations issued by the IASB.

Verde's ordinary shares trade in Canada on the Toronto Stock Exchange ("**TSX**") under the symbol "**NPK**", and on the OTC Markets ("**OTCMKTS**") under the symbol "**VNPKF**".

All amounts herein are expressed in Canadian Dollars unless otherwise stated, and the information is current as of November 6th, 2025.

On September 30, 2025, the average rate of exchange was 4.04 and the closing rate was 3.82 Brazilian Real ("**R\$**") to the Canadian Dollar ("**CAD**"). These rates were used to prepare these financial results.

Additional information relating to Verde is available under the Group's profile on SEDAR+ at www.sedarplus.ca and the Group's website at www.investor.verde.ag.

FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking statements. Although the Group believes that its expectations, reflected in forward-looking information, to be reasonable, such information involves known or unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Group or the Group's projects in Brazil to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such risk factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; the actual results from current development activities; conclusions of economic evaluations; unexpected increases in capital or operating costs; changes in equity markets, inflation and changes in foreign currency exchange rates; changes in project parameters as plans continue to be refined; changes in labor costs; future prices of commodities; possible variations of mineral grade or recovery rates; accidents, labor disputes and other risks of the mineral exploration industry; political risks arising from operating in Brazil; delays in obtaining governmental consents, permits, licenses and registrations; approvals or financing; as well as those factors discussed in the section entitled "Risks" in this MD&A.

Although the Group has attempted to identify important factors that could cause actual actions, events, or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The forward-looking information contained herein, unless stated otherwise, is made at the date of this MD&A, and the Group takes no responsibility to update them or to revise them to reflect new events or circumstances, except as required by law.

OUR BUSINESS

Verde is an agricultural technology group of companies that produces potassium fertilizers. The Group's purpose is to improve the health of all people and the planet.

The revenue-generating activity of the Group is the production and sale of its multi-nutrient potassium fertilizers marketed in Brazil under the brands K Forte® and Low-Carbon Specialty Fertilizer Products, and internationally as Super Greensand® (“**the Products**”). Verde operates in the state of Minas Gerais, Brazil.

The Group aims to reduce dependence on two primary suppliers, fostering stability and resilience in the essential agricultural resource.

Guided by our four-pillar approach, we lead in sustainable solutions with a global impact:

1. **Longevity Equality:** Through nutrient enrichment and sustainable agricultural practices, Verde Agritech is tackling hidden hunger and striving to close the longevity gap, thereby ensuring access to essential nutrients for everyone, regardless of socioeconomic background.
1. **Geopolitical Security:** By diversifying the global potash supply chain, we aim to reduce dependence on two primary suppliers, fostering stability and resilience in the essential agricultural resource.
2. **Food Security:** By developing and implementing cutting-edge technologies to increase fertilizer efficiency and agricultural productivity, we play a vital role in promoting food security and environmental sustainability for future generations.
3. **Carbon Removal:** We endeavor to develop one of the world's largest carbon capture projects, leveraging enhanced rock weathering to sequester atmospheric carbon dioxide (“CO₂”), combat climate change, and promote a sustainable future.

The Group's asset portfolio also consists of a newly discovered, clay hosted (ionic adsorption) rare earths asset named the *Minas Americas Global Alliance Project*, located in Minas Gerais, Brazil. The project covers ~5,500 hectares, which spans over 13 mineral claims that are held by Verde and overlaps with the Group's potassium resources. These claims have been a part of the portfolio for more than 15 years.

Q3 2025 HIGHLIGHTS

Operational and Financial Highlights

- EBITDA before non-cash events was \$0.1 million in Q3 2025, compared to -\$0.03 in Q3 2024, representing the first positive EBITDA since Q2 2023.
- Sales volume in Q3 2025 was 85,136 tons; a 16% reduction compared to Q3 2024.
- Revenue in Q3 2025 was \$5.9 million, an 18% decrease from the same period last year.
- Gross margin excluding freight was 60% during the quarter, in line with Q3 2024.
- Net loss in Q3 2025 was \$2.1 million, compared to a \$2.3 million loss in Q3 2024.
- Cash in Q3 2025 was \$3.6 million, compared to \$3.4 million in Q3 2024. Short-term receivables in the quarter were \$7.9 million, compared to \$11.3 million in Q3 2024.
- During the period, Verde was granted a Brazilian patent for its advanced fertilizer production technology combining glauconitic siltstone and beneficial microorganisms. The Group holds five patents in Brazil with National Institute of Industrial Property (INPI) and has three patent applications pending.

Sustainability Highlights

- Product sold in Q3 2025 has the potential to capture up to 10,214 tons of carbon dioxide (“CO₂”) from the atmosphere via Enhanced Rock Weathering (“ERW”).¹ The potential net amount of carbon captured is estimated at 7,106 tons of CO₂. In addition to the carbon removal potential, Q3 2025 sales avoided the emissions of 4,155 tons of CO₂e, by substituting potassium chloride (“KCl”) fertilizers.² Combining the potential carbon removal and carbon emissions avoided by the use of the product since the start of production in 2018, Verde’s total potential impact stands at 329,933 tons of CO₂.³

¹ 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 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 K₂O 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.

³ From 2018 to Q3 2025, the Group has sold 2.4 million tons of Product, which can potentially remove up to 261,948 tons of CO₂. Additionally, this amount of Product could potentially avoid up to 67,985 tons of CO₂ emissions.

Q3 2025 HIGHLIGHTS (CONTINUED)

- 6,740 tons of chloride have been prevented from being applied into soils in Q3 2025, by farmers who used the Product in lieu of KCl fertilizers.⁴ A total of 188,742 tons of chloride has been prevented from being applied into soil by Verde's customers since the Group started production.⁵

SUBSEQUENT EVENTS

Rare Earths Project Discovery

On October 6, 2025, Verde reported the discovery of a continuous, clay-hosted rare earth element mineralized zone in Minas Gerais, Brazil, covering approximately 5,500 hectares across 13 mineral rights. The zone was defined through integrated geological mapping, geochemistry, and spectral or geophysical datasets, and confirmed by trench sampling.⁶ Exploration highlights from this announcement included:

- **High-grade magnet rare earth tenor across a broad sample base:** 75 surface/trench samples average magnetic rare earth oxides ("MREO") 743 ppm, with 54/75 ≥ 400 ppm, 22/75 $\geq 1,000$ ppm and 7/75 $\geq 1,500$ ppm MREO.
- **Total rare earths at meaningful surface tenor:** Total rare earth oxides ("TREO") averages 3,532ppm, median 3,148, with peak assays up to 8,930 ppm and 2,182 ppm MREO.
- **Heavy rare earths confirmed:** Top 10 MREO samples carry dysprosium oxide ~35–60 ppm and terbium oxide ~8–13 ppm, reinforcing high coercivity magnet potential alongside NdPr (see Table 1).
- **Magnet critical balance:** Neodymium and praseodymium (NdPr) typically contribute on average ~19% of TREO within the samples tested, peaking at 24%, with dysprosium and terbium present in higher grade samples — supportive of high coercivity magnet feed.

⁴ 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 Hermery (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.

⁵ 1 ton of Product (10% K₂O) has 0.1 tons of K₂O, which is equivalent to 0.17 tons of potassium chloride (60% K₂O), containing 0.08 tons of chloride.

⁶ See press release: Verde AgriTech Announces District Scale High-Grade Magnetic Rare Earths Discovery in Minas Gerais, Brazil

SUBSEQUENT EVENTS (CONTINUED)

Table 1: Top 10 samples by MREO (incl. TREO, Nd, Pr, Dy, Tb)

Channel	From	To	Oxide Total Grade (ppm)							
			UTMN	UTME	TREO	MREO	Dy2O3	Nd2O3	Pr6O11	Tb4O7
PT-34	1	2	7841160.46	384496.15	8615	2182	60	1644	464	13
PT-34	0	1	7841160.46	384496.15	8930	2118	53	1592	461	12
PT-08	0	1	7863699.87	401672.16	8276	1816	48	1330	428	11
PT-12	0	1	7871455.52	404413.96	7669	1705	46	1251	398	10
PT-18	1	2	7865477.78	404446.44	7202	1676	46	1231	389	10
PT-36	0	1	7845380.34	384873.08	7181	1593	37	1198	350	9
PT-21	1	2	7867642.38	405141.50	7250	1507	49	1102	347	10
PT-45	0	1	7856478.40	382570.77	6418	1372	37	1026	300	8
PT-05	0	1	7862246.40	401300.48	6161	1327	35	972	313	8

On October 9, 2025, the Group announced the commencement of a three-rig drilling program focused on defining initial high-quality magnet rare earths resources.⁷ Shortly after, Verde announced that the Board had reviewed the initial trench sampling work and had made a decision to accelerate the project, now formally named the Minas Americas Global Alliance project, laying out key project milestones, which includes: completing mobilization of the third and last drill rig; confirming ionic clay mineralization with summary of ionic adsorption diagnostics together with full leachate impurity and radiological screening, completing initial drilling and additional trenching (Q4 2025), releasing results from an ANSTO recovery test (Q1 2026); publishing a maiden NI 43-101 mineral resource estimate (Q1 2026) and publishing a preliminary economic assessment (PEA) (mid-2026).

Verde is fully funded to execute the initial Project work program while continuing its fertilizer operations, with approximately C\$11.5 million in cash and receivables on hand, as of the date of this release.

⁷ See press release: Verde AgriTech Commences Drilling at District Scale Clay Hosted Rare Earths Discovery in Minas Gerais, Brazil

SUBSEQUENT EVENTS (CONTINUED)

More recently, on October 21, 2025, Verde confirmed ionic-adsorption behaviour across multiple trenches at the Minas Americas Global Alliance Project (“Minas Americas” or the “Project”) in Minas Gerais, Brazil. Ammonium-sulfate leach tests returned primary leach solutions (“PLS”) with very strong magnet rare earth (neodymium (Nd), praseodymium (Pr), dysprosium (Dy), terbium (Tb)) grades and exceptionally low impurities (thorium/ uranium (Th/U) at, or below, detection). Highlights from this announcement included:

- **Best leachates** (0.5M (NH₄)₂SO₄, 30 min): up to 667 mg/kg of DREO (total desorbable rare earth oxide (“DREO”) and up to 278 mg/kg of magnetic rare earth oxide (“MREO”) (Nd+Pr+Dy+Tb), showing ionic adsorption behaviour and demonstrating strong magnet-REE proportion in these initial tests.
- NdPr in leachate up to 268 mg/kg (PT-36), with Dy+Tb up to 9 mg/kg; multiple trenches exceed 150 mg/kg MREO in PLS.
- **Head grades are high and laterally continuous**: top MREO samples range 1,306–2,182 ppm, within 6,081–8,930 ppm TREO.
- **Ultra-low contaminants in PLS**: Th and U not detected in the best intervals; Fe and Al minimal, supporting selective ion-exchange.

Table 2 - Top Disordable Intervals

Proje ct/So urce	Basis	Head TREO (ppm)	Head MREO (ppm)	DREO in PLS (mg/kg)	MREO in PLS (mg/kg)	Nd ₂ O ₃ (mg/kg)	Pr ₆ O ₁₁ (mg/kg)	Dy ₂ O ₃ (mg/kg)	Tb ₄ O ₇ (mg/kg)	Key impurity notes
PT-36	Trench (0–1 m)	7,181	1,593	667	278	209	59	7	2	Th & U ND; Fe ND
PT-34	Trench (1–2 m)	8,615	2,182	578	240	187	45	7	2	Th & U ND; Fe ND
PT-42	Trench (0–1 m)	4,605	1,096	383	167	129	33	4	1	Th ND (~3 mg/kg Th max); Fe ND

Notes: DREO and element grades above are measured directly in the primary leach solution (PLS) from ion-exchange tests; Head grades are from the same trench intervals. ND = not detected.

Well behaved ionic clays can mitigate key execution risks. Their near surface, free digging nature reduces mining complexity; ambient condition desorption allows compact, modular buildouts; and faster test iterate cycles are possible if early metallurgy confirms ionic behavior and a “clean” liquor. Cleanliness is king in ionic clays. IAC domains that codissolve fewer contaminants typically need fewer purification stages, consume less reagent, simplify residue handling, and enable a tighter spec mixed rare earth carbonate (MREC) that downstream processors prize. The upshot: lower impurity loads can translate into simpler, smaller circuits and materially lower capital intensity than high impurity clay variants—accelerating credible pathways to marketable concentrate. The project ultra-low contaminants in PLS are illustrated in Table 3 below.

SUBSEQUENT EVENTS (CONTINUED)

Table 3 – Weight Percent (Wt%) of Key Impurities in PLS for Top Disordable Intervals

Project/Source	Basis	Al (Wt%)	Ca (Wt%)	Fe (Wt%)	Ni (Wt%)	Th (Wt%)	U (Wt%)
PT-36	Trench (0–1 m)	0,00391	0,01508	<0,0002	0,000266	0,000259	<0,000004
PT-34	Trench (1–2 m)	0,00158	0,06842	<0,0002	0,00054	<0,00002	<0,000004
PT-42	Trench (0–1 m)	0,00338	0,00968	<0,0002	0,000781	0,000292	<0,000004

All leach results reported in the announcement came from an SGS Geosol screening test designed to answer a simple question: are the rare earths ion adsorbed and therefore readily exchangeable? To keep that diagnostic clean and comparable, the procedure intentionally uses a single, short leach (0.5 M ammonium sulfate, ~30 minutes) on the as received, screened material and then reads the dissolved rare earths in the solution. The test demonstrated that the rare earths can come off the clay under very gentle conditions, and “bad” elements like uranium and thorium barely show up. This was a single, short wash at one recipe—no multi-stage leaching, no tuning of pH, time, temperature, or reagent strength, and no special prep to expose more sites. In real plants, operators run several washes in sequence and tune all those knobs, which typically lifts recoveries.

As such, stage two metallurgical work for Verde’s PEA will therefore implement multi-stage, counter current leaching and washing sequences, pH/ionic strength profiling, residence time optimization, and dispersion control. The objective is to translate the first SGS screen, which is conservative, into materially higher extractions of NdPr, Dy and Tb in line with commercial ionic clay practice—while preserving the clean impurity profile indicated by the SGS screen.

Market Analysis

Agricultural and fertilizer sector

The agribusiness sector continued to face pressure during Q3 2025 as part of the Great Brazilian Agricultural Crisis, with ongoing challenges such as geopolitical tensions, extreme climate risks, high input costs, financing difficulties and trade volatility, creating uncertainties for output and market stability.⁸ However, Verde began to see some recovery from the agricultural downturn that started in early 2023. In the

Companhia Nacional de Abastecimento (Conab)'s September report expects Brazilian's soybean, corn and grain production to remain high, reaffirming the country's resilience in agricultural output. Brazilian farmers have begun the 2025/26 planting season, and Conab's initial outlook suggests another increase in corn and soybean acreage. The expansion reflects rising domestic biofuel demand and robust exports that continue to set shipment records.⁹ At the same time, global demand for potash is strengthening, supported by population growth, food security, precision farming, specialized fertilizers, and a focus on efficiency. The market is projected to reach US\$34.8 billion by 2033, suggesting a 9-year CAGR of 2.66%.¹⁰ Taken together with projected 5-year and 10-year growth rates of ~2.3-2.5% per year and 2.5% per year, respectively, suggests a cautiously optimistic outlook for the sector.¹¹

Despite this, input cost challenges, particularly high fertilizer prices, combined with relatively steady crop prices, have impacted the profitability of Brazil's soy and corn producers during the 2025/26 harvest, currently being planted.¹² During the quarter, fertilizer prices, especially for potassium chloride (KCl), remained high, above

⁸ Source: Perspectives for Agriculture – Volume 13 – 2025/2026 Harvest, Companhia Nacional de Abastecimento, September 19, 2025. Available at: <https://www.gov.br/conab/pt-br/aceso-a-informacao/institucional/publicacoes/perspectivas-para-a-agropecuaria/perspectivas-para-a-agropecuaria-volume-13-safra-2025-2026-1>

⁹ Source: Brazil begins planting with expected record acreage driven by high demand but low margins, Farmdoc Daily, University of Illinois at Urbana-Champaign, October 20, 2025. Available at: <https://farmdocdaily.illinois.edu/2025/10/brazil-begins-planting-with-expected-record-acreage-driven-by-high-demand-but-low-margins.html>

¹⁰ Source: Potash Market Report – Business Research Insights, October 20, 2025. Available at: <https://www.businessresearchinsights.com/market-reports/potash-market-120921>

¹¹ Source: Brazil: 2025 article iv consultation—press release; staff report; and statement by the executive director for Brazil, International Monetary Fund, June 27, 2025. Available at: <https://www.elibrary.imf.org/view/journals/002/2025/194/article-A000-en.pdf>

¹² Source: Soy and corn farmers could face losses this harvest, Valor International, October 17, 2025. Available at: <https://valorinternational.globo.com/agribusiness/news/2025/10/17/soy-and-corn-farmers-could-face-losses-this-harvest.ghtml>

Q3 2025 IN REVIEW (CONTINUED)

US\$350/metric ton.¹³ This may lower the gross margins for producers even amid strong demand for grains and other agricultural products.¹⁴

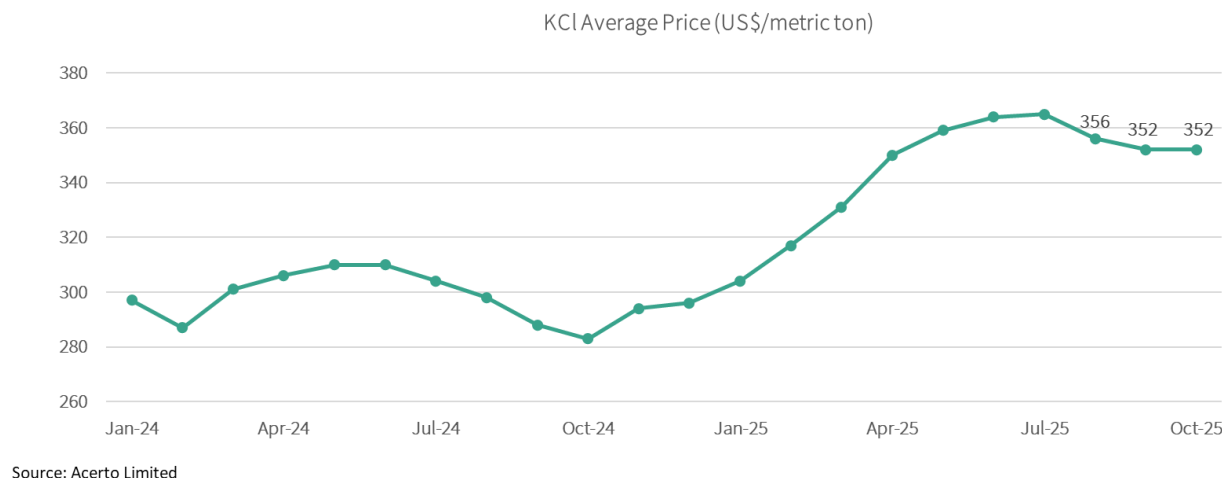


Figure 1: Average potassium chloride (KCl) prices per metric ton

Brazilian farmers relying on leased land or loans face further challenges from high interest rates and accumulated leverage. According to Experian's Agro Judicial Recovery Indicator, the sector registered 565 requests for judicial measures in Q2 2025, up 31.7% from the previous quarter.¹⁵

The government recently announced a R\$12.0 billion (approximately USD 2.21 billion) rural credit and debt-relief program aimed at supporting up to 100,000 farmers, mostly small and medium farmers, affected by extreme weather.¹⁶ While the initiative is designed to ease short-term cash flow pressures, reduce credit risk, and support input demand (including fertilizers), many farmers are finding it difficult to access the funds. Banks responsible

¹³ Available at: [Acerto Limited](#)

¹⁴ Source: Brazil begins planting with expected record acreage driven by high demand but low margins, Farmdoc Daily, University of Illinois at Urbana-Champaign, October 20, 2025. Available at: <https://farmdocdaily.illinois.edu/2025/10/brazil-begins-planting-with-expected-record-acreage-driven-by-high-demand-but-low-margins.html>

¹⁵ Source: Judicial Reorganization: requests grow almost 32% in agribusiness in the second quarter of 2025, shows Serasa Experian indicator, Serasa Experian, September 29, 2025. Available at: <https://www.serasaexperian.com.br/sala-de-imprensa/agronegocios/recuperacao-judicial-solicitacoes-crescem-quase-32-no-agro-em-segundo-trimestre-de-2025-mostra-indicador-da-serasa-experian/>

¹⁶ Source: Brazil's Lula announces \$2.2 bln debt relief package for farmers, Reuters, September 5, 2025. Available at: <https://www.reuters.com/business/finance/brazils-lula-announces-22-bln-debt-relief-package-farmers-2025-09-05/>

Q3 2025 IN REVIEW (CONTINUED)

for intermediating the operations require substantial collateral, but most farmers have already pledged their available assets to other creditors.

Like Verde, other players in the sector adopted measures to safeguard operations and improve resilience. Fertilizer producers face a combination of climate-related delays, lower technology adoption, and farmer cost containment. Many have launched debt restructuring efforts to reduce short-term liabilities, preserve liquidity, and secure more sustainable financial terms on existing debt.¹⁷ These actions reinforce a sector-wide emphasis on cost discipline, credit selectivity, and long-term stability. Verde maintained a conservative commercial strategy throughout the quarter, limiting sales exposure to higher-risk clients.

Rare earths market

The price for rare earths elements remained elevated in Q3 2025. Despite China implementing stricter export controls on rare earth elements and related technologies, citing national security concerns¹⁸, the global market continues to grow, with projections showing a 7-year CAGR of 10.2%, from US\$3.74 billion in 2024 to US\$8.14 billion by 2032.¹⁹ Brazil, which holds the world's second-largest, rare earths reserves at 21 million metric tons²⁰, is taking steps to strengthen its position, offering financial guarantees and tax incentives to support domestic mining and processing of strategic minerals²¹. Driven by rising global demand for strategic minerals, investments in Brazil's rare earths sector are forecast to climb 49% by 2029.²²

¹⁷ Source: Lavoura Restructures \$460 Million Debt to Secure Crop Input Supply, The AgriBiz, June 18, 2025. Available at: <https://www.theagribiz.com/international/lavoro-restructures-460-million-debt-to-secure-crop-input-supply/>

¹⁸ Source: Concerned carmakers race to beat China's rare earths deadline, Reuters, October 21, 2025. Available at: <https://www.reuters.com/business/autos-transportation/concerned-carmakers-race-beat-chinas-rare-earths-deadline-2025-10-21/>

¹⁹ Source: Rare Earth Elements Market Size, Share & Industry Analysis and Regional Forecast, 2024-2032, Fortune Business Insights, October 6, 2025. Available at: <https://www.fortunebusinessinsights.com/rare-earth-elements-market-102943>

²⁰ Source: Brazil's rare earth projects seek partnerships to enhance energy security, S&P Global, June 6, 2025. Available at: <https://www.spglobal.com/commodity-insights/en/news-research/latest-news/metals/060625-brazils-rare-earth-projects-seek-partnerships-to-enhance-energy-security>

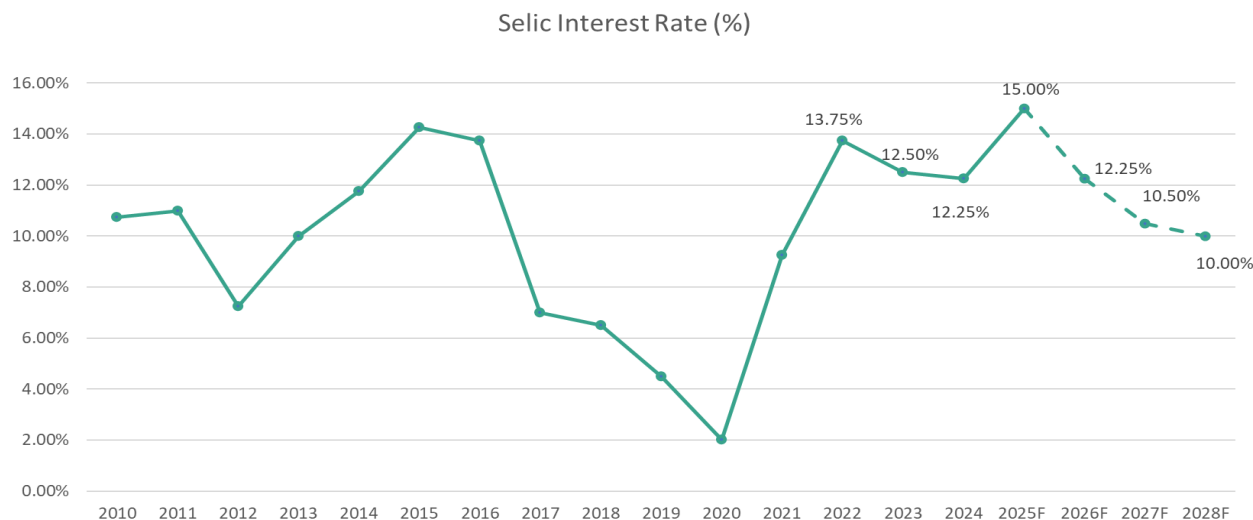
²¹ Source: Brazil eyes financial guarantees, tax breaks for strategic minerals, Reuters, September 5, 2025. Available at: <https://www.reuters.com/business/brazil-eyes-financial-guarantees-tax-breaks-strategic-minerals-2025-10-16/>

²² Source: Brazilian Rare earth investments to rise 49% by 2029, Agencia Brazil, October 22, 2025. Available at: <https://agenciabrasil.ebc.com.br/en/economia/noticia/2025-10/brazilian-rare-earth-investments-rise-49-2029>

Q3 2025 IN REVIEW (CONTINUED)

Macroeconomic Conditions

Under a tight monetary policy, with record-high SELIC interest rates of 15%, Brazil's economy is expected to have grown by around 0.3% in the quarter,²³ with a full-year growth projected by Brazilian Central Bank at 2.0%.²⁴ While the SELIC rate remains elevated, there may be an interest rate cut if inflation continues to ease. Current forecasts indicate the rate will gradually decline to 12.25% in 2026 and further to 10% by 2028. Inflation forecasts for 2025 and 2026 stand at 4.80% and 3.60%²⁵, respectively, suggesting a cautiously optimistic outlook that Brazil's macroeconomic environment may be on a path toward stabilization in the medium term.



Source: Brazilian Central Bank, as of Oct 17, 2025

²³ Source: Brazil's economy slows sharply in second quarter but still beats forecasts, Reuters, September 2, 2025. Available at: <https://www.reuters.com/world/americas/brazils-economy-slows-sharply-second-quarter-still-beats-forecasts-2025-09-02/>

²⁴ Source: Brazilian Central Bank, Projections for GDP growth in 2025 and 2026, September 2025. Report. Available at: <https://www.bcb.gov.br/content/ri/inflationreport/202509/rpm202509b1i.pdf>

²⁵ As of September 30, 2025. Source: [Brazilian Central Bank](#)

Q3 2025 IN REVIEW (CONTINUED)

The agriculture industry continues to navigate an increasingly challenging credit environment. Working capital remains tight for many farmers, and more suppliers have shifted toward post-harvest payment terms, often requiring payment nine to 12 months after the harvest. As discussed earlier, a government subsidy introduced earlier this year aims to ease short-term credit constraints. In reality, however, many farmers still struggle to access these funds, as banks are requiring collateral that they often cannot provide, and available guarantees remain limited. As a result, credit approvals and disbursements continue to lag, forcing farmers and producers to carefully manage liquidity, cash flow and credit exposure throughout the supply chain.

Global political developments involving key Brazilian trading partners, along with ongoing discussions around taxation and regulation, have introduced some uncertainty for farmers considering long-term investments. In response, many are taking a more conservative approach, prioritizing essential inputs and maintaining financial discipline. While this cautious sentiment has moderated short-term fertilizer demand, it also reflects a broader focus on operational efficiency and strategic resource allocation. As greater clarity emerges around policy and market dynamics, purchasing activity may begin to recover.²⁶

²⁶ Source: "US sanctions could cause chaos on Latam farms run on Russian fertilizers," Reuters, July 21, 2025. Available at: <https://www.reuters.com/world/americas/us-sanctions-could-cause-chaos-latam-farms-run-russian-fertilizers-2025-07-21>

SELECTED QUARTERLY FINANCIAL INFORMATION

The following table provides information on selected operating results for the past eight fiscal quarters. All values are expressed in Canadian Dollars (\$'000).

	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024
Tons Sold '000	85	80	48	48
Revenue	5,873	4,800	2,852	2,888
Net (Loss) / Income after tax	(2,086)	(2,426)	(3,781)	(2,831)
Basic (Loss) / Earnings per share	(0.040)	(0.046)	(0.072)	(0.238)
Diluted (Loss) / Earnings per share	(0.040)	(0.046)	(0.072)	(0.238)
Total Assets	77,374	74,620	75,384	72,017
Current Liabilities	6,940	3,467	2,905	2,059
Non-current Liabilities	45,611	45,374	44,006	39,623

	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023
Tons sold '000	101	85	85	105
Revenue	7,161	6,480	5,068	7,058
Net (loss) / Income after tax	(2,336)	(2,639)	(4,752)	(2,648)
Basic (loss)/earnings per share	(0.044)	(0.050)	(0.090)	(0.050)
Diluted (loss)/earnings per share	(0.044)	(0.050)	(0.090)	(0.050)
Total Assets	80,160	81,465	91,612	96,172
Current Liabilities	29,752	25,913	28,629	39,956
Non-current Liabilities	15,533	18,270	20,424	10,710

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 Q3 2025 Year in Review section.

RESULTS OF OPERATIONS

The following table provides information on the three-month period ended September 30, 2025, as compared to the three and nine months period ended September 30, 2024. All amounts are in CAD \$'000.

	3 months ended Sep 30, 2025	3 months ended Sep 30, 2024	9 months ended Sep 30, 2025	9 months ended Sep 30, 2024
Tons sold '000	85	101	213	271
Average Revenue per ton sold \$	69	71	63	69
Average Production cost per ton sold \$	(17)	(18)	(17)	(20)
Average Gross Profit per ton sold \$	52	53	46	49
Gross Margin	75%	75%	73%	71%
Revenue	5,873	7,161	13,525	18,709
Production costs⁽¹⁾	(1,447)	(1,830)	(3,520)	(5,316)
Gross Profit	4,426	5,331	10,005	13,393
Gross Margin	75%	75%	73%	71%
Sales and marketing expenses	(907)	(895)	(2,649)	(2,844)
Product delivery freight expenses	(2,301)	(2,630)	(5,149)	(6,767)
General and administrative expenses	(955)	(1,054)	(3,053)	(3,467)
Allowance for expected credit losses	(163)	(785)	(670)	(1,018)
EBITDA⁽²⁾	100	(33)	(1,516)	(703)
Share Based and Bonus Payments (Non-Cash Event)⁽³⁾	8	(104)	(225)	(2,146)
Depreciation, Amortisation and P/L on disposal of plant and equipment⁽³⁾	(798)	(758)	(2,344)	(2,479)
Operating Profit after non-cash events	(690)	(895)	(4,085)	(5,328)
Interest Income/Expense⁽⁴⁾	(1,389)	(1,431)	(4,191)	(4,372)
Net Profit before tax	(2,079)	(2,326)	(8,276)	(9,700)
Income tax⁽⁵⁾	(7)	(10)	(17)	(27)
Net Profit	(2,086)	(2,336)	(8,293)	(9,727)

(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

OPERATION AND FINANCIAL RESULTS

Sales Performance

In Q3 2025, revenue from sales declined by 18%, accompanied by a 3% decline in the average revenue per ton compared to Q3 2024. Excluding freight expenses (FOB price), the average revenue per ton declined by 6%, primarily driven by the devaluation of the Brazilian Real by 5.1% and a reduction in sales of specialty products, which decreased from 17% to 15% of the sales mix. The shift reflects farmers' increasing preference for lower value-added products, as many continue to face restricted cash flows.

Verde maintains a rigorous credit approval process for customers purchasing specialty fertilizers, due to the inclusion of third-party raw materials in these products. This more stringent evaluation helps safeguard operational continuity and mitigates risks associated with the fulfillment of purchase agreements.

The Group reported a net loss of \$2.1 million in Q3 2025, compared to a net loss of \$2.3 million in Q3 2024. The year-over-year improvement of \$0.2 million primarily reflects lower non-cash expense from a reduction in the allowance for expected credit losses

Basic loss per share totaled \$0.04 in Q3 2025, the same as in Q3 2024.

Production costs²⁷

The average cost per ton decreased by 6% in Q3 2025, primarily due to an 5.1% devaluation of the Brazilian Real, alongside a lower proportion of specialty product orders compared to regular products.

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.

²⁷ Verde's production costs and sales price are based on the following assumptions:

- Micronutrients added to the product increase its production cost, rendering K Forte® less expensive to produce.
- Production costs vary based on packaging type, with bulk being less expensive than Jumbo Bags.
- Plant 1 produces K Forte® Jumbo Bags and Low-Carbon Specialty Fertilizer Products, while Plant 2 exclusively produces K Forte® Bulk. Therefore, Plant 2's production costs are lower than Plant 1's costs.

SALES, GENERAL AND ADMINISTRATIVE EXPENSES:

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

Sales Expenses

CAD \$'000	3 months ended	3 months ended	9 months ended	9 months ended
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Sales and marketing expenses	(727)	(825)	(2,251)	(2,558)
Fees paid to independent sales agents	(180)	(70)	(398)	(286)
Total	(907)	(895)	(2,649)	(2,844)

Sales and marketing expenses cover salaries for employees, car rentals, domestic travel in Brazil, hotel accommodations, and Product promotion at marketing events.

As part of the Group's sales and marketing strategy, Verde compensates its independent sales agents through commissions. Fees paid to independent sales agents increased by \$0.1 million in Q3 2025, despite stable or lower sales volumes, reflecting adjustments in commission structure.

Product delivery freight expenses

Expenses decreased by 13% in Q3 2025 compared to the same period last year, due to a sales volume reduction presented this year. The volume sold as CIF (Cost Insurance and Freight) in Q3 2025 represented 71% of total sales, in line with Q3 2024.

General and Administrative Expenses

CAD \$'000	3 months ended	3 months ended	9 months ended	9 months ended
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
General administrative expenses	(647)	(682)	(2,129)	(2,083)
Legal, professional, consultancy and audit costs	(170)	(262)	(531)	(905)
IT/Software expenses	(127)	(99)	(361)	(427)
Taxes and licenses fees	(11)	(11)	(32)	(52)
Total	(955)	(1,054)	(3,053)	(3,467)

SALES, GENERAL AND ADMINISTRATIVE EXPENSES (CONTINUED):

General and administrative expenses comprise office-related costs, rent, bank charges, insurance, foreign exchange variations, and remuneration for executives, members of the Board of Directors, administrative personnel, and international sales conducted through the holding group.

General and administrative expenses declined 9%, mainly reflecting reduced use of foreign consulting services such as accounting.

Allowance for expected credit losses

The allowance for expected credit losses decreased from \$0.8 million in 2024 to \$0.2 million in 2025, reflecting improved portfolio quality from stricter credit approvals for specialty-fertilizer customers.

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 Q3 2025, the costs associated with share-based payments decrease to 0.008 million compared to -\$0.104 million for the same period last year. This decrease was primarily due to a lower number of options issued in 2025 compared to the previous year.

LIQUIDITY AND CASH FLOWS

For additional details see the consolidated statements of cash flows for the quarters ended September 30, 2025, and September 30, 2024, in the quarterly financial statements.

Cash received from / (used for): CAD \$'000	3 months ended Sep 30, 2025	3 months ended Sep 30, 2024	9 months ended Sep 30, 2025	9 months ended Sep 30, 2024
Operating activities	1,536	1,500	854	(1,671)
Investing activities	(160)	(377)	(304)	950
Financing activities	(27)	(556)	(79)	(3,291)

On September 30, 2025, the Group held cash of \$3.6 million an increase of \$0.2 million on the same period in 2024. In addition to cash, the Group had \$7.9 million in short-term receivables, bringing the total of cash and receivables to \$11.5 million in Q3 2025.

LIQUIDITY AND CASH FLOWS (CONTINUED)

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.

Verde's approach to credit in the agricultural sector reflects a deep understanding of these operational nuances, resulting in a substantial portfolio of receivables. The Group's normal credit term is 30 to 120 days upon shipment, depending on the period of the year, tailored to the specific needs of each farmer, considering the crop cycle, creditworthiness, and other key factors. This strategy ensures farmers have the necessary resources for each planting season, while Verde secures its financial interests through aligned payment schedules.

Net cash from operating activities was unchanged at \$1.5 million in both Q3 2025 and Q3 2024.

Investing activities

Cash used in investing activities amounted to -\$0.2 million in Q3 2025, compared to -\$0.4 in cash inflows from investing activities in Q3 2024. The variance is primarily attributable to the financial investments that occurred in the prior-year period.

Financing activities

As a result of Q2 2025 debt restructuring, the Group required less cash for interest and principal payments during the period.

Loans CAD \$'000	Before renegotiation	After renegotiation
Short-term loans	43,316	3,458
Long-term loans	7,562	45,484
Total	50,878	48,942

Financial position

As of September 30, 2025, Verde held cash of \$3.6 million, compared to \$3.4 million at the end of Q3 2024. Short-term receivables recorded during the quarter were \$7.9 million. The total cash and short-term receivables were \$11.5 million in Q3 2025.

INTEREST-BEARING LOANS AND BORROWINGS

As of September 30, 2025, the Group's total loan balance was \$48.9 million. Verde's average current loan rate is 17.0% per annum.

Detailed information on the interest-bearing loans and borrowings can be found in the Group's Financial Statements.

OFF-BALANCE SHEET FINANCING

The Group has not entered into any off-balance sheet financing arrangements.

FINANCIAL INSTRUMENTS

The Board of Directors determines, as required, the degree to which it is appropriate to use financial instruments and hedging techniques to mitigate risks. The main risks for which such instruments may be appropriate are foreign exchange risk, interest rate risk and liquidity risk, each of which is discussed below.

Foreign currency risk

The Group's cash resources are mainly held in Brazilian Real. Exchange rate fluctuations may adversely affect the Group's financial position and results. The Group's financial results are reported in Canadian Dollars and its revenues, costs and finance costs are primarily incurred in Brazilian Real.

The appreciation of Brazilian Real against the Canadian Dollar could increase the actual revenues and operating costs of the Group's operations and materially affect the results presented in the Group's financial statements.

Currency exchange fluctuations may also adversely affect the Group's future cash flows from operations, its results of operations, financial condition, and prospects. The Group has a general policy of not hedging against foreign currency risks. The Group manages foreign currency risk by regularly reviewing the balances held in currencies other than the functional currency to match expected expenditure in foreign currency.

The Group had the following short-term deposits and cash and cash equivalents in various currencies including its presentational currency. The amounts are stated in Canadian Dollar equivalents:

Currency (\$'000)	30 Sep 2025	30 Sep 2024
Canadian Dollars	81	159
Brazilian Reais	3,437	3,109
American Dollars	25	62
British Pounds	-	96
Singaporean Dollars	13	-
Total	3,556	3,426

FINANCIAL INSTRUMENTS (CONTINUED)

The Brazilian Reais deposits are held as interbank deposit certificates, with no maturity date and track Brazil's short-term interest rate (SELIC), which is currently 15.00%.

Foreign currency risk sensitivity analysis showing a 10% weakening/strengthening of the Brazilian Real against the Canadian Dollar with all other variables held constant is set out below. 10% represents managements' assessment of the reasonable possible exposure.

	Equity (\$'000)	
	Sep 30 2025	Sep 30 2024
10% weakening of Brazilian Real	(4,231)	(2,998)
10% strengthening of Brazilian Real	3,462	2,453

Liquidity risk

The Group has relied on revenue generated from the sale of Product, along with shareholder funding and long-term loans to finance its operations. The liquidity risk is significant and is managed by control over expenditure and cash resources. The Group has borrowings, trade, and other payables with a maturity of less than one year with borrowings and a provision greater than one year.

Interest rate risk

The Group's policy is to retain its surplus funds in the most advantageous term of deposit available up to twelve month's maximum duration.

The Group's policy is to make conservative investments, typically linked to the interest rate set by the Brazilian government (SELIC). Variations in this government interest rate can affect financial expenses, as the group's loans are also tied to the same interest rate.

The Group's average current loan rate is 17.0% per annum. The Brazilian Government long term bond rate as of 30 September 2025 was 15.00% per annum. Up to the date of the financial statements issuance, the rate has remained at 15.00%, and the Central Bank reaffirms the expectation of a decrease in the long-term bond rate. As such, Management does not understand that it is reasonably possible that a significant increase in interest rate is expected for the foreseeable future.

Financial assets

The floating rate financial assets comprise interest earning bank deposits at rates set by reference to the prevailing SOFR or equivalent to the relevant country.

FINANCIAL INSTRUMENTS (CONTINUED)

Fair values

In the Directors' opinion there is no material difference between the book value and fair value of any of the Group's financial instruments. The non-current loans and financing bear interest over floating interest rates.

Classes of financial instruments

The classes of financial instruments are the same as the line items included on the face of the statement of financial position and have been analyzed in more detail in the notes to the financial statements. All the Group's financial assets are categorized as loans and receivables and all financial liabilities are measured at amortized cost.

FINANCIAL REPORTING STANDARDS

The Group has adopted all the new and revised Standards and Interpretations that are relevant to its operations and effective for accounting periods beginning on or after January 1, 2024. The adoption of these new and revised Standards and Interpretations had no material effect on the profit or loss or financial position of the Group.

No standards issued but not yet effective have been adopted early.

CRITICAL JUDGEMENTS AND ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about such judgements and estimates is contained in the accounting policies and/or the notes to the consolidated financial statements. Areas of judgement and sources of estimation or uncertainty that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows.

Judgements

- Impairment of non-current assets:

CRITICAL JUDGEMENTS AND ACCOUNTING ESTIMATES (CONTINUED)

The Directors have assessed whether there are any indicators of impairment in respect of mineral property costs and property, plant and equipment totaling \$18,874 and \$42,013, respectively. In making this assessment they have considered the Group's business plan which includes resource estimates, future processing capacity, future exchange rates, the forward market and longer-term price outlook and assumptions regarding weighted average cost of capital. Resource estimates have been based on the most recently filed pre-feasibility study NI 43-101 report and its economic model which includes resource estimates without conversion of its inferred resources. Management's estimates of these factors are subject to risk and uncertainties, including but not limited to all the risks and uncertainty listed in this document, affecting the recoverability of the Group's mineral property costs. Moreover, the Directors also considered external sources of information, including analysis of the Group's market value, when assessing for impairment indicators.

Estimates

- Ore reserve and mineral resource estimates

Ore reserves and mineral resource estimates are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties. Such reserves and mineral resource estimates and changes to these may impact the Group's reported financial position and results, in the following way:

- The carrying value of exploration and evaluation assets, mine properties, property, plant and equipment may be affected due to changes in estimated future cash flows
- Depreciation and amortization charges in the statement of profit or loss and other comprehensive income may change where such charges are determined using the units of production method, or where the useful life of the related assets change
 - a) Capitalized stripping costs recognized in the statement of financial position, as either part of mine properties or inventory or charged to profit or loss, may change due to changes in stripping ratios
 - b) Provisions for rehabilitation and environmental provisions may change where reserve estimate changes affect expectations about when such activities will occur and the associated cost of these activities
- The recognition and carrying value of deferred income tax assets may change due to changes in the judgements regarding the existence of such assets and in estimates of the likely recovery of such assets.

CRITICAL JUDGEMENTS AND ACCOUNTING ESTIMATES (CONTINUED)

The Group estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. Such an analysis requires complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the ore body.

The Group estimates and reports ore reserves and mineral resources in line with the principles contained in the pre-feasibility study NI 43 101 report.

- Share-based payments

The Group charges the consolidated statement of comprehensive income with the fair value of share options issued. This charge is not based on historical cost but is derived based on assumptions input into an option pricing model. The model requires management to make several assumptions as to future events, including: an estimate of the average future hold period of issued stock options before exercise, expiry or cancellation; future volatility of the Group's share price in the expected hold period (using historical volatility as a reference); and the appropriate risk-free rate of interest. The resulting value calculated is not necessarily the value that the holder of the option could receive in an arm's length transaction, given there is no market for the options, and they are not transferable. The value derived from the option-pricing model is highly subjective and dependent entirely upon the input assumptions made.

- Mine closure provision

The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates (based on Brazilian inflation index (IPCA)), and changes in discount rates (based on risk free rate, based on Brazilian government bond rates). These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for mine rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial result. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

- Deferred tax asset

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Assumptions about the generation of future taxable are based on forecast cash flows from operations (which are impacted by production and sales volumes, selling prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure and other capital

CRITICAL JUDGEMENTS AND ACCOUNTING ESTIMATES (CONTINUED)

management transactions). To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax a the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

In addition, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

MANAGEMENT'S REPORT ON INTERNAL CONTROLS

Disclosure Controls and Procedures ("DC&P")

As of September 30, 2025, the CEO and the CFO evaluated the design and operation of the Group's DC&P. Based on that evaluation, the CEO and CFO concluded that the Group's DC&P was effective as at September 30, 2025.

Internal control over financial reporting ("ICFR")

Based on the evaluation of the design and operating effectiveness of the Group's ICFR, the CEO and the CFO concluded that the Group's ICFR was effective as of September 30, 2025.

There have been no changes during the period ended September 30, 2025.that have a material effect on the disclosure controls and procedures or the internal controls over financial reporting.

OUTSTANDING SHARE DATA

As at the date of this MD&A the following securities are outstanding:

Type	Number
Ordinary shares	52,669,724
Stock options	4,810,631
Total	57,480,355

RISKS

The Board regularly reviews the risks to which the Group is exposed and ensures through Board Committees and regular reporting that these risks are minimized to the extent possible. The Audit Committee is responsible for the implementation and review of the Group's internal financial controls and risk management systems.

The extraction of natural resources involves a high degree of risk. The following risk factors should be considered in assessing the Group's activities. Should any one or more of these risks occur, it could have a material adverse effect on the business, prospects, assets, financial position, or operating results of the Group. The risks noted below do not necessarily comprise all those faced by the Group.

Additional risks not currently known to the Group or that the Group currently deems would not likely influence an investor's decision to purchase securities of the Group may also impact on the Group's business, prospects, assets, financial position, or operating results.

U.S. Trade Tariff Risk

The recent imposition of additional U.S. tariffs on selected Brazilian exports introduces a new layer of external trade risk for the broader agribusiness sector. Effective August 6, 2025, an extra tariff was levied on various Brazilian goods entering the United States, increasing total tariff rates to as high as 50% for certain products. While some exemptions apply, several key agricultural commodities have been directly impacted. The evolving nature of U.S. trade policy introduces uncertainties that may affect global commodity flows, pricing dynamics, foreign exchange and financial markets. Although Verde has minimal to no direct exposure to U.S. markets—serving an almost entirely domestic customer base—the Group remains vigilant to any indirect effects stemming from macroeconomic shifts or policy responses. Management continues to monitor the situation closely and assess potential implications for Verde's strategic positioning, operational continuity, and financial performance.

Ukraine and Russia conflict risk

The Group is exposed to price risk related to consumables and services. In 2022, prices for electricity, fuel, and other materials, commodities and consumables required for the Group's operations have experienced substantial recent increases associated with global inflation as well as supply chain delivery, further heightened with the Russia-Ukraine conflict. To date, there has not been a significant impact on our operations relating to supply chain availability; however, inflationary increases on energy, fuel, contractor costs and consumables are expected to impact operating costs. The Group has implemented procurement strategies to mitigate the impact and to continue to monitor these risks.

RISKS (CONTINUED):

Uncertainty in the estimation of mineral resources and mineral reserves

The estimation of mineral reserves, mineral resources and related grades has a degree of uncertainty. Until such time as the mineral reserves and mineral resources are actually mined and processed, the quantity of grades must be considered as estimates only. The mineral reserve estimates of the Group have been determined or reviewed by an independent consultant and are based on assumed cut-off grades and costs that may prove to be inaccurate. Any material change in these variables may affect the economic outcome of current and future projects.

Mining risks

Mining operations are inherently risky. These operations are subject to all hazards and risks encountered in exploration, development and production. These include but are not limited to formation pressures, seismic activity, rock bursts, fires, power outages, cave-ins, flooding, explosions, and other conditions involved in the drilling and removal of material. Any of these events could result in serious damage to the mine and other infrastructure, damage to life or property, environmental damage and possible legal liability.

The Group has all necessary permits in place to continue with the current operation. As expansion plans progress, the Group will be required to submit revised plans for approval. There can be no guarantee that these revised plans will be agreed to or approved in a timely manner.

The Group's profitability will depend, in part, on the economic returns and actual costs of developing its mining projects, which may differ from the estimates made by the Group.

Rare Earths Exploration Risk

The Group has recently discovered signs of rare earth mineralization in Minas Gerais, Brazil and is carrying out early exploration work. As with any early stage exploration project, there is uncertainty about the extent of mineralization, grade, and economic potential. Rare earth exploration also carries additional technical, regulatory, and market risks, which could affect the cost, timing, and future progress of the Minas Americas Global Alliance project.

RISKS (CONTINUED):

Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group generates revenue from the sale of products. Where credit is extended to customers this results in trade receivables which may be subject to default. This risk is mitigated by credit control procedures.

In addition, the Group has a credit risk relating to subsidiary investments. The Group expects loans to subsidiaries to be ultimately repaid from trading cash flows to be generated from its mining activities. Consideration is given at each reporting date as to whether the subsidiaries have sufficient liquid assets to repay the loans if demanded in order to determine the probability of default. The Group measures the lifetime expected credit loss by considering all the different recovery strategies and credit loss scenarios. The recovery strategy considered is a repay over time strategy as net trading cash flows are expected to repay the balances. Likely credit losses scenarios are dependent on the operating capability factors inherent in the successful operation of the mine which include the selling price of the products, future costs and availability of capital, operating costs, and tax rates. Sensitivity analysis is performed on the various factors and expected credit losses recognized as appropriate.

Leverage, Refinancing and Interest Rate Sensitivity

The Group maintains a material amount of indebtedness, and a meaningful portion of this debt bears floating interest rates that reset by reference to Brazil's SELIC or comparable domestic benchmarks. Servicing this indebtedness requires significant cash resources and may limit our ability to fund working capital, maintenance and growth. If benchmark rates increase or remain elevated, if credit conditions for Brazil's agribusiness sector tighten, or if our operating performance underperforms expectations, our finance costs could rise, interest-coverage metrics could weaken and liquidity could be pressured. There can be no assurance that refinancing, rollover or restructuring will be available on acceptable terms when needed. Breaches of financial obligations could trigger acceleration, increased collateral requirements or enforcement of security, any of which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Production risk

Production risk relates to the possibility that the Group output levels will be lower than expected. Factors affecting production include adverse weather conditions and failure of equipment and machinery. Mining of the Product continues throughout the year with maximum capacity (within permitted mining limits) during the summer, dry months of the year. Regular inspection and service of equipment and machinery is carried out to ensure they are in full working order.

RISKS (CONTINUED):

Expected Market Potential of the Product

The Product is a new product without an established market. Substantial investment may be required to develop the market in Brazil and, if relevant, internationally. Although an established market for potassium-based fertilizers already exists, there is no assurance that the Group's market development efforts will result in the sales of the Product.

Uncertainty of Acquiring Necessary Permits

The Group's current and future operations will require approvals and permits from various federal, state and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labor standards, health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of such approvals and permits for the existing operations or additional approvals or permits for any possible future changes to operations. Prior to any development on any of its properties, the Group must receive permits from appropriate governmental authorities. There can be no assurance that the Group will continue to hold all permits necessary to develop or continue operating at any particular property or obtain all the required permits on reasonable terms or in a timely basis. The Group has been successful in obtaining environmental and mining licenses for small scale production and continues to apply for the appropriate licenses to meet future production in line with its expansion plans. Licensing timelines and conditions may change as environmental regulations evolve.

Enhanced Rock Weathering (ERW) Risks:

While Enhanced Rock Weathering (ERW) offers significant potential as a sustainable solution for carbon sequestration and soil health improvement, its application presents several risks that could impact Verde Agritech's operations. The long-term ecological effects of ERW are not fully understood, and there is uncertainty regarding how different soil types and climatic conditions might affect its efficiency and sustainability. The success of ERW also depends heavily on rigorous and ongoing monitoring to ensure that environmental objectives are met without causing unintended harm to local ecosystems. Additionally, as ERW is an emerging technology, regulatory frameworks are still evolving, which could lead to unforeseen compliance costs or operational restrictions in the future. These factors, combined with the challenges of scaling the technology for commercial use, could introduce variability in Verde Agritech's ability to achieve projected outcomes, potentially affecting the Group's overall strategy and financial performance.

RISKS (CONTINUED):

Uninsurable Risks

The development and production of mineral properties involves numerous risks including unexpected or unusual geological operating conditions such as rock bursts, cave-ins, fires, flooding and earthquakes. Insurance may not be available to cover all these risks, may only be available at economically unacceptable premiums or may be inadequate to cover any resulting liability. Any uninsured liabilities that arise would have a material adverse effect on the Group's business and results of operations.

Operations in a Foreign Country and Regulatory Requirements

All the Group's properties are located in Brazil and mineral exploration and mining activities as well as project development may be affected in varying degrees by changes in political, social and financial stability, inflation and changes in government regulations relating to the mining industry. Any changes in regulations or shifts in political, social or financial conditions are beyond the control of the Group and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and mine safety. Brazil's status as a developing country may make it more difficult for the Group to obtain any financing required for the exploration and development of its properties due to real or perceived increased investment risk.

Currently there are no restrictions on the repatriation from Brazil on the earnings of foreign entities. Capital investments registered with the central bank in Brazil may similarly be repatriated. There can be no assurance that restrictions on repatriation of earnings and capital investments from Brazil will not be imposed in the future.

Competition

The Group competes with other mining companies as well as other companies producing agricultural products, many of which have greater financial and technical resources and experience, particularly with respect to the potash industry and the limited number of mineral opportunities available in South America. Competition in the mining industry is primarily for properties which can be developed and can produce economically; the technical expertise to find, develop, and operate such properties; the labor to operate the properties; and the capital for the purpose of funding such properties. In addition, many competitors not only explore for and mine potash, but conduct refining and marketing operations on a world-wide basis.

Such competition may result in the Group being unable to acquire desired properties on terms acceptable to the Group, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. The Group's inability to compete with other mining companies for these resources would have a material adverse effect on the Group's business and results of operations.

RISKS (CONTINUED):

The Group also competes with other potash mining and/or marketing companies, many of which have greater marketing, financial and technical resources, and experience, in exporting and marketing its potash or potassium-based products. The Group is vulnerable to increases in the supply of potash beyond market demand either from the opening of new potash mines or the expansion of existing potash mines by the Group's competitors, which could depress prices and have a material adverse effect on the Group's business, financial condition and results of operation.

Title Matters

While the Group has diligently investigated title to all mineral properties and, to the best of its knowledge, title to all properties is in good standing; this should not be construed as a guarantee of title. The properties may be affected by undetected defects in title, such as the reduction in size of the mineral claims and other third-party claims affecting the Group's priority rights, at the discretion of the ANM. The Group's interests in mineral properties are comprised of exclusive rights under government licenses and contracts to conduct operations in the nature of exploration and, in due course if warranted, development and mining, on the license areas. Maintenance of such rights is subject to ongoing compliance with the terms of such licenses and contracts.

Uncertainty of Additional Capital

In the past, the Group has relied on sales of equity securities to meet its capital requirements. The Group plans to use predominately production revenue and debt to cover costs going forward. There is no assurance that the Group will be successful in obtaining the required financing.

The ability of the Group to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of the Group. The development of the Group's projects may require substantial additional financing. Failure to obtain such financing may result in delaying or indefinite postponement of exploration, development, or production on any or all of the Group's projects or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Group. If the Group, through the issuance of securities from treasury, raises additional financing, control of the Group may change, and security holders may suffer additional dilution. See "Risk Factors – Dilution".

Government Royalties

The Federal Government of Brazil collects royalties on mineral production, with up to half of such royalties being paid to surface rights owners. The current Brazilian federal royalty applicable to fertilizer production is a 2% Financial Compensation for Mineral Exploration ("CFEM", from *Compensação Financeira pela Exploração Mineral*) for Glauconitic Siltstone. This level and the level of any other royalties, payable to the Brazilian

RISKS (CONTINUED):

government in respect of the production of minerals may be varied at any time as a result of changing legislation, which could materially adversely affect the Group's results of operations.

Market Factors and Volatility of Commodity Prices

The Group's future profitability and long-term viability will depend, in large part, on the global market price of minerals produced and their marketability. The marketability of mineralized material, which may be acquired or discovered by the Group, will be affected by numerous factors beyond the control of the Group. These factors include market fluctuations in the prices of minerals sought, which are highly volatile, inflation, consumption patterns, speculative activities, international political and economic trends, currency exchange fluctuations, interest rates, production costs and rates of production. The effect of these factors cannot be accurately predicted but may result in the Group not receiving an adequate return on invested capital. Prices of certain minerals have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the control of the Group. Future mineral prices cannot be accurately predicted. A severe decline in the price of a mineral being produced or expected to be produced by the Group would have a material adverse effect on the Group and could result in the suspension of mining operations by the Group.

Protection of Intellectual Property and Proprietary Rights

The success and competitive position of Verde Agritech are significantly dependent on the Group's ability to protect its intellectual property and proprietary rights. The Group relies on a combination of patents, copyrights, trademarks, trade secrets, and confidentiality agreements to safeguard its innovative fertilizer products, production technologies, and operational processes. The inability to secure these rights, or any failure to enforce them, could enable competitors to duplicate the Group's products and technologies, potentially eroding its market share, diminishing its brand value, and adversely affecting its financial performance. The Group seeks to protect and defend its intellectual property and, where appropriate, obtain additional protections.

Environmental, Health, and Safety Regulations

Verde operates within a regulatory environment that prioritizes the protection of the environment, the health and safety of workers, and the well-being of the communities around its operations. Compliance with these extensive laws and regulations is fundamental to the Group's operations. These include regulations governing waste disposal, environmental conservation, worker safety, and mine development. Any failure to comply could result in severe consequences such as fines, permit revocations, and operational suspensions. Moreover, evolving regulations may impose additional compliance costs or operational constraints, emphasizing the need for Verde to continually adapt and integrate responsible environmental, health, and safety practices into all aspects of its operations.

RISKS (CONTINUED):

The Group's subsidiary Verde Fertilizantes holds ISO 9001 and ISO 14001 certifications, evidencing its dedication to quality management and environmental responsibility. The Group is committed to maintaining the highest standards in its operational processes and environmental stewardship.

Climate Change

Climate change represents an escalating risk worldwide, manifested through both transitional and physical challenges. Transitional risks include regulatory changes, carbon pricing mechanisms, and shifts in market demand towards more sustainable practices. Physical risks encompass acute events like floods and droughts, as well as chronic impacts such as altered precipitation patterns and water scarcity. These changes could impact the Group's supply chain, affect its operational efficiency, and impose additional costs for adaptation and resilience-building measures. In response, Verde continues to closely monitor the evolving landscape of climate-related regulations and stakeholder expectations, proactively adapting its strategies to mitigate the risks of climate change.

The effects of climate change extend to the agricultural sector, directly impacting the Group's end customers. Adverse weather conditions can affect growing seasons, crop yields, and water availability, challenging food security and the demand for agricultural inputs like the Group's potassic fertilizers. The ability of farmers to adapt to these changes is crucial, and Verde is committed to supporting its customers through this transition by providing innovative and sustainable fertilizer solutions that enhance crop resilience and contribute to a more sustainable agricultural future.

Cyclical Industry

The market for potash tends to move in cycles. Periods of high demand, increasing profits and high-capacity utilization, led to new plant investment and increased production. This growth increases supply until the market is over-saturated, leading to declining prices and declining capacity utilization until the cycle repeats. This cyclicity in prices can result in supply/demand imbalances and pressures on potash prices and profit margins, which may impact the Group's financial results, and common share prices. The potash industry is dependent on conditions in the economy generally and the agriculture sector. The agricultural sector can be affected by adverse weather conditions, cost of inputs, commodity prices, animal diseases, the availability of government support programs and other uncertainties that may affect sales of fertilizer products.

Dependence on Key Executives and Technical Personnel

The Group is currently dependent on the services of a relatively small management team. Locating mineral deposits and successfully bringing them into production in Brazil depends on a number of factors, not the least of which is the technical skill of the personnel involved. Due to the relatively small size of the Group, the loss of

RISKS (CONTINUED):

members of the management team or the Group's inability to attract and retain additional highly skilled employees may materially adversely affect its business and future operations. The Group does not currently carry any "key man" life insurance on any of its executives. The non-executive directors of the Group devote only part of their time to the affairs of the Group.

History of Earnings

The Group generated operating revenue of \$5,873 and achieved an operating loss of -\$2,086 for the period ended September 30, 2025. Management expects that the Group will be able to generate net profits going forward. However, there is no assurance the Group will generate sufficient earnings, operate profitably, or provide a return on investment in the future.

Dilution

To the extent the Group should, in future, issue any additional warrants, additional options, convertible securities or other similar rights, the holders of such securities will have the opportunity to profit from a rise in the market price of the Ordinary Shares with a resulting dilution in the equity interest of any persons who become holders of Ordinary Shares. The Group's ability to obtain additional financing during the period may be adversely affected and the existence of the rights may have an adverse effect on the price of the Ordinary Shares. The holders of warrants, options and other rights may exercise such securities at a time when the Group would, in all likelihood, be able to obtain any needed capital by a new offering of securities on terms more favorable than those provided by the outstanding rights.

In some circumstances, the increase in the number of Ordinary Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of the Ordinary Shares. In addition, as a result of such additional Ordinary Shares, the voting power of the Group's existing shareholders may be diluted.

Future Sales of Ordinary Shares by Existing Shareholders

Sales of a large number of Ordinary Shares in the public markets, or the potential for such sales, could decrease the trading price of the Ordinary Shares and could impair the Group's ability to raise capital through future sales of Ordinary Shares.

RISKS (CONTINUED):

Conflicts of Interest

Directors of the Group are or may become directors of other reporting companies or have significant shareholdings in other mining companies and, to the extent that such other companies may participate in ventures in which the Group may participate, the directors of the Group may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The Group and its directors attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the directors of the Group, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases the Group will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. The directors of the Group are required to act honestly, in good faith and in the best interests of the Group. In determining whether or not the Group will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Group, the degree of risk to which the Group may be exposed and its financial position at that time.

The Cerrado Verde Project is Managed by a Subsidiary

The material operating subsidiary for the Cerrado Verde Project is Verde Fertilizantes. The directors of Verde Fertilizantes are Felipe Paolucci, Elton Gonçaves, Edson Santos and Marcus Ribeiro. Despite the controls that the Group has put in place, there may be risks associated with ensuring that the corporate actions of Verde Fertilizantes reflect the decisions of the Board of Directors and management of the Group.

Political, Economic and Social Instability Associated Key Priorities

Political, economic and social instability may affect our business including, for instance, if any of the jurisdictions in which we operate introduce restrictions on monetary distributions, forced divestitures or changes to or nullification of existing agreements, mining permits or leases.

Cybersecurity Threats

Cyberattacks or breaches of our systems, including our CRM, or exposure to potential computer viruses, could lead to disruptions to our operations, loss of data, or the unintended disclosure of confidential information and/or personally identifiable information or property damage.

QUALIFIED PERSON

Scientific and technical information contained in this MD&A is based on the Pre-Feasibility Study technical report filed by the Group in 2022, and prepared by consultants, specialists in the fields of geology, exploration, mineral resource and mineral reserve estimation and classification, mining, geotechnical, environmental, permitting, metallurgical testing, mineral processing, processing design, capital and operating cost estimation, and mineral economics.

The following individuals, by virtue of their education, experience and professional association, are considered Qualified Person (“QP”) as defined in the NI 43-101 standard and independent of the Group, for this report, and are members in good standing of appropriate professional institutions:

- Bradley Ackroyd. B.Sc., MAIG, principal consulting geologist for AMS, responsible for the resource estimates;
- Beck Nader. D.Sc., M.Sc., MAIG, Senior Advisor at BNA, responsible for the reserve estimates, processing and economical assessment.
- José Márcio Matta Machado Paixão, FAusIMM, who is a Qualified Person as defined by NI 43-101 and is independent of the Group within the meaning of NI 43-101, is responsible for reviewing laboratory certificates, QA/QC performance (blanks/CRMs/duplicates) and analytical procedures related to the Minas Americas Global Alliance magnetic rare earths project.

FURTHER INFORMATION

Additional information relating to the Group can be found on SEDAR+ at www.sedarplus.ca and on the Group’s website at www.investor.verde.ag.

GLOSSARY

Please refer to our website for the complete glossary at www.investor.verde.ag/glossary/.

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