



MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 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 year ended December 31, 2025 ("**FY 2025**").

It provides information that management believes is relevant to an assessment and understanding of the consolidated results of operations and financial conditions. This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2025 ("**FY 2025**"). The audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and their interpretations issued by the International Accounting Standards Board ("**IASB**").

Verde's ordinary shares trade on the Canadian Toronto Stock Exchange ("TSX") under the symbol "NPK", and on the OTC Markets ("OTCQX") under the symbol ("VNPKE").

All amounts herein are expressed in Canadian Dollars unless otherwise stated, and the information is current to March 23, 2026.

In 2025, the average exchange rate was 4.00 and the closing rate was 4.00 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+ (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 AgriTech Ltd. is a Brazil-focused fertilizer company engaged in the production, commercialization and sale of potassium-based multi-nutrient fertilizers. The Group operates an integrated fertilizer business in Minas Gerais, Brazil. The Group's revenue-generating activity is the sale of its potassium-based multi-nutrient fertilizers ("**the Products**"), and its results are reported through a single operating segment focused on potassium-based fertilizers. Sales are focused primarily on the Brazilian market.

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.

FOURTH QUARTER AND FULL YEAR 2025 FINANCIAL HIGHLIGHTS

All figures are in Canadian dollars, unless stated otherwise.

FY 2025 was a year of disciplined credit-risk management in a highly stressed Brazilian agricultural input market. Q4 2025 provided early evidence of improved commercial quality, with higher revenue per ton and materially lower expected credit losses.

- Revenue in FY 2025 was \$16.6 million compared to \$21.6 million in FY 2024. In Q4 2025 revenue increased to \$3.1 million from \$2.9 million in Q4 2024.
- Sales Volume totaled 258,432 tons in FY 2025 compared to 318,870 tons in FY 2024 and 45,113 tons in Q4 2025 versus 47,888 tons in Q4 2024 as deteriorating credit conditions across Brazilian agriculture and the Group's tighter credit approvals reduced higher-risk sales, with Verde prioritizing receivables quality and liquidity over volume.
- Gross margin remained resilient at 72% in FY 2025 compared to 71% in FY 2024. In Q4 2025 Gross Margin was 63% compared to 65% in Q4 2024.
- Allowance for expected credit losses declined to \$0.9 million in FY 2025 from \$2.3 million in FY 2024. In Q4 2025, allowance for expected credit losses declined to \$0.3 million from \$1.3 million in Q4 2024.
- EBITDA before non-cash events remained stable year over year at \$(2.8) million despite lower FY 2025 revenue. In Q4 2025, EBITDA improved to \$(1.3) million from \$(2.1) million in Q4 2024.
- Net loss narrowed to \$(11.7) million in FY 2025 from \$(12.6) million in FY 2024. In Q4 2025, net loss was \$(3.4) million compared to \$(2.8) million in Q4 2024.
- As of December 31, 2025, the Group held \$3.0 million in cash and \$5.3 million in short-term receivables. Subsequent to year-end, the Group completed a brokered private placement for gross proceeds of \$4.5 million¹.

¹ Learn More at: [Verde AgriTech Announces Closing of \\$4.5 Million LIFE Financing With Majority Subscribed by Leading Resources Institutional Investor.](#)

Q4 2025 AND FY 2025 SUSTAINABILITY RESULTS

In Q4 2025, product sold by Verde had the potential to capture up to 5,414 tons of CO₂ through Enhanced Rock Weathering, with an estimated net carbon removal of 3,940 tons, while also avoiding 2,373 tons of CO₂e emissions by replacing potassium chloride fertilizers. Since production began in 2018, the combined potential carbon removal and avoided emissions total approximately 337,719 tons of CO₂. Additionally, 3,571 tons of chloride were prevented from entering soils in Q4 2025, bringing the cumulative total avoided since inception to 192,313 tons.

MAGNETIC RARE EARTH PROGRAM HIGHLIGHTS

Since first disclosing its district-scale clay-hosted rare earth discovery in Minas Gerais, Brazil in October 2025, and formally naming it the Minas Americas Global Alliance Project later that month, Verde has advanced a growing drill-confirmed clay-hosted rare earth discovery, with the footprint now exceeding 3.5 km² within a mapped and surface-sampled geological unit exceeding 15 km² and drilling ongoing across eight additional targets. Metallurgical work has confirmed ionic-adsorption behaviour, with leach tests returning up to 667 mg/kg of DREO and 278 mg/kg of MREO in primary leach solution, while thorium and uranium were at or below detection in the best intervals. Drilling has consistently intersected shallow mineralization from surface, including 14.2 metres averaging 6,858 ppm TREO and 1,673 ppm MREO, 13.0 metres averaging 0.83% TREO including 8.0 metres at 1.01% TREO, and, most recently, 10.0 metres averaging 8,439 ppm TREO and 1,965 ppm MREO, including 5.0 metres averaging 11,032 ppm TREO and 2,717 ppm MREO. These results are supporting 3D modelling, representative metallurgical composites and continued advancement toward a maiden resource.

STRATEGIC INITIATIVES AND RECENT EVENTS

Brokered LIFE Financing²

Subsequent to year-end, the Group completed a brokered private placement for gross proceeds of \$4.5 million (approximately \$4.0 million net after commissions, transaction fees and offering-related costs). The Group intends to use the net proceeds raised from the Offering to accelerate work at its Minas Americas Global Alliance rare earth project, including resource definition drilling, metallurgy optimization, and other technical de-risking required for maiden NI 43-101 and for working capital and general corporate purposes.

² Learn More at: [Verde AgriTech Announces Closing of \\$4.5 Million LIFE Financing With Majority Subscribed by Leading Resources Institutional Investor.](#)

FERTILIZER MARKET CONDITIONS AND 2026 OUTLOOK

Brazil's agricultural input market remained under significant financial pressure throughout 2025. On March 18, 2026, Central Bank of Brazil reduced the Selic rate to 14.75% from 15.00³%, but financing conditions remain highly restrictive for growers and agricultural distributors. Serasa Experian reported 1,990 agribusiness judicial recovery requests in 2025, up 56.4% from 2024, underscoring the degree of financial stress across the sector⁴. In this environment, credit availability became the principal commercial constraint, as purchasing decisions were driven by liquidity preservation, restricted financing and lower willingness to assume credit risk across the distribution chain.

Farm economics were also pressured by an unfavorable spread between costs and crop prices. The World Bank reported that fertilizer prices increased nearly every month during 2025, while food commodity prices were 5% lower than a year earlier⁵. This divergence compressed profitability across several crops and reduced producers' capacity to commit cash to input purchases. In soybeans, one of Brazil's key farm-economics benchmarks, recent analysis indicates that margins are approaching breakeven as lower soybean prices, elevated production costs and weak port premiums continue to pressure returns⁶.

The agronomic backdrop itself remains constructive, with the Companhia Nacional de Abastecimento (Conab) projecting a record Brazilian grain harvest in 2025/26. However, stronger production does not immediately repair producer balance sheets after two years of tighter credit, higher financing costs and weaker cash generation. Conab has also indicated that soybean trading entered 2026 at a slow pace and under defensive demand conditions⁷, reinforcing the view that many growers may continue to shorten purchasing windows and delay commercial decisions despite solid crop fundamentals. Taken together, these indicators suggest that the near-term constraint is credit availability and growers' ability to finance purchases, rather than agronomic demand.

Looking ahead, Verde believes market conditions are likely to remain challenging in the near term, with tighter agricultural credit continuing to constrain fertilizer sales. According to Agrinvest Commodities Consultoria, fertilizer purchases for the 2026/27 season in the Group's key markets are running at roughly half the historical pace for this point in the season. Against this backdrop, the Group expects Q1 2026 sales volumes to remain below the prior year. In response, Verde is implementing strategic adjustments across the business, including workforce reductions, contract reviews and other cost-efficiency initiatives, which are expected to generate over BRL 6 million in savings over 12 months. Together with a sharper commercial focus on higher-margin regions and assuming the current fertilizer price environment is sustained, these actions are expected to support positive EBITDA in 2026, even at sales volumes broadly in line with 2025.

³ Source: Banco Central do Brasil – Copom Minutes and Selic Rate Decisions.

⁴ Source: Serasa Experian. Judicial Reorganization: Agribusiness closes 2025 with almost 2,000 requests for this recourse and registers the highest accumulated total in the historical series, reveals Serasa Experian (March 9, 2026).

⁵ Source: World Bank. Food Security Update 119.

⁶ Source: Conab. Logistics Bouletin (February 26, 2026).

⁷ Source: Conab. Grain-harvest survey release (March 13, 2026).

SELECTED ANNUAL FINANCIAL INFORMATION

All values are expressed in Canadian Dollars (\$'000).

Category	Year to Dec 31, 2025 (\$'000)	Year to Dec 31, 2024 (\$'000)	Year to Dec 31, 2023 (\$'000)
Product sales (tons '000)	258	319	428
Revenue	16,605	21,597	37,863
Production costs ⁽²⁾	(4,643)	(6,302)	(9,689)
Sales, delivery and general administrative expenses	(14,810)	(18,135)	(26,198)
Non-Cash Events ⁽¹⁾	(727)	(1,821)	(449)
Depreciation and amortization ⁽¹⁾	(3,217)	(3,232)	(3,716)
Net (loss) / profit	(11,670)	(12,558)	(5,979)
Cash Flow generated from / (utilized in) operating activities	(26)	(1,885)	4,619
Cash Flow utilized in investing activities	(130)	753	(4,022)
Cash Flow generated from financing activities	(92)	(3,120)	5,017
Net (decrease) / increase in cash	(248)	(4,252)	5,614
Cash and cash equivalents at end of year	2,985	3,476	6,975
Total Assets	70,482	72,017	96,172
Total Liabilities	49,699	41,682	50,666
Working Capital	2,098	9,990	(16,868)
Weighted average number of shares outstanding ('000)	52,694	52,670	52,641
(Loss) / Earnings per share (basic and diluted) (\$)	(0.22)	(0.24)	(0.11)

⁽¹⁾ - Included in production costs and administrative expenses in the consolidated financial statements

⁽²⁾ - Does not include depreciation and amortization allocated to production costs

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).

All amounts in CAD \$'000	Dec 31, 2025	Sep 30, 2025	June 30, 2025	Mar 31, 2025
Tons Sold '000	45	85	80	48
Revenue	3,080	5,873	4,800	2,852
Net (Loss) / Income after tax	(3,377)	(2,086)	(2,426)	(3,781)
Basic (Loss) / Earnings per share	(0.064)	(0.040)	(0.046)	(0.072)
Diluted (Loss) / Earnings per share	(0.064)	(0.040)	(0.046)	(0.072)
Total Assets	70,482	77,374	74,620	75,384
Current Liabilities	7,574	6,940	3,467	2,905
Non-current Liabilities	42,125	45,611	45,374	44,006

All amounts in CAD \$'000	Dec 31, 2024	Sep 30, 2024	June 30, 2024	Mar 31, 2024
Tons sold '000	48	101	85	85
Revenue	2,888	7,161	6,480	5,068
Net (loss) / Income after tax	(2,831)	(2,336)	(2,639)	(4,752)
Basic (loss)/earnings per share	(0.238)	(0.044)	(0.050)	(0.090)
Diluted (loss)/earnings per share	(0.238)	(0.044)	(0.050)	(0.090)
Total Assets	72,017	80,160	81,465	91,612
Current Liabilities	2,059	29,752	25,913	28,629
Non-current Liabilities	39,623	15,533	18,270	20,424

RESULTS OF OPERATIONS

The following table provides information about three and twelve months ended December 31, 2025 as compared to the three and twelve months ended December 31, 2024. All amounts in CAD \$'000.

All amounts in CAD \$'000 (except per ton)	3 months ended Dec 31, 2025	3 months ended Dec 31, 2024	12 months ended Dec 31, 2025	12 months ended Dec 31, 2024
Tons sold ('000)	45	48	258	319
Average revenue per ton sold \$	68	60	64	68
Average Production cost per ton sold \$	(25)	(21)	(18)	(20)
Average Gross Profit per ton sold \$	43	39	46	48
Gross Margin	63%	65%	72%	71%
Revenue	3,080	2,888	16,605	21,597
Production Costs	(1,123)	(986)	(4,643)	(6,302)
Gross Profit	1,957	1,902	11,962	15,295
Gross Margin	63%	65%	72%	71%
Sales and marketing expenses	(813)	(842)	(3,462)	(3,686)
Product delivery freight expenses	(1,031)	(938)	(6,180)	(7,705)
General and administrative expenses	(1,186)	(957)	(4,239)	(4,424)
Allowance for expected credit losses	(259)	(1,302)	(929)	(2,320)
EBITDA ⁽¹⁾	(1,332)	(2,137)	(2,848)	(2,840)
Non-Cash Events ⁽²⁾	(502)	325	(727)	(1,821)
Depreciation, amortization and gain/(loss) on disposal of plant and equipment ⁽³⁾	(873)	(753)	(3,217)	(3,232)
Operating (Loss) / Profit after non-cash events	(2,707)	(2,565)	(6,792)	(7,893)
Net finance expense	(667)	(262)	(4,858)	(4,634)
Net (Loss) / Profit before tax	(3,374)	(2,827)	(11,650)	(12,527)
Income tax	(3)	(4)	(20)	(31)
Net (Loss) / Profit	(3,377)	(2,831)	(11,670)	(12,558)

(1) Non-GAAP measure. EBITDA before non-cash events is calculated as operating loss before depreciation, amortization and non-cash events.

(2) Included within General and Administrative expenses in the financial statements. For FY 2025, this amount includes the accounting recognition associated with the transfer of mineral rights to Oby Rare Earths and expenses related to stock options granted during the period. Comparative period amounts relate to non-cash items recognized in the respective periods.

(3) Included within General and Administrative expenses and Cost of Sales in the financial statements.

OPERATION AND FINANCIAL RESULTS

Sales Performance

Revenue for FY 2025 was \$16.6 million compared to \$21.6 million in FY 2024. The decline was primarily driven by lower volumes in a market where growers faced tighter credit conditions and weaker near-term cash generation. Verde maintained a rigorous credit approval process, particularly for specialty fertilizer sales that include third-party raw materials and chose to limit higher-risk exposure rather than extend terms that were not adequately compensated.

Production costs⁸

The average cost per ton declined by 10% in FY 2025, primarily due to increased utilization of Plant 2, which operates at a lower cost structure than Plant 1. Sales from Plant 2 accounted for approximately 81% of total sales in 2025, compared to 76% in 2024, resulting in improved operating leverage. In addition, the Group implemented cost-reduction measures during the period, which further contributed to the reduction in unit costs.

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 mine to the plant and related salaries.

⁸ Verde's production costs and sales price are based on the following assumptions:

- Micronutrients added to the product increase its production cost, rendering The Product® less expensive to produce.
- Production costs vary based on packaging type, with bulk being less expensive than Jumbo Bags.
- Plant 1 produces The Product ® Jumbo Bags and Low-Carbon Specialty Fertilizer Products, while Plant 2 exclusively produces The Product ® 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	12 months ended	12 months ended
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
Sales and marketing expenses	(735)	(740)	(2,986)	(3,246)
Fees paid to independent sales agents	(78)	(102)	(476)	(440)
Total	(813)	(842)	(3,462)	(3,686)

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 commission-based arrangements. Fees paid to independent sales agents increased 8% in FY 2025, despite stable or lower sales volumes, reflecting adjustments in commission structure. Overall, total sales and marketing expenses decreased by approximately \$0.3 million compared to the prior year, primarily due to lower consultancy-related costs.

Product delivery freight expenses

Expenses decreased by 20% in FY 2025, to \$6.2 million compared to \$7.7 million in FY 2024. This reduction was primarily driven by a 20% decrease in sales volume delivered on a CIF (Cost, Insurance and Freight) basis year over year.

The average freight cost per ton for products sold on a CIF basis remained stable at \$33 per ton in FY 2025, consistent with the prior year.

SALES, GENERAL AND ADMINISTRATIVE EXPENSES (CONTINUED)

General and Administrative Expenses

CAD \$'000	3 months ended Dec 31, 2025	3 months ended Dec 31, 2024	12 months ended Dec 31, 2025	12 months ended Dec 31, 2024
General administrative expenses	(614)	(642)	(2,743)	(2,725)
Legal, professional, consultancy and audit costs	(370)	(207)	(901)	(1,112)
IT/Software expenses	(154)	(102)	(515)	(529)
Taxes and licenses fees	(48)	(6)	(80)	(58)
Total	(1,186)	(957)	(4,239)	(4,424)

General and administrative expenses include office-related costs, rent, bank fees, insurance, foreign exchange variances, and remuneration of executive officers, Board directors, and administrative personnel. Legal, professional and audit costs comprise fees associated with accounting, audit, legal and regulatory services. Consultancy fees include costs related to consultants engaged in Brazil, such as accounting services, patent-related processes, legal advisory services and regulatory consulting.

Expenses decreased to \$4.2 million in FY 2025 from \$4.4 million in FY 2024, primarily reflecting lower legal, professional and consulting expenses over the course of the year. In Q4 2025, G&A increased to \$1.2 million from \$1.0 million in Q4 2024, mainly due to the recognition of a provision for success-based legal fees associated with the Group's debt renegotiation and restructuring efforts.

Allowance for expected credit losses

The allowance for expected credit losses decreased from \$2.3 million in 2024 to \$0.9 million in 2025, primarily reflecting lower delinquency levels following the implementation of stricter credit policies.

Financial Results and Profitability

EBITDA before non-cash events for FY 2025 was \$(2.8) million compared to \$(2.8) million in FY 2024.

Net loss for FY 2025 was \$(11.7) million, compared to a net loss of \$(12.6) million in FY 2024. Results continued to reflect elevated net finance expense in a high-interest rate environment.

Basic loss per share totaled \$(0.22) in FY 2025, compared to \$(0.24) in FY 2024.

SALES, GENERAL AND ADMINISTRATIVE EXPENSES (CONTINUED)

Liquidity, Debt and Working Capital

As of December 31, 2025, the Group held \$3.0 million in cash and \$5.3 million in short-term receivables. Total loan balance was \$47.4 million, of which \$5.4 million was due within 12 months and \$42.0 million was due thereafter, with an average interest rate of 17% per annum.

The Group ended FY 2025 with positive working capital of \$2.1 million. The year-over-year increase in current liabilities primarily reflects the scheduled reclassification of borrowings into the current portion as repayments come due following the renegotiated debt profile, rather than a deterioration in underlying liquidity.

Net cash used in operating activities narrowed materially to \$(0.03) million in FY 2025, compared to \$(1.9) million in FY 2024, primarily reflecting tighter credit underwriting and working capital management, which helped stabilize cash flow despite weaker sales.

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 materially 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.

FINANCIAL INSTRUMENTS (CONTINUED)

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)	2025	2024
Canadian Dollars	246	222
Brazilian Reais	2,701	3,234
American Dollars	25	7
British Pounds	-	-
Singapore Dollars	13	13
Total	2,985	3,476

The Brazilian reais deposits are held as interbank deposit certificates with no maturity date and earn interest based on Brazil's short-term benchmark rate (SELIC). The SELIC rate was 15.00% as of December 31, 2025. Subsequent to year-end, the Central Bank of Brazil reduced the SELIC rate to 14.75% on March 18, 2026

The policy in relation to the translation of foreign currency monetary assets and liabilities is set out in the Group's consolidated annual financial statements.

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)	
	2025	2024
10% weakening of Brazilian Real	(4,257)	(3,244)
10% strengthening of Brazilian Real	3,483	2,654

The Group entered into interest rate swap agreements in order to mitigate its exposure to floating interest rates on financial liabilities indexed to CDI. As of December 31, 2025, only one swap agreement remains outstanding. The instrument converts the contractual remuneration from CDI 13.25% per year to 3.65% + CDI, with no foreign currency component involved. The remaining swap agreement matures in July 2026.

FINANCIAL INSTRUMENTS (CONTINUED)

The table below summarizes the notional and fair value amounts of the swap agreements as of December 31, 2025.

	2025 \$'000	2024 \$'000
Liability position Votorantim: CDI + 3.65% p.y.	(5)	(37)
Net position – assets (liabilities)	(5)	(37)
Current assets (liabilities)	(5)	(37)
Noncurrent assets (liabilities)	-	-

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 controls 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. Further details of the liquidity position are explained in note 2.1 regarding going concern.

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% per annum. The Brazilian Government long term bond rate as of 31 December 2025 was 15% per annum and subsequent to year-end, the Central Bank of Brazil reduced the SELIC rate to 14.75% on March 18, 2026.

Management does not consider a significant increase in interest rates to be reasonably likely 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, 2025. 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 \$18,374 and \$39,445, 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 opportunities 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 the 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
 - c) 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.

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.

CRITICAL JUDGEMENTS AND ACCOUNTING ESTIMATES (CONTINUED)

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 recognized 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 profits 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 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 assets recorded at the reporting date could be impacted.

CRITICAL JUDGEMENTS AND ACCOUNTING ESTIMATES (CONTINUED)

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 December 31, 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 December 31, 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 December 31, 2025.

There have been no changes during the period ended December 31, 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	56,443,724
Stock options	4,857,074
Total	61,300,798

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.

RISKS (CONTINUED):

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

Recent changes in U.S. trade policy and tariff measures have increased uncertainty in global trade conditions. 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.

Geopolitical conflict risk

The Group is exposed to risks arising from geopolitical tensions, armed conflicts and broader global instability, which may adversely affect the price and availability of energy, fuel, raw materials, consumables, logistics and third-party services. Such events may contribute to inflationary pressures, supply chain disruptions, increased transportation costs, market volatility and uncertainty across the regions in which the Group operates or sources its inputs. To date, the Group has not experienced a significant disruption to its operations as a result of these events; however, continued or escalating geopolitical conflicts may impact operating costs, availability of critical inputs and overall business conditions. The Group continues to monitor these risks and has implemented procurement and operational strategies intended to mitigate potential impacts Where possible.

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.

RISKS (CONTINUED):

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.

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,

RISKS (CONTINUED):

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.

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

RISKS (CONTINUED):

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.

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

RISKS (CONTINUED):

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.

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.

RISKS (CONTINUED):

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 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.

RISKS (CONTINUED):

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.

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

RISKS (CONTINUED):

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 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 \$16,605 and achieved an operating loss of (\$11,670) for the period ended December 31, 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

RISKS (CONTINUED):

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.

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.

RISKS (CONTINUED):

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.
- Leonardo Deringer Fraga, P.Geo, Vice President of Exploration, who is a Qualified Person as defined by NI 43101 – Standards of Disclosure for Mineral Projects. EGBC License No. 61611, is responsible for reviewing laboratory certificates 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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