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FENGRO COMPLETES SALE OF BRAZILIAN ASSETS, ANNOUNCES FINANCING, PROVIDES CORPORATE UPDATE

February 26, 2020 - VANCOUVER, BRITISH COLUMBIA: Fengro Industries Corp. (TSX-V:FGR) ("Fengro" or the "Company") is pleased to announce that it has completed the previously announced disposition of the Company's Brazilian assets to Geofoscal Comércio, Indústria, Representações e Transporte de Produtos Agropecuários Ltda., which was approved at the Company's shareholders meeting on October 18, 2019.

As a result of this disposition, the Company no longer meets TSX Venture Exchange continued listing requirements for a Tier 2 Mining Issuer. The listing of the Company's shares will be transferred to the NEX board of the TSX Venture Exchange (the "**Exchange**") on the second business day following the issuance of an Exchange bulletin which will be issued by the Exchange shortly.

Private Placement

The Company has closed a second tranche of its private placement announced November 5, 2019 (the "**Private Placement**"), selling an additional 20,000,000 common shares at a price of $0.005 per share for aggregate gross proceeds of $100,000. The shares issued in the second tranche of the Private Placement are subject to a resale hold which expires on June 25, 2020. The Company closed an initial tranche of the placement raising $410,000 on January 22, 2020.

Potential Transaction

On November 5, 2019, the Company announced that it had entered into a non-binding letter of intent respecting a potential reverse takeover of the Company by Elemental Royalties Limited ("**Elemental**") which would result in the change of the Company's business from mining to carrying on the business of Elemental, being investing in royalties over mining projects (the "**Transaction**"). The Company hopes to continue discussions with Elemental and reach a binding agreement regarding the Transaction.

Further updates and particulars of the Transaction will be provided on the Company and Elemental entering into a binding agreement for the Transaction. If the Company is unsuccessful in finalizing the Transaction, the Company will seek to identify other business opportunities for the Company.

Share Consolidations

The Company has undertaken to the TSX Venture Exchange to complete a consolidation of its share capital in a ratio of at least 10:1 within 60 days of closing the Private Placement.

At the Company's October 28, 2019 shareholder's meeting, the Company's shareholders approved a resolution permitting the Company's board to undertake a consolidation of up to 50 old for 1 new share. The Company has called a special meeting of its shareholders for March 24, 2020 seeking approval to undertake a consolidation at a ratio of up to 500 old for 1 new share to provide the board with greater flexibility in regard to consolidations which may be in the Company's best interests to undertake in connection with potential future transactions.

Management Change

The Company wishes to thank Mr. Baynham for his hard work, professionalism and dedication to the Company in dealing with its historical problems and negotiating a difficult path through both Brazilian bureaucracy and difficult markets for junior companies. The business was finally sold with all its attached liabilities and has continued to grow its sales and profitability. Mr. Baynham thanks the directors, shareholders and the Fengro team for all their support and wishes them the best for the future.

As part of the closing of the sale of the Brazilian assets and associated financing Mr. Baynham is standing down as President and CEO of the Company. In the interim Dr. Peter Ruxton will take on the CEO role, and Mr. Duane Lo will become CFO.

On behalf of Fengro Industries Corp.

Duane Lo, Director

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Completion of the Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Fengro Industries Corp. should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction. Any securities referred to herein have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to a U.S. Person absent registration or an applicable exemption from the registration requirements of the United States Securities Act of 1933, as amended, and applicable state securities laws.

FORWARD LOOKING STATEMENTS

Certain information contained in this press release constitutes "forward-looking information", within the meaning of applicable Canadian securities legislation. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "aims", "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "target", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur", "be achieved" or "has the potential to". Forward looking statements contained in this press release may include statements regarding the future operating or financial performance of Fengro, the proposed terms and anticipated completion of the Private Placement, and the proposed terms and condition of the definitive agreement, and the anticipated completion of the Transaction. Actual results and outcomes may differ materially from what is expressed or forecasted in these forward-looking statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Among those factors which could cause actual results to differ materially are the following: market conditions and other risk factors listed from time to time in our reports filed with Canadian securities regulators on SEDAR at www.sedar.com. The forward-looking statements included in this press release are made as of the date of this press release and Fengro disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities legislation.

Neither the TSX Venture Exchange Inc. nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange Inc.) accepts responsibility for the adequacy or accuracy of this press release.