



Verde announces partnership with leading carbon developer, WayCarbon, to monetise carbon credits

SINGAPORE, Feb. 12, 2024 -- **Verde AgriTech Ltd** (TSX: "NPK") ("**Verde**" or the "**Company**") is pleased to announce a strategic partnership with WayCarbon to bolster the development and monetization of its carbon removal project.

WayCarbon is 80% owned by Banco Santander, one of Europe's largest banks. It is a leading developer of carbon removal projects and a pioneer in climate change mitigation and sustainability solutions. The partnership is based on Verde's specialty multi-nutrient potassium fertilizer K Forte® (the "**Product**") and its potential to permanently capture CO₂ through Enhanced Rock Weathering.

"This partnership with WayCarbon marks a new chapter for Verde. It represents a crucial step towards monetization of Verde's own significant carbon removal potential and allows the Company to collaborate on new projects with Brazil's most credible carbon developer. WayCarbon has been active in this sector since 2006 making it a veteran with a success record to match. I believe that the combination of our attributes has the potential to spawn one of the world's largest carbon removal platforms," celebrated Cristiano Veloso, Verde's Founder and CEO.

WayCarbon has a history of high-quality carbon projects in Brazil. Within the partnership, WayCarbon will support Verde with the development, certification, marketing and monetization of its carbon credits. In addition to leveraging Verde's Product, the partnership extends its scope to encompass Verde's origination and utilization of other minerals capable of carbon capture through Enhanced Rock Weathering.

"We are thrilled about our partnership with Verde AgriTech. At WayCarbon, our mission is to drive the transition to a Net-Zero economy. This transformation is a multi-sectoral endeavour. The distinctive properties of Verde's products, coupled with Verde's extensive proven mineral reserves and their strategic proximity to key agricultural regions of the country, present a unique opportunity to advance the decarbonization of the Brazilian agricultural sector," extolled Breno Rates, WayCarbon's Founding Partner and head of Carbon Projects.

Verde's Carbon Removal Potential

Located in São Gotardo within the state of Minas Gerais, Brazil, Verde's operations are underpinned by one of the world's largest potash resources, at 5.9 billion tons as approved by the Brazilian Mining Agency, of which 3.32 billion tons have been certified under Canadian National Instrument 43-101.¹ Thereupon, Verde has a total capture potential of 0.7 gigatons of CO₂ from the atmosphere,² which would establish it as one of the world's largest carbon capture projects.

As Brazil's largest potash producer by capacity, Verde has an annual production capacity of 3 million tons.³ With no further CAPEX investment, the Company is capable of capturing up to 0.36 million tons of CO₂ per year based on its existing production facilities.⁴

About WayCarbon and Santander

WayCarbon is a global company specializing in solutions aimed at transitioning to a net-zero economy. Founded in 2006, it leverages scientific and business knowledge, enhanced by technology, to support companies and governments in their climate change and sustainability strategies.

WayCarbon boasts a portfolio of over 500 private sector clients, in addition to extensive experience serving multilateral organizations (UNDP, CAF, World Bank, IADB) in areas of mitigation, adaptation, and the structuring of emission reduction and carbon removal projects.

The company's consultancy services, specialized software, and high-quality carbon projects are designed to support, in an integrated manner, companies and governments on their decarbonization journeys. Its technological solutions are utilized by clients in 40 countries.⁵

In addition to its comprehensive expertise and experience acquired over 18 years in the field of climate change and sustainability, one of WayCarbon's differentiators is its connection with controlling shareholder, Banco Santander. Headquartered in Spain, Banco Santander is a global financial institution with a significant presence in Brazil. Santander plays an important role in supporting sustainable development and is an active member of the Net Zero Banking Alliance, demonstrating its solid commitment to leading innovation and promoting sustainability.

Santander is already carbon-neutral in its own operations and aspires to achieve net-zero emissions across the entire group by 2050, in support of the Paris Agreement's goals concerning climate change.⁶ With a large and strategic presence in the

Brazilian agricultural sector, the Bank aligns itself with the growing demands for responsible and efficient agricultural practices and brings with it vast financial expertise in the sector.

Santander's proactive approach reflects its commitment to decarbonizing its value chain. This initiative not only reinforces Santander's position as a leader in sustainability, but also expands the possibilities for companies to collaborate and partner with WayCarbon. As an integral part of this banking ecosystem, WayCarbon is positioned to offer solutions and strategic partnerships that transcend conventional borders. Together, WayCarbon and Santander have the potential to promote a significant transformation of their partners, leading them towards more sustainable, eco-efficient practices, aligned with global decarbonization objectives that boost the growth and competitiveness of their businesses.

Enhanced Rock Weathering

Verde has developed partnerships with leading British universities in Soil Science⁷ that have proven Verde's Product has the potential to capture carbon dioxide from the atmosphere through Enhanced Rock Weathering ("ERW").

ERW refers to a suite of techniques aimed at accelerating natural rock weathering, which involves the breakdown of minerals and the absorption of CO₂ from the atmosphere. In nature, the process takes centuries as the rocks' surface is gradually weathered down and reacts with CO₂ to form new stable carbonate minerals or bicarbonate ions, effectively removing CO₂ from the atmosphere and storing it for thousands of years.

By crushing and grinding such minerals and spreading it over large areas, ERW significantly accelerates the absorption of CO₂. The speed of mineral weathering can be calculated using a 'shrinking core model', which assumes that the reaction occurs at the surface of the mineral so that the unreacted core gradually shrinks over time.

As detailed by an independent study conducted at Newcastle University under the leadership of Prof. David Manning, PhD, a renowned soil scientist, the carbon dioxide capture properties of the Products are estimated at 120kg per ton. The potential CO₂ removal does not require any change to the Products' production and farmland application methods, nor does it change the nutritional benefits to plants. Thus, the Products undergo ERW to permanently capture atmospheric CO₂ while releasing potassium and other plant nutrients.

In addition, the Product potentially undergoes mineral dissolution in only a matter of months to a year from its application to soils, faster than the most rapid reacting silicate minerals (forsterite), which takes years to decades for a similar dissolution. Mineral dissolution is directly correlated to the capture of carbon dioxide from the atmosphere, the faster the dissolution the faster the absorption of CO₂. The conclusion was reached by a commissioned study conducted by Phil Renforth, Ph.D., at Heriot Watt University, based on peer-reviewed publication and commercial data.

About Verde AgriTech

Verde AgriTech is dedicated to advancing sustainable agriculture through the innovation of specialty multi-nutrient potassium fertilizers. Our mission is to increase agricultural productivity, enhance soil health, and significantly contribute to environmental sustainability. Utilizing our unique position in Brazil, we harness proprietary technologies to develop solutions that not only meet the immediate needs of farmers but also address global challenges such as food security and climate change. Our commitment to carbon capture and the production of eco-friendly fertilizers underscores our vision for a future where agriculture contributes positively to the health of our planet.

Cautionary Language and Forward-Looking Statements

All Mineral Reserve and Mineral Resources estimates reported by the Company were estimated in accordance with the Canadian National Instrument 43-101 and the Canadian Institute of Mining, Metallurgy, and Petroleum Definition Standards (May 10, 2014). These standards differ significantly from the requirements of the U.S. Securities and Exchange Commission. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

This document contains "forward-looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. This information and these statements, referred to herein as "forward-looking statements" are made as of the date of this document. Forward-looking statements relate to future events or future performance and reflect current estimates, predictions, expectations or beliefs regarding future events and include, but are not limited to, statements with respect to:

- i. the estimated amount and grade of Mineral Resources and Mineral Reserves;
- ii. the estimated amount of CO₂ removal per ton of rock;
- iii. the PFS representing a viable development option for the Project;
- iv. estimates of the capital costs of constructing mine facilities and bringing a mine into production, of sustaining capital and the duration of financing payback periods;
- v. the estimated amount of future production, both produced and sold;
- vi. timing of disclosure for the PFS and recommendations from the Special Committee;
- vii. the Company's competitive position in Brazil and demand for potash; and,
- viii. estimates of operating costs and total costs, net cash flow, net present value and economic returns from an operating mine.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives or future events or performance (often, but not always, using words or phrases such as "expects", "anticipates",

"plans", "projects", "estimates", "envisages", "assumes", "intends", "strategy", "goals", "objectives" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements.

All forward-looking statements are based on Verde's or its consultants' current beliefs as well as various assumptions made by them and information currently available to them. The most significant assumptions are set forth above, but generally these assumptions include, but are not limited to:

- i. the presence of and continuity of resources and reserves at the Project at estimated grades;
- ii. the estimation of CO₂ removal based on the chemical and mineralogical composition of assumed resources and reserves;
- iii. the geotechnical and metallurgical characteristics of rock conforming to sampled results; including the quantities of water and the quality of the water that must be diverted or treated during mining operations;
- iv. the capacities and durability of various machinery and equipment;
- v. the availability of personnel, machinery and equipment at estimated prices and within the estimated delivery times;
- vi. currency exchange rates;
- vii. Super Greensand® and K Forte® sales prices, market size and exchange rate assumed;
- viii. appropriate discount rates applied to the cash flows in the economic analysis;
- ix. tax rates and royalty rates applicable to the proposed mining operation;
- x. the availability of acceptable financing under assumed structure and costs;
- xi. anticipated mining losses and dilution;
- xii. reasonable contingency requirements;
- xiii. success in realizing proposed operations;
- xiv. receipt of permits and other regulatory approvals on acceptable terms; and
- xv. the fulfilment of environmental assessment commitments and arrangements with local communities.

Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Many forward-looking statements are made assuming the correctness of other forward-looking statements, such as statements of net present value and internal rates of return, which are based on most of the other forward-looking statements and assumptions herein. The cost information is also prepared using current values, but the time for incurring the costs will be in the future and it is assumed costs will remain stable over the relevant period.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that estimates, forecasts, projections and other forward-looking statements will not be achieved or that assumptions do not reflect future experience. We caution readers not to place undue reliance on these forward-looking statements as a number of important factors could cause the actual outcomes to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates assumptions and intentions expressed in such forward-looking statements. These risk factors may be generally stated as the risk that the assumptions and estimates expressed above do not occur as forecast, but specifically include, without limitation: risks relating to variations in the mineral content within the material identified as Mineral Resources and Mineral Reserves from that predicted; variations in rates of recovery and extraction; the geotechnical characteristics of the rock mined or through which infrastructure is built differing from that predicted, the quantity of water that will need to be diverted or treated during mining operations being different from what is expected to be encountered during mining operations or post closure, or the rate of flow of the water being different; developments in world metals markets; risks relating to fluctuations in the Brazilian Real relative to the Canadian dollar; increases in the estimated capital and operating costs or unanticipated costs; difficulties attracting the necessary work force; increases in financing costs or adverse changes to the terms of available financing, if any; tax rates or royalties being greater than assumed; changes in development or mining plans due to changes in logistical, technical or other factors; changes in project parameters as plans continue to be refined; risks relating to receipt of regulatory approvals; delays in stakeholder negotiations; changes in regulations applying to the development, operation, and closure of mining operations from what currently exists; the effects of competition in the markets in which Verde operates; operational and infrastructure risks and the additional risks described in Verde's Annual Information Form filed with SEDAR in Canada (available at www.sedar.com) for the year ended December 31, 2021. Verde cautions that the foregoing list of factors that may affect future results is not exhaustive.

When relying on our forward-looking statements to make decisions with respect to Verde, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Verde does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by Verde or on our behalf, except as required by law.

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¹ Combined measured and indicated mineral resource of 1.47 billion tons at 9.28% K₂O and an inferred mineral resource of 1.85 billion tons at 8.60% K₂O (using a 7.5% K₂O cut-off grade). As per the National Instrument 43-101 Standards of

Disclosure for Mineral Projects within Canada ("NI 43 -101"), filed on SEDAR in 2022. For further information, see the Pre-Feasibility Study at: <https://investor.verde.ag/wp-content/uploads/2022/05/NI-43-101-Pre-Feasibility-Technical-Report-for-the-Cerrado-Verde-Project.pdf>

² 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](#)".

³ Verde is currently fully licensed to produce up to 2.8 million tons per year of its Products and has submitted mining and environmental applications for an additional 25 million tpy awaiting approval.

⁴ One carbon credit is equivalent to one metric ton of carbon dioxide captured.

⁵ Learn more at: <https://waycarbon.com/sobre-a-waycarbon/>

⁶ Learn more at: <https://www.bancosantander.es/en/santander-sostenible/empresas>

⁷ See "[Verde's Products Remove Carbon Dioxide From the Air](#)" and "[Verde's Products Remove Carbon Dioxide from Air in Mere Months of Application](#)".