



Investors Newsletter

June 30, 2020

TSX: NPK / OTCQB: AMHPF

1. Latest Press Release and Filings

On May 15, 2020 Verde filed its Q1 2020 Results.

The Company also hosted a conference call on May 27, 2020 to present the results.

Please see below a weblink to the relevant materials:

- [MD&A](#)
- [Financial Statements](#)
- [Press Release](#)
- [Results Presentation \(Video\)](#)
- [Results Presentation \(PDF File\)](#)

2. Permits¹

2.1. Summary

Verde has 3 different mine pits, each one at a different permitting stage and targeting different volumes, as summarized in the table below:

Mine Pit	Fully Permitted to Produce (tpy)	Mining (tpy)		Environmental (tpy)	
		Granted	Pending	Granted	Pending
1	0	233,000	0	0	233,000
2	150,000	150,000	25,000,000	200,000	2,500,000
3	49,800	49,800	2,500,000	49,800	0
Total	199,800*	432,800	27,500,000	249,800	2,733,000

* Verde is fully permitted to produce a total 199,800 tpy and has applications pending for an additional 2,733,000 tpy. Nevertheless, in 2020, Verde is allowed to produce up to 285,000 tonnes due to 2019 unused mining quota.

2.2. Last 12 months

Mine Pit	Date	Category	Status	Event
2	March 30, 2020	Environment	Applied	2,500,000 tpy Preliminary and Installation License
2	March 26, 2020	Mining	Approved	25,000,000 tpy Feasibility Study
3	March 25, 2020	Mining	Applied	2,500,000 tpy Mining Concession Application
2	December 23, 2019	Mining	Granted	100,000 tpy Mining Permit
1	September 19, 2019	Environment	Applied	233,000 tpy Operating License
1	July 19, 2019	Mining	Granted	233,000 tpy Mining Concession
3	July 16, 2019	Mining	Granted	49,800 tpy Mining Permit

¹ See Glossary of Technical Terms on page 5.

3. Sales Growth

The following table shows Verde's sales growth per quarter:

Quarter	Sales Volume (Tonnes)		Variance
	2019	2020	
Q1	1,093	10,170	830%
Q2	23,600	To be announced	-
Q3	62,895	To be announced	-
Q4	32,221	To be announced	-
Total	119,809	10,170	-

Quarter	Revenue (CAD \$'000)		Variance
	2019	2020	
Q1	154	510	231%
Q2	1,329	To be announced	-
Q3	3,055	To be announced	-
Q4	1,491	To be announced	-
Total	6,029	510	-

4. Operations

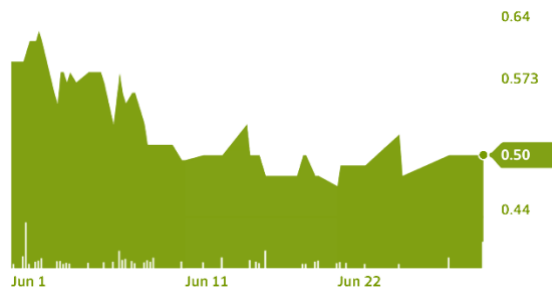
- New mill purchased. The factory expected productivity will exceed 2,400 tonnes per day, starting on Q3.
- Mining operation started on June 18 in Mine 3.
- ISO 9001 and 14001 implementation underway; certification audit expected for Q2 2021.
- Verde continues with the measures instituted across the company to help prevent the potential spread of COVID-19, as mentioned in the Q1 2020 Results Presentation.
- No confirmed cases of COVID-19 related to Verde's employees or their families so far.

5. Environmental, Social and Governance

- Verde's production process is sustainable, with no water or chemical consumption and no dams or waste generation. Recovery rate is 100%.
- Mined area is mainly composed of degraded pasture, which is being transformed into tropical forest by Verde.
- Verde planted 4,300 trees in 2019 and will plant 5,019 more in 2020.
- Verde was awarded the "Good Environmental Practices Award", promoted by the State System of Environment and Water Resources (SISEMA, in Portuguese) in the category "Best Practice of Mineral Solid Waste Management", 2019.

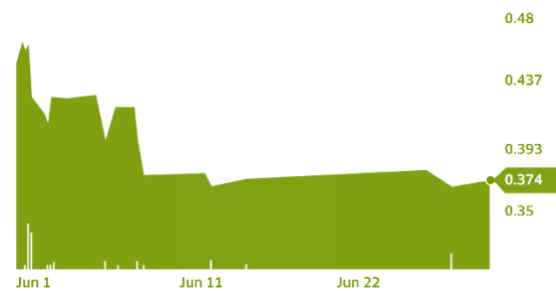
6. Share Statistics²

The graphs below show Verde's stock value over the past 30 days and average volume statistics over the past 3 months:



TSX: NPK

Average Volume (3 months) = 21.93k



OTCQB: AMHPF

Average Volume (3 months) = 3.14k

7. Top Headlines

7.1. Verde's Channel

- [The Brazilian Green Revolution](#): Our Director, Alysson Paolinelli, talks about the evolution of agriculture in the country that was a major food importer and has become one of the largest agricultural powers in the world. Paolinelli was the Minister of Agriculture in Brazil and one of the founders of the Brazilian Agricultural Research Corporation (EMBRAPA). He also won the World Food Prize in 2006.
- [Q1 2020 Results Presentation](#): Watch Verde's latest results presentationn.

7.2. Verde in the Media

- [Resource Global Network Magazine](#): A 12-page report on Verde was published in the international magazine that writes about mining, fuel, and renewable energy.

7.3. Analyst Coverage

- [Hallgarten & Company Portfolio Review for the month of May](#): Christopher Ecclestone sets a target for Verde's stock price in 12 months, page 11.

7.4. Relevant Agribusiness News

- [Brazilian Agricultural Sector Thrives Despite COVID-19 Pandemic](#): USDA report shows that the rapid devaluation of the Brazilian real made the country's agricultural exports attractive on the international market. Weak real also discouraged dollar-denominated imports and fueled internal demand for domestically produced agricultural products. Overall, Brazil's agricultural sector appears well-positioned to weather the spread of COVID-19 and the post-pandemic period.
- [Agribusiness grows in pandemic and becomes more attractive](#): Brazilian sector stood out amid the economic rebound and during the COVID-19 crisis. Valued exchange and

² Source: <https://finance.yahoo.com/>. June 30, 2020.

export capacity make Brazilian agribusiness companies more attractive for foreign investors.

- **Brazil's ag sector limits virus impact on GDP:** Brazil's agricultural GDP rose by 1.9% in the first quarter compared to the same period last year and by 0.6% on a quarterly basis, according to the government's statistics agency IBGE. Agriculture is expected to post an increase in 2020 despite the global crisis, led by a record crop and a depreciated Brazilian real against the US dollar, which boosts revenue in local currency.
- **Brazilian sugar production surges 57.09% on year:** Cumulative sugar production in Center-South Brazil reached 10.56 million mt from April 1 to June 16. The volume was the highest historical sugar production for the same period.
- **XP Inc. and Vert Launch DuAgro to Democratize Credit Access to Rural Producers:** XP Inc., a leading, technology-driven financial services platform and a trusted provider of low-fee financial products and services in Brazil, announced the launch of DuAgro, in association with VERT, the largest Brazilian agribusiness securitizer. The focus is on small- and medium-sized producers, that account for about 70% of Brazil's agricultural production.

8. K Forte® Application Calendar

The calendar below shows the agricultural production cycles and the period for application of K Forte® in different crops, according to seasonality:

Crop	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Soybeans	Harvest				K Forte® Application								Planting
Corn	Harvest			K Forte® Application				Harvest (Second Crop)		Planting			
Cotton	Planting (Second Crop)				K Forte® Application				Harvest		Planting		
Coffee	Planting - Top Dressing			K Forte® Application				Harvest		Planting - Top Dressing			
Sugarcane	Harvest (Northeast Region)				K Forte® Application				Harvest (Central-West and South Regions)				Planting - Top Dressing
	Planting (18-month cycle)												

9. Results Calendar

Results	Due Date
Q2/20	August 14, 2020
Q3/20	November 13, 2020
Q4/20	March 31, 2021
Q1/21	May 14, 2021

10. Analysts Covering Verde

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11. Verde's Social Media

Verde now has investors-only Social Media. Follow the company to receive the latest news:



YouTube



Twitter



LinkedIn



Facebook



Website

12. Schedule a Call With Verde's CEO

[Click here](#) to schedule call for a full Corporate Presentation with Verde's Founder, CEO & President, Cristiano Veloso.

If you are already familiar with Verde and would like to schedule a Q&A meeting please [click on this link](#).

13. Glossary

ANM: See "National Mining Agency".

Cerrado Verde Project ("the Project"): Located in Minas Gerais state, Brazil. Potassium-rich deposit owned by Verde, from which the Group is producing solutions for crop nutrition, crop protection, soil improvement, and increased sustainability. The Project has an NI 43-101 Measured and Indicated Mineral Resource Estimate of 1.47 billion tonnes at a grade of 9.2% K₂O, which includes a Measured Mineral Resource of 83 million tonnes with an average grade of 10.1% K₂O. The Pre-Feasibility Study of the Project evaluated the technical and financial aspects of producing 25 Mtpy of the Product divided in three phases: Phase 1 (0.6 Mtpy); Phase 2 (5 Mtpy) and Phase 3 (25 Mtpy). Cerrado Verde Project has been in production since 2017.

Exploration Authorization Application ("Requerimento de Pesquisa"): Claim for the geological exploration of an area. Interested parties must file an application for exploration authorization with the ANM and state a case for conducting mineral exploration activities. The Exploration Authorization Applications are analyzed in order of filing date. If the party requesting an exploration authorization meets the necessary legal requirements and an exploration authorization has not been previously issued for any part of the area in question, then the ANM will grant the exploration authorization.

Exploration Authorization ("Alvará de Pesquisa"): Once mineral exploration is completed, a final exploration report must be submitted for ANM's review and approval. If approved, the next step is to file, within one year, all applications for a mining concession with the Ministry of Mines and Energy (MME). The Exploration Authorization guarantees to the owner, be it an individual or a legal entity, the power and duty to carry out mineral research work in the entitled area. It grants the rights to conduct exploration activities for a period from two to four years, which may be renewed for an additional period (and potentially additional renewals on a case-by-case basis). An exploration authorization does not give the holder the right to extract mineral substances. During the research work, extraction will only be allowed in exceptional circumstances, with a specific title issued by the ANM (Mining Permit – "Guia de Utilização"). At

the end of the research stage, the holder of the mining right must present a Final Exploration Report with the results obtained from the work.

Environmental Licenses (“Licenças Ambientais”): The environmental licensing process consists of a three-step system, each step is a separate license contingent upon the prior step. In the state of Minas Gerais there is the possibility of licensing phases simultaneously, depending on the size of the project, according to the Normative Resolution 217/2017. The three phases are, as follows:

- **Preliminary License (“Licença Prévia – LP”):** Granted at the planning stage of the project, this license signals the approval of its location, concept and environmental feasibility. It establishes the basic requirements to be met during the subsequent implementation phases. The maximum term for LPs is five years.
- **Installation License (“Licença de Instalação – LI”):** This license authorizes the setup of the works and commencement of construction based on the specifications set forth in the previous license and the approved plans, programs and project designs, including environmental control measures. The maximum term for LIs is six years.
- **Operating License (“Licença de Operação – LO”):** This license authorizes the operation contingent upon compliance with the terms of the LO and the LI, including any environmental control measures and operating conditions. The maximum term for LOs is 10 years.

At the federal level, the environmental licenses are regulated by the Brazilian National Council for the Environment (Conselho Nacional do Meio Ambiente - CONAMA) Resolution No. 237/1997 and by Complementary Law No. 140/2011; at the state level, the environmental license are regulated by the State Environmental Policy Council (Conselho Estadual de Política Ambiental - COPAM).

Feasibility Study (“Plano de Aproveitamento Econômico – PAE”): report filed as part of the Mining Concession Application. It contains quantitative geological and technological studies of the mineral deposit and demonstrate the technical-economic feasibility of a mine.

K Forte® (“the Product”): Multinutrient potassium fertilizer brand marketed in Brazil by the Group.

MME: See “Ministry of Mines and Energy”.

Mine Site: An economic unit comprised of an underground and/or open pit mine, a treatment plant and equipment and other facilities necessary to produce metal concentrates, in existence at a certain location.

Mining Concession Application (“Requerimento de Lavra”): This application must satisfy certain requirements, including the presentation of the mining company’s Feasibility Study (Plano de Aproveitamento Econômico - PAE). While the ANM reviews the application for a mining concession, the applicant retains the exclusive rights to this area. Mine construction and development activity can only begin after the publication of a mining concession issued by the MME and provided that the respective license is also granted pursuant to applicable Brazilian environmental laws.

Mining Concession (“Portaria de Concessão de Lavra”): guarantees to the owner the power and duty to explore the mineral deposit until it is exhausted, without a definite term. The title can only be obtained by mining companies and only after undertaking the authorized exploration

through an exploration authorization and subsequent approval of the Final Exploration Report. One of the essential documents for requesting a mining concession is the Feasibility Study, which must demonstrate the technical and economic viability of the project and indicate, among other information, the mining method, the planned scale of production and the mine closure plan.

Mining Permit (“Guia de Utilização”): exceptional mining permit with predetermined expiration date. It is granted by the ANM and allows the mineral extraction in the area before the grant of a Mining Concession, according to the environmental legislation.

Mineral Right (“Direito Minerário”): Authorization to research and/or prospect a tenement. It is granted by the federal government through the ANM or the MME, depending on their respective competencies.

Ministry of Mines and Energy (“Ministério de Minas e Energia – MME”): federal government’s branch responsible for making public policy that covers the geological, mineral and energy resources, hydroelectric, mining and metallurgic energy sectors.

National Mining Agency (“Agência Nacional de Mineração – ANM”): federal agency subordinated to the Ministry of Mines and Energy. It is responsible for the management of mining activities and Brazilian mineral resources. Former National Department of Mineral Production (“Departamento Nacional de Produção Mineral - DNPM”).

Product: Multinutrient potassium fertilizer marketed in Brazil under the brand K Forte® and internationally as Super Greensand®, whose production and sale is the principal activity of the Group.

Tonne: A unit of weight. One metric tonne equals 2,204.6 pounds or 1,000 kilograms.

tpy: Tonnes per year.

Super Greensand® (“the Product”): Multinutrient potassium fertilizer brand marketed internationally by the Group.