



May 2, 2016

Environmental License for Verde's Project Discussed at Public Audience Held in São Gotardo

Verde Potash (TSX: "NPK") ("Verde" or the "Company") is pleased to announce that on Thursday, April 28th, a public audience was held in the city of São Gotardo, Minas Gerais, to discuss its application for an environmental license to mine Verde's potassium silicate rock. The public audience is an important step of the process to obtain an environmental license in Brazil. The public audience was requested by the Syndicate of Mineral Industry of the State of Minas Gerais ("SINDIEXTRA") and by the National Forum of Civil Society in the Basin Committees ("FONASC"). The event was chaired by Mr Franco Cristiano Alvos, who is the head of the Regional Superintendencies of Environmental Regulation ("SUPRAM") of Triângulo Mineiro and Alto Paranaíba, and attended by several authorities and different stakeholders.

The public hearing on the environmental licensing gives stakeholders an opportunity to ask questions and express opinions about the project. It also serves as an opportunity for the Company and its environmental consultants to present the project and its social and environmental impact. SUPRAM, when deciding on the preliminary license, considers all concerns and comments expressed by stakeholders at the public audience.

The public audience was held between 7:00pm and 9:19pm BRT, and attended by approximately 100 people, including the mayor of São Gotardo, Mr Seiji Sekita, city councilors, representatives from SUPRAM, members of civil associations, religious communities, social organizations, the business community, public servants, union representatives and residents of São Gotardo and neighboring towns.

Former Minister of Agriculture and Verde's director, Mr Alysson Paolinelli, was responsible for Verde's opening remarks. Mr Paolinelli stressed the importance for Brazilian farmers to use agriculture products better suited for tropical agriculture. He regarded Verde's project to be innovative as it combines technology and sustainability, offering the agricultural market natural and chemical-free products. The former Minister expressed his enthusiasm for the agronomic test results the Company and its partners have been obtaining over the past few years. Mr Paolinelli's participation in the event was instrumental because, when Minister of Agriculture, he was responsible for the early development of agriculture for the Cerrado region (wherein São Gotardo is located) and, when state Secretary of Agriculture, he chose São



Gotardo as the first area to receive a project converting barren Cerrado into highly productive agriculture farms.

“It is widely agreed that Mr Paolinelli is Brazil’s most important agriculture leader because he was responsible for some of the greatest achievements in tropical agriculture that have allowed Brazil to become the world’s farming powerhouse” commented President & CEO, Cristiano Veloso.

Mr Luiz Marcos, a former state Secretary of Mines and Energy and director of SINDIEXTRA, voiced support for the project by stressing that it combines two of Brazil’s strengths, agriculture and mining. Mr Marcos regards the project to be very significant for the country, as it will enable Brazil to produce food more sustainably in order to feed the growing global population.

Mr Antonio Geraldo, a representative of an environmental NGO, commented on the need for mining companies to be responsible in their management of water resources and try to add value to its mined products locally. He praised the project’s importance for agriculture, the high quality of the environmental assessment work undertaken by the Company, and the transparency and openness when dealing with Verde’s team throughout the process.

Cristiano Veloso commented, “We were all very pleased with the high level of support received for the project and the constructive criticism received. The Company was asked to remain committed to mitigating environmental impacts and continue supporting local communities. We have successfully reached an important mark in a highly complex and time consuming process to obtaining an environmental license in Minas Gerais State; a State in Brazil where myself, all our board members and our employees are proud to come from.”

In Brazil, environmental licensing is regulated by a federal law, but the law is interpreted and implemented autonomously by each state. The State of Minas Gerais, where the Company’s project is located, the task is performed by SUPRAM, which has a team of highly qualified and motivated professionals but suffers from underfunding and excessive demand. The State has the largest number of applications for environmental licenses in the mining sector because the State has Brazil’s longest mining history and hosts most of the country’s mines. This has been compounded by the budgetary constraints, which led to a series of strikes by government employees that have increased the backlog of environmental applications awaiting analyses. Moreover, in the last six months since the environmental tragedy caused by the collapse of a huge tailings dam in the state of Minas Gerais, environmental permitting has become even more stringent and time consuming.

The environmental licensing process has three stages, the preliminary license ("LP,"), the installation



license ("LI"), and the license to operate ("LO"). The application for an LP is accompanied by an environmental impact assessment report. The LP is often regarded as the most important of the stages as it outlines all the basic parameters of the project that have to be accepted by all the parties involved.

The Company's proposed mine pit occupies a relatively small amount of land, has very little overburden, and the operation will be without any waste by-product. Given its small footprint and minimal environmental impact, the project is classified by Brazilian environmental authorities as Class III, which allows the Company to apply for the LP and the LI simultaneously.

Next Steps

The Company believes the public hearing was another important advance towards receipt of an environmental license. Verde will continue to cooperate promptly with SUPRAM in order to help expedite its analysis and the approval.

In parallel, Verde continues the elaborate and laborious efforts of market development for its three agriculture products, TK47™, SGS™ and Alpha.

As soon as all permits are granted, the Company expects to start production relying solely on subcontractors, which will drastically minimize capex and expedite cashflow.

About Verde Potash

Verde Potash is an agri-tech company promoting sustainable and profitable agriculture through the development of its Cerrado Verde Project. Cerrado Verde, located in the heart of Brazil's largest agricultural market, is the source of a potassium-rich deposit from which the Company intends to produce solutions for crop nutrition, crop protection, soil improvement and increased sustainability. The Company's portfolio includes TK47™, Super Greensand™ and Alpha.

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