

# Railway to freight up to 50Mtpy of Verde's Product granted construction permit

12.09.2023 | [GlobeNewswire](#)

SINGAPORE, Sept. 12, 2023 - [Verde AgriTech Ltd.](#) (TSX: "NPK") ("Verde" or the "Company") is pleased to announce that the National Land Transport Agency ("ANTT", from *Agência Nacional de Transportes Terrestres*) and the Brazilian Ministry of Infrastructure have authorized Verde to build a railway branch line (the "Railway") to transport up to 50 million tonnes per year ("Mtpy") of Verde's multinutrient potassium products, BAKS® and K Forte®, sold internationally as Super Greensand®, (the "Product").

The Railway will connect Verde's production facilities to a railway node part of the Ferrovia Centro Atlântica ("FCA"), effectively linking the municipalities of São Gotardo and Ibiá, both in the state of Minas Gerais. FCA is the largest railroad network in Brazil, interconnecting seven states and the Federal District. The FCA railways are the main freight route between the Southeast, Northeast and Midwest regions in Brazil.<sup>1</sup>

"Verde's mining sites hold Brazil's largest identified potash deposit, boasting resources of 3.32 billion tonnes, compliant with the NI 43-101 standard.<sup>2</sup> By connecting our production facilities to the country's main potash consumption hubs, the Railway will provide farmers with access to a more reliable and increased Product supply. This represents another important milestone in Verde's dual objectives: reduce Brazil's dependence on imported potash and expand Verde's capability to every year capture up to 6.0 million tonnes of carbon dioxide (CO<sub>2</sub>) every year,<sup>3</sup> thereby making a true contribution to mitigating climate change," commented Cristiano Veloso, Verde's founder and CEO.

## Verde's Carbon Capture Potential

With Verde's carbon capture technology, the Company's current installed production capacity of 3.00 million tonnes per year has the capability to capture and offset up to 0.36 million tonnes of CO<sub>2</sub> annually.

In the Company's 50.00 million tonnes production scenario, we aim to emerge as one of the world's largest carbon capture projects, with a substantial total of 6.00 million tonnes of CO<sub>2</sub> permanently removed from the atmosphere each year. Verde's 3.32 billion tonnes of mineral resources hold the total carbon removal potential of 0.40 gigatonnes of CO<sub>2</sub>.

## Railway's Next Steps

With the authorization of ANTT and the Brazilian Ministry of Infrastructure granted, a contract between ANTT and Verde authorizing the exploration of the Railway in a private regime shall be subsequently signed. After that, the Company will start the environmental and engineering studies for this project.

Based on the studies for the Pre-Feasibility Study filed by the Company in 2022 (the "PFS"), Verde has determined the viability of using road haulage for distribution logistics of up to 23Mtpy of Product. A rail spur will only be necessary for logistics of production exceeding such amount.

## Railway's Capital Expenditure

The PFS estimates a CAPEX of US\$283.02 million<sup>4</sup> for the construction of a railway from São Gotardo to Ibiá to transport up to 50Mtpy of Product. The total CAPEX estimated in the PFS for the 50Mtpy Scenario is US\$ 553.99 million, which includes the railway branch line, processing costs, road improvement, licensing, technical studies and projects, land purchase, equipment, personnel mobilization and demobilization, and a 15% contingency amount.

The table below shows the summary of the financial-economic analysis for the 50Mtpy Scenario:

#### 50Mtpy Scenario

Description	Unit	Value		
Proven and probable reserves	million tonnes	1,297.66		
K <sub>2</sub> O grade	%	9.19		
Capex	US\$ million	553.99		
Operating cost	US\$/tonne of Product	8.06		
General and Administrative Expenses	US\$/tonne of Product	2.01		
Sustaining capital	US\$/tonne of Product	0.50		
Product composition	Unit	K <sub>2</sub> O	K <sub>2</sub> O + S	K <sub>2</sub> O + S + Micronutrients
Product Sale Price	US\$/tonne of Product	74.05	84.79	92.05
NPV after-tax	US\$ billion	9.34	11.50	13.54
NPV discount rate	%	8.00	8.00	8.00
IRR after-tax	%	167.86	196.19	227.08
Cumulative Cash Flow	US\$ billion	22.74	28.04	32.98

As stated in the press release published by the Company on May 16, 2022,<sup>5</sup> FCA, the railway operator, is expected to assume the investment costs for the construction of the railway branch. Verde is studying the possibility of potential partnerships for technical support in the Railway implementation and logistics operation.

#### About Verde AgriTech

Verde is an agricultural technology Company that produces potash fertilizers. Our purpose is to improve the health of all people and the planet. Rooting our solutions in nature, we make agriculture healthier, more productive, and profitable.

Verde is a fully integrated Company: it mines and processes its main feedstock from its 100% owned mineral properties, then sells and distributes the Product.

Verde's focus on research and development has resulted in one patent and eight patents pending. Among its proprietary technologies are Cambridge Tech, 3D Alliance, MicroS Technology, N Keeper, and Bio Revolution.<sup>6</sup> Currently, the Company is fully licensed to produce up to 2.8 million tonnes per year of its multinutrient potassium fertilizers K Forte® and BAKS®, sold internationally as Super Greensand®. In 2022, it became Brazil's largest potash producer by capacity.<sup>7</sup> Verde has a combined measured and indicated mineral resource of 1.47 billion tonnes at 9.28% K<sub>2</sub>O and an inferred mineral resource of 1.85 billion tonnes at 8.60% K<sub>2</sub>O (using a 7.5% K<sub>2</sub>O cut-off grade).<sup>8</sup> This amounts to 295.70 million tonnes of potash in K<sub>2</sub>O. For context, in 2021 Brazil's total consumption of potash in K<sub>2</sub>O was 6.57 million<sup>9</sup>.

Brazil ranks second in global potash demand and is its single largest importer, currently depending on external sources for over 97% of its potash needs. In 2022, potash accounted for approximately 3% of all Brazilian imports by dollar value.<sup>10</sup>

#### Corporate Presentation

For further information on the Company, please view shareholders' deck:

<https://verde.docsend.com/view/wj5mmrkeegd8qfz5>

#### Investors Newsletter

Subscribe to receive the Company's updates at: <http://cloud.marketing.verde.ag/InvestorsSubscription>

The last edition of the newsletter can be accessed at: [https://bit.ly/InvestorNL\\_July2023](https://bit.ly/InvestorNL_July2023)

### 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:

1. the estimated amount and grade of Mineral Resources and Mineral Reserves;
2. the estimated amount of CO<sub>2</sub> removal per tonne of rock;
3. the PFS representing a viable development option for the Project;
4. 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;
5. the estimated amount of future production, both produced and sold;
6. timing of disclosure for the PFS and recommendations from the Special Committee;
7. the Company's competitive position in Brazil and demand for potash; and,
8. 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:

1. the presence of and continuity of resources and reserves at the Project at estimated grades;
2. the estimation of CO<sub>2</sub> removal based on the chemical and mineralogical composition of assumed resources and reserves;
3. 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;
4. the capacities and durability of various machinery and equipment;
5. the availability of personnel, machinery and equipment at estimated prices and within the estimated delivery times;
6. currency exchange rates;
7. Super Greensand® and K Forte® sales prices, market size and exchange rate assumed;
8. appropriate discount rates applied to the cash flows in the economic analysis;
9. tax rates and royalty rates applicable to the proposed mining operation;
10. the availability of acceptable financing under assumed structure and costs;
11. anticipated mining losses and dilution;
12. reasonable contingency requirements;
13. success in realizing proposed operations;
14. receipt of permits and other regulatory approvals on acceptable terms; and
15. 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](http://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.

For additional information please contact:

Cristiano Veloso, Founder, Chairman & Chief Executive Officer

Tel: +55 (31) 3245 0205; Email: [investor@verde.ag](mailto:investor@verde.ag)

[www.verde.ag](http://www.verde.ag) | [www.investor.verde.ag](http://www.investor.verde.ag)

---

<sup>1</sup> Source: <https://www.fcatransforma.com.br/>

<sup>2</sup> Verde had commissioned an independent mineral resource and reserve study under the Canadian National Instrument 43-101, which has established a combined measured and indicated mineral resource of 1.47 billion tonnes at 9.28% K<sub>2</sub>O and an inferred mineral resource of 1.85 billion tonnes at 8.60% K<sub>2</sub>O (using a 7.5% K<sub>2</sub>O cut-off grade). This amounts to 295.70 million tonnes of potash in K<sub>2</sub>O.

For further details, 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>

<sup>3</sup> See "Verde's Products Remove Carbon Dioxide From the Air". Available at:

<https://investor.verde.ag/verdes-products-remove-carbon-dioxide-from-the-air/>

<sup>4</sup> For further information, please see page 264 of the PFS:

<https://investor.verde.ag/wp-content/uploads/2022/05/NI-43-101-Pre-Feasibility-Technical-Report-for-the-Cerrado-Verde>

<sup>5</sup> See the press release at:

<https://investor.verde.ag/wp-content/uploads/2022/05/Verde-AgriTech-Press-Release-Pre-Feasibility-Results-May-16-2022>

<sup>6</sup> Learn more about our technologies: <https://verde.docsend.com/view/yvthnpuv8jx6g4r9>

<sup>7</sup> See the release at:

<https://investor.verde.ag/verde-starts-ramp-up-of-plant-2s-second-stage-to-reach-production-of-2-4mtpy/>

<sup>8</sup> As per the National Instrument 43-101 Standards of Disclosure for Mineral Projects within Canada ("NI 43

-101"), filed on SEDAR in 2017. See the Pre-Feasibility Study at:

<https://investor.verde.ag/wp-content/uploads/2021/01/NI-43-101-Pre-Feasibility-Technical-Report-Cerrado-Verde-Project.pdf>

<sup>9</sup> Source: Brazilian Fertilizer Mixers Association (from "*Associação Misturadores de Adubo do Brasil*", in Portuguese).

<sup>10</sup> Source: Brazilian Comex Stat, available at: <http://comexstat.mdic.gov.br/en/geral>

---

Dieser Artikel stammt von [Minenportal.de](https://www.minenportal.de)

Die URL für diesen Artikel lautet:

<https://www.minenportal.de/artikel/513310--Railway-to-freight-up-to-50Mtpy-of-Verdeund039s-Product-granted-construction-permit.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

---

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!

Alle Angaben ohne Gewähr! Copyright © by [Minenportal.de](https://www.minenportal.de) 2007-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).