August 17, 2026

Brazil Senate Passes Law to Incentivize New Domestic Fertilizer Production With Several Potential Construction Funding Benefits for Brazil Potash

- *New "Profert" (Fertilizer Industry Development Program) legislation creates a tax incentive that, when combined with the previously announced SUFRAMA (Superintendence of the Manaus Free Trade Zone), has the potential to reduce Brazil Potash's construction costs by up to ~US$190 million*
- *Authorizes Brazil government backed BNDES investment agency to fund the construction of fertilizer projects*
- *Creates domestic-content floor for fertilizer sold in Brazil, starting at 2% in 2027 and rising to 10% by 2037*
- *Brazil imported ~96% of the potash it consumes and spent roughly US$15 billion on foreign fertilizer in 2025*

MANAUS, Brazil, Aug. 17, 2026 (GLOBE NEWSWIRE) -- Brazil Potash Corp. ("Brazil Potash" or the "Company") (NYSE American: GRO), a mineral exploration and development company with a critical mineral potash agriculture project, the Autazes Potash Project (the "Autazes Project"), today highlighted the potential impact of Profert (Bill's PL 699/2023), a bill approved last week by the Brazilian Senate to modernize Brazil's agribusiness infrastructure and reduce its dependency on international supply chains, on construction funding for the Autazes Project. The bill now heads to President Luiz Inácio Lula da Silva for signature into law.

Brazil spent roughly US$15 billion on fertilizer imports in 2025, which supplied approximately 85% of the fertilizer it consumed, according to data from Brazil's Ministry of Development, Industry, Trade and Services.[1] Approximately 96% of potash alone, an input essential to soybean and corn farming, was imported from a small number of supplier countries.

Profert is intended to reduce Brazil's reliance on imported fertilizer and was approved by the Chamber of Deputies in May and by the Senate on August 11, 2026. The bill now awaits signature into law by President Lula, which is expected in the coming weeks. The bill combines three instruments: a tax credit for domestic fertilizer production, the Brazilian development bank ("BNDES")'s credit line to finance sector infrastructure, and a mandatory domestic-content floor for fertilizer sold in Brazil, starting at 2% in 2027 and rising to 10% by 2037, with the potential to increase to 30%, subject to supply availability.

Potash presents different supply constraints compared to nitrogen and phosphate, the other two macronutrients used in commercial farming. Nitrogen and phosphate production could resume at idled industrial plants, whereas potash currently depends on a single conventional mine in production in Brazil, with gradually depleting reserves, covering only about 3% of domestic consumption. The domestic-content floor of potash rises annually, but Brazil's current domestic production capacity is not enough to meet those requirements.

"Profert alone doesn't solve Brazil's potash dependency; no single law would. But, for the first time, it creates a market mandate for that production to happen here in Brazil, and it reduces the capital a project like ours needs to raise to deliver that production. The bill changes the conversation with those who finance companies in Brazil," said Sérgio Leite, President of Potássio do Brasil, the Company's Brazilian subsidiary.

The Autazes Project, in Amazonas, is the largest-scale potash project in development in Brazil today: a projected capacity of 2.4 million tons per year would be equivalent to roughly six times Brazil's entire current output of the mineral. About 91% of that projected capacity is already committed under long-term take-or-pay sales agreements with AMAGGI, Keytrade and Kimia.

Profert is also expected to reduce the capital required to bring the Company's capacity online at the Autazes Project. A technical analysis of the Autazes Project's financial model shows that Profert, combined with SUFRAMA (Superintendence of the Manaus Free Trade Zone) , could exempt up to ~US$190 million in federal taxes on the Autazes Project's US$2.5 billion in initial capex, reducing the amount of capital that the Company needs to raise before construction begins by approximately 7%.

Another potential benefit of Profert for Brazil Potash is that BNDES, Brazil's National Bank for Economic Development, is authorized to invest in the construction of new domestic fertilizer production capacity.

Brazil Potash's eligibility for Profert tax exemptions on equipment and construction materials as contemplated in the bill will depend on a competitive selection process, under regulations from the Ministry of Agriculture and Livestock (MAPA), which have not been published. In addition, the Company will require specialized legal and tax counsel in relation to combining the potential benefits from both the SUFRAMA and Profert regimes. As such, there is no certainty that these benefits will be realized by the Company.

About Profert

Profert (Bill's PL 699/2023) was approved by the Chamber of Deputies on May 27, 2026, and by the Senate on August 11, 2026, and now awaits signature into law by President Lula. The bill creates a production tax credit of up to 20% of investment in domestic fertilizer production (capped at R$2 billion per year between 2027 and 2031), a mechanism separate from the capex analysis presented above, a BNDES credit line to finance sector infrastructure, and the domestic-content floor as further described in this news release.

About Brazil Potash

Brazil Potash (NYSE-American: GRO) (www.brazilpotash.com) is developing the Autazes Project to supply fertilizers to one of the world's largest agricultural exporters. Brazil is critical for global food security as the country has amongst the highest amounts of fresh water, arable land, and an ideal climate for year-round crop growth, but it is vulnerable as it imported approximately 97% of its potash fertilizer in 2025, despite having what is anticipated to be one of the world's largest undeveloped potash basins in its own backyard. The potash produced will be transported primarily using low-cost river barges on an inland river system in partnership with Amaggi (www.amaggi.com.br), one of Brazil's largest farmers and logistical operators of agricultural products. With an initial planned annual potash production of up to 2.4 million tons per year, Brazil Potash's management believes it could potentially supply approximately 20% of the current potash demand in Brazil. Management anticipates 100% of Brazil Potash's production will be sold domestically to reduce Brazil's reliance on potash imports while concurrently mitigating approximately 1.4 million tons per year of GHG emissions.

Cautionary Note Regarding Forward-Looking Statements

This document contains forward-looking statements as defined within Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, or the United States Private Securities Litigation Reform Act of 1995, which are statements that are not historical facts. All statements, other than statements of historical facts, included herein and public statements by our officers or representatives, that address activities, events or developments that our management expects or anticipates will or may occur in the future, are forward-looking statements, including but not limited to such things as future business strategy, plans and goals, timelines and anticipated achievements, planned milestones, competitive strengths and expansion and growth of our business. These forward-looking statements, along with terms such as "anticipate," "expect," "intend," "may," "will," "should," and other comparable terms, involve risks and uncertainties because they relate to events and depend on circumstances that will occur in the future, and include risks related to changes in our operations; uncertainties concerning estimates; industry-related risks; the commercial success of, and risks related to, our development activities; uncertainties and risks related to our reliance on contractors and consultants; uncertainties and risks related to the capital markets and ability to raise additional funds for project construction. Those statements include statements regarding the intent, belief, or current expectations of the Company and members of its management, as well as the assumptions on which such statements are based, and such forward-looking statements include, without limitation, statements regarding the eligibility of the Company to realize any benefits from Profert, Brazil’s future potash dependency and demand, the Company’s projected capacity at its Autazes Project, the Company’s ability to qualify for federal tax exemptions, the Company’s projected capital needs, timing of implementation of Profert, tax effects of Profert legislation not yet enacted, eligibility for government programs and competitive selection processes, the ability to combine the SUFRAMA and Profert regimes, and the impact on the capital structure of the Autazes Project. Although we have attempted to identify important factors that could cause actual results to differ materially from those described in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Although these forward-looking statements were based on assumptions that the Company believes are reasonable when made, you are cautioned that forward-looking statements are not guarantees of future performance and that actual results, performance or achievements may differ materially from those made in or suggested by the forward-looking statements contained in this news release. In addition, even if our results, performance, or achievements are consistent with the forward-looking statements contained in this news release, those results, performance or achievements may not be indicative of results, performance or achievements in subsequent periods.

Forward-looking statements are subject to risks and uncertainties, many of which are beyond the control of the Company, including those described in the "Risk Factors" section of the Company's annual report on Form 20-F filed with the Securities and Exchange

Commission and other filings. These risks include, but are not limited to, fluctuations in potash supply and demand, changes in competitive pressures, timing and amount of capital expenditures, changes in capital markets, currency and exchange rate fluctuations, unexpected geological or environmental conditions, changes in government legislation and regulations, political or economic developments in relevant jurisdictions, success in obtaining required licenses and permits, ability to secure project financing, and other operational risks.

Readers are cautioned not to place undue reliance on any of these forward-looking statements. These forward-looking statements speak only as of the date hereof. The Company expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with respect thereto or any change in events, conditions, or circumstances on which any statement is based, unless required by law.

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[1] https://www.gov.br/mdic/pt-br/assuntos/sdic/confert/o-confert/o-conselho

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