

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Nov 22, 2016) - [DuSolo Fertilizers Inc.](#) (TSX VENTURE:DSF) ("DuSolo" or "the Company") is very pleased to provide an update on its corporate activities, exploration and permitting status, product development, new management appointments and the re-start of extraction operations at the Santiago Project. The Company has been undergoing a restructuring of its operations in Brazil and Canada, optimizing the value of its assets to create significant value for shareholders.

## OVERVIEW

The Company's assets consist of a number of exploration concessions in Tocantins State (totaling 54,073 hectares) containing phosphate rock ( $P_2O_5$ ) deposits, and the Company also owns and operates the Santiago Project, located in Tocantins State, with a crushing / milling / screening plant located near the town of Campos Belos, just south of the Tocantins border in Goias State. The Company produces a Direct Application Natural Fertilizer ("DANF") sold to local farmers and large agricultural companies such as COFCO, Bunge, Jalles Machado and Goiasa, who are among the largest growers of sugar cane, soya beans and corn in Brazil.

The Company recently completed delivery of all stockpiled phosphate material at the Campos Belos plant, and given existing sales contracts and customer demand, has re- started extraction operations at the Santiago Project. This material will provide DANF for customer deliveries in 2016 and through to mid-2017. The Company is not basing its production decision on a feasibility study of mineral reserves demonstrating economic and technical viability, as a result there is increased uncertainty and economic and technical risks of failure associated with its production decision. The Company is currently finalizing a Preliminary Economic Assessment ("PEA") of DANF production - please see the section of this release entitled "Technical Reports".

The Company continues to focus on cost reduction and completed the consolidation of its management and technical team in the Belo Horizonte office. As at 1<sup>st</sup> November the Company had c.\$2m in cash as it continues to work on the development of its Bonfim Project in Brazil.

## STOCKPILE SALES

The Company has now processed and sold all its stockpiles of both product and run-of- mine ("ROM") material at the Campos Belos Plant. Total sales to November 17, 2016 of both 12% and 15% Phosphate DANF are 27,868 tonnes. The Company currently has signed forward sales contracts to deliver an additional 9,306 tonnes.

## NEW PRODUCT DEVELOPMENT

Brazil remains a substantial agricultural market and imports significant quantities of fertilizer including phosphate-based products. The Company is working with Agroconsult, the leading Brazilian consultancy for agriculture and fertilizers, to determine market size potential and pricing ranges for various products to be used in the PEA for the acid granulated product.

Two potential products include the granulation of higher grade material (approximately 15%  $P_2O_5$ ) with sulphuric acid to improve the agronomic performance, and beneficiation of medium grade material (between 6%-8%  $P_2O_5$ ) to produce products such as Single Super Phosphate ("SSP").

## RESOURCE DRILLING

Exploration work continues at the Company's concessions, with field mapping, auger drilling and sampling. A drilling program for the Bonfim, Amaury and Depasa concessions has been designed with input from various technical consultants, to maximize the information generated including samples for metallurgical testing, whilst minimizing the drilling cost. Drilling will include augering, diamond core and reverse circulation holes. This program will provide data to prepare an updated resource estimate at the Bonfim, Amaury and Depasa concessions, targeting material similar to the existing resources grading between 6%-8%  $P_2O_5$  and will occur in 2017.

Assuming successful exploration results and a positive increase in the resources which are the subject of the Company's existing resource estimate, the Company expects to assess the potential for the production of a high grade phosphate fertilizer, similar to SSP, utilizing the medium grade (6-8% Phosphate) material at the Company's concessions.

The Company has focused its exploration efforts during the second half of 2016 to support the re-start of the extraction of phosphate rock, prepare the PEA for DANF production and to help prepare the necessary Exploration Reports for the National Department for Mineral Production ("DNPM") that will allow for Kalunga I & II, Depasa and Bonfim to convert to mining concessions. The Company also intends to relinquish concessions east of the main phosphate bearing structure as these are deemed to have little potential.

## TECHNICAL REPORTS

The Company is in the process of preparing the following two Technical Reports with its independent technical consultant GE21 Consultoria Mineral based in Belo Horizonte:

- A PEA for the production of 12% and 15% Phosphate DANF expected by the end of 2016. This report will include an updated Resource for the Santiago Project and is targeting the extraction and processing of up to 100,000tpa.
- On the back of the PEA report noted above, the Company is working on a second PEA for the production of an Acid Granulated Phosphate Fertilizer combining 15% Phosphate DANF with Sulphuric Acid to improve the agronomic performance of the DANF. The intent of this granulated product is to widen the market available to the Company, and achieve higher selling prices due to improved solubility and agronomic performance. This report is targeted for completion by mid-2017.

## PERMITTING

The Company is currently permitted to extract material from the Santiago Project by a Guia de Utilization ("GUIA") issued by the DNPM, and an Environmental Licence issued by Naturatins, the Tocantins State Environmental Agency. GUIAs are issued under the terms of the exploration concessions, and are replaced by the life of mine licence known as a Portaria de Lavra, issued by the DNPM. The GUIAs are re-issued on an annual basis and are valid until after completion of exploration activities and the issuance of the Portaria de Lavra. A life of mine Environmental Licence is also required, issued by Naturatins.

The Company expects to renew its GUIA to permit the extraction of 100,000t per annum in or before April 2017, and its current Environmental Licence is valid until August 2018. After completing the DANF PEA in 2016, the Company will prepare and submit its application for a Portaria de Lavra in early 2017, and expects to receive approval during 2017. In a parallel process the Company will apply for its life of mine Environmental Licence from Naturatins. The Company and its consultants meet regularly with both DNPM and Naturatins and do not anticipate any issues in obtaining its life of mine licences for the DANF operation.

As the Company's assessment of an acid granulated product and then a high-grade fertilizer progress, additional applications will be required to obtain amendments to the Company's existing licences. As with any such permitting process it is subject to interaction with State and Federal authorities and there can be no guarantee that the Company will be able to acquire such licences.

## NEW MANAGEMENT

The Company is very pleased to confirm the appointment of Cris Gallina as the Country Manager of DuSolo's Brazilian operations, replacing Sharon Levy. Mr. Gallina is a Mining Engineer and MBA with 16 years of experience in operations, project development, strategic planning and mineral processing in large multinational companies - Rio Tinto and Vale. As a project manager, consolidating the disciplines of geology, mine planning, mineral processing, engineering, logistics, environment among others, Mr. Gallina has been involved with numerous projects from \$20 million to \$4 billion. Mr Gallina also has considerable experience in management (approx. 350 people) in the areas of mine, plant (crushing, mill, concentration), rail and port operations at projects in Brazil, Uruguay, Paraguay, Argentina and Australia.

## CONVERTIBLE LOAN

The Company continues its discussions with Tembo Capital Mining Fund LP regarding the repayment or potential re-structuring of the Company's convertible debenture in the amount of \$750,000 (the "Loan"). As previously announced the Loan has been extended until the 30<sup>th</sup> November.

## QUALIFIED PERSONS

The technical content of this news release has been reviewed and approved by Mr. Porfirio Cabaleiro Rodriguez and Mr. Bernardo Viana, both Managing Partners of GE21 Consultoria Mineral, in compliance with the standards of disclosure as set out in NI43-101. Mr. Rodriguez and Mr. Viana are "independent qualified persons" for the purposes of NI43- 101 Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators.

On behalf of DuSolo Fertilizers Inc.

Giles Baynham, Chief Executive Officer and Director

## FORWARD LOOKING STATEMENTS

*Certain information contained in this press release constitutes "forward-looking information", within the meaning of Canadian legislation. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as*

*"plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur", "be achieved" or "has the potential to". Forward looking statements contained in this press release may include statements regarding the future operating or financial performance of DuSolo which involve known and unknown risks and uncertainties which may not prove to be accurate. Actual results and outcomes may differ materially from what is expressed or forecasted in these forward-looking statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Among those factors which could cause actual results to differ materially are the following: market conditions and other risk factors listed from time to time in our reports filed with Canadian securities regulators on SEDAR at [www.sedar.com](http://www.sedar.com). The forward-looking statements included in this press release are made as of the date of this press release and DuSolo disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities legislation.*

*For more information please refer to the technical report filed on SEDAR and titled "Bomfim Agro- Mineral Phosphate Project, Technical Report and Initial Resource Estimate Tocantins and Goiás States, Brazil," filed on March 5, 2014, effective December 31, 2013, and amended on February 6, 2015. The resource estimate was signed off by Mr. Porfirio Cabaleiro Rodriguez an Associate Consultant of Coffey Consultoria e Serviços Ltda., and was prepared in compliance with the standards of disclosure as set out in NI43-101. Mr. Rodriguez is an "independent qualified person" for the purposes of NI43-101 Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators.*

*Disclosure - The Company's decision to produce DANF, its DANF production targets and cash flow projections were not based on a feasibility study of mineral reserves demonstrating economic and technical viability. Without a technical report demonstrating economic and technical viability, there is uncertainty as to whether the Company will be able to economically produce DANF in a long run and as to whether the Company will be confronted with any unforeseen technical impediments. Similarly, the Company has not completed a preliminary economic assessment before making production and project expansion decisions.*

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