

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Mar 23, 2017) - [DuSolo Fertilizers Inc.](#) (TSX VENTURE:DSF) ("DuSolo" or "the Company") is very pleased to announce the completion of a positive Preliminary Economic Assessment ("PEA") of the Company's Direct Application Natural Fertilizer ("DANF") Santiago Project (the "DANF PEA"). The DANF PEA was prepared by the independent consultants GE21 Ltda.

Giles Baynham, CEO of DuSolo, noted "We are very pleased to complete this DANF PEA and announce the results. Whilst we have been producing and selling DANF since 2015, this is the first Technical Report which demonstrates the positive economic potential of Santiago, and the Company believes it is the start of demonstrating the longer-term and higher value potential of the Company's assets in Brazil which will be the Company's aim throughout the course of 2017. We are now working on a separate PEA for the acid granulated DANF product (the "AG DANF PEA"), as well as exploration of the Amaury Concession. Market and product development is underway, as recommended by our market consultants, to achieve the DANF prices in the Upside Case."

The DANF PEA is the first stage of the Company's strategy to demonstrate the economic potential of the Company's mineral resources based on the phosphate ("P₂O₅") deposits at its BonFim Project in Brazil. The Santiago deposit within the Bonfim area currently extracts phosphate rock which is processed into two DANF products grading 12% and 15% P₂O₅ at the Campos Belos Plant. The second stage of this strategy is to further improve its economic viability through the potential production of an Acid Granulated Phosphate Fertilizer, which combines 15% DANF with sulphuric acid to improve the agronomic performance of the DANF. This granulated product is expected to increase the market available to the Company, and yield higher selling prices due to improved solubility and agronomic performance based on a market study completed by Agroconsult. With the positive results of the DANF PEA, the Company has commenced the second stage of the strategy to produce the AG DANF PEA which is targeted for completion in the second half of 2017.

DANF PEA HIGHLIGHTS

- Indicated Resources of 1.16Mt at 8.23% P₂O₅, including 0.29Mt at 14.78% P₂O₅
- Inferred Resources of 2.70Mt at 8.58% P₂O₅, including 0.82Mt at 14.72% P₂O₅
- Life of Mine ("LOM") 12.5 years
- LOM Production of 543Kt of 12% DANF and 635Kt of 15% DANF
- Post-tax NPV (10%) of US\$13.0m
- Zero Initial Capital (already operating)
- Operating Costs (Mine, Plant, G&A) of US\$18.47/t
- Upside Case NPV(10%) of US\$30.3m based on Agroconsult Consultoria e Projetos ("Agroconsult") DANF Prices

Note that the DANF PEA is preliminary in nature as it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability, and as such there is no certainty that the preliminary assessment and economics will be realized. A NI43-101 technical report for the DANF PEA will be filed on SEDAR (www.sedar.com) and posted on DuSolo's website (www.dusolo.com) within 45 days.

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.

GEOLOGY & MINERAL RESOURCES

The Bonfim Project, within which the Santiago Project lies, is within a large package of rocks along the western edge of the São Francisco craton and immediately east of the Brasília fold belt in central Brazil (Mendonça and Campos, 2012; Da Rocha Araujo et al., 1992).

Within this area, rocks of the base of the Bambuí Group can be found that are associated with the Sete Lagoas Formation, which is host to the phosphate mineralization. It includes the pelitic, carbonatic and phosphatic rocks that overlie the granitic rocks of the Aurumina Suite. The Sete Lagoas Formation can be found in the majority of the area and is distributed to the east of the granitic basement.

Mineral exploration work and exploratory drilling was intensified since the March 7, 2014 Technical Report which included the Amaury and Bonfim Concessions. Re-interpretations were undertaken and - because of the various types of mineralization present, which display a large range of phosphate concentrations - the mineralization was separated into two principal groups: high grade (HG) and low grade (LG).

The Mineral Resource Estimate for the Santiago Project was updated for this DANF PEA utilising recent drilling and exploration results, including a better understanding of the mineralization types and zoning, and of the continuity of grades and mineralization based on the extraction of around 100,000 tonnes since late 2014 from the Santiago Project.

Table 1
Mineral Resource Table - Phosphate
Indicated and Inferred Resources

Resource	Type	Tonnes (Mt)	P ₂ O ₅ %	CaO%	MgO%	SiO ₂ %	Al ₂ O ₃ %	LOI%
Indicated	HG*	0.29	14.78	20.49	1.02	41.53	8.44	4.08
	LG*	0.87	6.08	7.92	1.22	58.79	9.96	3.90
Total Indicated		1.16	8.23	11.03	1.17	54.52	9.59	3.94
Inferred	HG*	0.82	14.72	20.92	0.97	42.62	7.95	4.22
	LG*	1.88	5.89	7.83	1.48	58.39	10.73	4.43
Total Inferred		2.70	8.58	11.82	1.32	53.59	9.88	4.37

* High Grade Mineralization (HG): P₂O₅ ≥ 10%, Low Grade Mineralization (LG): P₂O₅ ≥ 3% and <10%

* Mineral Resources are based on dry tonnes.

EXPLORATION POTENTIAL

Mineralization at Santiago remains open along the NW-SE trend, with a number of samples of outcropping phosphorite grading between 7.5% to 23.3% P₂O₅. The potential area is some 3 times the size of the current area considered in this DANF PEA and GE21 estimated an exploratory potential of 5 million tonnes to 14 million tonnes with the P₂O₅ grade varying between 4% and 18%. The potential quantity and grade is conceptual in nature, there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource in the future.

MINERAL PROCESSING & METALLURGICAL TESTING

The material is placed in the run-of-mine ("ROM") patio area, stockpiled and blended in such a way so as to guarantee a constant feed grade for the beneficiation process. The processing route consists of crushing, screening and grinding, as shown in figure 1.

To view Figure 1, please visit the following link: <http://media3.marketwire.com/docs/DuSolo-Fig1.pdf>.

All of the material that is obtained from mining is transformed into the final product, which generates products that have greater or lesser value, depending on the phosphate concentration. Therefore, tailings are not produced during ore processing, and the recovery of material during the process is 100%.

For internal quality control purposes, the company maintains its own laboratory, with equipment that serves to analyze certain characteristics of the product such as particle size, comminution, sample preparation and a spectrophotometer for determining the concentration of P₂O₅.

Table 2
Summary of Production

Material	Mass wet basis(Kt) ¹ P ₂ O ₅ (%)			
Mining products	Type	P ₂ O ₅ 12%	543	11.90
		P ₂ O ₅ 15%	635	15.24
	Total		1 178	13.70
Waste Rock			865	n/a
Material Stockpiled for Potential Future Beneficiation			1 080	7.15
Strip Ratio ²	1.56			
Strip Ratio ³	0.37			

¹Wet tonnes contain 12% moisture, both as ROM and as product;

²Considers the material stockpiled for Potential Future Beneficiation as waste rock;

³Considers the material stockpiled for Potential Future Beneficiation as product.;

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CAPITAL & OPERATING COSTS

As the Santiago Project and the Campos Belos plant are already extracting and processing phosphate rock, there is no additional capital requirement for the Project. Sustaining capital over the LOM is minimal and included in the maintenance costs. The Company estimates the existing capital equipment (primary crusher, hammer mills) have a capacity of c.280,000 tonnes per annum and the projected DANF PEA production of 100,000 tonnes per annum is approximately 35% of the actual installed

capacity, resulting in reduced operating hours and general wear. Mobile equipment such as trucks, water trucks and front-end loader and excavator are all supplied on a contract basis. The Company maintains insurance for its assets which includes the Campos Belos plant.

Operating costs are based on actual costs incurred by the Company, using the 2016 actual mining and processing costs. Fixed costs have been adjusted for the increase to 100,000 tonnes per annum.

Table 3

Operating Costs

<i>Item</i>	<i>Cost</i>	<i>Unit</i>
<i>Mine Ore</i>	<i>2.88</i>	<i>US\$/t ROM</i>
<i>Waste Rock</i>	<i>0.97</i>	
<i>Transport & Road Maintenance</i>	<i>6.17</i>	
<i>Plant</i>	<i>5.11</i>	
<i>G&A</i>	<i>3.34</i>	
<i>Total</i>	<i>18.47</i>	

A trade-off study to assess the impact of relocating the Campos Belos Plant to the Santiago Project and significantly reducing transport costs is currently being prepared.

Taxes are included in the PEA cashflow analysis as follows:

Royalties - 3.0% of revenue

Taxes - 29.8% of EBIT

The Company has significant tax losses available to be applied to future income in Brazil which have not been included in the DANF PEA analysis.

DANF MARKET REPORT & PRICES

This DANF PEA has assumed the following prices for the DANF products, based on the prices in 2016 and currently being received for the following products:

DANF 12% P₂O₅ - US\$31/t

DANF 15% P₂O₅ - US\$56/t

Agroconsult provided a market study for the DANF products that DuSolo intends to produce. Assuming an average LOM production of 50,000tonnes per year for each product, Agroconsult's analysis suggests the following prices can be achieved:

DANF 12% P₂O₅ - US\$76.4/t

DANF 15% P₂O₅ - US\$93.7/t

These prices are higher than currently achieved, but Agroconsult notes that with the correct strategy of market and price development and branding these higher prices could be achieved. GE21 have prepared an upside case model using the higher Agroconsult prices, and assuming an increase in marketing and selling costs of US\$1,11 per tonne (approximately 50% increase in G&A). This results in an increase of the net present value to US\$30,28million. GE21 recommends that management maintain its focus on marketing and sales prices, as this could provide significant improvements in the Santiago Project returns for limited increases in operating costs.

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. 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.

Neither the TSX Venture Exchange Inc. nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange Inc.) accepts responsibility for the adequacy or accuracy of this press release.

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