ITAFOS

Management Discussion and Analysis of Operations and Financial Condition
For the three and six months ended June 30, 2018

TABLE OF CONTENTS

1. GENERAL COMPANY INFORMATION 3
2. HIGHLIGHTS 4
3. PROJECTS 7
4. STRATEGY AND OUTLOOK 10
5. OVERVIEW OF RESULTS 12
6. STATEMENTS OF OPERATIONS 13
7. FINANCIAL CONDITION 16
8. TAXES 21
9. TRENDS IN THE PHOSPHATE FERTILIZER MARKETS 22
10. BUSINESS RISKS AND UNCERTAINTIES 25
11. CONTINGENCIES 25
12. CRITICAL ACCOUNTING POLICIES AND ESTIMATES 25
13. DISCLOSURE CONTROLS AND PROCEDURES 26
14. OTHER DISCLOSURES 27

MANAGEMENT DISCUSSION AND ANALYSIS OF OPERATIONS AND FINANCIAL CONDITION

All figures are in thousands of US Dollars ("$"). Unless otherwise specified, all financial information in this Management Discussion and Analysis of Operations and Financial Condition ("MD&A") is prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and is presented in accordance with International Accounting Standard 34 – Interim Financial Reporting and Interpretations issued by the International Financial Reporting Interpretations Committee. This MD&A is effective as of August 14, 2018 and should be read in conjunction with the Company's condensed consolidated interim financial statements for the three and six months ended June 30, 2018 (the "Consolidated Financial Statements"). A copy of this MD&A and additional information relating to the Company is available online under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com. Cautionary statements regarding forward-looking information, mineral reserves and mineral resources are included in this MD&A (see Section 13).

1. GENERAL COMPANY INFORMATION

Itafos (TSXV: IFOS) (the "Company") is a vertically integrated phosphate based fertilizers and specialty products company with an attractive portfolio of long-term strategic businesses located in key fertilizer markets worldwide. The Company has current fertilizer production capacity of approximately 1.1Mt per year and total resources of 870.1Mt with contained P_2O_5 resources of 119.7Mt[1].

The Company owns, operates and is developing the following projects:

- Itafos Conda – a vertically integrated phosphate fertilizer business with production capacity of approximately 550kt per year of mono-ammonium phosphate ("MAP"), super phosphoric acid ("SPA"), merchant grade phosphoric acid ("MGA") and specialty products including ammonia poly phosphate ("APP") located in Idaho, US;
- Itafos Arraias – a vertically integrated phosphate fertilizer business with production capacity of approximately 500kt per year of single super phosphate ("SSP") located in Tocantins, Brazil;
- Itafos Paris Hills – a phosphate mine project located in Idaho, US;
- Itafos Farim – a phosphate mine project located in Farim, Guinea-Bissau;
- Itafos Santana – a vertically integrated phosphate fertilizer project located in Pará, Brazil;
- Itafos Araxá – a rare earth oxide and other elements mine project located in Minas Gerais, Brazil; and
- Itafos Mantaro – a phosphate mine project located in Junin, Peru.

Key highlights of the Company's projects are as follows (see Section 3):

Item	Itafos Conda	Itafos Arraias	Itafos Paris Hills	Itafos Farim	Itafos Santana	Itafos Araxá	Itafos Mantaro
Location	Idaho, US	Tocantins, Brazil	Idaho, US	Farim, Guinea-Bissau	Pará, Brazil	Minas Gerais, Brazil	Junin, Peru
Stage	Operations	Ramp up complete[2]	Feasibility	Feasibility	Feasibility	Pre-feasibility	Pre-feasibility
Total resources[3]	Under review	91.7Mt at avg. 4.8% P_2O_5	104.1Mt at avg. 25.1% P_2O_5	143.2Mt at avg. 28.2% P_2O_5	87.0Mt at avg. 10.1% P_2O_5	28.3Mt at avg. 8.0% P_2O_5	415.8Mt at avg. 9.1% P_2O_5
Mine life	Under review	19 years	19 years	25 years	32 years	Pending feasibility	Pending feasibility
Product	MAP, SPA, MGA, APP	SSP and excess sulfuric acid	Phosphate rock	Phosphate rock	SSP and excess sulfuric acid	Rare earth oxides and other elements	Phosphate rock
Annual production	550kt	500kt	1.0Mt	1.3Mt	500kt	Pending feasibility	Pending feasibility

[1] Does not include Itafos Conda total resources.

[2] See Note 23 in the Consolidated Financial Statements.

[3] Total resources inclusive of reserves, measured and indicated resources and inferred resources. Latest respective NI 43-101 reports are filed on SEDAR.

The Company's principal shareholder is CL Fertilizers Holding, LLC ("CLF"), formerly known as Zaff LLC (see Section 7). CLF is an affiliate of Castlelake L.P., a global private investment firm.

On January 6, 2017, the Company's shares commenced trading on the Toronto Stock Exchange Venture (TSXV) under the trading symbol "IFOS" following the change of the Company's name from MBAC Fertilizer Corp. to Itafos in Q4 2016. The Company's registered office is at Ugland House, Grand Cayman, Cayman Islands KY1-1104.

2. HIGHLIGHTS

ITAFOS CONDA ACQUISITION

On January 12, 2018, the Company completed the acquisition of Itafos Conda from Agrium, Inc. ("Agrium"), a wholly-owned subsidiary of Nutrien Ltd. The transaction included a MAP offtake agreement whereby Agrium purchases 100% of MAP produced by Itafos Conda through 2023 and an ammonia supply agreement whereby Agrium supplies 100% of ammonia required by Itafos Conda through 2023.

The consideration for the acquisition was comprised of a base purchase price of $66,500 plus a working capital adjustment considering the value of inventories and other assets as of the closing of the acquisition. The value of the working capital adjustment would be adjusted once the Company and Agrium agreed the value of the inventories and other assets as of the closing of the acquisition.

The Company preliminarily recorded the consideration for the acquisition as $115,140 considering an estimated $108,640 of inventories and other assets as of the closing of the acquisition and $6,500 of property plant and equipment.

At the closing of the acquisition, the Company paid $66,500 in cash and preliminarily recorded a working capital adjustment of $48,640 to be settled against 25% of all receivables from the MAP offtake agreement from the closing of the acquisition until the liability is satisfied.

After the closing of the acquisition, the Company and Agrium agreed that the value of the inventories and other assets as of the closing of the acquisition was $102,356. The working capital adjustment reduced the preliminary consideration for the acquisition and resulted in a receivable due from Agrium included in other current assets.
The Company accounted for the acquisition of Itafos Conda as a business combination. The Company is in process of fair valuing its acquisition of Itafos Conda. The consideration for the acquisition was primarily based on the Company's view of the future cash flows expected to be generated by Itafos Conda and future cash requirements for Itafos Conda to continue to operate and fulfill its environmental and asset retirement obligations. When determining the consideration for the acquisition, the Company primarily considered the discounted cash flow valuation methodology taking into account a range of scenarios and sensitivities. As a part of the Company's process of fair valuing the net assets acquired, the Company engaged a third party to conduct an independent appraisal. The third party's independent appraisal process considers various valuation methodologies in addition to the discounted cash flow methodology for the net assets acquired. In this regard, the independent appraisal determined the preliminary value of $6,500 allocated by the Company to property, plant and equipment to be below fair value.

As a result, the preliminary values of property, plant and equipment recorded by the Company have been revised upward to reflect fair value of $57,678 for property, plant and equipment. The Company further revised the value of inventories and other assets to reflect the agreed working capital adjustment and to include an estimated $11,000 of spare parts. The revised fair values of these assets resulted in an excess book basis compared to the tax basis. Accordingly, the Company has recognized deferred tax liabilities of $11,151 calculated considering the excess book basis and a statutory tax rate of 26.8%. The revised assessment of the fair values of the net assets acquired results in a net gain on fair valuation of Itafos Conda of $51,027.

The Company will finalize the fair values of the net assets acquired on or before December 31, 2018.

Details of the preliminary and revised purchase price allocation of the net assets acquired on the transaction are as follows:

(unaudited in thousands of US Dollars)		*Revised* January 12, 2018		*Preliminary* January 12, 2018
Base purchase price	$	66,500	$	66,500
Working capital adjustment		42,356		48,640
Total consideration for net assets	**$**	**108,856**	**$**	**115,140**
Fair value of assets acquired and liabilities assumed:				
Property, plant and equipment		57,678		6,500
Inventories and other assets		113,356		108,640
Deferred tax liabilities		(11,151)		–
Net assets acquired	**$**	**159,883**	**$**	**115,140**
Gain on fair valuation of Itafos Conda, net	**$**	**51,027**	**$**	**–**

DIRECTOR APPOINTMENT

On January 12, 2018, the Company appointed Ron Wilkinson to the Board of Directors of the Company. Mr. Wilkinson retired from Agrium in February 2016 after a career spanning 40 years in the fertilizer industry. He served as Senior Vice President and President of Agrium's Wholesale Business Unit from 2004 through September 2015. In this role Mr. Wilkinson was responsible for manufacturing operations for 12 production sites, along with the associated supply chain, sales, marketing and distribution. Prior to this role, he held various positions of increasing responsibility with Agrium, Viridian, Sherritt and Imperial Oil/Exxon Chemical. Mr. Wilkinson has served on various boards, including the Canadian Fertilizer Institute, Profertil S.A. and Canpotex. Mr. Wilkinson holds a Bachelor of Science Degree in Chemical Engineering from the University of Alberta.

GBL ACQUISITION

On February 27, 2018, the Company completed the acquisition of all of the issued and outstanding common shares not previously owned, directly or indirectly, by Itafos of GB Minerals Ltd. ("GBL"), the owner of Itafos Farim.

The purchase price for the acquisition, executed through a plan of arrangement ("the GBL Arrangement") under the Business Corporations Act (British Columbia) was $48,874. $25,539 of the purchase price was paid in cash at closing (C$32,363) and $23,335 of the purchase price was paid with an issuance of 11,301,732 shares of the Company. The Company accounted for the acquisition of GBL as an asset acquisition.

Details of the purchase consideration and net assets acquired on the transaction are as follows:

(unaudited in thousands of US Dollars)		February 27, 2018
Cash	$	25,539
Shares		23,335
747,948,785 common shares of GBL (68.7% interest)	$	48,874
Total consideration for net assets (100%)	$	**71,185**
Fair value of assets acquired, and liabilities assumed		
Mineral properties	$	81,224
Cash and cash equivalents		2,898
Other current assets		488
Property, plant & equipment		206
Notes payable		(11,976)
Accounts receivable and accrued liabilities		(1,547)
Other long-term liabilities		(108)
Net assets acquired	**$**	**71,185**

Of the notes payable, $9,816 were notes payable by GBL to the Company, which were eliminated upon consolidation.

CHIEF FINANCIAL OFFICER RESIGNATION AND APPOINTMENT

On April 4, 2018, the Company announced the resignation of Rafael Rangel as Chief Financial Officer ("CFO") and the appointment, by the Board of Directors of the Company, of George Burdette to serve as CFO. Mr. Burdette comes to Itafos with over 12 years of corporate development, financial, commercial and investment management experience. Mr. Burdette led or supported over $8 billion of acquisitions, divestitures, mergers and financings in the US and in various emerging markets. Prior to joining Itafos, he was head of Americas project finance at First Solar where he was responsible for project financing and commercial initiatives in the U.S., Latin America, and South Africa. Prior to First Solar, Mr. Burdette had a range of experience in private equity and corporate roles at both Zaff Capital and AEI. Mr. Burdette holds a Bachelor of Arts in International Business and French from Wofford College and an International Master of Business Administration from the University of South Carolina.

FINANCINGS

On June 6, 2018, the Company closed a $165,000 secured term credit facility ("the Facility") with a syndicate of lenders (including CLF). The Facility is guaranteed by certain of the Company's wholly-owned subsidiaries. The Facility is further secured by certain of the Company's direct and indirect interests in certain of the Company's wholly-owned subsidiaries and certain of the other assets of the Company and its subsidiaries. The Facility accrues interest at a per annum rate of 10% commencing on June 6, 2018 until December 6, 2019 with 50% payable in cash and 50% payable in kind and 12% thereafter with 75% payable in cash and 25% payable in kind. Cash interest is payable on the 15th day of each March, June, September, and December until the Facility matures on June 6, 2022. In kind interest is capitalized into the principal on the 15th day of each March, June, September, and December until maturity, if not paid at the Company's discretion. The Company also has the ability to pay in kind interest at any time prior to maturity. There are no required principal payments until the scheduled maturity. The Company may make principal payments prior to the maturity date; however, the Company would incur prepayment penalties if principal payments are made prior to June 6, 2021. The Company also issued 2,750,000 shares to the syndicate of lenders of the Facility, of which 527,072 were issued to CLF (see Note 12 in the Consolidated Financial Statements).

ITAFOS CONDA PLANT TURNAROUND

During Q2 2018, Itafos Conda completed its planned plant turnaround on schedule and within budget. During the plant turnaround, Itafos Conda incurred $10,586 of costs, which will be deferred and depreciated over the period benefited (see Notes 3 and 7 in the Consolidated Financial Statements).

ITAFOS ARRAIAS COMMERCIAL PRODUCTION

The Company completed the recommissioning of Itafos Arraias in July 2017 on schedule and since then has been ramping up production with an initial objective to achieve commercial production by year end 2017. Due to efforts to resolve technical issues identified during the recommissioning, improve operational efficiencies and other factors (e.g., a longer and harder than expected rainy season and related power outages in the region) achieving commercial production was delayed. Accordingly, the Company revised its objective to achieve commercial production by year end 2017 to by the end of Q2 2018. The Company defines the commencement of commercial production as the date that an asset has achieved a consistent level of production, evidenced by 30 consecutive days of sustainable production at 75% capacity utilization. On July 3, 2018, Itafos Arraias achieved commercial production by meeting the capacity utilization metric (see Notes 2 and 23 in the Consolidated Financial Statements). Although Itafos Arraias has achieved commercial production, the Company will continue to focus on improving Itafos Arraias' operational efficiencies during the second half of 2018 with particular focus on mass yield, P_2O_5 recovery and overall product quality.

3. PROJECTS

OPERATING

The Company owns and operates the following operating projects:

Itafos Conda

Itafos Conda is a vertically integrated phosphate rock mine and fertilizer business located in Idaho, US. Itafos Conda is 100% owned by the Company and has been operating for over 30 years. Itafos Conda has capacity to produce approximately 550kt per year of MAP, SPA, MGA and APP serving the North American fertilizer markets.

Itafos Conda owns phosphate ore mines located within approximately 15 miles from the production facilities with a combined reserve life through 2024 and intends to extend the mine life through the development of Itafos Paris Hills (located within approximately 35 miles from Itafos Conda) and other alternatives. Phosphate ore is conventionally open pit mined by a third party operator on a cost plus basis and transported by truck and rail to the production facilities. Approximately 40% of sulfuric acid is produced internally with the remainder purchased from third parties together with sulfur at pricing tied to respective benchmarks. Ammonia is purchased from Agrium pursuant to an ammonia supply agreement at pricing tied to a phosphate benchmark.

Itafos Conda's operational flexibility offers multiple options to deliver P_2O_5 value to the North American fertilizer markets. Itafos Conda partners with leading crop services companies that have the trust of the grower market and who have the infrastructure to reach the maximum number of growers within the target sales region. Itafos Conda sells 100% of its MAP production to Agrium pursuant to a MAP offtake agreement with pricing tied to a phosphate benchmark. Itafos Conda is one of three key US producers of SPA. SPA is sold to crop input retailers who re-sell to end users. MGA and APP are sold for industrial applications.

As at June 30, 2018, Itafos Conda had 264 employees and 212 contractors (mostly from third party mining operator).

Itafos Arraias

Itafos Arraias is a vertically integrated phosphate rock mine and fertilizer business located in Tocantins, Brazil. Itafos Arraias is 96.8% owned by the Company and achieved commercial production on July 3, 2018 (see Notes 2 and 23 in the Consolidated Financial Statements). Itafos Arraias has capacity to produce approximately 500kt per year of SSP serving the Brazilian fertilizer markets, making it the largest fully integrated SSP operation in Brazil. Itafos Arraias also sells its excess sulfuric acid production.

Itafos Arraias owns phosphate ore mines located within approximately 10 miles from production facilities with approximately 91.7Mt[4] of total resources at 4.8% P_2O_5 and reserves representing a 19 year mine life. Phosphate ore is conventionally open pit mined by a third party operator on a cost per ton basis and transported by truck to the production facilities. Sulfuric acid is produced internally with sulfur purchased from third parties at pricing tied to sulfur benchmarks. Ammonia is purchased from third parties at pricing tied to ammonia benchmarks.

Itafos Arraias' resource highlights are detailed as follows:

Itafos Arraias	Tons (Mt)	Grade (%)	P_2O_5 (Mt)
Reserves	64.8	5.1	3.3
Measured and indicated resources	79.0	4.9	3.9
Inferred resources	12.7	3.9	0.5
Total resources	**91.7**	**4.8**	**4.4**

[4] The latest NI 43-101 for Itafos Arraias titled "Updated Technical Report Itafos Arraias SSP Project" and dated as of March 27, 2013 is filed under the Company's profile on SEDAR.

Itafos Arraias sells 100% of its SSP domestically to various national and regional blenders, trading companies and large farmers. Excess sulfuric acid production is sold into local sulfuric acid markets.

As at June 30, 2018, Itafos Arraias had 273 employees and 328 contractors (mostly from third party mining operator).

NEAR-TERM PIPELINE

The Company owns and is developing the following near-term projects:

Itafos Paris Hills

Itafos Paris Hills is a high grade phosphate rock mine project located in Idaho, US. Itafos Paris Hills is 100% owned by the Company and is currently in feasibility stage. Itafos Paris Hills is expected to produce 1.0Mt of phosphate rock per year and to be integrated into Itafos Conda.

Itafos Paris Hills owns phosphate ore mines located within approximately 35 miles from Itafos Conda with approximately 104.1Mt[5] of total resources at 25.1% P_2O_5 and reserves representing a 19 year mine life. The property encompasses an area of approximately 1,010 hectares and consists of three patented lode mining claims and 21 contiguous fee parcels. The property is located near the center of the western phosphate field, which comprises the most extensive phosphorite beds in the US and has one of the highest-grade phosphate deposits in the world.

Itafos Paris Hill's resource highlights are detailed as follows:

Itafos Paris Hills - Lower Zone	Tons (Mt)	Grade (%)	P_2O_5 (Mt)
Reserves	16.7	29.5	4.9
Measured and indicated resources	29.8	30.0	8.9
Inferred resources	4.6	29.9	1.4
Total resources	**34.4**	**30.0**	**10.3**

Itafos Paris Hills - Upper Zone	Tons (Mt)	Grade (%)	P_2O_5 (Mt)
Measured and indicated resources	60.3	22.7	13.7
Inferred resources	9.4	22.6	2.1
Total resources	**69.7**	**22.7**	**15.8**

Given the early stage of Itafos Paris Hills, fluctuations in commodity prices and lapse in time since the latest NI 43-101 for the project was prepared on January 18, 2013, the realizable value of the project may differ from the conclusions drawn in such latest NI 43-101.

Itafos Farim

Itafos Farim is a high grade phosphate rock mine project located in Farim, Guinea-Bissau. Itafos Farim is 100% owned by the Company and is currently in feasibility stage. Itafos Farim is expected to produce 1.3Mt of phosphate rock per year for global export.

Itafos Farim owns phosphate ore mines with approximately 143.2Mt[6] of total resources at 28.2% P_2O_5 and reserves representing a 19 year mine life. The property consists of a high grade sedimentary phosphate deposit of one continuous phosphate bed extending over a known surface area of approximately 40km2. The project has access to existing infrastructure including 70km of paved road covering the majority of the route from the site to a port that will be constructed and owned by the Company.

[5] The latest NI 43-101 for Itafos Paris Hills titled "NI 43-101 Technical Paris Hills Project" and dated as of January 18, 2013 is filed under STG's profile on SEDAR.

[6] The latest NI 43-101 for Itafos Farim titled "NI 43-101 Technical Report on the Farim Phosphate Project" and dated as of September 14, 2015 is filed under GBL's profile on SEDAR.

Itafos Farim's resource highlights are detailed as follows:

Itafos Farim	Tons (Mt)	Grade (%)	P_2O_5 (Mt)
Reserves	44.0	30.0	13.2
Measured and indicated resources	105.6	28.4	30.0
Inferred resources	37.6	27.7	10.4
Total resources	**143.2**	**28.2**	**40.4**

Given the early stage of Itafos Farim, fluctuations in commodity prices and lapse in time since the latest NI 43-101 for the project was prepared on September 14, 2015, the realizable value of the project may differ from the conclusions drawn in such latest NI 43-101.

MID-TERM PIPELINE

The Company owns and is developing the following mid-term projects:

Itafos Santana

Itafos Santana is a high grade integrated phosphate rock mine and SSP fertilizer project located in Pará, Brazil. Itafos Santana is 99.4% owned by the Company and is in feasibility stage. Itafos Santana is expected to produce 500kt per year of SSP to serve the Brazilian fertilizer markets.

Itafos Santana owns phosphate ore mines with approximately 87.0Mt[7] of total resources at 10.1% P_2O_5 and reserves representing a 25 year mine life. The property consists of approximately 235,150 hectares in close proximity to existing infrastructure.

Itafos Santana's resource highlights are detailed as follows:

Itafos Santana	Tons (Mt)	Grade (%)	P_2O_5 (Mt)
Reserves	45.5	12.9	5.9
Measured and indicated resources	60.4	12.0	7.2
Inferred resources	26.6	5.6	1.5
Total resources	**87.0**	**10.1**	**8.7**

Given the early stage of Itafos Santana, fluctuations in commodity prices and lapse in time since the latest NI 43-101 for the project was prepared on October 28, 2013, the realizable value of the project may differ from the conclusions drawn in such latest NI 43-101.

Itafos Araxá (Brazil)

Itafos Araxá is a unique rare earth oxide and other elements mine project located Minas Gerais, Brazil. Itafos Araxá is 100% owned by the Company and is in pre-feasibility stage. Itafos Araxá is expected to produce rare earth oxides to serve the Brazilian fertilizer markets.

Itafos Araxá owns phosphate ore mines with approximately 28.3Mt[8] of total resources at 8.0% P_2O_5 and reserves representing a 32 year mine life. The property consists of approximately 214 hectares in close proximity to existing infrastructure.

[7] The latest NI 43-101 for Itafos Santana titled "Feasibility Study – Santana Phosphate Project Pará State, Brazil" and dated as of October 28, 2013 is filed under the Company's profile on SEDAR.

[8] The latest NI 43-101 for Itafos Araxá titled "A Preliminary Economic Assessment in the form of an Independent Technical Report on MBAC Fertilizer Corp. – Araxa Project" dated October 1, 2012 as amended and restated January 25, 2013 is filed under the Company's profile on SEDAR.

Itafos Araxá's resource highlights are detailed as follows:

Itafos Araxá	Tons (Mt)	Grade (%)	P_2O_5 (Mt)
Measured and indicated resources	6.4	8.4	0.5
Inferred resources	21.9	7.9	1.7
Total resources	**28.3**	**8.0**	**2.3**

Given the early stage of Itafos Araxá, fluctuations in commodity prices and lapse in time since the latest NI 43-101 for the project was amended and restated on January 25, 2013, the realizable value of the project may differ from the conclusions drawn in such latest NI 43-101.

Itafos Mantaro (Peru)

Itafos Mantaro is a large phosphate rock mine project located in Junin, Peru. Itafos Mantaro is 100% owned by the Company and is in pre-feasibility stage. Itafos Mantaro is expected to produce phosphate rock to serve producers of phosphate based fertilizers.

Itafos Mantaro owns phosphate ore mines with approximately 415.8Mt[9] of total resources at 9.1% P_2O_5. The property consists of approximately 12,800 hectares in close proximity to existing infrastructure.

Itafos Mantaro's resource highlights are detailed as follows:

Itafos Mantaro - West Zone	Tons (Mt)	Grade (%)	P_2O_5 (Mt)
Measured and indicated resources	39.5	10.0	4.0
Inferred resources	376.3	9.0	33.9
Total resources	**415.8**	**9.1**	**37.8**

Itafos Mantaro - East/Far East Zone	Tons (Mt)	Grade (%)	P_2O_5 (Mt)
East resources	425-435	9.0	38.3-39.2
Far east resources	280-290	9.0	25.2-26.2
Total resources	**705-725**	**9.0**	**63.5-65.3**

Given the early stage of Itafos Mantaro, fluctuations in commodity prices and lapse in time since the latest NI 43-101 for the project was amended and restated on February 21, 2010, the realizable value of the project may differ from the conclusions drawn in such latest NI 43-101.

4. STRATEGY AND OUTLOOK

STRATEGY

The Company is a vertically integrated phosphate based fertilizers and specialty products company with an attractive portfolio of long-term strategic businesses located in key fertilizer markets worldwide. The Company's mission is to be a leading pure-play, geographically diverse and vertically integrated phosphate based fertilizers and specialty products company creating value for all its stakeholders in a responsible and economically sustainable manner.

[9] The latest NI 43-101 for Itafos Mantaro titled "NI 43-101 Technical Report on Mantaro Phosphate Deposit" dated February 21, 2010 is filed under STG's profile on SEDAR.

The Company expects to achieve its mission by executing the following strategy:

- owning and operating vertically integrated phosphate based fertilizers and specialty products businesses that produce and sell products that its customers need;
- optimizing its underlying portfolio, including mitigating its critical risks and maximizing cash flow over the life of the businesses; and
- positioning the Company to meet its markets' increasing demand for phosphate based fertilizers and specialty products.

In executing this strategy, the Company will focus on:

- applying and maintaining technical, environmental, health, safety and governance best practices and excellence;
- producing, marketing and selling its phosphate based fertilizers and specialty products through a combination of short to long-term contracts and wholesale market spot sales to crop retailers, farmers, producers and other offtakers;
- managing its key inputs and other fixed expenses to reduce overall costs to produce, market and sell its phosphate based fertilizers and specialty products;
- developing and maintaining, together with its management teams, market knowledge and strong relationships with local governments, regulators, communities, employees, offtakers, suppliers, etc.;
- maintaining a flexible capital structure with moderate levels of debt; and
- investing capital at attractive rates of return into brownfield and greenfield development projects and acquisitions of new businesses.

OUTLOOK

Itafos Conda

On January 12, 2018, the Company completed the acquisition of Itafos Conda from Agrium (see Note 4 in the Consolidated Financial Statements). The acquisition of Itafos Conda is a unique investment opportunity that is consistent with the Company's strategy and is immediately transformational. Itafos Conda has been operating for over 30 years and further diversifies the Company's portfolio through geography, project development stage and business characteristics. Itafos Conda is strategically positioned in southeast Idaho, in close proximity to key North American fertilizer markets. Itafos Conda currently owns phosphate ore mines with a combined expected reserve life through 2024 and has clear line of sight to extend the mine life through the development of Itafos Paris Hills and other alternatives. Currently, the Company is focusing on the integration and optimization of Itafos Conda.

Itafos Arraias

In July 2017, the Company completed the recommissioning of Itafos Arraias. On July 3, 2018, Itafos Arraias achieved commercial production (see Notes 2 and 23 in the Consolidated Financial Statements). Itafos Arraias is the largest fully integrated SSP operation in Brazil and is strategically positioned in the Cerrado region of Brazil, one of the fastest growing fertilizer markets in the world. Currently, the Company is focusing on improving Itafos Arraias' operational efficiencies during the second half of 2018 with particular focus on mass yield, P_2O_5 recovery and overall product quality.

Itafos Paris Hills

On July 18, 2017, the Company completed the acquisition of all of the issued and outstanding common shares not previously owned, directly or indirectly, by Itafos of Stonegate Agricom Ltd. ("STG"), the owner of Itafos Paris Hills and Itafos Mantaro. Itafos Paris Hills is a high-grade phosphate rock mine project located approximately 35 miles from Itafos Conda. Itafos Paris Hills is one of the highest grade undeveloped phosphate rock mine projects in the world located in a mining friendly jurisdiction. The Company expects to produce phosphate rock at Itafos Paris Hills to supply Itafos Conda, which would extend the mine life of Itafos Conda by 19 years. Currently, the Company is focusing on finalizing permitting for Itafos Paris Hills and advancing integration efforts with Itafos Conda.

Itafos Farim

On February 27, 2018, the Company completed the acquisition of all of the issued and outstanding common shares not previously owned, directly or indirectly, by Itafos of GBL, the owner of Itafos Farim (see Note 4 in the Consolidated Financial Statements). Itafos Farim is a West African high-grade and low-cost phosphate rock mining project. Itafos Farim is one of the highest grade undeveloped phosphate rock mine projects in the world located near key infrastructure. Currently, the Company is focusing on finalizing permitting, pursuing offtake alternatives, selecting contractors and securing project financing for Itafos Farim.

Mid-Term Pipeline

The Company's mid-term pipeline consists of Itafos Santana, Itafos Araxá and Itafos Mantaro. Currently, the Company is focusing on advancing the project development of Itafos Santana and evaluating strategic alternatives for Itafos Araxá and Itafos Mantaro.

Corporate

On June 6, 2018, the Company closed the Facility. Of the $165,000 long-term debt financing, $90,000 was related to the exchange and settlement of promissory notes and related accrued interest issued during 2017 and Q1 2018 for short-term financing needs. The net proceeds of the Facility will be used to fund working capital and other cash requirements of Itafos Conda and Itafos Arraias, continued implementation of the Company's business development initiatives (including, but not limited to Itafos Paris Hills and Itafos Farim) and other general corporate purposes (see Note 12 in the Consolidated Financial Statements).

5. OVERVIEW OF RESULTS

SUMMARY OF QUARTERLY RESULTS

For the three months ended June 30, 2018 and the prior three quarters, the Company's summary of quarterly results is as follows:

(unaudited in thousands of US Dollar except for per share amounts)		**June 30, 2018**		*Revised* March 31, 2018		*Original* March 31, 2018		December 31, 2017		September 30, 2017
Net income (loss)	**$**	**1,429**	$	62,023	$	10,843	$	(7,936)	$	(8,963)
Basic income (loss) per share		**0.01**		0.47		0.08		(0.09)		(0.11)
Diluted income (loss) per share		**0.01**		0.46		0.08		(0.09)		(0.11)
Total assets	**$**	**738,330**	$	661,001	$	599,642	$	421,291	$	341,702

The increase in net income during 2018 is primarily related to the operations at Itafos Conda as well as the net gain on fair valuation of Itafos Conda.

The increase in total assets during 2018 is due to the acquisitions of Itafos Conda and Itafos Farim in Q1 2018.
During Q2 2018, the Company revised the preliminary fair values for the Itafos Conda acquisition resulting in a $51,027 net gain during Q1 2018. Accordingly, the original summary of quarterly results presented for March 31, 2018 has been revised to reflect the $51,027 net gain and $153 of related adjustments (see Note 4 in the Consolidated Financial Statements).

For the three months ended June 30, 2017 and the prior three quarters, the Company's summary of quarterly results is as follows:

(unaudited in thousands of US Dollars except for per share amounts)		June 30, 2017		March 31, 2017		December 31, 2016		September 30, 2016
Net income (loss)	$	(6,943)	$	(6,569)	$	(40,413)	$	(46,743)
Basic and diluted income (loss) per share[10]		(0.09)		(0.10)		(0.69)		(25.74)
Total assets	$	328,305	$	337,880	$	304,758	$	345,613

Net losses for the periods ended September 30, 2016 and December 31, 2016 were primarily attributable to the Company's restructuring process during such periods.

The significant increases in total assets during 2017 are primarily attributed to the increase in cash from the issuance of shares and short-term debt financing, as well as the increase in assets under construction.

6. STATEMENTS OF OPERATIONS

For the three and six months ended June 30, 2018 and June 30, 2017, the Company's statements of operations were as follows:

(unaudited in thousands of US Dollars except for per share amounts)	*For the three months ended June 30,*				*For the six months ended June 30,*			
		2018		2017		**2018**		2017
Revenues, net	**$**	**67,187**	$	–	**$**	**125,303**	$	–
Cost of goods sold		**52,402**		–		**96,627**		–
	$	**14,785**	$	–	**$**	**28,676**	$	–
Expenses								
Selling, general and administrative expenses	**$**	**8,089**	$	4,701	**$**	**13,310**	$	8,170
Operating income (loss)		**6,696**		(4,701)		**15,366**		(8,170)
Foreign exchange gain (loss)		**1,066**		(127)		**1,037**		(894)
Other income (expense), net		**235**		(531)		**44**		(2,139)
Gain on fair valuation of Itafos Conda, net		**–**		–		**51,027**		–
Finance income (expense), net		**(3,342)**		(33)		**(5,327)**		(112)
Gain (loss) from investment in associates		**–**		(1,250)		**7,910**		(1,587)
Income (loss) before income taxes	**$**	**4,655**	$	(6,642)	**$**	**70,057**	$	(12,902)
Current and deferred income tax expense		**3,226**		301		**6,604**		610
Net Income (loss) attributable to parent	**$**	**1,429**	$	(6,943)	**$**	**63,453**	$	(13,512)
Net income (loss) attributable to non-controlling interest		**–**		–		**–**		–
Net Income (loss)	**$**	**1,429**	$	(6,943)	**$**	**63,453**	$	(13,512)
Basic earnings per share	**$**	**0.01**	$	(0.09)	**$**	**0.47**	$	(0.19)
Fully diluted earnings per share	**$**	**0.01**	$	(0.09)	**$**	**0.46**	$	(0.19)

For the three months ended June 30, 2018

For the three months ended June 30, 2018 and 2017, revenues were $67,187 and $0, respectively (see Note 5 in the Consolidated Financial Statements). The revenues were related to Itafos Conda, which was acquired in January 2018 (see Note 4 in the Consolidated Financial Statements).

[10] During 2016, the Company completed a 1/100 share consolidation whereby the number of shares outstanding was reduced from 181,607,492 to 1,816,066.

For the three months ended June 30, 2018, Itafos Conda's revenues were comprised as follows:

(unaudited in thousands of US Dollars except for volumes and prices)	MAP	SPA[11]	MGA	APP
Revenues, net	$ 32,334	$ 29,695	$ –	$ 5,158
Volume (t)	75,690	32,342	–	11,938
Resulting price ($/t)	$ 427	$ 918	$ –	$ 432

For the three months ended June 30, 2018, Itafos Arraias' revenues were comprised as follows:

(unaudited in thousands of US Dollars except for volumes and prices)	SSP	Sulfuric acid
Revenues	$ 3,233	$ 2,288
Volume (t)	23,530	15,214
Resulting price ($/t)	$ 137	$ 150

As Itafos Arraias was in development stage for the three months ended June 30, 2018, its revenues were offset against additions to property, plant and equipment.

For the three months ended June 30, 2018 and 2017, cost of goods sold were $52,402 and $0, respectively (see Note 19 in the Consolidated Financial Statements). The cost of goods sold were related to Itafos Conda, which was acquired in January 2018 (see Note 4 in the Consolidated Financial Statements).

For the three months ended June 30, 2018 and 2017, selling, general and administrative expenses were $8,089 and $4,701, respectively. The increase in selling, general and administrative expenses is due to the following:

- employee based compensation;
- professional services related to acquisition activities;
- consulting fees related to information technology initiatives;
- insurance; and
- other administrative expenses related to normal operations.

For the three months ended June 30, 2018 and 2017, foreign exchange gain (loss) was $1,066 and $(127), respectively. The increase in foreign exchange gain or loss is primarily attributed to the weakening of Brazilian Real in Q2 2018.

For the three months ended June 30, 2018 and 2017, other income (expense) was $235 and $(531), respectively. The net increase in other income (expense) is primarily relating to legacy labor and creditors matters resolved in favor of the Company.

For the three months ended June 30, 2018 and 2017, finance income (expense) was $(3,342) and $(33), respectively. The increase in finance expense for the period is primarily attributable to the interest on short-term promissory notes secured by the Company during the latter part of 2017 and Q1 2018 as well as the Facility secured in Q2 2018. The increase is net of $2,737 and $0, for the three months period ended June 30, 2018 and 2017 respectively, of capitalized interest due to Itafos Arraias recommissioning in progress (see Note 17 in the Consolidated Financial Statements).

For the three months ended June 30, 2018 and 2017, gain (loss) from investment in associates was $0 and $(1,250), respectively. The loss from investments in associates is due to the Company's non-controlling interests in STG and GBL. The Company acquired all of the issued and outstanding common shares not previously owned, directly or indirectly, by Itafos in STG and GBL in July 2017 and February 2018, respectively.

For the three months ended June 30, 2018 and 2017, current and deferred income tax expense was $3,226 and $301, respectively. The increase in current and deferred income tax expense is attributable to the provision for income tax for Itafos Conda (see Note 19 in the Consolidated Financial Statements).

[11] SPA volumes (t) and resulting price ($/t) are presented on a 100% P_2O_5 basis.

For the six months ended June 30, 2018

For the six months ended June 30, 2018 and 2017, revenues were $125,303 and $0 respectively (see Note 5 in the Consolidated Financial Statements). The revenues were related to Itafos Conda, which was acquired in January 2018 (see Note 4 in the Consolidated Financial Statements).

For the six months ended June 30, 2018, Itafos Conda's revenues were comprised as follows:

(unaudited in thousands of US Dollars except for volumes and prices)	MAP	SPA[12]	MGA	APP
Revenues, net	$ 67,243	$ 52,902	$ –	$ 5,158
Volume (t)	161,864	58,497	–	11,938
Resulting price ($/t)	$ 415	$ 904	$ –	$ 432

For the six months ended June 30, 2018, Itafos Arraias' revenues were comprised as follows:

(unaudited in thousands of US Dollars except for volumes and prices)	SSP	Sulfuric acid
Revenues	$ 3,430	$ 3,790
Volume (t)	27,031	21,619
Resulting price ($/t)	$ 127	$ 175

As Itafos Arraias was in development stage for the six months ended June 30, 2018, its revenues were offset against additions to property, plant and equipment.

For the six months ended June 30, 2018 and 2017, cost of goods sold were $96,627 and $0, respectively (see Note 19 in the Consolidated Financial Statements). The cost of goods sold were related to Itafos Conda, which was acquired in January 2018 (see Note 4 in the Consolidated Financial Statements).

For the six months ended June 30, 2018 and 2017, selling, general and administrative expenses were $13,310 and $8,170, respectively. The increase in selling, general and administrative expenses is due to the following:

- employee based compensation;
- professional services related to acquisition activities;
- consulting fees related to information technology initiatives;
- insurance; and
- sales and marketing expenses related to the addition of Itafos Conda and ramp up of Itafos Arraias;
- other administrative expenses related to normal operations.

For the six months ended June 30, 2018 and 2017, foreign exchange gain (loss) was $1,037 and $(894), respectively. The increase in foreign exchange gain or loss is primarily attributed to the weakening of Brazilian Real in Q2 2018.

For the six months ended June 30, 2018 and 2017, other income (expense) was $44 and $(2,139), respectively. The net increase in other income (expense) is primarily related to late payment penalties on unpaid payroll taxes in Brazil and changes in other provisions.

For the six months ended June 30, 2018 and 2017, finance income (expense) was $(5,327) and $(112), respectively. The increase in finance expense for the period is primarily attributable to the interest on short-term promissory notes secured by the Company during the latter part of 2017 and Q1 2018 as well as the Facility secured in Q2 2018. The increase is net of $4,690 and $0, for the six months period ended June 30, 2018 and 2017 respectively, of capitalized interest due to Itafos Arraias recommissioning in progress (see Note 17 in the Consolidated Financial Statements).

For the six months ended June 30, 2018 and 2017, gain (loss) from investment in associates $7,910 and $(1,587),

[12] SPA volumes (t) and resulting price ($/t) are presented on a 100% P_2O_5 basis.

respectively. The gain from investments in associates for the period represents a gain on the equity investment of GBL for the 31.3% of GBL owned prior to completing the GBL Arrangement and considers the transaction valuation over the carrying value (see Notes 4 and 10 in the Consolidated Financial Statements). The loss from investments in associates for the six months ended June 30, 2017 was primarily related to equity losses from previous equity investments that the Company had in STG and GBL.

For the six months ended June 30, 2018 and 2017, current and deferred income tax expense was $6,604 and $610, respectively. The increase in current and deferred income tax expenses for the period is primarily attributed to an increase in estimated tax payable provision for Itafos Conda (see Note 19 in the Consolidated Financial Statements).

7. FINANCIAL CONDITION

LIQUIDITY

The Company continues to focus on improved efficiencies in operations to maximize margins as well as fund development activities and further growth. In addition to the Facility closed in Q2 2018, the Company will continue to pursue further equity and/or debt financing to support the funding of strategic and development capital requirements. Based on the Company's strong capital base combined with continued interest in its platform from a diverse set of potential investors, management does not anticipate any significant challenges in raising capital.

As at June 30, 2018 and December 31, 2017, the Company's liquidity and capital resource balances were as follows:

(unaudited in thousands of US Dollars)		June 30, 2018		December 31, 2017
Cash	$	62,896	$	63,677
Accounts receivable		22,721		116
Inventories		121,664		8,277
Other current assets		28,563		9,005
Accounts payable and accrued liabilities		(99,217)		(16,937)
Current debt		(344)		(25,530)
Contract liabilities		(53)		–
Other current liabilities		(190)		(184)
Current debentures		(853)		(960)
Provisions		(546)		(542)
Working Capital	**$**	**134,641**	**$**	**36,922**

With the acquisition of Itafos Conda (a cash flow generating business) on January 12, 2018, the Company has further consolidated its operating as well as financial position.

On June 6, 2018, the Company closed the Facility. The promissory notes and related interest which were included in current debt as of December 31, 2017 were exchanged or settled with the closing of the Facility (see Note 12 in the Consolidated Financial Statements).

During Q1 2017, the Company received $29,840 from the issuance of shares through private placement and converted debt worth $3,000 to equity (see Note 15 in the Consolidated Financial Statements).

Management considered all the relevant information, as noted above, and concluded that there are no material uncertainties that would cast significant doubt upon the going concern assumption.

BALANCE SHEETS

As at June 30, 2018 and December 31, 2017, the Company's balance sheets were as follows:

(unaudited in thousands of US Dollars)		**June 30, 2018**		December 31, 2017
Assets				
Cash	$	62,896	$	63,677
Accounts receivable		22,721		116
Inventories		121,664		8,277
Other current assets		28,563		9,005
Total current assets	$	235,844	$	81,075
Property, plant and equipment, net		361,857		263,427
Mineral properties		128,170		47,195
Investments in associates		–		15,074
Other long-term assets		12,459		14,520
Total non-current assets	$	502,486	$	340,216
Total assets	$	738,330	$	421,291
Liabilities				
Accounts payable and accrued liabilities	$	99,217	$	16,937
Current debt		344		25,530
Contract liabilities		53		–
Other current liabilities		190		184
Current debentures		853		960
Provisions		546		542
Total current liabilities	$	101,203	$	44,153
Other long-term liabilities		8,473		8,733
Long-term debt		154,838		–
Long-term portion of debentures		2,046		2,240
Other liabilities		1,458		1,614
Deferred tax liabilities		9,661		–
Long-term provisions		9,121		2,952
Total long-term liabilities	$	185,597	$	15,539
Total liabilities	$	286,800	$	59,692
Equity				
Share capital		515,029		486,562
Contributed surplus		246,626		246,626
Cumulative translation adjustment reserve		6,466		8,455
Deficit		(325,653)		(389,106)
Equity attributable to shareholders of the parent	$	442,468	$	352,537
Non-controlling interest		9,062		9,062
Total equity	$	451,530	$	361,599
Total liabilities and equity	$	738,330	$	421,291

The increase in total current assets during the period is due to the following:

- $113,387 increase in inventories, of which $96,178 is due to the acquisition of Itafos Conda and the remainder is due to Itafos Arraias ramp up (See Note 6 in the Consolidated Financial Statements);
- $22,605 increase in accounts receivable primarily due to Itafos Conda revenues;
- $19,558 increase in other current assets is due to the following:
  - $20,468 increase in current assets at Itafos Conda such as mining prepaid expenses, other receivables and deposits and working capital adjustments to the purchase price for Itafos Conda (See Note 9 in the

Consolidated Financial Statements);
  - $5,145 decrease due to elimination of promissory notes receivable from GBL upon consolidation (see Note 9 in the Consolidated Financial Statements); and
  - $4,235 increase in tax credits, advances to suppliers and other (see Note 9 in the Consolidated Financial Statements).

The increase in total non-current assets during the period is due to the following:

- $80,975 increase in mineral properties related to acquiring the remaining interests in GBL (see Note 8 in the Consolidated Financial Statements);
- $98,430 increase in plant, property and equipment related to acquisition of Itafos Conda and Itafos Farim and additions, net of accumulated depreciation (see Note 7 in the Consolidated Financial Statements);
- $15,074 decrease of investments in associates related to acquiring the remaining interests in GBL (see Note 10 in the Consolidated Financial Statements); and
- timing differences related to normal operations.

The increase in total current liabilities during the period is due to the following:

- $25,186 decrease in current debt is due to the extinguishment of $25,530 of promissory notes and related interest offset by $344 of interest accruals relating to the Facility (see Note 12a in the Consolidated Financial Statements);
- $31,671 increase in payables representing the balance of the liability to Agrium related to the Itafos Conda acquisition (see Note 4 in the Consolidated Financial Statements);
- $4,657 increase in payables related to the phosphate ore supply agreement between Itafos Conda and a subsidiary of Agrium (see Note 11 in the Consolidated Financial Statements);
- $36,657 increase in trade payables and accrued liabilities and other represents increase in payables due to the normal operations of Itafos Conda (see Note 11 in the Consolidated Financial Statements);
- $8,301 increase in tax provision for Itafos Conda and tax related liabilities;
- $950 increase in rebates payable to Itafos Conda customers (see Note 11 in the Consolidated Financial Statements); and
- timing differences related to normal operations.

The increase in total long-term liabilities during the period is due to the following:

- $154,838 increase is due to the Facility including $344 in accrued interest;
- $9,661 increase in deferred tax liabilities related to the excess book basis compared to the tax basis resulting from the revised fair values of certain Itafos Conda assets (see Note 4 in the Consolidated Financial Statements);
- $6,169 increase in asset retirement obligations at Itafos Conda and Itafos Farim (see Note 14 in the Consolidated Financial Statements); and
- timing differences related to normal operations.

The increase in total equity during the period is due to the following:

- $23,335 issuance of shares related to acquiring the remaining interests in GBL (see Note 4 in the Consolidated Financial Statements);
- $5,132 due to issuance of bonus shares as a part of the Facility (see Note 12a in the Consolidated Financial Statements);
- $63,453 net income generated for the six-month period ended June 30, 2018; and
- currency translation adjustments.

As at June 30, 2018 and December 31, 2017, the Company did not have any off-balance sheet arrangements.

CAPITAL RESOURCES

As at June 30, 2018, the Company's shares, debentures and restricted share units were as follows:

	Expiry date		Exercise price	Securities outstanding	Shares on exercise
Shares	–	$	–	142,070,301	142,070,301
Canadian debentures	October 27, 2016		C$25.00	147,648	147,648
Restricted share units	–	$	–	2,924,166	2,924,166

The Company's principal shareholder is CLF, a Delaware limited liability company with offices in Minnesota, US. As at December 31, 2017, CLF beneficially owned and controlled 81,452,992 shares of the Company, representing approximately 63.6% of the issued and outstanding shares of the Company on an undiluted basis. As at June 30, 2018, CLF beneficially owned and controlled 81,980,064 shares of the Company, representing approximately 57.7% of the issued and outstanding shares of the Company on an undiluted basis. CLF is a related party (see Note 21 in the Consolidated Financial Statements).

On June 6, 2018, the Company issued 2,750,000 shares to the syndicate of lenders in connection with the closing of the Facility (see Notes 12 and 15 in the Consolidated Financial Statements).

On February 27, 2018, the Company issued 11,301,732 shares to GBL shareholders in connection with the acquisition of the remaining interests in GBL (see Note 4 in the Consolidated Financial Statements).

On July 28, 2017, CLF assigned to Modal C$1,753 of the C$2,584 convertible debenture issued by the Company to CLF on October 27, 2016 (the "CLF Debenture"). Following the assignment, the parties agreed to break the CLF Debenture into two separate instruments to reflect (i) Modal as the holder of C$1,753 and (ii) CLF as the holder of C$831. In addition, the Company and Modal agreed to amend Modal's convertible debentures of C$1,107 and C$1,753. The amendments reduced the term from 10 years to four years and reduced the interest rate from 10% to 7.5% (see Note 12 in the Consolidated Financial Statements).

FOREIGN EXCHANGE

Itafos and various of its subsidiaries have changed functional currencies from Canadian Dollars to US Dollars based on the change in location of the principal administrative office and the financing of the entities.

On January 1, 2017, the Brazilian subsidiaries changed their functional currency from Brazilian Reals to US Dollars based on Itafos Arraias re-commencing development activities and considering the financing of the entities.

On February 27, 2018, the Company completed the acquisition of all of the issued and outstanding common shares not previously owned, directly or indirectly, by Itafos of GBL, the owner of Itafos Farim (see Note 4 in the Consolidated Financial Statements). GBL's functional currency is Canadian Dollars and the functional currency of its subsidiary GBM Minerais Sarl is Central African Francs. The currency translation impact of such non-US Dollar currencies has been reflected appropriately in the Consolidated Financial Statements.

CASH FLOWS

For the six months ended June 30, 2018 and June 30, 2017, the Company's cash flows were as follows:

(unaudited in thousands of US Dollars)		**June 30, 2018**		June 30, 2017
Operating activities				
Net income (loss)	**$**	**63,453**	$	(13,512)
Adjustments for the following items:				
Depreciation and depletion		**4,931**		122
Cash settlement of share-based payments		**(140)**		–
Share-based payment (recovery) expense		**646**		367
Current and deferred income tax expense		**6,604**		610
Gain on fair valuation of Itafos Conda, net		**(51,027)**		–
(Gain) loss from investment in associates		**(7,910)**		1,587
Unrealized foreign exchange (gain) loss		**(1,010)**		894
Asset retirement obligation		**–**		(420)
Finance expense		**5,327**		112
Net change in non-cash working capital		**(26,834)**		(1,153)
Cash flows from operating activities	**$**	**(5,960)**	$	(11,393)
Investing activities				
Addition of property, plant and equipment and mineral properties	**$**	**(23,952)**	$	(15,017)
Acquisition of Itafos Conda		**(66,500)**		–
Cash received from Itafos Conda at acquisition		**725**		–
Acquisition of GBL		**(25,539)**		–
Issuance of note to GBL		**(4,500)**		–
Cash received from GBL at acquisition		**2,898**		–
Cash flows from investing activities	**$**	**(116,868)**	$	(15,017)
Financing activities				
Proceeds from debt financing	**$**	**132,671**	$	3,000
Repayment of debt financing		**(4,451)**		–
Payment of interest expense		**(3,982)**		–
Payment of financing related costs		**(2,079)**		–
Net proceeds from issuance of shares		**–**		29,840
Cash flows from financing activities	**$**	**122,159**	$	32,840
Effect of foreign exchange of non-US Dollar denominated cash	**$**	**(112)**	$	67
Increase (decrease) in cash		**(781)**		6,497
Cash, beginning of period		**63,677**		2,875
Cash, end of period	**$**	**62,896**	$	9,372

The increase in operating cash flows is primarily the result of operations at Itafos Conda, which was acquired on January 12, 2018 (see Note 4 in the Consolidated Financial Statements). A significant portion of Company's net income for the six months ended June 30, 2018 was attributable to non-cash gains driven from investing activities related to Itafos Conda and GBL.

The increased use of cash from investing activities was primarily driven by the acquisitions of Itafos Conda and GBL (see Note 4 in the Consolidated Financial Statements) and additions to plant, property and equipment.

The increased cash generated from financing activities was driven by the Facility secured in June 2018 (see Note 12a in the Consolidated Financial Statements).

CONTRACTUAL OBLIGATIONS

As at June 30, 2018, the Company's contractual obligations were as follows:

(unaudited in thousands of US Dollars)	Within 1 year	Years 2 and 3	Years 4 and 5	After 5 years	Total
Accounts payable and accrued liabilities	$ 99,217	$ –	$ –	–	$ 99,217
Provisions	546	–	–	9,121	9,667
Canadian debentures	853	816	1,002	228	2,899
Brazilian debentures	190	174	347	852	1,563
Long-term debt	–	–	165,206	–	165,206
Other non-current liabilities	–	85	–	–	85
Contractual obligations	**$ 100,806**	**$ 1,075**	**$ 166,555**	**$ 10,201**	**$ 278,637**

The Company's provisions are representative of the environmental and asset retirement obligations as well as legal contingencies that exist as at June 30, 2018. As at June 30, 2018, Itafos Conda and Itafos Arraias had environmental and asset retirement obligations of $6,422 and $2,584, respectively. Liabilities for costs are recorded when it is probable that obligations have been incurred and the amounts can be reasonably estimated (see Note 14 in the Consolidated Financial Statements).

8. TAXES

OVERVIEW

The Company calculates tax provisions for each of the jurisdictions in which it operates. Current and deferred income tax expense is based on the results for the period as adjusted for items that are not currently taxable or not deductible. Current and deferred income tax expense is calculated considering tax rates and laws that are prevailing at the end of the reporting period (see Note 19 in the Consolidated Financial Statements).

The Company is domiciled in the Cayman Islands and is subject a statutory income tax rate of 0%.

Itafos Conda is domiciled in the US and is subject to a statutory income tax rate of 26.8%, comprised of federal corporate income tax of 21% and state corporate income tax of 7.4%.

Itafos Arraias is domiciled in Brazil and is subject to a statutory income tax rate of 34%, comprised of federal corporate income tax of 25% and social contribution of 9%. The location of Itafos Arraias makes it eligible to participate in a regional development program administered by the Superintendência do Desenvolvimento da Amazônia ("SUDAM"). Created in 1966 to promote development of the Amazon region in Brazil, SUDAM offers tax incentives that allow eligible companies to reduce the statutory income tax rate of 34% to 15.25% by means of a 75% discount to the 25% federal corporate income tax. The Company has commenced the application process and expects to complete the process by the end of 2018.

The Company's effective tax rate may fluctuate from period to period due to factors including, but not limited to, the rate differential and proportion of income earned in each jurisdiction, tax benefits that were not recognized, foreign currency gains and losses and changes in tax rates. The interpretation of tax regulations and legislation and their application to the Company's business is complex and subject to change. Accordingly, the Company's ability to realize future income tax assets could significantly affect net income or cash flow in future periods.

DEFERRED TAX LIABILITIES

As a result of the excess book basis compared to the tax basis resulting from the revised fair values of certain Itafos Conda assets, the Company recognized deferred tax liabilities. These deferred tax liabilities will be utilized based on the consumption of inventory and depreciation of the property, plant and equipment over its useful life (see Note 4 in the Consolidated Financial Statements).

BRAZILIAN TAX ASSESSMENTS

During the latter part of 2017, the Company elected to participate in the Brazilian Special Program for Tax Regularization ("PERT") to settle various significant outstanding income tax assessments associated with its subsidiaries in Brazil. This commercial resolution provided financial certainty during a time of political volatility and economic reform in country. In coming to the decision to participate, the Company analyzed the costs and risks involved in continued litigation versus the potential financial burden that would be incurred by not participating in the program and then being unsuccessful in reducing the income assessment via other means. Also contributing to the Company's decision is that access to governance by judicial courts has limitations, including the financial burden imposed on those who take their disputes through the courts, which requires a bond or other collateral to be posted. The judicial process in Brazil may require years to resolve, during which time legal fees accumulate and interest accrues. The Company believes these financial resources, along with management's time and effort, are better allocated to value-creating opportunities.

On October 25, 2017, PERT was formally enacted into law, substantially in the form passed by the legislature. The final program is a mix of the original provisional measure suggested by the executive branch and the proposed amendments by certain members of the legislative branch. The final program provided an option to either pay one lump sum in early 2018 or monthly installment payments over 175 months (see Note 11 in the Consolidated Financial Statements).

9. TRENDS IN THE PHOSPHATE FERTILIZER MARKETS

GLOBAL MARKET

Supply and demand balance in benchmark phosphate fertilizer products, such as diammonium phosphate ("DAP") and MAP, is a key trend that the Company follows as these products are the basis for domestic pricing of phosphate based fertilizers both in the US and in Brazil. Prices for DAP and MAP remained low for most of 2017, averaging $355.65/t or 22% lower than the average of the previous five years of $458.55/t due to relatively weak global consumption and concerns of possible oversupply driven by large projects planned to be commissioned from 2017 through 2019 in Morocco and Saudi Arabia. As 2018 kicked off, prices rebounded as a result of demand from the US, Europe, Africa and Australia, turnarounds/port closures in Morocco, stoppages in Grupo Chimique Tunisien's operations in Tunisia (now stabilized) and slow ramp up of key new production. During the first half of 2018, DAP Nola prices averaged $421/t versus $346.7/t over the same period in 2017 (+21%). Overall, phosphates availability for Q3 2018 are expected to remain tight, with demand being pushed by India, Pakistan and Latin America.

New Production

Generally, new production has been ramping up at slower than expected pace. Key production additions to global supply include (i) the commissioning since June 2018 of OCP's JPH4 with production capacity of 1.0Mt/year and (ii) the ramp up of Ma'aden's Wa'ad al Shamal project with production capacity of 1.5Mt/year.

Shutdowns

The impact of new production has been overshadowed by supply being taken out or planned to be taken out of the market. Key production reductions to global supply include: (i) the shut down of Mosaic's Plant City facility which had production of approximately 1,500kt/year of DAP, MAP and nitrogen phosphates, (ii) the mothballing in China of approximately 800kt/year of finished capacity and (iii) the expected shutdown in Q1 2019 of Nutrien's Redwater facility which has production capacity of approximately 600kt/year of finished phosphates.

India

Indian import demand is expected to have a strong influence over DAP prices over the coming months. According to ICIS, OCP raised pricing for Q3 2018 phosphoric acid contracts for its Indian customers by $28/t compared to Q2 2018. Currently, it is cheaper for Indian suppliers to import DAP than to produce it domestically, which requires buying phosphoric acid. Therefore, the market should witness increasing finished imports being directed to India. Nonetheless, buyers in India continue to defer DAP purchases, hoping for better prices. However, DAP stocks are seasonally low and Indian buyers are gradually losing bargaining power as exporters are aware that India will not be able to postpone its purchases for much longer.

China

India is China's biggest DAP export market. According to ICIS, it is expected that China will curb DAP exports to India in favor of higher domestic netbacks. Currently, there is a capacity rationalization taking place in China, mainly related to an environmental crackdown on plants located along the Yangtze river such that Chinese output has lowered due to plant relocations. According to ICIS, approximately 800kt/year of finished capacity has been mothballed thus far. Most chemical and heavy industries have faced reform to better regulate emissions and reduce environmental footprint. Several plants are expected to undergo environmental audits in the coming months.

Raw Materials

Short-term sulfur and ammonia prices look stable to firm. With respect to sulfur, prices increased in early June 2018, supported by tightness in the Middle East, Europe and Russia. These supply availability problems are expected to continue during Q3 2018 as production problems in Europe have resulted in price tightening. This will support higher production costs of phosphoric acid. Another important consideration is input pricing of sulfur as it not only impacts the cost of production but also determines the value of sulfur contained in SSP products. Some additional pressure on sulfur prices could arise throughout the year on exports due to the ramp up from Kashagan oilfield and the shutdown of Mosaic's Plant City facility. The ammonia market should continue to be supported during non-peak season as plants shut down for maintenance turnarounds. Prices are likely to remain stable through Q3 2018, eventually easing as turnarounds are completed and new capacity is added to the market.

Trade War

As Q2 2018 ended, the US and China exchanged threats of tariffs on imported goods from each other. China's retaliatory threat included placing a tariff on US soybeans, leading to increased volatility on its pricing outlook. In Brazil, the impact could be positive for soybeans growers and fertilizer demand in the Cerrado region as prices in Q2 2018 traded at $30/t premium over US soybeans. The trade war could lead US farmers to turn over some soybean acreage to less phosphate based crops. The impact of lower prices could also impact farmers' attitude due to anticipation of lower income. Nonetheless, the federal government has signaled intentions to protect farmers from income losses and could spend as much as $12 billion on farmer relief package, which may offset a potential decline in phosphate demand.

US MARKET

After a slow Q1 2018 due to poor weather, the US market showed good demand during planting season which takes place in Q2 2018. Supply was constant, which kept the spring planting season covered; however, there was a sentiment within the New Orleans barge market that supply was somewhat tight, depending on destination and delivery date. However, with a steady stream of imports and Mosaic supplying the market with enough volumes for the spring season, there was not as much imbalance as could have arisen. On the demand side, appetite for phosphates was initially strong as the quarter began and kept advancing in the period. As expected, consumption began to retract by the end of June 2018 as US farmers started gradually finishing their crop acreage.

Heading into Q3 2018, supply levels are expected to continue increasing as the refill period will start building inventories, which are currently at low levels following the large crop planting and nutrient consumption during the spring. Higher New Orleans barge values should also provide an incentive for additional imports during the period. Demand levels are anticipated to witness a stable rise as refill volumes are expected to be a fairly strong. Overall, an active restoking period is expected.

The benchmark price for DAP at New Orleans witnessed another quarterly increase, averaging $425.9/t in Q2 2018 compared to $408.6/t in Q1 2018 and $376.4/t in Q4 2017. Finished phosphates continued to be firm through July 2018 in the US, with prices averaging $443.5/t during the month. Prices should remain stable through Q3 2018 driven by demand from India, Brazil and Pakistan. Forward numbers continue to point up for Q3 2018 with an expected range of$446-452/t in August/September 2018 before losing strength in October 2018 with an expected range of $440-449/t. Forwards soften to a range of $435-446/t in Q4 2018 as the market comes out of planting season. Assuming forward prices prove out, realized prices would be significantly stronger than the average 2017 realized prices of $355.65/t.

As expected, increased benchmark prices for dry phosphate based fertilizers also helped lift prices for liquid based phosphate fertilizers, such as SPA, in the Company's target sales regions in the US. It is normal for prices for SPA to reset at the end of spring each year, reflecting the cost for buyers to hold the inventory until the next application period. The SPA price outlook at the end of Q2 2018 remains strong as evidenced by a lower price reset compared to the same period last year in both US central (CO, IA, MO, KS, NE) and US west (ID, MT, WA, AZ and CA) regions. The result is that the starting point for prices in Q3 2018 are approximately $75-80/t higher on a 100% P_2O_5 basis when compared to Q3 2017.

BRAZILIAN MARKET

A key driver of fertilizer consumption in Brazil is the growth of the agriculture sector. In Brazil, the highly favorable climate conditions contributed to a record grain output in 2017. Although Brazil's grain production from the 2017/2018 harvest is not expected to exceed its record grain production of 237.7Mt from the 2016/2017 harvest, the Companhia Nacional de Abastecimento estimates that 2017/2018 volume could be the second largest ever produced with approximately 228.5Mt. The 3.9% reduction compared to the 2016/2017 harvest is a result of reductions in rainfall impacting the productive potential of the second corn crop. Corn is the second largest agricultural product in Brazil after soybeans. Moreover, the total planted area is currently expected to increase by 1.2% compared with the previous harvest, reaching around 61.6M hectares in total. For soybeans, production is currently forecasted to grow 4.2% to 118.9Mt, revised upwardly from the forecasted 115Mt in Q1 2018 as a result of the Chinese tariffs on US soybeans. Overall, Mato Grosso should continue to be the largest national producer of grains (26.9%), followed by Paraná (15.4%) and Rio Grande do Sul (14.2%). Combined, these states account for 56.4% of the national total. The combination of these factors should lead to an increase in fertilizer demand, albeit smaller than previously forecasted due to the truck drivers' strike in Brazil that took place from the end of May 2018 through early June 2018. The strike resulted in agricultural supplies and export disruptions, leading to delays in harvest. According to the latest Associação Nacional para Difusão de Adubos' ("ANDA") estimate, deliveries of fertilizers in Brazil in 2018 should be approximately 34.6Mt, representing a projected 0.4% increase over 34.4Mt in 2017. The forecast, though, is 1.5% lower than ANDA's Q1 2018 estimate of 35.1Mt with imports continuing to meet the majority of national consumption, accounting for 74% of total demand.

The ability of farmers to access financing at affordable levels is another key driver for fertilizer demand. Increased access to financing, coupled with lower costs of financing, should help bolster support for farmers who require credit to meet their input purchasing needs. The government of Brazil announced in June 2018 that crop financing, known as "Plano Agricola e Pecuario", will amount to R$194M for the period 2018/2019, representing an increase of 4% from the last three years average and 14% from the last five years average. The Plano Agricola e Pecuario initiative allows credit lines to be available for Brazilian farmers to invest in food production and supplies. Credit can be used to purchase fertilizers, equipment and to improve infrastructure in rural properties. Current interest rates for such loans are set at 6.0% annually for medium-sized producers and infrastructure development (down from 7.5% from 2017/2018 plan) and at 7.0% annually for large producers (down from 8.5% from 2017/2018 plan).

SSP is a sulfur-based phosphate fertilizer that is widely used in Brazil. The total SSP market in Brazil is estimated to be approximately 5.0Mt per year, of which approximately 2.5Mt are estimated to be consumed within the Cerrado region[13]. SSP prices are driven off import SSP cost parity and nutrient parity. SSP prices also follow prices for triple super phosphate or MAP in Brazil, although there is a premium embedded in the SSP prices related to the calcium and sulfur content. Farmers will typically calculate the equivalent cost of delivering nutrients to their farms across a mix of products. In the Cerrado region of Brazil, where soil conditions put a premium on products that contain sulfur, SSP has been in steady demand. Farmers, producers and industrial customers are closely following the spike in sulfur prices, a trend that began in September 2017 as increasing sulfur prices result in increased production costs for phosphate based fertilizers. If sulfur

[13] Source: Sindicato Nacional da Indústria de Matérias-Primas para Fertilizantes as of July 14, 2017.

prices remain high in 2019, there could be an increase in domestic SSP prices in Brazil as domestic producers import most of their sulfur needs. Additionally, the agricultural industry in Brazil is closely monitoring the minimum freight rates imposed by the government of Brazil in June 2018 in response to the truck drivers' strike resulting in increased transportation costs in the country. The minimum freight rates are expected to have a deeper impact on companies that benefit from backhaul freight, whose costs are usually reduced compared to high demand routes such as export product to port. In the case of fertilizers, the companies located at the port are expected to be impaired the most as these producers have historically contracted trucks that are bringing grains to port at attractive rates for hauling their fertilizer inland on the way back.

10. BUSINESS RISKS AND UNCERTAINTIES

The information presented in Section "Business Risks and Uncertainties" of the Company's 2017 Annual MD&A is representative of the various risks facing the Company. Except as noted below, there have been no significant changes in the Company's risks since December 31, 2017.

With the acquisition of Itafos Conda and GBL, the Company is now operating in new jurisdictions. The Company may face compliance risks relating to regulations and new laws applicable to the new jurisdictions. Denials or delays in receiving permits and approvals or imposition of restrictive conditions with respect to these permits and approvals may impact the development of the project.

The Company is exposed to concentration of revenues as 100% of Itafos Conda's MAP revenues are currently generated from Agrium (see Note 4 in the Consolidated Financial Statements) and approximately 49% of its SPA revenues for the three months ended June 30, 2018 were generated from two key customers (see Note 5 in the Consolidated Financial Statements).

11. CONTINGENCIES

Due to the size, complexity and nature of the Company's operations, various legal, environmental, tax and other matters arise in the ordinary course of business. The Company accrues for such items when a liability is both probable and the reasonable estimates of the liability are available. Legal, environmental, tax and other matters are inherently complex requiring significant judgement in probable outcomes. Therefore, future adjustments to liabilities as well as costs and estimates may occur. Based on the Company's knowledge and assessment of the status of its operations, the Company does not believe that the outcome of any of the matters not recorded in the Consolidated Financial Statements, individually or in aggregate, would have a material adverse effect on the financial condition of the Company. The Company continues to monitor its legal contingencies to present them fairly in the Consolidated Financial Statements.

12. CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make estimates and assumptions that affect the reported amounts of the assets, liabilities, revenue and expenses reported each period. Each of these estimates varies with respect to the level of judgement involved and the potential impact on the Company's reported financial results. Evaluations of estimates and judgements occur continuously. Estimates and judgements are based on historical experience and other factors including expectations of future events that are considered reasonable under the circumstances. If the Company's financial condition, change in financial condition or results of operations would be materially impacted by a different estimate or a change in estimate from period to period, estimates are deemed critical. By their nature, these estimates are subject to measurement uncertainty, and changes in these estimates may affect the consolidated financial statements of future periods.

For further information on the Company's critical accounting estimates, see Notes 2 and 3 in the Company's last annual consolidated financial statements as at and for the year ended December 31, 2017 and Note 2 in the Consolidated Financial Statements. The accounting policies applied in the Consolidated Financial Statements are consistent with those applied in the Company's last annual consolidated financial statements as at and for the year ended December 31, 2017, with the exception of changes in accounting policies, effective January 1, 2018, described in Note 3 in the Consolidated

Financial Statements.

13. DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in its filings under Canadian securities legislation is recorded, processed, summarized and reported in a timely manner.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Company is responsible for establishing and maintaining effective internal control over financial reporting as defined in the rules of the Canadian Securities Administrators. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of the Company's financial reporting for external purposes in accordance with accounting principles generally accepted in Canada for external purposes. The system of disclosure controls and procedures includes, among other things, the Company's Code of Business Conduct and Ethics policies, the review and approval procedures of the Disclosure Committee and continuous review and monitoring of procedures by management.

The Company's internal control over financial reporting includes:

- maintaining records that, in reasonable detail, accurately and fairly reflect the Company's transactions and dispositions of the assets of the Company;
- providing reasonable assurance that transactions are recorded as necessary for preparation of the Company's financial statements in accordance with generally accepted accounting principles;
- providing reasonable assurance that receipts and expenditures are made in accordance with authorizations of management and the directors of the Company; and
- providing reasonable assurance that unauthorized acquisition, use or disposition of company assets that could have a material effect on the Company's financial statements would be prevented or detected on a timely basis.

The Company has limited administrative staffing, and in many instances, the implementation of internal controls relying on segregation of duties is not always possible. During 2016, the restructuring measures undertaken by management as well as the continuation of the strategic review process resulted in higher than normal staff reductions and turnover. The Company continues to rely on management review and approval to ensure that the controls are effective.

Due to the acquisitions made in Q1 2018, new manual disclosure controls and procedures were designed to address new processes arising from the acquisitions. Management is currently in the process of instituting automated controls and aligning control processes across the organization. In the meantime, management is mitigating risks related to manual processes through increased oversight.

Except as noted above, there has been no change in the Company's disclosure controls and procedures during the period covered by this MD&A that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

Both the Chief Executive Officer ("CEO") and the CFO have evaluated the design of the Company's disclosure controls and procedures as at the end of the period covered by this MD&A, pursuant to the requirements of National Instrument 52-109, and have concluded that as of such date, the Company's disclosure controls and procedures are effective at that reasonable assurance level. The Company's previous internal controls over financial reporting provided for the complexities of consolidating controlled entities and during the three months ended June 30, 2018, were tailored to provide further assurance that the consolidating and reporting of Itafos Conda and Itafos Farim were effected accordingly.

LIMITATIONS OF CONTROLS AND PROCEDURES

The Company's management, including the CEO and CFO, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, and not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgements in decision making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by unauthorized override of a control.

The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected.

14. OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Company's related party transactions include key management compensation and debt from CLF, its principal shareholder (see Note 21 in the Consolidated Financial Statements).

QUALIFIED PERSON

Unless otherwise indicated, the responsible qualified person, within the guidelines set forth in NI 43-101, who has reviewed and approved the scientific and technical information contained in this MD&A regarding Itafos Arraias, Itafos Santana and Itafos Araxa is Carlos Guzmán, FAusIMM (229036), Mining Engineer, RM (Chilean Mining Commission).

Unless otherwise indicated, the responsible qualified person, within the guidelines set forth in NI 43-101, who has reviewed and approved the scientific and technical information contained in this MD&A regarding Itafos Paris Hills is Dan Thompson, P.E.

Unless otherwise indicated, the responsible qualified person, within the guidelines set forth in NI 43-101, who has reviewed and approved the scientific and technical information contained in this MD&A regarding Itafos Farim is Dan Markovik, P.E.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains ''forward-looking information" within the meaning of applicable Canadian securities legislation. Except for statements of historical fact relating to the Company, information contained herein may constitute forward-looking information, including any information as to the Company's strategy, vision, plans or future financial or operating performance. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", "is expected", "estimates", "intends", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking information contained in this MD&A may include, without limitation, statements with respect to the Company's:

- strategy and outlook;
- ability to carry out any action plan;
- ability to secure financing;

- current estimate and potential increase of mine life of its projects;
- expectations around resources and reserves, including those stipulated in technical reports;
- ability to continue to own and operate its operating projects;
- ability to sell its products;
- ability to develop its development projects;
- ability to obtain necessary permits and licenses;
- expectations around global macro factors;
- expectations around global fertilizer markets;
- expectations around asset retirement obligations and associated costs and credit risks;
- ability and evaluation efforts to extend Itafos Conda’s mine life;
- ability to complete the Itafos Arraias ramp up;
- expectations around Itafos Arraias’ production potential;
- ability to complete the development of Itafos Paris Hills;
- ability to complete the development of Itafos Farim;
- expectations about its intentions around its mid-term development pipeline; and
- expectations around fair valuing Itafos Conda.

The forward-looking information contained in this MD&A is based on the opinions, assumptions and estimates of management set out herein, which management believes are reasonable as at the date the statements are made. Those opinions, assumptions and estimates are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in the forward-looking information.

These factors include risks and uncertainties relating to:

- future commodity prices;
- general economic and industry growth rates;
- exploration, development and operating risks;
- environmental risks and hazards;
- global financial conditions;
- uncertainty with respect to the estimation of mineral reserves and mineral resources;
- uncertainty with respect to inferred mineral resources;
- changes in the agriculture, fertilizer, commodity, raw material, energy, transportation and financial market conditions and prices;
- infrastructure risks;
- permitting and licensing;
- insurance and uninsured risks;
- potential disputes to the Company’s title to its properties;
- the possibility that the Company’s concessions may be terminated in certain circumstances;
- competition with other companies possessing greater financial and technical resources than the Company;
- additional capital requirements;
- fluctuations in currency exchange rates;
- potential write-downs and impairments;
- timing and outcome of current and pending government and third party claims or lawsuits and other litigation risks;
- a potential sale or disposition or dilution of ownership of certain assets by the Company;
- changes in governmental policy and in environmental and other governmental regulation;
- the Company’s foreign operations;
- trade tariffs;
- labor, employment and other workforce matters;
- the transfer of cash and assets to and from the Company’s foreign subsidiaries;
- the Company’s dependence upon key management personnel and executives;
- possible conflicts of interests of the Company’s directors and executive officers;

- potential malicious acts of destruction to the Company's property;
- weather and climate change;
- volatility of the Company's stock price and the Company's ability to maintain a listing on a stock exchange;
- current or pending litigation;
- the commercial viability of phosphate ore deposits;
- mine development and completion;
- the accuracy of estimates and findings for the Company's projects; and
- operating risks, political risks and credit risks.

Although the Company has attempted to identify crucial factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The reader is cautioned not to place undue reliance on forward-looking information. The forward-looking information contained herein is presented for the purpose of assisting investors in understanding the Company's expected financial and operational performance and the Company's plans and objectives and may not be appropriate for other purposes.

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