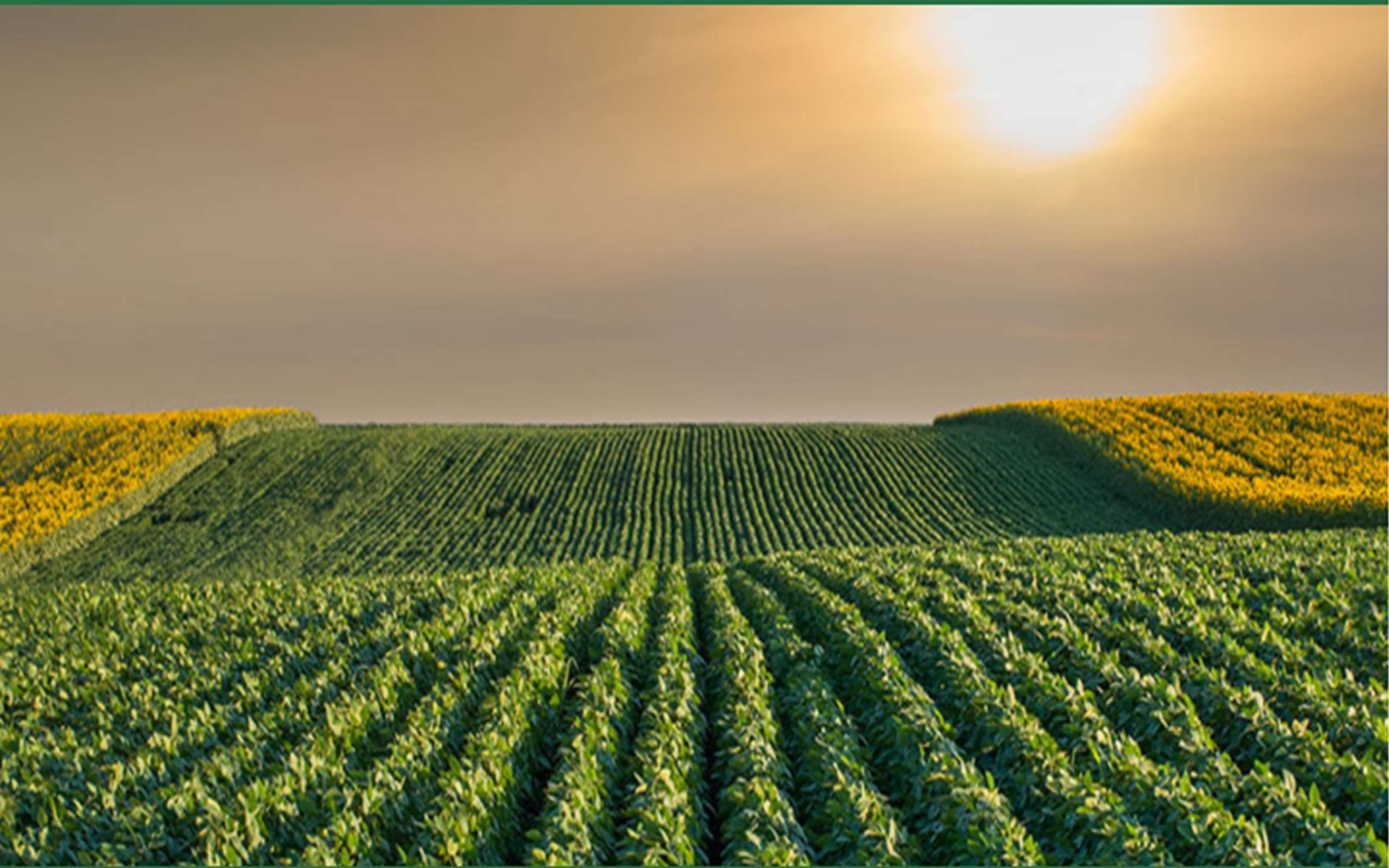

Management's Discussion and Analysis of Operations and Financial Condition
For the three months ended March 31, 2020 and 2019

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS AND FINANCIAL CONDITION

This management's discussion and analysis of operations and financial condition ("MD&A") is as of May 28, 2020 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2020 (the "Interim Financial Statements"), the Company's audited consolidated financial statements for the year ended December 31, 2019 (the "Audited Financial Statements") and accompanying management's discussion and analysis of operations and financial condition for the year ended December 31, 2019 (the "Annual MD&A"). Unless otherwise specified, all figures in this MD&A are presented in thousands of US Dollars ("$") and in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and Interpretations issued by the International Financial Reporting Interpretations Committee applicable to the preparation of condensed interim financial statements, including International Accounting Standards 34 Interim Financial Reporting.

This MD&A considers both IFRS and certain non-IFRS measures that management considers to evaluate the Company's operational and financial performance. Non-IFRS measures are a numerical measure of a company's performance, that either include or exclude amounts that are not normally included or excluded from the most directly comparable IFRS measures. Management believes that the non-IFRS measures provide useful supplemental information to investors, analysts, lenders and others. In evaluating non-IFRS measures, investors, analysts, lenders and others should consider that non-IFRS measures do not have any standardized meaning under IFRS and that the methodology applied by the Company in calculating such non-IFRS measures may differ among companies and analysts. Non-IFRS financial measures should not be considered as a substitute for, nor superior to, measures of financial performance prepared in accordance with IFRS. Definitions and reconciliations of non-IFRS measures to the most directly comparable IFRS measures are included in Section 6 of this MD&A.

This MD&A contains ''forward-looking information" within the meaning of applicable Canadian securities legislation. Management believes that forward-looking information provides useful supplemental information to investors, analysts, lenders and others. In evaluating forward-looking information, investors, lenders and others should consider that forward looking information may not be appropriate for other purposes and are cautioned not to put undue reliance on forward-looking information. 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. Such 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 forward-looking information. 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 as 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. Cautionary statements regarding forward-looking information and risks and uncertainties affecting forward-looking information are included in Section 8 of this MD&A.

A copy of this MD&A and additional information relating to the Company is available under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com *and on the Company's website at* www.itafos.com*.*

1. GENERAL COMPANY INFORMATION

OVERVIEW

Itafos (the "Company") is a pure play phosphate and specialty fertilizer platform with an attractive portfolio of strategic businesses and projects located in key fertilizer markets, including North America, South America and Africa.

The Company's businesses and projects are as follows:

- Itafos Conda – a vertically integrated phosphate mine and fertilizer business with production and sales capacity of approximately 550kt per year of monoammonium phosphate ("MAP"), MAP with micronutrients ("MAP+"), superphosphoric acid ("SPA"), merchant grade phosphoric acid ("MGA") and ammonium polyphosphate ("APP") located in Idaho, US;
- Itafos Arraias[1] – a vertically integrated phosphate mine and fertilizer business with production and sales capacity of approximately 500kt per year of single superphosphate ("SSP"), SSP with micronutrients ("SSP+") and approximately 40kt per year of excess sulfuric acid located in Tocantins, Brazil;
- Itafos Farim – a high-grade phosphate mine project located in Farim, Guinea-Bissau;
- Itafos Paris Hills – a high-grade phosphate mine project located in Idaho, US;
- Itafos Santana – a vertically integrated high-grade phosphate mine and fertilizer plant project located in Pará, Brazil;
- Itafos Mantaro – a phosphate mine project located in Junin, Peru; and
- Itafos Araxá – a vertically integrated rare earth elements and niobium mine and extraction plant project located in Minas Gerais, Brazil.

The Company's principal shareholder is CL Fertilizers Holding LLC ("CLF"). CLF is an affiliate of Castlelake, L.P., a global private investment firm (see Note 22 in the Interim Financial Statements).

The Company's shares trade on the TSX Venture Exchange ("TSX-V") under the trading symbol "IFOS". The Company's registered office is at Ugland House, Grand Cayman, Cayman Islands KY1-1104.

[1] Itafos Arraias previously produced and sold PK compounds as part of the repurpose plan, which was enabled by purchasing higher grade phosphate rock from third parties.

BUSINESSES AND PROJECTS

Key highlights of the Company's businesses and projects are as follows:

Item	Itafos Conda[ii]	Itafos Arraias[iii]	Itafos Farim	Itafos Paris Hills	Itafos Santana	Itafos Mantaro	Itafos Araxá
Ownership[i]	100%	97.0%	100%	100%	99.4%	100%	100%
Location	Idaho, US	Tocantins, Brazil	Farim, Guinea-Bissau	Idaho, US	Pará, Brazil	Junin, Peru	Minas Gerais, Brazil
Status	Operating	Idled	Construction ready	Development	Development	Development	Development
Reserves	13.1Mt at avg. 26.6% P_2O_5	Under review	44.0Mt at avg. 30.0% P_2O_5	Under review	Under review	Under review	Under review
Measured and indicated resources (including reserves)	50.3Mt at avg. 25.5% P_2O_5	79.0Mt at avg. 4.9% P_2O_5	105.6Mt at avg. 28.4% P_2O_5	88.0Mt at avg. 24.9% P_2O_5	60.4Mt at avg. 12.0% P_2O_5	39.5Mt at avg. 10.0% P_2O_5	6.3Mt at avg. 5.0% TREO and at avg. 1.0% Nb_2O_5
Inferred resources	0.7Mt at avg. 25.0% P_2O_5	12.7Mt at avg. 3.9% P_2O_5	37.6Mt at avg. 27.7% P_2O_5	10.4Mt at avg. 24.8% P_2O_5	26.6Mt at avg. 5.6% P_2O_5	376.3Mt at avg. 9.0% P_2O_5	21.9Mt at avg. 4.0% TREO and 0.6% Nb_2O_5
Mine life	Through mid-2026	Under review	25 years	Under review	Under review	Under review	Under review
Products	MAP, MAP+, SPA, MGA and APP	SSP, SSP+, and excess sulfuric acid	Phosphate rock	Phosphate rock	SSP and excess sulfuric acid	Phosphate rock	Rare earth oxides and niobium oxide
Annual production and sales capacity	550kt	500kt SSP and SSP+ and 40kt excess sulfuric acid	1.3Mt	1.0Mt	500kt SSP and 30kt excess sulfuric acid	Under review	8.7kt rare earth oxides and 0.7kt niobium oxide

i. Non-controlling interests represented by preferred non-voting shares issued by the Company in 2018 upon exercise of warrants held by creditors under the 2016 Brazilian restructuring proceedings.
ii. Itafos Conda's reserves and mine life consider existing mines Rasmussen Valley and Lanes Creek only whereas measured and indicated resources and inferred resources include both existing mines and development mines Husky 1 and North Dry Ridge.
iii. Itafos Arraias previously produced and sold PK compounds as part of the repurpose plan, which was enabled by purchasing higher grade phosphate rock from third parties.

The Company's businesses and projects are described in greater detail in the Annual MD&A. The Company's latest respective technical reports are available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.itafos.com.

2. HIGHLIGHTS

OVERALL HIGHLIGHTS

For the three months ended March 31, 2020, the Company's financial highlights were as follows:

- generated adjusted EBITDA of $(186), representing a 109% decrease year-over-year primarily due to significant and continued downward pressure on diammonium phosphate ("DAP") New Orleans ("NOLA") prices to which MAP sales prices are linked (see Section 6);
- incurred net loss of $18,289, representing a 37% increase year-over-year primarily due to significant and continued downward pressure on DAP NOLA prices to which MAP sales prices are linked, higher depreciation and depletion at Itafos Conda and higher foreign exchange loss due to depreciation of the Brazilian Real against the US Dollar;
- issued 5,000,000 shares to lenders of the secured term credit facility (the "Facility") in exchange for, among other things, eliminating additional interest of 1% per annum payable in cash for each quarter that the Company's consolidated secured leverage ratio is equal to or greater than 4.00:1.00 at the end of such quarter (see Note 12 in the Interim Financial Statements);
- drew an additional $585 under the initial tranche of the secured working capital facility (the "Revolving Facility") at Itafos Conda with an additional tranche of $10,000 remaining available to be committed and drawn by Itafos Conda subject to agreement on certain terms and conditions (see Note 10 in the Interim Financial Statements); and
- advanced aggressive corporate-wide cost savings and deferral of spending initiatives.

For the three months ended March 31, 2020, the Company's business highlights were as follows:

- continued strong operational performance at Itafos Conda with overall production volumes of 138,896t, representing largely consistent performance year-over-year;
- generated adjusted EBITDA of $8,295 at Itafos Conda, representing a 28% decrease year-over-year primarily due to significant and continued downward pressure on DAP NOLA prices to which MAP sales prices are linked (see Section 6);
- incurred net income of $955 at Itafos Conda, representing a 82% decrease year-over-year primarily due to higher depreciation and depletion and significant and continued downward pressure on DAP NOLA prices to which MAP sales prices are linked;
- demonstrated sustained environmental, health and safety excellence at Itafos Conda and Itafos Arraias including no reportable injuries or environmental releases;
- implemented corporate-wide risk mitigation measures to address potential impacts to employees, contractors and operations as a result of the novel strain of coronavirus ("COVID-19") resulting in no confirmed cases recorded amongst employees and contractors and no material impact to operations;
- advanced activities related to extending Itafos Conda's mine life through permitting and development activities at Husky 1/North Dry Ridge ("H1/NDR"), including securing support for the project by the Idaho legislature via House Joint Memorial #11 as well as additional letters of support from local and state officials;
- advanced activities related to optimizing Itafos Conda's EBITDA generation potential, including completing the micronutrient addition to granulation project and advancing the zinc micronutrient product development, by-product recovery anhydrous hydrogen fluoride and precipitated silica ("AHF/PS") initiatives and on-site ammonia production project;
- safely completed the idling of Itafos Arraias following best practices including completion of associated employee and contractor terminations and monetization of remaining inventory and raw materials to partially offset costs associated with the idling;
- completed third party reviews of the restart requirements associated with Itafos Arraias' mine and beneficiation plant and secured important long-term tax incentives for Itafos Arraias; and
- advanced the development of Itafos Farim including updating the in-pit geotechnical report, selecting the preferred mining contractor and completing third party reviews of the mine dewatering design and flood study.

For the three months ended March 31, 2020, the Company's other highlights were as follows:

- announced the appointment of Dr. Mhamed Ibnabdeljalil as Chief Executive Officer;
- announced the appointment of Anthony Cina as Chairman of the Company's Board of Directors;
- announced the appointment of Rory O'Neill and Ricardo De Armas to the Company's Board of Directors, as designated by CLF;
- issued 1,900,412 shares (net of 400,182 shares withheld to pay applicable taxes) due to vesting under the Company's restricted share unit plan (the "RSU Plan") (see Note 12 in the Interim Financial Statements);
- cash settled 100,928 RSUs for $39 due to vesting under the Company's RSU Plan (see Note 12 in the Interim Financial Statements); and
- granted 5,009,348 RSUs under the Company's RSU Plan, including 621,279 RSUs granted to directors, 2,081,980 RSUs granted to management and 2,306,089 RSUs granted to employees and contractors (see Notes 3 and 11 in the Interim Financial Statements).

Subsequent to the three months ended March 31, 2020, the Company issued 11,347 shares (net of 3,653 shares withheld to pay applicable taxes) due to vesting under its RSU Plan (see Note 23 in the Interim Financial Statements).

FINANCIAL HIGHLIGHTS

For the three months ended March 31, 2020 and 2019, the Company's financial highlights were as follows:

(unaudited in thousands of US Dollars except for per share amounts)	*For the three months ended March 31,* 2020	2019
Revenues	$ 75,361	$ 73,178
Operating loss	(12,243)	(6,010)
Net loss	(18,289)	(13,331)
Adjusted EBITDA[i]	(186)	2,146
Maintenance capex[ii]	$ 1,919	$ 5,186
Growth capex[iii]	1,406	3,016
Basic loss per share	$ (0.10)	$ (0.09)
Fully diluted loss per share	$ (0.10)	$ (0.09)

i. Adjusted EBITDA is a non-IFRS measure (see Section 6).
ii. Maintenance capex is a non-IFRS measure (see Section 6).
iii. Growth capex is a non-IFRS measure (see Section 6).

For the three months ended March 31, 2020 and 2019, the Company's financial highlights were explained as follows:

- revenues were up year-over-year primarily due to higher sales volumes at Itafos Conda, which was partially offset by significant and continued downward pressure on DAP NOLA prices to which MAP sales prices are linked;
- net loss was up year-over-year primarily due to significant and continued downward pressure on DAP NOLA prices to which MAP sales prices are linked, higher depreciation and depletion at Itafos Conda and higher foreign exchange loss due to depreciation of the Brazilian Real against the US Dollar;
- adjusted EBITDA was down year-over-year primarily due to significant and continued downward pressure on DAP NOLA prices to which MAP sales prices are linked (see Section 6);
- maintenance capex was down year-over-year primarily due to the idling of Itafos Arraias; and
- growth capex was down year-over-year primarily due to reduced spend at Itafos Farim.

As at March 31, 2020 and December 31, 2019, the Company's financial highlights were as follows:

(unaudited in thousands of US Dollars)	March 31, 2020	December 31, 2019
Total assets	$ 461,499	$ 510,764
Total liabilities	335,061	368,505
Net debt[i]	199,264	182,201
Adjusted net debt[ii]	152,130	136,900
Total equity	126,438	142,259

i. Net debt is a non-IFRS measure (see Section 6).
ii. Adjusted net debt is a non-IFRS measure (See Section 6).

As at March 31, 2020 and December 31, 2019, the Company's financial highlights were explained as follows:

- total assets were down period-over-period primarily due to lower inventory at Itafos Conda and Itafos Arraias and higher depreciation and depletion at Itafos Conda, which was partially offset by fixed assets additions primarily at Itafos Conda (see Note 5 in the Interim Financial Statements);
- total liabilities were down period-over-period primarily due to lower trade and taxes payable at Itafos Conda;
- net debt and adjusted net debt were up period-over-period primarily due to lower cash and cash equivalents and paid-in-kind interest at corporate related to the Facility (see Section 6); and
- total equity was down period-over-period primarily due to higher net loss.

BUSINESS HIGHLIGHTS

Itafos Conda

During Q1 2020, Itafos Conda continued its strong track record of environmental, health, and safety excellence with no reportable injuries and no environmental releases. Itafos Conda demonstrated robust performance by achieving a year-over-year increase in SPA production due to higher throughput from improved production efficiencies and higher railcar availability. The increase in SPA production resulted in lower MAP production year-over-year, which was largely offset by a second successful production run of Itafos Conda's new semi-specialty product, MAP+, resulting in largely consistent granular production year-over-year.

Itafos Conda's margins declined year-over-year primarily due to lower realized prices and higher depreciation and depletion. Overall fertilizer market prices remained depressed during Q1 2020, particularly granular products, after a sharp decline following Q1 2019 due to elevated inventories and delayed purchases resulting from unusually wet weather conditions in North America. The impact of lower prices during Q1 2020 was partially offset by lower input costs as ammonia and sulfur costs declined year-over-year and Q1 2019 included a spike in natural gas costs as a result of a supply disruption.

During Q1 2020, Itafos Conda advanced activities related to extending Itafos Conda's mine life through permitting and development activities at H1/NDR, including securing support for the project by the Idaho legislature via House Joint Memorial #11 as well as additional letters of support from local and state officials.

Also during Q1 2020, Itafos Conda advanced activities related to optimizing Itafos Conda's EBITDA generation potential, including completing the micronutrient addition to granulation project and advancing the zinc micronutrient product development, by-product recovery (AHF/PS) initiatives and on-site ammonia production project.

The Company is closely monitoring potential risks to Itafos Conda's employees, contractors and operations as a result of COVID-19. Itafos Conda has been deemed an essential business as part of the fertilizer and agriculture sector and therefore has not been forced to shut down operations on account of COVID-19. The Company is not currently projecting any material impact on Itafos Conda's operations as a result of COVID-19.

In response to COVID-19, the Company has implemented risk mitigation measures at Itafos Conda to address potential impacts to its employees, contractors and operations as follows:

- adopted temporary travel restrictions;
- established a daily COVID-19 emergency operations center to track and respond in real-time to regional and local developments;
- implemented measures to reduce on site presence and interaction of staff;
- increased cleaning and disinfecting measures;
- adopted new policies related to sick leave and isolation in case of symptoms;
- established ongoing dialogue with key business partners (customers, logistics providers, mining contractor, health insurance provider) to continually monitor situation;
- requalified supervisors and staff on applicable critical operations in the event of an outbreak; and
- assessed business relief options.

Currently, there are no confirmed cases of COVID-19 amongst employees or contractors at Itafos Conda.

For the three months ended March 31, 2020 and 2019, Itafos Conda's business highlights were as follows:

(unaudited in thousands of US Dollars except for volumes and prices)	*For the three months ended March 31,* **2020**	**2019**
Production volumes (t)		
MAP	90,548	98,755
MAP+	5,275	—
SPA[i]	40,265	35,533
MGA[ii]	583	30
APP	2,225	5,427
Total production volumes	**138,896**	**139,745**
Sales volumes (t)		
MAP	107,772	76,877
MAP+	2,653	—
SPA[i]	39,231	33,444
MGA[ii]	513	30
APP	1,647	2,448
Total sales volumes	**151,816**	**112,799**
Realized price ($/t)[iii]		
MAP	$ 295	$ 449
MAP+	$ 364	$ —
SPA[iv]	$ 941	$ 1,006
MGA[v]	$ 945	$ 967
APP	$ 451	$ 473
Revenues ($)		
MAP	$ 31,832	$ 34,486
MAP+	$ 966	$ —
SPA	$ 36,906	$ 33,633
MGA	$ 485	$ 29
APP	$ 743	$ 1,157
Total revenues	**$ 70,932**	**$ 69,305**
Revenues per tonne P_2O_5[vi]	$ 728	$ 933
Cash costs per tonne P_2O_5[vii]	$ 632	$ 760
Adjusted EBITDA[viii]	$ 8,295	$ 11,456
Maintenance capex[ix]	$ 1,919	$ 2,573
Growth capex[x]	$ 1,924	$ 488

i. SPA production and sales volumes (t) are presented on a 100% P_2O_5 basis.
ii. MGA production and sales volumes (t) are presented on a 100% P_2O_5 basis.
iii. Realized price ($/t) is a non-IFRS measure (see Section 6).
iv. SPA realized prices ($/t) are presented on a 100% P_2O_5 basis.
v. MGA realized prices ($/t) are presented on a 100% P_2O_5 basis.
vi. Revenues per tonne P_2O_5 is a non-IFRS measure (see Section 6).
vii. Cash costs per tonne P_2O_5 is a non-IFRS measure (see Section 6).
viii. Adjusted EBITDA is a non-IFRS measure (see Section 6).
ix. Maintenance capex is a non-IFRS measure (see Section 6).
x. Growth capex is a non-IFRS measure (see Section 6).

For the three months ended March 31, 2020 and 2019, Itafos Conda's business highlights were explained as follows:

- MAP production volumes were down year-over-year primarily due to higher SPA and MAP+ production;
- MAP sales volumes were up year-over-year primarily due to higher product lifting resulting in lower MAP inventory levels at the end of Q1 2020;
- MAP realized prices were down year-over-year primarily due to significant and continued downward pressure on DAP NOLA prices to which MAP sales prices are linked;
- MAP+ production volumes were up year-over-year primarily due production runs during Q1 2020 whereas the product had not yet been introduced during Q1 2019;
- SPA production volumes were up year-over-year primarily due to higher throughput from improved production efficiencies;
- SPA sales volumes were up year-over-year primarily due to higher production and improved railcar availability;
- SPA realized prices were down year-over-year primarily due to market pricing as a result of overall fertilizer market conditions;
- revenues per tonne P_2O_5 were down year-over-year despite higher sales volumes primarily due to significant and continued downward pressure on DAP NOLA prices to which MAP sales prices are linked;
- cash costs per tonne P2O5 were down year-over-year primarily due to reduced input costs from improved mining rates and lower raw material costs (see Section 6);
- maintenance capex was down year-over-year primarily due to replacement of mining equipment during Q1 2019; and
- growth capex was up year-over-year primarily due increased activities related to extending Itafos Conda's mine life through permitting and development activities at H1/NDR and completion of the micronutrient addition to granulation project.

Itafos Arraias

On November 21, 2019, the Company announced its decision to idle Itafos Arraias and suspend the previously announced repurpose plan at Itafos Arraias as part of a disciplined approach to capital allocation considering the continued downward pressure on global fertilizer prices and the additional capital requirements to complete the Repurpose Plan. For the three months ended March 31, 2020, the Company safely completed the idling of Itafos Arraias following best practices to protect and preserve the value of the underlying assets. Following receipt of approval from the labor union, the Company completed the employee layoffs and contractor terminations at Itafos Arraias associated with the idling. Notwithstanding the idling of Itafos Arraias, the Company will continue to employ personnel that are necessary for the care and maintenance of the assets and will continue to maintain all licenses and permits in good standing and compliance with existing regulations. In addition, the Company successfully monetized inventory and raw materials at Itafos Arraias to partially offset costs associated with the idling.

In parallel with its decision to idle Itafos Arraias, the Company engaged the services of Golder Associates Inc. and Jesa Technologies LLC to conduct third party reports on Itafos Arraias' mine and beneficiation plant, respectively. The third party reports, which were completed in January 2020, confirm that restarting Itafos Arraias' mine and beneficiation plant is feasible and outline the respective timing and capex requirements.

In February 2020, Itafos Arraias secured important long-term tax incentives. As Itafos Arraias is domiciled in Brazil, the business is subject to a federal tax rate of 34%, composed of a federal corporate income tax of 25% and other taxes of 9%. The location of Itafos Arraias' assets 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 federal tax rate of 34% to 15.25% by means of a 75% discount to the federal corporate income tax of 25%. In February 2020, SUDAM accepted Itafos Arraias' application, granting Itafos Arraias the tax incentives for a period of ten years with an opportunity to extend thereafter.

The Company is closely monitoring potential risks to Itafos Arraias' employees, contractors and operations as a result of COVID-19. Itafos Arraias has been deemed an essential business as part of the fertilizer and agriculture sector and therefore has not been forced to shut down operations or care and maintenance activities on account of COVID-19. The Company is not currently projecting any material impact on Itafos Arraias' operations or care and maintenance activities as a result of COVID-19.

In response to COVID-19, the Company has implemented risk mitigation measures at Itafos Arraias to address potential impacts to its employees, contractors and operations and care and maintenance activities as follows:

- adopted temporary travel restrictions;
- temporarily closed the São Paulo office and implemented measures to facilitate employees working from home;
- cancelled all non-critical site visits and implemented measures to safely continue critical activities (e.g., tailings dam inspections);
- increased safety measures related to screening site visitors;
- increased cleaning and disinfecting measures; and
- adopted new policies related to sick leave and isolation in case of symptoms.

Currently, there are no confirmed cases of COVID-19 amongst employees or contractors at Itafos Arraias.

For the three months ended March 31, 2020 and 2019, Itafos Arraias' business highlights were as follows:

(unaudited in thousands of US Dollars except for volumes and prices)	*For the three months ended March 31,* **2020**	**2019**
Production volumes (t)		
SSP	3,879	6,563
SSP+	1,113	8,591
PK compounds	—	—
Total production volumes	**4,992**	**15,154**
Excess sulfuric acid production volumes (t)	—	8,794
Sales volumes (t)		
SSP	25,429	7,133
SSP+	2,459	5,903
PK compounds	—	—
Total sales volumes	**27,888**	**13,036**
Excess sulfuric acid sales volumes (t)	5,213	8,794
Realized price ($/t)[ii]		
SSP	$ 138	$ 165
SSP+	$ 184	$ 229
PK compounds	$ —	$ —
Excess sulfuric acid	$ 90	$ 153
Revenues ($)		
SSP, net	$ 3,508	$ 1,174
SSP+, net	$ 453	$ 1,351
PK compounds	$ —	$ —
Total revenues	**$ 3,961**	**$ 2,525**
Excess sulfuric acid revenues ($)	$ 468	$ 1,348
Revenues per tonne P_2O_5[iii]	$ 1,063	$ 1,139
Cash costs per tonne P_2O_5[iv]	$ 2,157	$ 4,339
Adjusted EBITDA[v]	$ (4,959)	$ (6,417)
Maintenance capex[vi]	$ —	$ 2,602
Growth capex[vii]	$ —	$ 587

i. Excess sulfuric acid production volumes (t) are presented net of production for internal consumption.
ii. Realized price ($/t) is a non-IFRS measure (see Section 6).
iii. Revenues per tonne P_2O_5 is a non-IFRS measure and excludes sulfuric acid (see Section 6).
iv. Cash costs per tonne P_2O_5 is a non-IFRS measure and excludes sulfuric acid (see Section 6).
v. Adjusted EBITDA is a non-IFRS measure (see Section 6).
vi. Maintenance capex is a non-IFRS measure (see Section 6).
vii. Growth capex is a non-IFRS measure (see Section 6).

For the three months ended March 31, 2020 and 2019, Itafos Arraias' business highlights were explained as follows:

- SSP and SSP+ production volumes were down year-over-year primarily due to the idling of Itafos Arraias;
- SSP and SSP+ sales volumes were up year-over-year primarily due to an aggressive program to monetize the remaining finished goods and raw materials inventories to partially offset costs associated with the idling of Itafos Arraias;
- SSP and SSP+ realized prices were down year-over-year primarily due to significant and continued downward pressure on fertilizer prices;
- excess sulfuric acid production and sales volumes were down year-over-year primarily due to the idling of Itafos Arraias;
- excess sulfuric acid realized prices were down year-over-year primarily due to lower global sulfur prices and an oversupply of the local sulfuric acid market;
- revenues per tonne P_2O_5 were down year-over-year primarily due to significant and continued downward pressure on fertilizer prices;
- cash costs per tonne P_2O_5 were down year-over-year primarily due to the idling of Itafos Arraias; and
- maintenance capex and growth capex were down year-over-year primarily due to the idling of Itafos Arraias.

MARKET HIGHLIGHTS

Global Supply Highlights

For the three months ended March 31, 2020, global supply highlights were as follows:

- overall, the fertilizer and agriculture sectors were largely deemed essential businesses by most nations worldwide and therefore most producers were not forced to shut down operations on account of COVID-19;
- Chinese and Indian suppliers curtailed production by approximately 1.5Mt of DAP equivalent fertilizer due to in-country logistical constraints resulting from COVID-19;
- the OCP Group S.A. ("OCP") and the Mosaic Company ("Mosaic") curtailed production by approximately 0.7Mt of DAP equivalent fertilizer;
- Russian suppliers remained focused on domestic and regional markets; and
- inventory levels remained high globally and specifically in North America despite decreasing imports to the region (0.7Mt reduction year-over-year).

Global Demand Highlights

For the three months ended March 31, 2020, global demand highlights were as follows:

- overall, global demand fundamentals were not materially impacted by COVID-19, but Q1 tends to be a seasonally weak period globally for fertilizer consumption;
- Indian demand was relatively weak as buying deferral due to uncertainty brought on by COVID-19 could take place given country's seasonality;
- Chinese demand remained stable despite local shortages of supply due to in-country logistical constraints;
- North American demand for fall season was completed with better than expected consumption in January 2020;
- European fertilizer purchases to replenish inventories ahead of the application season were largely deferred, leading to significant price reductions; and
- Brazil continued to be an outlet for overstocked global channels as local buyers took advantage of low prices to secure fertilizer ahead of the application season.

Global Pricing Highlights

For the three months ended March 31, 2020, global pricing highlights were as follows:

- DAP FOB NOLA averaged $300/t, down 23% year-over-year due to continued elevated inventory levels;
- MAP CFR Brazil averaged $313/t, down 25% year-over-year due to continued elevated inventory levels;
- liquid phosphate prices continued to outpace dry phosphate prices due to a relatively tighter supply-demand balance; and
- input prices including sulfur and ammonia averaged down 50% and 11% year-over-year, respectively, due to lower demand for sulfur and ample ammonia supply availability across Trinidad, Russia, North Africa and the Middle East.

3. STRATEGY AND OUTLOOK

FINANCIAL OUTLOOK

The Company is closely monitoring potential risks to its operations as a result of COVID-19, including factors that could impact production or demand for its products. Despite near-term uncertainties, the Company is not currently projecting any material impact on its operations or financial outlook as a result of COVID-19. In response to COVID-19, the Company has implemented working practices at its businesses and projects to address potential impacts to its employees, contractors and operations and will take further measures in the future, if required.

The Company reiterated its previously issued financial outlook for 2020 as follows:

(in thousands of US Dollars)		Low		High
Adjusted EBITDA[i]	$	10,000	$	20,000
Maintenance capex[ii]		15,000		25,000
Growth capex[iii]		5,000		10,000
Adjusted net debt[iv]		170,000		180,000

i. Adjusted EBITDA is a non-IFRS financial measure (see Section 6).
ii. Maintenance capex is a non-IFRS financial measure (see Section 6).
iii. Growth capex is a non-IFRS financial measure (see Section 6).
iv. Adjusted net debt is a non-IFRS financial measure (see Section 6).

The Company's financial outlook is explained as follows:

- adjusted EBITDA outlook considers latest third party outlook for pricing and key inputs at Itafos Conda, continuation of the idling of Itafos Arraias, development and exploration expenses and corporate costs;
- maintenance capex outlook considers planned plant maintenance at Itafos Conda;
- growth capex outlook considers unlevered capex related to Itafos Conda's mine life extension initiatives related to H1/NDR; and
- adjusted net debt considers the projected balance as at December 31, 2020 and does not include potential additional financing.

BUSINESS OUTLOOK

The Company is executing its strategy by focusing on:

- extending Itafos Conda's current mine life through advancing permitting and development of H1/NDR;
- optimizing Itafos Conda's EBITDA generation potential;
- evaluating strategic alternatives for Itafos Arraias;
- securing project financing and evaluating strategic alternatives for Itafos Farim;
- maintaining the integrity of the concessions and evaluating strategic alternatives for Itafos Paris Hills, Itafos Santana, Itafos Mantaro and Itafos Araxá;
- advancing aggressive corporate-wide cost savings and deferral of spending initiatives; and
- advancing initiatives related to capital raising.

H1/NDR's development milestones are as follows:

Area	Status	Highlights
Technical report	Completed	▪ Technical report titled "NI 43-101 Technical Report on the Itafos Conda and Itafos Paris Hills Mineral Projects, Idaho, USA" and dated as of July 1, 2019 completed ▪ Resources and reserves for RV and LC expected to extend Itafos Conda's mine life through mid-2026, which represents an additional one and a half to two years of mine life over Itafos Conda's historical internal estimates ▪ Resources for H1/NDR represent a 60% increase over Itafos Conda's historical internal estimates ▪ H1/NDR defined as the Company's path forward for mine life extension
Exploration and development	Ongoing	▪ 346 drill holes completed for H1 and 303 drill holes have been completed for NDR as at December 31, 2019 ▪ Core samples from H1 drilling gathered and undergoing metallurgical testing
Environmental	Ongoing	▪ National Environmental Policy Act ("NEPA") process initiated ▪ Combined Environmental Impact Statement ("EIS") by Bureau of Land Management, US Forest Service and US Army Corps of Engineers in process ▪ Environmental baselines substantially completed ▪ Surface water and groundwater monitoring ongoing
Permits	Ongoing	▪ Federal phosphate leases secured ▪ Primary federal and state permitting in process ▪ House Joint Memorial #11 in support of H1/NDR permitting and development passed unanimously by the Idaho legislature ▪ Numerous letters of support secured from local and state officials
Studies and fieldwork	Ongoing	▪ Geotechnical slope stability analysis completed ▪ Groundwater fate and transport modeling in process; stormwater management plan in process ▪ Metallurgy analysis in process ▪ Updated Mine and Reclamation Plan substantially completed ▪ Analysis of mining and facilities alternatives (NEPA requirement) in process ▪ Analysis of existing and new infrastructure in process

Itafos Conda's EBITDA optimization milestones are as follows:

Area	Status	Highlights
MAP+	Near complete	▪ Pilot production run completed during Q3 2019 ▪ Integrated into 2020 production plan ▪ Micronutrient addition to granulation project completed during Q1 2020 ▪ Development of Zinc micronutrient capability ongoing ▪ Development of sales and marketing plan ongoing
Operations and cost to serve excellence	Ongoing	▪ Freight and rail car fleet optimization ongoing ▪ SPA netback optimization ongoing
Attrition scrubbing and flotation	Ongoing	▪ Tailings characterization by technical advisor completed ▪ Feasibility study ongoing
Byproduct recovery (AHF/PS)	Ongoing	▪ Phase 0/1 concept engineering and bench-scale testing completed ▪ Awaiting feasibility study proposal from technology partner ▪ Completed site visit with potential off-take partners
On-site ammonia production	Ongoing	▪ Desktop evaluation completed ▪ Awaiting feasibility study proposal from technology partner
Increased P_2O_5 throughput	Ongoing	▪ Review by technical advisor completed ▪ Desktop project economic evaluation in progress
SPA expansion and APP integration	Ongoing	▪ Market analysis in progress
Sulfuric acid plant expansion and cogeneration	Ongoing	▪ Pre-feasibility study originally completed in 2015 ▪ Proposals requested to update pre-feasibility study
Byproduct recovery vanadium ("V")	Placed on hold	▪ Phase 0/1 concept engineering and bench-scale testing completed ▪ Project placed on hold until V market recovery

Itafos Farim's development milestones are as follows:

Area	Status	Highlights
Technical report	Completed	▪ Technical report titled "NI 43-101 Technical Report on the Farim Phosphate Project" and dated as of September 14, 2015 completed
Environmental and social	Completed	▪ Environment and Social Impact Assessment ("ESIA") based on International Finance Corporation guidelines and Equator principles completed ▪ Baseline air, noise and water quality measurements taken since 2016 and will continue through end of mine life ▪ Resettlement action plan approved by the Government of Guinea-Bissau
Permits	Completed	▪ All required environmental and mine operating permits obtained ▪ Contractors camp construction permit obtained ▪ Certain construction permits (e.g., sanitation) expected to be obtained prior to construction
Studies and fieldwork (detailed design and engineering inputs)	Completed	▪ River bathymetry study completed and Supramax shipping route determined ▪ Geotech and hydrogeological drilling completed ▪ Four additional pilot plants tests performed that allowed phosphate rock specification sheet to be completed ▪ Static and kinetic leach tests completed that confirmed that tailings do not produce acid drainage or leach metals
Detailed design and engineering	Completed	▪ Front-end engineering and design completed by Lycopodium Minerals Canada Ltd, including preparation of a definitive cost estimate and definitive schedule ▪ Detailed mine plan with optimized pit shell completed by Golder Associates Inc. ("Golder"); In-pit geotechnical report completed by Golder; contract mining bid process completed and preferred contractor chosen ▪ Mine dewatering design completed by Knight Piésold Ltd.; third party review completed ▪ Flood study completed by W.F. Baird & Associates Coastal Engineers Ltd. ("Baird"); third party review completed ▪ Detailed design of marine terminal nearly completed by Baird; marine works contractor bid process completed and preferred contractor chosen ▪ All major process equipment procurement packages finalized ▪ Design of resettlement homes completed
Construction and resettlement	Ongoing	▪ Construction of contractors camp substantially completed ▪ De-vegetation and earthworks ready to commence at both mine and port site ▪ Construction of resettlement homes expected to be completed over an 18-24 month period ▪ Preparation of agricultural land for livelihood restitution ongoing
Offtake agreements	Ongoing	▪ Memorandums of understanding for offtake executed with two counterparties ▪ Sale and purchase agreements for offtake expected to be required to be executed prior to disbursement of project financing
Project financing	Ongoing	▪ Independent technical consultant review of technical report and ESIA completed ▪ Independent technical consultant review of detailed design and engineering ongoing

MARKET OUTLOOK

COVID-19 Impact

Although much of the potential impact of COVID-19 on phosphate fertilizer markets remains uncertain, the Company's outlook on the potential impact of COVID-19 is as follows:

- overall agricultural demand fundamentals are not expected to be significantly impacted as global food demand should remain strong despite a potential reduction on agricultural demand for biofuels due to declining oil prices and fuel consumption;
- global fertilizer supply has been impacted mainly in China and India due to logistics constraints; nonetheless, fertilizer and agriculture were deemed essential businesses by most nations worldwide, which should prevent a significant supply shock; and
- global fertilizer demand has not been materially impacted to date, although disruptions of the supply chain are likely to have negative impact on demand in sub-Saharan Africa and South Asia.

Global Supply Outlook

The Company's outlook on global supply is as follows:

- Chinese production resumed to historical levels by the end of March 2020 with no significant further disruption expected;
- OCP, Ma'aden, PhosAgro and Eurochem are expected to continue competing for global market share;
- US supply expected to continue at full capacity following Mosaic's Bartow restart in March;
- overall, the announced production cuts provided some welcome relief during Q1 2020 but are not expected to be sufficient to fully rebalance the market in 2020; and
- no significant new capacity is expected to be commissioned in 2020 as a result of voluntary postponement of ramp-up to 2021 and COVID-19 related delays.

Global Demand Outlook

The Company's outlook on global demand is as follows:

- overall, Q2 tends to be a seasonally strong period globally for fertilizer consumption, with demand being driven by spring application in the Northern Hemisphere;
- overall agricultural demand fundamentals are not expected to be significantly impacted by COVID-19 as global food demand should remain strong, despite a considerable decline of grain and oilseed prices and a potential reduction on agricultural demand for biofuels due to declining oil prices and fuel consumption;
- India's announced fertilizer subsidies for DAP only slightly lower than 2019 and significant inventory drawdown during strong Rabi application season are supportive of demand throughout 2020;
- Chinese demand is expected to remain stable despite potential local shortages of supply due to in-country logistical constraints;
- North American demand is expected to be strong during Q2 2020 due to high planting expectation and the lack of fertilizer application over the last year; however, consumption is expected to decrease during H2 2020 due to lower grain and oilseed prices, which could impact planting expectation for the 2021 crop; and
- Brazilian demand is expected to remain strong with expected record soybean harvest and fertilizer prices at their most affordable levels in a decade.

Global Pricing Outlook

The Company's outlook on global pricing is as follows:

- overall, potential impacts of COVID-19 represent a significant uncertainty both to supply and demand;
- prices are expected to remain challenged through the remainder of 2020 as supply should continue to pressure the market and elevated inventories are expected to take time to draw down, particularly in North America;
- prices are expected to increase gradually in 2021 as supply stalls and demand starts to consume global inventories; and
- input prices have switched directions with sulfur prices currently expected to move up as supply continues to tighten with refinery rates remaining at record lows for several months, while ammonia prices are expected to be depressed due to the impact of COVID-19 on industrial ammonia demand.

4. OVERVIEW OF RESULTS

SUMMARY OF QUARTERLY RESULTS

For the three months ended March 31, 2020, December 31, 2019, September 30, 2019 and June 30, 2019, the Company's summary of quarterly results was as follows:

(unaudited in thousands of US Dollars except for per share amounts)	**March 31, 2020**	**December 31, 2019**	**September 30, 2019**	**June 30, 2019**
Net loss	$ (18,289)	$ (88,465)	$ (20,778)	$ (21,597)
Basic loss per share	(0.10)	(0.63)	(0.15)	(0.15)
Diluted loss per share	(0.10)	(0.63)	(0.15)	(0.15)
Total assets	$ 461,499	$ 510,764	$ 568,630	$ 566,575

For the three months ended March 31, 2019, December 31, 2018, September 2018 and June 30, 2018, the Company's summary of quarterly results was as follows:

(unaudited in thousands of US Dollars except for per share amounts)	**March 31, 2019**	**December 31, 2018**	**September 30, 2018**	**June 30, 2018**
Net income (loss)	$ (13,331)	$ (155,157)	$ (14,390)	$ 4,736
Basic income (loss) per share	(0.09)	(1.09)	(0.10)	0.03
Diluted income (loss) per share	(0.09)	(1.09)	(0.10)	0.03
Total assets	575,339	576,419	749,189	760,789

5. STATEMENTS OF OPERATIONS

For the three months ended March 31, 2020 and 2019, 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 March 31,* 2020	2019
Revenues	$ 75,361	$ 73,178
Cost of goods sold	81,680	73,340
	$ (6,319)	**(162)**
Expenses		
Selling, general and administrative expenses	5,924	5,848
Operating loss	**$ (12,243)**	**$ (6,010)**
Foreign exchange loss	(3,100)	(858)
Other income	1,267	700
Finance expense	(6,088)	(5,441)
Loss before income taxes	**$ (20,164)**	**$ (11,609)**
Current and deferred income tax expense (recovery)	(1,875)	1,722
Net loss attributable to shareholders of the parent	**$ (18,289)**	**(13,331)**
Net loss attributable to non-controlling interest	—	—
Net loss	**$ (18,289)**	**$ (13,331)**
Basic loss per share	**$ (0.10)**	**$ (0.09)**
Fully diluted loss per share	**$ (0.10)**	**$ (0.09)**

For the three months ended March 31, 2020 and 2019, the Company's statements of operations were explained as follows:

- revenues were up year-over-year primarily due to higher sales volumes at Itafos Conda, which was partially offset by significant and continued downward pressure on DAP NOLA prices to which MAP sales prices are linked;
- cost of goods sold was up year-over-year primarily due to higher sales volumes and higher depreciation and depletion at Itafos Conda, which was partially offset by lower input costs at Itafos Conda;
- selling, general and administrative expenses were largely consistent year-over-year;
- foreign exchange loss was up year-over-year primarily due to further depreciation of the Brazilian Real against the US Dollar;
- other income was up year-over-year primarily due to higher tax credits recognized at Itafos Arraias;
- finance expense was up year-over-year primarily due to interest related to CLF Promissory Note and Revolving Facility at Itafos Conda; and
- current and deferred income tax expense (recovery) was down year-over-year due to higher net loss.

6. NON-IFRS FINANCIAL MEASURES

DEFINITIONS

The Company considers non-IFRS measures as follows:

Non-IFRS measure	Definition	Most directly comparable IFRS measure
EBITDA	Earnings before interest, taxes, depreciation, depletion and amortization	Net income (loss) and operating income (loss)
Adjusted EBITDA	EBITDA adjusted for non-cash, extraordinary, non-recurring and other items unrelated to the Company's core operating activities	Net income (loss) and operating income (loss)
Total capex	Additions to property, plant, and equipment and mineral properties adjusted for additions to asset retirement obligations, additions to right of use assets and capitalized interest	Additions to property, plant and equipment and mineral properties
Maintenance capex	The Company's portion of total capex relating to the maintenance of ongoing operations	Additions to property, plant and equipment and mineral properties
Growth capex	The Company's portion of total capex relating to development of growth opportunities	Additions to property, plant and equipment and mineral properties
Net debt	Debt less cash and cash equivalents and short-term investments	Current debt, long-term debt, cash and cash equivalents and short-term investments
Adjusted net debt	Net debt adjusted for deferred financing costs and related party debt and debentures	Current debt, long-term debt, cash and cash equivalents and short-term investments
Working capital	Current assets less current liabilities	Current assets and current liabilities
Realized price	Revenues divided by sales volumes	Revenues
Revenues per tonne P_2O_5	Revenues divided by sales volumes presented on P_2O_5 basis	Revenues
Cash costs	Cost of goods sold less net realizable value adjustments, depreciation, depletion and amortization	Cost of goods sold
Cash costs per tonne P_2O_5	Cash costs divided by sales volumes presented on P_2O_5 basis	Cost of goods sold

EBITDA AND ADJUSTED EBITDA

For the three months ended March 31, 2020 and 2019

For the three months ended March 31, 2020 the Company had EBITDA and Adjusted EBITDA by segment as follows:

(unaudited in thousands of US Dollars)	Itafos Conda	Itafos Arraias	Development and exploration	Corporate	Total
Net income (loss)	**$ 955**	**$ (8,155)**	**$ (1,315)**	**$ (9,774)**	**$ (18,289)**
Finance expense, net	25	9	1	6,053	6,088
Current and deferred income tax expense (recovery)	(2,102)	—	—	227	(1,875)
Depreciation and depletion	9,531	1,597	23	39	11,190
EBITDA	**$ 8,409**	**$ (6,549)**	**$ (1,291)**	**$ (3,455)**	**$ (2,886)**
Unrealized foreign exchange (gain) loss	(115)	2,263	533	429	3,110
Share-based payment expense	—	—	—	255	255
Termination payments	—	602	—	—	602
Other (income) expense, net	1	(1,275)	10	(3)	(1,267)
Adjusted EBITDA	**$ 8,295**	**$ (4,959)**	**$ (748)**	**$ (2,774)**	**$ (186)**

(unaudited in thousands of US Dollars)	Itafos Conda	Itafos Arraias	Development and exploration	Corporate	Total
Operating loss	**$ (1,236)**	**$ (7,165)**	**$ (773)**	**$ (3,069)**	**$ (12,243)**
Depreciation and depletion	9,531	1,597	23	39	11,190
Foreign exchange gain - realized	—	7	2	1	10
Share-based payment expense	—	—	—	255	255
Termination payments	—	602	—	—	602
Adjusted EBITDA	**$ 8,295**	**$ (4,959)**	**$ (748)**	**$ (2,774)**	**$ (186)**

For the three months ended March 31, 2019, the Company had EBITDA and Adjusted EBITDA by segment as follows:

(unaudited in thousands of US Dollars)		Itafos Conda		Itafos Arraias		Development and exploration		Corporate		Total
Net income (loss)	**$**	**5,232**	**$**	**(10,111)**	**$**	**(584)**	**$**	**(7,868)**	**$**	**(13,331)**
Finance (income) expense, net		104		(28)		65		5,300		5,441
Current and deferred income tax expense		1,446		—		—		276		1,722
Depreciation and depletion		5,259		2,127		12		49		7,447
EBITDA	**$**	**12,041**	**$**	**(8,012)**	**$**	**(507)**	**$**	**(2,243)**		**1,279**
Unrealized foreign exchange loss		11		389		64		35		499
Share-based payment recovery		—		—		—		(151)		(151)
Net realizable value adjustments to inventory		—		1,219		—		—		1,219
Other (income) expense, net		(596)		(13)		3		(94)		(700)
Adjusted EBITDA	**$**	**11,456**	**$**	**(6,417)**	**$**	**(440)**	**$**	**(2,453)**	**$**	**2,146**

(unaudited in thousands of US Dollars)		Itafos Conda		Itafos Arraias		Development and exploration		Corporate		Total
Operating income (loss)	**$**	**6,207**	**$**	**(9,485)**	**$**	**(406)**	**$**	**(2,326)**	**$**	**(6,010)**
Depreciation and depletion		5,259		2,127		12		49		7,447
Foreign exchange loss - realized		(10)		(278)		(46)		(25)		(359)
Net realizable value adjustments to inventory		—		1,219		—		—		1,219
Share-based payment recovery		—		—		—		(151)		(151)
Adjusted EBITDA	**$**	**11,456**	**$**	**(6,417)**	**$**	**(440)**	**$**	**(2,453)**	**$**	**2,146**

CAPEX

For the three months ended March 31, 2020 and 2019

For the three months ended March 31, 2020, the Company had capex by segment as follows:

(unaudited in thousands of US Dollars)	Itafos Conda	Itafos Arraias	Development and exploration	Corporate	Total
Additions to property, plant and equipment	$ 5,162	$ (1,834)	$ —	$ 260	$ 3,588
Additions to mineral properties	2,309	—	(518)	—	1,791
Additions to property, plant and equipment related asset retirement obligations	(2,841)	1,834	—	—	(1,007)
Additions to right of use assets	—	—	—	(260)	(260)
Capitalized interest	(787)	—	—	—	(787)
Total capex	**$ 3,843**	**$ —**	**$ (518)**	**$ —**	**$ 3,325**
Maintenance capex	1,919	—	—	—	1,919
Growth capex	1,924	—	(518)	—	1,406

For the three months ended March 31, 2019, the Company had capex by segment as follows:

(unaudited in thousands of US Dollars)	Itafos Conda	Itafos Arraias	Development and exploration	Corporate	Total
Additions to property, plant and equipment	$ 4,921	$ 3,189	$ 265	$ 11	$ 8,386
Additions to mineral properties	775	—	1,676	—	2,451
Additions to property, plant and equipment related asset retirement obligations	(1,875)	—	—	—	(1,875)
Additions to right of use assets	(370)	—	—	—	(370)
Capitalized interest	(390)	—	—	—	(390)
Total capex	**$ 3,061**	**$ 3,189**	**$ 1,941**	**$ 11**	**$ 8,202**
Maintenance capex	2,573	2,602	—	11	5,186
Growth capex	488	587	1,941	—	3,016

NET DEBT AND ADJUSTED NET DEBT

As at March 31, 2020 and December 31, 2019, the Company had net debt and adjusted net debt was as follows:

(unaudited in thousands of US Dollars)	March 31, 2020	December 31, 2019
Current debt	$ 2,396	$ 2,459
Long-term debt	213,554	208,851
Cash and cash equivalents	(16,686)	(29,109)
Net debt	**$ 199,264**	**$ 182,201**
Deferred financing costs related to the Facility	4,697	5,118
CLF participation in the Facility	(29,784)	(29,274)
CLF Promissory Note	(21,620)	(20,689)
Canadian debentures issued to CLF	(427)	(456)
Adjusted net debt	**$ 152,130**	**$ 136,900**

CASH COSTS AND CASH COSTS PER TONNE P_2O_5

For the three months ended March 31, 2020 and 2019

For the three months ended March 31, 2020, the Company had cash costs and cash costs per tonne P_2O_5 by segment as follows:

(unaudited in thousands of US Dollars except for per tonne amounts)	Itafos Conda	Itafos Arraias	Total
Cost of goods sold	71,099	10,581	81,680
Net realizable value adjustments	—	—	—
Depreciation and depletion	(9,531)	(1,597)	(11,128)
Cash costs	**$ 61,568**	**$ 8,984**	**$ 70,552**
Tonnes P_2O_5 sold	97,380	4,165	101,545
Cash costs per tonne P_2O_5	**$ 632**	**$ 2,157**	**$ 695**

For the three months ended March 31, 2019, the Company had cash costs and cash costs per tonne P_2O_5 by segment as follows:

(unaudited in thousands of US Dollars except for per tonne amounts)	Itafos Conda	Itafos Arraias	Total
Cost of goods sold	61,681	12,878	74,559
Net realizable value adjustments	—	(1,219)	(1,219)
Depreciation and depletion	(5,259)	(2,043)	(7,302)
Cash costs	**$ 56,422**	**$ 9,616**	**$ 66,038**
Tonnes P_2O_5 sold	74,282	2,216	76,498
Cash costs per tonne P_2O_5	**$ 760**	**$ 4,339**	**$ 863**

7. FINANCIAL CONDITION

LIQUIDITY

As at March 31, 2020 and December 31, 2019, the Company had cash and cash equivalents of $16,686 and $29,109, respectively and working capital of $79,941 and $84,106, respectively.

As at March 31, 2020 and December 31, 2019, the Company's working capital was as follows:

(unaudited in thousands of US Dollars)	March 31, 2020	December 31, 2019
Cash and cash equivalents	$ 16,686	$ 29,109
Accounts receivable	21,231	23,446
Inventories, net	84,142	105,039
Other current assets	5,200	6,563
Accounts payable and accrued liabilities	(42,035)	(72,062)
Provisions	(542)	(2,382)
Current debt	(2,396)	(2,459)
Contract liabilities	(96)	(702)
Other current liabilities	(2,249)	(2,446)
Working capital[i]	**$ 79,941**	**$ 84,106**

i. Working capital is a non-IFRS financial measure (see Section 6).

To execute its strategy, the Company will continue to require capital to support its strategic initiatives and development objectives. In addition to cash flows from Itafos Conda, the Company intends to raise additional capital in 2020 and beyond through a combination of equity and debt financings.

On October 31, 2019, Itafos Conda closed the Revolving Facility. As at March 31, 2020, Itafos Conda had drawn $10,000 under the Revolving Facility. An additional tranche of $10,000 remains available to be committed and drawn by Itafos Conda subject to agreement on certain terms and conditions (see Note 10 in the Interim Financial Statements).

On December 31, 2019, the Company completed a $36,000 capital raise with CLF through a non-brokered private placement financing of $15,000 and an amendment to increase the availability of a previously issued subordinated promissory note by $21,000. As at March 31, 2020, the Company had borrowed $5,000 of the available $21,000, with the balance of $16,000 remaining available to be drawn by the Company at its sole discretion through December 31, 2020 (see Note 10 in the Interim Financial Statements).

In May 2020, the Company received a commitment from CLF to invest up to an incremental $3,000, if required, for the Company to meet its liabilities as and when they become due to ensure business continuity and ongoing operations through March 31, 2021. The investment amount may be reduced by any amount of new capital raised by the Company from investors other than CLF (see Note 2 in the Interim Financial Statements).

While the Company has a demonstrated track record of raising capital, there can be no assurance of the Company's ability to do so going forward. Failure to obtain sufficient financing could result in a delay or indefinite postponement of the Company's strategic initiatives and development objectives. Additional financing may not be available when needed, or if available, the terms of such financing might not be favorable to the Company and might involve substantial dilution to existing members. Failure to raise capital when needed could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company is not currently projecting any material impact on its operations or financial outlook as a result of COVID-19. However, the Company is closely monitoring potential risks to its operations, including factors that could impact production or demand for its products as such factors could have a material impact on the Company's cash flow from operations, which could result in a cash shortfall unless otherwise remedied (see Note 2 in the Interim Financial Statements).

SUMMARY BALANCE SHEETS

As at March 31, 2020 and December 31, 2019, the Company's summary balance sheets were as follows:

(unaudited in thousands of US Dollars)		**March 31, 2020**		**December 31, 2019**
Cash and cash equivalents	$	16,686	$	29,109
Current assets (including cash and cash equivalents)	$	127,259	$	164,157
Non-current assets		334,240		346,607
Total assets	**$**	**461,499**	**$**	**510,764**
Current liabilities (excluding current portion of debt)	$	44,922	$	77,592
Non-current liabilities (excluding long-term debt)		74,189		79,603
Debt (current and long-term)		215,950		211,310
Total liabilities	**$**	**335,061**	**$**	**368,505**
Equity attributable to shareholders of the parent	$	117,376	$	133,197
Non-controlling interest		9,062		9,062
Total equity	**$**	**126,438**	**$**	**142,259**

As at March 31, 2020 and December 31, 2019, the Company's summary balance sheets were explained as follows:

- total current assets were down period-over-period primarily due to lower cash and cash equivalents and lower inventory levels at Itafos Conda and Itafos Arraias;
- total non-current assets were down period-over-period primarily due to higher depreciation and depletion at Itafos Conda, which was partially offset by fixed assets additions primarily at Itafos Conda (see Note 5 in the Interim Financial Statements);
- total current liabilities were down period-over-period primarily due to lower trade and taxes payable at Itafos Conda, payroll payable at corporate and provisions at Itafos Arraias;
- total non-current liabilities were down period-over-period primarily due to lower taxes payable at Itafos Arraias and share-based payments due to vesting under the Company's RSU Plan;
- total debt was up period-over-period primarily due to paid-in-kind interest at corporate related to the Facility and additional debt from the Revolving Facility (see Note 10 in the Interim Financial Statements); and
- total equity was down period-over-period primarily due to higher net loss.

As at March 31, 2020 and December 31, 2019, the Company did not have any significant off-balance sheet arrangements.

CAPITAL RESOURCES

As at March 31, 2020 and December 31, 2019, the Company's capital resources were as follows:

(unaudited in thousands of US Dollars)		*As at December 31,* **2020**		**2019**
Total equity	$	126,438	$	142,259
Net debt[i]		199,264		182,201
Capital resources	**$**	**325,702**	**$**	**324,460**

i. Net debt is a non-IFRS measure (see Section 6).

In order to maintain or adjust its capital structure, the Company may, upon approval from its Board of Directors, issue shares, or undertake other activities as deemed appropriate under the specific circumstances.

SUMMARY CASH FLOWS

For the three months ended March 31, 2020 and 2019, the Company's summary cash flows were as follows:

(unaudited in thousands of US Dollars)	*For the three months ended March 31,* 2020	2019
Cash and cash equivalents, beginning of period	**$ 29,109**	**$ 9,919**
Cash flows from (used by) operating activities	(6,598)	7,431
Cash flows used by investing activities	(2,566)	(3,070)
Cash flows used by financing activities	(3,015)	(3,722)
Effect of foreign exchange of non-US Dollar denominated cash	(244)	(8)
Cash and cash equivalents, end of period	**$ 16,686**	**$ 10,550**

For the three months ended March 31, 2020 and 2019, the Company's summary cash flows were explained as follows:

- cash flows from (used by) operating activities were down year-over-year primarily due to 2018 income tax payments at Itafos Conda;
- cash flows used by investing activities were down year-over-year primarily due to timing of spend on various projects at Itafos Conda; and
- cash flows from (used by) financing activities were down year-over-year primarily due to repurchase of shares through the NCIB during 2019 and additional debt from the Revolving Facility (see Notes 10 and 12 in the Interim Financial Statements).

CONTRACTUAL OBLIGATIONS

As at March 31, 2020, 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
Debt	$ 1,396	$ 271,910	$ 50	$ —	**$ 273,356**
Accounts payable and accrued liabilities	42,035	—	—	—	**42,035**
Provisions	542	—	—	55,059	**55,601**
Leases	2,249	6,229	4,674	1,519	**14,671**
Canadian debentures	789	452	117	117	**1,475**
Brazilian debentures	211	257	257	234	**959**
Contractual obligations	**$ 47,222**	**$ 278,848**	**$ 5,098**	**$ 56,929**	**$ 388,097**

The Company's provisions are representative of the environmental and asset retirement obligations as well as legal contingencies that exist as at March 31, 2020. As at March 31, 2020, Itafos Conda and Itafos Arraias had environmental and asset retirement obligations of $44,238 and $10,713, respectively. Liabilities for costs are recorded when it is probable that obligations have been incurred and the amounts can be reasonably estimated (see Note 11 in the Interim Financial Statements).

8. BUSINESS RISKS AND UNCERTAINTIES

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 in this MD&A may constitute forward-looking information, including any information as to the Company's mission, strategy, outlook, plans or future operational and financial 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:

- mission, strategy and outlook;
- ability to carry out and complete any plan;
- ability to achieve future operational and financial results;
- ability to own and operate its operating projects;
- ability to develop and complete its development projects;
- ability to obtain necessary permits and licenses;
- ability to secure financing;
- expectations around commodity markets;
- expectations around resources and reserves, including those stipulated in technical reports;
- expectations around current estimates and potential increases of mine life; and
- expectations around environmental and asset retirement obligations.

RISKS AND UNCERTAINTIES

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:

- commodity price risks;
- operating risks;
- safety risks;
- mineral reserves and mineral resources risks;
- mine development and completion risks;
- foreign operations risks;
- regulatory risks;
- environmental risks;
- weather risks;
- climate change risks;
- currency risks;
- competition risks;
- counterparty risks;
- financing risks;
- additional capital risks;
- credit risks;
- key personnel risks;
- impairment risks;
- cybersecurity risks;
- transportation risks;
- infrastructure risks;
- equipment and supplies risks;
- litigation risks;
- permitting and licensing risks;
- land title and access rights risks;
- insurance and uninsured risks;
- acquisitions and integration risks;
- malicious acts risks;
- stock price volatility risks;

- limited operating history risks;
- technological advancement risks;
- tax risks;
- foreign subsidiaries risks;
- reputation damage risks;
- controlling shareholder risks; and
- conflicts of interest 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 as 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 operational and financial performance and the Company's plans and objectives and may not be appropriate for other purposes.

For the three months ended March 31, 2020, there have been no changes to the risks and uncertainties that have materially affected, or are reasonably likely to materially affect, the Company's forward-looking information. The risks and uncertainties are described in greater detail in the Annual MD&A.

9. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires the Company 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 judgment involved and the potential impact on the Company's reported financial results. Evaluations of estimates and judgments occur continuously. Estimates and judgments 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 financial statements of future periods (see Note 3 in the Audited Financial Statements).

10. CONTROLS AND PROCEDURES

The Company maintains controls and procedures, including disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR") as defined in National Instrument 52-109. The Company's DC&P are intended to provide reasonable assurance that information required to be disclosed by the Company in its filings is reported accurately and timely. The Company's ICFR is intended to provide reasonable assurance regarding the reliability of the Company's financial reporting for external purposes in accordance with IFRS.

There are inherent limitations to the effectiveness of any system of DC&P and ICFR, including the possibility of human error and the circumvention or overriding of controls and procedures. Accordingly, even effective controls and procedures can only provide reasonable assurance of achieving their objectives.

The Company has identified certain risks in its controls and procedures related to segregation of duties resulting from limited administrative staffing and manual processes. The Company is mitigating such risks through various measures, including automating processes and increasing oversight.

For the three months ended March 31, 2020, there have been no changes to the Company's controls and procedures that have materially affected, or are reasonably likely to materially affect, the Company's DC&P and ICFR.

11. OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Company's related party transactions include key management compensation and debt from CLF, its principal shareholder (see Note 22 in the Interim 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 Conda and Itafos Paris Hills is Luc Adjanor, Chartered Engineer and Professional Member with the UK Institute of Materials, Minerals and Mining.

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 Araxá 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 Farim is Dan Markovic, P.Eng.

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