ITAFOS

News Release

TSX-V: IFOS

ITAFOS REPORTS Q3 2023 RESULTS

HOUSTON, TX – November 8, 2023 – Itafos Inc. (TSX-V: IFOS) (the "Company") reported today its Q3 2023 financial and operational highlights. The Company's financial statements and management's discussion and analysis for the three and nine months ended September 30, 2023 are available under the Company's profile at www.sedarplus.com and on the Company's website at www.itafos.com. All figures are in thousands of US Dollars except as otherwise noted.

CEO Commentary

"We are pleased to report solid financial results and the continuation of our strong safety and operational performance in Q3 2023. For the nine months ending September 30, 2023, we reported revenues of $346.5 million and adjusted EBITDA of $102.3 million.

During the third quarter, we continued to successfully execute our business plan and made significant progress on a number of key company objectives. Work intensified and continues on our Husky 1 / North Dry Ridge ("H1/NDR") capital project with the project remaining on budget and on schedule for 2026 operations. Additionally, the Company entered into a new five-year monoammonium phosphate sales agreement (the "MAP Offtake Agreement") with J. R. Simplot Company, an international food and agriculture company. The agreement, which commences on January 1, 2024, provides visibility around our MAP sales volumes over the medium term.

During Q3 2023, we saw prices rebound and moderate off the lows of Q2 2023, reflective of demand improvement and tighter US supply fundamentals. We expect to see these conditions continue into 1H of 2024. The Company has maintained its full year EBITDA guidance (narrowing the bottom of the range), based off these improved market conditions.

Finally, the process to explore and evaluate various strategic alternatives to enhance value for all Itafos shareholders announced by our Board in Q1 2023 continues." said G. David Delaney, CEO of Itafos.

Q3 2023 Key Highlights

- revenues of $110.8 million
- Adjusted EBITDA of $19.7 million[1]
- net income of $3.1 million
- basic earnings of C$0.02/share
- free cash flow of $(9.7) million[1]

9M 2023 Key Highlights

- revenues of $ 346.5 million
- Adjusted EBITDA of $ 102.3 million
- net income of $ 51.7 million
- basic earnings of C$ 0.37/share
- free cash flow of $ 54.2 million

September 30, 2023 Key Highlights

- trailing 12 months Adjusted EBITDA of $ 152.4 million[1]
- net debt of $ 62.9 million[1]
- net leverage ratio of 0.4x[1]

Narrowed FY 2023 Guidance

- Adjusted EBITDA guidance of $125-135 million
- net income guidance of $50-60 million
- basic earnings guidance of C$0.34-0.41/share
- maintenance capex guidance of $15-25 million[1]
- growth capex guidance of $35-45 million[1]
- free cash flow guidance of $65-85 million

[1]Adjusted EBITDA, trailing 12 months Adjusted EBITDA, maintenance capex, growth capex, net debt, net leverage ratio and free cash flow are each a non-International Financial Reporting Standards ("IFRS financial measure"). For additional information on non-IFRS and other financial measures, see "Non-IFRS financial measures" below.

Q3 and 9M 2023 Market Highlights

Diammonium phosphate ("DAP") New Orleans ("NOLA") prices averaged $507/st in Q3 2023 compared to $761/st in Q3 2022, down 33% year-over-year, and averaged $550/st in 9M 2023 compared to $805/st in 9M 2022, down 32% year-over-year. Specific factors driving the year-over-year decline in DAP NOLA were as follows:

- weakened demand in response to historically high 2022 phosphate prices;
- the softening of global ammonia and sulfur prices;
- the softening of historically high crop prices; and
- increased phosphate exports out of Russia and China.

Q3 2023 Financial Highlights

For Q3 2023, the Company's financial highlights were as follows:

- revenues of $110.8 million in Q3 2023 compared to $153.2 million in Q3 2022;
- Adjusted EBITDA of $19.7 million in Q3 2023 compared to $50.7 million in Q3 2022;
- net income of $3.1 million in Q3 2023 compared to $8.1 million in Q3 2022;
- basic earnings of C$0.02/share in Q3 2023 compared to C$0.06/share in Q3 2022; and
- free cash flow of $(9.7) million in Q3 2023 compared to $53.6 million in Q3 2022.

The decrease in the Company's Q3 2023 financial performance compared to Q3 2022 was primarily due to lower realized prices as a result of softer global market conditions partially offset by higher sales volumes and lower input costs.

The Company's total capex[2] spend in Q3 2023 was $16.3 million compared to $8.7 million in Q3 2022 with the increase primarily due to the development activities at H1/NDR at Conda.

9M 2023 Financial Highlights

For 9M 2023, the Company's financial highlights were as follows:

- revenues of $346.5 million in 9M 2023 compared to $458.0 million in 9M 2022;
- Adjusted EBITDA of $102.3 million in 9M 2023 compared to $174.6 million in 9M 2022;
- net income of $51.7 million in 9M 2023 compared to $85.4 million in 9M 2022;
- basic earnings of C$0.37/share in 9M 2023 compared to C$0.58/share in 9M 2022; and
- free cash flow of $54.2 million in 9M 2023 compared to $149.2 million in 9M 2022.

The decrease in the Company's 9M 2023 financial performance compared to 9M 2022 was primarily due to lower realized prices, partially offset by lower input costs.

The Company's total capex[2] spend in 9M 2023 was $37.2 million compared to $30.0 million in 9M 2022 with the increase primarily due to development activities at H1/NDR at Conda

September 30, 2023 Highlights

As at September 30, 2023, the Company had trailing 12 months Adjusted EBITDA of $152.4 million compared to $224.8 million at the end of 2022 with the decrease primarily due to the same factors that resulted in lower revenues, which were partially offset by lower input costs at Conda.

At September 30, 2023, the Company had net debt of $62.9 million compared to $88.3 million at the end of 2022, with the reduction due to the repayment of principal debt outstanding from free cash flows generated, which was partially offset by lower cash and cash equivalents. The Company's net debt as at September 30, 2023 was comprised of $36.4 million in cash and $97.8 million in debt (gross of deferred financing costs). As at September 30, 2023 and the end of 2022, the Company's net leverage ratio was 0.4x

As at September 30, 2023, the Company had liquidity[3] of $76.4 million comprised of $36.4 million in cash and $40.0 million in undrawn borrowing capacity under its $80 million asset-based revolving credit facility (the "ABL Facility").

---

[2] Total capex is a non-IFRS financial measure. For additional information on non-IFRS and other financial measures, see "Non-IFRS financial measures" below.

[3] Liquidity is a non-IFRS financial measure. For additional information on non-IFRS and other financial measures, see "Non-IFRS financial measures" below.

Q3 2023 Operational Highlights

Environmental, Health, and Safety ("EHS")

- Sustained EHS performance, including no reportable environmental releases and two recordable incidents, which resulted in a consolidated total recordable incident frequency rate ("TRIFR") of 0.58.

Conda

- Produced 87,976 tonnes P_2O_5 at Conda in Q3 2023 compared to 84,908 tonnes P_2O_5 in Q3 2022 with the increase primarily due to higher throughput resulting from reduced downtime;
- Generated revenues of $106.8 million at Conda in Q3 2023 compared to $145.3 million in Q3 2022 with the decrease primarily due to lower realized selling prices, which were partially offset by higher sales volumes. Elevated prices in the prior year driven primarily by the Russian invasion of Ukraine and the three-month lagged pricing impact on Conda's MAP contract;
- Generated Adjusted EBITDA at Conda of $23.7 million in Q3 2023 compared to $54.2 million in Q3 2022 with the decrease primarily due to the same factors that resulted in lower revenues, which were partially offset by lower input costs.
- Advanced H1/NDR capital activities including earthworks and related water management features for the rail loadout and haul road, improvement of the maintenance shop, and existing road relocation;
- On September 7, 2023, the Company announced that it entered into the MAP Offtake Agreement with J.R. Simplot Company, an international food and agriculture company. The Company will sell 100% of the MAP produced by Conda to the J.R. Simplot Company during the term of the MAP Offtake Agreement, which will commence on January 1, 2024, with a term of five years. The MAP Offtake Agreement will replace the existing MAP sales agreement dated January 12, 2018, between the Company and Nutrien Ltd. ("Nutrien"), which is set to expire on December 31, 2023; and
- On September 7, 2023, the Company entered into a new ammonia supply contract with a subsidiary of Nutrien, which will commence on January 1, 2024, with a term of two years. The new ammonia supply contract will replace the current supply contract dated January 12, 2018, between the Company and Nutrien, which is set to expire on December 31, 2023.

Q3 2023 Other Highlights

- Produced 25,851 tonnes of sulfuric acid at Arraias in Q3 2023 compared to 32,935 tonnes in Q3 2022 with the decrease primarily due to sulfuric acid lower demand in Q3 2023;
- Produced 4,553 tonnes P_2O_5 of Direct Application Phosphate Rock ("DAPR") at Arraias in Q3 2023 compared to 0 tonnes P_2O_5 in Q3 2022 with the increase due to the first full quarter of DAPR production and sales per Fertilizer Restart Program; and
- Generated Adjusted EBITDA at Arraias of $0.1 million loss in Q3 2023 compared to $0.2 million gain in Q3 2022 with the decrease primarily due to lower realized sulfuric acid prices, which were partially offset by lower cost of goods sold and commencement of DAPR sales.

9M 2023 Operational Highlights

EHS

- Sustained EHS performance, including no reportable environmental releases and four recordable incidents, which resulted in a consolidated TRIFR of 0.58.

Conda

- Produced 253,311 tonnes P_2O_5 at Conda in Q3 2023 compared to 254,300 tonnes P_2O_5 in Q3 2022;
- Generated revenues of $335.7 million at Conda in Q3 2023 compared to $441.7 million in Q3 2022 with the decrease primarily due to lower realized selling prices;
- Generated Adjusted EBITDA at Conda of $115.8 million in Q3 2023 compared to $185.3 million in Q3 2022 with the decrease primarily due to the same factors that resulted in lower revenues, which were partially offset by lower input costs;
- On April 24, 2023, the Company announced the Record of Decision for the H1/NDR mine development project. The H1/NDR project comprises primarily of civil activities and infrastructure development. Mineral resources from H1/NDR are expected from 2026[4] onward, providing an uninterrupted supply as Rasmussen Valley Mine reaches the end of its useful life;
- On May 8, 2023, the Company received the Notice to Proceed ("NTP") for the H1/NDR mine development project. Upon receipt of the NTP, the Company commenced capital activities associated with the mine development project;
- Advanced H1/NDR capital activities including earthworks and related water management features for the rail loadout and haul road, improvement of the maintenance shop, and existing road relocation;
- Advanced development, including engineering of key infrastructure and progression of related magnesium oxide reduction initiatives to enhance SPA production and sales volumes, including continuation of test work;
- On September 7, 2023, the Company announced that it entered into the MAP Offtake Agreement with J.R. Simplot Company, an international food and agriculture company. The Company will sell 100% of the MAP produced by Conda to J.R. Simplot Company during the term of the MAP Offtake Agreement, which will commence on January 1, 2024, with a term of five years. The MAP Offtake Agreement will replace the existing MAP sales agreement dated January 12, 2018, between the Company and Nutrien, which is set to expire on December 31, 2023; and
- On September 7, 2023, the Company entered into a new ammonia supply contract with a subsidiary of Nutrien, which will commence on January 1, 2024, with a term of two years. The new ammonia supply contract will replace the current supply contract dated January 12, 2018, between the Company and Nutrien, which is set to expire on December 31, 2023.

9M 2023 Other Highlights

- Produced 54,988 tonnes of sulfuric acid at Arraias in 9M 2023 compared to 63,135 tonnes in 9M 2022 with the decrease due to the sulfuric acid plant shutdown for required maintenance in April and May;
- Produced 4,553 tonnes P_2O_5 of DAPR at Arraias in 9M 2023 compared to 0 tonnes P_2O_5 in 9M 2022 with the increase due to the first full quarter of DAPR production and sales per Fertilizer Restart Program;
- Generated Adjusted EBITDA at Arraias of $0.7 million loss in 9M 2023 compared to $0.1 million loss in 9M 2022 with the decrease primarily due to lower realized sulfuric acid prices, which were partially offset by higher sales volumes and lower cost of goods sold and selling, general and administrative expenses;
- On June 28, 2023, the Company filed the NI 43-101 technical report for the Farim Phosphate Project; and
- The Special Committee of the Board of Directors continues to evaluate strategic alternatives that may be available to Company in an effort to enhance shareholder value.

Market Outlook

Prices in 2023 have moderated off the historically high prices in 2022, which continued to drive a reduction in Q3 2023 prices. Due to the nature of our MAP sales contract, with sales price determined by a three-month lagging average, the impact of this decrease, coupled with lower SPA reset pricing, impacted the Company's performance in Q3 2023. Through Q3 and now into Q4 2023, the Company has seen robust demand return to the market, resulting in improved pricing and tightened North American phosphate fertilizer supply, which is expected to remain through the first half of next year.

Specific factors the Company expects to support strength in the global phosphate fertilizer markets through the end of 2023 are as follows:

- no significant phosphate supply capacity additions;
- strong demand for phosphates in North America following years of under application;
- exceptional farmer affordability due to higher crop prices; and
- ongoing phosphate export restrictions from China and reduced exports from Morocco.

[4] Timeline for H1/NDR based on management estimates and subject to certain assumptions, including successful permitting and development activities. The H1/NDR mine life extension is based on a Preliminary Economic Assessment ("2019 PEA") included in the Conda Technical Report (as defined below). The 2019 PEA on the H1 and NDR properties is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the 2019 PEA will be realized. Readers are referred to the Conda Technical Report for the applicable qualifications and assumptions in connection with its 2019 PEA.

Financial Outlook

The Company narrowed its guidance for 2023 as follows:

(in millions of US Dollars except as otherwise noted)		*Projected* **FY 2023**
Adjusted EBITDA	$	125-135
Net income		50-60
Basic earnings (C$/share)		0.34-0.41
Maintenance capex		15-25
Growth capex		35-45
Free cash flow		65-85

Business Outlook

The Company continues to focus on the following key objectives to drive long-term value and shareholder returns:

- improving financial and operational performance;
- deleveraging its balance sheet;
- executing on the requisite infrastructure and civil works required for the mine development for H1/NDR; and
- conducting the strategic review process (including evaluating potential strategic alternatives for the Company as outlined in the news release dated March 13, 2023).

About Itafos

The Company is a phosphate and specialty fertilizer company. The Company's businesses and projects are as follows:

- Conda – a vertically integrated phosphate fertilizer business located in Idaho, US with production capacity as follows:
  - approximately 550kt per year of monoammonium phosphate ("MAP"), MAP with micronutrients ("MAP+"), superphosphoric acid ("SPA"), merchant grade phosphoric acid ("MGA") and ammonium polyphosphate ("APP"); and
  - approximately 27kt per year of hydrofluorosilicic acid ("HFSA");
- Arraias – a vertically integrated phosphate fertilizer business located in Tocantins, Brazil with production capacity as follows:
  - approximately 500kt per year of single superphosphate ("SSP") and SSP with micronutrients ("SSP+"); and
  - approximately 40kt per year of excess sulfuric acid (220kt per year gross sulfuric acid production capacity);
- Farim – a high-grade phosphate mine project located in Farim, Guinea-Bissau;
- Santana – a vertically integrated high-grade phosphate mine and fertilizer plant project located in Pará, Brazil; and
- Araxá – a vertically integrated rare earth elements and niobium mine and extraction plant project located in Minas Gerais, Brazil.

As at September 30, 2023, the Company has completed the wind down process of the Mantaro mine project (located in Junin, Peru).

The Company is a Delaware corporation that is headquartered in Houston, TX. The Company's shares trade on the TSX Venture Exchange ("TSX-V") under the ticker symbol "IFOS". The Company's principal shareholder is CL Fertilizers Holding LLC ("CLF"). CLF is an affiliate of Castlelake, L.P., a global private investment firm.

For more information, or to join the Company's mailing list to receive notification of future news releases, please visit the Company's website at www.itafos.com.

Forward-Looking Information

Certain information contained in this news release constitutes forward-looking information, including statements with respect to: the timing for commencement of operations at H1 / NDR; the expected resource life of H1 / NDR; the sources of funding to be used for the development of H1 / NDR; and economic and market trends with respect to the global agriculture and phosphate fertilizer markets. All information other than information of historical fact is forward-looking information. Statements that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future include, but are not limited to, statements regarding estimates and/or assumptions in respect of the Company's financial and business outlook are forward-looking information. The use of any of the words "intend", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "should", "would", "believe", "predict" and "potential" and similar expressions are intended to identify forward-looking information.

The forward-looking information contained in this news release 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 include the Company's expectations and assumptions with respect to the following: commodity prices; operating results; safety risks; changes to the Company's mineral reserves and resources; risk that timing of expected permitting will not be met; changes to mine development and completion; foreign operations risks; changes to regulation; environmental risks; the impact of adverse weather and climate change; general economic changes, including inflation and foreign exchange rates; the actions of the Company's competitors and counterparties; financing, liquidity, credit and capital risks; the loss of key personnel; impairment risks; cybersecurity risks; risks relating to transportation and infrastructure; changes to equipment and suppliers; adverse litigation; changes to permitting and licensing; geo-political risks; loss of land title and access rights; changes to insurance and uninsured risks; the potential for malicious acts; market volatility; changes to technology; changes to tax laws; the risk of operating in foreign jurisdictions; and the risks posed by a controlling shareholder and other conflicts of interest. Readers are cautioned that the foregoing list of risks, uncertainties and assumptions is not exhaustive.

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. Additional risks and uncertainties affecting the forward-looking information contained in this news release are described in greater detail in the Company's current Annual Information Form and current Management's Discussion and Analysis available under the Company's profile on SEDAR+ at www.sedarplus.com and on the Company's website at www.itafos.com. 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 Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates, assumptions or opinions should change, except as required by applicable securities law. The forward-looking information included in this news release is expressly qualified by this cautionary statement and is made as of the date of this news release.

This news release contains future-oriented financial information and financial outlook information (together, "FOFI") about the Company's prospective results of operations, including statements regarding expected adjusted EBITDA, net income, basic earnings per share, maintenance capex, growth capex and free cash flow. FOFI is subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraph. The Company has included the FOFI to provide an outlook of management's expectations regarding anticipated activities and results, and such information may not be appropriate for other purposes. The Company and management believe that the FOFI has been prepared on a reasonable basis, reflecting management's reasonable estimates and judgements; however, actual results of operations and the resulting financial results may vary from the amounts set forth herein. Any financial outlook information speaks only as of the date on which it is made and the Company undertakes no obligation to publicly update or revise any financial outlook information except as required by applicable securities laws.

For further information, please contact:

Matthew O'Neill
Itafos Investor Relations
investor@itafos.com
713-242-8446

Scientific and Technical Information

The scientific and technical information contained in this news release related to Mineral Resources for Conda and Farim has been reviewed and approved by Jerry DeWolfe, Professional Geologist (P.Geo.) with the Association of Professional Engineers and Geoscientists of Alberta. Mr. DeWolfe is a full-time employee of WSP Canada Inc. and is independent of the Company. The scientific and technical information contained in this news release related to Mineral Reserves for Conda and Farim has been reviewed and approved by Edward Minnes, Professional Engineer (P.E.) licensed by the State of Missouri. Mr. Minnes is a part-time employee of WSP USA Inc. and is independent of the Company. The Company's latest technical report in respect of Conda is entitled, "NI 43-101 Technical Report on Itafos Conda and Paris Hills Mineral Projects, Idaho, USA," with an effective date of July 1, 2019 (the "Conda Technical Report") and is available under the Company's website at www.itafos.com and under the Company's profile on SEDAR+ at www.sedarplus.com

Non-IFRS Financial Measures

This press release contains 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 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 below.

DEFINITIONS

The Company defines its non-IFRS measures as follows:

Non-IFRS measure	Definition	Most directly comparable IFRS measure	Why the Company uses the measure
EBITDA	Earnings before interest, taxes, depreciation, depletion and amortization	Net income (loss) and operating income (loss)	EBITDA is a valuable indicator of the Company's ability to generate operating income
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)	Adjusted EBITDA is a valuable indicator of the Company's ability to generate operating income from its core operating activities normalized to remove the impact of non-cash, extraordinary and non-recurring items. The Company provides guidance on Adjusted EBITDA as useful supplemental information to investors, analysts, lenders, and others
Trailing 12 months Adjusted EBITDA	Adjusted EBITDA for the current and preceding three quarters	Net income (loss) and operating income (loss) for the current and preceding three quarters	The Company uses the trailing 12 months Adjusted EBITDA in the calculation of the net leverage ratio (non-IFRS measure)
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	The Company uses total capex in the calculation of total cash capex (non-IFRS measure)
Maintenance capex	Portion of total capex relating to the maintenance of ongoing operations	Additions to property, plant and equipment and mineral properties	Maintenance capex is a valuable indicator of the Company's required capital expenditures to sustain operations at existing levels
Growth capex	Portion of total capex relating to the development of growth opportunities	Additions to property, plant and equipment and mineral properties	Growth capex is a valuable indicator of the Company's capital expenditures related to growth opportunities.
Net debt	Debt less cash and cash equivalents plus deferred financing costs (does not consider lease liabilities)	Current debt, long-term debt and cash and cash equivalents	Net debt is a valuable indicator of the Company's net debt position as it removes the impact of deferring financing costs.
Net leverage ratio	Net debt divided by trailing 12 months Adjusted EBITDA	Current debt, long-term debt and cash and cash equivalents; net income (loss) and operating income (loss) for the current and preceding three quarters	The Company's net leverage ratio is a valuable indicator of its ability to service its debt from its core operating activities.
Liquidity	Cash and cash equivalents plus undrawn committed borrowing capacity	Cash and cash equivalents	Liquidity is a valuable indicator of the Company's liquidity

Free cash flow	Cash flows from operating activities, which excludes payment of interest expense, plus cash flows from investing activities less cash growth capex	Cash flows from operating activities and cash flows from investing activities	Free cash flow is a valuable indicator of the Company's ability to generate cash flows from operations after giving effect to required capital expenditures to sustain operations at existing levels. Free cash flow is a valuable indicator of the Company's cash flow available for debt service or to fund growth opportunities. The Company provides guidance on free cash flow as useful supplemental information to investors, analysts, lenders, and others.

EBITDA, ADJUSTED EBITDA AND TRAILING 12 MONTHS ADJUSTED EBITDA

For the three months ended September 30, 2023 and 2022

For the three months ended September 30, 2023, the Company had EBITDA and Adjusted EBITDA by segment as follows:

(unaudited in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Net income (loss)	**$ 9,790**	**$ (1,235)**	**$ (192)**	**$ (5,285)**	**$ 3,078**
Finance (income) expense, net	1,423	(204)	—	3,088	4,307
Current and deferred income tax expense (recovery)	1,878	—	—	(2,289)	(411)
Depreciation and depletion	10,630	681	6	40	11,357
EBITDA	**$ 23,721**	**$ (758)**	**$ (186)**	**$ (4,446)**	**$ 18,331**
Unrealized foreign exchange (gain) loss	—	672	(68)	—	604
Share-based payment expense	—	—	—	223	223
Transaction costs	—	—	—	488	488
Other expense, net	—	6	3	—	9
Adjusted EBITDA	**$ 23,721**	**$ (80)**	**$ (251)**	**$ (3,735)**	**$ 19,655**

(unaudited in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Operating income (loss)	**$ 13,094**	**$ (761)**	**$ (257)**	**$ (4,487)**	**$ 7,589**
Depreciation and depletion	10,630	681	6	40	11,357
Realized foreign exchange gain	(3)	—	—	1	(2)
Share-based payment expense	—	—	—	223	223
Transaction costs	—	—	—	488	488
Adjusted EBITDA	**$ 23,721**	**$ (80)**	**$ (251)**	**$ (3,735)**	**$ 19,655**

For the three months ended September 30, 2022, the Company had EBITDA and Adjusted EBITDA by segment as follows:

(unaudited in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Net income (loss)	**$ 29,564**	**$ (684)**	**$ 151**	**$ (20,943)**	**$ 8,088**
Finance (income) expense, net	1,422	(52)	—	21,393	22,763
Current and deferred income tax expense (recovery)	14,550	—	—	(4,437)	10,113
Depreciation and depletion	8,706	546	4	46	9,302
EBITDA	**$ 54,242**	**$ (190)**	**$ 155**	**$ (3,941)**	**50,266**
Unrealized foreign exchange (gain) loss	—	652	(427)	408	633
Share-based payment expense	—	—	—	252	252
Transaction costs	—	—	60	300	360
Other (income) expense, net	—	(280)	2	(577)	(855)
Adjusted EBITDA	**$ 54,242**	**$ 182**	**$ (210)**	**$ (3,558)**	**$ 50,656**

(unaudited in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Operating income (loss)	**$ 45,589**	**$ (364)**	**$ (274)**	**$ (4,163)**	**$ 40,788**
Depreciation and depletion	8,706	546	4	46	9,302
Realized foreign exchange gain	(53)	—	—	7	(46)
Share-based payment expense	—	—	—	252	252
Transaction costs	—	—	60	300	360
Adjusted EBITDA	**$ 54,242**	**$ 182**	**$ (210)**	**$ (3,558)**	**$ 50,656**

For the nine months ended September 30, 2023 and 2022

For the nine months ended September 30, 2023, the Company had EBITDA and Adjusted EBITDA by segment as follows:

(unaudited in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Net income (loss)	**$ 64,973**	**$ (2,407)**	**$ (977)**	**$ (9,874)**	**$ 51,715**
Finance (income) expense, net	4,703	(475)	79	10,434	14,741
Current and deferred income tax expense (recovery)	18,894	—	—	(17,159)	1,735
Depreciation and depletion	27,212	2,094	11	135	29,452
EBITDA	**$ 115,782**	**$ (788)**	**$ (887)**	**$ (16,464)**	**$ 97,643**
Unrealized foreign exchange loss	—	164	131	—	295
Share-based payment expense	—	—	—	2,825	2,825
Transaction costs	—	—	—	1,652	1,652
Other income, net	(24)	(69)	(29)	—	(122)
Adjusted EBITDA	**$ 115,758**	**$ (693)**	**$ (785)**	**$ (11,987)**	**$ 102,293**

(unaudited in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Operating income (loss)	**$ 88,539**	**$ (2,787)**	**$ (796)**	**$ (16,601)**	**$ 68,355**
Depreciation and depletion	27,212	2,094	11	135	29,452
Realized foreign exchange loss	7	—	—	2	9
Share-based payment expense	—	—	—	2,825	2,825
Transaction costs	—	—	—	1,652	1,652
Adjusted EBITDA	**$ 115,758**	**$ (693)**	**$ (785)**	**$ (11,987)**	**$ 102,293**

For the nine months ended September 30, 2022, the Company had EBITDA and Adjusted EBITDA by segment as follows:

(unaudited in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Net income (loss)	**$ 126,786**	**$ (2,188)**	**$ (456)**	**$ (38,764)**	**$ 85,378**
Finance (income) expense, net	3,856	(9)	6	36,260	40,113
Current and deferred income tax expense (recovery)	41,300	—	—	(15,081)	26,219
Depreciation and depletion	23,099	1,463	11	143	24,716
EBITDA	**$ 195,041**	**$ (734)**	**$ (439)**	**$ (17,442)**	**176,426**
Unrealized foreign exchange (gain) loss	—	996	(332)	490	1,154
Share-based payment expense	—	—	—	4,983	4,983
Transaction costs	—	—	125	505	630
Gain on settlement	(1,352)	—	—	—	(1,352)
Non-recurring compensation expenses	—	—	—	1,511	1,511
Other income	(8,343)	(328)	(20)	(33)	(8,724)
Adjusted EBITDA	**$ 185,346**	**$ (66)**	**$ (666)**	**$ (9,986)**	**$ 174,628**

(unaudited in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Operating income (loss)	**$ 163,688**	**$ (1,529)**	**$ (802)**	**$ (17,107)**	**$ 144,250**
Depreciation and depletion	23,099	1,463	11	143	24,716
Realized foreign exchange gain	(89)	—	—	(21)	(110)
Share-based payment expense	—	—	—	4,983	4,983
Transaction costs	—	—	125	505	630
Gain on settlement	(1,352)	—	—	—	(1,352)
Non-recurring compensation expenses	—	—	—	1,511	1,511
Adjusted EBITDA	**$ 185,346**	**$ (66)**	**$ (666)**	**$ (9,986)**	**$ 174,628**

As at September 30, 2023 and December 31, 2022

As at September 30, 2023, and December 31, 2022, the Company had trailing 12 months Adjusted EBITDA as follows:

(unaudited in thousands of US Dollars)		September 30, 2023		December 31, 2022
For the three months ended September 30, 2023	$	19,655	$	—
For the three months ended June 30, 2023		39,677		—
For the three months ended March 31, 2023		42,961		—
For the three months ended December 31, 2022		50,130		50,130
For the three months ended September 30, 2022		—		50,656
For the three months ended June 30, 2022		—		63,591
For the three months ended March 31, 2022		—		60,381
Trailing 12 months Adjusted EBITDA	**$**	**152,423**	**$**	**224,758**

TOTAL CAPEX

For the three months ended September 30, 2023 and 2022

For the three months ended September 30, 2023, the Company had capex by segment as follows:

(unaudited in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Additions to property, plant and equipment	$	(8,090)	$	(23)	$	(1)	$	648	$	(7,466)
Additions to mineral properties		10,097		—		(6)		—		10,091
Additions to property, plant and equipment related asset retirement obligations		13,757		244		—		—		14,001
Additions to right-of-use assets		—		(12)		1		(311)		(322)
Total capex	**$**	**15,764**	**$**	**209**	**$**	**(6)**	**$**	**337**	**$**	**16,304**
Accrued capex		1,079		—		—		—		1,079
Total cash capex	**$**	**16,843**	**$**	**209**	**$**	**(6)**	**$**	**337**	**$**	**17,383**
Maintenance capex	$	2,795	$	94	$	—	$	337	$	3,226
Accrued maintenance capex		2,719		—		—		—		2,719
Cash maintenance capex	**$**	**5,514**	**$**	**94**	**$**	**—**	**$**	**337**	**$**	**5,945**
Growth capex	$	12,969	$	115	$	(6)	$	—	$	13,078
Accrued growth capex		(1,640)		—		—		—		(1,640)
Cash growth capex	**$**	**11,329**	**$**	**115**	**$**	**(6)**	**$**	**—**	**$**	**11,438**

For the three months ended September 30, 2022, the Company had capex by segment as follows:

(unaudited in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Additions to property, plant and equipment	$	6,216	$	120	$	—	$	5	$	6,341
Additions to mineral properties		2,239		—		535		—		2,774
Additions to property, plant and equipment related asset retirement obligations		(771)		332		—		—		(439)
Additions to right-of-use assets		—		2		—		—		2
Total capex	**$**	**7,684**	**$**	**454**	**$**	**535**	**$**	**5**	**$**	**8,678**
Accrued capex		2,690		—		—		—		2,690
Total cash capex	**$**	**10,374**	**$**	**454**	**$**	**535**	**$**	**5**	**$**	**11,368**
Maintenance capex	$	3,611	$	166	$	—	$	5	$	3,782
Accrued maintenance capex		3,169		—		—		—		3,169
Cash maintenance capex	**$**	**6,780**	**$**	**166**	**$**	**—**	**$**	**5**	**$**	**6,951**
Growth capex	$	4,073	$	288	$	535	$	—	$	4,896
Accrued growth capex		(479)		—		—		—		(479)
Cash growth capex	**$**	**3,594**	**$**	**288**	**$**	**535**	**$**	**—**	**$**	**4,417**

For the nine months ended September 30, 2023 and 2022

For the nine months ended September 30, 2023, the Company had capex by segment as follows:

(unaudited in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Additions to property, plant and equipment	$	2,050	$	194	$	24	$	657	$	2,925
Additions to mineral properties		23,559		880		495		—		24,934
Additions to asset retirement obligations		9,799		(126)		—		—		9,673
Additions to right-of-use assets		—		8		(24)		(311)		(327)
Total capex	**$**	**35,408**	**$**	**956**	**$**	**495**	**$**	**346**	**$**	**37,205**
Accrued capex		(4,080)		—		—		—		(4,080)
Total cash capex	**$**	**31,328**	**$**	**956**	**$**	**495**	**$**	**346**	**$**	**33,125**
Maintenance capex	$	14,793	$	472	$	—	$	346	$	15,611
Accrued maintenance capex		—		—		—		—		—
Cash maintenance capex	**$**	**14,793**	**$**	**472**	**$**	**—**	**$**	**346**	**$**	**15,611**
Growth capex	$	20,615	$	484	$	495	$	—	$	21,594
Accrued growth capex		(4,080)		—		—		—		(4,080)
Cash growth capex	**$**	**16,535**	**$**	**484**	**$**	**495**	**$**	**—**	**$**	**17,514**

For the nine months ended September 30, 2022, the Company had capex by segment as follows:

(unaudited in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Additions to property, plant and equipment	$	23,959	$	2,419	$	—	$	19	$	26,397
Additions to mineral properties		4,866		—		1,275		—		6,141
Additions to asset retirement obligations		(2,311)		(182)		—		—		(2,493)
Additions to right-of-use assets		—		(34)		—		—		(34)
Total capex	**$**	**26,514**	**$**	**2,203**	**$**	**1,275**	**$**	**19**	**$**	**30,011**
Accrued capex		(1,169)		—		—		—		(1,169)
Total cash capex	**$**	**25,345**	**$**	**2,203**	**$**	**1,275**	**$**	**19**	**$**	**28,842**
Maintenance capex	$	15,697	$	1,427	$	—	$	19	$	17,143
Accrued maintenance capex		(257)		—		—		—		(257)
Cash maintenance capex	**$**	**15,440**	**$**	**1,427**	**$**	**—**	**$**	**19**	**$**	**16,886**
Growth capex	$	10,817	$	776	$	1,275	$	—	$	12,868
Accrued growth capex		(912)		—		—		—		(912)
Cash growth capex	**$**	**9,905**	**$**	**776**	**$**	**1,275**	**$**	**—**	**$**	**11,956**

NET DEBT AND NET LEVERAGE RATIO

As at September 30, 2023, and December 31, 2022, the Company had net debt and net leverage ratio as follows:

(unaudited in thousands of US Dollars except as otherwise noted)		September 30, 2023		December 31, 2022
Current debt	$	29,130	$	29,217
Long-term debt		68,631		98,907
Cash and cash equivalents		(36,351)		(42,811)
Deferred financing costs related to the Credit Facilities		1,521		3,006
Net debt	**$**	**62,931**	**$**	**88,319**
Trailing 12 months Adjusted EBITDA	$	152,423	$	224,758
Net leverage ratio		**0.4x**		**0.4x**

LIQUIDITY

As at September 30, 2023, and December 31, 2022, the Company had liquidity as follows:

(unaudited in thousands of US Dollars)		September 30, 2023		December 31, 2022
Cash and cash equivalents	$	36,351	$	42,811
ABL Facility undrawn borrowing capacity		40,000		21,447
Liquidity	**$**	**76,351**	**$**	**64,258**

FREE CASH FLOW

For the three and nine months ended September 30, 2023 and 2022, the Company had free cash flow as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
(unaudited in thousands of US Dollars)	**2023**	**2022**	**2023**	**2022**
Cash flows from (used by) operating activities	$ (3,771)	$ 60,502	$ 69,839	$ 166,124
Cash flows used by investing activities	(17,383)	(11,368)	(33,126)	(28,841)
Less: Cash growth capex	11,438	4,417	17,514	11,956
Free cash flow	**$ (9,716)**	**$ 53,551**	**$ 54,227**	**$ 149,239**