Management's Discussion and Analysis of Operations and Financial Condition
For the three months and year ended December 31, 2023
March 20, 2024

ITAFOS

TABLE OF CONTENTS

1. INTRODUCTORY NOTES

GENERAL INFORMATION

This management's discussion and analysis of operations and financial condition (the "MD&A") is as of March 20, 2024 and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2023 (the "Consolidated Financial Statements"). The amounts contained herein are in thousands of US Dollars ("$") except for number of shares, per share amounts, number of restricted share units ("RSUs") and as otherwise noted.

Except as otherwise noted, all figures herein are presented in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). 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 measures reported by other issuers. Non-IFRS measures should not be considered as a substitute for, nor superior to, measures of financial performance prepared in accordance with IFRS Accounting Standards. Definitions and reconciliations of non-IFRS measures to the most directly comparable IFRS measures 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 Canada's System for Electronic Document Analysis and Retrieval+ ("SEDAR+") at www.sedarplus.ca and on the Company's website at www.itafos.com.

FORWARD-LOOKING INFORMATION

Cautionary statements regarding forward-looking information and risks and uncertainties affecting forward-looking information are included in Section 9 of this MD&A.

2. GENERAL COMPANY INFORMATION

OVERVIEW

Itafos Inc. (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 December 31, 2023, the Company has completed the wind down process of the Mantaro mine project (located in Junin, Peru). The financial impact of this project to the Company was immaterial.

The Company is a Delaware corporation that is headquartered in Houston, Texas. The Company's shares trade on the TSX Venture Exchange 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 (see Notes 1 and 15 in the Consolidated Financial Statements).

As at December 31, 2023 and 2022, the Company had 190,608,358 and 188,869,463 shares outstanding, respectively (see Note 15 in the Consolidated Financial Statements). As at March 20, 2024, the Company had 191,262,640 shares and 3,992,863 RSUs outstanding. As at December 31, 2023 and December 31, 2022, the Company did not have any other classes of voting securities outstanding.

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BUSINESSES AND PROJECTS

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

Item	Conda[i]	Arraias[ii]	Farim	Santana	Araxá
Ownership[iii]	100%	98.4%	100%	99.4%	100%
Location	Idaho, US	Tocantins, Brazil	Farim, Guinea-Bissau	Pará, Brazil	Minas Gerais, Brazil
Status	Operating	Sulfuric acid operating; remainder of operations idled	Construction-ready	Maintaining option	Maintaining option
Mineral Reserves[iv]	13.1Mt at avg. 26.6% P_2O_5	Under review	43.8Mt at avg. 30.0% P_2O_5	Under review	Under review
Measured and Indicated Mineral Resources[iv,v]	50.3Mt at avg. 25.5% P_2O_5	79.0Mt at avg. 4.9% P_2O_5	102.5Mt at avg. 28.53% P_2O_5	60.4Mt at avg. 12.0% P_2O_5	6.3Mt at avg. 5.0% Total Rare Earth Oxides ("TREO") and at avg. 1.0% Nb_2O_5
Inferred Mineral Resources[iv,v]	0.7Mt at avg. 25% P_2O_5	12.7Mt at avg. 3.9% P_2O_5	31.1Mt at avg. 28.1% P_2O_5	26.6Mt at avg. 5.6% P_2O_5	21.9Mt at avg. 4.0% TREO and 0.6% Nb_2O_5
Mine life[iv]	Through mid-2026	Under review	25 years	Under review	Under review
Products	MAP, MAP+, SPA, MGA, APP and HFSA	SSP, SSP+ excess sulfuric acid, and Direct Application Phosphate Rock ("DAPR")	Phosphate rock	SSP and excess sulfuric acid	Rare earth oxides and niobium oxide
Annual production capacity	550kt MAP, MAP+, SPA, MGA, APP and 27kt HFSA	500kt SSP and SSP+ and 40kt excess sulfuric acid (220kt gross sulfuric acid)	1.35Mt of phosphate rock	500kt SSP and 30kt excess sulfuric acid	8.7kt rare earth oxides and 0.7kt niobium oxide

i. Conda's operations consist of its mines, beneficiation plant, sulfuric acid plant, phosphoric acid plant and granulation plant. Conda's Mineral Reserves and mine life consider existing mines Rasmussen Valley and Lanes Creek only whereas Measured and Indicated Mineral Resources (including Mineral Reserves) and Inferred Mineral Resources include both existing mines and Husky 1 and North Dry Ridge deposits. Conda's Measured and Indicated Resources (including Mineral Reserves) include 1.3Mt of stockpile ore.

ii. Arraias' operations consist of its mines, beneficiation plant, sulfuric acid plant, acidulation plant and granulation plant. On February 8, 2022, the Company announced the resumption of sulfuric acid production and sales at Arraias. During H1 2023, mining was restarted at the Domingos pit for the production and sale of DAPR. The remainder of Arraias' operations, including part of the beneficiation plant, and the full acidulation plant and granulation plant remain idled following best practices.

iii. Arraias and Santana's 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. Under the 2014 Guinea-Bissau Mining Code, the Government of Guinea-Bissau has the right to obtain, free of charge, up to a 10% interest in Farim. The Company expects to grant the free carried interest in Farim to the Government of Guinea-Bissau as part of ongoing revisions to the executed Farim mining agreement.

iv. The Company's technical information, including Mineral Reserves, Measured and Indicated Mineral Resources (including Mineral Reserves), Inferred Mineral Resources and mine life, is presented as of the date of the Company's latest respective technical reports. No recovery, dilution or other similar mining parameters have been applied to the Mineral Resources summarized above.

v. Although the Mineral Resources summarized above are believed to have a reasonable expectation of being extracted economically, they are not Mineral Reserves and there is no certainty that all or any part of the Mineral Resources summarized above will be converted into Mineral Reserves. Mineral Reserves require the application of modifying factors such as recovery, dilution or other similar mining parameters and must be supported with a minimum of a pre-feasibility study. The Inferred Mineral Resources summarized above are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. Where applicable, Mineral Resources and Mineral Reserves presented in dry short tons in the Company's latest respective technical reports have been presented and summarized above in dry tonnes considering a conversion factor of 0.907185.

The Company’s latest respective technical reports are as follows:

- Conda – the technical report titled “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”) as announced in the Company’s news releases dated October 30, 2019 and December 16, 2019;
- Arraias – the technical report titled “Updated Technical Report Itafós Arraias SSP Project, Tocantins State, Brazil” with an effective date of March 27, 2013;
- Farim – the technical report titled “Farim Phosphate Project - NI 43-101 Technical Report and Feasibility Study” with an effective date of May 17, 2023;
- Santana – the technical report titled “Feasibility Study (FS) Santana Phosphate Project, Pará State, Brazil” with an effective date of October 28, 2013 and;
- Araxá – the technical report titled “A Preliminary Economic Assessment in the form of an Independent Technical Report on MBAC Fertilizer Corp. (MBAC) – Araxá Project, Minas Gerais State, Brazil” with an effective date as of October 1, 2012 as amended and restated as of January 25, 2013.

The Company’s latest respective technical reports are available under the Company’s profile on SEDAR+ at www.sedarplus.ca and on the Company’s website at www.itafos.com.

The Company’s businesses and projects are described in greater detail in its 2022 Annual Information Form (the “2022 AIF”, which can be found under the Company’s profile on SEDAR+ at www.sedarplus.ca and on the Company’s website at www.itafos.com.

3. HIGHLIGHTS

KEY HIGHLIGHTS

For the three months ended December 31, 2023

For the three months ended December 31, 2023, the Company's key highlights were as follows:

- sustained Environmental, Health and Safety ("EHS") performance, including no reportable environmental releases and one recordable incident, which resulted in a consolidated Total Recordable Incident Frequency Rate[1] ("TRIFR") of 0.57;
- generated revenues of $119,038;
- diammonium phosphate ("DAP") New Orleans ("NOLA") prices averaged $600/t ($545/st) compared to $741/t ($672/st) in 2022, down 19% year-over-year. This was primarily due to softer agriculture and phosphate fertilizer market supply and demand dynamics compared to the prior year which were impacted by the Russian invasion of Ukraine and the lagged three-month pricing formula of the Company's MAP contract;
- generated Adjusted EBITDA of $29,509 (Adjusted EBITDA is a non-IFRS measure; see Section 8 for further details);
- recorded an impairment of non-current assets of $66,000 at Arraias (see Note 7 in the Consolidated Financial Statements);
- recorded net loss of $(48,623);
- recorded basic loss of Canadian dollars ("C$") C$(0.35)/share;
- generated free cash flow of $23,345 (free cash flow is a non-IFRS measure; see Section 8 for further details);
- repaid $7,231 of debt, including $7,081 of principal under the Company's $85,000 term loan (the "Term Loan"); and
- the Special Committee of the Board of Directors continues to evaluate strategic alternatives that may be available to the Company in an effort to enhance shareholder value.

For the year ended December 31, 2023

For the year ended December 31, 2023, the Company's key highlights were as follows:

- sustained EHS performance, including no reportable environmental releases and five recordable incidents, which resulted in a consolidated TRIFR of 0.57;
- generated revenues of $465,525;
- DAP NOLA prices averaged $604/t ($548/st) compared to $851/t ($772/st) in 2022, down 29% year-over-year primarily due to the spike in 2022 prices following the Russian invasion of Ukraine coupled with subsequent softer agriculture and phosphate fertilizer market supply and demand dynamics;
- generated Adjusted EBITDA of $131,802;
- recorded an impairment of non-current assets of $66,000 at Arraias (see Note 7 in the Consolidated Financial Statements);
- recorded net income of $3,092;
- recorded basic earnings of C$0.02/share;
- generated free cash flow of $77,572;
- repaid $39,033 of debt, including $28,322 of principal under the Term Loan and $10,000 under the Company's $80,000 asset-based revolving credit facility (the "ABL Facility");

[1] TRIFR is a ratio measured on a 12-month rolling average calculated as number of recordable incidents x 200,000 hours divided by the total number of hours worked considering both employees and contractors.

- on April 24, 2023, the Company announced the Record of Decision ("ROD") for Husky 1/North Dry Ridge ("H1/NDR") mine development project. The H1/NDR project comprises primarily civil activities and infrastructure development. Mineral resources from H1/NDR are expected from 2025[2] 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 H1/NDR mine development project. Upon receipt of the NTP, the Company began capital activities to develop H1/NDR;
- on June 28, 2023, the Company filed the National Instrument NI 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") technical report for the Farim Phosphate Project;
- on September 7, 2023, the Company announced that it entered into a MAP sales agreement with the J.R Simplot Company (the "MAP Offtake Agreement"), which commenced on January 1, 2024, with a term of five years. The MAP Offtake Agreement replaced the existing MAP sales agreement dated January 12, 2018 between the Company and Nutrien Ltd. ("Nutrien"), which expired on December 31, 2023;
- on September 7, 2023, the Company entered into a new ammonia supply contract with a subsidiary of Nutrien, which commenced on January 1, 2024, with a term of two years. The new ammonia supply contract replaced the supply contract dated January 12, 2018, between the Company and Nutrien, which expired on December 31, 2023; 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 (as outlined in the news release dated March 13, 2023).

Recent Developments

<u>Management Team Restructure</u>

- On January 31, 2024, the Company restructured its management team and David Brush – Chief Strategy Officer, Lee Reeves – General Counsel, and Wynand Van Dyk – Vice President of Engineering departed the Company. A restructuring charge associated with severance payments to the individuals has been recorded in the first quarter 2024 Financial Statements.

[2]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. 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 HIGHLIGHTS

For the three months and year ended December 31, 2023

For the three months and year ended December 31, 2023 and 2022, the Company's financial highlights were as follows:

(in thousands of US Dollars except as otherwise noted)	*For the three months ended December 31,* 2023	2022	% change	*For the year ended December 31,* 2023	2022	% change
Revenues	$ 119,038	$ 135,243	(12%)	$ 465,525	$ 593,288	(22%)
Gross margin	(37,257)	48,133	(177%)	52,562	214,877	(76%)
Adjusted EBITDA[i]	29,509	50,130	(41%)	131,802	224,758	(41%)
Net income (loss)	(48,623)	29,322	(266%)	3,092	114,700	(97%)
Basic earnings (loss) ($/share)	$ (0.26)	$ 0.16	(263%)	$ 0.02	$ 0.61	(97%)
Basic earnings (loss) (C$/share)	$ (0.35)	$ 0.21	(267%)	$ 0.02	$ 0.79	(97%)
Diluted earnings (loss) ($/share)	$ (0.26)	$ 0.15	(273%)	$ 0.02	$ 0.60	(97%)
Diluted earnings (loss) (C$/share)	$ (0.35)	$ 0.21	(267%)	$ 0.02	$ 0.78	(97%)
Maintenance capex[i]	$ 3,760	$ 3,759	0%	$ 19,371	$ 20,902	(7%)
Growth capex[i]	17,420	6,146	183%	39,014	19,014	105%
Total capex[i]	**$ 21,180**	**$ 9,905**	**114%**	**$ 58,385**	**$ 39,916**	**46%**
Free cash flow[i]	$ 23,344	$ 38,615	(40%)	$ 77,572	$ 187,854	(59%)

i. Non-IFRS measure (see Section 8).

For the three months ended December 31, 2023 and 2022, the Company's financial highlights were explained as follows:

Item	Q4 2023 vs Q4 2022
Revenues	Decreased primarily due to lower realized prices off the commodity cycle highs of prior year, which were partially offset by higher sales volumes driven by higher production at Conda
Adjusted EBITDA	Decreased primarily due to the same factors that resulted in lower revenues, which were partially offset by lower input costs at Conda (see Section 8)
Net income (loss)	Decreased primarily due to the same factors that resulted in lower Adjusted EBITDA and the impairment of non-current assets of Arraias, which were partially offset by lower finance expenses and income tax expenses
Basic earnings (C$/share)	Decreased primarily due to the same factors that resulted in lower net income
Maintenance capex	Remained consistent between periods (see Section 8)
Growth capex	Increased primarily due to development activities at H1/NDR at Conda (see Section 8)
Free cash flow	Decreased primarily due to lower cash flows from operating activities due to the same factors that resulted in lower EBITDA and higher working capital and growth capex requirements (see Section 8)

For the years ended December 31, 2023 and 2022, the Company's financial highlights were explained as follows:

Item	YTD 2023 vs YTD 2022
Revenues	Decreased primarily due to lower realized prices, which were partially offset by higher sales volumes driven by higher production at Conda. Elevated prices in the prior year were driven primarily by the Russian invasion of Ukraine and the three-month lagged pricing impact on Conda's MAP contract
Adjusted EBITDA	Decreased primarily due to the same factors that resulted in lower revenues, which were partially offset by lower input costs at Conda (see Section 8)
Net income	Decreased primarily due to the same factors that resulted in lower Adjusted EBITDA, the impairment of non-current assets of Arraias, and lower other income as a result of the prior year settlement with insurers on a business interruption claim related to the 2020 disruption in sulfuric acid supply to Conda. These were partially offset by lower finance and income tax expenses
Basic earnings (C$/share)	Decreased primarily due to the same factors that resulted in lower net income
Maintenance capex	Decreased primarily due to the 2022 mine shovel purchase at Conda, and lower maintenance activities at Arraias related to the restart of the sulfuric acid plant during H1 2022, which were partially offset by higher turnaround costs at Conda (see Section 8)
Growth capex	Increased primarily due to development activities at H1/NDR at Conda (see Section 8)
Free cash flow	Decreased primarily due to lower cash flows from operating activities due to the same factors that resulted in lower EBITDA and higher working capital and growth capex requirements, which were partially offset by lower income tax payments (see Section 8)

As at December 31, 2023

As at December 31, 2023 and 2022, the Company's financial highlights were as follows:

(in thousands of US Dollars except as otherwise noted)	December 31, 2023	December 31, 2022	% change
Total assets	$ 587,229	$ 614,009	(4%)
Total liabilities	328,495	360,891	(9%)
Total equity	258,734	253,118	2%
Net debt[i]	$ 61,304	$ 88,319	(31%)
Trailing 12 months Adjusted EBITDA[i]	$ 131,802	$ 224,758	(41%)
Net leverage ratio[i]	0.5x	0.4x	25%

i. Non-IFRS measure (see Section 8).

As at December 31, 2023 and 2022, the Company's financial highlights were explained as follows:

Item	December 31, 2023 vs December 31, 2022
Total assets	Decreased due to lower cash and cash equivalents, property, plant and equipment driven by the impairment of the Arraias asset, reduction of asset retirement obligations related to phosphogypsum stack 3 at Conda, and lower inventories. This reduction partially offset by higher mineral properties (due to recognition of asset retirement obligations related to H1/NDR), higher accounts receivables, and deferred tax assets
Total liabilities	Decreased primarily due to lower debt as a result of the repayment of principal debt outstanding under the Term Loan and ABL Facility, and other long-term liabilities, which were partially offset by higher accounts payable and accrued liabilities and environmental and asset retirement obligations at Arraias
Total equity	Increased primarily due to net income recorded during the period
Net debt	Decreased primarily due to the repayment of principal debt outstanding from free cash flows generated, which was partially offset by lower cash and cash equivalents (see Section 8)
Trailing 12 months Adjusted EBITDA	Decreased primarily due to the same factors that resulted in lower Adjusted EBITDA (see Section 8)
Net leverage ratio	Remained consistent between periods (see Section 8)

BUSINESS HIGHLIGHTS

EHS

For the three months ended December 31, 2023

For the three months ended December 31, 2023 and 2022, the Company's EHS highlights were as follows:

	For three months ended December 31, 2023			
	Conda	**Arraias**	**Farim**	**Consolidated**
Reportable environmental releases	—	—	—	—
Recordable incidents	1	—	—	1

	For three months ended December 31, 2022			
	Conda	**Arraias**	**Farim**	**Consolidated**
Reportable environmental releases	—	—	—	—
Recordable incidents	1	—	—	1

For the year ended December 31, 2023

For the year ended December 31, 2023 and 2022, the Company's EHS highlights were as follows:

	For the year ended December 31, 2023			
	Conda	**Arraias**	**Farim**	**Consolidated**
Reportable environmental releases	—	—	—	—
Recordable incidents	5	—	—	5

	For the year ended December 31, 2022			
	Conda	**Arraias**	**Farim**	**Consolidated**
Reportable environmental releases	—	—	—	—
Recordable incidents	1	1	—	2

As at December 31, 2023

As at December 31, 2023, the Company's TRIFR were as follows:

	Conda	**Arraias**	**Farim**	**Consolidated**
TRIFR[i]	0.77	0.00	0.00	0.57

i. TRIFR is a ratio measured on a 12-month rolling average calculated as number of recordable incidents x 200,000 hours divided by the total number of hours worked considering both employees and contractors.

Conda

Business Highlights

For the three months and years ended December 31, 2023 and 2022, Conda's business highlights were as follows:

(in thousands of US Dollars except as otherwise noted)	*For the three months ended December 31,* 2023	2022	% change	*For the year ended December 31,* 2023	2022	% change
Production volumes (tonnes)						
MAP	85,157	87,189	(2%)	344,020	352,733	(2%)
MAP+	24,198	13,938	74%	54,349	30,202	80%
SPA[ii]	38,119	35,962	6%	139,751	139,230	0%
MGA[ii]	241	188	28%	1,120	783	43%
APP	10,706	6,769	58%	23,743	24,450	(3%)
HFSA	881	1,628	(46%)	3,571	3,142	14%
Production volumes (tonnes)	**159,302**	**145,674**	**9%**	**566,554**	**550,540**	**3%**
Production volumes (tonnes P_2O_5)[i]	**95,719**	**89,226**	**7%**	**349,030**	**343,526**	**2%**
Sales volumes (tonnes)						
MAP	84,289	73,451	15%	364,006	349,589	4%
MAP+	19,304	11,929	62%	44,886	34,631	30%
SPA[ii]	35,937	34,240	5%	130,581	131,999	(1%)
MGA[ii]	241	188	28%	1,120	783	43%
APP	11,347	7,597	49%	28,451	22,493	26%
HFSA	873	1,448	(40%)	3,767	2,852	32%
Sales volumes (tonnes)	**151,991**	**128,853**	**18%**	**572,811**	**542,347**	**6%**
Sales volumes (tonnes P_2O_5)[i]	**91,395**	**79,858**	**14%**	**348,163**	**335,722**	**4%**
Realized price ($/tonne)[iii]						
MAP	$ 593	$ 835	(29%)	$ 636	$ 880	(28%)
MAP+	662	806	(18%)	666	849	(22%)
SPA[ii]	1,196	1,507	(21%)	1,264	1,616	(22%)
MGA[ii]	1,212	1,569	(23%)	1,313	1,648	(20%)
APP	491	695	(29%)	578	746	(23%)
HFSA	953	827	15%	989	919	8%
Revenues ($)						
MAP	$ 49,955	$ 61,353	(19%)	$ 231,483	$ 307,656	(25%)
MAP+	12,776	9,614	33%	29,893	29,391	2%
SPA	42,979	51,591	(17%)	165,059	213,330	(23%)
MGA	292	295	(1%)	1,470	1,290	14%
APP	5,574	5,279	6%	16,447	16,785	(2%)
HFSA	832	1,198	(31%)	3,724	2,622	42%
Revenues	**$ 112,409**	**$ 129,330**	**(13%)**	**$ 448,076**	**$ 571,074**	**(22%)**
Revenues per tonne P_2O_5[i, iii]	**$ 1,230**	**$ 1,620**	**(24%)**	**$ 1,287**	**$ 1,701**	**(24%)**
Cash costs[iii]	**$ 78,893**	**$ 72,959**	**8%**	**$ 295,658**	**$ 325,009**	**(9%)**
Cash costs per tonne P_2O_5[i, iii]	**$ 863**	**$ 914**	**(6%)**	**$ 849**	**$ 968**	**(12%)**
Cash margin[iii]	**$ 33,516**	**$ 56,371**	**(41%)**	**$ 152,418**	**$ 246,065**	**(38%)**
Cash margin per tonne P_2O_5[i, iii]	**$ 367**	**$ 706**	**(48%)**	**$ 438**	**$ 733**	**(40%)**
Adjusted EBITDA[iii]	$ 32,373	$ 54,823	(41%)	$ 148,131	$ 240,169	(38%)
Maintenance capex[iii]	$ 3,638	$ 3,689	(1%)	$ 18,431	$ 19,386	(5%)
Growth capex[iii]	16,991	5,823	192%	37,606	16,640	126%
Total capex[iii]	**$ 20,629**	**$ 9,512**	**117%**	**$ 56,037**	**$ 36,026**	**56%**

i. P_2O_5 basis considers MAP at 52%, MAP+ at 39%, SPA at 100%, MGA at 100%, APP at 34% and HFSA at 0%.
ii. Presented on a 100% P_2O_5 basis.
iii. Non-IFRS measure (see Section 8).

For the three months ended December 31, 2023 and 2022, Conda's business highlights were explained as follows:

Item	Q4 2023 vs Q4 2022
Production volumes (tonnes P_2O_5)	Increased primarily due to improved uptime and better recoveries
Sales volumes (tonnes P_2O_5)	Increased primarily due to higher granular demand
Revenues	Decreased primarily due to lower realized prices, which were partially offset by higher sales volumes
Cash margin per tonne P_2O_5	Decreased primarily due to lower realized prices, which were partially offset by lower input costs (see Section 8)
Adjusted EBITDA	Decreased primarily due to the same factors that resulted in lower revenues, which were partially offset by lower input costs (see Section 8)
Maintenance capex	Remained consistent between periods
Growth capex	Increased primarily due to development activities at H1/NDR (see Section 8)

For the years ended December 31, 2023 and 2022, Conda's business highlights were explained as follows:

Item	FY 2023 vs FY 2022
Production volumes (tonnes P_2O_5)	Increased primarily due to better recoveries
Sales volumes (tonnes P_2O_5)	Increased primarily due to granular market strength
Revenues	Decreased primarily due to lower realized 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
Cash margin per tonne P_2O_5	Decreased primarily due to lower realized prices, which were partially offset by lower input costs (see Section 8)
Adjusted EBITDA	Decreased primarily due to the same factors that resulted in lower revenues, which were partially offset by lower input costs (see Section 8)
Maintenance capex	Decreased primarily due to timing of projects, which was partially offset by a larger turnaround in Q2 2023 (see Section 8)
Growth capex	Increased primarily due to development activities at H1/NDR (see Section 8)

Mine Life Extension

As at December 31, 2023, based on management's estimates, Conda's expected mine life timeline was as follows:[3]

Mine[1]	Phase	2023	2024	2025	2026	2027-2037
Rasmussen Valley	**Mining**					
H1/NDR	Permitting					
	Drilling and Mineral Reserve definition					
	Development					
	Mining					

For the three months ended December 31, 2023, the Company advanced activities related to the extension of Conda's mine life through permitting and mine development of H1/NDR as follows:

- 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.

[3]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. 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

For the year ended December 31, 2023, the Company advanced activities related to the extension of Conda's mine life through permitting and development of H1/NDR as follows:

- on April 24, 2023, the Company announced the ROD for H1/NDR mine development project, which represents the end of the National Environmental Policy Act ("NEPA") process. The H1/NDR project comprises primarily of civil activities and infrastructure development. Mineral resources from H1/NDR are expected from 2024 onward, providing an uninterrupted ore supply as Rasmussen Valley Mine reaches the end of its useful life;
- on May 8, 2023, the Company received the NTP for 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; and
- 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.

MAP Offtake Agreement

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 sells 100% of the MAP produced by Conda to the J.R. Simplot Company during the term of the MAP Offtake Agreement, which commenced on January 1, 2024, with a term of five years. The MAP Offtake Agreement replaced the existing MAP sales agreement dated January 12, 2018, between the Company and Nutrien, which expired on December 31, 2023.

Ammonia Supply Contract

On September 7, 2023, the Company entered into a new ammonia supply contract with a subsidiary of Nutrien, which commenced on January 1, 2024, with a term of two years. The new ammonia supply contract replaced the current supply contract dated January 12, 2018, between the Company and Nutrien, which expired on December 31, 2023.

ITAFOS

Arraias

Business Highlights

For the three months and years ended December 31, 2023 and 2022, Arraias' business highlights were as follows:

(in thousands of US Dollars except as otherwise noted)	*For the three months ended December 31,* 2023	2022	% change	*For the year ended December 31,* 2023	2022	% change
Production volumes (tonnes)						
DAPR	5,359	—	n/m	43,301	—	n/m
Sulfuric acid [i]	34,087	35,895	(5%)	89,075	99,030	(10%)
Production volumes (tonnes)	**39,446**	**35,895**	10%	**132,376**	**99,030**	34%
Production volumes (tonnes P_2O_5)[ii,iii]	**643**	**—**	n/m	**5,196**	**—**	n/m
Sales volumes (tonnes)						
DAPR	17,785	—	n/m	27,897	—	n/m
Sulfuric acid	34,778	29,515	18%	97,545	89,607	9%
Sales volumes (tonnes)	**52,563**	**29,515**	78%	**125,442**	**89,607**	40%
Sales volumes (tonnes P_2O_5)[ii,iv]	**2,134**	**—**	n/m	**2,962**	**—**	n/m
Realized price ($/tonne)[ii]						
DAPR	$ 72	—	n/m	$ 61	$ —	n/m
Sulfuric acid	154	165	(7%)	161	224	(28%)
Revenues ($)						
DAPR	$ 1,273	—	n/m	$ 1,699	—	n/m
Sulfuric acid	5,357	5,913	(9%)	15,750	22,214	(29%)
Revenues	**$ 6,630**	**$ 5,913**	**12%**	**$ 17,449**	**$ 22,214**	**(21%)**
Revenues excluding Sulfuric acid	**$ 1,273**	**$ —**	**n/m**	**$ 1,699**	**$ —**	**n/m**
Revenues per tonne P_2O_5[ii,iv]	**$ 596**	**$ —**	**n/m**	**$ 574**	**$ —**	**n/m**
Cash costs[ii]	**$ 4,862**	**$ 5,212**	**(7%)**	**$ 15,459**	**$ 19,901**	**(22%)**
Cash costs excluding Sulfuric acid	**$ 320**	**$ —**	**n/m**	**$ 438**	**$ —**	**n/m**
Cash costs per tonne P_2O_5[ii,iv]	**$ 150**	**$ —**	**n/m**	**$ 148**	**$ —**	**n/m**
Cash margin[ii]	**$ 1,768**	**$ 701**	**152%**	**$ 1,990**	**$ 2,313**	**(14%)**
Cash margin excluding Sulfuric acid	**$ 953**	**$ —**	**n/m**	**$ 1,261**	**$ —**	**n/m**
Cash margin per tonne P_2O_5[ii,iv]	**$ 446**	**$ —**	**n/m**	**$ 425**	**$ —**	**n/m**
Adjusted EBITDA[ii]	$ 1,112	$ —	n/m	$ 419	$ (66)	(735%)
Maintenance capex[ii]	$ 20	$ 70	(71%)	$ 492	$ 1,497	(67%)
Growth capex[ii]	384	114	238%	868	890	(2%)
Total capex[ii]	**$ 404**	**$ 184**	**120%**	**$ 1,360**	**$ 2,387**	**(43%)**

i. Sulfuric acid production volumes are presented net of production for internal consumption.
ii. Non-IFRS measure (see Section 8).
iii. P_2O_5 basis for Arraias products considers DAPR at 12% and excludes sulfuric acid.
iv. P_2O_5 basis for Arraias products considers DAPR at 12%, Rock at 5%, and excludes sulfuric acid.

For the three months ended December 31, 2023 and 2022, Arraias' business highlights were explained as follows:

Item	Q4 2023 vs Q4 2022
Sulfuric acid production and sales volumes	Increased sales volumes due to higher sulfuric acid demand in Q4 2023; decreased production due to reduced sulfuric acid and sulfur inventory
Production and sales volumes (tonnes P_2O_5)	Increased primarily due to full quarter of DAPR production and sales per Fertilizer Restart Program
Adjusted EBITDA	Increased primarily due to higher sulfuric acid volume and lower cost of goods sold generating gross margin improvement and the commencement of DAPR sales (see Section 8)
Maintenance capex	Decreased primarily due to lower sulfuric acid maintenance costs in Q4 2023 (see Section 8)
Growth capex	Increased primarily due to activities related to the Fertilizer Restart Program spend during 2023 (see Section 8)

For the years ended December 31, 2023 and 2022, Arraias' business highlights were explained as follows:

Item	FY 2023 vs FY 2022
Sulfuric acid production and sales volumes	Decreased production due to sulfuric acid plant shutdown for required maintenance and turnaround in April and May 2023; Increased sales volumes due to higher demand in 2023 compared to 2022
Production and sales volumes (tonnes P_2O_5)	Increased primarily due to DAPR production and sales per Fertilizer Restart Program
Adjusted EBITDA	Increased primarily due to higher sulfuric acid volume and lower cost of goods sold generating gross margin improvement and commencement of DAPR sales (see Section 8)
Maintenance capex	Decreased primarily due to capital costs related to the restart of the sulfuric acid plant spend during 2022 (lower turnaround costs in 2023) (see Section 8)
Growth capex	Remained consistent between periods (see Section 8)

Sulfuric Acid Plant

Arraias' sulfuric acid plant has production capacity of 220kt per year. In 2023, the Company ran the sulfuric acid plant at an average monthly production rate of 7.4kt per month due to a required 50-day maintenance period (acid plant turnaround) completed in May 2023. Arraias has secured short-term sulfuric acid offtake agreements with various local customers for its base load capacity and with pricing linked to sulfur benchmarks. Based on market demand and sulfuric acid plant availability, the Company is opportunistically producing additional volumes of sulfuric acid which are sold on the spot market.

The sulfuric acid plant operation is independent of the previously announced program to evaluate the potential restart of fertilizer production at Arraias (the "Fertilizer Restart Program") (formerly referred to as the Stage-Gate Restart Program).

Fertilizer Restart Program

For the three months ended December 31, 2023, the Company advanced activities related to the Fertilizer Restart Program at Arraias as follows:

- mine dewatering was successfully executed, with the mine delivering the volume needed for the desired production;
- beneficiation circuit produced 5,359 tonnes of crushed ore; and
- ramp-up sales in progress including shipping 17,785 tonnes of DAPR.

For the year ended December 31, 2023, the Company advanced activities related to the Fertilizer Restart Program at Arraias as follows:

- completed detailed third-party ore characterization and geo-metallurgical assessment. In Q1 2023 the Company approved the first phase of a fertilizer restart program to commence with the mining, production and sale of DAPR;
- two new hammer mills were installed and commissioned for DAPR production in Q2 2023, with production commencing in July 2023;
- produced 47,611 tonnes of ore with an average grade above 12% P_2O_5;
- beneficiation circuit produced 43,301 tonnes of crushed ore; and
- confirmed ramp-up sales including shipping 27,897 tonnes of DAPR.

The Company's activities related to the Fertilizer Restart Program at Arraias are described in greater detail in the 2022 MD&A.

Idling

For the three months and year ended December 31, 2023, the remainder of Arraias' operations, including part of the beneficiation plant, and the full acidulation plant and granulation plant remain idled following best practices.

Impairments

For the three months and year ended December 31, 2023, the Company recorded an impairment of non-current assets of $66,000 at Arraias. The impairment was primarily due to an internal review of plans associated with the restart of the Arraiais plant. After the completion of additional drilling, it was determined that any future restart of SSP production at Arraias would be on a reduced capacity from the nameplate capacity of the plant. Any future production will utilize high graded ore resources that have been identified by previous drilling campaigns and geologic mapping completed by the company.

Dutch Tax Assessment

During 2022 and 2023, the Company received assessments from the Dutch tax authorities in the aggregate amount of Euro 7,244 (approximately $7,659) for 2016, 2017, 2018 and 2019 income taxes related to its Dutch holding structure for the Company's Brazilian subsidiaries. The Company filed an appeal against these tax assessments, which is currently under review by the Dutch tax authorities. The Company and its legal advisors consider it more likely than not that the resolution of these assessments will be favorable to the Company. On that basis, the Company has not recognized a provision for these assessments. In the event of an unfavorable resolution, the Company estimates a potential assessment in the aggregate amount of approximately $7,659.

Development and Exploration

Farim

Development and exploration

For the three months and year ended December 31, 2023, Farim's development and exploration highlights were as follows:

- published an updated technical report for Farim, titled "Farim Phosphate Project - NI 43-101 Technical Report and Feasibility Study" with an effective date of May 17, 2023 on SEDAR+ in support of the evaluation of strategic alternatives for the project (see Section 2);
- advanced revisions to the executed Farim mining agreement with the Government of Guinea-Bissau to facilitate project financing, update tax incentives and extend the term; and
- maintained Farim at construction-ready state.

Other

For the three months and year ended December 31, 2023, the Company's other development and exploration project highlights were as follows:

- maintained the integrity of the concessions of Santana and Araxá; and
- completed the wind down of Mantaro in Peru.

Corporate

Term Loan and ABL Facility

For the three months and year ended December 31, 2023, the Company continued to focus on deleveraging its balance sheet and repaid $7,081 and $28,322 of principal under the Term Loan, respectively. For the year ended December 31, 2023, the Company repaid $10,000 under the ABL Facility.

Director Resignation

On April 10, 2023, the Company announced that Evgenij Iorich stepped down as member of the Company's Board of Directors effective as of April 6, 2023. Mr. Iorich served as a director of the Company since July 11, 2017.

MARKET HIGHLIGHTS

For the three months and years ended December 31, 2023 and 2022, key phosphate fertilizer market indicators relevant to the Company's operations were as follows:

(in US Dollars per metric tonne except as otherwise noted)	For the three months ended December 31, 2023	2022	% change	*For the year ended December 31,* 2023	2022	% change
DAP NOLA[i]	$ 600	$ 741	(19%)	$ 604	$ 851	(29%)
DAP NOLA ($/st)[i]	545	672	(19%)	548	772	(29%)
Sulfur Vancouver[ii]	86	141	(39%)	95	262	(64%)
Sulfur Brazil[iii]	85	181	(53%)	111	311	(64%)
Sulfuric Acid Brazil[iii]	132	123	7%	99	225	(56%)

i. Average of Argus and Green Markets weekly average.
ii. Average of Argus weekly and Acuity average.
iii. Average of Argus weekly average.

For the three months and years ended December 31, 2023 and 2022, key phosphate fertilizer market indicators relevant to the Company's operations were explained as follows:

Item	Q4 2023 vs Q4 2022
DAP NOLA	Decreased off the highs of the prior year, linked to the Russian invasion of Ukraine, coupled with softening agriculture and phosphate fertilizer market supply and demand dynamics compared to the prior year.
Sulfur Vancouver	Decreased primarily due to increased supply and weakened global demand
Sulfur Brazil	Decreased primarily due to increased supply and weakened global demand
Sulfuric Acid Brazil	Increased due to a reduced supply into the market

Item	FY 2023 vs FY 2022
DAP NOLA	Decreased off the highs of the prior year, linked to the Russian invasion of Ukraine, coupled with softening agriculture and phosphate fertilizer market supply and demand dynamics compared to the prior year
Sulfur Vancouver	Decreased primarily due to increased supply and weakened global demand
Sulfur Brazil	Decreased primarily due to increased supply and weakened global demand
Sulfuric Acid Brazil	Decreased primarily due to increased domestic production and increased imports

For the three month and years ended December 31, 2023 and 2022, specific factors driving the year-over-year decline in DAP NOLA were as follows:

- the softening of global ammonia and sulfur prices;
- the softening of historically high crop prices; and
- increased phosphate exports out of Russia and China.

4. OUTLOOK

MARKET OUTLOOK

Prices in 2023 have moderated off the historically high prices in 2022. The Company's 2023 performance was impacted due to a very competitive summer price reset and the three-month lagging average of our MAP contract. Despite the decrease, the Company has seen an extremely strong fall season, resulting in improved pricing from the summer and continued tightening of North American phosphate fertilizer supply. The Company expects a relative stable market moving forward due to the ongoing tight supply situation which may be partially offset with softer crop prices.

Specific factors the Company expects to support moderate pricing in the global phosphate fertilizer markets through the end of 2024 are as follows:

- no significant phosphate supply capacity additions;
- strong demand for phosphates in North America following years of under application;
- softening of crop prices from historical highs; and
- ongoing phosphate export restrictions and reduced exports from China and reduced imports into the North American market.

FINANCIAL OUTLOOK

The Company provides guidance on both IFRS and non-IFRS measures that management considers to evaluate the Company's operational and financial performance. Management believes that the non-IFRS measures provide useful supplemental information to investors, analysts, lenders and others. Definitions and reconciliations of non-IFRS measures to the most directly comparable IFRS measures are included in Section 8 of this MD&A. Going forward the Company, will now provide guidance associated with its expected sales volumes, capital expenditures and other relevant financial metrics.

In developing its guidance for 2024, the Company used the following key assumptions:

- Conda production and sales remain at capacity, with planned maintenance in June 2024 (long turnaround) and advancement of the H1/NDR mine development.
- Arraias production and sales include continued sulfuric acid and DAPR sales, as well as acidulation of SSP powder. All other operations remain idled.
- Development and exploration segment activities remain at levels required to maintain the current states of development.
- Corporate segment includes selling, general and administrative expenses and debt service.

The Company's guidance for 2024 is as follows:

(in millions of US Dollars except as otherwise noted)	*Projected* **FY 2024**
Sales Volumes (thousands of tonnes P_2O_5)[i]	320-340
Selling, general and administrative expenses[ii]	$17-20
Maintenance capex[iii]	$25-35
Growth capex[iii]	$35-46

i. Sales volumes reflect quantity in P_2O_5 of Conda sales projections.
ii. Selling, general and administrative expenses ("SG&A") is Corporate SG&A less share-based payment expense.
iii. Non-IFRS measure (see Section 8).

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;
- executing on the 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).

5. SUMMARY OF QUARTERLY RESULTS

For the three months ended December 31, 2023, September 30, 2023, June, 30, 2023, and March 31, 2023, the Company's summary of quarterly results was as follows:

(in thousands of US Dollars except as otherwise noted)		**December 31, 2023**		**September 30, 2023**		**June 30, 2023**		**March 31, 2023**
Revenues	$	119,038	$	110,788	$	116,117	$	119,582
Net income (loss)		(48,623)		3,078		20,430		28,207
Basic earnings (loss) ($/share)		(0.26)		0.02		0.11		0.15
Diluted earnings (loss) ($/share)		(0.26)		0.02		0.11		0.15
Total assets	$	587,229	$	629,231	$	653,063	$	636,488

For the three months ended December 31, 2022, September 30 2022, June 30, 2022, and March 31, 2022, the Company's summary of quarterly results was as follows:

(in thousands of US Dollars except as otherwise noted)		**December 31, 2022**		**September 30, 2022**		**June 30, 2022**		**March 31, 2022**
Revenues	$	135,243	$	153,187	$	155,005	$	149,853
Net income /(loss)		29,322		8,088		44,281		33,009
Basic earnings ($/share)		0.16		0.04		0.23		0.18
Diluted earnings ($/share)		0.15		0.04		0.23		0.17
Total assets	$	614,009	$	651,447	$	687,701	$	653,250

6. STATEMENTS OF OPERATIONS

For the three months ended December 31, 2023 and 2022, the Company's statements of operations were explained as follows:

(in thousands of US Dollars except as otherwise noted)	*For the three months ended December 31,*		
	2023	**2022**	**% change**
Revenues	$ 119,038	$ 135,243	(12%)
Cost of goods sold	90,295	87,110	4%
Impairments	66,000	—	n/m
Gross margin	**$ (37,257)**	**48,133**	(177%)
Selling, general and administrative expenses	6,532	6,999	(7%)
Operating income (loss)	**$ (43,789)**	**$ 41,134**	**(206%)**
Foreign exchange gain (loss)	111	(375)	(130%)
Other income (expense)	(718)	309	(332%)
Finance expense	(4,820)	(5,811)	(17%)
Income (loss) before income taxes	**$ (49,216)**	**$ 35,257**	**(240%)**
Current and deferred income tax expense (recovery)	(593)	5,935	(110%)
Net income (loss)	**$ (48,623)**	**29,322**	**(266%)**
Net income attributable to non-controlling interest	(769)	(396)	n/m
Net income (loss) attributable to shareholders of the Company	**$ (47,854)**	**$ 29,718**	**(261%)**
Basic earnings (loss) ($/share)	**$ (0.26)**	**$ 0.16**	**(262%)**
Basic earnings (loss) (C$/share)	**$ (0.35)**	**$ 0.21**	**(263%)**
Diluted earnings (loss) ($/share)	**$ (0.26)**	**$ 0.15**	**(265%)**
Diluted earnings (loss) (C$/share)	**$ (0.35)**	**$ 0.22**	**(258%)**

Item	Q4 2023 vs Q4 2022
Revenues	Decreased primarily due to lower realized prices off the commodity cycle highs of prior year, which were partially offset by higher sales volumes driven by higher production at Conda
Cost of goods sold	Increased primarily due to higher sales volumes at Conda, which was partially offset by lower input costs at Conda
Impairments	Increased due to impairment of property plant and equipment and mineral properties at Arraias
Selling, general and administrative expenses	Decreased primarily due to lower corporate expenses, which were partially offset by higher share-based payment expense
Other income (expenses)	Decreased primarily due to commodity fair value loss recorded at Conda in Q4 2023
Finance expense	Decreased due to lower interest expense due to lower debt balances
Current and deferred income tax expense (recovery)	Decreased primarily due to lower taxable income

For the years ended December 31, 2023, 2022, and 2021 the Company's statements of operations were as follows:

(in thousands of US Dollars except as otherwise noted)	For the year ended December 31, 2023	2022	% change	2021
Revenues	$ 465,525	$ 593,288	(22%)	$ 413,247
Cost of goods sold	346,963	378,411	(8%)	276,372
Impairments	66,000	—	n/m	—
Gross margin	**$ 52,562**	**$ 214,877**	**(76%)**	**136,875**
Selling, general and administrative expenses	27,996	29,493	(5%)	25,896
Operating income	**$ 24,566**	**$ 185,384**	**(87%)**	**$ 110,979**
Foreign exchange loss	(175)	(1,639)	(89%)	(634)
Other income (expenses)	(596)	9,033	(107%)	541
Gain (loss) on asset disposal	—	—	n/m	(97)
Finance expense, net	(19,561)	(45,924)	(57%)	(37,244)
Income before income taxes	**$ 4,234**	**$ 146,854**	**(97%)**	**$ 73,545**
Current and deferred income tax expense (recovery)	1,142	32,154	(96%)	22,106
Net income	**$ 3,092**	**114,700**	**(97%)**	**51,439**
Net income attributable to non-controlling interest	(769)	(396)	n/m	411
Net income attributable to shareholders of the Company	**$ 3,861**	**$ 115,096**	**(97%)**	**$ 51,028**
Basic earnings ($/share)	**$ 0.02**	**$ 0.61**	**(97%)**	**$ 0.27**
Basic earnings (C$/share)	**$ 0.02**	**$ 0.79**	**(97%)**	**$ 0.35**
Diluted earnings ($/share)	**$ 0.02**	**$ 0.60**	**(97%)**	**$ 0.27**
Diluted earnings (C$/share)	**$ 0.02**	**$ 0.78**	**(97%)**	**$ 0.34**

For the years ended December 31, 2023 and 2022, the Company's statements of operations were explained as follows:

Item	YTD 2023 vs YTD 2022
Revenues	Decreased primarily due to lower realized prices, which were partially offset by higher sales volumes driven by higher production at Conda. 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
Cost of goods sold	Decreased primarily due to lower input costs at Conda, which were partially offset by higher sales volumes at Conda
Impairments	Increased due to impairment of property plant and equipment and mineral properties at Arraias
Selling, general and administrative expenses	Decreased primarily due to lower share-based payment expense and corporate expenses, which were partially offset by higher professional fees related to the strategic review process
Other income (expenses)	Decreased primarily due to a settlement with insurers on a business interruption claim related to the 2020 disruption in sulfuric acid supply to Conda received during Q1 2022 coupled with the commodity fair value loss recorded at Conda in Q4 2023
Finance expense	Decreased due to lower interest expense due to lower debt balances and terms associated with the new debt facilities executed in Q3 2022; the Company recorded exit fees and loss on debt extinguishment related to the 2021 Term Loan, the Promissory Note and the Conda ABL following the refinancing in Q3 2022
Current and deferred income tax expense (recovery)	Decreased primarily due to lower taxable income and the recognition of a deferred tax asset related to carry forward of interest expense from periods prior to the Company's redomiciliation in 2021 from the Cayman Islands to the US

7. FINANCIAL CONDITION

LIQUIDITY

As at December 31, 2023, the Company had cash and cash equivalents of $30,753, liquidity of $70,753; and working capital of $92,377. Liquidity and working capital are non-IFRS measures; see Section 8 for further details.

The Company closely monitors 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.

The Company relies primarily on Conda to sustain its operations. In turn, Conda relies on key suppliers and customers. With respect to suppliers, Conda's ammonia requirements and a majority of its sulfuric acid requirements have historically been met by single suppliers under respective long-term supply agreements. With respect to customers, a majority of Conda's sales have historically been to one key customer under a long-term MAP offtake agreement. Consequently, any material disruption to the operations of such key suppliers or key customer, or Conda's inability to maintain its business relationship with any such suppliers or customer, has the potential of materially adversely affecting the Company's overall production, sales or results of operations.

As at December 31, 2023, an additional $40,000 remained available under the ABL Facility to be drawn by the Company subject to certain terms and conditions.

FINANCIAL COVENANTS

The Term Loan includes financial covenants that require the Company to comply with certain ratios and thresholds. The principal financial covenants in the Term Loan require the Company not to exceed a specified Consolidated Total Net Leverage Ratio and to maintain a minimum specified Consolidated Interest Coverage Ratio as at the end of each fiscal quarter commencing September 30, 2022 (as such terms are defined in the Term Loan). As at December 31, 2023, the Company was in compliance with all financial covenants related to the Term Loan.

The ABL Facility includes a springing financial covenant that applies if availability under the ABL Facility falls below a specified level. The principal springing financial covenant in the ABL Facility, if applicable, requires the Company to maintain a specified Minimum Fixed Charge Coverage Ratio at the end of each fiscal quarter (as defined in the ABL Facility agreement). As at December 31, 2023, the springing financial covenants related to the ABL Facility were not applicable.

The Company is currently projecting compliance with its financial covenants. Any significant reductions to global fertilizer pricing trends, or other factors that could reduce cash flow from operations could result in a financial covenant default, unless otherwise remedied.

SUMMARY BALANCE SHEETS

As at December 31, 2023 and 2022, the Company's summary balance sheets were as follows:

(in thousands of US Dollars)	December 31, 2023	December 31, 2022	% change	December 31, 2021
Cash and cash equivalents	$ 30,753	$ 42,811	(28%)	$ 31,565
Current assets (including cash and cash equivalents)	$ 198,993	$ 198,401	0%	$ 195,130
Non-current assets	388,236	415,608	(7%)	438,723
Total assets	**$ 587,229**	**$ 614,009**	**(4%)**	**$ 633,853**
Current liabilities (excluding current portion of debt)	$ 77,489	$ 67,860	14%	$ 68,998
Non-current liabilities (excluding long-term debt)	160,438	164,907	(3%)	190,402
Debt (current and long-term)	90,568	128,124	(29%)	239,848
Total liabilities	**$ 328,495**	**$ 360,891**	**(9%)**	**$ 499,248**
Shareholders' equity	$ 258,734	$ 252,349	3%	$ 133,440
Non-controlling interest	—	769	(100%)	1,165
Total equity	**$ 258,734**	**$ 253,118**	**2%**	**$ 134,605**

As at December 31, 2023 and 2022, the Company's summary balance sheets were explained as follows:

Item	December 31, 2023 vs December 31, 2022
Current assets	Slightly increased primarily due to higher accounts receivable, which was partially offset by lower cash and cash equivalents and inventories
Non-current assets	Decreased primarily due to lower property, plant and equipment driven by the impairment recorded at Arraias and reduction of asset retirement obligations related to phosphogypsum stack 3 at Conda, which were partially offset by the recognition of a deferred tax asset related to carry forward of interest expense from periods prior to the Company's redomiciliation in 2021 from the Cayman Islands to the US, higher mineral properties (due to recognition of asset retirement obligations related to H1/NDR) and capex additions (see Section 8)
Current liabilities (excluding current portion of debt)	Increased primarily due to higher accounts payable and accrued liabilities and provisions
Non-current financial liabilities (excluding long-term debt)	Decreased primarily due to lower other long-term liabilities and long-term provisions related to environmental and asset retirement obligations at Conda
Debt (current and long-term)	Decreased primarily due to the repayment of principal debt outstanding under the Term Loan and ABL Facilities
Total equity	Increased primarily due to net income recorded during the period

As at December 31, 2023 and 2022, the Company did not have any significant off-balance sheet arrangements.

Conda's operating and environmental permits require certain obligations related to environmental and reclamation activities to be guaranteed. As at December 31, 2023, Conda's guarantee requirements were $81,113. As at December 31, 2023, Conda had surety bonds in place for the full amount of its $81,113 guarantee requirements. As at December 31, 2023 the Company posted letters of credit of $12,539 under the $35,000 letter of credit facility (the "LC Facility") as collateral for Conda's surety bonds.

CAPITAL RESOURCES

As at December 31, 2023 and 2022, the Company's capital resources were as follows:

(in thousands of US Dollars)		December 31, 2023		December 31, 2022
Total equity	$	258,734	$	253,118
Net debt[i]		61,304		88,319
Capital resources	**$**	**320,038**	**$**	**341,437**

i. Non-IFRS measure (see Section 8).

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 specific circumstances.

DIVIDENDS

Over the three most recently completed financial years (2021-2023), the Company has not paid any dividends or made any other distributions on its securities. The Company's ability to pay dividends or make other distributions on its securities is currently limited under the Company's debt agreements. Any future dividends or other distributions on its securities would be made at the discretion of the Company's Board of Directors, subject to the limitations under the aforementioned debt agreements and any restrictions set forth in the Company's charter.

SUMMARY CASH FLOWS

For three months and years ended December 31, 2023 and 2022, the Company's summary cash flows were as follows:

	For the three months ended December 31,					*For the year ended December 31,*				
(in thousands of US Dollars)		2023		2022	% change		2023		2022	% change
Cash and cash equivalents, beginning of period	**$**	**36,351**	**$**	**36,177**	**0%**	**$**	**42,811**	**$**	**31,565**	**36%**
Cash flows from operating activities		24,883		42,245	(41%)		94,723		208,369	(55%)
Cash flows used by investing activities		(20,203)		(10,162)	99%		(53,329)		(39,003)	37%
Cash flows used by financing activities		(10,725)		(25,807)	(58%)		(54,232)		(158,324)	(66%)
Effect of foreign exchange of non-US Dollar denominated cash		447		358	25%		780		204	283%
Cash and cash equivalents, end of period	**$**	**30,753**	**$**	**42,811**	**(28%)**	**$**	**30,753**	**$**	**42,811**	**(28%)**

For the three months ended December 31, 2023 and 2022, the Company's summary cash flows were explained as follows:

Item	Q4 2023 vs Q4 2022
Cash flows from operating activities	Decreased primarily due to the same factors that resulted in lower Adjusted EBITDA and higher working capital requirements
Cash flows used by investing activities	Increased primarily due to development activities at H1/NDR at Conda
Cash flows used by financing activities	Decreased primarily due to the higher repayment of principal debt outstanding under the ABL Facility in Q4 2022

For the years ended December 31, 2023 and 2022, the Company's summary cash flows were explained as follows:

Item	YTD 2023 vs YTD 2022
Cash flows from operating activities	Decreased primarily due to the same factors that resulted in lower Adjusted EBITDA and lower other income due to a settlement with insurers on a business interruption claim related to the 2020 disruption in sulfuric acid supply to Conda and higher working capital requirements
Cash flows used by investing activities	Increased primarily due to development activities at H1/NDR at Conda
Cash flows used by financing activities	Decreased primarily due to the repayment of principal debt outstanding and the closing of the Term Loan and ABL Facility in Q3 2022, which proceeds were used to refinance the 2021 Term Loan, the Promissory Note, the Conda ABL and the Canadian debentures

CONTRACTUAL OBLIGATIONS

As at December 31, 2023, the Company's contractual obligations were as follows:

(in thousands of US Dollars)	Within 1 year	Years 2 and 3	Years 4 and 5	After 5 years	Total
Debt	$ 29,127	$ 62,709	$ 221	—	**$ 92,057**
Accounts payable and accrued liabilities	66,319	—	—	—	**66,319**
Provisions	6,902	26,141	57,360	59,212	**149,615**
Leases	3,186	7,720	4,244	2,492	**17,642**
Contractual obligations	**$ 105,534**	**$ 96,570**	**$ 61,825**	**$ 61,704**	**$ 325,633**

The Company's contractual obligations do not include estimated interest payments related to such contractual obligations. The Company records provisions when it is probable that obligations have been incurred and the amounts can be reasonably estimated. The Company's provisions include environmental and asset retirement obligations ("ARO") liabilities and legal contingencies.

As at December 31, 2023, the Company had environmental and ARO liabilities, assets and net liabilities by segment as follows:

(in thousands of US Dollars)	Liabilities	Assets	Net Liabilities
Conda	$ 139,284	$ 51,735	**$ 87,549**
Arraias	9,654	9,455	**199**
Development and exploration	402	—	**402**
Corporate	—	—	—
Environmental and ARO	**$ 149,340**	**$ 61,190**	**$ 88,150**

8. NON-IFRS MEASURES

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.
Total cash capex	Total capex less accrued capex	Additions to property, plant and equipment and mineral properties	The Company uses total cash capex in the calculation of cash growth capex (non-IFRS measure)
Cash maintenance capex	Maintenance capex less accrued maintenance capex	Additions to property, plant and equipment and mineral properties	The Company uses cash maintenance capex in the calculation of cash growth capex (non-IFRS measure)
Cash growth capex	Growth capex less accrued growth capex	Additions to property, plant and equipment and mineral properties	The Company uses cash growth capex in the calculation of free cash flow (non-IFRS measure).
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.

Non-IFRS measure	Definition	Most directly comparable IFRS measure	Why the Company uses the measure
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.
Working capital	Current assets less current liabilities	Current assets and current liabilities	Working capital is a valuable indicator of the Company's liquidity
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.
Realized price	Revenues divided by sales volumes	Revenues	The Company uses realized price to assess operational performance
Revenues per tonne P_2O_5	Revenues divided by sales volumes presented on P_2O_5 basis	Revenues	The Company uses revenues per tonne P_2O_5 in the calculation of cash margin per tonne P_2O_5 (non-IFRS measure).
Cash costs	Cost of goods sold less net realizable value adjustments, depreciation, depletion and amortization	Cost of goods sold	The Company uses cash costs in the calculation of cash costs per tonne P_2O_5 (non-IFRS measure).
Cash costs per tonne P_2O_5	Cash costs divided by sales volumes presented on P_2O_5 basis	Cost of goods sold	The Company uses cash costs per tonne P_2O_5 in the calculation of cash margin per tonne P_2O_5 (non-IFRS measure).
Cash margin	Revenues less cash costs	Gross margin	The Company uses cash margin in the calculation of cash margin per tonne P_2O_5 (non-IFRS measure).
Cash margin per tonne P_2O_5	Revenues per tonne P_2O_5 less cash costs per tonne P_2O_5	Gross margin	Cash margin per tonne P_2O_5 is a valuable indicator of the Company's ability to generate margin on sales across its various phosphate and specialty fertilizer products normalized on a per tonne P_2O_5 basis.

EBITDA, ADJUSTED EBITDA AND TRAILING 12 MONTHS ADJUSTED EBITDA

For the three months ended December 31, 2023 and 2022

For the three months ended December 31, 2023, the Company had EBITDA and Adjusted EBITDA by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Net income (loss)	**$ 19,065**	**$ (65,126)**	**$ (341)**	**$ (2,221)**	**$ (48,623)**
Finance (income) expense, net	1,827	(182)	(1)	3,176	4,820
Current and deferred income tax expense (recovery)	4,801	—	—	(5,394)	(593)
Depreciation and depletion	5,892	648	5	60	6,605
EBITDA	**$ 31,585**	**$ (64,660)**	**$ (337)**	**$ (4,379)**	**$ (37,791)**
Unrealized foreign exchange (gain) loss	—	(157)	48	—	(109)
Share-based payment expense	—	—	—	492	492
Impairments	—	66,000	—	—	66,000
Transaction costs	—	—	—	199	199
Other (income) expense, net	788	(71)	1	—	718
Adjusted EBITDA	**$ 32,373**	**$ 1,112**	**$ (288)**	**$ (3,688)**	**$ 29,509**

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Operating income (loss)	**$ 26,476**	**$ (65,536)**	**$ (293)**	**$ (4,436)**	**$ (43,789)**
Depreciation and depletion	5,892	648	5	60	6,605
Realized foreign exchange gain	5	—	—	(3)	2
Share-based payment expense	—	—	—	492	492
Impairments	—	66,000	—	—	66,000
Transaction costs	—	—	—	199	199
Adjusted EBITDA	**$ 32,373**	**$ 1,112**	**$ (288)**	**$ (3,688)**	**$ 29,509**

For the three months ended December 31, 2022, the Company had EBITDA and Adjusted EBITDA by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Net income (loss)	**$ 35,321**	**$ (116)**	**$ 59**	**$ (5,942)**	**$ 29,322**
Finance (income) expense, net	1,164	(122)	(2)	4,771	5,811
Current and deferred income tax expense (recovery)	9,595	—	—	(3,660)	5,935
Depreciation and depletion	8,354	585	3	47	8,989
EBITDA	**$ 54,434**	**$ 347**	**$ 60**	**$ (4,784)**	**50,057**
Unrealized foreign exchange (gain) loss	400	(124)	(568)	578	286
Share-based payment expense	—	—	—	(133)	(133)
Transaction costs	—	—	15	214	229
Other income	(11)	(223)	(74)	(1)	(309)
Adjusted EBITDA	**$ 54,823**	**$ —**	**$ (567)**	**$ (4,126)**	**$ 50,130**

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Operating income (loss)	**$ 46,558**	**$ (585)**	**$ (585)**	**$ (4,254)**	**$ 41,134**
Depreciation and depletion	8,354	585	3	47	8,989
Realized foreign exchange gain	(89)	—	—	—	(89)
Share-based payment expense	—	—	—	(133)	(133)
Transaction costs	—	—	15	214	229
Adjusted EBITDA	**$ 54,823**	**$ —**	**$ (567)**	**$ (4,126)**	**$ 50,130**

ITAFOS

For the year ended December 31, 2023 and 2022

For the year ended December 31, 2023, the Company had EBITDA and Adjusted EBITDA by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Net income (loss)	**$ 84,038**	**$ (67,533)**	**$ (1,318)**	**$ (12,095)**	**$ 3,092**
Finance (income) expense, net	6,530	(657)	78	13,610	19,561
Current and deferred income tax expense (recovery)	23,695	—	—	(22,553)	1,142
Depreciation and depletion	33,104	2,742	16	195	36,057
EBITDA	**$ 147,367**	**$ (65,448)**	**$ (1,224)**	**$ (20,843)**	**$ 59,852**
Unrealized foreign exchange loss	—	7	179	—	186
Share-based payment expense	—	—	—	3,317	3,317
Impairments	—	66,000	—	—	66,000
Transaction costs	—	—	—	1,851	1,851
Other (income) expense, net	764	(140)	(28)	—	596
Adjusted EBITDA	**$ 148,131**	**$ 419**	**$ (1,073)**	**$ (15,675)**	**$ 131,802**

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Operating income (loss)	**$ 115,015**	**$ (68,323)**	**$ (1,089)**	**$ (21,037)**	**$ 24,566**
Depreciation and depletion	33,104	2,742	16	195	36,057
Realized foreign exchange loss	12	—	—	(1)	11
Share-based payment expense	—	—	—	3,317	3,317
Impairments	—	66,000	—	—	66,000
Transaction costs	—	—	—	1,851	1,851
Adjusted EBITDA	**$ 148,131**	**$ 419**	**$ (1,073)**	**$ (15,675)**	**$ 131,802**

For the year ended December 31, 2022, the Company had EBITDA and Adjusted EBITDA by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Net income (loss)	**$ 162,107**	**$ (2,304)**	**$ (397)**	**$ (44,706)**	**$ 114,700**
Finance (income) expense, net	5,020	(131)	4	41,031	45,924
Current and deferred income tax expense (recovery)	50,895	—	—	(18,741)	32,154
Depreciation and depletion	31,453	2,048	14	190	33,705
EBITDA	**$ 249,475**	**$ (387)**	**$ (379)**	**$ (22,226)**	**226,483**
Unrealized foreign exchange (gain) loss	400	872	(900)	1,068	1,440
Share-based payment expense	—	—	—	4,850	4,850
Transaction costs	—	—	140	719	859
Gain on settlement	(1,352)	—	—	—	(1,352)
Non-recurring compensation expenses	—	—	—	1,511	1,511
Other income	(8,354)	(551)	(94)	(34)	(9,033)
Adjusted EBITDA	**$ 240,169**	**$ (66)**	**$ (1,233)**	**$ (14,112)**	**$ 224,758**

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Operating income (loss)	**$ 210,246**	**$ (2,114)**	**$ (1,387)**	**$ (21,361)**	**$ 185,384**
Depreciation and depletion	31,453	2,048	14	190	33,705
Realized foreign exchange gain	(178)	—	—	(21)	(199)
Share-based payment expense	—	—	—	4,850	4,850
Transaction costs	—	—	140	719	859
Gain on settlement	(1,352)	—	—	—	(1,352)
Non-recurring compensation expenses	—	—	—	1,511	1,511
Adjusted EBITDA	**$ 240,169**	**$ (66)**	**$ (1,233)**	**$ (14,112)**	**$ 224,758**

As at December 31, 2023 and 2022

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

(in thousands of US Dollars)	December 31, 2023	December 31, 2022
For the three months ended December 31, 2023	$ 29,509	$ —
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
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	**$ 131,802**	**$ 224,758**

TOTAL CAPEX AND CASH CAPEX

For the three months ended December 31, 2023 and 2022

For the three months ended December 31, 2023, the Company had capex and cash capex by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Additions to property, plant and equipment	$ (1,163)	$ 4,155	$ —	$ 102	$ 3,094
Additions to mineral properties	28,545	—	44	—	28,589
Additions to property, plant and equipment related asset retirement obligations	(6,753)	(3,664)	—	—	(10,417)
Additions to right-of-use assets	—	(87)	1	—	(86)
Total capex	**$ 20,629**	**$ 404**	**$ 45**	**$ 102**	**$ 21,180**
Accrued capex	459	—	—	—	459
Total cash capex	**$ 21,088**	**$ 404**	**$ 45**	**$ 102**	**$ 21,639**
Maintenance capex	$ 3,638	$ 20	$ —	$ 102	$ 3,760
Accrued maintenance capex	(785)	—	—	—	(785)
Cash maintenance capex	**$ 2,853**	**$ 20**	**$ —**	**$ 102**	**$ 2,975**
Growth capex	$ 16,991	$ 384	$ 45	$ —	$ 17,420
Accrued growth capex	1,244	—	—	—	1,244
Cash growth capex	**$ 18,235**	**$ 384**	**$ 45**	**$ —**	**$ 18,664**

For the three months ended December 31, 2022, the Company had capex and cash capex by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Additions to property, plant and equipment	$ (21,435)	$ (1,935)	$ 22	$ —	$ (23,348)
Additions to mineral properties	2,297	—	210	—	2,507
Additions to property, plant and equipment related asset retirement obligations	32,660	2,202	—	—	34,862
Additions to right-of-use assets	(4,010)	(83)	(23)	—	(4,116)
Total capex	**$ 9,512**	**$ 184**	**$ 209**	**$ —**	**$ 9,905**
Accrued capex	322	—	—	—	322
Total cash capex	**$ 9,834**	**$ 184**	**$ 209**	**$ —**	**$ 10,227**
Maintenance capex	$ 3,689	$ 70	$ —	$ —	$ 3,759
Accrued maintenance capex	(64)	—	—	—	(64)
Cash maintenance capex	**$ 3,625**	**$ 70**	**$ —**	**$ —**	**$ 3,695**
Growth capex	$ 5,823	$ 114	$ 209	$ —	$ 6,146
Accrued growth capex	386	—	—	—	386
Cash growth capex	**$ 6,209**	**$ 114**	**$ 209**	**$ —**	**$ 6,532**

For the year ended December 31, 2023 and 2022

For the year ended December 31, 2023, the Company had capex and cash capex by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Additions to property, plant and equipment	$ 887	$ 4,349	$ 24	$ 759	$ 6,019
Additions to mineral properties	52,104	880	539	—	53,523
Additions to asset retirement obligations	3,046	(3,790)	—	—	(744)
Additions to right-of-use assets	—	(79)	(23)	(311)	(413)
Total capex	**$ 56,037**	**$ 1,360**	**$ 540**	**$ 448**	**$ 58,385**
Accrued capex	(3,621)	—	—	—	(3,621)
Total cash capex	**$ 52,416**	**$ 1,360**	**$ 540**	**$ 448**	**$ 54,764**
Maintenance capex	$ 18,431	$ 492	$ —	$ 448	$ 19,371
Accrued maintenance capex	(785)	—	—	—	(785)
Cash maintenance capex	**$ 17,646**	**$ 492**	**$ —**	**$ 448**	**$ 18,586**
Growth capex	$ 37,606	$ 868	$ 540	$ —	$ 39,014
Accrued growth capex	(2,836)	—	—	—	(2,836)
Cash growth capex	**$ 34,770**	**$ 868**	**$ 540**	**$ —**	**$ 36,178**

For the year ended December 31, 2022, the Company had capex and cash capex by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Additions to property, plant and equipment	$ 2,524	$ 484	$ 22	$ 19	$ 3,049
Additions to mineral properties	7,163	—	1,485	—	8,648
Additions to asset retirement obligations	30,349	2,020	—	—	32,369
Additions to right-of-use assets	(4,010)	(117)	(23)	—	(4,150)
Total capex	**$ 36,026**	**$ 2,387**	**$ 1,484**	**$ 19**	**$ 39,916**
Accrued capex	(847)	—	—	—	(847)
Total cash capex	**$ 35,179**	**$ 2,387**	**$ 1,484**	**$ 19**	**$ 39,069**
Maintenance capex	$ 19,386	$ 1,497	$ —	$ 19	$ 20,902
Accrued maintenance capex	(321)	—	—	—	(321)
Cash maintenance capex	**$ 19,065**	**$ 1,497**	**$ —**	**$ 19**	**$ 20,581**
Growth capex	$ 16,640	$ 890	$ 1,484	$ —	$ 19,014
Accrued growth capex	(526)	—	—	—	(526)
Cash growth capex	**$ 16,114**	**$ 890**	**$ 1,484**	**$ —**	**$ 18,488**

NET DEBT AND NET LEVERAGE RATIO

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

(in thousands of US Dollars except as otherwise noted)	December 31, 2023	December 31, 2022
Current debt	$ 29,127	$ 29,217
Long-term debt	61,441	98,907
Cash and cash equivalents	(30,753)	(42,811)
Deferred financing costs related to the Credit Facilities	1,489	3,006
Net debt	**$ 61,304**	**$ 88,319**
Trailing 12 months Adjusted EBITDA	$ 131,802	$ 224,758
Net leverage ratio	**0.5x**	**0.4x**

WORKING CAPITAL

As at December 31, 2023 and 2022, the Company had working capital as follows:

(in thousands of US Dollars)	December 31, 2023	December 31, 2022
Cash and cash equivalents	$ 30,753	$ 42,811
Accounts receivable	37,449	22,892
Inventories, net	119,813	122,335
Other current assets	10,978	10,363
Accounts payable and accrued liabilities	(66,319)	(60,838)
Provisions	(6,902)	(3,063)
Current debt	(29,127)	(29,217)
Contract liabilities	(386)	(987)
Other current liabilities	(3,882)	(2,972)
Working capital	**$ 92,377**	**$ 101,324**

LIQUIDITY

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

(in thousands of US Dollars)	December 31, 2023	December 31, 2022
Cash and cash equivalents	$ 30,753	$ 42,811
ABL Facility undrawn borrowing capacity	40,000	21,447
Liquidity	**$ 70,753**	**$ 64,258**

FREE CASH FLOW

For the three months and years ended December 31, 2023 and 2022 the Company had free cash flow as follows:

	For the three months ended December 31,		*For the year ended December 31,*	
(in thousands of US Dollars)	2023	2022	2023	2022
Cash flows from operating activities	$ 24,883	$ 42,245	$ 94,723	$ 208,369
Cash flows used by investing activities	(20,203)	(10,162)	(53,329)	(39,003)
Less: Cash growth capex	18,664	6,532	36,178	18,488
Free cash flow	**$ 23,344**	**$ 38,615**	**$ 77,572**	**$ 187,854**

REVENUES PER TONNE P_2O_5, CASH COSTS AND CASH COSTS PER TONNE P_2O_5, CASH MARGIN AND CASH MARGIN PER TONNE P_2O_5

For the three months and years ended December 31, 2023 and 2022, Conda had revenues per tonne P_2O_5, cash costs and cash cost per tonne P_2O_5, cash margin and cash margin per tonne P_2O_5 are as follows:

(in thousands of US Dollars except as otherwise noted)	*For the three months ended December 31,* 2023	2022	*For the year ended December 31,* 2023	2022
Revenues	**$ 112,408**	**$ 129,330**	**$ 448,076**	**$ 571,074**
Cost of goods sold	$ 84,785	$ 81,313	$ 328,762	$ 356,462
Depreciation and depletion	$ (5,892)	$ (8,354)	(33,104)	$ (31,453)
Cash costs	**$ 78,893**	**$ 72,959**	**$ 295,658**	**$ 325,009**
Cash margin	**$ 33,515**	**$ 56,371**	**$ 152,418**	**$ 246,065**
Sales volumes (tonnes P2O5)[i]	**91,395**	**79,858**	**348,163**	**335,722**
Revenues per tonne P2O5	$ 1,230	$ 1,620	$ 1,287	$ 1,701
Cash costs per tonne P2O5	$ 863	$ 914	$ 849	$ 968
Cash margin per tonne P2O5	$ 367	$ 706	$ 438	$ 733

i. P_2O_5 basis for Conda's products considers MAP at 52%, MAP+ at 39%, SPA at 100%, MGA at 100%, APP at 34% and HFSA at 0%.

For the three months and years ended December 31, 2023 and 2022 Arraias had revenues, cash costs and cash margin as follows:

(in thousands of US Dollars except as otherwise noted)	*For the three months ended December 31,* 2023	2022	*For the year ended December 31,* 2023	2022
Revenues	**$ 6,630**	**$ 5,913**	**$ 17,449**	**$ 22,214**
Less: Sulfuric acid	5,357	5,913	15,750	22,214
Revenues excluding Sulfuric acid	**$ 1,273**	**$ —**	**$ 1,699**	**$ —**
Cost of goods sold	5,510	5,797	18,201	21,949
Depreciation and depletion	(648)	(585)	(2,742)	(2,048)
Cash costs	**$ 4,862**	**$ 5,212**	**$ 15,459**	**$ 19,901**
Less: Sulfuric acid	4,542	5,212	15,021	19,901
Cash costs excluding Sulfuric acid	**$ 320**	**$ —**	**$ 438**	**$ —**
Cash margin	**$ 1,768**	**$ 701**	**$ 1,990**	**$ 2,313**
Cash margin excluding Sulfuric acid	**$ 953**	**$ —**	**$ 1,261**	**$ —**
Sales volumes (tonnes P2O5)[i]	**2,134**	$ —	$ **2,962**	$ —
Revenues per tonne P2O5	$ 596	$ —	$ 574	$ —
Cash costs per tonne P2O5	$ 150	$ —	$ 148	$ —
Cash margin per tonne P2O5	$ 446	$ —	$ 425	$ —

i. P_2O_5 basis for Arraias products considers DAPR at 12%, Rock at 5%, and excludes sulfuric acid.

9. 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 herein may constitute forward-looking information. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", "is expected", "estimates", "intends", "believes", "forecasts", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "should", "intent", "might" or "will be taken", "occur" or "be achieved" or other similar words.

Forward-looking information contained herein 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 Mineral Reserves and Mineral Resources, including those stipulated in technical reports;
- expectations around current estimates and potential increases of mine life; and
- expectations around environmental and ARO obligations.

Management believes that forward-looking information provides useful 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.

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;
- market risks;
- regulatory risks;
- environmental risks;
- asset retirement obligations risks;
- weather risks;
- climate change risks;
- currency risks;
- inflation risks
- infrastructure risks;
- equipment and supplies risks;
- concentration risks;
- litigation risks;
- permitting and licensing risks;
- land title and access rights risks;
- insurance and uninsured risks;
- malicious acts risks;
- stock price volatility risks;
- technological advancement and innovation risks;
- artificial intelligence risks;
- tax risks;
- foreign subsidiaries risks;
- reputation damage risks;

- competition risks;
- counterparty risks;
- financing risks;
- additional capital risks;
- credit risks;
- key personnel risks;
- impairment risks;
- cybersecurity risks;
- transportation risks;
- controlling shareholder risks;
- conflicts of interest risks;
- epidemics, pandemics and public health risks;
- geopolitical risks;
- environmental justice risks; and
- internal controls over Financial Reporting Risks.

Additionally, all of the forward-looking statements are qualified by the assumptions that are stated or inherent in such forward-looking statements, including the assumptions referred to below and elsewhere in this document. Although we believe that these assumptions are reasonable, having regard to our experience and our perception of historical trends, the assumptions set forth below are not exhaustive of the factors that may affect any of the forward-looking statements and the reader should not place undue reliance on these assumptions and such forward-looking statements. Current conditions, economic and otherwise, render assumptions, although reasonable when made, subject to greater uncertainty. Additional key assumptions that have been made in relation to the operation of our business as currently planned and our ability to achieve our business objectives include the Company's expectations and assumptions with respect to the following: commodity prices; operating results; operational safety; changes to the Company's mineral reserves and resources; timing of expected permitting; optionality for further mine life extension through ownership of the H2/Freeman Ridge leases and potential third party mineral purchase agreements; changes to mine development and completion; changes to regulation; the impact of weather and climate change; economic changes, including inflation and foreign exchange rates; the actions of the Company's competitors and counterparties; financing, liquidity, credit and capital; the loss of key personnel; impairment; cybersecurity; transportation and infrastructure; changes to equipment and suppliers; adverse litigation; changes to permitting and licensing; loss of land title and access rights; changes to tax laws; and the risks posed by a controlling shareholder and other conflicts of interest.

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. Factors that may cause actual results to differ materially from expected results described in forward-looking statements include, but are not limited to, the risk factors set out herein. Readers are cautioned that the list of risks set out herein is not exhaustive.

The forward-looking information included herein is expressly qualified by this cautionary statement and is made as of the date hereof. Management undertakes no obligation to publicly update or revise any forward-looking information except as required by applicable securities laws. Certain statements included herein may be considered "financial outlook" for the purposes of applicable securities laws. Financial outlook is provided for the purposes of assisting the reader in understanding the Company's financial performance and measuring progress towards management's objectives and the reader is cautioned that it may not be appropriate for other purposes.

The risks and uncertainties affecting the forward-looking information contained in this MD&A are described in greater detail below.

RISK FACTORS

Commodity Price Risks

The Company's operational and financial performance is dependent on commodity prices including fertilizers, minerals, grains, raw materials and energy. Commodity prices fluctuate widely and are affected by numerous factors beyond the Company's control including, but not limited to, supply, demand, interest rates, inflation rates, exchange rates and trade tariffs. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The commodity prices of fertilizers, minerals and grains directly affect the Company's revenues. The commodity prices of raw materials and energy directly affect the Company's cost of goods sold. There can be no assurance that the commodity prices affecting the Company's revenues will be correlated with the commodity prices affecting cost of goods sold. Furthermore, the Company may not, or may not be able to, utilize derivatives to hedge its exposure to commodity price volatility. In addition, fluctuations in commodity prices could adversely affect the Company's mineral reserves and mineral resources, including those stipulated in technical reports.

Operating Risks

The Company's operations are subject to the typical hazards and risks associated with the exploration, development and production of fertilizers, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding, pit wall failures, tailings dam failures and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and legal liability. The Company's production facilities are subject to risks relating to equipment breakdowns, interruption in the supply of inputs (including as a result of strikes or other labor disputes), power failures, longer-than-expected planned maintenance activities and natural disasters or other events disrupting operations. A prolonged shutdown at any of the Company's facilities could have an adverse effect on the Company's operational and financial performance. Although precautions to minimize risk have been and will continue to be taken, operating risks cannot be completely mitigated.

Safety Risks

The mining and fertilizer production activities the Company engages in are inherently hazardous, and the Company has personnel working or travelling in countries facing social and political tensions. Failure to prevent or appropriately respond to a safety, health or security incident could result in one or more incidents leading to injuries or fatalities among the Company's employees, contractors and communities near the Company's operations. Such incidents may lead to liabilities arising out of personal injuries or death, operational interruptions and shutdown or abandonment of affected facilities. Accidents could cause the Company to expend significant managerial time and efforts and financial resources to remediate safety issues or to repair damaged facilities and may also adversely impact the Company's reputation.

Mineral Reserves and Mineral Resources Risks

The estimation of mineral reserves, mineral resources and corresponding grades being mined or dedicated to future production are imprecise and depend on geological interpretation and statistical inferences or assumptions drawn from drilling and sampling analysis, which might prove to be unpredictable. mineral resources that are not mineral reserves do not have demonstrated economic viability. Until mineral resources are mined and processed, the quantity of mineral resources and grades must be considered estimates only. In addition, due to the uncertainty which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to Indicated or measured mineral resources as a result of continued exploration. Any material change in the quantity of mineral reserves, mineral resources, grade or stripping ratio may affect the economic viability of the Company's properties. In addition, there can be no assurance that metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests. Estimates of mineral reserves, mineral resources and production costs can also be affected by such factors as environmental permit regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions.

Mine Development and Completion Risks

It is not possible to ensure that the exploration or development programs planned by the Company will result in profitable commercial mining operations. Whether a mineral deposit will be commercially viable depends on many factors, including: the attributes of the deposit, such as size, grade and proximity to infrastructure; highly cyclical mineral prices; and government regulations, including in respect of prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of phosphate.

Foreign Operations Risks

The Company owns businesses and projects in various jurisdictions and is subject to the laws, government policies and regulations of those jurisdictions. Future changes in the laws and fiscal policies, and their interpretations and administrations, could adversely affect the Company’s operations and prices. The Company’s operations in these jurisdictions may be affected in varying degrees by political instability, government regulations relating to the mining and fertilizer industries and foreign investment therein, and the policies of other nations. Any changes in regulations or shifts in political conditions are beyond the control of Company and may adversely affect its business. The Company’s operations may be affected in varying degrees by government regulations, including those with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, employment, land use, water use, environmental legislation and mine safety. The regulatory environment is in a state of continuing change, and new laws, rules, regulations and requirements may be retroactive in their effect and implementation. The Company’s operations may also be affected in varying degrees by social, political and economic instability, economic or other sanctions imposed by other nations, terrorism, military repression, crime, extreme fluctuations in currency exchange rates, state aids and subsidies and high inflation.

Market Risks

We are impacted by global economic conditions that could negatively impact agriculture commodity trade flows and demand for crop nutrients or increase prices for, or decrease availability of, raw materials and energy necessary to produce our products. These conditions include international trade disputes, geoeconomic confrontations, international crises or risks thereof, the relative value of the US dollar and its impact on the importation of fertilizers, foreign agricultural policies, and the existence of, or changes in, import or foreign currency exchange barriers in foreign markets, and other regulatory policies of foreign governments, as well as the laws and policies affecting foreign trade and investment.

The current war between Ukraine and Russia and the conflict between Israel and Hamas, and the international response has, and may continue to have, potential consequences for global economic conditions, including energy and commodity prices. Certain countries, including the United States and Canada, have imposed strict financial and trade sanctions against Russia, with Russia and Belarus imposing retaliatory sanctions of their own, which have had, and may continue to have, far-reaching effects on the global economy, energy and commodity prices, food security, and crop nutrient supply and prices. The implications of the war in Ukraine and the conflict between Israel and Hamas are difficult to predict with any degree of certainty at this time. While the Company does not have operations in Ukraine, Russia, Israel or Palestine, there continues to remain uncertainty relating to the potential impact of these conflicts and the potential effects these may have on global food security and the market for crop nutrient market supply and demand fundamentals and nutrient prices, and they could have a material and adverse effect on our business, financial condition and results of operations. Depending on the extent, duration and severity of the conflicts, they may have the effect of heightening many of the other risks the Company is subject to and which are described herein.

Regulatory Risks

The Company's operations are subject to various laws governing prospecting, development, production, taxes, labor standards and occupational health, mine safety, toxic substances and other matters. Mining and fertilizer production activities are also subject to various laws, rules and regulations relating to the protection of the environment. Although the Company believes that its activities are currently carried out in accordance with all applicable laws, rules and regulations, no assurance can be given that new laws, rules and regulations will not be enacted or that existing laws, rules and regulations will not be applied in a manner that could limit or curtail production or development of the Company's businesses or projects. Amendments to current laws, rules and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a material adverse effect on the Company's operational and financial performance. In addition, there can be no assurance that all approvals required for future development or continuation of operations will be obtainable on reasonable terms or on a timely basis, or that such laws, rules and regulations would not have an adverse effect on any project which the Company may undertake to develop.

Environmental Risks

All phases of the Company's operations are subject to the environmental regulations of local, state and national governments with jurisdiction over the Company's operations. These regulations mandate, among other things, water quality standards and land reclamation and regulate the generation, transportation, storage and disposal of hazardous waste and other materials and substances. The Company expects that environmental legislation will require stricter standards and enforcement, increased fines and penalties for non-compliance, potential increase reporting, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that existing or future environmental regulation will not materially adversely affect the Company's business, financial condition and results of operations.

As a company working with chemicals and other hazardous substances, the Company's business is inherently subject to environmental incidents, including uncontrolled tailings, gypsum stack or other containment breaches, significant subsidence from mining activities and significant spills, discharges or other releases of hazardous substances into the environment. Certain environmental laws, including many provincial environmental statutes and the US Comprehensive Environmental Response, Compensation, and Liability Act, impose joint and several liability, without regard to fault, for clean-up costs on persons who have disposed of or released hazardous substances into the environment. Given the nature of the Company's business, the Company has incurred, is incurring currently, and is likely to incur periodically in the future, liabilities under environmental laws at the Company's facilities, adjacent or nearby third-party facilities or offsite disposal locations. The costs associated with future clean-up activities that the Company may be required to conduct or finance may be material. Significant environmental incidents can be harmful to the Company's employees, contractors and communities and impact the biodiversity, water resources and related ecosystems near the Company's operations. In addition, the Company may become liable to third parties for damages, including personal injury and property damage, resulting from such incidents. Such incidents could adversely impact the Company's operations, financial performance or reputation.

Violations of environmental and health and safety laws can result in substantial fines, penalties, court orders to install pollution-control equipment, civil and criminal sanctions, permit restrictions or revocations and facility shutdowns. Environmental and health and safety laws change rapidly and have tended to become more stringent over time. As a result, the Company has not always been, and may not always be, in compliance with all environmental and health and safety laws and regulations. In addition, future environmental and health and safety laws and regulations or reinterpretation of current laws and regulations may require the Company to make substantial expenditures. Furthermore, the Company's costs to comply with, or any liabilities under, these laws and regulations could be significant.

Environmental hazards may also exist on the properties on which the Company holds interests that are unknown to the Company at present and that have been caused by previous or existing owners or operators of the properties. Government environmental approvals and permits are currently, or may in the future be, required in connection with the Company's operations. To the extent that such approvals are required and not obtained, the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities, causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Parties engaged in mining and fertilizer production operations, including the Company, may be required to compensate those suffering loss or damage due to such activities and may have administrative, civil or criminal fines or penalties imposed for violations of applicable laws, rules or regulations.

Bonds or other forms of financial assurance are or may be required security for certain of the Company's environmental reclamation obligations. The Company may incur significant costs in connection with these reclamation activities, the premiums for the bonds and the interest rate on letters of credit backstopping the bonds. The Company cannot guarantee that the provisions the Company has made for such reclamation will be sufficient, that it will be able to secure the required bonds or financial assurances or that the cost of such guarantees will remain at current rates.

Asset Retirement Obligations Risks

The Company recognizes the present value of its environmental and asset retirement obligations in the period in which they are incurred and when a reasonable estimate of the fair value of such obligations can be made. The asset retirement obligations are generally incurred over an extended period.

The major categories of the Company's asset retirement obligations include reclamation and restoration costs at its mining operations, including the management of materials generated by mining and mineral processing, such as: various mine tailings; phosphogypsum stacks; land reclamation and revegetation programs; decommissioning of underground and surface operating facilities; general clean-up activities aimed at returning the areas to an environmentally acceptable condition; and post-closure care and maintenance.

The estimation of the costs of asset retirement obligations depends on the development of environmentally acceptable closure and post-closure plans. In some cases, this estimation may require significant research and development to identify preferred methods for such plans that are economically sound and that, in most cases, may not be implemented for several decades. The Company has relied upon appropriate technical resources, including outside consultants, to develop specific site closure and post-closure plans in accordance with the requirements of the various jurisdictions in which the Company operates.

In connection with the acquisition of Conda from subsidiaries of Agrium, a wholly-owned subsidiary of Nutrien, Nutrien assumed full liability for all environmental and asset retirement obligations relating to the pre-closing operations of Conda. As current owner and operator of Conda, the Company is liable for environmental and asset retirement obligations relating to the post-closing operations of Conda. Accordingly, the Company recognizes the present value of its respective share of environmental and asset retirement obligations relating to the post-closing operations of Conda.

Weather Risks

Anomalies in regional or global weather patterns can have a significant and unpredictable impact on the demand for the products and services engaged by the Company's business and may also have an impact on prices. The Company's target customers have limited windows of opportunity to complete required tasks at each stage of crop cultivation. Should adverse weather conditions prevail during these seasonal windows, the Company could face the possibility of reduced revenue in a particular season without the opportunity to recover until the following season. The Company also faces the significant risk of inventory carrying costs should its customers' activities be curtailed during their normal seasons. In addition, inflow of water into phosphate mines from heavy rainfall or groundwater could result in increased costs and production down-time and may require the Company to abandon a mine, either of which could adversely affect the Company's operating results.

Climate Change Risks

The impact of climate change on the Company's business and operations, as well as that of its customers, is uncertain and may vary by geographic location. Climate change may include changing rainfall patterns, water shortages, changing sea levels, changing storm patterns and intensities, changing temperature levels, potentially irreversible changes to climate, and other unforeseen changes or extreme weather events. These changes and events could adversely impact the Company's costs and operating activities. In addition, the Company's future operations and activities may emit amounts of greenhouse gases that could subject the Company to legislation regulating emission of greenhouse gases, and the cost of complying with such legislation may adversely affect the business of the Company.

Currency Risks

Currency fluctuations may affect the Company's capital and/or operating costs. While the majority of the Company's activities are conducted in US dollars, including the majority of Conda's sales and expenses, the Company is exposed to currency risks stemming from the fact that the Company and its subsidiaries carry on business in the international marketplace. The appreciation of foreign currencies against the US dollar could adversely affect the Company's earnings and financial condition. In particular, the Company is exposed to increased currency risks because a portion of Conda's sales and expenses are transacted in Canadian dollars and a significant portion of Arraias' sales, when operational, and expenses are transacted in Brazilian Reals. These sales and expenses are subject to fluctuations in the exchange rates between the Canadian dollar and the Brazilian Real, respectively against the US dollar.

Inflation Risks

The world has recently experienced sustained increases in the price of goods and services. The Company is affected by rising inflationary pressures. Inflation rates in the jurisdictions in which the Company operates increased significantly in recent years. A significant portion of the upward pressure on prices has been attributed to the rising costs of labor and energy, as well as continuing global supply-chain disruptions. These inflationary pressures have affected the Company's labor, commodity and other input costs and such pressures may or may not be transitory. Any continued upward trajectory in the inflation rate for the Company's inputs may have a material adverse effect on the Company's capital and operating expenditures for the development of its projects as well as its margins, financial condition and results of operations.

Competition Risks

The mining and fertilizer production industries are competitive in all phases, and the Company must compete with companies possessing greater financial and technical resources. Accordingly, such competitors may be better able to withstand market volatility while retaining significantly greater operating and financial flexibility than the Company. The Company's products are subject to intense price competition. Commodities have little or no product differentiation, and customers make their purchasing decisions principally on the basis of delivered price and, to a lesser extent, on customer service and product quality. This price pressure may affect the Company's results of operations. In addition, certain of the Company's products are sold into regional markets that may have lower cost competitors or differentiated products owing to a variety of factors.

Competition in the fertilizer mining industry is primarily for: mineral rich properties that can be developed and produced economically; the technical expertise to find, develop and operate such properties; the labor to operate such properties; and the capital to fund the development of such properties. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining industry could materially adversely affect the Company's prospects for mineral exploration in the future or the Company's operational and financial performance.

Counterparty Risks

The Company's operations are reliant on relationships with key counterparties, including under the Ammonia Supply Agreement and the MAP Offtake Agreement. There can be no assurance that the Company will maintain its relationships with its key counterparties. In addition, there can be no assurance that any new agreement entered into by the Company for sales, supply, purchase or shared services will have terms as favorable as those contained in current agreements. Any adverse changes with respect to the Company's key counterparties and the agreements between the Company and such key counterparties, including the Ammonia Supply Agreement and the MAP Offtake Agreement, could have a material adverse effect on the Company's operational and financial performance.

Financing Risks

The Company's existing indebtedness and any additional debt the Company may incur in the future could have negative consequences on the Company's business should operating cash flows be insufficient to cover the Company's debt service requirements, which could adversely affect the Company's operations and liquidity. The Company's debt service obligations will have an impact on its profit and cash flow for so long as the indebtedness is outstanding. The substantial indebtedness could, as a result of debt service obligations or through the operation of the financial and other restrictive covenants under the debt documents, have material consequences, such as reducing the availability of cash to fund working capital, capital expenditures and other business activities, limiting the Company's ability to take advantage of new business opportunities, and causing the Company to be more vulnerable to general adverse economic and industry conditions.

The Company's ability to obtain any additional financing, whether through the issuance of new debt securities or otherwise, and the terms of any such financing are dependent on, among other things, its financial condition, financial market conditions within the industry and numerous other factors. Consequently, in the event the Company needs to access the credit markets, including refinancing its debt, there can be no assurance that it will be able to obtain financing on acceptable terms or within an acceptable timeframe, if at all. The Company may be unable to obtain financing with acceptable terms when needed, which could materially adversely affect its business and results of operations.

The Company may be unable to obtain bonds, letters of credit or other forms of financial assurance required for the Company's environmental reclamation or asset retirement obligations or such financial assurance may be at an increased cost to the Company.

Additional Capital Risks

The Company's projects may require additional capital. Failure to obtain sufficient financing could result in a delay or indefinite postponement of the development of the Company's projects. Additional financing may not be available when needed, or if available, the terms of such financing may be onerous for the Company and could dilute existing shareholders. Failure to raise capital when needed could have a material adverse effect on the Company's business, financial condition and results of operations.

Credit Risks

The Company is exposed to the credit of certain third parties, which may fail to fulfill performance obligations to the Company. In such circumstances, the carrying amount on the Company's balance sheet could be impacted. Some of the Company's customers require access to credit to purchase the Company's products. A lack of available credit to customers in one or more countries, due to global or local economic conditions or for other reasons, could adversely affect demand for the Company's products or could impact the ability of those third parties to fulfill their obligations to the Company.

Key Personnel Risks

The Company's key personnel include its directors, management and other key employees and contractors. The Company's future performance and development depend to a significant extent on the abilities and experience of its key personnel. The Company's ability to retain its key personnel, or to attract suitable replacements should key personnel leave, is dependent on the competitive nature of the employment market. The loss of the services of key personnel could adversely impact the Company's operational and financial performance.

In addition, sustaining and growing the Company's business depends on the recruitment, development and retention of qualified and motivated employees. Although the Company strives to be an employer of choice in its industry, competition for skilled employees in certain geographical areas in which the Company operates can be significant, and the Company may not be successful in attracting, retaining or developing such skilled employees. In addition, the Company invests significant time and expense in training its employees, which increases their value to competitors who may seek to recruit them. The inability to attract, develop or retain quality employees could negatively impact the Company's ability to take on new projects and sustain its operations.

Impairment Risks

Mining and mineral interests and fertilizer production facilities and assets in development stage represent significant assets of the Company and represent capitalized expenditures related to the development of mining properties and the value assigned to exploration potential on acquisition and related plant and equipment. The costs associated with mining properties are separately allocated to exploration potential, mineral reserves and mineral resources and include acquired interests in production, development and exploration-stage properties representing the fair value at the time they were acquired. The values of such mineral properties are primarily driven by the nature and amount of material interests believed to be contained or potentially contained in properties to which they relate. The Company evaluates its mining interests and fertilizer production facilities for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable, which becomes more of a risk due to the current global economic conditions. Impairment is considered to exist if the total estimated future undiscounted cash flows are less than the carrying amount of the assets. An impairment loss is measured and recorded based on discounted estimated future cash flows. Future cash flows are estimated based on expected future production, commodity prices, operating costs and capital costs. Differences between management's assumptions and market conditions could have a material effect in the future on the Company's financial position and results of operation. In addition, the fragility of the global economy creates risk surrounding inventory levels.

Cybersecurity Risks

With the increased dependence on information and operational technology for the Company's operations, the risks associated with cybersecurity also increase. The majority of the Company's business and operations processes relies on technology. Cybersecurity risks include a variety of potential cyberattacks, threats and breaches conducted by malicious parties, acting alone or in groups, to the Company's systems. These attacks, threats or breaches could lead to a variety of events, including compromised accounts, exposure to viruses and other malware, fraudulent payments, loss of data and information, unintended disclosure of confidential and/or personally identifiable information, and a variety of business disruptions resulting for instance for breaches to our industrial control systems. Additionally, regulatory trends in imposing obligations for companies to publicly report cybersecurity incidents continue to evolve. The Company continues to reassess its cybersecurity posture and implement additional controls and other security prevention, detection and response procedures and protocols to address cyber vulnerabilities in an evolving threat landscape. However, the Company may not be able to address every vulnerability or to prevent or detect all cyberattacks and such attacks or breaches could seriously harm the Company's operations and materially adversely affect its operating and financial results.

Transportation Risks

The cost of delivery is a significant factor in the total cost to customers. As a result, changes in transportation costs or changes in customer expectations about transportation costs can affect sales volumes, prices and other commercial terms. The Company relies on railroad, trucking and other transportation service providers to transport raw materials to the Company's manufacturing facilities, to coordinate and deliver finished products to the Company's storage and distribution system and to ship finished products to the Company's customers. The Company also leases railcars in order to ship raw materials and finished products. These transportation operations, equipment and services are subject to various hazards, including adverse operating conditions, extreme weather conditions, system failures, work stoppages, delays, accidents, such as spills and derailments, and other accidents and operating hazards.

In the event of a disruption of existing transportation or terminal facilities for the Company's products or raw materials, alternative transportation and terminal facilities may not have sufficient capacity to fully serve all of the Company's customers or facilities. An extended interruption in the delivery of the Company's products to its customers or the supply of natural gas, ammonia or sulfur to the Company's production facilities could adversely affect sales volumes and margins.

These transportation operations, equipment and services are also subject to environmental, safety and regulatory oversight. Due to concerns related to accidents, terrorism or increasing concerns regarding transportation of potentially hazardous substances, local, provincial, state and federal governments could implement new regulations affecting the transportation of raw materials or the Company's finished products. If transportation of the Company's products is delayed or the Company is unable to obtain raw materials as a result of any third party's failure to operate properly or the other hazards described above, or if new and more stringent regulatory requirements are implemented affecting transportation operations or equipment, or if there are significant increases in the cost of these services or equipment, the Company's revenues and cost of operations could be adversely affected. In addition, the Company may experience increases in its transportation costs or changes in such costs relative to transportation costs incurred by the Company's competitors.

Infrastructure Risks

Mining and fertilizer production activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operational and financial performance.

Equipment and Supplies Risks

The Company is dependent on various supplies and equipment to carry out its operations and exploration and development activities. The shortage of supplies, equipment and parts could have a material adverse effect on its ability to carry out its operations and therefore limit or increase the cost of operations, exploration and development and related activities. An increase in demand for supplies and equipment could cause operational, exploration, development or construction costs to increase materially. Inadequate or untimely availability could result in delays of services or equipment and could increase potential scheduling difficulties and costs due to the need to coordinate the availability of services or equipment. Any such material increase in costs would adversely affect the Company's operational and financial performance.

Concentration Risks

The Company relies primarily on Conda to sustain its operations. In turn, Conda relies on key suppliers and customers. With respect to suppliers, Conda's ammonia requirements and a majority of its sulfuric acid requirements have historically been met by one supplier under respective long-term supply agreements. With respect to customers, a majority of Conda's sales have historically been to one key customer under a long-term MAP offtake agreement. Consequently, any material disruption to the operations of such key suppliers or key customer, or Conda's inability to manage and maintain its business relationship with any such suppliers or customer, has the potential of materially adversely affecting the Company's overall production, sales or results of operations.

Litigation Risks

All industries, including the mining and fertilizer industries, are subject to legal claims, with and without merit. The Company is involved in current and threatened litigation and may become involved in legal disputes in the future. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding may have a material adverse effect on the Company's operational and financial performance.

Permitting and Licensing Risks

The Company's operations are subject to receiving and maintaining permits and licenses from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of permits and licenses for the existing operations, additional permits or licenses for any possible future changes to operations or additional permits or licenses associated with new legislation. Prior to any development on any of its properties, the Company must receive permits or licenses from appropriate governmental authorities. There can be no assurance that the Company will continue to hold all permits and licenses necessary to develop or continue operating at any particular property.

Land Title and Access Rights Risks

The acquisition of title to mineral properties is a detailed and time-consuming process. Title to, and access to the area of, mineral concessions may be disputed. The Company believes it has taken reasonable measures to ensure proper title and access to its properties, as applicable; however, there is no guarantee that title to any of its properties or access rights will not be challenged or impaired. Third parties may have valid claims underlying portions of the Company's interests, including prior unregistered liens, agreements, transfers or claims, including native land claims, and title or access rights may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Insurance and Uninsured Risks

Although the Company maintains insurance to protect against certain risks and hazards in such amounts as it considers reasonable, its insurance will not cover all of the potential risks associated with the Company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards result from exploration and production is not generally available to the Company or to other companies in the mining and fertilizer industries on commercially acceptable terms. The Company may also become subject to liability for pollution or other hazards that may not be insured against or that the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its operational and financial performance.

Malicious Acts Risks

Intentional and malicious acts of destruction to the Company's tangible and intangible property could hinder the Company's development, production and future sales and may also interrupt the Company's supply chain. The Company's physical facilities could be damaged, leading to a reduction in operational production capacity and efficiency. Employees, contractors and the public could also suffer substantial physical injury. The consequences of any such actions could damage the Company's reputation, negatively affecting the Company's performance.

Stock Price Volatility Risks

Securities markets worldwide experience significant price and volume fluctuations in response to general economic and market conditions and their effect on various industries. This market volatility could cause the price of the Company's shares to decline significantly, without regard to the Company's operating performance. These fluctuations could be based on numerous factors in addition to those otherwise described herein, including:

- the Company's operating performance and the performance of its competitors;
- the public's reaction to the Company's news releases, other public announcements and filings with the Canadian securities regulators;
- changes in earnings estimates or recommendations by research analysts who follow the Company or other companies in the same industry;
- variations in general economic, market and political conditions;
- actions of current members, including sales of shares by directors and executive officers of the Company;
- the arrival or departure of key personnel;
- the lack of trading volume and liquidity of the Company's shares on the TSX Venture Exchange ("TSXV"); and
- other developments affecting the Company, the fertilizer industry or the Company's competitors.

In addition, in recent years, stock markets across the globe have experienced significant price and volume fluctuations. These fluctuations may be unrelated to the operating performance of particular companies. These broad market fluctuations may cause declines in the market price of the Company's stock. The Company must also comply with certain listing requirements and maintain its good standing with the TSXV to continue having its shares traded on the TSXV.

Technological Advancement and Innovation Risks

Future technological advancements and innovations, such as development of high-quality seeds that require less nutrients or technological advancements in efficacy of application of nutrients or the development of full or partial substitutes for our products, could adversely affect demand for the Company's products and impact results of operations. The advancement and adoption of other technology and digital innovations in agriculture, development in the application in the application of crop nutrients across the value chain have increased and are expected to further accelerate. Future digital innovations and use of new technology in the fertilizer market could alter the competitive environment, disrupt business models, and may adversely impact the Company's operations and financial performance.

Artificial Intelligence Risks

The development, use and application of artificial intelligence ("AI") continues to rapidly evolve and the pace of AI innovation continues to accelerate. The AI regulatory environment may increase as the use of AI is part of evolving legal frameworks across jurisdictions. Social and ethical issues along with other intended or unintended negative consequences related to the use and application of AI, including machine learning models and generative AI, may result in reputational harm, liability and additional costs to organizations. New AI offerings and technologies and adaptation of such offerings and technologies, along with other AI breakthroughs, could have an adverse impact on the Company's operations and performance.

Tax Risks

The interpretation of tax regulations and legislation and their application to the Company's business is complex and subject to change. Accordingly, the Company's ability to realize future income tax assets and participate in favorable tax programs could significantly affect net income or cash flow in future periods. The Company is subject to income taxes in numerous jurisdictions. The Company's income tax expense and deferred tax assets and liabilities represent management's best estimates of current and future taxes to be paid. Significant judgments and estimates are required in the calculation of the Company's income tax expense, including applying tax laws and regulations, calculating tax deductions such as tax depletion, estimating the timing of the reversals of temporary differences and estimating the realizability of deferred tax assets. These estimates impact current and deferred income tax assets and liabilities and current and deferred income tax expense. The actual future income tax expense and deferred tax assets and liabilities may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in tax laws and/or rates in the future.

Foreign Subsidiaries Risks

Potential limitations and tax liabilities associated with the transfer of cash or other assets between the Company and its subsidiaries could restrict the Company's ability to fund its operations efficiently. Any such limitations or the perception that such limitations may exist now or in the future could have an adverse impact on the Company's valuation and stock price.

Reputational Damage Risks

The nature of our business makes it crucial to maintain a strong reputation and positive relationships with key stakeholders, including shareholders, customers, our employees, suppliers, landowners, local communities and governments. Damage to our reputation can occur from our actual or perceived actions or inactions and a range of events, many of which are out of our control. This includes social media, which has made it easier for individuals and groups to share their opinions of us and our activities, whether accurate or not.

Our reputation as a company doing business with integrity is essential to building and maintaining trusting relationships with stakeholders, as well as reducing our legal and financial risk. Damage to our reputation could result in, among other things, a decrease in the value of our shares and decreased investor confidence, any of which could have a material adverse effect on our operations, projects and financial position.

Our stakeholders may place an increasing importance on the structure of our business, our ability to execute on our strategy, the customers and suppliers we do business with, and our core sustainability responsibilities. Underperformance due to weak market fundamentals or business issues, inadequate communication with our stakeholders or dissatisfaction with our practices or strategic direction, including our capital allocation priorities and those directed to address ESG matters, may lead to a lack of support for our business plans. Loss of stakeholder confidence impairs our ability to execute on our business plans, negatively impacts our ability to produce or sell our products and may also lead to reputational and financial losses, and negatively impact our access to or cost of capital or shareholder action.

Controlling Shareholder Risks

Due to its position as controlling shareholder, CLF can exert control on the Company's overall direction. The Company has not adopted term limits for its Board members and all members stand for re-election annually. CLF is able to nominate and elect directors of the Company, through an investor rights agreement and because it owns a majority of the Company's shares. Obtaining the controlling shareholder's approval would be required for various significant corporate actions. The controlling shareholder's best interests may not always align with the best interests of the Company or its other shareholders.

Conflicts of Interest Risks

Certain of the Company's directors and officers also serve as directors and/or officers of other companies involved in natural resource exploration and development and, consequently, there exists the possibility for such directors and officers to be in a position of conflict. The Company expects that any decision made by any of such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its members, but there can be no assurance in this regard. In addition, each of the Company's directors is required to declare any matter in which such director may have a conflict of interest or which are governed by the procedures set forth in applicable law.

Epidemics, Pandemics and Public Health Risks

Any governmental or other regulatory responses or developments or health concerns in countries in which the Company operates could result in operational restrictions, supply chain disruptions, social and economic instability, or labor shortages. It is still possible that the COVID-19 pandemic could significantly impact operations, create supply chain challenges and disruptions or limit the Company's ability to timely sell or distribute the Company's products in the future, which would negatively impact the Company's business, financial condition and operating results. It is also possible that the COVID-19 pandemic could negatively impact the Company's customers, even though the agriculture sector is classified as an essential service. Any significant long-term downturn in the global economy or agricultural markets could impact the Company's access to capital or credit ratings, or customers' access to liquidity, which could increase the Company's counterparty credit exposure.

Any future epidemics, pandemics or public health risks could cause similar issues as the COVID-19 pandemic and could also have an adverse effect on the Company's operations and future financial performance, financial results or cash flows.

Geopolitical Risks

Geopolitical shifts, geopolitical confrontation, and the evolving concentration of geopolitical power and order continue to impact the world. Geopolitical dynamics, tensions and instability, including the actual and threatened responses to military action, including trade and monetary sanctions, may impact the markets for certain commodities, including phosphate fertilizer products and inputs, and could cause significant fluctuations in phosphate fertilizer prices and inputs due to uncertainty in supply levels and geopolitical risk. Furthermore, turmoil in the global financial system, the reshaping of interactions between nations, bilateral or multilateral use of force between states, and manifestation of proxy or open wars could materially affect the Company's business and financial condition.

Recent conflicts such as Russia's invasion of Ukraine have resulted in restrictive actions that may be taken by the US and other countries in response to the conflict and while additional actions are not possible to predict but, these could have significant impacts on commodity prices and potential negative effects on financial markets and the supply chain. Further, the Israel-Gaza conflict and increasing tensions over Taiwan may have a destabilizing impact into local, regional or regional societies, negative effects on markets and supply chains, changes geopolitical orders, forced movement or displacements across and within borders, societal divisions and other safety and security related ramifications. The Company does not have operations in Russia, Ukraine, Israel or Taiwan and cannot at this time predict the full extent or impact of these actions and events, but they could have an adverse effect on the Company's operations and future financial performance.

Environmental Justice Risks

The US federal and some state governments are increasingly adopting standards or policies requiring environmental justice reviews in some permitting actions. In general, they require governmental agencies to evaluate projects for disproportionate impacts to disadvantaged or already burdened communities. If such conditions are found, they might result in a permit denial, or restrictive or cost prohibitive conditions imposed on our operations and may impair our business and operations and could have a material adverse effect on our business, financial condition or results of operations.

Internal Controls over Financial Reporting Risks

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Disclosure controls and procedures are designed to ensure that information required to be disclosed by a company in reports filed with securities regulatory agencies is recorded, processed, summarized and reported on a timely basis and is accumulated and communicated to a company's management, including its chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. The Company has invested resources to document and analyze its system of disclosure controls and its internal control over financial reporting. The design of an internal control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. A control system, no matter how well designed and operated has inherent limitations, and can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

For the three months ended December 31, 2023, there have been no material changes to the risks and uncertainties that have materially affected, or are reasonably likely to materially affect, the Company's forward-looking information.

10. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires the Company to make estimates and judgments that affect the reported amounts of the assets, liabilities, revenues 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 4 in the 2023 Audited Financial Statements).

11. 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 communicated and 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.

The design of an internal control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, no matter how well designed, there are inherent limitations in any internal control system, including the possibility of human error, assumptions used in prevention or detection of control issues, circumvention of controls and procedures, collusion of two or more people, or unauthorized overriding of controls. Accordingly, even controls and procedures determined to be properly designed and effective can only provide reasonable, not absolute, 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 certain manual tasks. The Company is mitigating such risks through various cost-effective measures, including automated processes, compensating controls, and increased management oversight.

For the three months ended December 31, 2023, there were 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.

The Company's management, including the Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company's controls and procedures based on the framework and criteria established in Internal Control – Integrated Framework (2013) as issued by the Committee of Sponsoring Organizations of the Treadway Commission and concluded that the Company's DC&P and ICFR were effective at a reasonable assurance level as at December 31, 2023.

12. OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Company's related party transactions include key management compensation arrangements. During 2022, the Company repaid all related party debt in full (see Notes 13 and 26 in the Consolidated Financial Statements).

QUALIFIED PERSON

Unless otherwise indicated, the responsible Qualified Person, as defined by NI 43-101, who has reviewed and approved the technical information sourced from the latest respective technical reports and contained in this MD&A regarding Mineral Resources for Conda, Farim and Paris Hills is 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. (WSP; formerly known as Golder Associated Ltd.) and is independent of the Company.

Unless otherwise indicated, the responsible Qualified Person, as defined by NI 43-101, who has reviewed and approved the technical information sourced from the latest respective technical reports and contained in this MD&A regarding Mineral Reserves for Conda is Edward Minnes, Professional Engineer (P.E.) licensed by the State of Missouri. Mr. Minnes is a part-time employee of WSP USA Inc. (WSP; formerly known as Golder Associates USA Inc.) and is independent of the Company.

Unless otherwise indicated, the responsible Qualified Person, as defined by NI 43-101, who has reviewed and approved the technical information sourced from the latest respective technical reports and contained in this MD&A regarding Mineral Reserves for Farim is Terry Kremmel, Professional Engineer (P.E.) licensed by the States of Missouri and North Carolina. Mr. Kremmel is a full-time employee of WSP USA, Inc. and is independent of the Company.

Unless otherwise indicated, the responsible Qualified Person, as defined by NI 43-101, who has reviewed and approved the technical information sourced from the latest respective technical reports and contained in this MD&A regarding Mineral Resources for Arraias, Santana and Araxá is Carlos Guzmán, FAusIMM (229036), Mining Engineer, RM (Chilean Mining Commission). Mr. Guzmán is a full-time employee of NCL Brasil Engenharia Ltda. and is independent of the Company.

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