Management's Discussion and Analysis of Operations and Financial Condition
For the three months ended March 31, 2024 and 2023
May 8, 2024

ITAFOS

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1. INTRODUCTORY NOTES

GENERAL INFORMATION

This management's discussion and analysis of operations and financial condition for the three months ended March 31, 2024 (the "MD&A") is as of May 8, 2024 and should be read in conjunction with the Company's:

- unaudited condensed consolidated interim financial statements for the three months ended March 31, 2024 (the "Interim Financial Statements");
- audited consolidated financial statements for the year ended December 31, 2023 (the "2023 Consolidated Financial Statements");
- management's discussion and analysis of operations and financial condition for the year ended December 31, 2023 (the "2023 MD&A"); and
- annual information form for the year ended December 31, 2022 (the "2022 AIF").

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 IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS"). 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. 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:

- 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.

The Company is a Delaware corporation that is headquartered in Houston, Texas. The Company's shares trade on the Canadian 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 6 in the Interim Financial Statements).

As at March 31, 2024 and December 31, 2023 the Company had 191,992,637 and 190,608,358 shares outstanding, respectively (see Note 6 in the Interim Financial Statements). As at May 8, 2024, the Company had 191,992,637 shares and 5,385,965 RSUs outstanding. As at March 31, 2024 and December 31, 2023, the Company did not have any other classes of voting securities outstanding.

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]	33.7Mt at avg. 25.0% 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]	44.9Mt at avg. 24.81% 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]	1.5Mt at avg. 24.73% 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-2037	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, Measured and Indicated Mineral Resources (including Mineral Reserves), Inferred Mineral Resources and mine life consider Rasmussen Valley, Husky 1 and North Dry Ridge ("H1/NDR"). Conda's Measured and Indicated Resources (including Mineral Reserves) include 1.5Mt 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 technical reports are as follows:

- Conda – the technical report titled "NI 43-101 Technical Report Itafos Conda Project, Idaho, USA" with an effective date of July 1, 2023 (the "Conda Technical Report") as announced in the Company news release dated April 29, 2024;
- 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 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 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 March 31, 2024

For the three months ended March 31, 2024, the Company's key highlights were as follows:

- sustained Environmental, Health and Safety ("EHS") performance, including no reportable environmental releases and three recordable incidents, which resulted in a consolidated Total Recordable Incident Frequency Rate[1] ("TRIFR") of 0.88;
- generated revenues of $128,006;
- MAP New Orleans ("NOLA") prices averaged $688/t ($624/st) compared to $640/t ($580/st) in 2023, up 8% year-over-year due to the tightening of phosphate fertilizer market supply and demand dynamics;
- generated Adjusted EBITDA[2] of $43,167;
- recorded net income of $23,717;
- recorded basic earnings of Canadian dollars ("C$") C$0.17/share;
- generated free cash flow[2] of $17,687; and
- repaid $7,233 of debt, including $7,081 of principal under the Company's $85,000 term loan (the "Term Loan").

Recent Developments

- On April 10, 2024, the Company announced the publication of its updated environmental, social and governance ("ESG") report. The Company's new ESG report sets forth the progress that the Company has made on ESG matters since the publication of its inaugural ESG report in 2021 and updates the Company's directional ESG goals.
- On April 29, 2024, the Company filed the National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") for Conda. The Conda Technical Report demonstrates increased Mineral Reserves and the opportunity for continued operations at Conda through 2037.
- Subsequent to March 31, 2024, the Board of Directors elected to end the strategic review process that was announced on March 13, 2023 and dissolve the special committee of independent directors. While the process has concluded without an announced transaction, the Board of Directors and the management team have and will continue to operate the business with the objective of creating shareholder value and will review strategic opportunities as they arise.

[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.

[2] Non-IFRS measure (see Section 8).

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FINANCIAL HIGHLIGHTS

For the three months ended March 31, 2024

For the three months ended March 31, 2024 and 2023, the Company's financial highlights were as follows:

(unaudited in thousands of US Dollars except as otherwise noted)	*For the three months ended March 31,* 2024	2023	% change
Revenues	$ 128,006	$ 119,582	7%
Gross margin	39,443	38,975	1%
Adjusted EBITDA[i]	43,167	42,961	—
Net income (loss)	23,717	28,207	(16%)
Basic earnings (loss) ($/share)	$ 0.12	$ 0.15	(20%)
Basic earnings (loss) (C$/share)	$ 0.17	$ 0.20	(15%)
Diluted earnings (loss) ($/share)	$ 0.12	$ 0.15	(20%)
Diluted earnings (loss) (C$/share)	$ 0.17	$ 0.20	(15%)
Maintenance capex[i]	$ 827	$ 1,459	(43%)
Growth capex[i]	5,603	1,390	303%
Total capex[i]	**$ 6,430**	**$ 2,849**	**126%**
Free cash flow[i]	$ 17,687	$ 18,834	(6%)

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

For the three months ended March 31, 2024 and 2023, the Company's financial highlights were explained as follows:

Item	Q1 2024 vs Q1 2023
Revenues	Increased primarily due to higher sales volumes driven by higher production at Conda and higher sulfuric acid sales at Arraias, which were partially offset by lower realized prices
Adjusted EBITDA	Remained relatively consistent between periods (see Section 8)
Net income (loss)	Decreased primarily due to higher income tax expenses, which were partially offset by lower selling, general and administrative expenses and finance expenses
Basic earnings (C$/share)	Decreased primarily due to the same factors that resulted in lower net income
Maintenance capex	Decreased primarily due to timing of maintenance projects at Conda (see Section 8)
Growth capex	Increased primarily due to development activities at H1/NDR at Conda and activities related to the Fertilizer Restart Program at Arraias (see Section 8)
Free cash flow	Decreased primarily due to higher cash flows used by investing activities driven by higher growth capex requirements (see Section 8)

As at March 31, 2024

As at March 31, 2024 and December 31, 2023, the Company's financial highlights were as follows:

(unaudited in thousands of US Dollars except as otherwise noted)	March 31, 2024	December 31, 2023	% change
Total assets	$ 585,033	$ 587,229	—
Total liabilities	301,300	328,495	(8%)
Total equity	283,733	258,734	10%
Net debt[i]	$ 47,127	$ 61,304	(23%)
Trailing 12 months Adjusted EBITDA[i]	$ 132,008	$ 131,802	—
Net leverage ratio[i]	0.4x	0.5x	(20%)

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

As at March 31, 2024 and December 31, 2023, the Company's financial highlights were explained as follows:

Item	March 31, 2024 vs December 31, 2023
Total assets	Decreased due to lower inventory, other current assets, property, plant and equipment driven by the reduction of assets related to environmental and reclamation activities at Conda and other long-term assets. This reduction was partially offset by higher accounts receivables, cash and cash equivalents and higher mineral properties
Total liabilities	Decreased due to lower accounts payable and accrued liabilities, lower debt as a result of the repayment of principal debt outstanding under the Term Loan, lower environmental and asset retirement obligations at Conda and other long-term liabilities
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 and higher cash and cash equivalents (see Section 8)
Trailing 12 months Adjusted EBITDA	Remained relatively consistent between periods (see Section 8)
Net leverage ratio	Remained relatively consistent between periods (see Section 8)

BUSINESS HIGHLIGHTS

EHS

For the three months ended March 31, 2024

For the three months ended 31, 2024 and 2023, the Company's EHS highlights were as follows:

	For the three months ended March 31, 2024			
	Conda	**Arraias**	**Farim**	**Consolidated**
Reportable environmental releases	—	—	—	—
Recordable incidents	3	—	—	3

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

As at March 31, 2024

As at March 31, 2024, the Company's TRIFR were as follows:

	Conda	**Arraias**	**Farim**	**Consolidated**
TRIFR[i]	1.21	0.00	0.00	0.88

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.

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Conda

Business Highlights

For the three months ended March 31, 2024 and 2023, Conda's business highlights were as follows:

(unaudited in thousands of US Dollars except as otherwise noted)	*For the three months ended March 31,* 2024	2023	% change
Production volumes (tonnes)			
MAP	102,290	87,415	17%
MAP+	5,159	5,858	(12%)
SPA[ii]	34,797	34,165	2%
MGA[ii]	246	240	3%
HFSA	1,055	1,322	(20%)
Production volumes (tonnes)	**143,547**	**129,000**	**11%**
Production volumes (tonnes P_2O_5)[i]	**90,246**	**82,145**	**10%**
Sales volumes (tonnes)			
MAP	100,319	82,330	22%
MAP+	8,043	5,132	57%
SPA[ii]	35,016	31,974	10%
MGA[ii]	246	240	3%
APP	1,556	2,694	(42%)
HFSA	1,130	1,496	(24%)
Sales volumes (tonnes)	**146,310**	**123,866**	**18%**
Sales volumes (tonnes P_2O_5)[i]	**91,094**	**77,943**	**17%**
Realized price ($/tonne)[iii]			
MAP	$ 694	$ 722	(4%)
MAP+	737	758	(3%)
SPA[ii]	1,288	1,532	(16%)
MGA[ii]	1,378	1,550	(11%)
APP	586	707	(17%)
HFSA	832	929	(10%)
Revenues ($)			
MAP	$ 69,612	$ 59,478	17%
MAP+	5,930	3,892	52%
SPA	45,105	48,976	(8%)
MGA	339	372	(9%)
APP	912	1,905	(52%)
HFSA	940	1,390	(32%)
Revenues	**$ 122,838**	**$ 116,013**	**6%**
Revenues per tonne P_2O_5[i, iii]	**$ 1,348**	**$ 1,488**	**(9%)**
Cash costs[iii]	**$ 74,911**	**$ 67,435**	**11%**
Cash costs per tonne P_2O_5[i, iii]	**$ 822**	**$ 865**	**(5%)**
Cash margin[iii]	**$ 47,927**	**$ 48,578**	**(1%)**
Cash margin per tonne P_2O_5[i, iii]	**$ 526**	**$ 623**	**(16%)**
Adjusted EBITDA[iii]	$ 46,566	$ 47,470	(2%)
Maintenance capex[iii]	$ 419	$ 1,450	(71%)
Growth capex[iii]	4,887	1,314	272%
Total capex[iii]	**$ 5,306**	**$ 2,764**	**92%**

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 March 31, 2024 and 2023, Conda's business highlights were explained as follows:

Item	Q1 2024 vs Q1 2023
Production volumes (tonnes P_2O_5)	Increased primarily due to higher throughput in 2024, as 2023 was negatively impacted by extreme winter weather conditions and unplanned downtime
Sales volumes (tonnes P_2O_5)	Increased primarily due higher production
Revenues	Increased primarily due to higher sales volumes, which were partially offset by lower realized prices
Cash margin per tonne P_2O_5	Decreased primarily due to lower realized prices (see Section 8)
Adjusted EBITDA	Slightly decreased primarily due to lower realized prices, which were partially offset by higher sales volumes (see Section 8)
Maintenance capex	Decreased due to timing of projects
Growth capex	Increased primarily due to development activities at H1/NDR (see Section 8)

Mine Life Extension

For the three months ended March 31, 2024, the Company advanced activities related to the extension of Conda's mine life through permitting and the development of H1/NDR as follows:

- advanced H1/NDR capital activities including, improvement of the maintenance shop, development, and engineering; 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.

Arraias

Business Highlights

For the three months ended March 31, 2024 and 2023, Arraias' business highlights were as follows:

(unaudited in thousands of US Dollars except as otherwise noted)	*For the three months ended March 31,* 2024	2023	% change
Production volumes (tonnes)			
DAPR	—	—	n/m
Sulfuric acid [i]	33,216	20,614	61%
Production volumes (tonnes)	**33,216**	**20,614**	61%
Production volumes (tonnes P_2O_5)[ii,iii]	—	—	n/m
Sales volumes (tonnes)			
DAPR	1,772	—	n/m
Sulfuric acid	31,520	17,077	85%
Sales volumes (tonnes)	**33,292**	**17,077**	95%
Sales volumes (tonnes P_2O_5)[ii,iv]	**213**	—	n/m
Realized price ($/tonne)[ii]			
DAPR	$ 56	$ —	n/m
Sulfuric acid	161	209	(23%)
Revenues ($)			
DAPR	$ 99	—	n/m
Sulfuric acid	5,069	3,569	42%
Revenues	**$ 5,168**	**$ 3,569**	**45%**
Revenues excluding Sulfuric acid	**$ 99**	**$ —**	**n/m**
Revenues per tonne P_2O_5[ii,iv]	**$ 465**	**$ —**	**n/m**
Cash costs[ii]	**$ 4,025**	**$ 3,107**	**30%**
Cash costs excluding Sulfuric acid	**$ 34**	**$ —**	**n/m**
Cash costs per tonne P_2O_5[ii,iv]	**$ 160**	**$ —**	**n/m**
Cash margin[ii]	**$ 1,143**	**$ 462**	**147%**
Cash margin excluding Sulfuric acid	**$ 65**	**$ —**	**n/m**
Cash margin per tonne P_2O_5[ii,iv]	**$ 305**	**$ —**	**n/m**
Adjusted EBITDA[ii]	$ 382	$ 189	102%
Maintenance capex[ii]	$ 408	$ —	n/m
Growth capex[ii]	716	4	n/m
Total capex[ii]	**$ 1,124**	**$ 4**	**n/m**

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 March 31, 2024 and 2023, Arraias' business highlights were explained as follows:

Item	Q1 2024 vs Q1 2023
Sulfuric acid production and sales volumes	Increased production and sales in Q1 2024 compared to prior year due to higher customer demand
Production and sales volumes (tonnes P_2O_5)	A full quarter of production and sales in Q1 2024 compared to zero in prior year as the Fertilizer Restart Program did not commence until Q3 2023
Adjusted EBITDA	Increased primarily due to higher sulfuric acid and DAPR sales volumes (see Section 8)
Maintenance capex	Increased primarily due to activities related to the 2024 sulfuric acid plant turnaround scheduled for Q2 2024 (see Section 8)
Growth capex	Increased primarily due to activities related to the new stage of the Fertilizer Restart Program spend during 2024 (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 due to a required 50-day maintenance period (acid plant turnaround) completed in May 2023. During Q1 2024, the Company increased the average production rate to 11.1kt per month. In addition to that, Arraias has secured long-term sulfuric acid offtake agreements with various local customers for its base load capacity 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 March 31, 2024, the Company advanced activities related to the Fertilizer Restart Program at Arraias as follows:

- Domingos' pit pre-stripping commenced in Q1 2024 allowing the Company to run the lite beneficiation plant with an average grade above 18% P2O5;
- beneficiation circuit produced 3,000 tonnes of crushed ore;
- acidulation plant recommissioning achieved more than 80% completion (ahead of schedule in Q1), confirming the right pace for PAPR ("Partially Acidulated Phosphate Rock") production expected in Q2 2024; and
- confirmed ramp-up sales including shipping 1,877 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 ended March 31, 2024, the remainder of Arraias' operations, including part of the beneficiation plant, and granulation plant remain idled following best practices.

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 ended March 31, 2024, Farim's development and exploration highlights were as follows:

- advanced revisions to the executed Farim mining agreement with the Government of Guinea-Bissau to facilitate project financing and update tax incentives;
- successfully negotiated 25-year extension to the Farim mining contract and mining lease, which is now valid until 2048; and
- maintained Farim at construction-ready state.

Other

For the three months ended March 31, 2024, the Company maintained the integrity of the concessions of Santana and Araxá.

Corporate

Term Loan

For the three months ended March 31, 2024, the Company continued to focus on deleveraging its balance sheet and repaid $7,081 of principal under the Term Loan.

Management Team Restructure

On January 31, 2024, the Company restructured its management team and reassigned several key positions, roles and responsibilities without an impact on the Company's business and operations. A restructuring charge associated with severance payments to the individuals has been recorded in Q1 2024.

RSU Plan

The Company granted 1,005,987 RSUs to directors and officers effective as of March 26, 2024.

MARKET HIGHLIGHTS

For the three months ended March 31, 2024 and 2023, 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 March 31,* 2024	2023	% change
MAP NOLA[i,iv]	$ 688	$ 640	8%
MAP NOLA ($/st)[i,iv]	624	580	8%
Sulfur Vancouver[ii]	69	126	(45%)
Sulfur Brazil[iii]	100	148	(32%)
Sulfuric Acid Brazil[iii]	122	97	26%

i. Average of Argus and Green Markets weekly average.
ii. Average of Argus weekly and Acuity average.
iii. Average of Argus weekly average.
iv. In 2024, the Company transitioned to reporting prices from DAP NOLA to MAP NOLA due to the MAP sales agreement with the key offtake customer, with pricing indexed to MAP NOLA.

For the three months ended March 31, 2024 and 2023, key phosphate fertilizer market indicators relevant to the Company's operations were explained as follows:

Item	Q1 2024 vs Q1 2023
MAP NOLA	Increased slightly due to the tightening of phosphate fertilizer market supply and demand dynamics
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

For the three months ended March 31, 2024 and 2023, specific factors driving the year-over-year increase in MAP NOLA were as follows:

- the tightening of MAP supply into the North American market; and
- minor increase in the on-farm MAP application in the spring of 2024.

4. OUTLOOK

MARKET OUTLOOK

Prices in Q1 2024 were comparable to prices in 2023. Phosphate application through the fall of 2023 and now into the spring of 2024 has remained strong, supporting higher prices despite softer crop prices. Moving forward, the Company expects a softening in Q2 in pricing due to seasonal factors including a summer reset and lower crop prices. Expectations of supply adjustments in the overall phosphate import market into North America continue to create some uncertainty in the market going forward.

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

- low inventory levels in the North American market and continued strength in global demand;
- ongoing export restrictions from China; partially offset by
- constructive crop prices that have softened from historical highs.

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.

The Company issued its original guidance for 2024 in the 2023 MD&A. The assumptions considered by the Company in preparing its guidance for 2024 are explained in the 2023 MD&A.

The Company maintained its guidance for 2024 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
Corporate selling, general and administrative expenses[ii]	$17-20
Maintenance capex[ii]	$25-35
Growth capex[ii]	$35-46

i. Sales volumes reflect quantity P_2O_5 of Conda sales projections
ii. 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.

5. SUMMARY OF QUARTERLY RESULTS

For the three months ended March 31, 2024, December 31, 2023, September 30, 2023, and June, 30, 2023, the Company's summary of quarterly results was as follows:

(unaudited in thousands of US Dollars except as otherwise noted)	**March 31, 2024**	**December 31, 2023**	**September 30, 2023**	**June 30, 2023**
Revenues	$ 128,006	$ 119,038	$ 110,788	$ 116,117
Net income (loss)	23,717	(48,623)	3,078	20,430
Basic earnings (loss) ($/share)	0.12	(0.26)	0.02	0.11
Diluted earnings (loss) ($/share)	0.12	(0.26)	0.02	0.11
Total assets	$ 585,033	$ 587,229	$ 629,231	$ 653,063

For the three months ended March 31, 2023, December 31 2022, September 30 2022, and June 30, 2022, the Company's summary of quarterly results was as follows:

(unaudited in thousands of US Dollars except as otherwise noted)	**March 31, 2023**	**December 31, 2022**	**September 30, 2022**	**June 30, 2022**
Revenues	$ 119,582	$ 135,243	$ 153,187	$ 155,005
Net income /(loss)	28,207	29,322	8,088	44,281
Basic earnings ($/share)	0.15	0.16	0.04	0.23
Diluted earnings ($/share)	0.15	0.15	0.04	0.23
Total assets	$ 636,488	$ 614,009	$ 651,447	$ 687,701

6. STATEMENTS OF OPERATIONS

For the three months ended March 31, 2024, and 2023 the Company's statements of operations were as follows:

(unaudited in thousands of US Dollars except as otherwise noted)	For the three months ended March 31, 2024	2023	% change
Revenues	$ 128,006	$ 119,582	7%
Cost of goods sold	88,563	80,607	10%
Gross margin	**$ 39,443**	**$ 38,975**	**1%**
Selling, general and administrative expenses	8,205	9,539	(14%)
Operating income	**$ 31,238**	**$ 29,436**	**6%**
Foreign exchange loss	(541)	(12)	4408%
Other income, net	743	87	754%
Finance expense, net	(3,569)	(5,486)	(35%)
Income before income taxes	**$ 27,871**	**$ 24,025**	**16%**
Current and deferred income tax expense (recovery)	4,154	(4,182)	(199%)
Net income	**$ 23,717**	**28,207**	**(16%)**
Net income attributable to non-controlling interest	—	—	n/m
Net income attributable to shareholders of the Company	**$ 23,717**	**$ 28,207**	**(16%)**
Basic earnings ($/share)	**$ 0.12**	**$ 0.15**	**(20%)**
Basic earnings (C$/share)	**$ 0.17**	**$ 0.20**	**(15%)**
Diluted earnings ($/share)	**$ 0.12**	**$ 0.15**	**(20%)**
Diluted earnings (C$/share)	**$ 0.17**	**$ 0.20**	**(15%)**

For the three months ended March 31, 2024, and 2023, the Company's statements of operations were explained as follows:

Item	Q1 2024 vs Q1 2023
Revenues	Increased primarily due to higher sales volumes driven by higher production at Conda and higher sulfuric acid sales at Arraias, which were partially offset by lower realized prices
Cost of goods sold	Increased primarily due to higher production volumes at Conda
Selling, general and administrative expenses	Decreased primarily due to lower share-based payment expense and professional fees corporate expenses, which were partially offset by higher payroll expenses at Corporate driven by management team restructure in Q1 2024
Finance expense	Decreased due to lower interest expense due to lower debt balances
Current and deferred income tax expense (recovery)	Increased primarily due to the effects of the recognition of a deferred tax asset in 2023 related to interest expense carry forward from periods prior to the Company's redomiciliation in 2021 from the Cayman Islands to the US (non-recurring)

7. FINANCIAL CONDITION

LIQUIDITY

As at March 31, 2024, the Company had cash and cash equivalents of $37,704, liquidity of $74,246; and working capital of $115,072. Liquidity and working capital are non-IFRS measures (see Section 8).

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 March 31, 2024, an additional $36,542 remained available under the Company's $80,000 asset-based revolving credit facility (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 March 31, 2024, 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 March 31, 2024, 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 March 31, 2024, and December 31, 2023, the Company's summary balance sheets were as follows:

(unaudited in thousands of US Dollars)	March 31, 2024	December 31, 2023	% change
Cash and cash equivalents	$ 37,704	$ 30,753	23%
Current assets (including cash and cash equivalents)	$ 206,360	$ 198,993	4%
Non-current assets	378,673	388,236	(2%)
Total assets	**$ 585,033**	**$ 587,229**	**(0%)**
Current liabilities (excluding current portion of debt)	$ 62,155	$ 77,489	(20%)
Non-current liabilities (excluding long-term debt)	155,667	160,438	(3%)
Debt (current and long-term)	83,478	90,568	(8%)
Total liabilities	**$ 301,300**	**$ 328,495**	**(8%)**
Shareholders' equity	$ 283,733	$ 258,734	10%
Non-controlling interest	—	—	n/m
Total equity	**$ 283,733**	**$ 258,734**	**10%**

As at March 31, 2024, and December 31 2023, the Company's summary balance sheets were explained as follows:

Item	March 31, 2024 vs December 31, 2023
Current assets	Increased primarily due to higher cash and cash equivalents and accounts receivable, which were partially offset by lower inventories and other current assets
Non-current assets	Decreased primarily due to lower property, plant and equipment driven by lower assets related to environmental and reclamation activities at Conda, and lower other long-term assets at Arraias due to tax credits refund, which were partially offset by higher mineral properties and capex additions (see Section 8)
Current liabilities (excluding current portion of debt)	Decreased primarily due to lower 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
Total equity	Increased primarily due to net income recorded during the period

As at March 31, 2024 and December 31, 2023, 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 March 31, 2024, Conda's guarantee requirements were $81,113. As at March 31, 2024, Conda had surety bonds in place for the full amount of its $81,113 guarantee requirements. As at March 31, 2024, the Company posted letters of credit in the aggregate amount 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 March 31, 2024, and December 31, 2023, the Company's capital resources were as follows:

(unaudited in thousands of US Dollars)		March 31, 2024		December 31, 2023
Total equity	$	283,733	$	258,734
Net debt[i]		47,127		61,304
Capital resources	**$**	**330,860**	**$**	**320,038**

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 March 31, 2024 and 2023, the Company's summary cash flows were as follows:

		For the three months ended March 31,			
(unaudited in thousands of US Dollars)		**2024**		**2023**	**% change**
Cash and cash equivalents, beginning of period	**$**	**30,753**	**$**	**42,811**	**(28%)**
Cash flows from operating activities		21,555		21,072	2%
Cash flows used by investing activities		(3,868)		(2,238)	73%
Cash flows used by financing activities		(10,396)		(11,225)	(7%)
Effect of foreign exchange of non-US Dollar denominated cash		(340)		325	(205%)
Cash and cash equivalents, end of period	**$**	**37,704**	**$**	**50,745**	**(26%)**

For the three months ended March 31, 2024, the Company's summary cash flows were explained as follows:

Item	Q1 2024 vs Q1 2023
Cash flows from operating activities	Remained consistent between periods
Cash flows used by investing activities	Increased primarily due to development activities at H1/NDR at Conda
Cash flows used by financing activities	Slightly decreased primarily due to lower payment of interest expense driven by lower debt balances

CONTRACTUAL OBLIGATIONS

As at March 31, 2024, the Company's contractual obligations were as follows:

(unaudited in thousands of US Dollars)	Within 1 year	Years 2 and 3	Years 4 and 5	After 5 years	Total
Debt	$ 29,133	$ 55,641	$ 57	—	**$ 84,831**
Accounts payable and accrued liabilities	50,837	—	—	—	**50,837**
Provisions	7,231	33,474	51,680	55,207	**147,592**
Leases	3,369	7,297	2,158	3,453	**16,277**
Contractual obligations	**$ 90,570**	**$ 96,412**	**$ 53,895**	**$ 58,660**	**$ 299,537**

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 March 31, 2024, the Company had environmental and ARO liabilities, assets and net liabilities by segment as follows:

(unaudited in thousands of US Dollars)	Liabilities	Assets	Net Liabilities
Conda	$ 137,449	$ 46,541	**$ 90,908**
Arraias	9,470	9,278	**192**
Development and exploration	402	—	**402**
Corporate	—	—	—
Environmental and ARO	**$ 147,321**	**$ 55,819**	**$ 91,502**

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	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.
Corporate selling, general and administrative expenses	Corporate selling, general and administrative less share-based payment expense.	Selling, general and administrative expenses	The Company uses corporate selling, general and administrative expenses to assess corporate performance.

EBITDA, ADJUSTED EBITDA AND TRAILING 12 MONTHS ADJUSTED EBITDA

For the three months ended March 31, 2024 and 2023

For the three months ended March 31, 2024, the Company had EBITDA and Adjusted EBITDA by segment as follows:

(unaudited in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Net income (loss)	**$ 29,512**	**$ 277**	**$ (193)**	**$ (5,879)**	**$ 23,717**
Finance (income) expense, net	1,433	(252)	1	2,387	3,569
Current and deferred income tax expense (recovery)	6,484	—	—	(2,330)	4,154
Depreciation and depletion	8,926	701	5	85	9,717
EBITDA	**$ 46,355**	**$ 726**	**$ (187)**	**$ (5,737)**	**$ 41,157**
Unrealized foreign exchange (gain) loss	—	611	(67)	—	544
Share-based payment expense	—	—	—	422	422
Transaction costs	—	—	—	227	227
Non-recurring compensation expenses	—	—	—	1,560	1,560
Other (income) expense, net	211	(955)	1	—	(743)
Adjusted EBITDA	**$ 46,566**	**$ 382**	**$ (253)**	**$ (3,528)**	**$ 43,167**

(unaudited in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Operating income (loss)	**$ 37,637**	**$ (319)**	**$ (258)**	**$ (5,822)**	**$ 31,238**
Depreciation and depletion	8,926	701	5	85	9,717
Realized foreign exchange loss	3	—	—	—	3
Share-based payment expense	—	—	—	422	422
Transaction costs	—	—	—	227	227
Non-recurring compensation expenses	—	—	—	1,560	1,560
Adjusted EBITDA	**$ 46,566**	**$ 382**	**$ (253)**	**$ (3,528)**	**$ 43,167**

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

(unaudited in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Net income (loss)	**$ 27,985**	**$ (248)**	**$ 70**	**$ 400**	**$ 28,207**
Finance (income) expense, net	1,702	(136)	84	3,836	5,486
Current and deferred income tax expense (recovery)	8,416	—	—	(12,598)	(4,182)
Depreciation and depletion	9,384	681	3	47	10,115
EBITDA	**$ 47,487**	**$ 297**	**$ 157**	**$ (8,315)**	**39,626**
Unrealized foreign exchange (gain) loss	—	(76)	(401)	488	11
Share-based payment expense	—	—	—	2,700	2,700
Transaction costs	—	—	—	711	711
Other income	(17)	(32)	(38)	—	(87)
Adjusted EBITDA	**$ 47,470**	**$ 189**	**$ (282)**	**$ (4,416)**	**$ 42,961**

(unaudited in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Operating income (loss)	**$ 38,088**	**$ (492)**	**$ (285)**	**$ (7,875)**	**$ 29,436**
Depreciation and depletion	9,384	681	3	47	10,115
Realized foreign exchange gain	(2)	—	—	1	(1)
Share-based payment expense	—	—	—	2,700	2,700
Transaction costs	—	—	—	711	711
Adjusted EBITDA	**$ 47,470**	**$ 189**	**$ (282)**	**$ (4,416)**	**$ 42,961**

As at March 31, 2024 and December 31, 2023

As at March 31, 2024 and December 31, 2023, the Company had trailing 12 months Adjusted EBITDA as follows:

(unaudited in thousands of US Dollars)	March 31, 2024	December 31, 2023
For the three months ended March 31, 2024	$ 43,167	$ —
For the three months ended December 31, 2023	29,509	29,509
For the three months ended September 30, 2023	19,655	19,655
For the three months ended June 30, 2023	39,677	39,677
For the three months ended March 31, 2023	—	42,961
Trailing 12 months Adjusted EBITDA	**$ 132,008**	**$ 131,802**

TOTAL CAPEX AND CASH CAPEX

For the three months ended March 31, 2024 and 2023

For the three months ended March 31, 2024, the Company had capex and cash capex by segment as follows:

(unaudited in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Additions to property, plant and equipment	$	(1,443)	$	1,109	$	(1)	$	—	$	(335)
Additions to mineral properties		3,762		—		—		—		3,762
Additions to asset retirement obligations		2,987		177		—		—		3,164
Additions to right-of-use assets		—		(162)		1		—		(161)
Total capex	**$**	**5,306**	**$**	**1,124**	**$**	**—**	**$**	**—**	**$**	**6,430**
Accrued capex		(2,054)		—		—		—		(2,054)
Total cash capex	**$**	**3,252**	**$**	**1,124**	**$**	**—**	**$**	**—**	**$**	**4,376**
Maintenance capex	$	419	$	408	$	—	$	—	$	827
Accrued maintenance capex		(179)		—		—		—		(179)
Cash maintenance capex	**$**	**240**	**$**	**408**	**$**	**—**	**$**	**—**	**$**	**648**
Growth capex	$	4,887	$	716	$	—	$	—	$	5,603
Accrued growth capex		(1,875)		—		—		—		(1,875)
Cash growth capex	**$**	**3,012**	**$**	**716**	**$**	**—**	**$**	**—**	**$**	**3,728**

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

(unaudited in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Additions to property, plant and equipment	$	8,251	$	(799)	$	—	$	9	$	7,461
Additions to mineral properties		694		881		72		—		1,647
Additions to asset retirement obligations		(6,181)		(56)		—		—		(6,237)
Additions to right-of-use assets		—		(22)		—		—		(22)
Total capex	**$**	**2,764**	**$**	**4**	**$**	**72**	**$**	**9**	**$**	**2,849**
Accrued capex		(611)		—		—		—		(611)
Total cash capex	**$**	**2,153**	**$**	**4**	**$**	**72**	**$**	**9**	**$**	**2,238**
Maintenance capex	$	1,450	$	—	$	—	$	9	$	1,459
Accrued maintenance capex		(273)		—		—		—		(273)
Cash maintenance capex	**$**	**1,177**	**$**	**—**	**$**	**—**	**$**	**9**	**$**	**1,186**
Growth capex	$	1,314	$	4	$	72	$	—	$	1,390
Accrued growth capex		(338)		—		—		—		(338)
Cash growth capex	**$**	**976**	**$**	**4**	**$**	**72**	**$**	**—**	**$**	**1,052**

ITAFOS

NET DEBT AND NET LEVERAGE RATIO

As at March 31, 2024 and December 31, 2023, the Company had net debt and net leverage ratio as follows:

(unaudited in thousands of US Dollars except as otherwise noted)	March 31, 2024	December 31, 2023
Current debt	$ 29,133	$ 29,127
Long-term debt	54,345	61,441
Cash and cash equivalents	(37,704)	(30,753)
Deferred financing costs related to the Credit Facilities	1,353	1,489
Net debt	**$ 47,127**	**$ 61,304**
Trailing 12 months Adjusted EBITDA	$ 132,008	$ 131,802
Net leverage ratio	**0.4x**	**0.5x**

WORKING CAPITAL

As at March 31, 2024 and December 31, 2023, the Company had working capital as follows:

(unaudited in thousands of US Dollars)	March 31, 2024	December 31, 2023
Cash and cash equivalents	$ 37,704	$ 30,753
Accounts receivable	44,195	37,449
Inventories, net	115,977	119,813
Other current assets	8,484	10,978
Accounts payable and accrued liabilities	(50,837)	(66,319)
Provisions	(7,231)	(6,902)
Current debt	(29,133)	(29,127)
Contract liabilities	(93)	(386)
Other current liabilities	(3,994)	(3,882)
Working capital	**$ 115,072**	**$ 92,377**

LIQUIDITY

As at March 31, 2024 and December 31, 2023, the Company had liquidity as follows:

(unaudited in thousands of US Dollars)	March 31, 2024	December 31, 2023
Cash and cash equivalents	$ 37,704	$ 30,753
ABL Facility undrawn borrowing capacity	36,542	40,000
Liquidity	**$ 74,246**	**$ 70,753**

FREE CASH FLOW

For three months ended March 31, 2024 and 2023 the Company had free cash flow as follows:

	For the three months ended March 31,	
(unaudited in thousands of US Dollars)	2024	2023
Cash flows from operating activities	$ 21,555	$ 21,072
Cash flows used by investing activities	(3,868)	(2,238)
Free cash flow	**$ 17,687**	**$ 18,834**

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 ended March 31, 2024 and 2023, 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 as follows:

(unaudited in thousands of US Dollars except as otherwise noted)		*For the three months ended March 31,* 2024		2023
Revenues	**$**	**122,838**	**$**	**116,013**
Cost of goods sold	$	83,837	$	76,819
Depreciation and depletion		(8,926)	$	(9,384)
Cash costs	**$**	**74,911**	**$**	**67,435**
Cash margin	**$**	**47,927**	**$**	**48,578**
Sales volumes (tonnes P2O5)[i]		**91,094**		**77,943**
Revenues per tonne P2O5	$	1,348	$	1,488
Cash costs per tonne P2O5	$	822	$	865
Cash margin per tonne P2O5	$	526	$	623

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 ended March 31, 2024 and 2023 Arraias had revenues, cash costs and cash margin as follows:

(unaudited in thousands of US Dollars except as otherwise noted)		*For the three months ended March 31,* 2024		2023
Revenues	**$**	**5,168**	**$**	**3,569**
Less: Sulfuric acid		5,069		3,569
Revenues excluding Sulfuric acid	**$**	**99**	**$**	**—**
Cost of goods sold		4,726		3,788
Depreciation and depletion		(701)		(681)
Cash costs	**$**	**4,025**	**$**	**3,107**
Less: Sulfuric acid		3,991		3,107
Cash costs excluding Sulfuric acid	**$**	**34**	**$**	**—**
Cash margin	**$**	**1,143**	**$**	**462**
Cash margin excluding Sulfuric acid	**$**	**65**	**$**	**—**
Sales volumes (tonnes P2O5)[i]		**213**		—
Revenues per tonne P2O5	$	465	$	—
Cash costs per tonne P2O5	$	160	$	—
Cash margin per tonne P2O5	$	305	$	—

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

CORPORATE SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

For the three months ended March 31, 2024 and 2023, the Company had corporate selling, general and administrative expenses as follows:

	For the three months ended March 31,	
(unaudited in thousands of US Dollars)	**2024**	**2023**
Selling, general and administrative expenses	$ 5,822	$ 7,875
Share-based payment expense	(422)	(2,700)
Corporate selling, general and administrative expenses	**$ 5,400**	**$ 5,175**

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
- competition risks;
- counterparty risks;
- financing risks;
- additional capital risks;
- credit risks;
- key personnel risks;
- impairment risks;
- cybersecurity risks;
- transportation risks;
- infrastructure risks;
- equipment and supplies risks;
- 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;
- 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; risks related to asset retirement obligations, general 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; concentration risk adverse litigation; changes to permitting and licensing; geopolitical risks; loss of land title and access rights; changes to insurance and uninsured risks; the potential for malicious acts; market and stock price volatility; changes to technology, innovation or artificial intelligence; changes to tax laws; the risk of operating in foreign jurisdictions; the risks posed by a controlling shareholder and other conflicts of interest; risks related to reputational damage; the risk associated with epidemics, pandemics and public health; the risks associated with environmental justice; and any risks related to internal controls over financial reporting risks.

Although the Company has attempted to identify crucial factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The reader is cautioned not to place undue reliance on forward-looking information. 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 in the 2023 MD&A.

For the three months ended March 31, 2024, 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 Consolidated 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 March 31, 2024, 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.

12. OTHER DISCLOSURES

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 and Farim 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 and 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.

Complete information on the verification procedures, quality assurance program, quality control procedures, parameters and methods and other factors that may materially affect scientific and technical information presented in this MD&A and definitions of certain terms used herein may be found in the technical reports for each property which are available on the Company's website at www.itafos.com and on the Company's profile on SEDAR+ at www.sedarplus.ca.

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