

Extractive Sector Transparency Measures Act - Annual Report



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|---|---|--|------------|-----------------------|-----------------------|---------------|
| Reporting Entity Name | Itafos | | | | | |
| Reporting Year | From | 1/1/2017 | To: | 12/31/2017 | Date submitted | April 1, 2020 |
| Reporting Entity ESTMA Identification Number | E511870 | <input type="radio"/> Original Submission <input checked="" type="radio"/> Amended Report | | Report Version | | |
| Other Subsidiaries Included (optional field) | | | | | | |
| For Consolidated Reports - Subsidiary Reporting Entities Included in Report: | Stonegate Agricom Ltd. (E382011) | | | | | |
| Not Substituted | | | | | | |
| Attestation by Reporting Entity | <p><i>In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.</i></p> | | | | | |
| Full Name of Director or Officer of Reporting Entity | George Burdette | | | Date | April 1, 2020 | |
| Position Title | CFO | | | | | |

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| Reporting Year | From: 1/1/2017 | To: 12/31/2017 | Currency of the Report | CAD |
| Reporting Entity Name | Itafos | | | |
| Reporting Entity ESTMA Identification Number | E511870 | | | |
| Subsidiary Reporting Entities (if necessary) | Stonegate Agricom Ltd. (E382011) | | | |

Payments by Payee

| Country | Payee Name | Departments, Agency, etc... within Payee that Received Payments | Taxes | Royalties | Fees | Production Entitlements | Bonuses | Dividends | Infrastructure Improvement Payments | Total Amount paid to Payee | Notes |
|---------|----------------------|---|---------|-----------|---------|-------------------------|---------|-----------|-------------------------------------|----------------------------|---|
| Brazil | Government of Brazil | Brazilian Federal Revenue Department | 859,614 | | | | | | | 859,614 | Itafos Arrais and Itafos Santana. Tax payments under the Brazilian tax amnesty program (PERT). The amount was paid in Brazilian Reals (BRL) and translated to Canadian Dollars (CAD) using the year end closing exchange rate (BRL 2.6344/CAD 1). |
| Brazil | Government of Brazil | Ministry of Mines and Energy, National Mining Agency | 549,035 | | 165,258 | | | | | 714,293 | Amount reported under Taxes relates to the Brazilian CFEM-royalty taxes and amount reported under Fees relates to fees and permits. Refer to Additional Notes for more details. |
| Peru | Government of Peru | Ministry of Energy and Mines | | | 130,410 | | | | | 130,410 | Itafos Mantaro. The amount was paid in US Dollars (USD) and translated to Canadian Dollars (CAD) using the year end closing exchange rate (CAD 1.2545/USD 1). |

Additional Notes:

Notes regarding Subsidiary Reporting Entities:
 - Itafos is reporting payments made by Stonegate Agricom Ltd. (E382011), the owner of Itafos Mantaro. On July 18, 2017, Itafos acquired all of the issued and outstanding shares of Stonegate Agricom Ltd. that were not already owned directly or indirectly by Itafos. Itafos is reporting payments made by Stonegate Agricom Ltd. during the entirety of the reporting period including payments made from January 1, 2017 to July 17, 2017.
 - Itafos is not reporting payments made by GB Minerals Ltd. (E965364) as the entity is reporting its payments independently. As at December 31, 2017, Itafos held 31.3% interest in GB Minerals Ltd.

Note regarding amendment:
 This amended report includes payments to the Ministry of Mines and Energy in Brazil that were not included in the original 2017 ESTMA annual report submitted on May 30, 2018. The payments were in BRL and converted to CAD using an exchange rate at December 31, 2017 of BRL 2.6344:CAD 1 and rounded to the nearest CAD.

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| Reporting Entity ESTMA Identification Number | E511870 | | |
| Subsidiary Reporting Entities (if necessary) | Stonegate Agricom Ltd. (E382011) | | |

Payments by Project

| Country | Project Name | Taxes | Royalties | Fees | Production Entitlements | Bonuses | Dividends | Infrastructure Improvement Payments | Total Amount paid by Project | Notes |
|---------|----------------|-----------|-----------|---------|-------------------------|---------|-----------|-------------------------------------|------------------------------|--|
| Brazil | Itafos Arraias | 1,172,742 | | 165,258 | | | | | 1,338,000 | Itafos Arraias. Tax payments under the Brazilian tax amnesty program (PERT). The amount was paid in Brazilian Reals (BRL) and translated to Canadian Dollars (CAD) using the year end closing exchange rate (BRL 2.6344/CAD 1). Amount reported under Taxes includes payments to the Brazilian for CFEM-royalty taxes and amount reported under Fees relates to fees and permits. Refer to Additional Notes for more details. |
| Brazil | Itafos Santana | 235,907 | | | | | | | 235,907 | Itafos Santana. Tax payments under the Brazilian tax amnesty program (PERT). The amount was paid in Brazilian Reals (BRL) and translated to Canadian Dollars (CAD) using the year end closing exchange rate (BRL 2.6344/CAD 1). |
| Peru | Itafos Mantaro | | | 130,410 | | | | | 130,410 | Itafos Mantaro. The amount was paid in US Dollars (USD) and translated to Canadian Dollars (CAD) using the year end closing exchange rate (CAD 1.2545/USD 1). |

Additional Notes:

Notes regarding Subsidiary Reporting Entities:
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Note regarding amendment:
 This amended report includes payments to the ANM in Brazil that were not included in the original 2017 ESTMA annual report submitted on May 30, 2018. These payments were identified as reportable in 2020 during the preparation of the 2019 ESTMA annual report. The payments were in BRL and converted to CAD using an exchange rate at December 31, 2017 of BRL 2.6344:CAD 1 and rounded to the nearest CAD.