Management's Discussion and Analysis of Operations and Financial Condition
For the three and nine months ended September 30, 2023 and 2022
November 8, 2023

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1. INTRODUCTORY NOTES

GENERAL INFORMATION

This management's discussion and analysis of operations and financial condition for the three and nine months ended September 30, 2023 (the "MD&A") is as of November 8, 2023 and should be read in conjunction with the Company's:

- unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2023 (the "Interim Financial Statements");
- audited consolidated financial statements for the year ended December 31, 2022 (the "2022 Audited Financial Statements");
- management's discussion and analysis of operations and financial condition for the year ended December 31, 2022 (the "2022 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 International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and Interpretations issued by the International Financial Reporting Interpretations Committee. 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.com 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 September 30, 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 inmaterial.

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 7 in the Interim Financial Statements).

As at September 30, 2023, and December 31, 2022, the Company had 190,608,358 and 188,869,463 shares outstanding, respectively (see Note 7 in the Interim Financial Statements). As at November 8, 2023, the Company had 190,608,358 shares and 5,655,598 RSUs outstanding. As at November 8, 2023, September 30, 2023 and December 31, 2022, 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 operations idled (including part of the beneficiation plant, and the full acidulation plant and granulation plant)[ii]	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.com and on the Company's website at www.itafos.com.

As at September 30, 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 inmaterial.

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.com and on the Company's website at www.itafos.com.

3. HIGHLIGHTS

KEY HIGHLIGHTS

For the three months ended September 30, 2023

For the three months ended September 30, 2023, the Company's key highlights were as follows:

- sustained Environmental, Health and Safety ("EHS") performance, including no reportable environmental releases and two recordable incidents, which resulted in a consolidated Total Recordable Incident Frequency Rate[1] ("TRIFR") of 0.58;
- generated revenues of $110,788;
- diammonium phosphate ("DAP") New Orleans ("NOLA") prices averaged $559/t ($507/st) compared to $839/t ($761/st) in 2022, down 33% 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 $19,655 (Adjusted EBITDA is a non-IFRS measure; see Section 8 for further details);
- recorded net income of $3,078;
- recorded basic earnings of Canadian dollars ("C$") C$0.02/share;
- generated free cash flow of $(9,716) (free cash flow is a non-IFRS measure; see Section 8 for further details);
- repaid $7,341 of debt, including $7,081 of principal under the Company's $85,000 term loan (the "Term Loan");
- 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 will commence on January 1, 2024, with a term of five years. The MAP Offtake Agreement will replace the existing MAP sales agreement dated January 12, 2018, between the Company and Nutrien Ltd. ("Nutrien"), which is set to expire on December 31, 2023;
- on September 7, 2023, the Company entered into a new ammonia supply contract with a subsidiary of Nutrien, which will commence on January 1, 2024, with a term of two years. The new ammonia supply contract will replace the current supply contract dated January 12, 2018, between the Company and Nutrien, which is set to expire on December 31, 2023; 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.

For the nine months ended September 30, 2023

For the nine months ended September 30, 2023, the Company's key highlights were as follows:

- sustained EHS performance, including no reportable environmental releases and four recordable incidents, which resulted in a consolidated TRIFR of 0.58;
- generated revenues of $346,487;
- DAP NOLA prices averaged $606/t ($550/st) compared to $887/t ($805/st) in 2022, down 32% 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 $102,293;
- recorded net income of $51,715;
- recorded basic earnings of C$0.37/share;

[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.

- generated free cash flow of $54,227;
- repaid $31,802 of debt, including $21,241 of principal under the Term Loan and $10,000 under the Company's $80,000 asset-based revolving credit facility (the "ABL Facility");
- 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 2026[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 associated with the mine development project.
- 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 the MAP Offtake Agreement with J.R Simplot Company, which will commence on January 1, 2024, with a term of five years. The MAP Offtake Agreement will replace the existing MAP sales agreement dated January 12, 2018, between the Company and Nutrien, which is set to expire on December 31, 2023;
- on September 7, 2023, the Company entered into a new ammonia supply contract with a subsidiary of Nutrien, which will commence on January 1, 2024, with a term of two years. The new ammonia supply contract will replace the current supply contract dated January 12, 2018, between the Company and Nutrien, which is set to expire on December 31, 2023; 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).

[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.

ITAFOS

FINANCIAL HIGHLIGHTS

For the three and nine months ended September 30 2023

For the three and nine months ended September 30, 2023, the Company's financial highlights were as follows:

(unaudited in thousands of US Dollars except as otherwise noted)	*For the three months ended September 30,* 2023	2022	% change	*For the nine months ended September 30,* 2023	2022	% change
Revenues	$ 110,788	$ 153,187	(28%)	$ 346,487	$ 458,045	(24%)
Gross margin	13,930	46,662	(70%)	89,819	166,744	(46%)
Adjusted EBITDA[i]	19,655	50,656	(61%)	102,293	174,628	(41%)
Net income	3,078	8,088	(62%)	51,715	85,378	(39%)
Basic earnings ($/share)	$ 0.02	$ 0.04	(50%)	$ 0.27	$ 0.45	(40%)
Basic earnings (C$/share)	$ 0.02	$ 0.06	(67%)	$ 0.37	$ 0.58	(36%)
Diluted earnings ($/share)	$ 0.02	$ 0.04	(50%)	$ 0.27	$ 0.45	(40%)
Diluted earnings (C$/share)	$ 0.02	$ 0.06	(67%)	$ 0.37	$ 0.58	(36%)
Maintenance capex[i]	$ 3,226	$ 3,782	(15%)	$ 15,611	$ 17,143	(9%)
Growth capex[i]	13,078	4,896	167%	21,594	12,868	68%
Total capex[i]	**$ 16,304**	**$ 8,678**	**88%**	**$ 37,205**	**$ 30,011**	**24%**
Free cash flow[i]	$ (9,716)	$ 53,551	(118%)	$ 54,227	$ 149,239	(64%)

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

For the three months ended September 30, 2023 and 2022, the Company's financial highlights were explained as follows:

Item	Q3 2023 vs Q3 2022
Revenues	Decreased primarily due to lower realized prices, which were partially offset by higher sales volumes 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
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, which was 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	Decreased primarily due to timing of maintenance activities 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 (see Section 8)

For the nine months ended September 30, 2023 and 2022, the Company's financial highlights were explained as follows:

Item	9M 2023 vs 9M 2022
Revenues	Decreased primarily due to lower realized prices off the commodity cycle highs of the prior year
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, coupled with 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, which 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 September 30, 2023

As at September 30, 2023 and December 31, 2022, the Company's financial highlights were as follows:

(unaudited in thousands of US Dollars except as otherwise noted)	September 30, 2023	December 31, 2022	% change
Total assets	$ 629,231	$ 614,009	2%
Total liabilities	321,874	360,891	(11%)
Total equity	307,357	253,118	21%
Net debt[i]	$ 62,931	$ 88,319	(29%)
Trailing 12 months Adjusted EBITDA[i]	$ 152,423	$ 224,758	(32%)
Net leverage ratio[i]	0.4x	0.4x	0%

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

As at September 30, 2023 and December 31, 2022, the Company's financial highlights were explained as follows:

Item	September 30, 2023 vs December 31, 2022
Total assets	Increased primarily due to higher accounts receivable, mineral properties and deferred tax assets, which were partially offset by lower cash and cash equivalents, inventories, other current assets, and property, plant and equipment
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, long-term provisions, and other long-term liabilities, which were partially offset by higher accounts payable and accrued 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, 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 September 30, 2023

For the three months ended September 30, 2023 and 2022, the Company’s EHS highlights were as follows:

	For three months ended September 30, 2023			
	Conda	**Arraias**	**Farim**	**Consolidated**
Reportable environmental releases	—	—	—	—
Recordable incidents	2	—	—	2

	For three months ended September 30, 2022			
	Conda	**Arraias**	**Farim**	**Consolidated**
Reportable environmental releases	—	—	—	—
Recordable incidents	—	—	—	—

For the nine months ended September 30, 2023

For the nine months ended September 30, 2023 and 2022, the Company’s EHS highlights were as follows:

	For nine months ended September 30, 2023			
	Conda	**Arraias**	**Farim**	**Consolidated**
Reportable environmental releases	—	—	—	—
Recordable incidents	4	—	—	4

	For nine months ended September 30, 2022			
	Conda	**Arraias**	**Farim**	**Consolidated**
Reportable environmental releases	—	—	—	—
Recordable incidents	—	1	—	1

As at September 30, 2023

As at September 30, 2023, the Company’s TRIFR were as follows:

	Conda	**Arraias**	**Farim**	**Consolidated**
TRIFR[i]	0.81	0.00	0.00	0.58

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 and nine months ended September 30, 2023 and 2022, Conda's business highlights were as follows:

(unaudited in thousands of US Dollars except as otherwise noted)	*For the three months ended September 30,* 2023	2022	% change	*For the nine months ended September 30,* 2023	2022	% change
Production volumes (tonnes)						
MAP	85,776	87,468	(2%)	258,863	265,544	(3%)
MAP+	13,596	8,418	62%	30,151	16,264	85%
SPA[ii]	35,714	33,993	5%	101,632	103,268	(2%)
MGA[ii]	202	46	339%	879	595	48%
APP	6,334	6,182	2%	13,037	17,681	(26%)
HFSA	408	1,514	(73%)	2,690	1,514	78%
Production volumes (tonnes)	**142,030**	**137,621**	**3%**	**407,252**	**404,866**	**1%**
Production volumes (tonnes P_2O_5)[i]	**87,976**	**84,908**	**4%**	**253,311**	**254,300**	**(0%)**
Sales volumes (tonnes)						
MAP	109,629	94,615	16%	279,717	276,138	1%
MAP+	12,320	9,410	31%	25,582	22,702	13%
SPA[ii]	31,972	30,498	5%	94,644	97,759	(3%)
MGA[ii]	202	299	(32%)	879	595	48%
APP	6,128	6,977	(12%)	17,104	14,896	15%
HFSA	616	1,404	(56%)	2,894	1,404	106%
Sales volumes (tonnes)	**160,867**	**143,203**	**12%**	**420,820**	**413,494**	**2%**
Sales volumes (tonnes P_2O_5)[i]	**96,069**	**86,039**	**12%**	**256,768**	**255,864**	**0%**
Realized price ($/tonne)[iii]						
MAP	$ 562	$ 907	(38%)	$ 649	$ 892	(27%)
MAP+	591	858	(31%)	669	871	(23%)
SPA[ii]	1,063	1,461	(27%)	1,290	1,654	(22%)
MGA[ii]	777	1,492	(48%)	1,340	1,672	(20%)
APP	512	708	(28%)	636	772	(18%)
HFSA	1,050	1,014	4%	999	1,014	(1%)
Revenues ($)						
MAP	$ 61,566	$ 85,842	(28%)	$ 181,528	$ 246,303	(26%)
MAP+	7,275	8,077	(10%)	17,117	19,777	(13%)
SPA	33,989	44,545	(24%)	122,080	161,739	(25%)
MGA	157	446	(65%)	1,178	995	18%
APP	3,136	4,940	(37%)	10,873	11,506	(6%)
HFSA	647	1,424	(55%)	2,892	1,424	103%
Revenues	**$ 106,770**	**$ 145,274**	**(27%)**	**$ 335,668**	**$ 441,744**	**(24%)**
Revenues per tonne P_2O_5[i, iii]	**$ 1,111**	**$ 1,688**	**(34%)**	**$ 1,307**	**$ 1,726**	**(24%)**
Cash costs[iii]	**$ 81,996**	**$ 90,056**	**(9%)**	**$ 216,765**	**$ 252,050**	**(14%)**
Cash costs per tonne P_2O_5[i, iii]	**$ 854**	**$ 1,047**	**(18%)**	**$ 844**	**$ 985**	**(14%)**
Cash margin[iii]	**$ 24,774**	**$ 55,218**	**(55%)**	**$ 118,903**	**$ 189,694**	**(37%)**
Cash margin per tonne P_2O_5[i, iii]	**$ 258**	**$ 642**	**(60%)**	**$ 463**	**$ 741**	**(38%)**
Adjusted EBITDA[iii]	$ 23,721	$ 54,242	(56%)	$ 115,758	$ 185,346	(38%)
Maintenance capex[iii]	$ 2,795	$ 3,611	(23%)	$ 14,793	$ 15,697	(6%)
Growth capex[iii]	12,969	4,073	218%	20,615	10,817	91%
Total capex[iii]	**$ 15,764**	**$ 7,684**	**105%**	**$ 35,408**	**$ 26,514**	**34%**

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 September 30, 2023 and 2022, Conda's business highlights were explained as follows:

Item	Q3 2023 vs Q3 2022
Production volumes (tonnes P_2O_5)	Increased primarily due to higher throughput resulting from reduced downtime
Sales volumes (tonnes P_2O_5)	Increased primarily due to stronger granular shipping
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
Growth capex	Increased primarily due to development activities at H1/NDR (see Section 8)

For the nine months ended September 30, 2023 and 2022, Conda's business highlights were explained as follows:

Item	9M 2023 vs 9M 2022
Production volumes (tonnes P_2O_5)	Volumes were flat year over year
Sales volumes (tonnes P_2O_5)	Volumes were flat year over year
Revenues	Decreased primarily due to lower realized prices
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

For the three months ended September 30, 2023, the the Company advanced activities related to the extension of Conda's mine life through permitting and 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.

For the nine months ended September 30, 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 civil activities and infrastructure development. Mineral resources from H1/NDR are expected from 2026 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.

The Company’s activities related to the extension of Conda’s mine life through permitting and development of H1/NDR, including timeline and key permitting milestones, are described in greater detail in the 2021 MD&A.

As at September 30, 2023, the Company has completed the H1/NDR key permitting milestones below:

Key Milestones	Status
Submit Mine and Reclamation Plan to the Bureau of Land Management	Submitted in April 2020
Initial Action Notice	Submitted in October 2020
Notice of Intent (represents start of NEPA process)	Published in December 2020
Draft Environmental Impact Statement (“EIS”)	Published in October 2021
Final EIS	Published in November 2022
ROD (represents end of NEPA process)[i]	Received in April 2023
NTP	Received in May 2023

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 will sell 100% of the MAP produced by Conda to the J.R. Simplot Company during the term of the MAP Offtake Agreement, which will commence on January 1, 2024, with a term of five years. The MAP Offtake Agreement will replace the existing MAP sales agreement dated January 12, 2018, between the Company and Nutrien, which is set to expire 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 will commence on January 1, 2024, with a term of two years. The new ammonia supply contract will replace the current supply contract dated January 12, 2018, between the Company and Nutrien, which is set to expire on December 31, 2023.

ITAFOS

Arraias

Business Highlights

For the three and nine months ended September 30, 2023 and 2022, Arraias' business highlights were as follows:

(unaudited in thousands of US Dollars except as otherwise noted)	*For the three months ended September 30,* 2023	2022	% change	*For the nine months ended September 30,* 2023	2022	% change
Production volumes (tonnes)						
DAPR	37,942	—	n/m	37,942	—	n/m
Sulfuric acid [i]	25,851	32,935	(22%)	54,988	63,135	(13%)
Production volumes (tonnes)	**63,793**	**32,935**	94%	**92,930**	**63,135**	47%
Production volumes (tonnes P_2O_5)[ii,iii]	**4,553**	**—**	n/m	**4,553**	**—**	n/m
Sales volumes (tonnes)						
DAPR	10,112	—	n/m	10,112	—	n/m
Sulfuric acid	23,782	31,509	(25%)	62,767	60,092	4%
Sales volumes (tonnes)	**33,894**	**31,509**	8%	**72,879**	**60,092**	21%
Sales volumes (tonnes P_2O_5)[ii,iv]	**828**	**—**	n/m	**828**	**—**	n/m
Realized price ($/tonne)[ii]						
DAPR	$ 42	—	n/m	$ 42	$ —	n/m
Sulfuric acid	151	251	(40%)	166	271	(39%)
Revenues ($)						
DAPR	$ 426	—	n/m	$ 426	—	n/m
Sulfuric acid	3,592	7,913	(55%)	10,393	16,301	(36%)
Revenues	**$ 4,018**	**$ 7,913**	**(49%)**	**$ 10,819**	**$ 16,301**	**(34%)**
Revenues excluding Sulfuric acid	**$ 426**	**$ —**	**n/m**	**$ 426**	**$ —**	**n/m**
Revenues per tonne P_2O_5[ii,iv]	**$ 514**	**$ —**	**n/m**	**$ 514**	**$ —**	**n/m**
Cash costs[ii]	**$ 3,551**	**$ 7,217**	**(51%)**	**$ 10,597**	**$ 14,689**	**(28%)**
Cash costs excluding Sulfuric acid	**$ 118**	**$ —**	**n/m**	**$ 118**	**$ —**	**n/m**
Cash costs per tonne P_2O_5[ii,iv]	**$ 143**	**$ —**	**n/m**	**$ 143**	**$ —**	**n/m**
Cash margin[ii]	**$ 467**	**$ 696**	**(33%)**	**$ 222**	**$ 1,612**	**(86%)**
Cash margin excluding Sulfuric acid	**$ 308**	**$ —**	**n/m**	**$ 308**	**$ —**	**n/m**
Cash margin per tonne P_2O_5[ii,iv]	**$ 371**	**$ —**	**n/m**	**$ 371**	**$ —**	**n/m**
Adjusted EBITDA[ii]	$ (80)	$ 182	n/m	$ (693)	$ (66)	950%
Maintenance capex[ii]	$ 94	$ 166	(43%)	$ 472	$ 1,427	(67%)
Growth capex[ii]	115	288	(60%)	484	776	(38%)
Total capex[ii]	**$ 209**	**$ 454**	**(54%)**	**$ 956**	**$ 2,203**	**(57%)**

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 September 30, 2023 and 2022, Arraias' business highlights were explained as follows:

Item	Q3 2023 vs Q3 2022
Sulfuric acid production and sales volumes	Decreased sales volumes due to sulfuric acid lower demand in Q3 2023; decreased production due to reduced contract volumes in Q3 2023 and sulfur inventory management
Production and sales volumes (tonnes P_2O_5)	Increased primarily due to the first full quarter of DAPR production and sales per Fertilizer Restart Program
Adjusted EBITDA	Decreased primarily due to lower realized sulfuric acid prices, which were partially offset by lower cost of goods sold and commencement of DAPR sales (see Section 8)
Maintenance capex	Decreased primarily due to sulfuric acid restart costs in 2022 (see Section 8)
Growth capex	Decreased primarily due to activities related to the Fertilizer Restart Program spend during 2022 (see Section 8)

For the nine months ended September 30, 2023 and 2022, Arraias' business highlights were explained as follows:

Item	9M 2023 vs 9M 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 full 9M sales in 2023 compared to a partial 9M in 2022 (the sulfuric acid plant was restarted in February 2022)
Production and sales volumes (tonnes P_2O_5)	Increased primarily due to the first full quarter of DAPR production and sales per Fertilizer Restart Program
Adjusted EBITDA	Decreased primarily due to lower realized sulfuric acid prices, which were partially offset by higher sales volumes, lower cost of goods sold and selling, general and administrative expenses (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	Decreased primarily due to activities related to the Fertilizer Restart Program spend during 2022 (see Section 8)

Sulfuric Acid Plant

Arraias' sulfuric acid plant has production capacity of 220kt per year. In 2022, the Company operated the sulfuric acid plant with a base load capacity of approximately 10.5kt per month. In 2023, the Company is running the sulfuric acid plant at an average monthly production rate of 6.1kt 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 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 September 30, 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;
- produced 47,611 tonnes of ore with an average grade above 12% of P_2O_5;
- beneficiation circuit produced 37,942 tonnes of crushed ore; and
- ramp-up sales in progress including shipping 10,112 tonnes of DAPR.

For the nine months ended September 30, 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. The 2023 plan is to produce and sell up to 40kt of DAPR into the Brazilian market, commencing Q3 2023; and
- two new hammer mills were installed and commissioned for DAPR production in Q2 2023 and production started in July 2023.

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 and nine months ended September 30, 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.

Dutch Tax Assessment

During 2022, the Company received an assessment from the Dutch tax authorities of Euro 1,730 (approximately $1,829) for 2016 income taxes related to its Dutch holding structure for the Company's Brazilian subsidiaries. During Q1 2023, the Dutch tax authorities initiated an assessment for 2017 and 2018. During Q1 2023, the Company received an assessment in respect of 2018 income taxes of EUR 1,720 (approximately $1,818). During Q3 2023, the Company received an assessment in respect of 2017 income taxes of EUR 1,881 (approximately $1,988). 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 $5,635 (including in respect of 2016, 2017 and 2018 income taxes).

Development and Exploration

Farim

Development and exploration

For the three and nine months September 30, 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.

The Company's activities related to advancing the development and exploration of Farim are described in greater detail in the 2020 MD&A.

Other

For the three and nine months ended September 30, 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.

Corporate

Term Loan and ABL Facility

For the three and nine months ended September 30, 2023, the Company continued to focus on deleveraging its balance sheet and repaid $7,081 and $21,242 of principal under the Term Loan, respectively. For the nine months ended September 30, 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 and nine months ended September 30, 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 September 30, 2023	2022	% change	*For the nine months ended September 30,* 2023	2022	% change
DAP NOLA[i]	$ 559	$ 839	(33%)	$ 606	$ 887	(32%)
DAP NOLA ($/st)[i]	507	761	(33%)	550	805	(32%)
Sulfur Vancouver[ii]	84	129	(35%)	98	300	(67%)
Sulfur Brazil[iii]	104	178	(42%)	120	355	(66%)
Sulfuric Acid Brazil[iii]	94	220	(57%)	89	258	(66%)

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 and nine months ended September 30, 2023 and 2022, key phosphate fertilizer market indicators relevant to the Company's operations were explained as follows:

Item	Q3 2023 vs Q3 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
Sulfur Vancouver	Decreased primarily due to 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

Item	9M 2023 vs 9M 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
Sulfur Vancouver	Decreased primarily due to 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 and nine months ended September 30, 2023 and 2022, specific factors driving the year-over-year decline in DAP NOLA were as follows:

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

4. OUTLOOK

MARKET OUTLOOK

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

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

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

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 2023 in the 2022 MD&A. The assumptions considered by the Company in preparing its guidance for 2023 are explained in the 2022 MD&A.

The Company narrowed its guidance for 2023 as follows:

(in millions of US Dollars except as otherwise noted)		*Projected* **FY 2023**
Adjusted EBITDA[i]	$	125-135
Net income		50-60
Basic earnings (C$/share)		0.34-0.41
Maintenance capex[i]		15.25
Growth capex[i]		35-45
Free cash flow[i]		65-85

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

5. SUMMARY OF QUARTERLY RESULTS

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

(unaudited in thousands of US Dollars except as otherwise noted)		**September 30, 2023**		**June 30, 2023**		**March 31, 2023**		**December 31, 2022**
Revenues	$	110,788	$	116,117	$	119,582	$	135,243
Net income		3,078		20,430		28,207		29,322
Basic earnings ($/share)		0.02		0.11		0.15		0.16
Diluted earnings ($/share)		0.02		0.11		0.15		0.15
Total assets	$	629,231	$	653,063	$	636,488	$	614,009

For the three months ended September 30, 2022, June 30, 2022, March 31, 2022, and December 31, 2021, the Company's summary of quarterly results was as follows:

(unaudited in thousands of US Dollars except as otherwise noted)		**September 30, 2022**		**June 30, 2022**		**March 31, 2022**		**December 31, 2021**
Revenues	$	153,187	$	155,005	$	149,853	$	116,784
Net income /(loss)		8,088		44,281		33,009		24,280
Basic earnings ($/share)		0.04		0.23		0.18		0.13
Diluted earnings ($/share)		0.04		0.23		0.17		0.13
Total assets	$	651,447	$	687,701	$	653,250	$	633,853

6. STATEMENTS OF OPERATIONS

For the three and nine months ended September 30, 2023, and 2022, the Company's statements of operations were as follows:

(unaudited in thousands of US Dollars except as otherwise noted)	*For the three months ended September 30,* 2023	2022	% change	*For the nine months ended September 30,* 2023	2022	% change
Revenues	$ 110,788	$ 153,187	(28%)	$ 346,487	$ 458,045	(24%)
Cost of goods sold	96,858	106,525	(9%)	256,668	291,301	(12%)
Gross margin	**$ 13,930**	**$ 46,662**	**(70%)**	**$ 89,819**	**$ 166,744**	**(46%)**
Selling, general and administrative expenses	6,341	5,874	8%	21,464	22,494	(5%)
Operating income	**$ 7,589**	**$ 40,788**	**(81%)**	**$ 68,355**	**$ 144,250**	**(53%)**
Foreign exchange loss	(606)	(679)	(11%)	(286)	(1,264)	(77%)
Other income (expenses)	(9)	855	n/m	122	8,724	(99%)
Finance expense, net	(4,307)	(22,763)	(81%)	(14,741)	(40,113)	(63%)
Income before income taxes	**$ 2,667**	**$ 18,201**	**(85%)**	**$ 53,450**	**$ 111,597**	**(52%)**
Current and deferred income tax expense (recovery)	(411)	10,113	n/m	1,735	26,219	(93%)
Net income	**$ 3,078**	**8,088**	**(62%)**	**$ 51,715**	**85,378**	**(39%)**
Net income attributable to non-controlling interest	—	—	n/m	—	—	n/m
Net income attributable to shareholders of the Company	**$ 3,078**	**$ 8,088**	**(62%)**	**$ 51,715**	**$ 85,378**	**(39%)**
Basic earnings ($/share)	**$ 0.02**	**$ 0.04**	**(50%)**	**$ 0.27**	**$ 0.45**	**(40%)**
Basic earnings (C$/share)	**$ 0.02**	**$ 0.06**	**(67%)**	**$ 0.37**	**$ 0.58**	**(36%)**
Diluted earnings ($/share)	**$ 0.02**	**$ 0.04**	**(50%)**	**$ 0.27**	**$ 0.45**	**(40%)**
Diluted earnings (C$/share)	**$ 0.02**	**$ 0.06**	**(67%)**	**$ 0.37**	**$ 0.58**	**(36%)**

For the three months ended September 30, 2023 and 2022, the Company's statements of operations were explained as follows:

Item	Q3 2023 vs Q3 2022
Revenues	Decreased primarily due to lower realized prices off the commodity cycle highs of the prior year at Conda, which were partially offset by higher sales volumes at Conda
Cost of goods sold	Decreased primarily due to lower input costs at Conda and Arraias
Selling, general and administrative expenses	Increased primarily due to higher professional fees related to the strategic review process
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 secured term loan (the "2021 Term Loan"), the unsecured and subordinated promissory note (the "Promissory Note") and the Conda secured working capital facility (the "Conda ABL") following the refinancing in Q3 2022
Current and deferred income tax expense (recovery)	Decreased primarily due to lower taxable income

For the nine months ended September 30, 2023 and 2022, the Company's statements of operations were explained as follows:

Item	9M 2023 vs 9M 2022
Revenues	Decreased primarily due to lower realized prices off the commodity cycle highs of the prior year at Conda
Cost of goods sold	Decreased primarily due to lower sales volumes and lower input costs at Conda
Selling, general and administrative expenses	Decreased primarily due to lower share-based payment expense, which was partially offset by higher professional fees related to the strategic review process
Other income	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
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 from the Cayman Islands to the US

7. FINANCIAL CONDITION

LIQUIDITY

As at September 30, 2023, the Company had cash and cash equivalents of $36,351, liquidity of $76,351, and working capital of $101,388. 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 September 30, 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 September 30, 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 September 30, 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 September 30, 2023, and December 31, 2022, the Company's summary balance sheets were as follows:

(unaudited in thousands of US Dollars)		September 30, 2023		December 31, 2022	% change
Cash and cash equivalents	$	36,351	$	42,811	(15%)
Current assets (including cash and cash equivalents)	$	199,196	$	198,401	0%
Non-current assets		430,035		415,608	3%
Total assets	**$**	**629,231**	**$**	**614,009**	**2%**
Current liabilities (excluding current portion of debt)	$	68,678	$	67,860	1%
Non-current liabilities (excluding long-term debt)		155,435		164,907	(6%)
Debt (current and long-term)		97,761		128,124	(24%)
Total liabilities	**$**	**321,874**	**$**	**360,891**	**(11%)**
Shareholders' equity	$	306,588	$	252,349	21%
Non-controlling interest		769		769	0%
Total equity	**$**	**307,357**	**$**	**253,118**	**21%**

As at September 30, 2023, and December 31 2022, the Company's summary balance sheets were explained as follows:

Item	September 30, 2023 vs December 31, 2022
Current assets	Increased primarily due to higher accounts receivable, which was partially offset by lower cash and cash equivalents, inventories, and other current assets
Non-current assets	Increased primarily due to the recognition of a deferred tax asset related to carry forward of interest expense from periods prior to the Company's redomiciliation 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), which were partially offset by depreciation and depletion
Current liabilities (excluding current portion of debt)	Increased primarily due to higher accounts payable and accrued liabilities, which was partially offset by lower provisions
Non-current financial liabilities (excluding long-term debt)	Decreased primarily due to lower long term provisions related to environmental and asset retirement obligations (due to adjustment for inflation and discount rate), and other long-term liabilities
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 September 30, 2023 and December 31, 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 September 30, 2023, Conda's guarantee requirements were $81,113. As at September 30, 2023, Conda had surety bonds in place for the full amount of its $81,113 guarantee requirements. As at September 30, 2023 the Company posted letters of credit of $30,051 under the $35,000 letter of credit facility (the "LC Facility") as collateral for Conda's surety bonds.

CAPITAL RESOURCES

As at September 30, 2023, and December 31, 2022, the Company's capital resources were as follows:

(unaudited in thousands of US Dollars)		September 30, 2023		December 31, 2022
Total equity	$	307,357	$	253,118
Net debt[i]		62,931		88,319
Capital resources	**$**	**370,288**	**$**	**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 the specific circumstances.

DIVIDENDS

Over the three most recently completed financial years (2020-2022), 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 constituent documents.

SUMMARY CASH FLOWS

For three and nine months ended September 30, 2023 and 2022, the Company's summary cash flows were as follows:

	For the three months ended September 30,					*For the nine months ended September 30,*				
(unaudited in thousands of US Dollars)		2023		2022	% change		2023		2022	% change
Cash and cash equivalents, beginning of period	**$**	**68,619**	**$**	**61,517**	**12%**	**$**	**42,811**	**$**	**31,565**	**36%**
Cash flows from (used by) operating activities		(3,771)		60,502	(106%)		69,839		166,124	(58%)
Cash flows used by investing activities		(17,383)		(11,368)	53%		(33,126)		(28,841)	15%
Cash flows used by financing activities		(10,675)		(74,273)	(86%)		(43,507)		(132,517)	(67%)
Effect of foreign exchange of non-US Dollar denominated cash		(439)		(201)	118%		334		(154)	(317%)
Cash and cash equivalents, end of period	**$**	**36,351**	**$**	**36,177**	**0%**	**$**	**36,351**	**$**	**36,177**	**0%**

For the three months ended September 30, 2023, the Company's summary cash flows were explained as follows:

Item	Q3 2023 vs Q3 2022
Cash flows from (used by) 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 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

For the nine months ended September 30, 2023, the Company's summary cash flows were explained as follows:

Item	9M 2023 vs 9M 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 September 30, 2023, 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	$ 29,130	$ 69,765	$ 384	—	**$ 99,279**
Accounts payable and accrued liabilities	63,710	—	—	—	**63,710**
Provisions	1,362	25,549	28,690	85,062	**140,663**
Leases	3,078	4,377	2,084	2,492	**12,031**
Contractual obligations	**$ 97,280**	**$ 99,691**	**$ 31,158**	**$ 87,554**	**$ 315,683**

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 September 30, 2023, 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	$ 133,889	$ 46,145	**$ 87,744**
Arraias	5,982	5,791	**191**
Development and exploration	509	—	**509**
Corporate	—	—	—
Environmental and ARO	**$ 140,380**	**$ 51,936**	**$ 88,444**

ITAFOS

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.
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.

Non-IFRS measure	Definition	Most directly comparable IFRS measure	Why the Company uses the measure
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 P2O5 (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.

ITAFOS

EBITDA, ADJUSTED EBITDA AND TRAILING 12 MONTHS ADJUSTED EBITDA

For the three months ended September 30, 2023 and 2022

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

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

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

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

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

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

For the nine months ended September 30, 2023 and 2022

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

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

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

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

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

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

As at September 30, 2023 and December 31, 2022

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

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

ITAFOS

TOTAL CAPEX AND CASH CAPEX

For the three months ended September 30, 2023 and 2022

For the three months ended September 30, 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	$	(8,090)	$	(23)	$	(1)	$	648	$	(7,466)
Additions to mineral properties		10,097		—		(6)		—		10,091
Additions to property, plant and equipment related asset retirement obligations		13,757		244		—		—		14,001
Additions to right-of-use assets		—		(12)		1		(311)		(322)
Total capex	**$**	**15,764**	**$**	**209**	**$**	**(6)**	**$**	**337**	**$**	**16,304**
Accrued capex		1,079		—		—		—		1,079
Total cash capex	**$**	**16,843**	**$**	**209**	**$**	**(6)**	**$**	**337**	**$**	**17,383**
Maintenance capex	$	2,795	$	94	$	—	$	337	$	3,226
Accrued maintenance capex		2,719		—		—		—		2,719
Cash maintenance capex	**$**	**5,514**	**$**	**94**	**$**	**—**	**$**	**337**	**$**	**5,945**
Growth capex	$	12,969	$	115	$	(6)	$	—	$	13,078
Accrued growth capex		(1,640)		—		—		—		(1,640)
Cash growth capex	**$**	**11,329**	**$**	**115**	**$**	**(6)**	**$**	**—**	**$**	**11,438**

For the three months ended September 30, 2022, the Company had capex 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	$	6,216	$	120	$	—	$	5	$	6,341
Additions to mineral properties		2,239		—		535		—		2,774
Additions to property, plant and equipment related asset retirement obligations		(771)		332		—		—		(439)
Additions to right-of-use assets		—		2		—		—		2
Total capex	**$**	**7,684**	**$**	**454**	**$**	**535**	**$**	**5**	**$**	**8,678**
Accrued capex		2,690		—		—		—		2,690
Total cash capex	**$**	**10,374**	**$**	**454**	**$**	**535**	**$**	**5**	**$**	**11,368**
Maintenance capex	$	3,611	$	166	$	—	$	5	$	3,782
Accrued maintenance capex		3,169		—		—		—		3,169
Cash maintenance capex	**$**	**6,780**	**$**	**166**	**$**	**—**	**$**	**5**	**$**	**6,951**
Growth capex	$	4,073	$	288	$	535	$	—	$	4,896
Accrued growth capex		(479)		—		—		—		(479)
Cash growth capex	**$**	**3,594**	**$**	**288**	**$**	**535**	**$**	**—**	**$**	**4,417**

ITAFOS

For the nine months ended September 30, 2023 and 2022

For the nine months ended September 30, 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	$ 2,050	$ 194	$ 24	$ 657	$ 2,925
Additions to mineral properties	23,559	880	495	—	24,934
Additions to asset retirement obligations	9,799	(126)	—	—	9,673
Additions to right-of-use assets	—	8	(24)	(311)	(327)
Total capex	**$ 35,408**	**$ 956**	**$ 495**	**$ 346**	**$ 37,205**
Accrued capex	(4,080)	—	—	—	(4,080)
Total cash capex	**$ 31,328**	**$ 956**	**$ 495**	**$ 346**	**$ 33,125**
Maintenance capex	$ 14,793	$ 472	$ —	$ 346	$ 15,611
Accrued maintenance capex	—	—	—	—	—
Cash maintenance capex	**$ 14,793**	**$ 472**	**$ —**	**$ 346**	**$ 15,611**
Growth capex	$ 20,615	$ 484	$ 495	$ —	$ 21,594
Accrued growth capex	(4,080)	—	—	—	(4,080)
Cash growth capex	**$ 16,535**	**$ 484**	**$ 495**	**$ —**	**$ 17,514**

For the nine months ended September 30, 2022, the Company had capex 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	$ 23,959	$ 2,419	$ —	$ 19	$ 26,397
Additions to mineral properties	4,866	—	1,275	—	6,141
Additions to asset retirement obligations	(2,311)	(182)	—	—	(2,493)
Additions to right-of-use assets	—	(34)	—	—	(34)
Total capex	**$ 26,514**	**$ 2,203**	**$ 1,275**	**$ 19**	**$ 30,011**
Accrued capex	(1,169)	—	—	—	(1,169)
Total cash capex	**$ 25,345**	**$ 2,203**	**$ 1,275**	**$ 19**	**$ 28,842**
Maintenance capex	$ 15,697	$ 1,427	$ —	$ 19	$ 17,143
Accrued maintenance capex	(257)	—	—	—	(257)
Cash maintenance capex	**$ 15,440**	**$ 1,427**	**$ —**	**$ 19**	**$ 16,886**
Growth capex	$ 10,817	$ 776	$ 1,275	$ —	$ 12,868
Accrued growth capex	(912)	—	—	—	(912)
Cash growth capex	**$ 9,905**	**$ 776**	**$ 1,275**	**$ —**	**$ 11,956**

NET DEBT AND NET LEVERAGE RATIO

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

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

ITAFOS

WORKING CAPITAL

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

(unaudited in thousands of US Dollars)		**September 30, 2023**		**December 31, 2022**
Cash and cash equivalents	$	36,351	$	42,811
Accounts receivable		35,609		22,892
Inventories, net		119,442		122,335
Other current assets		7,794		10,363
Accounts payable and accrued liabilities		(63,710)		(60,838)
Provisions		(1,362)		(3,063)
Current debt		(29,130)		(29,217)
Contract liabilities		(528)		(987)
Other current liabilities		(3,078)		(2,972)
Working capital	**$**	**101,388**	**$**	**101,324**

LIQUIDITY

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

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

FREE CASH FLOW

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

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

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 and nine months ended September 30, 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:

(unaudited in thousands of US Dollars except as otherwise noted)	*For the three months ended September 30,* 2023	2022	*For the nine months ended September 30,* 2023	2022
Revenues	**$ 106,770**	**$ 145,274**	**$ 335,668**	**$ 441,744**
Cost of goods sold	$ 92,626	$ 98,762	$ 243,977	$ 275,149
Depreciation and depletion	$ (10,630)	$ (8,706)	(27,212)	$ (23,099)
Cash costs	**$ 81,996**	**$ 90,056**	**$ 216,765**	**$ 252,050**
Cash margin	**$ 24,774**	**$ 55,218**	**$ 118,903**	**$ 189,694**
Sales volumes (tonnes P_2O_5)[i]	**96,069**	**86,039**	**256,768**	**255,864**
Revenues per tonne P_2O_5	$ 1,111	$ 1,688	$ 1,307	$ 1,726
Cash costs per tonne P_2O_5	$ 854	$ 1,047	$ 844	$ 985
Cash margin per tonne P_2O_5	$ 258	$ 642	$ 463	$ 741

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 and nine months ended September 30, 2023 and 2022 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 September 30,* 2023	2022	*For the nine months ended September 30,* 2023	2022
Revenues	**$ 4,018**	**$ 7,913**	**$ 10,819**	**$ 16,301**
Less: Sulfuric acid	3,592	7,913	10,393	16,301
Revenues excluding Sulfuric acid	**$ 426**	**$ —**	**$ 426**	**$ —**
Cost of goods sold	4,232	7,763	12,691	16,152
Depreciation and depletion	(681)	(546)	(2,094)	(1,463)
Cash costs	**$ 3,551**	**$ 7,217**	**$ 10,597**	**$ 14,689**
Less: Sulfuric acid	3,433	7,217	10,479	14,689
Cash costs excluding Sulfuric acid	**$ 118**	**$ —**	**$ 118**	**$ —**
Cash margin	**$ 467**	**$ 696**	**$ 222**	**$ 1,612**
Cash margin excluding Sulfuric acid	**$ 308**	**$ —**	**$ 308**	**$ —**
Sales volumes (tonnes P_2O_5)[i]	**828**	$ —	**$ 828**	$ —
Revenues per tonne P_2O_5	$ 514	$ —	$ 514	$ —
Cash costs per tonne P_2O_5	$ 143	$ —	$ 143	$ —
Cash margin per tonne P_2O_5	$ 371	$ —	$ 371	$ —

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 supplemental information to investors, analysts, lenders and others. In evaluating forward-looking information, investors, lenders and others should consider that forward looking information may not be appropriate for other purposes and are cautioned not to put undue reliance on forward-looking information. Forward-looking information contained in this MD&A is based on the opinions, assumptions and estimates of management set out herein, which management believes are reasonable as at the date the statements are made. Such opinions, assumptions and estimates are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in forward-looking information.

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;
- acquisitions and integration risks;
- malicious acts risks;
- stock price volatility risks;
- limited history of earnings risks;
- technological advancement risks;
- tax risks;
- foreign subsidiaries risks;

- competition risks;
- counterparty risks;
- financing risks;
- additional capital risks;
- credit risks;
- key personnel risks;
- impairment risks;
- cybersecurity risks;
- transportation 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 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, among other things: the Company's expectations and assumptions with respect to the following: commodity prices; operating results; safety risks; changes to the Company's mineral reserves and resources; risk that timing of expected permitting will not be met; risk that optionality for further mine life extension through ownership of the H2/Freeman Ridge leases and potential third party mineral purchase agreements does not come to fruition; changes to mine development and completion; foreign operations risks; changes to regulation; environmental risks; the impact of adverse weather and climate change; general economic changes, including inflation and foreign exchange rates; the actions of the Company's competitors and counterparties; financing, liquidity, credit and capital risks; the loss of key personnel; impairment risks; cybersecurity risks; risks relating to transportation and infrastructure; changes to equipment and suppliers; adverse litigation; changes to permitting and licensing; loss of land title and access rights; changes to tax laws; the risk of operating in foreign jurisdictions; 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 in the 2022 AIF.

For the three months ended September 30, 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 2022 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 and increased management oversight.

For the three months ended September 30, 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.

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, 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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