



Annual Information Form
For the year ended December 31, 2021
March 24, 2022

TABLE OF CONTENTS

1. INTRODUCTORY NOTES	3
2. CORPORATE STRUCTURE	5
3. OVERVIEW OF THE BUSINESS	8
4. GENERAL DEVELOPMENT OF THE BUSINESS	14
5. DESCRIPTION OF THE BUSINESS	23
6. DIVIDENDS	49
7. DESCRIPTION OF CAPITAL STRUCTURE	50
8. MARKET FOR SECURITIES	50
9. ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER	50
10. DIRECTORS AND OFFICERS	51
11. PROMOTER	53
12. LEGAL PROCEEDINGS AND REGULATORY ACTIONS	53
13. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	53
14. TRANSFER AGENT AND REGISTRAR	54
15. MATERIAL CONTRACTS	54
16. INTEREST OF EXPERTS.....	54
17. ADDITIONAL INFORMATION	55
18. AUDIT COMMITTEE.....	55

1. INTRODUCTORY NOTES

GENERAL INFORMATION

This annual information form (“AIF”) is as of March 24, 2022 and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2021 (the “Consolidated Financial Statements”) and accompanying management’s discussion and analysis of operations and financial condition for the year ended December 31, 2021 (the “2021 Annual MD&A”). 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 AIF 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 companies and analysts. Non-IFRS measures should not be considered as a substitute for, nor superior to, measures of financial performance prepared in accordance with IFRS. Definitions and reconciliations of non-IFRS measures to the most directly comparable IFRS measures are included in the 2021 Annual MD&A.

A copy of this AIF and additional information relating to the Company is available under the Company’s profile on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com and on the Company’s website at www.itafos.com.

FORWARD-LOOKING INFORMATION

This AIF 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”, “might” or “will be taken”, “occur” or “be achieved.”

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 asset retirement 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 herein 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;
- regulatory risks;
- environmental risks;
- asset retirement obligations risks;
- weather risks;
- climate change risks;
- currency risks;
- competition risks;
- counterparty risks;
- financing risks;
- additional capital risks;
- credit risks;
- key personnel risks;
- impairment risks;
- cybersecurity risks;
- transportation risks;
- infrastructure risks;
- equipment and supplies risks;
- concentration risks;
- litigation risks;
- permitting and licensing risks;
- land title and access rights risks;
- insurance and uninsured risks;
- acquisitions and integration risks;
- malicious acts risks;
- stock price volatility risks;
- limited history of earnings risks;
- technological advancement risks;
- tax risks;
- foreign subsidiaries risks;
- reputation damage risks;
- controlling shareholder risks;
- conflicts of interest risks;
- epidemics, pandemics and public health risks; and
- geopolitical risks.

Although management 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. 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.

TECHNICAL INFORMATION

Unless otherwise indicated, Company's technical information, including Mineral Reserves, Measured and Indicated Mineral Resources (which are inclusive of Mineral Reserves), Inferred Mineral Resources and mine life have been calculated in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") – CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended (the "CIM Standards").

CAUTIONARY NOTE TO US INVESTORS AND OTHER INVESTORS OUTSIDE OF CANADA CONCERNING TECHNICAL INFORMATION

This AIF has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ in certain material respects from the disclosure requirements promulgated by the US Securities and Exchange Commission (the "SEC"). This AIF uses the terms Mineral Reserves, Measured and Indicated Mineral Resources (which are inclusive of Mineral Reserves), Inferred Mineral Resources and mine life in accordance with the CIM Standards. These definitions differ from the definitions in the disclosure requirements promulgated by the SEC. Accordingly, information contained in this AIF and the documents incorporated by reference herein, may not be directly comparable to similar information made public by US companies reporting pursuant to SEC disclosure requirements.

2. CORPORATE STRUCTURE

REGISTRATION AND HEADQUARTERS

Itafos Inc. (the “Company”) is incorporated in the State of Delaware, US and its registered office is located at 3500 South DuPont Highway, Dover, DE 19901, US. The Company is headquartered in Houston, TX and its head office is located at 109 North Post Oak Lane, Suite 405, Houston, TX 77024, US.

PRINCIPAL SHAREHOLDER

The Company’s principal shareholder is CL Fertilizers Holding LLC (“CLF”). CLF is an affiliate of Castlelake, L.P. (“Castlake”), a global private investment firm. As at December 31, 2021, CLF beneficially owned and controlled 124,961,722 shares of the Company, representing approximately 66.9% of the issued and outstanding shares of the Company on an undiluted basis.

HISTORY

The Company was originally incorporated in Canada under the Business Corporations Act (Alberta) on July 9, 1999 under the name Option-NFA Inc. On December 12, 2000, the Company continued out of the Province of Alberta, Canada, into the Province of British Columbia, Canada, pursuant to the Business Corporations Act (British Columbia). On September 16, 2009, the Company changed its name to Sandwell Mining Ltd. On December 24, 2009, the Company completed a share exchange with the shareholders of a private company named MBAC Opportunities and Financing Inc. (“MBAC FinCo”) in which shareholders of MBAC FinCo received 62.5 shares of the Company for each share of MBAC FinCo held. The Company then consolidated its shares on a 15:1 basis, continued out of British Columbia into Canada pursuant to the Canada Business Corporations Act (the “CBCA”) by Articles of Continuance and changed its name to MBAC Fertilizer Corp., all in connection with the reverse takeover of the Company by the shareholders of MBAC FinCo by way of a three-cornered amalgamation involving MBAC FinCo, the Company and a wholly-owned subsidiary of the Company. As a result, MBAC FinCo became a wholly-owned subsidiary of the Company.

On October 27, 2016, the Company completed a recapitalization transaction pursuant to an amended and restated plan of compromise and arrangement (the “CCAA Plan”) under the Companies’ Creditors Arrangement Act (Canada) (the “CCAA”) dated September 14, 2016. The CCAA Plan was approved by affected unsecured creditors of the Company that voted, in person or by proxy, at a meeting held on September 20, 2016. In combination with the CCAA Plan, the Company and certain affiliates implemented a concurrent plan of arrangement under the Canada Business Corporations Act (together with the CCAA Proceedings, the “Canadian Proceedings”) whereby the Company completed a vertical amalgamation with two wholly-owned subsidiaries, with the Company being the surviving entity. In connection with implementation of the Canadian Proceedings, the Company filed articles of amendment, as a result of which: (i) the shares of the Company were consolidated at a ratio of one post-consolidation share for each 100 pre-consolidation shares and (ii) the Company redomiciled to the Cayman Islands. On December 16, 2016, the Company changed its name from MBAC Fertilizer Corp. to Itafos.

On July 1, 2021, the Company completed a redomiciliation from the Cayman Islands to the US. Also in connection with the redomiciliation, the Company changed its name from Itafos to Itafos Inc. (see Section 4). The redomiciliation was implemented as a continuation of the Company’s jurisdiction of incorporation from the Cayman Islands to the State of Delaware, US. As a result, the Company is governed by the Delaware General Corporation Law. The Company filed a Certificate of Incorporation in the State of Delaware, US on July 1, 2021. The Company’s Board of Directors also adopted a new set of by-laws effective as of July 1, 2021. Additional information regarding the redomiciliation, including rationale, a summary of the Certificate of Incorporation, by-laws and a comparison of the corporate laws of the Cayman Islands and the State of Delaware, US can be found in the Company’s management information circular dated April 26, 2021 (the “Circular”). The Circular, the Company’s Certificate of Incorporation and the Company’s by-laws are available under the Company’s profile on SEDAR at www.sedar.com.

3. OVERVIEW OF THE BUSINESS

OVERVIEW

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 with production capacity of approximately 550kt per year of monoammonium phosphate (“MAP”), MAP with micronutrients (“MAP+”), superphosphoric acid (“SPA”), merchant grade phosphoric acid (“MGA”) and ammonium polyphosphate (“APP”) located in Idaho, US;
- Arraias – a vertically integrated phosphate fertilizer business with production capacity of approximately 500kt per year of single superphosphate (“SSP”), SSP with micronutrients (“SSP+”) and approximately 40kt per year of excess sulfuric acid (220kt per year gross sulfuric acid production capacity) located in Tocantins, Brazil;
- 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.

In addition to the businesses and projects described above, the Company also owns Paris Hills (Idaho, US) and Mantaro (Junin, Peru), which are phosphate mine projects that are in process of being wound down.

As at December 31, 2021 and as of the date hereof, the Company's material mineral property, as defined by NI 43-101, was Conda.

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

Item	Conda ⁱ	Arraias ⁱⁱ	Farim	Santana	Araxá
Ownershipⁱⁱⁱ	100%	98.4%	100%	99.4%	100%
Location	Idaho, US	Tocantins, Brazil	Farim, Guinea-Bissau	Pará, Brazil	Minas Gerais, Brazil
Status	Operating	Sulfuric acid operating; remainder of operations idled	Construction- ready	Maintaining option	Maintaining option
Mineral Reserves^{iv}	13.1Mt at avg. 26.6% P ₂ O ₅	Under review	44.0Mt at avg. 30.0% P ₂ O ₅	Under review	Under review
Measured and Indicated Mineral Resources^{iv,v}	50.3Mt at avg. 25.5% P ₂ O ₅	79.0Mt at avg. 4.9% P ₂ O ₅	105.6Mt at avg. 28.4% P ₂ O ₅	60.4Mt at avg. 12.0% P ₂ O ₅	6.3Mt at avg. 5.0% Total Rare Earth Oxides ("TREO") and at avg. 1.0% Nb ₂ O ₅
Inferred Mineral Resources^{iv,v}	0.7Mt at avg. 25% P ₂ O ₅	12.7Mt at avg. 3.9% P ₂ O ₅	37.6Mt at avg. 27.7% P ₂ O ₅	26.6Mt at avg. 5.6% P ₂ O ₅	21.9Mt at avg. 4.0% TREO and 0.6% Nb ₂ O ₅
Mine life^{iv}	Through mid-2026	Under review	25 years	Under review	Under review
Products	MAP, MAP+, SPA, MGA and APP	SSP, SSP+ and excess sulfuric acid	Phosphate rock	SSP and excess sulfuric acid	Rare earth oxides and niobium oxide
Annual production capacity	550kt	500kt SSP and SSP+ and 40kt excess sulfuric acid (220kt gross sulfuric acid)	1.3Mt	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. The remainder of Arraias' operations, including its mine, beneficiation plant, 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. 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. Estimation of Mineral Reserves requires the application of modifying factors and 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.
- v. No recovery, dilution or other similar mining parameters have been applied to the technical information summarized above.

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 (the “Arraias Technical Report”);
- Farim – the technical report titled “NI 43-101 Technical Report on the Farim Phosphate Project, Guinea-Bissau” with an effective date of September 14, 2015 (the “Farim Technical Report”);
- Santana – the technical report titled “Feasibility Study (FS) Santana Phosphate Project, Pará State, Brazil” with an effective date of October 28, 2013 (the “Santana Technical Report”); 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 “Araxá Technical Report”).

The Company's latest respective technical reports are available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.itafos.com.

In addition to the businesses and projects described above, the Company also owns Paris Hills (Idaho, US) and Mantaro (Junin, Peru), which are phosphate mine projects that are in process of being wound down. The Company decided to wind down Paris Hills following completion of the Conda Technical Report, which defined Husky 1/North Dry Ridge (“H1/NDR”) as the Company's path forward for mine life extension at Conda and decided to wind down Mantaro as part of its cost savings initiatives.

The Company's businesses and projects are described in greater detail below.

BUSINESSES AND PROJECTS

Note Relating to Mineral Reserves and Mineral Resources

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 technical information summarized below. Although the Mineral Resources summarized below 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. Estimation of Mineral Reserves requires the application of modifying factors and a minimum of a pre-feasibility study. The Inferred Mineral Resources summarized below 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 below in dry tonnes considering a conversion factor of 0.907185.

Conda

Conda is a vertically integrated phosphate fertilizer business located in Idaho, US. Conda is 100% owned by the Company and has been operating for over 30 years. Conda, with its strategic location and operational flexibility, offers multiple options to deliver P₂O₅ value to the North American fertilizer markets. Conda has production capacity of approximately 550kt per year of MAP, MAP+, SPA, MGA and APP, representing approximately 7% of the US phosphate market. In addition, Conda is one of three key US producers of SPA.

Conda's operations consist of its mines, beneficiation plant, sulfuric acid plant, phosphoric acid plant and granulation plant. Conda's production of phosphate fertilizers produces phosphogypsum as a by-product, which is transferred to and maintained in phosphogypsum stack systems.

Conda sells 100% of its MAP production to a wholly-owned subsidiary of Nutrien Ltd. (“Nutrien”) pursuant to a MAP offtake agreement with pricing linked to DAP NOLA on an average three-month trailing basis. Conda’s MAP offtake agreement has a term through December 31, 2023 and is renewable by mutual agreement one year prior to the end of term. Conda sells its MAP+, SPA, MGA and APP to crop input retailers who re-sell to end users.

Conda produces approximately 40% of its sulfuric acid requirements internally using sulfur purchased from third parties at pricing linked to applicable sulfur benchmarks. Conda purchases the remainder of its sulfuric acid requirements from Rio Tinto’s Kennecott mine pursuant to a sulfuric acid supply agreement with pricing linked to a sulfur benchmark. Conda purchases 100% of its ammonia requirements from a wholly-owned subsidiary of Nutrien pursuant to an ammonia supply agreement with pricing linked to DAP NOLA. Conda’s ammonia supply agreement has a term through December 31, 2023 and is renewable by mutual agreement one year prior to the end of term.

Conda processes over 2.0Mt of mined phosphate ore annually. The phosphate ore is conventionally open pit mined by a third party operator on a cost-plus basis and transported by truck and rail to the production facilities. Conda’s existing mines are Rasmussen Valley (“RV”) and Lanes Creek (“LC”), which are located within 15 miles of Conda’s production facilities. During 2021, Conda sourced ore from RV, which is expected to continue to supply ore to Conda through mid-2026. LC mine reached its end of mine life in July 2020.

The Company is actively working on extending Conda’s current mine life through the safe and responsible development of H1/NDR, which is located within 15 miles of Conda’s production facilities. H1/NDR’s property encompasses an area of more than 1,000 acres and consists of two federal and one state phosphate leases that are being permitted as a single mine. H1/NDR is located near the center of the western phosphate field, which comprises one of the most extensive phosphorite formations in the US. Permitting and development work for H1/NDR is ongoing, with commercial production expected to begin in 2025.

Conda’s Mineral Reserves and Mineral Resources highlights¹ are as follows:

Conda – RV/LC	Dry Tonnes (Mt)	Grade (%)	P₂O₅ (Mt)
Mineral Reserves	13.1	26.6	3.5
Measured and Indicated Mineral Resources (including Mineral Reserves) ⁱ	16.2	26.7	4.3
Inferred Mineral Resources	0.2	25.7	0.0

Conda – H1/NDR	Dry Tonnes (Mt)	Grade (%)	P₂O₅ (Mt)
Measured and Indicated Mineral Resources	34.0	24.9	8.5
Inferred Mineral Resources	0.5	24.7	0.1

Conda – Total	Dry Tonnes (Mt)	Grade (%)	P₂O₅ (Mt)
Mineral Reserves	13.1	26.6	3.5
Measured and Indicated Mineral Resources (including Mineral Reserves) ⁱ	50.3	25.5	12.8
Inferred Mineral Resources	0.7	25.0	0.2

i. Conda’s Measured and Indicated Resources (including Mineral Reserves) include 1.3Mt of stockpile ore.

As at December 31, 2021, Conda had mined approximately 5.6Mt of ore since the Conda Technical Report was prepared on July 1, 2019.

As at December 31, 2021, Conda had 275 employees and 237 contractors (mostly related to mine operations).

¹ The Conda Technical Report is filed under the Company’s profile on SEDAR and on the Company’s website.

Arraias

Arraias is a vertically integrated phosphate fertilizer business located in Tocantins, Brazil. Arraias is 98.4% owned by the Company and is currently producing and selling sulfuric acid (remainder of operations idled). Arraias is strategically positioned in one of the world's fastest growing fertilizer markets and when fully operational has production capacity of approximately 500kt per year of SSP and SSP+, representing approximately 7% of the Brazil phosphate market.

Arraias' operations consist of its mines, beneficiation plant, sulfuric acid plant, acidulation plant and granulation plant. When fully operational, Arraias' production of phosphate fertilizers does not produce phosphogypsum as a by-product and as such Arraias does not maintain phosphogypsum stack systems. However, Arraias' production of phosphate fertilizers produces a tailings stream, which is transferred to and maintained in a tailings dam.

On November 21, 2019, the Company announced its decision to idle Arraias. On February 8, 2022, the Company announced the resumption of sulfuric acid production and sales at Arraias. Arraias' sulfuric acid plant has production capacity of 220kt per year. The remainder of Arraias' operations, including its mine, beneficiation plant, acidulation plant and granulation plant remain idled following best practices. Notwithstanding the idling of Arraias, Arraias maintains and monitors the tailings dam, which includes an automated emergency alarm system as required by Brazilian legislation.

When fully operational, Arraias sells 100% of its SSP and SSP+ domestically to various national and regional blenders, trading companies and large farmers.

When fully operational, Arraias produces its sulfuric acid requirements internally and sells approximately 40kt per year of its excess sulfuric acid production into local sulfuric acid markets. Currently, the Company expects to operate the sulfuric acid plant at Arraias with a base load capacity of approximately 10.5kt per month. Arraias has secured short-term sulfuric acid offtake agreements for its base load capacity with pricing linked to sulfur benchmarks. Based on market demand, the Company expects to opportunistically produce additional volumes of sulfuric acid to be sold on the spot market.

When fully operational, Arraias purchases sulfur and ammonia from third parties at market prices.

When fully operational, Arraias' phosphate ore is conventionally open pit mined by a third-party operator on a cost per tonne basis and transported by truck to the production facilities. When fully operational, Arraias sources ore from the Near Mine, Canabrava and Domingos phosphate ore mines located within 10 miles of Arraias' production facilities.

Arraias' Mineral Resources highlights² are as follows:

Arraias – Near Mine	Tonnes (Mt)	Grade (%)	P₂O₅ (Mt)
Measured and Indicated Resources	24.6	4.3	1.1
Inferred Mineral Resources	3.8	4.0	0.2

Arraias – Canabrava	Tonnes (Mt)	Grade (%)	P₂O₅ (Mt)
Measured and Indicated Resources	20.4	5.5	1.1
Inferred Mineral Resources	3.7	4.9	0.2

Arraias – Domingos	Tonnes (Mt)	Grade (%)	P₂O₅ (Mt)
Measured and Indicated Resources	34.0	5.1	1.7
Inferred Mineral Resources	5.2	3.0	0.2

Arraias – Total	Tonnes (Mt)	Grade (%)	P₂O₅ (Mt)
Measured and Indicated Resources	79.0	4.9	3.9
Inferred Mineral Resources	12.7	3.9	0.5

² The Arraias Technical Report is filed under the Company's profile on SEDAR and on the Company's website. Given the fluctuations in commodity prices and lapse of time since the Arraias Technical Report was prepared on March 27, 2013, the realizable value of the business may differ from the conclusions drawn in the Arraias Technical Report.

As at December 31, 2021, Arraias had mined approximately 4.6Mt of ore since the latest technical report for Arraias was prepared on March 27, 2013.

As at December 31, 2021, Arraias had 49 employees and 117 contractors (mostly related to recommissioning of the previously idled sulfuric acid plant).

Farim

Farim is a high-grade and low-cost phosphate mine project located in Farim, Guinea-Bissau. Farim is 100% owned by the Company and is currently a construction-ready development project.³ Farim is expected to produce 1.3Mt of phosphate rock per year for global export, representing approximately 4% of global traded phosphate rock, with the potential to expand capacity to up to 2.0Mt per year, representing approximately 6% of global trade phosphate rock.

Farim will produce and sell low-cadmium phosphate rock, making it an ideal option for export to Europe, where the European Union has recently implemented environmental regulations limiting cadmium levels. Farim phosphate rock also benefits from a low concentration of oxocalcium, which results in a lower sulfuric acid requirement in the production of phosphoric acid.

Farim owns phosphate ore deposits with reserves representing a 25-year mine life. The property consists of a high-grade sedimentary phosphate deposit of one continuous phosphate bed extending over a known surface area of approximately 40km². The project has access to existing infrastructure including 70km of paved road covering most of the route from the site to a mineral terminal that will be constructed and owned by the Company, giving Farim access to export phosphate rock to key global fertilizer markets.

Farim's Mineral Reserves and Mineral Resources highlights⁴ are as follows:

Farim	Dry Tonnes (Mt)	Grade (%)	P ₂ O ₅ (Mt)
Mineral Reserves	44.0	30.0	13.2
Measured and Indicated Mineral Resources (including Mineral Reserves)	105.6	28.4	30.0
Inferred Mineral Resources	37.6	27.7	10.4

As at December 31, 2021, Farim had 38 employees and 26 contractors (mostly related to security).

³ 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.

⁴ The Farim Technical Report is filed under GB Minerals Ltd.'s profile on SEDAR and on the Company's website. Given the early state of Farim, fluctuations in commodity prices and lapse of time since the Farim Technical Report was prepared on September 14, 2015, the realizable value of the project may differ from the conclusions drawn in the Farim Technical Report.

Santana

Santana is a vertically integrated high-grade phosphate mine and fertilizer plant project located in Pará, Brazil. Santana is 99.4% owned by the Company and is currently being maintained as a development project option. Santana is expected to have production capacity of 500kt per year of SSP to serve the Brazilian fertilizer markets. Santana is also expected to sell approximately 30kt per year of its excess sulfuric acid production into local sulfuric acid markets.

The Santana project concession area covers approximately 233,070 hectares.

Santana's Mineral Resources highlights⁵ are as follows:

Santana	Tonnes (Mt)	Grade (%)	P ₂ O ₅ (Mt)
Indicated Mineral Resources	60.4	12.0	7.2
Inferred Mineral Resources	26.6	5.6	1.5

Araxá

Araxá is a vertically integrated rare earth elements and niobium mine and extraction plant project located in Minas Gerais, Brazil. Araxá is 100% owned by the Company and is currently being maintained as a development project option. Araxá is expected to initially have production capacity of 8.7kt per year of rare earth oxides and 0.7kt per year of niobium oxide to serve international markets.

The Araxá project concession area covers approximately 226 hectares close to existing infrastructure.

Araxá's Mineral Resources highlights⁶ are as follows:

Araxá	Tonnes (Mt)	TREO Grade (%)	TREO (kt)	Nb ₂ O ₅ Grade (%)	Nb ₂ O ₅ (kt)
Measured and Indicated Mineral Resources	6.3	5.0	317.6	1.0	64.7
Inferred Mineral Resources	21.9	4.0	875.4	0.6	140.4

Paris Hills

Paris Hills is a high-grade phosphate mine project located in Idaho, US. Paris Hills is 100% owned by the Company and is currently in process of being wound down. The Company decided to wind down Paris Hills following completion of the Conda Technical Report, which defined H1/NDR as the Company's path forward for mine life extension at Conda.

Mantaro

Mantaro is a phosphate mine project located in Junin, Peru. Mantaro is 100% owned by the Company and is currently in process of being wound down. The Company decided to wind down Mantaro as part of its cost savings initiatives.

⁵ The Santana Technical Report is filed under the Company's profile on SEDAR and on the Company's website. Given the early stage of Santana, fluctuations in commodity prices and lapse of time since the Santana Technical Report was prepared on October 28, 2013, the realizable value of the project may differ from the conclusions drawn in the Santana Technical Report.

⁶ The Araxá Technical Report is filed under the Company's profile on SEDAR and on the Company's website. Given the early stage of Araxá, fluctuations in commodity prices and lapse of time since the Araxá Technical Report was amended and restated on January 25, 2013, the realizable value of the project may differ from the conclusions drawn in the Araxá Technical Report.

4. GENERAL DEVELOPMENT OF THE BUSINESS

THREE MOST RECENTLY COMPLETED FINANCIAL YEARS

Over the three most recently completed financial years (2019-2021), the following events and conditions have influenced the general development of the Company's business:

Conda

Coronavirus Disease 2019 ("COVID-19") Risk Mitigation Measures

The Company continues to monitor potential risks to Conda's employees, contractors and operations as a result of the COVID-19 pandemic. Conda has been deemed an essential business as part of the agriculture and phosphate fertilizer sector and therefore has not been forced to shut down operations on account of the COVID-19 pandemic. In response to the COVID-19 pandemic, the Company has implemented and continued risk mitigation measures at Conda to address potential impacts to its employees, contractors and operations. The Company is not currently projecting any material impact on Conda's operations as a result of the COVID-19 pandemic.

Conda's risk mitigation measures in response to the COVID-19 pandemic are described in greater detail in management's discussion and analysis of operations and financial condition for the year ended December 31, 2020 (the "2020 Annual MD&A").

EHS Highlights

For the three years ended December 31, 2019, 2020 and 2021, Conda's EHS highlights were as follows:

EHS metric	For the years ended December 31,		
	2021	2020	2019
Reportable environmental releases	0	0	0
Recordable incidents	3	5	2
Total Recordable Incident Frequency Rate ("TRIFR") ⁱ	0.50	0.96	0.33

- 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.

Plant Turnaround

Conda conducts a planned plant turnaround annually as part of its maintenance program.

During June 2019, Conda completed a planned plant turnaround on schedule and within budget. The plant turnaround focused on inspection, testing and preventative maintenance of critical equipment, as well as performing electrical infrastructure upgrades.

On July 10, 2020, the Company announced its decision to conduct a reduced-scope plant turnaround at Conda during July 2020 as part of its risk mitigation measures during the COVID-19 pandemic. On August 20, 2020, the Company announced that Conda completed the reduced-scope plant turnaround with no environmental releases or recordable incidents.

During June 2021, Conda completed a full scope plant turnaround, including certain activities that had been deferred following the Company's decision to conduct a reduced-scope plant turnaround in 2020 as part of the Company's COVID19 risk mitigation measures. Conda's plant turnaround was completed on schedule and within budget. The plant turnaround focused on inspection, testing, repair and preventative maintenance of critical equipment, including cleaning the phosphate rock reactor.

Sulfuric Acid Disruption

Conda purchases approximately 60% of its annual sulfuric acid requirements from Rio Tinto's Kennecott mine under a long-term supply agreement.

On August 20, 2020, the Company announced that Conda had been experiencing a significant disruption in sulfuric acid supply from Rio Tinto's Kennecott mine. Sulfuric acid supply to Conda from Rio Tinto's Kennecott mine resumed during Q4 2020.

On September 30, 2021, the Company announced a disruption in sulfuric acid supply to Conda from Rio Tinto's Kennecott mine. On November 18, 2021, the Company announced the resumption of sulfuric acid supply to Conda from Rio Tinto's Kennecott mine, after which Conda returned to full production capacity.

Business Highlights

For the three years ended December 31, 2021, 2020 and 2019, Conda's business highlights were as follows:

<i>(in thousands of US Dollars except as otherwise noted)</i>	<i>For the three years ended December 31,</i>		
	2021	2020	2019
Production volumes (tonnes)			
MAP	292,296	323,032	381,316
MAP+	69,779	19,834	9,028
SPA ⁱⁱ	139,835	137,619	145,848
MGA ⁱⁱ	576	763	1,277
APP	34,117	35,232	38,479
Production volumes (tonnes)	536,603	516,480	575,948
Production volumes (tonnes P₂O₅)ⁱ	331,219	326,073	362,013
Sales volumes (tonnes)			
MAP	287,652	336,010	392,162
MAP+	61,635	26,131	2,329
SPA ⁱⁱ	129,257	124,789	132,070
MGA ⁱⁱ	576	763	1,350
APP	30,199	36,140	38,486
Sales volumes (tonnes)	509,319	523,833	566,397
Sales volumes (tonnes P₂O₅)ⁱ	313,717	322,756	351,361
Realized price (\$/tonne)ⁱⁱⁱ			
MAP	\$ 606	\$ 334	\$ 378
MAP+	\$ 641	\$ 402	\$ 375
SPA ⁱⁱ	\$ 1,392	\$ 925	\$ 986
MGA ⁱⁱ	\$ 1,497	\$ 971	\$ 994
APP	\$ 612	\$ 457	\$ 466
Revenues (\$)			
MAP	\$ 174,424	\$ 112,301	\$ 148,182
MAP+	\$ 39,536	\$ 10,509	\$ 873
SPA	\$ 179,932	\$ 115,449	\$ 130,233
MGA	\$ 862	\$ 741	\$ 1,342
APP	\$ 18,493	\$ 16,524	\$ 17,921
Revenues	\$ 413,247	\$ 255,524	\$ 298,551
Revenues per tonne P₂O₅^{i,iii}	\$ 1,317	\$ 792	\$ 850
Cash costsⁱⁱⁱ	\$ 248,501	\$ 217,858	\$ 259,320
Cash costs per tonne P₂O₅^{i,iii}	\$ 792	\$ 675	\$ 738
Cash marginⁱⁱⁱ	\$ 164,746	\$ 37,666	\$ 39,231
Cash margin per tonne P₂O₅^{i,iii}	\$ 525	\$ 117	\$ 112
Adjusted EBITDAⁱⁱⁱ	\$ 160,582	\$ 34,336	\$ 35,117
Maintenance capexⁱⁱⁱ	\$ 21,986	\$ 7,737	\$ 25,625
Growth capexⁱⁱⁱ	\$ 10,324	\$ 6,349	\$ 8,671
Total capexⁱⁱⁱ	\$ 32,310	\$ 14,086	\$ 34,296

i. P₂O₅ basis considers MAP as 52% P₂O₅, MAP+ as 39% P₂O₅ and APP as 34% P₂O₅.

ii. Presented on a 100% P₂O₅ basis.

iii. Non-IFRS measure; refer to the 2021 Annual MD&A and 2020 Annual MD&A for definitions and reconciliations.

Conda Guarantees

Conda's operating and environmental permits require certain obligations related to environmental and reclamation activities to be guaranteed. As at December 31, 2021 and 2020, Conda's guarantee requirements were \$77,739 and \$39,757, respectively.

Conda ABL

On October 31, 2019, Conda closed a \$20,000 secured working capital facility (the "Gavilon Facility") and expanded its commercial relationship with Gavilon Fertilizer, LLC.

On August 7, 2020, Conda closed a \$20,000 secured working capital facility with JPMorgan Chase Bank, N.A. (the "Conda ABL"), which refinanced the Gavilon Facility.

On August 25, 2021 and in connection with the closing of the Term Loan (see Capital Raises in this Section 4 below), the Company completed an amendment to the Conda ABL to increase the commitment amount from \$20,000 to \$40,000 and extend the term, among other modifications.

As at December 31, 2021, Conda had drawn cash of \$5,000 and posted letters of credit of \$29,130 under the Conda ABL. As at December 31, 2021, an additional \$5,870 remained available under the Conda ABL to be drawn by Conda subject to certain terms and conditions (see Notes 12 and 26 in the Consolidated Financial Statements).

Mine Life Extension

On October 30, 2019, the Company announced the results of Conda Technical Report encompassing Conda and Paris Hills deposits and defined H1/NDR as the Company's path forward for mine life extension. On December 16, 2019, the Company announced the conversion of Mineral Resources to Mineral Reserves related to Conda's existing mines, which are expected to extend Conda's mine life through mid-2026.

During 2020 and 2021, the Company advanced activities related to the extension of Conda's mine life through permitting and development of H1/NDR, including progression of the National Environmental Policy Act ("NEPA") Environmental Impact Statement ("EIS") preparation and public engagement process. On October 25, 2021, the Company announced a significant milestone on Conda's mine life extension with the publication of the Draft EIS for H1/NDR.

The Company's activities related to extending Conda's mine life through permitting and development of H1/NDR are described in greater detail in the 2021 Annual MD&A.

EBITDA Optimization

During 2019-2021, the Company advanced activities related to optimizing Conda's EBITDA generation as follows:

- continued ramp up of MAP+ production and sales volumes, including achievement of record quarterly MAP+ production volumes during Q3 2021;
- advanced initiative to produce and sell hydrofluorosilicic acid ("HFSA"), including completion of detailed engineering and design, advancement of procurement and implementation and execution of a long-term offtake agreement; and
- advanced magnesium oxide ("MgO") reduction initiative to enhance SPA production and sales volumes, including advancement of test work.

The Company's activities related to optimizing Conda's EBITDA generation are described in greater detail in the 2020 Annual MD&A and the 2021 Annual MD&A.

Arraias

COVID-19 Risk Mitigation Measures

The Company continues to monitor potential risks to Arraias' employees, contractors and operations as a result of the COVID-19 pandemic. Arraias has been deemed an essential business as part of the agriculture and phosphate fertilizer sector and therefore has not been forced to shut down operations or care and maintenance activities on account of the COVID-19 pandemic. In response to the COVID-19 pandemic, the Company has implemented and continued risk mitigation measures at Arraias to address potential impacts to its employees, contractors and operations. The Company is not currently projecting any material impact on Arraias' care and maintenance activities as a result of the COVID-19 pandemic.

Arraias' risk mitigation measures in response to the COVID-19 pandemic are described in greater detail in the 2020 Annual MD&A.

EHS Highlights

For the three years ended December 31, 2021, 2020 and 2019, Arraias' EHS highlights were as follows:

EHS metric	For the years ended December 31,		
	2021	2020	2019
Reportable environmental releases	0	0	0
Recordable incidents	0	0	3
TRIFR ⁱ	0.00	0.00	0.55

- 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.

Repurpose Plan and Idling

During 2019, the Company decided to repurpose Arraias to optimize its finished fertilizer production with a multi-product portfolio of higher grade SSP, micronutrient SSP and value added premium PK compound products (the "Repurpose Plan"). On November 21, 2019, the Company announced its decision to idle Arraias and to suspend the Repurpose Plan.

Sulfuric Acid Plant Restart

On October 20, 2021, the Company announced its decision to restart the sulfuric acid plant at Arraias. Arraias' sulfuric acid plant has production capacity of 220kt per year.

Stage-Gate Restart Program

During Q2 2020, the Company launched a stage-gate restart program at Arraias. Each stage-gate must be cleared before progressing to the next stage of the program, thereby limiting exposure and managing risk. The first stage-gate is the development of a revised geological model and long-term mine plan of the Domingos pit. The revised long-term mine plan will be developed to verify the ability to deliver constant ore grade to the beneficiation process, while the beneficiation plant process design will be revised to match the geometallurgical characterization of the ore. The revised geological model and long-term mine plan is being prepared by Golder Associates USA Inc. ("Golder") and is expected to be completed during Q2 2022.

The Company's activities related to the stage-gate restart program at Arraias are described in greater detail in the 2020 Annual MD&A.

Business Highlights

For the three years ended December 31, 2021, 2020 and 2019, Arraias' business highlights were as follows:

<i>(unaudited in thousands of US Dollars except as otherwise noted)</i>	<i>For the three years ended December 31,</i>		
	2021	2020	2019
Production volumes (tonnes)			
SSP	—	3,879	126,906
SSP+	—	1,113	66,996
PK compounds ^v	—	—	3,230
Production volumes (tonnes)	—	4,992	197,132
Production volumes (tonnes P₂O₅)ⁱ	—	910	34,473
Excess sulfuric acid production volumes (tonnes) ⁱⁱ	—	—	50,066
Sales volumes (tonnes)			
SSP	—	28,500	98,483
SSP+	—	2,459	59,766
PK compounds ^v	—	—	2,018
Sales volumes (tonnes)	—	30,959	160,267
Sales volumes (tonnes P₂O₅)ⁱ	—	4,687	28,098
Excess sulfuric acid sales volumes (tonnes)	—	5,213	50,666
Realized price (\$/tonne) ⁱⁱⁱ			
SSP	\$ —	\$ 131	\$ 194
SSP+ ⁱ	\$ —	\$ —	\$ 261
PK compounds ^v	\$ —	\$ —	\$ 355
Excess sulfuric acid	\$ —	\$ —	\$ 108
Revenues (\$)			
SSP, net	\$ —	\$ 3,740	\$ 19,077
SSP+, net	\$ —	\$ 453	\$ 15,589
PK compounds ^v	\$ —	\$ —	\$ 717
Revenues	\$ —	\$ 4,193	\$ 35,383
Revenues per tonne P₂O₅^{i, iv}	\$ —	\$ 895	\$ 1,259
Cash costs ^{iv}	\$ —	\$ 9,833	\$ 54,246
Cash costs per tonne P₂O₅^{i, iv}	\$ —	\$ 2,098	\$ 1,931
Cash margin ^{iv}	\$ —	\$ (5,640)	\$ (18,863)
Cash margin per tonne P₂O₅^{i, iv}	\$ —	\$ (1,203)	\$ (671)
Excess sulfuric acid revenues (\$)	\$ —	\$ 468	\$ 5,496
Adjusted EBITDA ⁱⁱⁱ	\$ (3,814)	\$ (8,546)	\$ (23,372)
Maintenance capex ⁱⁱⁱ	\$ 1,238	\$ —	\$ 4,255
Growth capex ⁱⁱⁱ	\$ 512	\$ 987	\$ 2,177
Total capexⁱⁱⁱ	\$ 1,750	\$ 987	\$ 6,432

i. P₂O₅ basis considers SSP and SSP+ as 17% P₂O₅ and PK compounds as 25% P₂O₅.

ii. Excess sulfuric acid production volumes (t) are presented net of production for internal consumption.

iii. Non-IFRS measure; refer to the 2021 Annual MD&A and 2020 Annual MD&A for definitions and reconciliations.

iv. Non-IFRS measure and excludes sulfuric acid; refer to the 2021 Annual MD&A and 2020 Annual MD&A for definitions and reconciliations.

v. In 2019, Arraias produced PK compounds from third party rock.

Tax Incentives

In February 2020, Arraias secured important long-term tax incentives. As Arraias is domiciled in Brazil, the business is subject to a federal tax rate of 34%, composed of a federal corporate income tax rate of 25% and other taxes at an aggregate rate of 9%. The location of Arraias' assets makes it eligible to participate in a regional development program administered by the Superintendência do Desenvolvimento da Amazônia ("SUDAM"). Created in 1966 to promote development of the Amazon region in Brazil, SUDAM offers tax incentives that allow eligible companies to reduce the federal tax rate of 34% to 15.25% by means of a 75% discount to the federal corporate income tax rate of 25%. In February 2020, SUDAM accepted Arraias' application, granting Arraias the tax incentives for a period of ten years with an opportunity to extend thereafter.

Capitalization of Intercompany Loans

During 2020, the Company capitalized certain intercompany loans related to the Company's funding of Arraias. As a result, the Company increased its ownership interest in Arraias from 97.0% to 98.3%.

During 2021, the Company capitalized additional intercompany loans related to the Company's funding of Arraias. As a result, the Company increased its ownership in Arraias from 98.3% to 98.4%.

Development and ExplorationFarim*EHS Highlights*

For the three years ended December 31, 2021, 2020 and 2019, Farim's EHS highlights were as follows:

EHS metric	For the years ended December 31,		
	2021	2020	2019
Reportable environmental releases	0	0	0
Recordable incidents	0	0	1
TRIFR ⁱ	0.00	0.00	0.79

- 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.

Development Highlights

During 2019 and 2020, the Company advanced the development of Farim to construction-ready state. The Company's activities related to advancing the development of Farim are described in greater detail in the 2020 Annual MD&A.

During 2021, the Company maintained Farim at construction-ready state and advanced revisions to the executed Farim mining agreement with the Government of Guinea-Bissau to facilitate project financing and update tax incentives.

Santana

During 2019-2021, the Company maintained the integrity of the concessions of Santana while evaluating strategic alternatives.

Araxá

During 2019-2021, the Company maintained the integrity of the concessions of Araxá while evaluating strategic alternatives.

During 2021, the Company advanced permitting and third party reports for Araxá, including completion of an

Environmental and Social Impact Assessment, in support of evaluation of strategic alternatives.

Paris Hills

During 2020, the Company decided to wind down Paris Hills following completion of the Conda Technical Report, which defined H1/NDR as the Company's path forward for mine life extension at Conda.

During 2021, the Company advanced the wind down of Paris Hills.

Mantaro

During 2020, the Company decided to wind down Mantaro as part of the Company's cost savings initiatives.

During 2021, the Company advanced the wind down of Mantaro.

Corporate

Capital Raises

On September 11, 2019, the Company borrowed \$15,000 from CLF in the form of convertible unsecured subordinated debt evidenced by a promissory note (the "Promissory Note") with an interest rate of 15% per year payable on demand no earlier than six months after the date on which the Company's then-existing secured term credit facility (the "Credit Facility") is paid in full.

On December 31, 2019, the Company closed a \$36,000 capital raise through a non-brokered private placement financing of \$15,000 and an amendment to increase the availability under the Promissory Note by \$21,000. An availability fee of 4% per year was applied on undrawn amounts during the availability period with such fee to be capitalized and added to principal on a quarterly basis.

On August 25, 2021, the Company closed a \$205,000 secured term loan with a syndicate of lenders managed by Oaktree Capital Management, L.P. (the "Term Loan"). The proceeds of the Term Loan were used to repay the Credit Facility and to pay related transaction costs and fees.

In connection with the closing of the Term Loan, the Company completed an amendment to the Promissory Note to cancel the remaining availability and extend the term, among other modifications.

Redomiciliation

On July 1, 2021, the Company completed a redomiciliation from the Cayman Islands to the US. The redomiciliation was implemented as a continuation of the Company's jurisdiction of incorporation from the Cayman Islands to the State of Delaware, US. In connection with the redomiciliation, the Company changed its name from Itafos to Itafos Inc. (see Section 2).

Normal Course Issuer Bid ("NCIB")

On December 12, 2018, the Company received conditional acceptance from the TSX-V to commence an NCIB. Through the NCIB, the Company could purchase, over the 12-month period of the NCIB, up to an aggregate of 7,103,515 shares of the Company, representing 5.0% of the Company's outstanding shares as at December 12, 2018. The NCIB commenced on December 14, 2018 and terminated on December 13, 2019. During 2019, the Company repurchased and cancelled 1,781,000 shares through the NCIB.

Environmental, Social and Governance (“ESG”) Report

On November 19, 2021, the Company published the inaugural ESG report, which describes the Company’s progress on ESG matters to date and outlines the Company’s directional goals moving forward (see Sustainability in Section 5).

CURRENT FINANCIAL YEAR

During the current financial year (2022), the following events and conditions have influenced the general development of the Company’s business.

Sulfuric Acid Plant Restart

On February 8, 2022, the Company announced the resumption of sulfuric acid production and sales at Arraias. Subsequent to the restart, the Company decided in March 2022 to conduct further maintenance activities at the sulfuric acid plant, which are expected to be completed in April 2022. The remainder of Arraias’ operations, including its mine, beneficiation plant, acidulation plant and granulation plant remain idled following best practices.

Insurance Settlement

During 2022, Conda reached a settlement with insurers on a business interruption claim related to the 2020 disruption in sulfuric acid supply. As a result of the settlement, Conda received net insurance proceeds of \$8,675.

Bureau of Land Management (“BLM”) Award

On March 10, 2022, Conda received national recognition from the BLM during the 87th North American Wildlife and Natural Resources Conference. The BLM awarded the Conversation Leadership Partner Award to the Southeast Idaho Habitat Mitigation Fund (“SIMF”), which was developed and funded by Conda. This award recognizes external organizations, or individuals representing a conservation organization, for outstanding partnership in the development and implementation of conservation programs and activities that have directly benefited fish, wildlife, and/or native plants on public lands. In 2017, Conda funded \$1.2 million to the SIHMF to mitigate impacts of its Rasmussen Valley mine. Conda’s contribution led to additional investment of \$3.5 million in federal, state, and private funds for a total of \$4.7 million to further enhance wildlife habitat projects.

5. DESCRIPTION OF THE BUSINESS

GENERAL

Competitive Conditions

The Company has an attractive portfolio of long-term and strategic phosphate businesses and projects located in key fertilizer markets worldwide. The phosphate fertilizer and specialty products business is a competitive business. The Company competes to sell its products with numerous other companies. The Company’s portfolio of businesses and projects is diversified through geography, project development stage and business characteristics (see Competition Risks in this Section 5 below).

Specialized Skill and Knowledge

Certain aspects of the Company’s business require specialized skill and knowledge, including the areas of geology, drilling, metallurgy, logistical planning, engineering, construction, finance and accounting. The Company has an industry leading Board of Directors and experienced management team with extensive operations and commercial expertise (see Key Personnel Risks in this Section 5 below).

Employees and Contractors

As at December 31, 2021, the Company's employees and contractors by segment were as follows:

Segment	Employees	Contractors	Total
Conda	275	237	512
Arraias	49	117	166
Development and exploration	38	26	64
Corporate	15	3	18
Total	377	383	760

Foreign Operations

The Company owns and operates businesses and projects in various jurisdictions (see Section 3). Any changes in regulations or shifts in political attitudes in any of these jurisdictions are beyond the control of the Company and may affect its operations (see Foreign Operations Risks in this Section 5 below).

Seasonality

The Company's sales are seasonal in nature due to the general concentration of crop input sales in the spring and fall application seasons. Accordingly, year over year comparisons of the Company's results are more appropriate than quarter over quarter comparisons. The impact of seasonality on the Company's sales is mitigated in part due to the international scope of the business, which spans the northern and southern hemispheres. The degree of impact of seasonality on the Company's sales can change significantly from year to year due to changes in the agricultural industry, weather, climate change and other factors (see Commodity Price Risks, Weather Risks and Climate Change Risks in this Section 5 below).

Environmental Protection

The Company's operations are subject to various environmental laws and regulations. The financial and operational effects of the Company's environmental protection requirements were not material during the year ended December 31, 2021. However, environmental protection requirements may cause additional capital expenditures and affect the competitive position of the Company in the future (see Environmental Risks, Asset Retirement Obligations Risks and Credit Risks in this Section 5 below).

In 2003, the US Environmental Protection Agency ("EPA") began investigating the phosphate fertilizer industry as part of its National Enforcement Initiative regarding the mineral processing industry. The purpose of the National Enforcement Initiative is to ensure that waste resulting from mineral processing is managed in accordance with regulations under the US Resource Conservation and Recovery Act ("RCRA").

In 2018, the Company acquired Conda from subsidiaries of Agrium, Inc. ("Agrium"), a wholly-owned subsidiary of Nutrien Ltd. ("Nutrien"), by way of an Asset Purchase Agreement ("APA"). Prior to the Company's acquisition of Conda, Nutrien received notices of violation ("NOVs") as a result of the National Enforcement Initiative related to various of its phosphate fertilizer operations, including Conda. Nutrien has been negotiating with the EPA to resolve the NOVs. As current owner of Conda, the Company has also been involved in such negotiations.

The Company is uncertain as to how the NOVs will be resolved. Based on settlements with other members of the phosphate fertilizer industry, the Company expects that a resolution of the NOVs could involve any or all of the following:

- penalties, which are not expected to be material;
- modification of certain operating practices;
- capital improvement projects;
- providing financial assurance for the future closure, maintenance and monitoring costs for phosphogypsum stack systems; and

- addressing findings resulting from the RCRA section 3013 site investigations.

Pursuant to the terms of the APA, Nutrien assumed full liability for all environmental and asset retirement obligations relating to the pre-closing operations of Conda, including responsibility for resolution of the NOVs. Furthermore, the APA allocates liability amongst Nutrien and the Company, including with respect to many of the potential requirements following a resolution of the NOVs as described above. Notwithstanding, the full scope of costs that the Company may ultimately incur as it relates to these matters could be material but are not currently predictable or quantifiable with reasonable certainty (see Notes 3 and 21 in the Consolidated Financial Statements).

Social and Environmental Policies

Code of Ethics and Business Practices

The Company's Code of Ethics and Business Practices (the "Code") helps to ensure that its employees and contractors act ethically, respect human rights and comply with all laws, rules and regulations, at all times, and in every situation. The Code also outlines the Company's commitment to the safety of its people and protection of the environment.

In addition, the Code clearly sets out a non-retaliation policy for individuals who, in good faith, file a whistleblower complaint or assist with an investigation or proceeding regarding a whistleblower complaint in accordance with the Company's whistleblower policy.

Anti-Corruption Policy

The Company operates in a wide range of jurisdictions and is vigilant and proactive in detecting and preventing corruption. The Company's Anti-Corruption Policy requires those who work on behalf of the Company to ensure that their own conduct fulfills the Company's commitment to compliance with the letter and spirit of foreign and domestic anti-corruption laws. The policy applies to all directors, officers, employees, contractors and other business partners of the Company and its subsidiaries in every country where the Company does business.

Diversity and Inclusion Policy

The Company's Diversity and Inclusion Policy focuses on its commitment to fostering, cultivating and preserving a culture of diversity and inclusion. The Company's diversity and inclusion initiatives are applicable to policies on recruitment and selection, compensation and benefits, professional development and training, promotions, transfers, social and recreational programs, layoffs, terminations and the ongoing development of a work environment built on the premise of diversity and inclusion. Implementation of the Company's workplace diversity and inclusion initiatives is supported by Company-sponsored diversity and inclusion awareness training, providing flexible work schedules to accommodate employees' varying needs and through employer and employee contributions to the communities the Company serves.

Environmental, Health, Safety and Security ("EHS&S") Policy

The Company believes that all incidents are preventable and a robust focus on EHS&S is an integral part of its commitment to zero harm, social responsibility and operating with integrity. The Company is committed to the care and protection of its people, environment, community and customers. The Company honors that commitment by implementing high standards of EHS&S performance across its business. The EHS&S Policy is aimed at protecting people and the environment under the following five key principles:

- do it safely or not at all;
- care for each other's health, safety and security;
- protect the environment and respect human rights;
- learn from incidents to ensure no repeats; and
- support transparent communication and engagement with all stakeholders.

EHS&S performance, measurement and continuous improvement occur at multiple organization levels. Management routinely monitors the EHS&S systems for compliance and makes modifications as appropriate, while simultaneously ensuring the necessary leadership, oversight, and resources are in place for the effective implementation of the EHS&S Policy. In addition, employees and contractors are empowered with mitigating risk through assessments, planning, execution of controls, ensuring safety devices are in place, and operating equipment within design and environmental limits.

Sustainability

The Company is continuing to develop its sustainability strategy by advancing activities related to extending Conda's mine life through the permitting and development of H1/NDR in a responsible and sustainable way. To minimize all environmental impacts, the Company adheres to all US National Environmental Policy Act requirements and works closely with applicable governmental agencies such as the BLM and the US Department of Agriculture Forest Service to perform a thorough environmental assessment known as an EIS.

The Company published the inaugural ESG report on November 19, 2021, which was designed to track and publish actions to enhance the Company's sustainability, improve operational performance and continue to deliver positive long-term value to stakeholders. The ESG report provides the investment community and other stakeholders with information about how the Company is managing relevant ESG topics. The Company's ESG report is available on the Company's website at www.itafos.com.

Environmental Policies

The Company seeks to conduct its activities to the highest environmental standards, including by complying with all environmental laws, policies, regulations and plans and conducting extensive ongoing operations cleanups to keep any environmental impacts to a minimum.

RISK FACTORS

Commodity Price Risks

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

Operating Risks

The Company's operations are subject to the typical hazards and risks associated with the exploration, development and production of fertilizers, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding, pit wall failures, tailings dam failures and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. The Company's production facilities are subject to risks relating to equipment breakdowns, interruption in the supply of inputs (including as a result of strikes or other labor disputes), power failures, longer-than-expected planned maintenance activities and natural disasters or other events disrupting operations. A prolonged shutdown at any of the Company's facilities could have an adverse effect on the Company's operational and financial performance. Although adequate precautions to minimize risk have been and will continue to be taken, the

operating risks cannot be completely mitigated. In addition, the Company's operations are subject to hazards such as fire, equipment failure or other contingencies that may result in environmental pollution and consequent liability, and public health crises (including, but not limited to, the COVID-19 pandemic), which can result in volatility and disruption to global supply chains, operations, mobility of people and the financial markets.

Safety Risks

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

Mineral Reserves and Mineral Resources Risks

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

Mine Development and Completion Risks

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

Foreign Operations Risks

The Company owns businesses and projects in various jurisdictions and is subject to the laws, government policies and regulations of those jurisdictions. Future changes in the laws and fiscal policies, and their interpretations and administrations, could adversely affect the Company's operations and prices. The Company's operations in these jurisdictions may be affected in varying degrees by political instability, government regulations relating to the mining and fertilizer industries and foreign investment therein, and the policies of other nations. Any changes in regulations or shifts in political conditions are beyond the control of Company and may adversely affect its business. The Company's operations may be affected in varying degrees by government regulations, including those with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, employment, land use, water use, environmental legislation and mine safety. The regulatory environment is in a state of continuing change, and new laws, regulations and

requirements may be retroactive in their effect and implementation. The Company's operations may also be affected in varying degrees by social, political and economic instability, economic or other sanctions imposed by other nations, terrorism, military repression, crime, extreme fluctuations in currency exchange rates and high inflation.

Regulatory Risks

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

Environmental Risks

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

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

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

Environmental hazards may also exist on the properties on which the Company holds interests that are unknown to the

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

Parties engaged in mining and fertilizer production operations, including the Company, may be required to compensate those suffering loss or damage due to such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining and fertilizer companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses and capital expenditures or abandonment or delays in development of new mining and fertilizer production properties.

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

Asset Retirement Obligations Risks

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

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

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

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

Weather Risks

Anomalies in regional weather patterns can have a significant and unpredictable impact on the demand for the products and services engaged by the Company's business and may also have an impact on prices. The Company's target customers have limited windows of opportunity to complete required tasks at each stage of crop cultivation. Should adverse weather conditions prevail during these seasonal windows, the Company could face the possibility of reduced revenue in a particular season without the opportunity to recover until the following season. The Company also faces the significant

risk of inventory carrying costs should its customers' activities be curtailed during their normal seasons. In addition, inflow of water into phosphate mines from heavy rainfall or groundwater could result in increased costs and production downtime and may require the Company to abandon a mine, either of which could adversely affect the Company's operating results.

Climate Change Risks

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

Currency Risks

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

Competition Risks

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

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

Counterparty Risks

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

Financing Risks

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

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

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

Additional Capital Risks

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

Credit Risks

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

Key Personnel Risks

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

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

on new projects and sustain its operations.

Impairment Risks

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

Cybersecurity Risks

With the increased dependence on information and operational technology for the Company's operations, the risks associated with cybersecurity also increase. The majority of the Company's business and operations processes relies on technology. Cybersecurity risks include potential cyberattacks, threats and breaches to the Company's systems, which could lead to a variety of events, including compromised accounts, exposure to malware, fraudulent payments, loss of data and information, unintended disclosure of confidential and/or personally identifiable information, and business disruptions. The Company is in the process of reassessing its cybersecurity posture and implementing additional controls and other security prevention, detection and response procedures and protocols to address cyber vulnerabilities in an evolving threat landscape; however, the Company may not be able to prevent or detect all cyberattacks and such attacks could seriously harm the Company's operations and materially adversely affect its operating and financial results.

Transportation Risks

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

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

These transportation operations, equipment and services are also subject to environmental, safety and regulatory oversight. Due to concerns related to accidents, terrorism or increasing concerns regarding transportation of potentially hazardous substances, local, provincial, state and federal governments could implement new regulations affecting the transportation of raw materials or the Company's finished products. If transportation of the Company's products is

delayed or the Company is unable to obtain raw materials as a result of any third party's failure to operate properly or the other hazards described above, or if new and more stringent regulatory requirements are implemented affecting transportation operations or equipment, or if there are significant increases in the cost of these services or equipment, the Company's revenues and cost of operations could be adversely affected. In addition, the Company may experience increases in its transportation costs or changes in such costs relative to transportation costs incurred by the Company's competitors.

Infrastructure Risks

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

Equipment and Supplies Risks

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

Concentration Risks

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

Litigation Risks

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

Permitting and Licensing Risks

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

Land Title and Access Rights Risks

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

Insurance and Uninsured Risks

The Company's business is subject to various risks and hazards generally, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, catastrophic equipment failures, changes in the regulatory environment, foreign government instability and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or fertilizer production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability. Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all of the potential risks associated with the Company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards result from exploration and production is not generally available to the Company or to other companies in the mining and fertilizer industries on commercially acceptable terms. The Company might also become subject to liability for pollution or other hazards that may not be insured against or that the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its operational and financial performance.

Acquisitions and Integration Risks

From time to time, the Company evaluates opportunities to acquire additional businesses and projects. Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations, and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition and integrate the acquired operations successfully with those of the Company. Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after the Company has committed to complete a transaction and established a purchase price or an exchange ratio; the Company may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Company's ongoing business and its relationships with employees, customers, suppliers and contractors; and an acquired business or assets may have unknown liabilities that may be significant. If the Company chooses to raise debt capital to finance any such acquisition, the Company's leverage would increase. If the Company chooses to use equity as consideration for such acquisition, existing members may suffer dilution. Alternatively, the Company may choose to finance any such acquisition with its existing resources. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered regarding such acquisitions.

Malicious Acts Risks

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

Stock Price Volatility Risks

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

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

In addition, in recent years stock markets across the globe have experienced significant price and volume fluctuations. These fluctuations may be unrelated to the operating performance of particular companies. These broad market fluctuations may cause declines in the market price of the Company's stock.

The Company must also comply with certain listing requirements and maintain its good standing with the TSX-V to continue having its shares traded on the TSX-V.

Limited History of Earnings Risks

The Company has a limited history of earnings. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources. There is no assurance that the Company will continue to generate earnings.

Technological Advancement Risks

Future technological advancements, such as development of high-quality seeds that require less nutrients or technological advancements in efficacy of application of nutrients, could adversely affect demand for the Company's products and impact results of operations.

Tax Risks

The interpretation of tax regulations and legislation and their application to the Company's business is complex and subject to change. Accordingly, the Company's ability to realize future income tax assets and participate in favorable tax programs could significantly affect net income or cash flow in future periods. The Company is subject to income taxes in numerous jurisdictions. The Company's income tax expense and deferred tax assets and liabilities represent management's best estimates of current and future taxes to be paid. Significant judgments and estimates are required in the calculation of the Company's income tax expense, including applying tax laws and regulations, calculating tax

deductions such as tax depletion, estimating the timing of the reversals of temporary differences and estimating the realizability of deferred tax assets. These estimates impact current and deferred income tax assets and liabilities and current and deferred income tax expense. The actual future income tax expense and deferred tax assets and liabilities may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in tax laws and/or rates in the future.

Foreign Subsidiaries Risks

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

Reputational Damage Risks

Damage to the Company's reputation can be the consequence of various events. Reputation loss extends throughout all risk categories and may result in loss of investor confidence, loss of customer confidence, poor community relations and a decline in employee productivity. Reputation loss could interfere with the Company's ability to execute its strategies. Reputation loss is a negative consequence resulting from these or other risks and can have a detrimental effect on the Company's performance.

Controlling Shareholder Risks

Due to its position as controlling shareholder, CLF can exert control on the Company's overall direction. The Company has not adopted term limits for its Board members and all members stand for re-election annually. CLF is able to nominate and elect directors of the Company, through an investor rights agreement (see Section 15) and because it owns a majority of the Company's shares. Obtaining the controlling shareholder's approval would be required for various significant corporate actions. The controlling shareholder's best interests may not always align with the best interests of the Company or its other shareholders.

Conflicts of Interest Risks

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

Epidemics, Pandemics and Public Health Risks

The ongoing COVID-19 pandemic has resulted in travel bans and restrictions, quarantines, and extended shutdowns of certain businesses around the world, as well as a deterioration of general economic conditions. These factors or any governmental or other regulatory responses or developments or health concerns in countries in which the Company operates could result in operational restrictions, supply chain disruptions, social and economic instability, or labor shortages. More specifically, there remains uncertainty relating to the potential impact that the COVID-19 pandemic could ultimately have on the business. It is still possible that the COVID-19 pandemic could significantly impact operations, create supply chain challenges and disruptions or limit the Company's ability to timely sell or distribute the Company's products in the future, which would negatively impact the Company's business, financial condition and operating results. It is also possible that the COVID-19 pandemic could negatively impact the Company's customers, even though the agriculture sector is classified as an essential service. Any significant long-term downturn in the global economy or agricultural markets could impact the Company's access to capital or credit ratings, or customers' access to liquidity, which could

increase the Company's counterparty credit exposure.

The ultimate magnitude of the effects of the COVID-19 pandemic, including the extent of its impact on the Company's financial performance, will be determined by the length of time that the pandemic continues, its effect on the demand for the Company's products and services and the supply chain, as well as the effect of governmental regulations imposed in response thereto. The Company cannot at this time predict the full extent or impact of the COVID-19 pandemic, but it could have an adverse effect on the Company's operations and future financial performance.

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

Geopolitical Risks

Actual and threatened responses to military action, including trade and monetary sanctions, may impact the markets for certain commodities, including phosphate fertilizer products and inputs, and could cause significant fluctuations in phosphate fertilizer prices and inputs due to uncertainty in supply levels and geopolitical risk. Furthermore, turmoil in the global financial system could materially affect the Company's business and financial condition.

In response to Russia's invasion of Ukraine, a number of countries, including the US, have taken actions against Russia, including imposing sanctions targeting certain Russian leadership and other individuals, restricting certain sectors of the Russian economy, expelling certain Russian banks from the Society for Worldwide Interbank Financial Telecommunication ("SWIFT") global banking payment system and other measures. Further actions against Russia, including further restrictions could be taken as the conflict continues. Such further restrictive actions that may be taken by the US and other countries in response to the conflict are not possible to predict but could have significant impacts on commodity prices and potential negative effects on financial markets and the supply chain. The Company cannot at this time predict the full extent or impact of these restrictive actions, but they could have an adverse effect on the Company's operations and future financial performance.

MATERIAL MINERAL PROPERTIES

As at December 31, 2021 and as of the date hereof, the Company's material mineral property, as defined by NI 43-101, was Conda. The summary from the Conda 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 as announced in the Company's news releases dated October 30, 2019 and December 16, 2019, is reproduced below. Portions of the following information, including certain terms, assumptions, qualifications and procedures, are not fully described herein. Refer to the Conda Technical Report for detail. The Conda Technical Report is available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.itafos.com.

1.0 Summary

[The Conda Technical Report] was prepared for Itafos, a vertically integrated phosphate fertilizers and specialty products company incorporated in the Cayman Islands and publicly traded on the TSX Venture Exchange (TSX-V: IFOS). Itafos owns Itafos Conda which includes the Conda Phosphate Plant (CPP) and associated mining operations located near Soda Springs, Idaho (ID). The CPP produces approximately 550 kt per year of monoammonium phosphate (MAP), MAP with micronutrients (MAP +), superphosphoric acid (SPA), merchant grade phosphoric acid (MGA) and specialty products including ammonium polyphosphate (APP). The CPP also includes a wash plant that treats mined phosphate ores delivered by rail to produce the phosphate rock feedstock required by the chemical plant. All ore delivered to the CPP is produced from Itafos' captive mines in southeastern ID, USA.

Itafos engaged Golder to compile [the Conda Technical Report] on its ID mineral projects that are in operation or under development. The mines and projects are owned by its wholly owned subsidiaries, Itafos Conda LLC (Itafos Conda) and Paris Hills Agricom Inc. (PHA). Itafos Conda LLC operates the Rasmussen Valley Mine (RVM) and the Lanes Creek Mine

(LCM) and is developing the nearby Husky 1 (H1) Project and North Dry Ridge (NDR) Project. Mined phosphate ore is and will continue to be delivered from these mines and projects to rail loadouts and transported via the Union Pacific Railroad (UPRR) to the CPP.

PHA is conducting further studies at the Paris Hills (PH) Project, which is located near Bloomington, ID. Paris Hills is being studied as a potential long-term future source of underground mined phosphate rock for the CPP.

1.1 Property Description and Ownership

Property Description and Ownership

The Property consists of the four Itafos Conda projects with a total area of 2,840 acres, and the PH Project with an area of 2,500 acres. The projects are located in Caribou County and Bear Lake County, ID, respectively. Itafos' title to the projects are leases from private, state and federal surface and mineral owners. Annual surface rental payments are required to maintain the leases and production royalties are paid on ore delivered from each lease to the CPP or rail loadout depending on the terms of each lease. Royalty rates are based on federal regulations. Currently the federal leases expire in 2035 at RVM, 2036 at H1, and 2023 at NDR. State leases expire in 2023 at NDR and at PH. Private leases at PH expire in 2021, 2022, 2028, and 2032. Itafos expects to extend all leases that are needed for production or development in the ordinary course of its business.

Current asset retirement obligations are estimated to be \$4.8 Million at LCM and \$52.0 Million at RVM for reclamation of the active mining operations.

The location of known phosphate mineralization at the projects is within the Upper and Lower Zones of the Meade Peak Member of the Phosphoria Formation. Mine workings and all other mine development structures exist at the RVM and LCM for annual ore production of approximately 2.2 Million dry short tons. The H1 and NDR projects are in the intermediate development stage of planning and permitting. PH is a longer-term development project undergoing further technical studies. The UPRR currently provides service from the Itafos rail loadout at the Wooley Valley Tipple (WV Tipple) located near RVM to the CPP.

Itafos has obtained all permits needed for operations at RVM and LCM. Itafos must acquire all permits required to develop and mine H1 and NDR including federal, state and county permits. In addition to the federal National Environmental Policy Act (NEPA) Environmental Impact Statement (EIS) process, special use permits (SUP) may be required from federal, state and county authorities, and may include but not be limited to air permit, stormwater general permit, permit to construct a drinking water system, septic system permit, stream alteration permit, and wetlands [US Army Corp of Engineers (USACE) 404 Permit] permit. No permits are currently required for the engineering studies planned at PH.

Accessibility, Climate, Local Resources, Infrastructure, and Physiography

Access to the each of the projects is via local roads connected to state and federal highways. The Itafos Conda Projects are located about 15 miles northeast of the town of Soda Springs, ID. Soda Springs is 60 miles east of Pocatello, ID, and 175 miles north of Salt Lake City, Utah. PH is about 140 miles north of Salt Lake City, Utah and 40 miles south of Soda Springs, ID. It is just to the west of the towns of Bloomington and Paris, ID.

Southeastern ID has a temperate dry continental climate with warm summers and cold winters. Winter temperatures may fall below freezing from November through May especially in elevations above 6,500 feet. Total snowfall in the region will reach over 100 inches per year. The freezing temperatures restrict rail operations from RVM and LCM to the CPP to about April through November of each year. Except for periodic interruptions during extreme winter weather, the operating season is year-round for the mining and overburden stripping operations. Ore is shipped to and stockpiled at the CPP in the months when the rail line is operating.

Itafos controls sufficient surface rights through its leases and agreements with adjacent property owners to conduct all mining operations at RVM and LCM. At H1 and NDR, Itafos is in negotiations with owners of previously mined adjacent

properties to conduct mining on those properties and backfill waste into the existing pits there. Water, power and labor required to conduct mining operations are available locally. No tailings are generated or stored at the projects. All overburden rock mined is disposed of in permitted storage areas and as backfill into mined-out pits. No processing is conducted or planned at the projects and no tailings are or are planned to be stored at any project. All RVM and LCM mined ores are loaded at the existing WV Tipple and shipped via an existing UPRR rail line for processing and consumption at the CPP. All tailings storage occurs at the CPP. As currently planned, the H1, NDR and PH projects will also ship mined ores via rail (H1 and NDR) or truck PH to the CPP for processing and tailings storage.

The topography, elevation and vegetation at the projects reflect the mountainous terrain that is typical of southeastern ID. The Itafos Conda projects are located in the Peale Mountains, which consist of several ranges, ridges and intermontane valleys. At RVM and LCM, elevations typically vary from 6,700 feet above mean sea level (AMSL) to nearly 7,600 feet AMSL at local highs, and at H1 and NDR from 7,700 feet AMSL to nearly 8,900 feet AMSL. The topography changes rapidly from the valley floors to the ridge tops and in steeply incised canyons draining higher elevations. PH is located in the foothills of the Bear River Range with topography rising rapidly from about 6,000 feet AMSL in the Bear Lake Valley to the highest elevations on the site of nearly 7,000 feet AMSL. Vegetation is similar at all projects and is primarily sagebrush rangeland at higher elevations with shrubland on ridge flanks and lower elevations. Aspen and mixed aspen conifer forest exists near drainages. Wetlands occur at lower elevations near existing creeks and streams.

History

At the Itafos Conda projects Itafos acquired its leases from Agrium. Agrium and a predecessor had produced relatively small quantities of phosphate ore from LCM. RVM was developed by Agrium and Itafos as a greenfield project. There has been no material historical development or production from the H1 or NDR projects.

Itafos acquired the PH Project with its acquisition on July 18, 2017 of Stonegate Agricom, Ltd. and its wholly owned subsidiary PHA. Phosphate exploration occurred within the PH Project boundary reportedly as early as 1908. Three small-scale underground mines were established in the PH area in 1917 and 1930. Relatively small quantities of ore were produced from these developments, which were each in operation for less than five years.

In the early and mid-1970s, Earth Sciences Inc. (ESI) acquired leases over the project area that included the three early mines and explored for vanadium and phosphate. This work included drilling and sampling and underground development and bulk sampling. In 2007, RMP Resources, Inc. (RMP) acquired the leases from ESI and continued exploration work within the PH area.

In 2009, PHA acquired the ESI leases and leased additional tracts that altogether comprise the current PH Project area. PHA continued significant exploration work and conducted environmental and technical studies that were reported on in the NI 43-101 technical report filed on SEDAR by Stonegate Agricom Ltd. dated July 8, 2013, titled "Amended and Restated NI 43-101 Technical Report, Paris Hills Phosphate Project, Bloomington, ID, USA," with an Effective Date of January 18, 2013. This 2013 Technical Report is no longer current and is replaced by [the Conda Technical Report].

Since its acquisition of Stonegate Agricom Ltd., Itafos has continued technical studies at the PH Project. Except for the historical development and production from the small-scale mines, no material mine development or production has occurred at the PH Project.

1.2 Geological and Mineralization

The phosphate mineralization presented in [the Conda Technical Report] is sedimentary in nature, occurring in a conformable sequence of alternating phosphatic and weakly- to non-phosphatic shale, mudstone, carbonate, and chert beds within the Meade Peak Member of the Permian Phosphoria Formation.

The phosphate mineralization encountered in the Meade Peak Member is stratigraphic in nature and the deposit type is considered a typical example of a marine sedimentary phosphate deposit. The phosphate mineralization occurred during the primary depositional processes and there are no known secondary phases of phosphate mineralization or enrichment identified in the deposits.

The beds of the Meade Peak Member were deposited within a marine sedimentary basin within the Phosphoria Sea that marked the western margin of the North American craton approximately 250 Million years ago. Depositional processes during the period that the Meade Peak Member was being deposited resulted in alternating beds of phosphatic shale and mudstone with layers of non-phosphatic shale, carbonate, and chert beds.

The phosphate mineralization within the Meade Peak Member consists of apatite pellets, oolites, and sand grains, some of which are further cemented together into clusters of pellets and grains in an apatite cement; the apatite within the Meade Peak Member is entirely in the form of carbonate fluorapatite (Altschuler, Z. S. V. , 1958).

Individual beds of the Meade Peak Member are laterally continuous over significant distances, with some beds commonly found distributed over tens of thousands of square miles within the Western Phosphate Field (Sheldon 1989); however, the thickness and geometry of the beds has been locally impacted on a deposit scale by both primary depositional variability as well as post-depositional structural modification due to both regional and deposit scale faulting and folding.

1.3 Exploration Status

Exploration programs described in [the Conda Technical Report] have taken the stratigraphic nature of the mineralization into account and drill hole spacing, sampling methodology and grade analyses have been designed to evaluate the structural and grade continuity of the targeted phosphatic beds at the deposit scale.

The Itafos Conda projects have primarily been drilled using reverse circulation (RC) drilling methods, supplemented in special cases by a small number of core holes drilled for geotechnical, metallurgical, and other purposes. Drilling has been performed by several different independent drilling contractors over the various campaigns on the four projects.

The PH Project area has been drilled with the use of RC and core drilling; core holes are either drilled to HQ or PQ size. Drilling was contracted to Major Drilling Group International, Inc (Major).

RC chips and drill cores were visually logged by Itafos Conda and PHA geologists for the purpose of collecting downhole lithology, structure, recovery, rock quality designation (RQD) and other geological and physical observations and properties. Wireline geophysical natural gamma logs were performed on most drill holes for the five projects.

Visual descriptive logs and gamma logs were used by the Itafos Conda and PHA geologists to assign beds to the drill hole data for the purpose of identifying sample intervals for grade analyses. Samples from the Itafos Conda projects were submitted for grade analyses at the onsite CPP laboratory, while samples for the PH Project were submitted to a series of independent commercial laboratories. Elements analyzed, analytical procedures, and Quality Assurance/Quality Control (QAQC) measures varied across the exploration campaigns on the individual projects as well as from project to project.

A summary table of drilling data by project is presented in Table 1-1 [of the Conda Technical Report reproduced below].

Table 1-1: Summary of Available Drilling Data by Project

Project	Total Drill Holes	Collar Surveys	Drill Holes With Available Data			Geophysical Wireline Logs
			Downhole Surveys	Downhole Lithology Records	Raw Assay Data	
RVM	210	210	0	210	198	210
LCM	48	48	2	48	48	46
NDR	253	253	0	253	212	253
H1	235	235	0	235	192	235
SMCM ⁱ	66	66	0	66	66	0
PH ⁱⁱ	65	65	40	65	45	48

- i. The South Maybe Canyon Mine is a previously mined adjacent property to the H1 Project. Wireline log data was not available for the 66 drill holes from the South Maybe Canyon Mine (SMCM) area included in the H1 model.
- ii. Wireline log data was not available for the 11 ESI drill holes included in the PH model nor for 6 of the 9 PHA drill holes that were used for structure modeling only.

Non-drilling exploration data evaluated as part of the current study on the 5 projects included:

- Itafos Conda grade control trench samples and analytical results from RVM and LCM.
- Surface exploration trench samples and analytical results from NDR.
- Surface exploration and adit samples from PH.
- Downhole wireline geophysical logs performed on the majority of the Conda drill holes.
- Surface seismic surveys at PH.
- Regional and deposit scale geological mapping.

It is the Golder QP’s opinion that the sample preparation, security, and analytical procedures applied by Conda and its predecessors at the Itafos Conda projects and the PH Project are reasonable for establishing an analytical database for use in grade modeling and estimation of Mineral Resource estimates as summarized in [the Conda Technical Report].

The Golder QP has verified the data provided and reviewed, including collar survey, downhole geological data and observations, wireline gamma logs, sampling, analytical, and other test data underlying the information or opinions presented in [the Conda Technical Report]. The QP, by way of the data verification process described in Item 12, has used only that data that were deemed by the QP to have been: 1) generated with reasonable industry standard procedures; 2) accurately transcribed from the original sources; and 3) suitable to be used for preparing geological models and Mineral Resource estimates. Data that could not be verified by the QP were not used in the development of the geological models or Mineral Resource estimates presented in [the Conda Technical Report].

1.4 Development and Operation Status

RVM and LCM Operations

Itafos currently mines phosphate ore at RVM and LCM using open pit mining methods. The open pit mining methods include mine development, phase development and production. The mine development phase includes drainage, water control and primary access. Phase development includes establishing access to the upper benches and removal of topsoil for storage and future reuse. Phase development may only be accomplished during the drier months, so preparation of a new phase is typically done in the year prior it is required for production. The mining excavations generally follow steeply dipping phosphate ore beds, which outcrop along the side slopes of valleys. This results in relatively long and narrow ultimate pits which are subdivided into phases along strike of the deposit. Mining is performed using truck and shovel methods with strict controls to place selenium-bearing material back into previously mined pits. Blasting is limited to the harder limestone. Itafos Conda utilizes dozers with specially designed “wings” that can be extended from the dozer blade to separate the steeply dipping phosphate bed layers to minimize dilution and maximize recovery. Phosphate ore is trucked to the WV Tipple where it is stockpiled by ore type, blended and reclaimed via a tipple for train loading. Itafos

Conda has engaged Kiewit Corporation (Kiewit) to perform all mining activities and operation of the WV Tipple.

Itafos Conda currently operates two open pit mining operations; RVM and LCM. LCM is near depletion and will finish production by mid-2020. The first phase of RVM has been developed and is currently supplying ore; all ore will be sourced from RVM when LCM is depleted. Itafos Conda is currently utilizing an adjacent property, Bayer's previously mined South Rasmussen Mine (SRM) pit for the overburden generated from the opening phase of RVM and backfilling previous phases at the LCM.

Golder has developed a pre-feasibility study (PFS) that includes a life-of-mine plan (LOMP) for LCM and RVM to provide the CPP's annual P_2O_5 requirements from mid-2019 through mid-2026. The LOMP provides approximately 2.2 Million short tons (Mt) of wet ore annually or 2.0 Mt dry ore at an average dry grade of 26.6% P_2O_5 from LCM, RVM, and all existing stockpiles as of July 1, 2019.

The CPP is the exclusive market for the phosphate ores mined and loaded from RVM and LCM, and the CPP plans to continue to take and consume all production from its operating mines and mineral projects as raw feedstock for fertilizer production. Although other chemical plants exist in southeastern Idaho, all of the plant owners are Itafos competitors who also own captive phosphate mines. For this reason, there is no open commodities market in southeastern Idaho for phosphate ores from the Itafos mineral projects.

Environmental conditions at RVM and LCM are imposed through the existing mining permits. An industry-wide condition on SE ID mines is to mitigate the impacts of selenium released from overburden. Current best practices are planned and approved at RVM and LCM, that include primarily transporting selenium-bearing overburden into previously mined pits to prevent discharges. Also, the LOMP for RVM has identified periods where it will be necessary to temporarily store overburden outside the pit boundary. Non-selenium bearing overburden will be stockpiled in designated storage areas, re-handled and placed in the final pit void to comply with regulations.

The RVM and LCM mining operations are vertically integrated cost centers, and state and federal income taxes are not paid directly by nor allocated to the operations.

Based on the PFS, from mid-2019 the expected life of production from LCM is one year and from RVM is through mid-2026. Mine reclamation activities will continue after production ceases at both mines until mine closure.

RVM and LCM are existing operations and outstanding capital investment is primarily working capital, which in the PFS economic analysis is valued at about \$63 Million. Additional investment capital to continue RVM and LCM is estimated to be about \$1.7 Million required in 2021 and 2022. The payback period of working capital and additional capital is less than six years, i.e., by mid-2026.

Development Projects

Future contemplated mining activities include the evaluation and potential development of the H1 and NDR mineral projects as open pit mines and the PH project as a potential underground mine. All tonnage produced from these projects is planned for exclusive supply to the CPP.

H1 and NDR Projects

[The Conda Technical Report] includes the results of a preliminary economic assessment (PEA) of the H1 and NDR mineral resources for delivering potential feedstock for the CPP. The results of the PEA indicate that assuming all permit requirements and development activities are completed by 2025, full production sufficient to meet the requirements of the CPP may occur by 2027 and continue through 2035, and at reduced levels until the end of 2037. Initial capital in 2019\$ is estimated to be about \$104 million with \$72 million in new facilities and development and \$32 million working capital. The imputed average transfer price required to recover all costs of production FOB WV Tipple plus a margin sufficient to yield a 12% pre-tax internal rate of return on all production and cover post-production final reclamation and closure costs is estimated to be \$222 per ton of P_2O_5 delivered. During full production years, the imputed transfer price per year varies from \$209/ton P_2O_5 to \$229/ton of P_2O_5 depending on production costs. Note that all tons reported in this Technical

Report are in short tons unless stated otherwise. The imputed transfer prices estimated over the PEA period are well within the forecast GMAs from CPP fertilizer sales over the same period; therefore, indicating positive potential economics for CPP supply from the H1 and NDR phosphate mineral resources.

PH Project

The PH Project is considered to have reasonable potential for future underground mining operations. Originally conceived by Stonegate Agricom Ltd. as a potential supplier of washed phosphate rock to domestic and foreign commodity markets, Itafos is evaluating the project as a potential longer-term captive supply source to the CPP. [The Conda Technical Report] presents current Mineral Resource estimates for the PH Project.

1.5 Mineral Resource and Mineral Reserve Estimates

Mineral Resource Estimate

The Mineral Resource estimates presented in [the Conda Technical Report] were prepared under the supervision of Golder's QP in accordance with the definitions presented in NI 43-101 and the CIM Definition Standards. The estimates were based on geological and grade block models generated from all verified exploration and pre-production drill holes and analytical samples drilled by the Company to date for the five properties.

Data verification was performed under the supervision of the Golder QP while exploration data collection was performed under the supervision of Company personnel that also met the standard for QPs under the applicable definitions.

The Golder QP used the verified exploration and sample data to construct a computer-based geological block model of the in-situ phosphate deposit and surrounding rocks and a P₂O₅ grade model for each of the five projects. The geological models for the five projects were based on a structural interpretation of the deposits based on drilling intervals through the deposits and in the case of RVM and LCM, actual geological exposures in the pits. The grade models consisted of estimated grades within each geological block identified as in situ phosphate. The block model grades were interpolated from sample values of drill hole intercepts.

The Mineral Resources presented in [the Conda Technical Report] have been estimated by applying a series of physical and geological limits as well as high-level mining and economic constraints; the mining and economic constraints were limited only to a level sufficient to support reasonable prospects for future economic extraction of the estimated resources.

The Mineral Resource categorization applied by Golder has included the consideration of data reliability, spatial distribution, abundance of data, continuity of geology, and grade parameters. Golder performed a statistical and geostatistical analysis for evaluating the confidence of continuity of the geological units and grade parameters. The results of this analysis were applied to developing the Mineral Resource categorization criteria.

The categorized estimated Mineral Resources for RVM, LCM, NDR, H1, and PH are presented in Table 1 2. Mineral Resource categorization of Measured, Indicated, and Inferred Mineral Resources presented in Table 1 2 is in accordance with the CIM definition standards (CIMDS, 2014). The Effective Date of the Mineral Resource Estimate is July 1, 2019.

Although the Mineral Resources presented in [the Conda Technical Report] are believed to have a reasonable expectation of being extracted economically, they are not Mineral Reserves. Estimation of Mineral Reserves requires the application of modifying factors and a minimum of a PFS. The modifying factors include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social, and governmental factors. To date, except as described in Item 15 of [the Conda Technical Report], studies that provide further insight into prospects for development and extraction of the Mineral Resources have not been completed to a minimum of a PFS

With respect to RVM and LCM, for which Mineral Reserves are reported in Item 16 of [the Conda Technical Report], the Mineral Resources are inclusive of Mineral Reserves.

The Mineral Resources presented in [the Conda Technical Report] for H1 and NDR for which a PEA is presented in Item 24 of [the Conda Technical Report], are not Mineral Reserves and do not reflect demonstrated economic viability.

For all projects, the reported Inferred Mineral Resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves.

There is no certainty that all or any part of this Mineral Resource will be converted into Mineral Reserve.

Table 1-2: Summary of Estimated Mineral Resources – Effective Date July 1, 2019

Project	Zone	Resource Classification	Volume (millions; bcf ⁱⁱⁱ)	Short Tons (Millions, dry)	P ₂ O ₅ (wt.%)	MgO (wt.%)	Fe ₂ O ₃ (wt.%)	Al ₂ O ₃ (wt.%)
RVM	UPZ & LPZ Combined	Measured	197.5	13.0	26.6	0.90	0.86	2.33
		Indicated	27.0	2.0	26.2	0.63	0.90	2.46
		Inferred	2.5	0.2	25.7	0.59	0.92	2.48
LCM	UPZ & LPZ Combined	Measured	14.0	1.0	27.5	0.90	0.80	1.34
		Indicated	6.5	0.5	28.2	0.98	0.76	1.62
		Inferred	0.5	0.0	27.5	1.15	0.66	1.56
NDR	UPZ & LPZ Combined	Measured	95.0	6.5	26.9	0.82	-	2.38
		Indicated	19.0	1.5	27.0	0.91	-	2.32
		Inferred	2.0	0.1	26.8	0.94	-	2.39
H1	UPZ & LPZ Combined	Measured	314.5	21.0	24.3	0.98	0.82	2.09
		Indicated	128.0	8.5	24.7	0.98	0.84	2.13
		Inferred	10.5	0.5	24.3	0.89	0.82	2.04
PH	UPZ	Measured	320.5	26.0	22.9	0.89	0.80	1.15
		Indicated	492.0	40.0	22.3	0.86	0.81	1.06
		Inferred	93.0	7.5	22.0	0.89	0.75	0.99
	LPZ	Measured	157.5	13.0	30.9	0.26	0.51	1.02
		Indicated	223.5	18.0	29.5	0.59	0.49	0.81
		Inferred	49.0	4.0	30.1	0.63	0.46	0.77
Totals	UPZ & LPZ Combined	Measured	1,099.0	80.5	25.5	0.81	0.70	1.67
		Indicated	896.0	70.5	24.6	0.80	0.72	1.19
		Inferred	157.5	12.3	24.8	0.80	0.65	1.00

- i. RVM = Rasmussen Valley Mine; LCM = Lanes Creek Mine; NDR = North Dry Ridge Project; H1 = Husky 1 Project; PH = Paris Hills Project; UPZ = Upper Phosphate Zone; LPZ = Lower Phosphate Zone; bcf = bank cubic feet; wt.% = weight percent.
- ii. Mineral Resource categorization of Measured, Indicated and Inferred Mineral Resources presented in the summary table is in accordance with the CIM definition standards (CIMDS, 2014).
- iii. The Mineral Resources presented are reported on a dry in-situ basis. Masses for the four Itafos Conda projects have been converted from wet to dry basis using a 10% moisture factor. The PH Project masses were estimated in dry basis.
- iv. No recovery, dilution or other similar mining parameters have been applied.
- v. Although the Mineral Resources presented in [the Conda Technical Report] are believed to have a reasonable expectation of being extracted economically, they are not Mineral Reserves. Estimation of Mineral Reserves requires the application of modifying factors and a minimum of a PFS. The modifying factors include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social, and governmental factors. To date, except as described in Item 15 of [the Conda Technical Report], studies that provide further insight into prospects for development and extraction of the Mineral Resources have not been completed to a minimum of a PFS.
- vi. With respect to RVM and LCM, for which Mineral Reserves are reported in Item 16 of [the Conda Technical Report], the Mineral Resources are inclusive of Mineral Reserves.
- vii. The Mineral Resources presented in [the Conda Technical Report] for H1 and NDR for which a PEA is presented in Item 24 of [the Conda Technical Report], are not Mineral Reserves and do not reflect demonstrated economic viability.
- viii. For all projects, the reported Inferred Mineral Resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves.
- ix. There is no certainty that all or any part of this Mineral Resource will be converted into Mineral Reserve.
- x. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. All figures are rounded to reflect the relative accuracy of the estimates.
- xi. The Mineral Resource estimates for the potentially surface mineable resources (RVM, LCM, NDR, and H1) were constrained by conceptual pit shells for the purpose of establishing reasonable prospects of eventual economic extraction based on potential mining, metallurgical and processing grade parameters identified by studies performed to date on the Project.
- xii. The Mineral Resource estimates for the potentially underground mineable resources at PH were constrained by property boundaries on north, south and east sides as well as depth, water and high-level economic considerations. A vertical limb on the west side of the property would require an alternative mining method and to date has not been drilled to the extent to support an estimate of geologic resources.
- xiii. Key constraint inputs included reasonable assumptions for operating costs, CRU fertilizer product forecast prices and a 20% minimum P2O5 grade for the four Itafos Conda projects and the UPZ mineralization at the PH Project, based on current CPP specifications for all estimated

resources except for the LPZ mineralization at PH. The LPZ at PH was defined using a 24% minimum P₂O₅ grade to allow for a head-grade of 30% P₂O₅, which is amenable to direct-shipping without the need for beneficiation.

Mineral Reserve Estimate

Golder produced a PFS for the remaining life of the RVM and LCM. The PFS included a LOMP including mine designs and mining sequences and annual estimates of waste and ore production based on Measured and Indicated Mineral Resource estimates for RVM and LCM. In determining annual production, the QP applied reasonable Modifying Factors of mining loss and dilution. Any Inferred Resources encountered in the sequencing were treated as overburden material. The mining sequence in LCM is scheduled to be completed by mid-2020 and the continued mining of RVM is scheduled to provide ore through the end of 2025. An existing stockpile inventory of 1.4 Mt dry was included in the economic analysis and Mineral Reserve estimates. Stockpile inventory varies as Itafos Conda typically does not ship ore from November through March. The mining schedule turns over the current stockpile early in the mining schedule but maintains the stockpile in a manner consistent with past practice.

The annual production estimates were used to determine annual estimates of operating and capital costs. All cost estimates were in real 2019\$ terms. Total capital costs were as described previously and consisted of working capital of about \$63 million in primarily stockpile inventory plus sustaining capital of about \$1.7 million. The annual operating cost estimates in the PFS also included annual estimates of concurrent and post-production or final reclamation costs until projected mine closure. The cost estimates were based on actual Itafos costs and mining contractor rates under an existing mine contracting services agreement with a nationally recognized mining contractor. The QP considers the cost estimates to be to a PFS standard and sufficient for an economic analysis required to support Mineral Reserve estimates for RVM and LCM.

For the economic analysis, a discounted cash flow (DCF) model was developed for the PFS. Because RVM and LCM are captive suppliers to the CPP, and there is no transparent mined phosphate rock commodities price market in southeastern Idaho, in the PFS Golder estimated mineral reserves for RCM and LCM based on an imputed transfer price for the LOMP phosphate ore produced and loaded at the WV Tipple. The annual transfer prices are equal to the estimated cost of production and loading from the RVM/LCM PFS plus a pre-income tax margin sufficient to return all capital invested, provide an Internal Rate of Return (IRR) of 7% on all capital invested and cover all costs of final reclamation after production ceases. The resulting transfer prices from the DCF model vary during full production years over the PFS period from \$173 to \$185/ton of P₂O₅ delivered FOB WV Tipple in real 2019\$ terms.

To determine whether the imputed transfer prices from the DCF analysis were economic, Golder estimated the CPP Gross Margins Available FOB WV Tipple (GMA) based on forecast MAP and SPA production provided by Itafos, and fertilizer product prices and estimated chemical plant costs stated in an independent 2019 market study commissioned by Itafos. The price forecasts were for MAP net-back to the CPP and Itafos SPA realized prices at the CPP for the years 2019 through 2045 in real 2019\$ terms. Golder estimated the future annual GMAs to pay the imputed transfer prices as follows:

Gross Margin Available FOB WV Tipple (GMA) = (Revenue – CPP Plant Cost – Rail Cost) / P₂O₅ dry tons required by the CPP.

The CPP Plant Cost includes washing costs. Ore washing and rail costs were based on actual costs provided by Itafos. The resulting GMAs estimated in real 2019\$ terms were \$269/ton of P₂O₅ delivered FOB WV Tipple in 2019 increasing to \$418/ton of P₂O₅ delivered FOB WV Tipple in 2025 because of forecast increases in MAP and SPA fertilizer prices realized at the CPP. Because the estimated annual GMAs exceed the annual imputed transfer prices of the RVM/LCM ores delivered under the PFS, the forecast production plan is economically viable, and therefore, the PFS results in the Mineral Reserve estimates shown on Table 1 3 [of the Conda Technical Report reproduced below].

Table 1-3: Summary of Estimated Mineral Reserves by Mine and Classification – Effective Date July 1, 2019

Deposit	Classification	Ore (Mt – dry) ^{i,ii}	P ₂ O ₅ (% wt) ⁱⁱⁱ	Waste (MBcy) ^{iv}	Strip Ratio (MBcy:Mt)
Rasmussen Valley (RVM) ^v	Probable	0.9	26.6		
	Proven	11.2	26.6		n/a
	Total RVM	12.2	26.6	50	4.1
Lanes Creek (LCM) ^{vi}	Probable	0.3	28.8		
	Proven	0.5	28.0		n/a
	Total LCM	0.8	28.3	1.9	2.4
Total RVM+LCM	Probable	1.2	27.1		
	Proven	11.7	26.7		n/a
	Total RVM+LCM	13	26.7	51.9	4.0
Stockpiles ^{vii}	Proven	1.4	25.9		n/a
Total Reserves ^{vi}	Probable+Probable Reserves	14.4	26.6		n/a

- i. A moisture content of 10% was assumed to convert from wet short tons to dry short tons.
- ii. A 97% mining recovery and 0% dilution was applied to the tons selected as ore.
- iii. A P₂O₅ cutoff grade of 20% was assigned as the minimum required grade to be considered ore.
- iv. All blocks that are not selected as ore, including blocks classified as Inferred were considered as overburden.
- v. A pit optimization analysis was performed on the RVM deposit, which incorporated the geotechnical parameters, mining costs of \$3.83/t wet overburden, \$7.27/t wet ore, ore stockpiling and tipple costs of \$1.32/t wet and royalties that varied with grade and averaged approximately \$1.70/t wet. A Gross Margin available per mined P₂O₅ ton (applied at the point of exchange at the tipple) of \$271/dry ton was used to define the limits of the mining pits.
- vi. A pit optimization analysis was performed on the LCM deposit, which incorporated the geotechnical parameters, mining costs of \$4.56/t wet overburden, \$11.34/t wet ore (including royalty), ore stockpiling and tipple costs of \$1.32/t wet. A Gross Margin available per mined P₂O₅ ton (applied at the point of exchange at the tipple) of \$271/dry ton was used to define the limits of the mining pits.
- vii. All stockpiles which include LCM ex-pit, WV Tipple, and Plant stockpiles, total dry tons and average P₂O₅ grades are displayed.

The Proven and Probable Reserve estimates shown in Table 1 3 result from the conversion of Measured and Indicated Mineral Resources, respectively.

The extent to which the Mineral Reserve estimates could be materially affected by mining, metallurgical, infrastructure, permitting, and other relevant factors that are different than the factors used in the PFS and described in [the Conda Technical Report] is shown by the sensitivity analysis provided in Item 22. Because RVM and LCM are producing mines, infrastructure and permitting factors are not anticipated to materially affect the Mineral Reserve estimate.

Except for the CPP GMAs, which are dependent primarily upon fertilizer prices and chemical plant costs, all other relevant mining and metallurgical factors related to RVM and LCM and described in [the Conda Technical Report] are factors affecting the estimated operating costs summarized in Item 21 of [the Conda Technical Report]. If for any reason any of these operating cost factors are changed such that operating cost estimates change materially, then the Mineral Reserve estimates stated in [the Conda Technical Report] could be materially affected. However, as an example, if the cost factors are changed such that total operating and capital cost estimates are increased by 25%, the imputed transfer price in 2019 increases from \$163/ton to \$201/ton of P₂O₅ delivered FOB WV Tipple or about 23%. This imputed price remains below the 2019 GMA of \$269/ton as described in Item 19 and therefore the Mineral Reserve estimates may remain unaffected. As of the effective date, there are no known cost factors that are materially different from the factors used in the PFS and summarized in [the Conda Technical Report] to the extent that the Mineral Reserve estimates would be materially affected.

Revenues projected in the PFS economic analysis summarized in Item 22 depend upon forecast MAP net-back CPP and Itafos realized SPA prices that are used to calculate the GMAs described in [the Conda Technical Report]. If the forecast prices of the CPP phosphate products over the study period decline by 25% or more, then the Mineral Reserve estimates will be materially and adversely affected. In this case, the GMA would be reduced to about \$135/ton of P₂O₅ delivered FOB WV Tipple, and the extent to which the Mineral Reserve estimates could be affected is estimated to be about a 35%

to 45% reduction based upon the pit shell analysis described in [the Conda Technical Report].

1.6 QP's Conclusions and Recommendations

Geology and Mineral Resource Estimation Recommendations

Regarding geology and Mineral Resource estimation, recommendations include the following:

- update the H1 and NDR Project models with data from the 2019 metallurgical drilling program once results are available.
- evaluate additional drilling needs with consideration towards additional quality control/verification purposes for areas reliant on older vintage drilling such as NDR (legacy drilling from 1989 and 1990) and the South Maybe Canyon drilling (legacy drilling performed on behalf of and results supplied by a competitor) at the north end of the H1 Project. Additional drilling at NDR should also target collecting core to perform project specific metallurgical test work. See below for a high-level cost estimate for recommended drilling.
- evaluate additional drilling opportunities to expand resource inventory along strike and down dip (at depth) of the current delineated resources.
- as part of any future exploration work, it is recommended to perform additional external check assays for Itafos Conda projects analytical data performed primarily at CPP.
- as part of future exploration work perform downhole positional surveys on drill holes at Itafos Conda projects.
- perform additional density and moisture data for all projects to develop more robust default values.
- acquire improved topographic data to develop new topographic models for NDR and H1.
- perform evaluation of potential for mineralization within the overturned limb at PH.
- perform evaluation of the potential vanadium zone at PH.

As stated above, Golder recommends additional drilling at H1 as follows:

- approximately ten core drill holes twining historical SMCM drilling conducted by operators other than Conda and its predecessors. The purpose of this program is to evaluate the reliability and representativeness of the historical SMC drilling used in the north end of the H1 model.
- depending on the results of the 2019 H1 drilling program, there may be further opportunities for both resource expansion and infill drilling to upgrade resource classification, especially in the southern part of H1 where the structure is more complex. Based on initial evaluations this additional drilling could include up to 40 drill holes.
- all proposed drilling should include a robust analytical QA/QC program of standards, blanks and duplicate/replicate analyses. Drill collars should be surveyed by the Itafos Conda mine surveying department or a professional surveyor and downhole directional surveying should be considered.
- estimated cost for the ten core drill holes in the SMCM area is approximately \$1.5 M. Estimated cost for drilling up to 40 drill holes for resource expansion and infill drilling in the H1 Project, pending evaluation of results of the 2019 program, is approximately \$6 M.

As stated above, Golder recommends additional drilling at NDR as follows:

- approximately ten core drill holes spatially distributed across the NDR Project. The purpose of this program is to evaluate the reliability and representativeness of the 1989 and 1990 Conda drilling as well as to collect project specific metallurgical data for further studies and estimates.
- all proposed drilling should include a robust analytical QA/QC program of standards, blanks and duplicate/replicate analyses. Drill collars should be surveyed by the Itafos Conda mine surveying department or a professional surveyor and downhole directional surveying should be considered.
- estimated cost for these five core drill holes is approximately \$1.5 M.

Mining

- prepare a PFS level study on the H1 and NDR projects once the metallurgical information becomes available.
- evaluate the potential for lowering the cutoff grade and increasing reserves.
- develop and perform additional reconciliation studies as mining progresses in RVM and incorporate the results into future mining studies.

Metallurgy Recommendations

Regarding metallurgy, recommendations include the following:

- characterization studies on RVM, LCM, H1, and NDR representative samples of each project are necessary. These studies should include beside the regular chemical analyses; screen assays, mineralogical, and QEMSCAN studies. These last studies should concentrate on dolomite and carbonate minerals with special detail on their morphology, primary particles size, and crystal structure.
- optimization studies on horizontal scrubbing should be carried out not only taking into consideration particle-particle interactions, but also rheological behavior. The purpose should be to maximize dolomite and fine silica rejection.
- crushing of the +1.375-inch material (+34,925 μm) should be revisited. Apparently, the use of bed-comminution mechanism instead of impact mode should be explored to take advantage of selective comminution of dolomite.
- attrition scrubbing and optimization studies of this unit operation on the -0.375-inch size fraction (-9,525 μm) should be conducted to determine if rejection of dolomite and SiO₂ may be sufficient using attrition scrubbing to upgrade the washed product to specs (>30% P₂O₅ and < 0.60% MgO).
- improve process control for the Wash Plant should be considered. For example, it could include moisture determination (using microwaves or infrared) with the weight meters for both the phosphate feed and the washed product, continuously measuring dry Tons. In addition, solids content or density meters of the tailings stream (overflow of the Krebs gMax-20 hydrocyclones) should be considered in conjunction with chemical analysis to determine tailings P₂O₅ losses. This tailings controls should be complemented with pump flowmeters.
- develop the adequate procedure for the flotation feed preparation based on optimized results of the horizontal scrubbing, crushing, and attrition scrubbing studies. For this purpose, sizing must be investigated at the corresponding cutting meshes, as determined by the characterization studies, before and after classification at 325 mesh (44 μm). Thus, the actual size fraction to be submitted to flotation could be determined.
- if flotation is required, grinding of the 0.375 inch x 48-mesh size fraction (9525x300 μm) to minus 48 mesh (300 μm) must be studied to define the grinding parameters and best operating conditions.
- flotation studies at the required size fraction should be carried out. These studies should include reagents types and dosages necessary, pH, solids content, conditioning techniques, and flotation cell types and operating conditions.
- pilot plant tests for H1 and NDR Phosphate Ores must be considered once the final flowsheet is determined.

6. DIVIDENDS

Over the three most recently completed financial years (2019-2021), 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 restricted under the Company's debt agreements unless the applicable lenders provide the prior written consent. 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 restrictions under the aforementioned debt agreements.

7. DESCRIPTION OF CAPITAL STRUCTURE

The Company's authorized share capital consists of up to 5,000,000,000 shares, including up to 4,000,000,000 shares of common stock and up to 1,000,000,000 shares of preferred stock, each with a par value of 0.00001 US Dollars per share.

As at December 31, 2021, the Company had 186,814,842 shares of common stock and no shares of preferred stock issued and outstanding.

Shareholders are entitled to one vote per share at meetings of shareholders. Shareholders would be entitled to receive dividends if, as and when declared by the Company's Board of Directors, subject to restrictions under the Company's debt agreements (see Section 6). Shareholders would also be entitled to share ratably in any distribution of assets by the Company upon liquidation, dissolution or wind-up, after satisfaction of all debts and other liabilities. The Company's shares are not subject to any exchange, conversion, exercise, redemption, retraction, surrender or similar rights or restrictions.

The Company's Certificate of Incorporation authorizes the Company's Board of Directors to issue one or more series of preferred stock and, with respect to each such series, to fix the number of shares constituting such series and the designation of such series, the voting powers, if any, of the shares of such series, and the preferences and relative, participating, optional, or other special rights, if any, and any qualifications, limitations, or restrictions thereof, of the shares of such series (see Section 4). As at December 31, 2021, the Company's Board of Directors has not issued any series of preferred stock.

8. MARKET FOR SECURITIES

The Company's shares trade on the TSX Venture Exchange ("TSX-V") under the ticker symbol "IFOS".

For the year ended December 31, 2021, The Company's monthly high and low trading prices and volume of the shares traded on the TSX-V were as follows:

<i>(TSX-V: IFOS)</i>	High (C\$/share)	Low (C\$/share)	Volume
January 2021	0.75	0.24	415,431
February 2021	0.83	0.46	340,919
March 2021	0.80	0.57	142,759
April 2021	0.77	0.61	220,444
May 2021	1.24	0.70	453,018
June 2021	1.70	1.10	233,720
July 2021	1.90	1.25	230,484
August 2021	1.60	1.15	183,494
September 2021	1.48	1.05	848,045
October 2021	1.40	1.17	157,659
November 2021	1.60	1.14	815,786
December 2021	1.61	1.38	2,528,678

9. ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

To the Company's knowledge, there are no securities of the Company that are subject to escrow or contractual restrictions on transfer.

10. DIRECTORS AND OFFICERS

NAME, OCCUPATION AND SECURITY HOLDING

As at December 31, 2021, the Company's directors were as follows:

Name and Residence	Director Since	Current Principal Occupation(s)	Prior Principal Occupation(s) During the Preceding Five Years (2017-2021)
Anthony Cina ⁱ Ontario, Canada	2015	Corporate Director and Board Advisor	Corporate Director and Board Advisor; Senior Vice President at Yamana Gold Inc. ("Yamana")
Ricardo De Armas ⁱⁱ Minnesota, US	2020	Managing Director at Castlelake	Same as current
G. David Delaney Illinois, US	2017	Chief Executive Officer of the Company	Chief Executive Officer of the Company; Chief Commercial Officer at Farmer's Business Network Inc. ("FBN"); Director at FBN; Strategic Advisor for Paine & Partners, LLC (now Paine Schwartz Partners); General Manager at Augusta Sulfate
Evgenij Iorich ⁱⁱⁱ Zug, Switzerland	2017	Managing Partner at Pala	Same as current
Rory O'Neill Minnesota, US	2020	Chief Executive Officer and Managing Partner at Castlelake	Same as current
Elena Viyella De Paliza ^{iv} Santo Domingo, Dominican Republic	2021	President and Chair of the boards of InterQuimica, S.A., Monte Rio Power Corp., Jaraba Import, S.A. and Imdomaca, S.A.	President and Chair of the boards of InterQuimica, S.A., Monte Rio Power Corp., Jaraba Import, S.A. and Imdomaca, S.A.; Corporate Director at Potash Corporation of Saskatchewan Inc. ("PotashCorp")
Ron Wilkinson ^v British Columbia, Canada	2018	Corporate Director and Board Advisor	Corporate Director and Board Advisor; Consultant

- i. Chairman of the Board of Directors and Audit Committee and Member of the Governance and Nominating Committee.
- ii. Member of the Audit Committee and Compensation Committee.
- iii. Member of the Compensation Committee.
- iv. Member of the Audit Committee and Governance and Nominating Committee.
- v. Chairman of the Compensation Committee and Governance and Nominating Committee and Member of the Audit Committee.

The Company's directors hold office until the next annual general and special meeting of members of the Company or until their successors are elected or appointed.

As at December 31, 2021, the Company's officers were as follows:

Name and Residence	Current Position(s) with the Company	Prior Principal Occupation(s) During the Preceding Five Years (2017-2021)
G. David Delaney Illinois, US	Chief Executive Officer	Chief Executive Officer of the Company; Chief Commercial Officer at FBN; Director at FBN; Strategic Advisor for Paine & Partners, LLC (now Paine Schwartz Partners); General Manager at Augusta Sulfate
David Brush Illinois, US	Chief Strategy Officer	Chief Strategy Officer of the Company; Managing Director at Idris Capital
George Burdette Texas, US	Chief Financial Officer	Chief Financial Officer of the Company; Director, Project Finance at First Solar
Dr. Wynand Van Dyk Texas, US	VP Engineering, R&D and Development	VP Engineering, R&D and Development of the Company; Director and Process Consultant at Arete Consultants
Tim Vedder Idaho, US	VP Operations, General Manager of Conda	VP Operations, General Manager of Conda; Plant Manager and Vice President at Nu-West Industries Inc., a subsidiary of Agrium
Fernando Planchart Padula Texas, US	Corporate Secretary and General Counsel	Same as current

As at December 31, 2021, the Company's directors and officers, as a group, beneficially owned, or controlled or directed, directly or indirectly, 138,574,980 shares of the Company, representing approximately 74.2% of the issued and outstanding shares on an undiluted basis. The number of shares beneficially owned, or controlled or directed, directly or indirectly, by the Company's directors and officers, as a group, includes shares beneficially owned and controlled by CLF, Pala and Cina & Associates Inc.

As at December 31, 2021, CLF beneficially owned and controlled 124,961,722 shares of the Company. Castllake serves as the investment manager to the funds holding 100% of the membership interest in CLF. Mr. O'Neill, by virtue of his position as Chief Executive Officer and Managing Partner at Castllake, may be deemed to exercise control or direction over the shares beneficially owned and controlled by CLF.

As at December 31, 2021, Pala beneficially owned and controlled 12,152,566 shares of the Company. Mr. Iorich, by virtue of his position as Managing Partner at Pala, may be deemed to exercise control or direction over the shares beneficially owned and controlled by Pala.

As at December 31, 2021, Cina & Associates Inc. beneficially owned and controlled 1,300 shares of the Company. Mr. Cina, by virtue of his position as President at Cina & Associates Inc., may be deemed to exercise control or direction over the shares beneficially owned and controlled by Cina & Associates Inc.

CORPORATE CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

As at December 31, 2021, no director or executive officer of the Company is, or has been within the last 10 years, a director, chief executive officer or chief financial officer of any company (including the Company) that was subject to a cease trade or similar order, or an order that denied the company access to any exemption under securities legislation, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or was subject to a cease trade or similar order, or an order that denied the company access to any exemption under securities legislation, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer, that was in effect for a period of more than 30 consecutive days.

In early 2015, in light of the Company's financial constraints at the time, the Company undertook a strategic review process. This process ultimately led to the Company pursuing completion of a recapitalization transaction in 2016 (the "Recapitalization") under an amended and restated plan of compromise and arrangement under the Companies' Creditors

Arrangement Act (Canada) and an extrajudicial restructuring proceeding in Brazil. Mr. Cina was a director of the Company when the Company pursued the Recapitalization. The Company completed the Canadian portion of the Recapitalization on October 27, 2016 and the Brazilian portion of the Recapitalization on March 31, 2017.

Other than Mr. Cina, who was a director of the Company during the Recapitalization, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to materially affect control of the Company, is as of the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to the bankruptcy or insolvency or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

- any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

CONFLICTS OF INTEREST

To the best of the Company's knowledge, and other than as disclosed herein, there are no known existing or potential material conflicts of interest between the Company and any directors or officers of the Company, except that certain of the directors and officers serve as directors, officers, promoters and members of management of other public or private companies, and therefore, it is possible that a conflict may arise between their duties as a director or officer of the Company and their duties as a director, officer, promoter or member of management of such other companies.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest, and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the CBCA and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

11. PROMOTER

During the two most recently completed financial years (2020-2021), no person or company has been a promoter of the Company.

12. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

During the most recently completed financial year (2021), the Company was not a party to, nor was any of its property the subject of, any legal proceedings or regulatory actions that involve a material claim for damages within the meaning of applicable securities legislation.

13. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

During the three most recently completed financial years (2019-2021), other than as described in Sections 4, 8 and 9, none of the directors, executive officers or persons or companies who beneficially own, or control or direct, directly or indirectly, more than 10% of any class of outstanding voting securities of the Company, nor any associate or affiliate of the foregoing persons, has or has had any material interest, direct or indirect, in any transaction that has materially affected or is reasonably expected to have a material effect on the Company.

14. TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is TSX Trust Company located in Toronto, Ontario, Canada.

15. MATERIAL CONTRACTS

During the most recently completed financial year (2021), there are no material contracts, other than contracts entered into in the ordinary course of business, that are material to the Company and that were entered into by the Company, or were entered into prior thereto that are still in effect other than as follows:

- the Investor Rights Agreement dated March 8, 2017, between Pala and the Company, pursuant to which, among other things, the Company granted Pala the right to designate one nominee to the Company's Board of Directors provided that Pala holds 5.0% or more of the Company's outstanding shares, on an undiluted basis; and
- the APA dated November 6, 2017, between Agrium, a wholly-owned subsidiary of Nutrien, the Company and certain subsidiaries of the aforementioned parties, pursuant to which, among other things, the Company acquired assets relating to the Conda phosphate operations, entered into long-term strategic supply and off-take agreements and allocated certain environmental and asset retirement obligation liabilities, which are still in effect (see Environmental Protection and Asset Retirement Obligations Risks in Section 5).

16. INTEREST OF EXPERTS

TECHNICAL INFORMATION

The Qualified Persons, as defined by NI 43-101, that reviewed and approved the technical information contained in the Conda Technical Report are as follows:

- Edward Minnes, Professional Engineer (P.E.) licensed by the State of Missouri, US and Registered Member of the Society for Mining, Metallurgy and Exploration Inc.;
- Jerry DeWolfe, Professional Geologist (P.Geo.), member in good standing of the Association of Professional Engineers and Geoscientists of Alberta (APEGA), the Association of Professional Engineers and Geoscientists of British Columbia (APEGBC), and the Association of Professional Geoscientists of Ontario (APGO);
- Jennifer Simper, Professional Geologist (P.Geo.), member in good standing of the Association of Professional Engineers and Geoscientists of Alberta (APEGA);
- Mitchel J. Hart, Professional Engineer (P.E.), licensed by the State of Idaho, US and member of the Society of Mining, Metallurgy and Exploration (SME); and
- Dr. Francisco J. Sotillo, Qualified Person (Q.P.) licensed by the Professional Institute of Engineers of Peru, member of the Society of Mining, Metallurgy and Exploration, Inc., member of the Mining and Metallurgical Society of America as a QP Member in Metallurgy/Processing.

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 AIF 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 Golder 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 AIF regarding Mineral Reserves for Conda and Farim is Edward Minnes, Professional Engineer (P.E.) licensed by the State of Missouri. Mr. Minnes is a full-time employee of Golder 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 AIF 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.

None of the aforementioned persons received, directly or indirectly, any shares of the Company in connection with the preparation of the Conda Technical Report. As at December 31, 2021, the aforementioned persons beneficially owned and controlled less than one percent of the issued and outstanding shares of the Company.

None of the aforementioned persons, nor any directors, officers or employees of such the aforementioned firms is currently expected to be elected, appointed or employed as a director, officer or employee of the Company or its subsidiaries.

FINANCIAL STATEMENTS

The Company's auditor is PricewaterhouseCoopers LLP ("PwC"). PwC has advised that they are independent with respect to the Company within the meaning of the Chartered Professional Accountants of Ontario CPA Code of Professional Conduct.

17. ADDITIONAL INFORMATION

A copy of this AIF and additional information relating to the Company is available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.itafos.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, as applicable, is contained in the Circular, which is available under the Company's profile on SEDAR at www.sedar.com.

Additional financial information is provided in the Company's Consolidated Financial Statements, the 2021 Annual MD&A and the 2020 Annual MD&A, which are available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.itafos.com.

18. AUDIT COMMITTEE

OVERVIEW

The Audit Committee of the Company (the "Committee") is responsible for monitoring the Company's systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents and monitoring the performance and independence of the Company's external auditors. The Committee is also responsible for reviewing the Company's audited annual financial statements, unaudited quarterly financial statements and management's discussion and analysis of financial results of operations for both annual and interim financial statements and review of related operations prior to their approval by the Company's Board of Directors.

The Committee's charter sets out its responsibilities and duties, qualifications for membership, procedures for committee member removal and appointment and reporting to the Company's Board of Directors (see EXHIBIT A - CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS).

The Company is a "venture issuer" pursuant to relevant securities legislation. As such, the Company is relying on the exemption in Section 6.1 of National Instrument 52-110 – Audit Committees ("NI 52-110") from the Audit Committee composition requirements of Part 3 and the reporting obligations of Part 5 of NI 52-110. At no time since the commencement of the Company's most recently completed fiscal year ended December 31, 2021, has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-Audit Services), or the exemptions in Section 6.1.1 of NI 52-110 with respect to composition of an audit committee of a venture issuer (Circumstance Affecting the Business or Operations of the Venture Issuer, Events Outside Control of Member and Death, Incapacity or Resignation), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

COMPOSITION

As at December 31, 2021, the members of the Committee were Anthony Cina, Ricardo De Armas, Ronald Wilkinson and Elena Viyella de Paliza. Each member of the Committee is “financially literate” and, other than Mr. De Armas (who is a CLF designee), each member of the Committee is “independent” as such terms are defined in National Instrument 52-110 - Audit Committees.

RELEVANT EDUCATIONAL EXPERIENCE

Each member has numerous years’ business experience and has been called upon to analyze financial statements. Each member has held or currently holds positions that required oversight and understanding of the accounting principles underlying the preparation of the Company’s financial statements and is aware of the internal controls and other procedures necessary for financial control and reporting. Additionally, each member is able to read and understand financial statements that present a breadth and level of complexity at accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the financial statements of the Company.

The particular education and experience of each of the members of the Committee is described below.

Anthony Cina

Mr. Cina has over 30 years’ experience in accounting, finance and tax-related matters and has extensive experience in the mining industry. Mr. Cina is a corporate director on various boards and has been a director and board advisor to various mining and technology-related public and private companies. Prior to these roles, Mr. Cina served in several senior executive roles with mining companies, most recently as Senior Vice President, Business Administration at Yamana. Prior to joining Yamana, Mr. Cina was Chief Financial Officer of Itafos. Mr. Cina is a Chartered Accountant and Chartered Professional Accountant and received the ICD.D designation from the Institute of Corporate Directors. Mr. Cina holds a Bachelor of Commerce degree from the University of Toronto.

Ricardo De Armas

Mr. De Armas is a Managing Director at Castl lake and is part of the Lending team. Previously, Mr. De Armas was part of Castl lake’s Special Situations team, focused on investments in emerging markets. Prior to joining Castl lake, Mr. De Armas held a senior investment role at an opportunistic family office, where he focused on deep value investments, restructuring and financial advisory. Prior to that, Mr. De Armas was a principal at a private investment firm, where he focused on special situations investments in emerging markets. Earlier in his career, Mr. De Armas was an associate with Citigroup in the Latin America investment banking group, where he advised companies in a wide range of industry sectors on financial and strategic matters. Mr. De Armas holds a Bachelor of Science in business administration from Universidad Metropolitana and a Master of Business Administration from Harvard Business School.

Elena Viyella de Paliza

Ms. Viyella de Paliza has over 30 years’ experience in the fertilizer, power and chemical sectors. Ms. Viyella de Paliza is President and Chair of the boards of InterQuímica, S.A., Monte Rio Power Corp., Jaraba Import, S.A. and Imdomaca, S. A. Earlier in her career, Ms. Viyella de Paliza held various positions of increasing responsibility at Fertilizantes Santo Domingo S.A., InterQuímica S.A. and Sacos Agroindustriales S.A. Ms. Viyella de Paliza is a member of the Group of Fifty and has served on numerous boards, including PotashCorp, the Inter-American Dialogue, the Dominican National Agribusiness Board, and several leading universities and non-profit organizations in the Dominican Republic. Ms. Viyella de Paliza is a Chartered Accountant and Chartered Professional Accountant. Ms. Viyella de Paliza holds a Bachelor of Science in Accounting and a Doctorate Honoris Causa in Business and Economics from Universidad APEC.

Ronald Wilkinson

Mr. Wilkinson retired from Agrium after a career spanning 40 years in the fertilizer industry. Mr. Wilkinson served as Senior Vice President and President of Agrium's Wholesale Business Unit from 2004 through 2015 where he was responsible for manufacturing operations for 12 production sites, along with the associated supply chain, sales, marketing and distribution. Prior to this role, Mr. Wilkinson held various positions of increasing responsibility with Agrium, Viridian Inc., Sherritt International Corporation, Imperial Oil Ltd. and Exxon Mobil Corporation. Mr. Wilkinson currently serves on the board of Sulvaris Inc. and previously served on numerous boards, including the Canadian Fertilizer Institute, Canpotex, Fertoz Ltd. and Profertil S.A. Mr. Wilkinson holds a Bachelor of Science in chemical engineering from the University of Alberta.

PRE-APPROVAL POLICIES AND PROCEDURES

The Committee's charter sets out responsibilities regarding the provision of non-audit services by the Company's external auditors. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and requires Committee pre-approval of permitted audit and audit-related services.

EXTERNAL AUDIT SERVICE FEES

For the years ended December 31, 2021 and 2020, the external audit service fees billed by the Company's external auditors were as follows:

<i>(in thousands of US Dollars)</i>	<i>For the years ended December 31,</i>	
	2021	2020
Audit fees	494	466
Tax fees	81	48
Other fees	7	7
External audit service fees	\$ 581	\$ 521

EXHIBIT A - CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The Company's Audit Committee Charter is reproduced below.

Purpose and Scope

The Audit Committee (the "Committee") is a committee of the Board of Directors of Itafos (the "Company"). The primary function of the Committee is to assist the Board of Directors in fulfilling its financial reporting and controls responsibilities to the shareholders of the Company and to the investment community. The external auditors will report directly to the Committee. The Committee's primary duties and responsibilities are:

- overseeing the integrity of the Company's financial statements and reviewing the financial reports and other financial information provided by the Company to any governmental body or the public;
- recommending the appointment and reviewing and appraising the audit work of the Company's independent auditor, overseeing the independent auditor's qualifications and independence and providing an open avenue of communication among the independent auditor, senior management, the financial, internal audit and reporting team, and the Board of Directors;
- serving as an independent and objective party to oversee and monitor the Company's financial reporting process and internal controls, its processes to manage financial risk, and its compliance with legal, ethical and regulatory requirements; and
- encouraging continuous improvement of, and fostering adherence to, the Company's policies, procedures and practices at all levels.

Composition and Meetings

The Committee shall be composed of at least three directors. Except as otherwise allowed under the rules of the applicable stock exchanges, a majority of the members of the Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company.

All members of the Committee shall, to the satisfaction of the Board of Directors, have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The members of the Committee shall be appointed by the Board of Directors at the annual organizational meeting of the Board of Directors held following the annual meeting of shareholders and shall hold office until the following organizational meeting of the Board of Directors or until their successors shall be duly appointed and qualified. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

The Committee shall meet at least four times annually (and more frequently if circumstances require). The Committee shall meet within 60 days following the end of each of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related Management Discussion & Analysis and shall meet within 120 days following the end of the fiscal year end to review and discuss the audited financial results for the year and related Management Discussion & Analysis prior to their publishing. The Committee shall hold in camera sessions without the presence of management at each meeting.

The Committee may ask members of management or others to attend meetings and provide pertinent information, as necessary. For purposes of performing their responsibilities, members of the Committee shall have full access to all corporate information and shall be permitted to discuss such information with senior employees, officers, independent auditors and legal counsel of the Company. The Committee may engage separate independent counsel and advisors at the expense of the Company, all as it considers to be necessary or advisable to perform its duties and responsibilities.

As part of its job to foster open communication, the Committee should meet at least annually with management and the independent auditor in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. In addition, the Committee, or at least its Chair, should meet with the independent auditor and management quarterly to review the Company's financial statements.

Quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee or such greater number as the Committee shall by resolution determine.

Meetings of the Committee shall be held from time to time and at such place as the Committee or the Chair of the Committee shall determine upon 48-hour notice to each of members. The notice period may be waived by a quorum of the Committee. Each of the Chair of the Committee, a member of the Committee, Chair of the Board of Directors, independent auditors, Chief Executive Officer, Chief Financial Officer or Secretary shall be entitled to request that the Chair of the Committee call a meeting which shall be held within 48 hours of receipt of such request.

Responsibilities and Duties

To fulfill its responsibilities and duties the Committee shall:

- Create an agenda for the ensuing year.
- Review and update this Charter at least annually, as conditions dictate.
- Describe briefly in the Company's annual report and more fully in the Company's Management Information Circular the Committee's composition and responsibilities and how they were discharged.
- Report periodically to the Board of Directors.
- Ensure minutes of meetings are circulated to directors with sufficient time to allow for directors to review and ensure such minutes are approved by the Committee at the subsequent meeting.

Documents/Reports Review

- Review with management and the independent auditors, the Company's annual and, to the extent that the independent auditors complete interim reviews, interim financial statements, management discussion and analysis and any reports or other financial information to be submitted to any governmental body, or the public, including any certification, report, opinion, or review rendered by the independent auditor for the purpose of recommending their approval to the Board of Directors prior to their filing, issue or publication.
- Review policies and procedures with respect to directors' and officers' expense accounts and management perquisites and benefits, including their use of corporate assets and expenditures related to executive travel and entertainment, and review the results of the procedures performed in these areas, if any, by a third-party independent advisor.

Independent Auditor

- Recommend the selection of the independent auditor to the Board of Directors, consider the independence and effectiveness of the independent auditor (including any required rotation of the audit partners), and approve the fees and other compensation to be paid to the independent auditor.
- Monitor the relationship between management and the independent auditor, including reviewing any management letters or other reports of the independent auditor and discussing any material differences of opinion between management and the independent auditor.
- Review and discuss, on an annual basis, with the independent auditor all significant relationships they have with the Company to determine their independence and report to the Board of Directors.
- Review and approve requests for any management consulting engagement to be performed by the independent auditor and be advised of any other study undertaken at the request of management that is beyond the scope of the audit engagement letter and related fees.
- Review the performance of the independent auditor and approve any proposed discharge and replacement of the independent auditor when circumstances warrant. Consider with management and the independent auditor the

rationale for employing accounting/auditing firms other than the principal independent auditor.

- Periodically consult with the independent auditor in the absence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the Company's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.
- Arrange for the independent auditor to be available to the Committee and the full Board of Directors as needed. Ensure that the auditor reports directly to the Committee and is made accountable to the Board of Directors and the Committee, as representatives of the shareholders to whom the auditor is ultimately responsible.
- Oversee the work of the independent auditor engaged for preparing or issuing an audit report or performing other audit, review or attest services.
- Ensure that the independent auditor is prohibited from providing the following non-audit services and determining which other non-audit services the independent auditors are prohibited from providing:
 - bookkeeping or other services related to the accounting records or financial statements of the Company;
 - financial information systems design and implementation;
 - appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
 - actuarial services;
 - internal audit outsourcing services;
 - management functions or human resources;
 - broker or dealer, investment adviser or investment banking services;
 - legal services; and
 - any other services which the Public Company Accounting Oversight Board determines to be impermissible.
- Ensure that it is informed by management or a Committee member and, if needed, by the independent auditor of each non-audit service and pre-approve any permissible non-audit services of the independent auditors, in accordance with applicable legislation. In relation to the pre-approval of permissible non-audit services, adopt specific policies and procedures for the engagement of such services, which detail the non-audit services. Such procedures may be delegated to one or more independent Committee member and must not include delegation of the Committee's responsibilities to management.

Financial Reporting Processes

- In consultation with the independent auditor, review the integrity of the Company's financial and accounting reporting processes, both internal and external.
- Consider the independent auditor's judgments about the quality and appropriateness, not just the acceptability, of the Company's accounting principles and financial disclosure practices, as applied in its financial reporting, particularly about the degree of aggressiveness or conservatism of its accounting principles and underlying estimates and whether those principles are common practices.
- Consider and approve, if appropriate, major changes to the Company's accounting principles and practices as suggested by management with the concurrence of the independent auditor and ensure that the accountants' reasoning is described in determining the appropriateness of changes in accounting principles and disclosure.

Process Improvement

- At least annually obtain and review a report prepared by the independent auditors describing (i) the auditors' internal quality-control procedures and (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors, or by any inquiry of investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the auditor, and any steps taken to deal with any such issues.
- Review and approve hiring of employees or former employees of the past and present independent auditors.
- Establish regular and separate systems of reporting to the Committee by each of management and the independent auditor regarding any significant judgments and accounting estimates made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments and

estimates.

- Review the scope and plans of the independent auditor's audit and reviews prior to the audit and reviews being conducted. The Committee may authorize the independent auditor to perform supplemental reviews or audits as the Committee may deem desirable.
- Following completion of the annual audit and quarterly reviews, if any, review separately with each of management and the independent auditor any significant changes to planned procedures, any difficulties encountered during the audit and reviews, including any restrictions on the scope of work or access to required information and the cooperation that the independent auditor received during the audit and reviews.
- Review any significant disagreements between management and the independent auditor in connection with the preparation of the financial statements.
- Where there are significant unsettled issues, the Committee shall ensure that there is an agreed course of action for the resolution of such matters.
- Review with the independent auditor and management significant findings during the year and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented. This review should be conducted at an appropriate time after implementation of changes or improvements, as decided by the Committee.
- Review activities, organizational structure, and qualifications of the chief financial officer and the staff in the financial area and ensure that matters related to succession planning within the Company are raised for consideration by the full Board of Directors.

Ethical and Legal Compliance

- Review periodically the Company's Code of Ethics and Business Practices and confirm that management has established a system to ensure the requirements per such Code are well designed, being implemented effectively and working in practice. This includes confirming that appropriate actions taken to ensure compliance with the Code of Ethics and Business Practices and reviewing the status, results and resolutions of allegations for violations to such Code.
- Review management's monitoring of the Company's systems in place to ensure that the Company's financial statements, reports and other financial information disseminated to governmental organizations and the public satisfy legal requirements.
- Review, with the Company's counsel, legal and regulatory compliance matters, including corporate securities trading policies, any off-balance sheet structures, and any other matters that could have a significant impact on the Company's financial statements.

Risk Management

- Make inquiries of management and the independent auditors to identify significant financial and control risks and related exposures and assess the steps management has taken to evaluate and respond to (avoid, transfer, minimize or accept) such risk to the Company.

General

- Conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel, accountants and other professionals to assist it in the conduct of any investigation.
- Perform any other activities consistent with this Charter, the Company's articles (or other governing documents) and the governing law, as the Committee or the Board of Directors deems necessary or appropriate.
- Independently or in conjunction with the entire Board of Directors or the Company's Governance and Nominating Committee, perform annual assessment of the effectiveness of the Committee.

Role of Committee Chair

To fulfill the responsibilities and duties as Chair, the Chair of the Committee should:

- provide leadership to the Committee with respect to its functions as described in this Charter and as otherwise may be appropriate, including ensuring that the members of the Committee understand and discharge their duties, fostering ethical and responsible decision making by the Committee and its members and overseeing the operation of the Committee;
- chair meetings of the Committee, unless not present, including in camera sessions, and report to the Board of Directors following each meeting of the Committee on the activities and any recommendations of the Committee;
- set the agenda for each meeting of the Committee, with input from other Committee members, and any other appropriate persons and ensure that the Committee meets at least four times per year and otherwise as considered appropriate;
- develop an annual work plan to track fulfilment by the Committee of its duties under this Charter, monitor performance under the work plan and report to the Committee at each meeting on the status of the work plan;
- act as liaison and maintain communication with the Board of Directors to optimize and coordinate input from directors, and to optimize the effectiveness of the Committee. This includes ensuring that Committee materials are available to any director upon request and reporting to the Board of Directors on all decisions of the Committee at the first meeting of the Board of Directors after each Committee meeting and at such other times and in such manner as the Committee considers advisable;
- together with the Board of Directors, oversee the structure, composition and membership of, and activities delegated to, the Committee from time to time;
- provide to the Committee appropriate information from management to enable the Committee to function effectively and fulfil its mandate;
- ensure that resources and expertise are available to the Committee so that it may function effectively and efficiently (including the retention of any outside appropriately qualified and independent advisors);
- facilitate effective communication between members of the Committee and management, and encourage an open and frank relationship between the Committee and the independent auditor; and
- perform such other duties as may be delegated from time to time to the Chair by the Board of Directors.
