Management's Discussion and Analysis of Operations and Financial Condition
For the three months and years ended December 31, 2021 and 2020
March 24, 2022

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1. INTRODUCTORY NOTES

GENERAL INFORMATION

This management's discussion and analysis of operations and financial condition ("MD&A") 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"). The amounts contained herein are in thousands of US Dollars except for number of shares, per share amounts, number of restricted share units ("RSUs") and as otherwise noted.

Except as otherwise noted, all figures herein are presented in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and Interpretations issued by the International Financial Reporting Interpretations Committee. This MD&A considers both IFRS and certain non-IFRS measures that management considers to evaluate the Company's operational and financial performance. Non-IFRS measures are a numerical measure of a company's performance, that either include or exclude amounts that are not normally included or excluded from the most directly comparable IFRS measures. Management believes that the non-IFRS measures provide useful supplemental information to investors, analysts, lenders and others. In evaluating non-IFRS measures, investors, analysts, lenders and others should consider that non-IFRS measures do not have any standardized meaning under IFRS and that the methodology applied by the Company in calculating such non-IFRS measures may differ among 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 Section 8 of this MD&A.

A copy of this MD&A and additional information relating to the Company is available under the Company's profile on 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 MD&A contains ''forward-looking information" within the meaning of applicable Canadian securities legislation. Management believes that forward-looking information provides useful supplemental information to investors, analysts, lenders and others. In evaluating forward-looking information, investors, lenders and others should consider that forward looking information may not be appropriate for other purposes and are cautioned not to put undue reliance on forward-looking information. Forward-looking information contained in this MD&A is based on the opinions, assumptions and estimates of management set out herein, which management believes are reasonable as at the date the statements are made. Such opinions, assumptions and estimates are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in forward-looking information. Although the Company has attempted to identify crucial factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Cautionary statements regarding forward-looking information and risks and uncertainties affecting forward-looking information are included in Section 9 of this MD&A.

2. GENERAL COMPANY INFORMATION

OVERVIEW

Itafos Inc. (the "Company") is a phosphate and specialty fertilizer company. The Company's businesses and projects are as follows:

- Conda – a vertically integrated phosphate fertilizer business 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 June 30, 2021, the Company was a Cayman Islands corporation. 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. In connection with the redomiciliation, the Company changed its name from Itafos to Itafos Inc. The Company is headquartered in Houston, TX (see Note 1 in the Consolidated Financial Statements).

The Company's shares trade on the TSX Venture Exchange under the ticker symbol "IFOS". The Company's principal shareholder is CL Fertilizers Holding LLC ("CLF"). CLF is an affiliate of Castlelake, L.P., a global private investment firm (see Notes 1, 14 and 24 in the Consolidated Financial Statements).

As at December 31, 2021 and 2020, the Company had 186,814,842 and 185,462,284 shares issued and outstanding, respectively (see Notes 14 and 26 in the Consolidated Financial Statements).

BUSINESSES AND PROJECTS

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

Item	Conda[i]	Arraias[ii]	Farim	Santana	Araxá
Ownership[iii]	100%	98.4%	100%	99.4%	100%
Location	Idaho, US	Tocantins, Brazil	Farim, Guinea-Bissau	Pará, Brazil	Minas Gerais, Brazil
Status	Operating	Sulfuric acid operating; remainder of operations idled	Construction-ready	Maintaining option	Maintaining option
Mineral Reserves[iv]	13.1Mt at avg. 26.6% P_2O_5	Under review	44.0Mt at avg. 30.0% P_2O_5	Under review	Under review
Measured and Indicated Mineral Resources[iv,v]	50.3Mt at avg. 25.5% P_2O_5	79.0Mt at avg. 4.9% P_2O_5	105.6Mt at avg. 28.4% P_2O_5	60.4Mt at avg. 12.0% P_2O_5	6.3Mt at avg. 5.0% Total Rare Earth Oxides ("TREO") and at avg. 1.0% Nb_2O_5
Inferred Mineral Resources[iv,v]	0.7Mt at avg. 25% P_2O_5	12.7Mt at avg. 3.9% P_2O_5	37.6Mt at avg. 27.7% P_2O_5	26.6Mt at avg. 5.6% P_2O_5	21.9Mt at avg. 4.0% TREO and 0.6% Nb_2O_5
Mine life[iv]	Through mid-2026	Under review	25 years	Under review	Under review
Products	MAP, MAP+, SPA, MGA 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. No recovery, dilution or other similar mining parameters have been applied to the technical information summarized above. 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;
- 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;
- Santana – the technical report titled "Feasibility Study (FS) Santana Phosphate Project, Pará State, Brazil" with an effective date of October 28, 2013; and
- Araxá – the technical report titled "A Preliminary Economic Assessment in the form of an Independent Technical Report on MBAC Fertilizer Corp. (MBAC) – Araxá Project, Minas Gerais State, Brazil" with an effective date as of October 1, 2012 as amended and restated as of January 25, 2013.

The Company's latest respective technical reports are available under the Company's profile on SEDAR at www.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 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 in the Company's 2021 Annual Information Form ("AIF").

3. HIGHLIGHTS

OVERALL HIGHLIGHTS

For the three months ended December 31, 2021

Market Highlights

For the three months ended December 31, 2021, diammonium phosphate ("DAP") New Orleans ("NOLA") prices averaged $788/tonne ("t") ($715/short ton ("st")) in Q4 2021 compared to $406/t ($368/st) in Q4 2020, up 94% year-over-year driven by strong agriculture and phosphate fertilizer market supply and demand dynamics.

Financial Highlights

For the three months ended December 31, 2021, the Company's financial highlights were as follows:

- generated revenues of $116,784 in Q4 2021 compared to $75,075 in Q4 2020 primarily due to higher realized prices, partially offset by lower sales volumes at Conda due to a disruption in sulfuric acid supply;
- generated adjusted EBITDA of $47,939 in Q4 2021 compared to $4,803 in Q4 2020 primarily due to the same factors that resulted in higher revenues and lower input costs at Conda (due to lower sales volumes), which were partially offset by higher selling, general and administrative expenses at corporate (see Section 8);
- recorded net income (loss) of $24,280 in Q4 2021 compared to $(9,415) in Q4 2020 primarily due to the same factors that resulted in higher adjusted EBITDA, which were partially offset by higher finance and income tax expenses; and
- recorded basic earnings (loss) of C$0.16/share in Q4 2021 compared to C$(0.07)/share in Q4 2020 primarily due to the same factors that resulted in higher net income.

Business Highlights

For the three months ended December 31, 2021, the Company's business highlights were as follows:

Environmental, health and safety ("EHS")

- continued corporate-wide risk mitigation measures to address potential impacts to employees, contractors and operations as a result of the coronavirus disease 2019 ("COVID-19") pandemic, which resulted in no material impact to operations;
- sustained EHS excellence, including no reportable environmental releases or recordable incidents, which resulted in a consolidated Total Recordable Incident Frequency Rate[1] ("TRIFR") of 0.41; and
- published the inaugural environmental, social and governance ("ESG") report.

Conda

- experienced a disruption in sulfuric acid supply from its primary supplier from the end of September 2021 to mid-November 2021;
- produced 137,628 tonnes at Conda in Q4 2021 compared to 145,665 tonnes in Q4 2020 primarily due to a disruption in sulfuric acid supply;
- generated revenues of $116,784 at Conda in Q4 2021 compared to $75,055 in Q4 2020 primarily due to higher realized prices, which were partially offset by lower sales volumes due to a disruption in sulfuric acid supply;
- generated adjusted EBITDA at Conda of $52,849 in Q4 2021 compared to $7,322 in Q4 2020 primarily due to the same factors that resulted in higher revenues and lower input costs (due to lower sales volumes) (see Section 8);

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

- recorded net income at Conda of $34,914 in Q4 2021 compared to $190 in Q4 2020 primarily due to the same factors that resulted in higher adjusted EBITDA and lower depreciation and depletion, which were partially offset by higher finance and income tax expenses;
- realized a reduction in guarantee requirements from $85,080 to $77,739 as part of standard regulatory reviews by the respective governmental agencies (see Note 21 in the Consolidated Financial Statements);
- placed incremental surety bonds of $10,191 to guarantee Conda's obligations under existing operating and environmental permits (see Note 21 in the Consolidated Financial Statements);
- posted incremental letters of credit of $4,560 under Conda's secured working capital facility (the "Conda ABL") as collateral for surety bonds that guarantee Conda's obligations under existing operating and environmental permits (see Notes 12 and 21 in the Consolidated Financial Statements);
- advanced activities related to the extension of Conda's mine life through permitting and development of Husky 1/North Dry Ridge ("H1/NDR"), including progression of the National Environmental Policy Act ("NEPA") Environmental Impact Statement ("EIS") preparation and public engagement process; and
- advanced activities related to the optimization of Conda's EBITDA generation.

Other

- advanced the recommissioning of the previously idled sulfuric acid plant at Arraias (see Note 26 in the Consolidated Financial Statements); and
- continued evaluation of strategic alternatives for non-North American assets.

For the year ended December 31, 2021

Market Highlights

For the year ended December 31, 2021, DAP NOLA prices averaged $664/t ($602/st) in 2021 compared to $344/t ($312/st) in 2020, up 93% year-over-year driven by strong agriculture and phosphate fertilizer market supply and demand dynamics.

Financial Highlights

For the year ended December 31, 2021, the Company's financial highlights were as follows:

- generated revenues of $413,247 in 2021 compared to $260,185 in 2020 primarily due to higher realized prices at Conda, which were partially offset by lower sales volumes at Conda and lower revenues at Arraias primarily due to completion in 2020 of a program to monetize remaining inventory and raw materials to offset costs;
- generated adjusted EBITDA of $143,425 in 2021 compared to $15,047 in 2020 primarily due to the same factors that resulted in higher revenues and lower costs at Arraias and Farim, which were partially offset by higher input costs at Conda and selling, general and administrative expenses at corporate (see Section 8); and
- recorded net income (loss) of $51,439 in 2021 compared to $(62,306) in 2020 primarily due to the same factors that resulted in higher adjusted EBITDA, lower depreciation and depletion, write-off of mineral properties recorded in 2020 and lower foreign exchange losses, which were partially offset by higher finance and income tax expenses;
- recorded basic earnings (loss) of C$0.35/share in 2021 compared to C$(0.46)/share in 2020 primarily due to the same factors that resulted in higher net income;
- closed a three-year, $205,000 secured term loan (the "Term Loan") (see Note 12 in the Consolidated Financial Statements);
- repaid the existing secured term credit facility (the "Credit Facility") (see Note 12 in the Consolidated Financial Statements); and
- amended the existing unsecured and subordinated promissory note (the "Promissory Note") to cancel the remaining availability and extend the term (see Notes 12 and 24 in the Consolidated Financial Statements).

<u>Business Highlights</u>

For the year ended December 31, 2021, the Company's business highlights were as follows:

EHS

- continued corporate-wide risk mitigation measures to address potential impacts to employees, contractors and operations as a result of the COVID-19 pandemic, which resulted in no material impact to operations;
- sustained EHS excellence, including no reportable environmental releases and three recordable incidents, which resulted in a consolidated TRIFR of 0.41; and
- published the inaugural ESG report.

Conda

- completed a full scope plant turnaround at Conda during June 2021, including certain activities that had been deferred following the Company's decision to conduct a reduced scope plant turnaround in 2020 as part of Company's COVID-19 risk mitigation measures;
- experienced a disruption in sulfuric acid supply from its primary supplier from the end of September 2021 to mid-November 2021;
- produced 536,603 tonnes at Conda in 2021 compared to 516,480 tonnes in 2020 primarily due to a longer disruption in sulfuric acid supply in 2020 than in 2021, which was partially offset by the completion of a full scope plant turnaround at Conda during June 2021 compared to a reduced scope plant turnaround in 2020;
- generated revenues of $413,247 at Conda in 2021 compared to $255,524 in 2020 primarily due to higher realized prices, which were partially offset by lower sales volumes;
- generated adjusted EBITDA at Conda of $160,582 in 2021 compared to $34,336 in 2020 primarily due to the same factors that resulted in higher revenues, which were partially offset by higher input costs (see Section 9);
- recorded net income at Conda of $102,794 in 2021 compared to $2,818 in 2020 primarily due to the same factors that resulted in higher adjusted EBITDA and lower depreciation and depletion, which were partially offset by higher finance and income tax expenses;
- realized an increase in Conda's guarantee requirements from $39,757 to $77,739 as part of standard regulatory reviews by the respective governmental agencies (see Note 21 in the Consolidated Financial Statements);
- placed incremental surety bonds of $37,982 to guarantee Conda's obligations under existing operating and environmental permits (see Note 21 in the Consolidated Financial Statements);
- amended the Conda ABL to increase the commitment amount from $20,000 to $40,000 and extend the term (see Note 12 in the Consolidated Financial Statements);
- posted incremental letters of credit of $21,179 under the Conda ABL as collateral for surety bonds that guarantee Conda's obligations under existing operating and environmental permits (see Notes 12, 21 and 26 in the Consolidated Financial Statements);
- advanced activities related to the extension of Conda's mine life through permitting and development of H1/NDR, including progression of the NEPA EIS preparation and public engagement process; and
- advanced activities related to the optimization of Conda's EBITDA generation.

Other

- completed a redomiciliation from the Cayman Islands to the US (see Note 1 in the Consolidated Financial Statements);
- advanced the recommissioning of the previously idled sulfuric acid plant at Arraias (see Note 26 in the Consolidated Financial Statements); and
- continued evaluation of strategic alternatives for non-North American assets.

Subsequent to December 31, 2021

Subsequent to December 31, 2021, the Company's overall highlights were as follows:

- announced the resumption of sulfuric acid production and sales at Arraias during February 2022. 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 (see Note 26 in the Consolidated Financial Statements);
- reached a settlement with insurers on a business interruption claim related to the 2020 disruption in sulfuric acid supply to Conda, which resulted in receipt of net insurance proceeds of $8,675 (see Note 26 in the Consolidated Financial Statements);
- received national recognition during the 87th North American Wildlife and Natural Resources Conference as the Bureau of Land Management ("BLM") awarded the Conversation Leadership Partner Award to the Southeast Idaho Habitat Mitigation Fund ("SIMF"), which was developed and funded by Conda; and
- posted incremental letters of credit of $3,663 under the Conda ABL as collateral for Conda's surety bonds that guarantee Conda's obligations under existing operating and environmental permits (see Notes 21 and 26 in the Consolidated Financial Statements).

FINANCIAL HIGHLIGHTS

For the three months and years ended December 31, 2021 and 2020, the Company's financial highlights were as follows:

(in thousands of US Dollars	*For the three months ended December 31,*			For the year ended December 31,		
except as otherwise noted)	**2021**	**2020**	**% change**	**2021**	**2020**	**% change**
Revenues	$ 116,784	$ 75,075	56%	$ 413,247	$ 260,185	59%
Gross margin	45,913	(1,787)	n/m	136,875	(16,221)	n/m
Adjusted EBITDA[i]	47,939	4,803	898%	143,425	15,047	853%
Net income (loss)	24,280	(9,415)	n/m	51,439	(62,306)	n/m
Basic earnings (loss) ($/share)	$ 0.13	$ (0.05)	n/m	$ 0.28	$ (0.34)	n/m
Basic earnings (loss) (C$/share)	$ 0.16	$ (0.07)	n/m	$ 0.35	$ (0.46)	n/m
Diluted earnings (loss) ($/share)	$ 0.13	$ (0.05)	n/m	$ 0.27	$ (0.34)	n/m
Diluted earnings (loss) (C$/share)	$ 0.16	$ (0.07)	n/m	$ 0.34	$ (0.46)	n/m
Maintenance capex[i]	$ 3,193	$ 1,520	110%	$ 23,301	$ 7,740	201%
Growth capex[i]	3,151	2,392	32%	11,501	7,419	55%
Total Capex[i]	**$ 6,344**	**$ 3,912**	**62%**	**$ 34,802**	**$ 15,159**	**130%**
Free cash flow[i]	$ 28,848	$ 5,569	418%	$ 71,290	$ (10,269)	n/m

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

For the three months ended December 31, 2021 and 2020, the Company's financial highlights were explained as follows:

Item	Q4 2021 vs Q4 2020
Revenues	Increased primarily due to higher realized prices, which were partially offset by lower sales volumes at Conda due to a disruption in sulfuric acid supply
Adjusted EBITDA	Increased primarily due to the same factors that resulted in higher revenues and lower input costs at Conda (due to lower sales volumes), which were partially offset by higher selling, general and administrative expenses at corporate (see Section 8)
Net income (loss)	Increased primarily due to the same factors that resulted in higher adjusted EBITDA, which were partially offset by higher finance and income tax expenses
Basic earnings (loss) (C$/share)	Increased primarily due to the same factors that resulted in higher net income
Maintenance capex	Increased primarily due to timing of projects at Conda and the sulfuric acid restart at Arraias (see Section 8)
Growth capex	Increased primarily due to activities related to the initiative to produce and sell HFSA (see Section 8)
Free cash flow	Increased primarily due to higher cash flows from operating activities due to same factors that resulted in higher EBITDA, which were partially offset by higher working capital requirements and income tax payments (see Section 8)

For the years ended December 31, 2021 and 2020, the Company's financial highlights were explained as follows:

Item	YTD 2021 vs YTD 2020
Revenues	Increased primarily due to higher realized prices at Conda, which were partially offset by lower sales volumes at Conda and lower revenues at Arraias primarily due to completion in 2020 of a program to monetize remaining inventory and raw materials to offset costs
Adjusted EBITDA	Increased primarily due to the same factors that resulted in higher revenues and lower costs at Arraias and Farim, which were partially offset by higher input costs at Conda and selling, general and administrative expenses at Corporate (see Section 8)
Net income (loss)	Increased primarily due to the same factors that resulted in higher adjusted EBITDA, lower depreciation and depletion, write-off of mineral properties recorded in 2020 and lower foreign exchange losses, which were partially offset by higher finance and income tax expenses
Basic earnings (loss) (C$/share)	Increased primarily due to the same factors that resulted in higher net income
Maintenance capex	Increased primarily due to the completion of a full scope turnaround at Conda during June 2021 compared to a reduced scope turnaround in 2020 and the sulfuric acid restart at Arraias (see Section 8)
Growth capex	Increased primarily due to activities related to the initiative to produce and sell HFSA (see Section 8)
Free cash flow	Increased primarily due to higher cash flows from operating activities due to same factors that resulted in higher EBITDA, which were partially offset by higher income tax payments and cash maintenance capex (see Section 8)

As at December 31, 2021 and 2020, the Company's financial highlights were as follows:

	As at December 31,		%
(in thousands of US Dollars)	**2021**	**2020**	**change**
Total assets	$ 633,853	$ 477,304	33%
Total liabilities	499,248	394,881	26%
Net debt[i]	217,706	233,926	(7)%
Adjusted net debt[i]	174,092	166,335	5%
Total equity	134,605	82,423	63%

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

As at December 31, 2021 and 2020, the Company's financial highlights were explained as follows:

Item	December 31, 2021 vs December 31, 2020
Total assets	Increased primarily due to higher cash and cash equivalents, accounts receivable, inventories and property, plant and equipment (due to placement into service of phosphogypsum stack 3 at Conda), which were partially offset by lower other current and other non-current assets
Total liabilities	Increased primarily due to higher environmental and asset retirement obligations ("ARO") (due to placement into service of phosphogypsum stack 3 at Conda)
Net debt	Decreased primarily due to higher cash and cash equivalents (see Section 8)
Adjusted net debt	Increased primarily due to lower related party debt following the repayment of the Credit Facility, which was partially offset by higher cash and cash equivalents (see Section 8)
Total equity	Increased primarily due to net income recorded during the period

BUSINESS HIGHLIGHTS

Conda

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 months ended December 31, 2021, Conda sustained EHS excellence with no reportable environmental releases or recordable incidents, which resulted in a TRIFR of 0.50. For the year ended December 31, 2021, Conda sustained EHS excellence with no reportable environmental releases and three recordable incidents, which resulted in a TRIFR of 0.50.

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 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.

Plant Turnaround

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 COVID-19 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.

2021 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 September 28, 2021, Rio Tinto announced that it had declared force majeure on shipments of copper cathode and sulfuric acid from its Kennecott mine after the smelter was shut down on September 21, 2021 following a release of molten copper materials. On November 18, 2021, the Company announced the resumption of sulfuric acid supply to Conda from Rio Tinto’s Kennecott mine. Following the resumption of sulfuric acid supply, Conda returned to full production capacity. To mitigate the adverse effects of the disruption, Conda procured additional sulfuric acid volumes from other third party producers.

Business Highlights

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

(in thousands of US Dollars except as otherwise noted)	*For the three months ended December 31,* 2021	2020	% change	*For the year ended December 31,* 2021	2020	% change
Production volumes (tonnes)						
MAP	76,217	92,253	(17)%	292,296	323,032	(10)%
MAP+	7,108	5,515	29%	69,779	19,834	252%
SPA[ii]	36,085	37,749	(4)%	139,835	137,619	2%
MGA[ii]	187	—	n/m	576	763	(25)%
APP	18,031	10,148	78%	34,117	35,232	(3)%
Production volumes (tonnes)	**137,628**	**145,665**	**(6)%**	**536,603**	**516,480**	**4%**
Production volumes (tonnes P_2O_5)[i]	**84,808**	**91,322**	**(7)%**	**331,219**	**326,073**	**2%**
Sales volumes (tonnes)						
MAP	67,769	88,417	(23)%	287,652	336,010	(14)%
MAP+	10,931	10,121	8%	61,635	26,131	136%
SPA[ii]	29,907	31,281	(4)%	129,257	124,789	4%
MGA[ii]	187	—	n/m	576	763	(25)%
APP	15,295	12,386	23%	30,199	36,140	(16)%
Sales volumes (tonnes)	**124,089**	**142,205**	**(13)%**	**509,319**	**523,833**	**(3)%**
Sales volumes (tonnes P_2O_5)[i]	**74,797**	**85,416**	**(13)%**	**313,717**	**322,756**	**(3)%**
Realized price ($/tonne)[iii]						
MAP	$ 730	$ 400	82%	$ 606	$ 334	81%
MAP+	$ 754	$ 469	61%	$ 641	$ 402	59%
SPA[ii]	$ 1,635	$ 933	75%	$ 1,392	$ 925	50%
MGA[ii]	$ 1,717	$ —	n/m	$ 1,497	$ 971	54%
APP	$ 643	$ 461	40%	$ 612	$ 457	34%
Revenues ($)						
MAP	$ 49,491	$ 35,409	40%	$ 174,424	$ 112,301	55%
MAP+	$ 8,242	$ 4,749	74%	$ 39,536	$ 10,509	276%
SPA	$ 48,890	$ 29,186	68%	$ 179,932	$ 115,449	56%
MGA	$ 321	$ —	n/m	$ 862	$ 741	16%
APP	$ 9,840	$ 5,711	72%	$ 18,493	$ 16,524	12%
Revenues	**$ 116,784**	**$ 75,055**	**56%**	**$ 413,247**	**$ 255,524**	**62%**
Revenues per tonne P_2O_5[i, iii]	**$ 1,561**	**$ 879**	**79%**	**$ 1,317**	**$ 792**	**66%**
Cash costs[iii]	**$ 63,159**	**$ 67,141**	**(6)%**	**$ 248,512**	**$ 217,858**	**14%**
Cash costs per tonne P_2O_5[i, iii]	**$ 844**	**$ 786**	**7%**	**$ 792**	**$ 675**	**17%**
Cash margin[iii]	**$ 53,625**	**$ 7,914**	**578%**	**$ 164,735**	**$ 37,666**	**337%**
Cash margin per tonne P_2O_5[i, iii]	**$ 717**	**$ 93**	**671%**	**$ 525**	**$ 117**	**350%**
Adjusted EBITDA[iii]	$ 52,849	$ 7,322	622%	$ 160,582	$ 34,336	368%
Maintenance capex[iii]	$ 1,924	$ 1,517	27%	$ 21,986	$ 7,737	184%
Growth capex[iii]	$ 3,113	$ 1,244	150%	$ 10,324	$ 6,349	63%
Total capex[iii]	**$ 5,037**	**$ 2,761**	**82%**	**$ 32,310**	**$ 14,086**	**129%**

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

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

Item	Q4 2021 vs Q4 2020
Production volumes	Decreased primarily due to a disruption in sulfuric acid supply
Sales volumes	Decreased primarily due to a disruption in sulfuric acid supply
Revenues	Increased primarily due to higher realized prices, which were partially offset by lower sales volumes due to a disruption in sulfuric acid supply
Cash margin per tonne P_2O_5	Increased primarily due to the same factors that resulted in higher revenues and lower cash costs due to the same factors that resulted in lower sales volumes, however, cash costs per tonne of P_2O_5 increased year over year due to higher input costs per tonne of product sold (see Section 8)
Adjusted EBITDA	Increased primarily due to the same factors that resulted in higher revenues and lower input costs (due to lower sales volumes) (see Section 8)
Maintenance capex	Increased primarily due to timing differences (see Section 8)
Growth capex	Increased primarily due to activities related to the initiative to produce and sell HFSA (see Section 8)

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

Item	YTD 2021 vs YTD 2020
Production volumes	Increased primarily due to a longer disruption in sulfuric acid supply in 2020 than in 2021, which was partially offset by the completion of a full scope plant turnaround during June 2021 compared to a reduced scope plant turnaround in 2020
Sales volumes	Decreased primarily due to timing differences
Revenues	Increased primarily due to higher realized prices, which were partially offset by lower sales volumes
Cash margin per tonne P_2O_5	Increased primarily due to the same factors that resulted in higher revenues, which were partially offset by higher input costs (see Section 8)
Adjusted EBITDA	Increased primarily due to the same factors that resulted in higher revenues, which were partially offset by higher input costs (see Section 8)
Maintenance capex	Increased primarily due to the completion of a full scope turnaround during June 2021 compared to a reduced scope turnaround in 2020 (see Section 8)
Growth capex	Increased primarily due to activities related to the initiative to produce and sell HFSA (see Section 8)

Insurance Settlement

Subsequent to December 31, 2021, 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.

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.

For the three months ended December 31, 2021, Conda realized a reduction in guarantee requirements from $85,080 to $77,739 as part of standard regulatory reviews by the respective governmental agencies. For the year ended December 31, 2021, Conda realized an increase in guarantee requirements from $39,757 to $77,739 as part of standard regulatory reviews by the respective governmental agencies.

For the three months and year ended December 31, 2021, Conda placed incremental surety bonds of $10,191 and $37,982, respectively, for its guarantee requirements. As at December 31, 2021, Conda had surety bonds in place for the full amount of its $77,739 guarantee requirements.

For the three months and year ended December 31, 2021, Conda posted incremental letters of credit of $4,560 and $21,179, respectively, under the Conda ABL as collateral for its surety bonds. As at December 31, 2021, Conda had posted letters of credit of $29,130 and $7,951 under the Conda ABL as collateral for its surety bonds, respectively.
Subsequent to December 31, 2021, Conda posted incremental letters of credit of $3,663 under the Conda ABL as collateral

for its surety bonds, increasing the total amount of letters of credit posted under the Conda ABL to $32,793 (see Notes 12, 21 and 26 in the Consolidated Financial Statements).

Amendment to Conda ABL

On August 25, 2021 and in connection with the closing of the Term Loan, 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.

The key terms of the amendment to the Conda ABL are as follows:

- commitment size increased from $20,000 to $40,000;
- term extended from August 7, 2023 to the earlier of August 25, 2024 and 91 days before the maturity of the Term Loan (if the Term Loan is outstanding on such date);
- collateral expanded from accounts receivable, inventory and cash pledged by Conda to include a second lien on all other assets of the Company and the Guarantors; and
- other modifications to conform terms and conditions with the Term Loan.

Other key terms of the Conda ABL, including the interest rate, were not amended (see Note 12 in the Consolidated Financial Statements).

Mine Life Extension

As at December 31, 2021, Conda's Mine life timeline is as follows:

Mine[1]	Phase	2022	2023	2024	2025	2026
Rasmussen Valley	**Mining**					
H1/NDR	Permitting					
	Drilling and Mineral Reserve definition					
	Development					
	Mining					

i. Lanes Creek reached end of mine life in 2020

For the three months and year ended December 31, 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 NEPA 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.

As at December 31, 2021, the Company has advanced activities related to extending Conda's mine life through permitting and development of H1/NDR as follows:

Area	Status	Highlights
Permitting	Ongoing	▪ Secured federal phosphate leases ▪ Advancing permitting process, including achievement of various permitting milestones (see below H1/NDR key permitting milestones)
Drilling and Mineral Reserve definition	Ongoing	▪ Completed the Conda Technical Report, which concluded expected mine life through mid-2026 (considering resources and reserves from existing mines Rasmussen Valley and Lanes Creek, which represent an additional one and a half to two years of mine life over Conda's historical internal estimates) and which defined H1/NDR as the Company's path forward for mine life extension (considering resources from H1/NDR, which represent a 60% increase over Conda's historical internal estimates) ▪ Completed 346 drill holes for H1 and 303 drill holes for NDR ▪ Conducting metallurgical testing on core samples gathered from H1 drilling ▪ Developing 2022 drilling strategy
Development	Ongoing	▪ Completed environmental baselines ▪ Completed geotechnical slope stability analysis ▪ Continuing surface water and groundwater monitoring ▪ Completed groundwater fate and transport modeling ▪ Advancing stormwater management plan ▪ Advancing metallurgy analysis ▪ Advancing analysis of existing and new infrastructure

As at December 31, 2021, the Company has advanced H1/NDR key permitting milestones as follows:

Key Milestones	Status
Submit Mine and Reclamation Plan to the BLM	Submitted in April 2020
Initial Action Notice	Submitted in October 2020
Notice of Intent (represents start of NEPA process)	Published in December 2020
Draft EIS	Published in October 2021
Final EIS	To follow draft EIS
Record of Decision ("ROD") (represents end of NEPA process)	To follow final EIS
Notice to proceed	To follow ROD

EBITDA Optimization

For the three months ended December 31, 2021, the Company advanced activities related to optimizing Conda's EBITDA generation as follows:

- continued ramp up of MAP+ production and sales volumes;
- advanced initiative to produce and sell hydrofluorosilicic acid ("HFSA"), including advancement of procurement and implementation; and
- advanced magnesium oxide ("MgO") reduction initiative to enhance SPA production and sales volumes, including advancement of test work.

For the year ended December 31, 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 MAP+ production volumes during 2021;
- advanced initiative to produce and sell HFSA, including completion of detailed engineering and design, advancement of procurement and implementation and execution of a long-term offtake agreement; and
- advanced MgO reduction initiative to enhance SPA production and sales volumes, including advancement of test work.

As at December 31, 2021, the Company has advanced activities related to optimizing Conda's EBITDA generation as follows:

Area	Status	Highlights
MAP+[i]	Ongoing	▪ Launched new line of micronutrient enhanced products during Q3 2019 with initial production run of MAP enhanced with sulfur ▪ Completed micronutrient addition to granulation project during Q1 2020 ▪ Entered into a third party tolling agreement for a proprietary micronutrient enhanced dry product as an additional product and completed an initial production run during Q3 2020 ▪ Advancing plans to further optimize production and sales volumes
HFSA	Ongoing	▪ Completed detailed engineering and design ▪ Advancing procurement and implementation ▪ Entered into a long-term offtake agreement
MgO reduction[ii]	Ongoing	▪ Completed tailings characterization by technical advisor ▪ Advancing test work on MgO reduction with the use of enhanced grinding, attrition scrubbing and flotation to remove dolomite impurities on selected size fractions

i. Formerly referred to as micronutrient enhanced dry products.
ii. Formerly referred to as attrition scrubbing and flotation

The Company's activities related to optimizing Conda's EBITDA generation are described in greater detail in the 2020 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' operations or 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 months and year ended December 31, 2021, Arraias sustained EHS excellence with no reportable environmental releases or recordable incidents, which resulted in a TRIFR of 0.00. On September 30, 2021, Arraias achieved a notable milestone by exceeding two years without a recordable incident.

Idling

On November 21, 2019, the Company announced its decision to idle Arraias. For the three months and year ended December 31, 2021, the Company maintained the idling of Arraias following best practices.

Sulfuric Acid Plant Restart

On October 20, 2021, the Company announced its decision to restart the sulfuric acid plant at Arraias. 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 (see Note 26 in the Consolidated Financial Statements).

Arraias' sulfuric acid plant has production capacity of 220kt per year. 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.

The restart of the sulfuric acid plant at Arraias is independent of the previously announced stage-gate restart program launched during Q2 2020 (see Stage Gate Restart Program in this Section 2 below).

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 months and years ended December 31, 2021 and 2020, Arraias' business highlights were as follows:

(in thousands of US Dollars except as otherwise noted)	*For the three months ended December 31,* 2021	2020	% change	*For the year ended December 31,* 2021	2020	% change
Production volumes (tonnes)						
SSP	—	—	n/m	—	3,879	n/m
SSP+	—	—	n/m	—	1,113	n/m
Production volumes (tonnes)	**—**	**—**	**n/m**	**—**	**4,992**	n/m
Production volumes (tonnes P_2O_5)[i]	**—**	**—**	**n/m**	**—**	**849**	n/m
Excess sulfuric acid production volumes (tonnes)[ii]	—	—	n/m	—	—	n/m
Sales volumes (tonnes)						
SSP	—	329	n/m	—	28,500	n/m
SSP+	—	—	n/m	—	2,459	n/m
Sales volumes (tonnes)	**—**	**329**	**n/m**	**—**	**30,959**	n/m
Sales volumes (tonnes P_2O_5)[i]	**—**	**56**	**n/m**	**—**	**4,687**	n/m
Excess sulfuric acid sales volumes (tonnes)	—	—	n/m	—	5,213	n/m
Realized price ($/tonne)[iii]						
SSP	$ —	$ 61	n/m	$ —	$ 131	n/m
SSP+[i]	$ —	$ —	n/m	$ —	$ 184	n/m
Excess sulfuric acid	$ —	$ —	n/m	$ —	$ 90	n/m
Revenues ($)						
SSP, net	$ —	$ 20	n/m	$ —	$ 3,740	n/m
SSP+, net	$ —	$ —	n/m	$ —	$ 453	n/m
Revenues	**$ —**	**$ 20**	**n/m**	**$ —**	**$ 4,193**	**n/m**
Revenues per tonne P_2O_5[i, iv]	**$ —**	**$ 357**	**n/m**	**$ —**	**$ 895**	**n/m**
Cash costs[iv]	**$ —**	**$ 497**	**n/m**	**$ —**	**$ 9,833**	**n/m**
Cash costs per tonne P_2O_5[i, iv]	**$ —**	**$ 8,875**	**n/m**	**$ —**	**$ 2,098**	**n/m**
Cash margin[iv]	**$ —**	**$ (477)**	**n/m**	**$ —**	**$ (5,640)**	**n/m**
Cash margin per tonne P_2O_5[i, iv]	**$ —**	**$ (8,518)**	**n/m**	**$ —**	**$ (1,203)**	**n/m**
Excess sulfuric acid revenues ($)	$ —	$ —	n/m	$ —	$ 468	n/m
Adjusted EBITDA[iii]	$ (1,116)	$ (903)	n/m	$ (3,814)	$ (8,546)	n/m
Maintenance capex[iii]	$ 1,238	$ —	n/m	$ 1,238	$ —	n/m
Growth capex[iii]	$ (30)	$ 886	n/m	$ 512	$ 987	(48)%
Total capex[iii]	**$ 1,208**	**$ 886**	**$ (0)**	**$ 1,750**	**$ 987**	**77%**

i. P_2O_5 basis considers SSP and SSP+ as 17% P_2O_5.
ii. Excess sulfuric acid production volumes (t) are presented net of production for internal consumption.
iii. Non-IFRS measure (see Section 8).
iv. Non-IFRS measure and excludes sulfuric acid (see Section 8).

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

Item	Q4 and YTD 2021 vs Q4 and YTD 2020
Production and sales volumes	Decreased primarily due to completion in 2020 of a program to monetize remaining inventory and raw materials to offset costs
Adjusted EBITDA	Increased primarily due to the idling of Arraias in 2020 and completion in 2020 of a program to monetize remaining inventory and raw materials to offset costs (see Section 8)
Total capex	Increased primarily due to activities related to the sulfuric acid restart and stage-gate restart program (see Section 8)

Development and Exploration

For the three months ended December 31, 2021, the Company's development and exploration project highlights were as follows:

- sustained EHS excellence at Farim with no reportable environmental releases or recordable incidents, which resulted in a TRIFR of 0.00;
- maintained Farim at construction-ready state;
- advanced revisions to the executed Farim mining agreement with the Government of Guinea-Bissau to facilitate project financing and update tax incentives;
- maintained the integrity of the concessions of Santana and Araxá;
- advanced permitting and third party reports for Araxá, including completion of an Environmental and Social Impact Assessment ("ESIA"), in support of evaluation of strategic alternatives; and
- advanced the wind down of Paris Hills and Mantaro.

For the year ended December 31, 2021, the Company's development and exploration project highlights were as follows:

- sustained EHS excellence at Farim with no reportable environmental releases or recordable incidents, which resulted in a TRIFR of 0.00;
- achieved a notable milestone at Farim on September 12, 2021 by surpassing two years without a recordable incident;
- maintained Farim at construction-ready state;
- advanced revisions to the executed Farim mining agreement with the Government of Guinea-Bissau to facilitate project financing and update tax incentives;
- maintained the integrity of the concessions of Santana and Araxá;
- advanced permitting and third party reports for Araxá, including completion of an ESIA, in support of evaluation of strategic alternatives; and
- advanced the wind down of Paris Hills and Mantaro.

The Company's activities related to advancing the development of Farim are described in greater detail in the Company's management's discussion and analysis of operations and financial condition for the year ended December 31, 2020.

Corporate

<u>Refinancing</u>

On August 25, 2021, the Company closed 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 also 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 detailed above. Also 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 as detailed below (see Note 12 in the Consolidated Financial Statements).

Term Loan

The key terms of the Term Loan are as follows:

- principal amount of $205,000;
- term of three years;
- interest rate of 8.25% per annum plus the London Interbank Offered Rate ("LIBOR"), subject to a floor of 1.00%, with interest payments payable in cash on a quarterly basis;
- amortization of 15% per annum with principal payments payable on a quarterly basis and a one-time principal payment on or before 15 months after the closing date in an amount sufficient to reduce the outstanding principal balance to $155,000 or less; and
- other terms, financial covenants, fees and cost reimbursements standard and customary for similar agreements.

The guarantors to the Term Loan include various subsidiaries of the Company (the "Guarantors"). The Term Loan is secured by all assets of the Company and the Guarantors.

Amendment to Promissory Note

The key terms of the amendment to the Promissory Note are as follows:

- commitment amount reduced from $36,000 to $30,600, which cancelled the previously remaining availability of $5,400;
- term extended from payable on demand no earlier than six months after the date on which the Credit Facility is paid in full to payable on demand after the later of (i) August 25, 2024 or (ii) six months after the date on which the Term Loan and the Conda ABL are paid in full and commitments under the Conda ABL are terminated; however, if the obligations under the Term Loan and the Conda ABL are accelerated, then the Promissory Note would become payable on demand;
- interest rate per annum to increase from 15% payable in-kind to 18% payable in-kind starting on August 25, 2022 if the Company has not repaid at least $20,000 under the Promissory Note by such date;
- amendment fee of 4% of the principal amount payable in kind at closing;
- exit fee of 4% payable in cash upon any payment of principal; and
- other terms and cost reimbursements standard and customary for similar agreements.

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. In connection with the redomiciliation, the Company changed its name from Itafos to Itafos Inc. (see Note 1 in the Consolidated Financial Statements).

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.

MARKET HIGHLIGHTS

For the three months and years ended December 31, 2021 and 2020, key phosphate fertilizer market indicators relevant to the Company's operations were as follows:

(in US Dollars per metric tonne except as otherwise noted)	*For the three months ended December 31,* 2021	2020	% change	For the year ended December 31, 2021	2020	% change
DAP NOLA[i]	$ 788	$ 406	94%	$ 664	$ 344	93%
DAP NOLA ($/st)[i]	715	368	94%	602	312	93%
Sulfur Vancouver	207	78	165%	177	62	188%
Ammonia Tampa[ii]	787	246	220%	577	234	147%

i. Average of Argus and Green Markets weekly average.
ii. The majority of the Company's ammonia is supplied under a long-term offtake agreement with pricing indexed to DAP NOLA.

For the three months and years ended December 31, 2021 and 2020, key phosphate fertilizer market indicators relevant to the Company's operations were explained as follows:

Item	Q4 and YTD 2021 vs Q4 and YTD 2020
DAP NOLA	Increased primarily due to continued strong agriculture and phosphate fertilizer market supply and demand dynamics
Sulfur Vancouver	Increased primarily due to strong global demand from phosphates and metals consumers, while supply remained limited as refinery run rates remained low
Ammonia Tampa	Increased primarily due to a surge in natural gas prices and a global supply squeeze driven by plant closures and scheduled maintenance

Specific factors driving the year-over-year improvements in DAP NOLA were as follows:

- no significant phosphate fertilizer supply capacity additions in combination with lower production from existing capacity (due to both planned maintenance and unplanned disruptions), which resulted in continued drawdown of global phosphate fertilizer inventory levels;
- strong phosphate fertilizer demand underpinned by global coarse grains and oilseeds at multi-year low stocks-to-use ratios and the highest prices in nearly a decade, supporting demand and fertilizer relative affordability; and
- increased restrictions and controls on exports of phosphates fertilizers from China and Russia.

4. OUTLOOK

MARKET OUTLOOK

The Company expects the current strength in the global agriculture and phosphate fertilizer fundamentals to continue in 2022. Accordingly, the Company expects continued strength in pricing and volume fundamentals in the phosphate fertilizer markets during H1 2022, followed by a moderate softening of prices during H2 2022.

Specific factors the Company expects to influence the continued strength in the global phosphate fertilizer markets during H1 2022 are as follows:

- low global inventory levels at the start of 2022;
- no significant phosphate fertilizer supply capacity additions;
- stable phosphate fertilizer demand;
- reduced supply from Russia and global disruption of fertilizer raw materials supply chains following Russia’s invasion of Ukraine; and
- China’s decision to severely restrict phosphate fertilizer exports through at least June 2022.

Specific factors the Company expects to influence the moderate softening of the global phosphate fertilizer markets during H2 2022 are as follows:

- return of global inventory to historical levels;
- increase of phosphate fertilizer supply from existing capacity maximizing run-rates; and
- increase of phosphate fertilizer exports from China upon easing of export restrictions.

The Company expects sulfur and sulfuric acid prices to remain at high levels globally due to solid demand from phosphates and metals consumers. The Company expects ammonia prices to also remain at high levels during H1 2022 (due to supply disruption from Ukraine and production shutdowns linked to higher natural gas prices in Europe), followed by a moderate softening during H2 2022.

FINANCIAL OUTLOOK

The Company continues to monitor potential risks to its operations as a result of the COVID-19 pandemic, including factors that could impact production or demand for its products. Despite near-term uncertainties, the Company is not currently projecting any material impact on its operations or financial outlook as a result of the COVID-19 pandemic. In response to the COVID-19 pandemic, the Company has implemented working practices at its businesses and projects to address potential impacts to its employees, contractors and operations and will take further measures in the future, if required.

The Company provides guidance on both IFRS and non-IFRS measures that management considers to evaluate the Company’s operational and financial performance. Management believes that the non-IFRS measures provide useful supplemental information to investors, analysts, lenders and others. Definitions and reconciliations of non-IFRS measures to the most directly comparable IFRS measures are included in Section 8 of this MD&A.

In developing its guidance for 2022, the Company considered the following:

- Conda production and sales at capacity with planned maintenance during June 2022 (short turnaround) and advancement of growth activities, including extending Conda’s mine life through permitting and development of H1/NDR and advancing EBITDA optimization initiatives;
- Arraias production and sales of sulfuric acid with a base load capacity of 10.5kt per month (remainder of operations remain idled);
- development and exploration segment activities, including maintaining Farim at construction ready state, maintaining the integrity of the concessions of Santana and Araxá and advancing the wind down of Paris Hills and Mantaro; and

- corporate segment activities, including selling, general and administrative expenses and debt service.

The assumptions considered by the Company in preparing its guidance for 2022 are as follows:

- latest market outlook for pricing and key inputs, including expected average DAP NOLA during 2022 of approximately $690-750/st;
- Canadian Dollar to US Dollar exchange rate of C$1.3 to $1; and
- vesting of shares in accordance with the Company's restricted share unit plan (the "RSU Plan"), which is expected to result in approximately 190 million basic shares outstanding as at December 31, 2022.

The Company's guidance for FY 2022 is as follows:

(in millions of US Dollars except as otherwise noted)		**H1 2022**		**H2 2022**		**FY 2022**
Adjusted EBITDA[i]	$	110-120	$	80-110	$	190-230
Net income		50-60		15-35		65-95
Basic earnings (C$/share)		0.34-0.41		0.10-0.23		0.44-0.65
Maintenance capex[i]		9-14		4-9		13-23
Growth capex[i]		8-13		4-9		12-22
Free cash flow[i]		95-105		40-60		135-165

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

BUSINESS OUTLOOK

The Company continues to focus on the following key objectives to drive long-term value and shareholder returns:

- improving financial and operational performance;
- deleveraging the balance sheet;
- extending Conda's current mine life through permitting and development of H1/NDR;
- evaluating strategic alternatives for non-North American assets; and
- maintaining capital-lite investment approach.

5. SUMMARY OF QUARTERLY RESULTS

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

(in thousands of US Dollars except as otherwise noted)	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Net income	$ 24,280	$ 15,676	$ 9,582	$ 1,901
Basic earnings ($/share)	0.13	0.08	0.05	0.01
Diluted earnings ($/share)	0.13	0.08	0.05	0.01
Total assets	$ 633,853	$ 530,195	$ 505,103	$ 482,101

For the three months ended December 31, 2020, September 30, 2020, June 30, 2020 and March 31, 2020, the Company's summary of quarterly results was as follows:

(in thousands of US Dollars except as otherwise noted)	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Net loss	$ (9,415)	$ (13,788)	$ (20,814)	$ (18,289)
Basic loss ($/share)	(0.05)	(0.07)	(0.11)	(0.10)
Diluted loss ($/share)	(0.05)	(0.07)	(0.11)	(0.10)
Total assets	$ 477,304	$ 454,135	$ 450,713	$ 461,499

6. STATEMENTS OF OPERATIONS

For the three months ended December 31, 2021 and 2020, the Company's statements of operations were as follows:

(in thousands of US Dollars except as otherwise noted)	*For the three months ended December 31,* 2021	2020	% change
Revenues	$ 116,784	$ 75,075	56%
Cost of goods sold	70,871	76,862	(8)%
Write-off of mineral properties	—	—	n/m
Gross margin	**$ 45,913**	**(1,787)**	n/m
Selling, general and administrative expenses	6,481	5,013	29%
Operating income (loss)	**$ 39,432**	**$ (6,800)**	**n/m**
Foreign exchange gain (loss)	234	(42)	n/m
Other income (expense), net	183	(2,653)	n/m
Loss on asset disposal	—	(572)	n/m
Finance expense	(8,289)	(7,601)	n/m
Income (loss) before income taxes	**$ 31,560**	**$ (17,668)**	**n/m**
Current and deferred income tax expense (recovery)	7,280	(8,253)	n/m
Net income (loss)	**$ 24,280**	**(9,415)**	**n/m**
Net income attributable to non-controlling interest	—	754	n/m
Net income (loss) attributable to shareholders of the Company	**$ 24,280**	**$ (10,169)**	**n/m**
Basic earnings (loss) ($/share)	**$ 0.13**	**$ (0.05)**	**n/m**
Basic earnings (loss) (C$/share)	**$ 0.16**	**$ (0.07)**	**n/m**
Diluted earnings (loss) ($/share)	**$ 0.13**	**$ (0.05)**	**n/m**
Diluted earnings (loss) (C$/share)	**$ 0.16**	**$ (0.07)**	**n/m**

ITAFOS

For the three months ended December 31, 2021 and 2020, the Company's statements of operations were explained as follows:

Item	Q4 2021 vs Q4 2020
Revenues	Increased primarily due to higher realized prices at Conda, which were partially offset by lower sales volumes at Conda due to a disruption in sulfuric acid supply
Cost of goods sold	Decreased primarily due to lower input costs at Conda (due to lower sales volumes)
Selling, general and administrative expenses	Increased primarily due to higher share-based payment expense and transaction costs at corporate
Foreign exchange gain (loss)	Decreased primarily due to fluctuations between the Brazilian Real and the US Dollar
Finance expense	Increased primarily due to capitalized interest related to Conda's phospogypsum stack 3 in 2020 and higher deferred financing costs, which were partially offset by lower interest expense following the refinancing
Current and deferred income tax expense (recovery)	Increased primarily due to higher taxable income, which was partially offset by higher deductibles following the redomiciliation

For the years ended December 31, 2021, 2020 and 2019, the Company's statements of operations were as follows:

(in thousands of US Dollars except as otherwise noted)		2021		2020	*For the years ended December 31,* % change 2021 vs 2020		2019
Revenues	$	413,247	$	260,185	59%	$	339,430
Cost of goods sold		276,372		267,957	3%		362,248
Write-off of mineral properties		—		8,449	n/m		65,094
Gross margin	**$**	**136,875**		**(16,221)**	**n/m**		**(87,912)**
Selling, general and administrative expenses		25,896		19,435	33%		27,137
Operating income (loss)	**$**	**110,979**	**$**	**(35,656)**	**n/m**	**$**	**(115,049)**
Foreign exchange gain loss		(634)		(5,394)	n/m		(2,473)
Other income (expense), net		541		(1,759)	n/m		(2,230)
Gain (loss) on asset disposal		(97)		(1,209)	n/m		170
Finance expense		(37,244)		(28,030)	n/m		(28,659)
Income (loss) before income taxes	**$**	**73,545**	**$**	**(72,048)**	**n/m**	**$**	**(148,241)**
Current and deferred income tax expense (recovery)		22,106		(9,742)	n/m		(4,070)
Net income (loss)	**$**	**51,439**		**(62,306)**	**n/m**		**(144,171)**
Net income attributable to non-controlling interest		411		754	n/m		—
Net income (loss) attributable to shareholders of the Company	**$**	**51,028**	**$**	**(63,060)**	**n/m**	**$**	**(144,171)**
Basic earnings (loss) ($/share)	**$**	**0.28**	**$**	**(0.34)**	**n/m**	**$**	**(1.02)**
Basic earnings (loss) (C$/share)	**$**	**0.35**	**$**	**(0.46)**	**n/m**	**$**	**(1.36)**
Diluted earnings (loss) ($/share)	**$**	**0.27**	**$**	**(0.34)**	**n/m**	**$**	**(1.02)**
Diluted earnings (loss) (C$/share)	**$**	**0.34**	**$**	**(0.46)**	**n/m**	**$**	**(1.36)**

For the years ended December 31, 2021 and 2020, the Company's statements of operations were explained as follows:

Item	2021 vs 2020
Revenues	Increased primarily due to higher realized prices at Conda, which were partially offset by lower sales volumes at Conda and lower revenues at Arraias primarily due to completion in 2020 of a program to monetize remaining inventory and raw materials to offset costs
Cost of goods sold	Increased primarily due to higher input costs at Conda, which were partially offset by completion in 2020 of a program to monetize remaining inventory and raw materials to partially offset costs at Arraias and lower depreciation and depletion
Selling, general and administrative expenses	Increased primarily due to higher share-based payment expense, payroll and transaction costs at corporate, which were partially offset by lower costs at Arraias and Farim
Foreign exchange gain (loss)	Decreased primarily due to fluctuations between the Brazilian Real and the US Dollar
Finance expense	Increased primarily due to capitalized interest related to Conda's phospogypsum stack 3 in 2020, higher deferred financing costs and higher Promissory Note interest expense and amendment fee, which were partially offset by lower interest expense following the refinancing
Current and deferred income tax expense (recovery)	Increased primarily due to higher taxable income, which was partially offset by higher tax deductible expenses following the redomiciliation

7. FINANCIAL CONDITION

The Company is not currently projecting any material impact on its operations or financial outlook as a result of the COVID-19 pandemic. However, the Company is closely monitoring potential risks to its operations, including factors that could impact production or demand for its products as such factors could have a material impact on the Company's cash flow from operations, which could result in a cash shortfall unless otherwise remedied (see Section 4).

LIQUIDITY

As at December 31, 2021, the Company had cash and cash equivalents of $31,565, liquidity of $37,435 (see Section 8) and working capital of $73,294 (see Section 8). The Term Loan includes certain compliance requirements including, but not limited to, a requirement maintain a minimum liquidity amount of $15,000 throughout the term of the Term Loan (See Notes 3 and 12 in the Consolidated Financial Statements).

FINANCIAL COVENANTS

The Term Loan includes financial covenants that require the Company to comply with certain ratios and thresholds. The principal financial covenants in the Term Loan require the Company not to exceed a consolidated net secured leverage ratio and to maintain a minimum fixed charge coverage ratio as at the end of each fiscal quarter commencing December 31, 2021 (see Notes 12 and 25 in the Consolidated Financial Statements).

The Conda ABL includes springing financial covenants that require Conda to comply with certain ratios and thresholds if there is an event of default or an insufficient borrowing base. The principal springing financial covenants in the Conda ABL, if applicable, require Conda to maintain minimum fixed charge coverage ratios at the end of each month and fiscal quarter, respectively (see Notes 12 and 25 in the Consolidated Financial Statements).

SUMMARY BALANCE SHEETS

As at December 31, 2021 and 2020, the Company's summary balance sheets were as follows:

(in thousands of US Dollars)	*As at December 31,* **2021**	**2020**	**% change**
Cash and cash equivalents	$ 31,565	$ 9,539	231%
Current assets (including cash and cash equivalents)	$ 195,130	$ 134,491	45%
Non-current assets	438,723	342,813	28%
Total assets	**$ 633,853**	**$ 477,304**	**33%**
Current liabilities (excluding current portion of debt)	$ 68,998	$ 54,579	26%
Non-current liabilities (excluding long-term debt)	190,402	100,109	90%
Debt (current and long-term)	239,848	240,193	0%
Total liabilities	**$ 499,248**	**$ 394,881**	**26%**
Shareholders' equity	$ 133,440	$ 81,669	63%
Non-controlling interest	1,165	754	55%
Total equity	**$ 134,605**	**$ 82,423**	**63%**

As at December 31, 2021 and 2020, the Company's summary balance sheets were explained as follows:

Item	**December 31, 2021 vs December 31, 2020**
Current assets	Increased primarily due to higher cash and cash equivalents, accounts receivable inventories and other current assets
Non-current assets	Increased primarily due to capex additions (see Section 8) and higher plant, property and equipment (due to placement into service of phosphogypsum stack 3 at Conda), which were partially offset by the usage of tax credits to reduce tax payables at Arraias and depreciation and depletion
Current liabilities (excluding current portion of debt)	Increased primarily due to higher accounts payable and accrued liabilities
Non-current liabilities (excluding long-term debt)	Increased primarily due to higher environmental and ARO liabilities (due to placement into service of phosphogypsum stack 3 at Conda)
Debt (current and long-term)	Remained largely consistent with increases related to the closing of the Term Loan and in-kind interest related to the Promissory Note offset by principal payments under the Term Loan and Conda ABL
Total equity	Increased primarily due to net income recorded during the period

As at December 31, 2021 and 2020, the Company did not have any significant off-balance sheet arrangements.

Conda's operating and environmental permits require certain obligations related to environmental and reclamation activities to be guaranteed. As at December 31, 2021 and 2020, Conda's guarantee requirements were $77,739 and $39,757, respectively. Conda's guarantee requirements are described in greater detail in Section 3 of this MD&A.

CAPITAL RESOURCES

As at December 31, 2021 and 2020, the Company's capital resources were as follows:

	As at December 31,	
(in thousands of US Dollars)	**2021**	**2020**
Total equity	$ 134,605	$ 82,423
Net debt[i]	217,706	233,926
Capital resources	**$ 352,311**	**$ 316,349**

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

In order to maintain or adjust its capital structure, the Company may, upon approval from its Board of Directors, issue shares, or undertake other activities as deemed appropriate under the specific circumstances.

SUMMARY CASH FLOWS

For the three months and years ended December 31, 2021 and 2020, the Company's summary cash flows were as follows:

	For the three months ended December 31,			For the year ended December 31,		
(in thousands of US Dollars)	**2021**	**2020**	**% change**	**2021**	**2020**	**% change**
Beginning cash	**$ 24,120**	**$ 10,180**	**137%**	**$ 9,539**	**$ 29,109**	**(67%)**
Cash flows from (used by) operating activities	32,333	5,372	502%	94,499	(3,442)	n/m
Cash flows used by investing activities	(6,355)	(1,914)	n/m	(34,076)	(13,965)	n/m
Cash flows used by financing activities	(18,575)	(4,126)	n/m	(38,433)	(2,159)	n/m
Effect of foreign exchange of non-US Dollar denominated cash	42	27	n/m	36	(4)	n/m
Ending cash	**31,565**	**9,539**	**231%**	**31,565**	**9,539**	**231%**
Free cash flow[i]	28,848	5,569	n/m	71,290	(10,269)	n/m

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

For the three months ended December 31, 2021 and 2020, the Company's summary cash flows were explained as follows:

Item	Q4 2021 vs Q4 2020
Cash flows from (used by) operating activities	Increased primarily due to the same factors that resulted in higher EBITDA, which was partially offset by higher working capital requirements and income tax payments
Cash flows used by investing activities	Increased primarily due to timing of projects and activities related to the initiative to produce and sell HFSA at Conda and the sulfuric acid restart at Arraias
Cash flows used by financing activities	Increased primarily due to principal payments under the Term Loan and Conda ABL
Free cash flow	Increased primarily due to higher cash flows from operating activities due to same factors that resulted in higher EBITDA, which were partially offset by higher working capital requirements and income tax payments (see Section 8)

For the years ended December 31,2021 and 2020, the Company's summary cash flows were explained as follows:

Item	2021 vs 2020
Cash flows from (used by) operating activities	Increased primarily due to higher EBITDA, which was partially offset by higher working capital requirements
Cash flows used by investing activities	Increased primarily due to the completion of a full scope plant turnaround at Conda during June 2021, activities related to the initiative to produce and sell HFSA at Conda and sulfuric acid restart at Arraias
Cash flows used by financing activities	Increased primarily due to due to principal payments under the Term Loan and Conda ABL, financing costs related to the closing of the Term Loan and proceeds from the Promissory Note in 2020
Free cash flow	Increased primarily due to higher cash flows from operating activities, which were partially offset by higher cash maintenance capex (see Section 8)

CONTRACTUAL OBLIGATIONS

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

(in thousands of US Dollars)	Within 1 year	Years 2 and 3	Years 4 and 5	After 5 years	Total
Debt	$ 52,838	$ 196,018	$ 414	—	**$ 249,270**
Accounts payable and accrued liabilities	61,469	—	—	—	**61,469**
Provisions	4,072	2,626	39,636	127,970	**174,304**
Leases	2,544	6,933	3,895	3,884	**17,256**
Contractual obligations	**$ 120,923**	**$ 205,577**	**$ 43,945**	**$ 131,854**	**$ 502,299**

The Company's contractual obligations do not include estimated interest payments related to such contractual obligations. The Company records provisions when it is probable that obligations have been incurred and the amounts can be reasonably estimated. The Company's provisions include environmental and ARO liabilities and legal contingencies (see Note 11 in the Consolidated Financial Statements).

As at December 31, 2021, the Company had environmental and ARO liabilities, assets and net liabilities by segment as follows:

(in thousands of US Dollars)		Liabilities	Assets	Net Liabilities
Conda	$	$ 165,853	$ 105,404	**$ 60,449**
Arraias		7,694	7,686	**8**
Development and exploration		509	—	**509**
Corporate		—	—	**—**
Environmental and ARO	**$**	**$ 174,056**	**$ 113,090**	**$ 60,966**

8. NON-IFRS MEASURES

DEFINITIONS

The Company defines its non-IFRS measures as follows:

Non-IFRS measure	Definition	Most directly comparable IFRS measure
EBITDA	Earnings before interest, taxes, depreciation, depletion and amortization	Net income (loss) and operating income (loss)
Adjusted EBITDA	EBITDA adjusted for non-cash, extraordinary, non-recurring and other items unrelated to the Company's core operating activities	Net income (loss) and operating income (loss)
Total capex	Additions to property, plant, and equipment and mineral properties adjusted for additions to asset retirement obligations, additions to right of use assets and capitalized interest	Additions to property, plant and equipment and mineral properties
Maintenance capex	Portion of total capex relating to the maintenance of ongoing operations	Additions to property, plant and equipment and mineral properties
Growth capex	Portion of total capex relating to the development of growth opportunities	Additions to property, plant and equipment and mineral properties
Cash total capex	Total capex less accrued capex	Additions to property, plant and equipment and mineral properties
Cash maintenance capex	Maintenance capex less accrued maintenance capex	Additions to property, plant and equipment and mineral properties
Cash growth capex	Growth capex less accrued growth capex	Additions to property, plant and equipment and mineral properties
Net debt	Debt less cash and cash equivalents plus deferred financing costs	Current debt, long-term debt and cash and cash equivalents
Related party debt	Portion of debt held by a related party	Current debt and long-term debt
Adjusted net debt	Net debt adjusted for related party debt	Current debt, long-term debt and cash and cash equivalents
Working capital	Current assets less current liabilities	Current assets and current liabilities
Liquidity	Cash and cash equivalents plus undrawn committed borrowing capacity	Cash and cash equivalents
Free cash flow	Cash flows from operating activities, which excludes payment of interest expense, plus cash flows from investing activities less cash growth capex	Cash flows from operating activities and cash flows from investing activities
Realized price	Revenues divided by sales volumes	Revenues
Revenues per tonne P_2O_5	Revenues divided by sales volumes presented on P_2O_5 basis	Revenues
Cash costs	Cost of goods sold less net realizable value adjustments, depreciation, depletion and amortization	Cost of goods sold
Cash costs per tonne P_2O_5	Cash costs divided by sales volumes presented on P_2O_5 basis	Cost of goods sold
Cash margin	Revenues less cash costs	Gross margin
Cash margin per tonne P_2O_5	Revenues per tonne P_2O_5 less cash costs per tonne P_2O_5	Gross margin

EBITDA AND ADJUSTED EBITDA

EBITDA is a non-IFRS measure that excludes interest, taxes, depreciation, depletion and amortization from earnings. Management believes that EBITDA is a valuable indicator of the Company's ability to generate operating income.

Adjusted EBITDA is a non-IFRS measure that excludes non-cash, extraordinary, non-recurring and other items unrelated to the Company's core operating activities from EBITDA (non-IFRS measure). Management believes that adjusted EBITDA is a valuable indicator of the Company's ability to generate operating income from its core operating activities normalized to remove the impact of non-cash, extraordinary and non-recurring items. The Company provides guidance on adjusted EBITDA as useful supplemental information to investors, analysts, lenders and others.

For the three months ended December 31, 2021 and 2020

For the three months ended December 31, 2021 the Company had EBITDA and adjusted EBITDA by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Net income (loss)	**$ 34,914**	**$ (1,204)**	**$ (507)**	**$ (8,923)**	**$ 24,280**
Finance expense, net	848	64	2	7,375	8,289
Current and deferred income tax expense (recovery)	10,160	—	—	(2,880)	7,280
Depreciation and depletion	6,943	64	4	46	7,057
EBITDA	**$ 52,865**	**$ (1,076)**	**$ (501)**	**$ (4,382)**	**$ 46,906**
Unrealized foreign exchange (gain) loss	(15)	98	58	(145)	(4)
Share-based payment expense	—	—	—	904	904
Transaction costs	—	—	—	316	316
Other income, net	(1)	(138)	(44)	—	(183)
Adjusted EBITDA	**$ 52,849**	**$ (1,116)**	**$ (487)**	**$ (3,307)**	**$ 47,939**

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Operating income (loss)	**$ 45,755**	**$ (1,180)**	**$ (556)**	**$ (4,587)**	**$ 39,432**
Depreciation and depletion	6,943	64	4	46	7,057
Foreign exchange gain - realized	151	—	65	14	230
Share-based payment expense	—	—	—	904	904
Transaction costs	—	—	—	316	316
Adjusted EBITDA	**$ 52,849**	**$ (1,116)**	**$ (487)**	**$ (3,307)**	**$ 47,939**

For the three months ended December 31, 2020, the Company had EBITDA and adjusted EBITDA by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Net income (loss)	**$ 190**	**$ (4,936)**	**$ (808)**	**$ (3,861)**	**$ (9,415)**
Finance (income) expense, net	(18)	2	1	7,616	7,601
Current and deferred income tax recovery	(2,510)	—	—	(5,743)	(8,253)
Depreciation and depletion	8,446	77	23	36	8,582
EBITDA	**$ 6,108**	**$ (4,857)**	**$ (784)**	**$ (1,952)**	**(1,485)**
Unrealized foreign exchange (gain) loss	(337)	695	317	(740)	(65)
Inventory adjustments	670	31	—	—	701
Share-based payment expense	—	—	—	(159)	(159)
Transaction costs	—	38	13	295	346
Technical Studies	908	—	—	—	908
Non-recurring compensation payments	—	—	99	1,233	1,332
Other (income) expense, net	(27)	3,190	61	1	3,225
Adjusted EBITDA	**$ 7,322**	**$ (903)**	**$ (294)**	**$ (1,322)**	**$ 4,803**

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Operating loss	**$ (2,593)**	**$ (1,049)**	**$ (513)**	**$ (2,645)**	**$ (6,800)**
Depreciation and depletion	8,446	77	23	36	8,582
Foreign exchange gain (loss) - realized	(109)	—	84	(82)	(107)
Inventory adjustments	670	31	—	—	701
Share-based payment recovery	—	—	—	(159)	(159)
Transaction costs	—	38	13	295	346
Technical Studies	908	—	—	—	908
Non-recurring compensation payments	—	—	99	1,233	1,332
Adjusted EBITDA	**$ 7,322**	**$ (903)**	**$ (294)**	**$ (1,322)**	**$ 4,803**

For the year ended December 31, 2021 and 2020

For the year ended December 31, 2021, the Company had EBITDA and adjusted EBITDA by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Net income (loss)	**$ 102,794**	**$ (3,459)**	**$ (2,044)**	**$ (45,852)**	**$ 51,439**
Finance expense, net	3,073	123	7	34,041	37,244
Current and deferred income tax expense (recovery)	28,913	—	—	(6,807)	22,106
Depreciation and depletion	25,213	405	49	177	25,844
EBITDA	**$ 159,993**	**$ (2,931)**	**$ (1,988)**	**$ (18,441)**	**$ 136,633**
Unrealized foreign exchange (gain) loss	621	(599)	543	459	1,024
Share-based payment expense	—	—	—	4,127	4,127
Transaction costs	—	—	—	2,029	2,029
Non-recurring compensation payments	—	—	35	21	56
Other income, net	(32)	(284)	(128)	—	(444)
Adjusted EBITDA	**$ 160,582**	**$ (3,814)**	**$ (1,538)**	**$ (11,805)**	**$ 143,425**

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Operating income (loss)	**$ 135,148**	**$ (4,219)**	**$ (1,777)**	**$ (18,173)**	**$ 110,979**
Depreciation and depletion	25,213	405	49	177	25,844
Realized foreign exchange loss	221	—	155	14	390
Share-based payment expense	—	—	—	4,127	4,127
Transaction costs	—	—	—	2,029	2,029
Non-recurring compensation payments	—	—	35	21	56
Adjusted EBITDA	**$ 160,582**	**$ (3,814)**	**$ (1,538)**	**$ (11,805)**	**$ 143,425**

For the year ended December 31, 2020, the Company had EBITDA and adjusted EBITDA by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Net income (loss)	**$ 2,818**	**$ (21,977)**	**$ (10,119)**	**$ (33,028)**	**$ (62,306)**
Finance (income) expense, net	(97)	28	8	28,091	28,030
Current and deferred income tax recovery	(4,608)	—	—	(5,134)	(9,742)
Depreciation and depletion	34,637	4,116	91	141	38,985
EBITDA	**$ 32,750**	**$ (17,833)**	**$ (10,020)**	**$ (9,930)**	**(5,033)**
Unrealized foreign exchange (gain) loss	(792)	6,212	(485)	(817)	4,118
Write-off of mineral properties	—	—	8,449	—	8,449
Inventory adjustments	1,482	31	—	—	1,513
Share-based payment expense	—	—	—	446	446
Transaction costs	—	38	13	295	346
Technical Studies	908	—	—	—	908
Non-recurring compensation payments	—	—	99	1,233	1,332
Other (income) expense, net	(12)	3,006	(24)	(2)	2,968
Adjusted EBITDA	**$ 34,336**	**$ (8,546)**	**$ (1,968)**	**$ (8,775)**	**$ 15,047**

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Operating loss	**$ (2,462)**	**$ (11,746)**	**$ (10,690)**	**$ (10,758)**	**$ (35,656)**
Depreciation and depletion	34,637	4,116	91	141	38,985
Foreign exchange gain (loss) - realized	(229)	(985)	70	(132)	(1,276)
Write-off of mineral properties	—	—	8,449	—	8,449
Inventory adjustments	1,482	31	—	—	1,513
Share-based payment expense	—	—	—	446	446
Transaction costs	—	38	13	295	346
Technical Studies	908	—	—	—	908
Non-recurring compensation payments	—	—	99	1,233	1,332
Adjusted EBITDA	**$ 34,336**	**$ (8,546)**	**$ (1,968)**	**$ (8,775)**	**$ 15,047**

CAPEX

Total capex is a non-IFRS measure that includes additions to property, plant, and equipment and mineral properties, which are adjusted for additions to asset retirement obligations, additions to right of use assets and capitalized interest.

Maintenance capex is a non-IFRS measure that considers the portion of total capex (non-IFRS measure) relating to the maintenance of ongoing operations. Management believes that maintenance capex is a valuable indicator of the Company's required capital expenditures to sustain operations at existing levels.

Growth capex is a non-IFRS measure that considers the portion of total capex (non-IFRS measure) relating to the development of growth opportunities. Management believe that growth capex is a valuable indicator of the Company's capital expenditures related to growth opportunities.

The Company provides guidance on both maintenance capex and growth capex as useful supplemental information to investors, analysts, lenders and others.

For the three months ended December 31, 2021 and 2020

For the three months ended December 31, 2021, the Company had capex by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Additions to property, plant and equipment	$ 95,156	$ 1,531	$ 38	$ 51	$ 96,776
Additions to mineral properties	(82)	—	10	—	(72)
Additions to property, plant and equipment related to asset retirement obligations	(90,037)	(326)	—	—	(90,363)
Additions to right of use assets	—	3	—	—	3
Total capex	**$ 5,037**	**$ 1,208**	**$ 48**	**$ 51**	**$ 6,344**
Maintenance capex	1,924	1,238	—	31	3,193
Growth capex	3,113	(30)	48	20	3,151

For the three months ended December 31, 2020, the Company had capex by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Additions to property, plant and equipment	$ 4,067	$ 3,607	$ —	$ 287	$ 7,961
Additions to mineral properties	25,103	—	262	—	25,365
Additions to property, plant and equipment related to asset retirement obligations	(20,043)	(2,561)	—	—	(22,604)
Additions to right of use assets	(6,459)	(160)	—	(284)	(6,903)
Capitalized interest	(815)	—	—	—	(815)
Technical studies	908	—	—	—	908
Total capex	**$ 2,761**	**$ 886**	**$ 262**	**$ 3**	**$ 3,912**
Maintenance capex	1,517	—	—	3	1,520
Growth capex	1,244	886	262	—	2,392

For the year ended December 31, 2021 and 2020

For the year ended December 31, 2021, the Company had capex by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Additions to property, plant and equipment	$ 122,317	$ 1,532	$ 54	$ 464	$ 124,367
Additions to mineral properties	3,031	—	604	—	3,635
Additions to asset retirement obligations	(93,038)	202	—	—	(92,836)
Additions to right of use assets	—	16	(13)	(367)	(364)
Total capex	**$ 32,310**	**$ 1,750**	**$ 645**	**$ 97**	**$ 34,802**
Maintenance capex	21,986	1,238	—	77	23,301
Growth capex	10,324	512	645	20	11,501

For the year ended December 31, 2020, the Company had capex by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Additions to property, plant and equipment	$ 20,204	$ 307	$ —	$ 287	$ 20,798
Additions to mineral properties	30,627	—	83	—	30,710
Additions to asset retirement obligations	(26,598)	840	—	—	(25,758)
Additions to right of use assets	(7,710)	(160)	—	(284)	(8,154)
Capitalized interest	(3,345)	—	—	—	(3,345)
Technical studies	908	—	—	—	908
Total capex	**$ 14,086**	**$ 987**	**$ 83**	**$ 3**	**$ 15,159**
Maintenance capex	7,737	—	—	3	7,740
Growth capex	6,349	987	83	—	7,419

CASH CAPEX

Total cash capex is a non-IFRS measure that excludes accrued capex from total capex (non-IFRS measure). Cash maintenance capex and cash growth capex are non-IFRS measures that exclude accrued capex from maintenance capex (non-IFRS measure) and growth capex (non-IFRS measure), respectively. The Company uses cash growth capex in the calculation of free cash flow (non-IFRS measure).

For the three months ended December 31, 2021 and 2020

For the three months ended December 31, 2021, the Company had cash capex by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Total capex	$ 5,037	$ 1,208	$ 48	$ 51	$ 6,344
Accrued capex	11	—	—	—	11
Total cash capex	**$ 5,048**	**$ 1,208**	**$ 48**	**$ 51**	**$ 6,355**

For the three months ended December 31, 2021, the Company had cash maintenance capex by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Maintenance capex	$ 1,924	$ 1,238	$ —	$ 31	$ 3,193
Accrued maintenance capex	292	—	—	—	292
Cash maintenance capex	**$ 2,216**	**$ 1,238**	**$ —**	**$ 31**	**$ 3,485**

For the three months ended December 31, 2021, the Company had cash growth capex by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Growth capex	$ 3,113	$ (30)	$ 48	$ 20	$ 3,151
Accrued growth capex	(281)	—	—	—	(281)
Cash growth capex	**$ 2,832**	**$ (30)**	**$ 48**	**$ 20**	**$ 2,870**

For the three months ended December 31, 2020, the Company had cash capex by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Total capex	$ 2,761	$ 886	$ 262	$ 3	$ 3,912
Accrued capex	(361)	—	—	—	(361)
Total cash capex	**$ 2,400**	**$ 886**	**$ 262**	**$ 3**	**$ 3,551**

For the three months ended December 31, 2020, the Company had cash maintenance capex by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Maintenance capex	$ 1,517	$ —	$ —	$ 3	$ 1,520
Accrued maintenance capex	(80)	—	—	—	(80)
Cash maintenance capex	**$ 1,437**	**$ —**	**$ —**	**$ 3**	**$ 1,440**

For the three months ended December 31, 2020, the Company had cash growth capex by segment as follows:

(in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Growth capex	$	1,244	$	886	$	262	$	—	$	2,392
Accrued growth capex		(281)		—		—		—		(281)
Cash growth capex	**$**	**963**	**$**	**886**	**$**	**262**	**$**	**—**	**$**	**2,111**

For the year ended December 31, 2021 and 2020

For the year ended December 31, 2021, the Company had cash capex by segment as follows:

(in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Total capex	$	32,310	$	1,750	$	645	$	97	$	34,802
Accrued capex		(726)		—		—		—		(726)
Total cash capex	**$**	**31,584**	**$**	**1,750**	**$**	**645**	**$**	**97**	**$**	**34,076**

For the year ended December 31, 2021, the Company had cash maintenance capex by segment as follows:

(in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Maintenance capex	$	21,986	$	1,238	$	—	$	77	$	23,301
Accrued maintenance capex		(92)		—		—		—		(92)
Cash maintenance capex	**$**	**21,894**	**$**	**1,238**	**$**	**—**	**$**	**77**	**$**	**23,209**

For the year ended December 31, 2021, the Company had cash growth capex by segment as follows:

(in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Growth capex	$	10,324	$	512	$	645	$	20	$	11,501
Accrued growth capex		(634)		—		—		—		(634)
Cash growth capex	**$**	**9,690**	**$**	**512**	**$**	**645**	**$**	**20**	**$**	**10,867**

For the year ended December 31, 2020, the Company had cash capex by segment as follows:

(in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Total capex	$	14,086	$	987	$	83	$	3	$	15,159
Accrued capex		(361)		—		—		—		(361)
Total cash capex	**$**	**13,725**	**$**	**987**	**$**	**83**	**$**	**3**	**$**	**14,798**

For the year ended December 31, 2020, the Company had cash maintenance capex by segment as follows:

(in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Maintenance capex	$	7,737	$	—	$	—	$	3	$	7,740
Accrued maintenance capex		(80)		—		—		—		(80)
Cash maintenance capex	**$**	**7,657**	**$**	**—**	**$**	**—**	**$**	**3**	**$**	**7,660**

For the year ended December 31, 2020, the Company had cash growth capex by segment as follows:

(in thousands of US Dollars)		**Conda**		**Arraias**		**Development and exploration**		**Corporate**		**Total**
Growth capex	$	6,349	$	987	$	83	$	—	$	7,419
Accrued growth capex		(281)		—		—		—		(281)
Cash growth capex	**$**	**6,068**	**$**	**987**	**$**	**83**	**$**	**—**	**$**	**7,138**

NET DEBT, RELATED PARTY DEBT AND ADJUSTED NET DEBT

Net debt is a non-IFRS measure that considers debt less cash and cash equivalents and excludes deferred financing costs from debt. Management believes that net debt is a valuable indicator of the Company's net debt position as it removes the impact of deferring financing costs.

Related party debt is a non-IFRS measure that considers the portion of the Company's debt held by related parties. The Company uses related party debt in the calculation of adjusted net debt (non-IFRS measure).

Adjusted net debt is a non-IFRS measure that excludes related party debt from net debt (non-IFRS measure). Management believes that adjusted net debt is a valuable indicator of the Company's net debt position as it relates to non-related parties.

As at December 31, 2021 and 2020, the Company had net debt as follows:

	As at December 31,			
(in thousands of US Dollars)		**2021**		**2020**
Current debt	$	52,838	$	2,437
Long-term debt		187,010		237,756
Cash and cash equivalents		(31,565)		(9,539)
Deferred financing costs related to the Term Loan		9,423		—
Deferred financing costs related to the Credit Facility		—		3,272
Net debt	**$**	**217,706**	**$**	**233,926**

As at December 31, 2021 and 2020, the Company had related party debt as follows:

	As at December 31,			
(in thousands of US Dollars)		**2021**		**2020**
CLF participation in the Credit Facility	$	—	$	31,372
Promissory Note		43,283		35,820
Canadian debentures issued to CLF		331		399
Related party debt	**$**	**43,614**	**$**	**67,591**

As at December 31, 2021 and 2020, the Company had adjusted net debt as follows:

	As at December 31,			
(in thousands of US Dollars)		**2021**		**2020**
Net debt	$	217,706	$	233,926
Related party debt		(43,614)		(67,591)
Adjusted net debt	**$**	**174,092**	**$**	**166,335**

WORKING CAPITAL AND LIQUIDITY

Working capital is a non-IFRS measure that considers current assets less current liabilities.

Liquidity is a non-IFRS measure that includes cash and cash equivalents plus undrawn committed borrowing capacity.

Management believes that working capital and liquidity are valuable indicators of the Company's liquidity.

Working Capital

As at December 31, 2021 and 2020, the Company had working capital as follows:

(in thousands of US Dollars)	*As at December 31,* 2021	2020
Cash and cash equivalents	$ 31,565	$ 9,539
Accounts receivable	39,688	21,949
Inventories, net	112,704	93,435
Other current assets	11,173	9,568
Accounts payable and accrued liabilities	(61,469)	(50,986)
Provisions	(4,072)	(760)
Current debt	(52,838)	(2,437)
Contract liabilities	(913)	(21)
Other current liabilities	(2,544)	(2,812)
Working capital	**$ 73,294**	**$ 77,475**

Liquidity

As at December 31, 2021 and 2020, the Company had liquidity as follows:

(in thousands of US Dollars)	*As at December 31,* 2021	2020
Cash and cash equivalents	$ 31,565	$ 9,539
Promissory Note undrawn borrowing capacity	—	5,400
Conda ABL undrawn borrowing capacity	5,870	2,049
Liquidity	**$ 37,435**	**$ 16,988**

FREE CASH FLOW

Free cash flow is a non-IFRS measure that includes cash flows from operating activities (which excludes payment of interest expense) and cash flows from investing activities less cash growth capex (non-IFRS measure). Management believes that free cash flow is a valuable indicator of the Company's ability to generate cash flows from operations after giving effect to required capital expenditures to sustain operations at existing levels. Management further believes that free cash flow is a valuable indicator of the Company's cash flow available for debt service or to fund growth opportunities. The Company provides guidance on free cash flow as useful supplemental information to investors, analysts, lenders and others.

For the three months and years ended December 31, 2021 and 2020, the Company had free cash flow as follows:

	For the three months ended December 31,		*For the year ended December 31,*	
(in thousands of US Dollars)	2021	2020	2021	2020
Cash flows from (used by) operating activities	$ 32,333	$ 5,372	$ 94,499	$ (3,442)
Cash flows used by investing activities	(6,355)	(1,914)	(34,076)	(13,965)
Less: Cash growth capex	2,870	2,111	10,867	7,138
Free cash flow	**$ 28,848**	**$ 5,569**	**$ 71,290**	**$ (10,269)**

REVENUES PER TONNE P_2O_5

Revenues per tonne P_2O_5 is a non-IFRS metric that considers revenues divided by sales volumes presented on P_2O_5 basis. The Company uses revenues per tonne P_2O_5 in the calculation of cash margin per tonne P_2O_5 (non-IFRS measure).

For the three months ended December 31, 2021 and 2020

For the three months ended December 31, 2021, the Company had revenues per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except as otherwise noted)		Conda		Arraias
Revenues	$	116,784	$	—
Sales volumes (tonnes P_2O_5)		74,797		—
Revenues per Tonne P_2O_5	**$**	**1,561**	**$**	**—**

For the three months ended December 31, 2020, the Company had revenues per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except as otherwise noted)		Conda		Arraias
Revenues	$	75,055	$	20
Sales volumes (tonnes P_2O_5)		85,416		56
Revenues per Tonne P_2O_5	**$**	**879**	**$**	**357**

For the year ended December 31, 2021 and 2020

For the year ended December 31, 2021, the Company had revenues per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except as otherwise noted)		Conda		Arraias
Revenues	$	413,247	$	—
Total sales volumes (tonnes P_2O_5)		313,717		—
Revenues per Tonne P_2O_5	**$**	**1,317**	**$**	**—**

For the year ended December 31, 2020, the Company had revenues per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except as otherwise noted)		Conda		Arraias
Revenues	$	255,524	$	4,193
Total sales volumes (tonnes P_2O_5)		322,756		4,687
Revenues per Tonne P_2O_5	**$**	**792**	**$**	**895**

CASH COSTS AND CASH COSTS PER TONNE P_2O_5

Cash costs is a non-IFRS metric that excludes depreciation and depletion and net realizable value adjustments from cost of goods sold.

Cash costs per tonne P_2O_5 is a non-IFRS metric that considers cash costs (non-IFRS metric) divided by sales volumes presented on P_2O_5 basis. The Company uses cash costs per tonne P_2O_5 in the calculation of cash margin per tonne P_2O_5 (non-IFRS measure).

For the three months ended December 31, 2021 and 2020

For the three months ended December 31, 2021, the Company had cash costs and cash costs per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except as otherwise noted)		**Conda**		**Arraias**
Cost of goods sold	$	70,102	$	—
Depreciation and depletion		(6,943)		—
Cash costs	**$**	**63,159**	**$**	—
Sales volumes (tonnes P_2O_5)		74,797		—
Cash costs per tonne P_2O_5	**$**	**844**	**$**	—

For the three months ended December 31, 2020, the Company had cash costs and cash costs per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except as otherwise noted)		**Conda**		**Arraias**
Cost of goods sold	$	76,257	$	605
Inventory adjustments		(670)		(31)
Depreciation and depletion		(8,446)		(77)
Cash costs	**$**	**67,141**	**$**	**497**
Sales volumes (tonnes P_2O_5)		85,416		56
Cash costs per tonne P_2O_5	**$**	**786**	**$**	**8,875**

For the year ended December 31, 2021 and 2020

For the year ended December 31, 2021, the Company had cash costs and cash costs per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except as otherwise noted)		**Conda**		**Arraias**
Cost of goods sold	$	273,725	$	—
Depreciation and depletion		(25,213)		—
Cash costs	**$**	**248,512**	**$**	—
Sales volumes (tonnes P_2O_5)		313,717		—
Cash costs per tonne P_2O_5	**$**	**792**	**$**	—

For the year ended December 31, 2020, the Company had cash costs and cash costs per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except as otherwise noted)		**Conda**		**Arraias**
Cost of goods sold	$	253,977	$	13,980
Inventory adjustments		(1,482)		(31)
Depreciation and depletion		(34,637)		(4,116)
Cash costs	**$**	**217,858**	**$**	**9,833**
Sales volumes (tonnes P_2O_5)		322,756		4,687
Cash costs per tonne P_2O_5	**$**	**675**	**$**	**2,098**

CASH MARGIN AND CASH MARGIN PER TONNE P_2O_5

Cash margin is a non-IFRS metric that considers revenues less cash cost (non-IFRS metric).

Cash margin per tonne P_2O_5 is a non-IFRS metric that considers cash margin (non-IFRS metric) divided by sales volumes presented on P_2O_5 basis. Management believes that cash margin per tonne P_2O_5 is a valuable indicator of the Company's ability to generate margin on sales across its various phosphate and specialty fertilizer products normalized on a per tonne P_2O_5 basis.

For the three months ended December 31, 2021 and 2020

For the three months ended December 31, 2021, the Company had cash margin and cash margin per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except as otherwise noted)		Conda		Arraias
Revenues	$	116,784	$	—
Cash costs		63,159		—
Cash margin	**$**	**53,625**	**$**	**—**
Sales volumes (tonnes P_2O_5)		74,797		—
Cash margin per tonne P_2O_5	**$**	**717**	**$**	**—**

For the three months ended December 31, 2020, the Company had cash margin and cash margin per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except as otherwise noted)		Conda		Arraias
Revenues	$	75,055	$	20
Cash costs		67,141		497
Cash margin	**$**	**7,914**	**$**	**(477)**
Sales volumes (tonnes P_2O_5)		85,416		56
Cash margin per tonne P_2O_5	**$**	**93**	**$**	**(8,518)**

For the year ended December 31, 2021 and 2020

For the year ended December 31, 2021, the Company had cash margin and cash margin per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except as otherwise noted)		Conda		Arraias
Revenues	$	413,247	$	—
Cash costs		248,512		—
Cash margin	**$**	**164,735**	**$**	**—**
Sales volumes (tonnes P_2O_5)		313,717		—
Cash margin per tonne P_2O_5	**$**	**525**	**$**	**—**

For the year ended December 31, 2020, the Company had cash margin and cash margin per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except as otherwise noted)		Conda		Arraias
Revenues	$	255,524	$	4,193
Cash costs		217,858		9,833
Cash margin	**$**	**37,666**	**$**	**(5,640)**
Sales volumes (tonnes P_2O_5)		322,756		4,687
Cash margin per tonne P_2O_5	**$**	**117**	**$**	**(1,203)**

9. BUSINESS RISKS AND UNCERTAINTIES

FORWARD-LOOKING INFORMATION

This MD&A contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Except for statements of historical fact relating to the Company, information contained herein may constitute forward-looking information. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects”, “is expected”, “estimates”, “intends”, “believes”, “forecasts”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “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 ARO obligations.

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

These factors include risks and uncertainties relating to:

- commodity price risks;
- operating risks;
- safety risks;
- Mineral Reserves and Mineral Resources risks;
- mine development and completion risks;
- foreign operations risks;
- 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.

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

10. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires the Company to make estimates and judgments that affect the reported amounts of the assets, liabilities, revenues and expenses reported each period. Each of these estimates varies with respect to the level of judgment involved and the potential impact on the Company's reported financial results. Evaluations of estimates and judgments occur continuously. Estimates and judgments are based on historical experience and other factors including expectations of future events that are considered reasonable under the circumstances. If the Company's financial condition, change in financial condition or results of operations would be materially impacted by a different estimate or a change in estimate from period to period, estimates are deemed critical. By their nature, these estimates are subject to measurement uncertainty, and changes in these estimates may affect the financial statements of future periods (see Note 4 in the Consolidated Financial Statements).

11. CONTROLS AND PROCEDURES

The Company maintains controls and procedures, including disclosure controls and procedures (“DC&P”) and internal control over financial reporting (“ICFR”) as defined in National Instrument 52-109. The Company’s DC&P are intended to provide reasonable assurance that information required to be disclosed by the Company in its filings is reported accurately and timely. The Company’s ICFR is intended to provide reasonable assurance regarding the reliability of the Company’s financial reporting for external purposes in accordance with IFRS.

The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, there are inherent limitations to the effectiveness of any system of DC&P and ICFR, including the possibility of human error, circumvention of controls and procedures, collusion of two or more people, or unauthorized overriding of controls. Accordingly, even properly designed and effective controls and procedures can only provide reasonable, not absolute, assurance of achieving their objectives.

The Company has identified certain risks in its controls and procedures related to segregation of duties resulting from limited administrative staffing and manual processes. The Company is mitigating such risks through various measures, including automated processes and increased oversight. In addition, the Company continues to closely monitor potential risks to its controls and procedures as a result of the COVID-19 pandemic. While certain administrative and support activities are being conducted by working remotely, the Company has not experienced and is currently not projecting any material impact on the design or operating effectiveness of its controls and procedures as a result of the COVID-19 pandemic.

For the three months ended December 31, 2021, there were no changes to the Company’s controls and procedures that have materially affected, or are reasonably likely to materially affect, the Company’s DC&P and ICFR.

The Company’s management, including the Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company’s controls and procedures based on the framework and criteria established in Internal Control – Integrated Framework (2013) as issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) and concluded that the Company’s DC&P and ICFR were effective at a reasonable assurance level as at December 31, 2021.

12. OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Company's related party transactions include key management compensation and debt from CLF, its principal shareholder (see Note 24 in the Consolidated Financial Statements).

QUALIFIED PERSON

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

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