ITAFOS

Management's Discussion and Analysis of Operations and Financial Condition
For the three months and years ended December 31, 2020 and 2019

ITAFOS

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS AND FINANCIAL CONDITION

This management's discussion and analysis of operations and financial condition ("MD&A") is as of March 25, 2021 and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2020 (the "Consolidated Financial Statements"). The amounts contained in this MD&A are in thousands of US Dollars except for number shares, per share amounts, number of restricted share units ("RSUs") and as otherwise noted.

Unless otherwise specified, all figures in this MD&A 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.

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.

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*.*

1. GENERAL COMPANY INFORMATION

OVERVIEW

Itafos (the "Company") is a phosphate and specialty fertilizer platform with strategic businesses and projects located in key fertilizer markets.

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[1] – 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 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;
- Araxá – a vertically integrated rare earth elements and niobium mine and extraction plant project located in Minas Gerais, Brazil;
- Paris Hills – a high-grade phosphate mine project located in Idaho, US; and
- Mantaro – a phosphate mine project located in Junin, Peru.

The Company's principal shareholder is CL Fertilizers Holding LLC ("CLF"). CLF is an affiliate of Castlelake, L.P., a global private investment firm (see Notes 1 and 25 in the Consolidated Financial Statements).

The Company's shares trade on the TSX Venture Exchange ("TSX-V") under the trading symbol "IFOS". The Company's registered office is at Ugland House, Grand Cayman, Cayman Islands KY1-1104.

[1] Arraias previously demonstrated capability to produce PK compounds as part of the Repurpose Plan, which was enabled by purchasing higher grade phosphate rock from third party producers.

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BUSINESSES AND PROJECTS

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

Item	Conda[i]	Arraias[ii]	Farim	Santana	Araxá	Paris Hills	Mantaro
Ownership[iii]	100%	98.3%	100%	99.4%	100%	100%	100%
Location	Idaho, US	Tocantins, Brazil	Farim, Guinea-Bissau	Pará, Brazil	Minas Gerais, Brazil	Idaho, US	Junin, Peru
Status	Operating	Idled	Construction ready	Maintaining option	Maintaining option	Wind down in process	Wind down in process
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	Under review	Under review
Measured and Indicated Mineral Resources[iv]	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% TREO and at avg. 1.0% Nb_2O_5	88.0Mt at avg. 24.9% P_2O_5	39.5Mt at avg. 10.0% P_2O_5
Inferred Mineral Resources[iv]	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	10.4Mt at avg. 24.8% P_2O_5	376.3Mt at avg. 9.0% P_2O_5
Mine life[iv]	Through mid-2026	Under review	25 years	Under review	Under review	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	Phosphate rock	Phosphate rock
Annual production capacity	550kt	500kt SSP and SSP+ and 40kt excess sulfuric acid	1.3Mt	500kt SSP and 30kt excess sulfuric acid	8.7kt rare earth oxides and 0.7kt niobium oxide	1.0Mt	Under review

i. Conda's key infrastructure consists of mine, 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 (which are inclusive of Mineral Reserves) and Inferred Mineral Resources include both existing mines and Husky 1 and North Dry Ridge deposits. Conda's Measured and Indicated Resources (which are inclusive of Mineral Reserves) include 1.3Mt of stockpile ore.

ii. Arraias' key infrastructure consists of mine, beneficiation plant, sulfuric acid plant, acidulation plant and granulation plant. Arraias previously demonstrated capability to produce PK compounds as part of the Repurpose Plan, which was enabled by purchasing higher grade phosphate rock from third party producers.

iii. 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 (see Note 2 in the Consolidated Financial Statements).

iv. The Company's technical information, including Mineral Reserves, Measured and Indicated Mineral Resources (which are inclusive of 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.

The Company's businesses and projects are described in greater detail in Section 3 of this MD&A. The Company's latest respective technical reports are as follows:

- Conda – the technical report titled "NI 43-101 Technical Report on the Conda and Paris Hills Mineral Projects, Idaho, USA" and dated as 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 Arraias SSP Project, Tocantins State, Brazil" and dated as of March 27, 2013;
- Farim – the technical report titled "NI 43-101 Technical Report on the Farim Phosphate Project, Guinea-Bissau" and dated as of September 14, 2015;
- Santana – the technical report titled "Feasibility Study – Santana Phosphate Project Pará State, Brazil" and dated as of October 28, 2013;
- Araxá – the technical report titled "A Preliminary Economic Assessment in the form of an Independent Technical Report on MBAC Fertilizer Corp. – Araxá Project" and dated as of October 12, 2012.
- Paris Hills – the Conda Technical Report; and
- Mantaro – the technical report titled "NI 43-101 Technical Report on Mantaro Phosphate Deposit" and dated as of February 21, 2010.

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.

2. HIGHLIGHTS

OVERALL HIGHLIGHTS

For the three months ended December 31, 2020

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

- generated adjusted EBITDA of $4,803 [Q4 2019: $(1,622)], representing a 396% increase year-over-year primarily due to cost savings following the idling of Arraias (see Section 8);
- recorded current and deferred income tax recovery at corporate of $5,933 and other expense of $2,731 due to the capitalization of certain intercompany loans related to the Company's funding of Arraias (see Note 2 in the Consolidated Financial Statements);
- incurred net loss of $((9,415)) [Q4 2019: $(88,465)], representing a 89% decrease year-over-year primarily due to lower impairments of non-current assets, lower cost from idling of Arraias and lower corporate-wide selling, general and administrative expenses due to implementation of corporate wide cost savings and deferral of spending initiatives;
- posted a letter of credit of $7,951 under the $20,000 secured working capital facility at Conda with JPMorgan Chase Bank, N.A. (the "Revolving Facility") as collateral for surety bonds that guarantee Conda's obligations under its existing operating and environmental permits (see Notes 13, 22 and 26 in the Consolidated Financial Statements); and
- advanced corporate wide cost savings and deferral of spending initiatives.

For the three months ended December 31, 2020, the Company's business highlights were as follows:

- 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 resulting in no material impact to operations;
- sustained environmental, health and safety excellence at Conda and Arraias, including no environmental releases and three recordable incidents and achievement of a notable milestone at Arraias by completing a full calendar year without a recordable incident;
- experienced a significant disruption in sulfuric acid supply at Conda from its primary supplier through October 30, 2020 and advanced efforts to mitigate potential adverse effects of the disruption, including procuring additional sulfuric acid volumes from other third party suppliers;
- produced total production volumes at Conda of 145,665t [Q4 2019: 140,683t], representing a 4% increase year-over-year primarily due to timing of MAP+ production and higher APP production;
- generated adjusted EBITDA at Conda of $7,323 [Q4 2019: $8,213], representing a 11% decrease year-over-year primarily due lower cash margin per tonne P_2O_5 due to higher input costs, which was partially offset by higher realized prices (see Section 8);
- generated net income at Conda of $191 [Q4 2019: $(1,590)], representing a 112% increase year-over-year primarily due to higher gross margin due to lower depreciation and depletion, which was partially offset by a lower cash margin;
- advanced activities related to extending Conda's mine life through permitting and development of Husky 1/North Dry Ridge ("H1/NDR"), including:
  - achieved a key permitting milestone following the submittal of the Initial Action Notice ("IAN") by the U.S. Department of the Interior Bureau of Land Management ("BLM"), and
  - achieved a key permitting milestone following the publication of the Notice of Intent ("NOI") to prepare an Environmental Impact Statement ("EIS"), which formally commences the National Environmental Policy Act ("NEPA") EIS preparation and public engagement process by the BLM and the U.S. Department of Agriculture Forest Service;

- advanced activities related to optimizing Conda's EBITDA generation capability, including:
  - advanced formulation development of MAP enhanced with zinc as an additional product in the new line of micronutrient enhanced dry products,
  - advanced test work on MgO reduction with the use of enhanced grinding, attrition scrubbing and flotation,
  - completed a feasibility study related to on-site ammonia production,
  - completed a revised pre-feasibility study related to sulfuric acid plant expansion and cogeneration, and
  - advanced pilot plant testing and a FEED study related to AHF/PS by-product recovery;
- maintained the idling of Arraias following best practices;
- advanced the stage-gate restart program at Arraias, including advancing a test work campaign aimed at the metallurgical characterization of the Domingos ore as well as a detailed in-fill drilling program; and
- capitalized certain intercompany loans related to the Company's funding of Arraias, which increased the Company's ownership interest in Arraias from 97.0% to 98.3%.

For the three months ended December 31, 2020, the Company's other highlights were as follows:

- sustained environmental, health and safety excellence at Farim, including no environmental releases or recordable incidents and achievement of a notable milestone of one year without a recordable incident;
- maintained Farim at construction ready state while optimizing costs;
- advanced the development of Farim, including advancing project financing, related permitting and offtake initiatives;
- advanced the wind down of Paris Hills following the Company's decision to wind down the concession following completion of the Conda Technical Report, which defined H1/NDR as the Company's path forward for mine life extension at Conda (see Note 9 in the Consolidated Financial Statements);
- decided to wind down Mantaro as part of the Company's corporate wide cost savings and deferral of spending initiatives;
- advanced corporate streamlining initiatives, including merging two holding companies (see Note 2 in the Consolidated Financial Statements);
- announced the appointment of G. David Delaney as Chief Executive Officer ("CEO"); and
- announced the resignation of Dr. Mhamed Ibnabdeljalil as CEO and member of the Company's Board of Directors.

For the year ended December 31, 2020

For the year ended December 31, 2020, the Company's financial highlights were as follows:

- generated adjusted EBITDA of $15,047 [2019: $(3,203)], representing a 570% increase year-over-year primarily due to cost savings following the idling of Arraias and implementation of corporate wide cost savings and deferral of spending initiatives (see Section 8);
- recorded a write-off of mineral properties of $8,449 at Paris Hills following the Company's decision to wind down the concession following completion of the Conda Technical Report, which defined H1/NDR as the Company's path forward for mine life extension at Conda (see Note 9 in the Consolidated Financial Statements);
- recorded current and deferred income tax recovery at corporate of $5,933 and other expense of $2,731 due to the capitalization of certain intercompany loans related to the Company's funding of Arraias (see Note 2 in the Consolidated Financial Statements);
- incurred net loss of $(62,306) [2019: $(144,171)] representing a 57% decrease year-over-year primarily due to lower impairments of non-current assets, lower depreciation and depletion and the same factors that resulted in improved adjusted EBITDA, which were partially offset by a write-off of mineral properties at Paris Hills;
- closed the Revolving Facility, which refinanced and repaid in full the $20,000 secured working capital facility at Conda with Gavilon Fertilizer, LLC (the "Gavilon Facility") (see Notes 10 and 22 in the Consolidated Financial Statements);
- posted a letter of credit of $7,951 under the Revolving Facility as collateral for surety bonds that guarantee Conda's obligations under its existing operating and environmental permits (see Notes 13, 22 and 26 in the Consolidated Financial Statements);

- drew an additional $10,600 under the Company's unsecured and subordinated promissory note (the "CLF Promissory Note") with an additional $5,400 remaining available to be drawn by the Company at its sole discretion (see Notes 13 and 25 in the Consolidated Financial Statements);
- issued 5,000,000 shares to lenders of the Company's secured term credit facility (the "Facility") in exchange for eliminating additional interest of 1% per annum payable in cash for each quarter that the Company's consolidated secured leverage ratio is equal to or greater than 4.00:1.00 at the end of such quarter (see Notes 13, 15 and 25 in the Consolidated Financial Statements); and
- advanced corporate wide cost savings and deferral of spending initiatives.

For the year ended December 31, 2020, the Company's business highlights were as follows:

- implemented and continued corporate-wide risk mitigation measures to address potential impacts to employees, contractors and operations as a result of the COVID-19 pandemic resulting in no material impact to operations;
- sustained environmental, health and safety excellence at Conda and Arraias, including no environmental releases and five recordable incidents and achievement of notable milestones at Arraias by exceeding one year without a recordable incident and completing a calendar year without a recordable incident;
- completed a reduced-scope plant turnaround at Conda during July 2020 as part of its risk mitigation measures during the COVID-19 pandemic with no environmental releases or recordable incidents;
- experienced a significant disruption in sulfuric acid supply at Conda from its primary supplier through October 30, 2020 and advanced efforts to mitigate potential adverse effects of the disruption, including procuring additional sulfuric acid volumes from other third party suppliers and opportunistically conducting certain maintenance activities during times of lower throughput;
- produced total production volumes at Conda of 516,480t [2019: 575,948t], representing a 10% decrease year-over-year primarily due to a disruption in sulfuric acid supply from its primary supplier;
- generated adjusted EBITDA at Conda of $34,336 [2019: $35,117], representing a 2% decrease year-over-year primarily due to lower production volumes related to a disruption in sulfuric acid supply from its primary supplier and lower realized prices, partially offset by lower cash costs (see Section 8);
- realized net income at Conda of $2,818 [2019: $1,724], representing a 63% increase year-over-year primarily due to lower depreciation and depletion;
- advanced activities related to extending Conda's mine life through permitting and development of H1/NDR, including:
    - achieved a key permitting milestone following the submittal of the Mine and Reclamation Plan to the BLM,
    - achieved a key permitting milestone following the submittal of the IAN by the BLM,
    - achieved a key permitting milestone following the publication of the NOI to prepare an EIS, which formally commences the NEPA EIS preparation and public engagement process by the BLM and the U.S. Department of Agriculture Forest Service, and
    - secured support from the Idaho legislature via House Joint Memorial #11, which passed unanimously as well as numerous letters of support from local and state officials;
- advanced activities related to optimizing Conda's EBITDA generation capability, including:
    - completed the micronutrient addition to granulation project to support new line of micronutrient enhanced products,
    - entered into a third party tolling agreement for a proprietary micronutrient enhanced dry product as an additional product in the new line of micronutrient enhanced dry products and completed initial production run,
    - advanced formulation development of MAP enhanced with zinc as an additional product in the new line of micronutrient enhanced dry products,
    - advanced test work on MgO reduction with the use of enhanced grinding, attrition scrubbing and flotation,
    - completed a feasibility study related to on-site ammonia production,
    - completed a revised pre-feasibility study related to sulfuric acid plant expansion and cogeneration, and
    - advanced pilot plant testing and a FEED study related to AHF/PS by-product recovery;
- safely completed and maintained the idling of Arraias following best practices, including completing associated employee and contractor terminations and monetizing inventory and raw materials to partially offset costs;

- completed third party reports on Arraias' mine and beneficiation plant, which confirm that a restart is feasible and outline the respective timing and capex requirements;
- launched and advanced a stage-gate restart program at Arraias, including designing and advancing a test work campaign aimed at the metallurgical characterization of the Domingos ore as well as a detailed in-fill drilling program;
- secured important long-term tax incentives for Arraias; and
- capitalized certain intercompany loans related to the Company's funding of Arraias, which increased the Company's ownership interest in Arraias from 97.0% to 98.3%.

For the year ended December 31, 2020, the Company's other highlights were as follows:

- sustained environmental, health and safety excellence at Farim, including no environmental releases or recordable incidents and achievement of a notable milestone of one year without a recordable incident;
- advanced Farim to construction ready state, including completing the in-pit geotechnical report, selecting preferred mining contractor, completing third party reviews of the mine dewatering design and flood study and substantially completing construction of the contractor's camp;
- maintained Farim at construction ready state while optimizing costs;
- advanced the development of Farim, including advancing project financing, related permitting and offtake initiatives;
- advanced the wind down of Paris Hills, including issuing mineral lease termination letters to land owners, following the Company's decision to wind down the concession following completion of the Conda Technical Report, which defined H1/NDR as the Company's path forward for mine life extension at Conda (see Note 9 in the Consolidated Financial Statements);
- decided to wind down Mantaro as part of the Company's corporate wide cost savings and deferral of spending initiatives;
- advanced corporate streamlining initiatives, including dissolving three unutilized legacy entities and merging two holding companies (see Note 2 in the Consolidated Financial Statements);
- announced the appointment of G. David Delaney as CEO;
- announced the resignation of Dr. Mhamed Ibnabdeljalil as CEO and member of the Company's Board of Directors;
- announced the appointment of Anthony Cina as Chairman of the Company's Board of Directors, who had been serving as interim Chairman since November 2019;
- announced the appointment of Rory O'Neill and Ricardo De Armas to the Company's Board of Directors, as designated by CLF;
- issued 1,911,759 shares (net of 403,835 shares withheld to pay applicable taxes) due to vesting under the Company's RSU Plan (see Note 14 in the Consolidated Financial Statements);
- cash settled 128,082 RSUs for $45 due to vesting under the Company's RSU Plan (see Note 14 in the Consolidated Financial Statements);
- granted 5,009,348 RSUs under the Company's RSU Plan, including 621,279 RSUs granted to directors, 2,081,980 RSUs granted to management and 2,306,089 RSUs granted to employees and contractors (see Notes 3 and 14 in the Consolidated Financial Statements); and
- amended the Company's RSU Plan to increase the maximum number of shares which may be reserved for issuance under the Company's RSU Plan from 14,207,030 to 18,546,282 (see Note 3 in the Consolidated Financial Statements).

Subsequent Events

Subsequent to the year ended December 31, 2020, the Company's overall highlights were as follows:

- announced the appointment of David Brush as Chief Strategy Officer;
- issued 417,252 shares (net of 114,878 shares withheld to pay applicable taxes) due to vesting under the Company's RSU Plan (see Note 27 in the Consolidated Financial Statements);
- cash settled 74,597 RSUs for $36 due to vesting under the Company's RSU Plan (see Note 27 in the Consolidated Financial Statements); and
- granted 3,735,390 RSUs under the Company's RSU Plan, including 305,326 RSUs granted to directors, 1,559,777 RSUs granted to management and 1,870,287 RSUs granted to employees and contractors (see Note 27 in the Consolidated Financial Statements).

On March 11, 2021, the US International Trade Commission ("US ITC") determined that subsidized phosphate fertilizer imports from Morocco and Russia have materially injured the US phosphate industry. As a result of this ruling, the US Department of Commerce ("US DOC") will issue countervailing duty ("CVD") orders on phosphate fertilizers from Russia and Morocco, which will remain in place for at least five years. The rates for such imports are expected to be approximately 20% for Moroccan producer OCP, 9% and 47% for Russian producers PhosAgro and EuroChem, respectively, and 17% for all other Russian producers.

FINANCIAL HIGHLIGHTS

For the three months and years ended December 31, 2020 and 2019, the Company's financial highlights were as follows:

	For the three months ended December 31,		*For the year ended December 31,*	
(in thousands of US Dollars)	**2020**	**2019**	**2020**	**2019**
Revenues	$ 75,075	$ 81,431	$ 260,185	$ 339,430
Gross margin	(1,787)	(74,384)	(16,221)	(87,912)
Adjusted EBITDA[i]	4,803	(1,622)	15,047	(3,203)
Net loss	(9,415)	(88,465)	(62,306)	(144,171)
Basic loss per share	$ (0.05)	$ (0.63)	$ (0.34)	$ (1.02)
Fully diluted loss per share	$ (0.05)	$ (0.63)	$ (0.34)	$ (1.02)
Maintenance capex[i]	$ 1,520	$ 12,291	$ 7,740	$ 29,942
Growth capex[i]	2,392	4,902	7,419	20,864
Total Capex[i]	**$ 3,912**	**$ 17,193**	**$ 15,159**	**$ 50,806**
Free cash flow[i]	$ 6,402	$ (13,925)	$ (9,436)	$ 9,323

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

For the three months ended December 31, 2020 and 2019, the Company's financial highlights were explained as follows:

- revenues were down year-over-year primarily due to lower sales volumes following the idling of Arraias, which was partially offset by higher sales volumes and prices at Conda;
- adjusted EBITDA was up year-over-year primarily due to cost savings following idling of Arraias;
- net loss was down year-over-year primarily due to lower impairments of non-current assets, lower cost from the idling of Arraias and lower corporate-wide selling, general and administrative expenses due to implementation of corporate wide cost savings and deferral of spending initiatives;
- maintenance capex was down year-over-year primarily due to gyp stack expansion at Conda during 2019 and lower maintenance activities following the idling of Arraias;
- growth capex was down year-over-year primarily due to timing of activities related to extending Conda's mine life through permitting and development of H1/NDR and reduced spend at Farim upon reaching construction ready state, which were partially offset by activities related to the Arraias stage-gate restart program and optimizing Conda's EBITDA generation capability (see Section 8); and

- free cash flow was up year-over-year primarily due to lower maintenance capex and higher cash from (used by) operating activities related to the same factors that resulted in improved adjusted EBITDA (see Section 8).

For the years ended December 31, 2020 and 2019, the Company's financial highlights were explained as follows:

- revenues were down year-over-year primarily due to lower sales volumes at Conda due to a disruption in sulfuric acid supply from its primary supplier, lower realized prices at Conda and lower sales volumes following the idling of Arraias;
- adjusted EBITDA was up year-over-year primarily due to cost savings following the idling of Arraias and implementation of corporate wide cost savings and deferral of spending initiatives (see Section 8);
- net loss was down year-over-year primarily due to lower impairments of non-current assets, lower depreciation and depletion and the same factors that resulted in improved adjusted EBITDA, which were partially offset by a write-off of mineral properties at Paris Hills;
- maintenance capex was down year-over-year primarily due to the Company's decision to conduct a reduced-scope plant turnaround at Conda during July 2020 as part of its risk mitigation measures during the COVID-19 pandemic, gyp stack expansion at Conda during 2019 and lower maintenance activities following the idling of Arraias (see Section 8);
- growth capex was down year-over-year primarily due to timing of activities related to extending Conda's mine life through permitting and development of H1/NDR and reduced spend at Farim upon reaching construction ready state, which were partially offset by activities related to the Arraias stage-gate restart program and optimizing Conda's EBITDA generation capability (see Section 8); and
- free cash flow was down year-over-year primarily due to lower trade and tax payables at Conda, which were partially offset by lower maintenance capex, lower inventory and the same factors that resulted in improved adjusted EBITDA (see Section 8).

As at December 31, 2020 and 2019, the Company's financial highlights were as follows:

	As at December 31,	
(in thousands of US Dollars)	**2020**	**2019**
Total assets	$ 477,304	$ 510,764
Total liabilities	394,881	368,505
Net debt[i]	233,926	187,319
Adjusted net debt[i]	166,335	136,900
Total equity	82,423	142,259

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

As at December 31, 2020 and 2019, the Company's financial highlights were explained as follows:

- total assets were down year-over-year primarily due to lower cash and cash equivalents, lower inventory at Conda and Arraias, decreased non-current assets from write-off of mineral properties at Paris Hills and depreciation and depletion at Conda, which was partially offset by fixed assets additions primarily at Conda (see Note 5 in the Consolidated Financial Statements);
- total liabilities were down year-over-year primarily due to lower trade and taxes payable at Conda, payroll payables at corporate and provisions and taxes payable at Arraias;
- net debt was up year-over-year primarily due to lower cash and cash equivalents and additional debt resulting from paid-in-kind interest related to the Facility and draws under the CLF Promissory Note;
- adjusted net debt was up year-over-year primarily due to lower cash and cash equivalents and additional debt resulting from paid-in-kind interest related to the Facility (see Section 8); and
- total equity was down year-over-year primarily due to net loss recorded during the period.

BUSINESS HIGHLIGHTS

Conda

COVID-19 Risk Mitigation Measures

The Company is closely monitoring 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 fertilizer and agriculture 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 as follows:

- adopted temporary travel restrictions;
- established a daily COVID-19 emergency operations center to track and respond in real-time to regional and local developments;
- implemented measures to reduce on site presence and interaction of staff;
- increased cleaning and disinfecting measures;
- adopted new policies related to sick leave and isolation in case of symptoms;
- established ongoing dialogue with key business partners (customers, logistics providers, mining contractor, health insurance provider) to continually monitor the situation;
- requalified supervisors and staff on applicable critical operations in the event of an outbreak; and
- assessed business relief options.

As at December 31, 2020, there have been a number of confirmed cases of COVID-19 amongst employees and contractors at Conda. Following each confirmed case, Conda implemented stringent quarantine and sanitation efforts to isolate such incidents and prevent further spread.

The Company is not currently projecting any material impact on Conda's operations as a result of the COVID-19 pandemic.

EHS Highlights

For the three months ended December 31, 2020, Conda sustained environmental, health, and safety excellence with no environmental releases and three recordable incidents. For the year ended December 31, 2020, Conda sustained environmental, health, and safety excellence with no environmental releases and five recordable incidents.

Plant Turnaround

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

Sulfuric Acid Disruption

On August 20, 2020, the Company announced that Conda had been experiencing a significant disruption in sulfuric acid supply from Rio Tinto's Kennecott mine. Conda fulfills approximately 40% of its sulfuric acid requirements from volumes produced internally and approximately 60% from a combination of volumes received from Rio Tinto's Kennecott mine under a long-term supply agreement and volumes procured from other third party suppliers. On August 18, 2020, Rio Tinto announced that its Kennecott mine in Utah had experienced delays to the restart of the smelter. According to Rio Tinto's announcement, such delays to the restart of the smelter were due to unexpected issues that appeared following planned maintenance. Rio Tinto further announced that they were working closely with their customers to limit any disruptions and expected to have the smelter fully operational in two months. The Company experienced a significant disruption in sulfuric acid supply at Conda from from Rio Tinto's Kennecott mine through October 30, 2020 and advanced efforts to mitigate potential adverse effects of the disruption, including procuring additional sulfuric acid volumes from other third party suppliers and opportunistically conducting certain maintenance activities during times of lower throughput.

Business Highlights

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

(in thousands of US Dollars except for volumes, per tonne amounts and prices)	*For the three months ended December 31,* 2020	2019	*For the year ended December 31,* 2020	2019
Production volumes (t)				
MAP	92,253	95,990	323,032	381,316
MAP+	5,515	—	19,834	9,028
SPA[i]	37,749	36,794	137,619	145,848
MGA[i]	—	199	763	1,277
APP	10,148	7,700	35,232	38,479
Total production volumes (t)	**145,665**	**140,683**	**516,480**	**575,948**
Total production volumes (tonnes P_2O_5)	**91,322**	**89,526**	**326,073**	**362,013**
Sales volumes (t)				
MAP	88,417	85,156	336,010	392,162
MAP+	10,121	2,329	26,131	2,329
SPA[i]	31,281	35,795	124,789	132,070
MGA[i]	—	272	763	1,350
APP	12,386	12,257	36,140	38,486
Total sales volumes (t)	**142,205**	**135,809**	**523,833**	**566,397**
Total sales volumes (tonnes P_2O_5)	**86,037**	**85,447**	**322,756**	**351,361**
Realized price ($/t)[ii]				
MAP	$ 400	$ 313	$ 334	$ 378
MAP+	$ 469	$ 375	$ 402	$ 375
SPA[i]	$ 933	$ 996	$ 925	$ 986
MGA[i]	$ —	$ 952	$ 971	$ 994
APP	$ 461	$ 455	$ 457	$ 466
Revenues ($)				
MAP	$ 35,409	$ 26,681	$ 112,301	$ 148,182
MAP+	$ 4,749	$ 873	$ 10,509	$ 873
SPA	$ 29,186	$ 35,649	$ 115,449	$ 130,233
MGA	$ —	$ 259	$ 741	$ 1,342
APP	$ 5,711	$ 5,579	$ 16,524	$ 17,921
Total revenues	**$ 75,055**	**$ 69,041**	**$ 255,524**	**$ 298,551**
Revenues per tonne P_2O_5[ii]	**$ 872**	**$ 808**	**$ 792**	**$ 850**
Cash costs[ii]	**$ 67,141**	**$ 60,134**	**$ 217,858**	**$ 259,320**
Cash costs per tonne P_2O_5[ii]	**$ 780**	**$ 704**	**$ 675**	**$ 738**
Cash margin[ii]	**$ 7,914**	**$ 8,907**	**$ 37,666**	**$ 39,231**
Cash margin per tonne P_2O_5[ii]	**$ 92**	**$ 104**	**$ 117**	**$ 112**
Adjusted EBITDA[ii]	$ 7,323	$ 8,213	$ 34,336	$ 35,117
Maintenance capex[ii]	$ 1,517	$ 10,891	$ 7,737	$ 25,625
Growth capex[ii]	$ 1,244	$ 2,852	$ 6,349	$ 8,671
Total capex[ii]	**$ 2,761**	**$ 13,743**	**$ 14,086**	**$ 34,296**

i. Presented on a 100% P_2O_5 basis.
ii. Non-IFRS measure (see Section 8).

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

- total production volumes were up year-over-year primarily due to timing of MAP+ production and higher APP production;
- total sales volumes were up year-over-year primarily due to timing of MAP+ sales and MAP lifting, which was partially offset by lower SPA sales;
- cash margin per tonne P_2O_5 was down due to higher input costs, which was partially offset by higher realized prices (see Section 8);
- maintenance capex was down year-over-year primarily due to gyp stack expansion during 2019 (see Section 8); and
- growth capex was down year-over-year primarily due to timing of activities related to extending Conda's mine life through permitting and development of H1/NDR, which was partially offset by activities related to optimizing Conda's EBITDA generation capability (see Section 8).

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

- total production volumes were down year-over-year primarily due to a disruption in sulfuric acid supply from its primary supplier;
- total sales volumes were down year-over-year due to lower production volumes;
- cash margin per tonne P_2O_5 was down due to lower realized prices, which was partially offset by lower input costs (see Section 8);
- maintenance capex was down year-over-year primarily due to the Company's decision to conduct a reduced-scope plant turnaround at Conda during July 2020 as part of its risk mitigation measures during the COVID-19 pandemic and gyp stack expansion during 2019 (see Section 8); and
- growth capex was down year-over-year primarily due to timing of activities related to extending Conda's mine life through permitting and development of H1/NDR, which was partially offset by activities related to optimizing Conda's EBITDA generation capability (see Section 8).

Revolving Facility

On August 10, 2020, Conda closed the Revolving Facility, which refinanced the Gavilon Facility. The Revolving Facility considers a commitment to loan up to $20,000, of which $10,000 was drawn at closing. The proceeds of the Revolving Facility were initially used to repay the Gavilon Facility in full and thereafter are being used for working capital and general purposes. On December 18, 2020, the Company posted a letter of credit of $7,951 under the Revolving Facility as collateral for surety bonds that guarantee Conda's obligations under its existing operating and environmental permits. As at December 31, 2020, an additional $2,049 remained available under the Revolving Facility to be drawn by Conda subject to certain terms and conditions (see Notes 13, 22 and 26 in the Consolidated Financial Statements).

Mine Life Extension

For the three months ended December 31, 2020, the Company advanced activities related to extending Conda's mine life through permitting and development of H1/NDR as follows:

- achieved a key permitting milestone following the submittal of the IAN by the BLM; and
- achieved a key permitting milestone following the publication of the NOI to prepare an EIS, which formally commences the NEPA EIS preparation and public engagement process by the BLM and the U.S. Department of Agriculture Forest Service.

For the year ended December 31, 2020, the Company advanced activities related to extending Conda's mine life through permitting and development of H1/NDR as follows:

- achieved a key permitting milestone following the submittal of the Mine and Reclamation Plan to the BLM;
- achieved a key permitting milestone following the submittal of the IAN by the BLM;
- achieved a key permitting milestone following the publication of the NOI to prepare an EIS, which formally commences the NEPA EIS preparation and public engagement process by the BLM and the U.S. Department of Agriculture Forest Service; and
- secured support from the Idaho legislature via House Joint Memorial #11, which passed unanimously as well as numerous letters of support from local and state officials.

As at December 31, 2020, the Company has advanced activities related to extending Conda's mine life through permitting and development of H1/NDR as follows:

Area	Status	Highlights
Technical report	Completed	▪ 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)
Exploration and development	Ongoing	▪ Completed 346 drill holes for H1 and 303 drill holes for NDR ▪ Conducting metallurgical testing on core samples gathered from H1 drilling ▪ Developing 2021 summer drilling strategy
Environmental	Ongoing	▪ Completed environmental baselines ▪ Continuing surface water and groundwater monitoring
Permits	Ongoing	▪ Secured federal phosphate leases ▪ Advancing permitting process, including achievement of various permitting milestones (see below H1/NDR key permitting milestones) ▪ Secured support from the Idaho legislature via House Joint Memorial #11, which passed unanimously ▪ Secured numerous letters of support from local and state officials ▪ Advancing public outreach efforts
Studies and fieldwork	Ongoing	▪ Completed geotechnical slope stability analysis ▪ Advancing groundwater fate and transport modeling and stormwater management plan ▪ Advanced metallurgy analysis ▪ Submitted an updated Mine and Reclamation Plan to the BLM as part of the NEPA permitting process ▪ Advancing analysis of mining and facilities alternatives as part of the NEPA permitting process ▪ Advancing analysis of existing and new infrastructure ▪ Advancing cap and cover alternatives analysis and updates to the Groundwater Fate and Transport Model associated with EIS requirements

As at December 31, 2020, the Company has advanced H1/NDR key permitting milestones as follows:

Key Milestones	Status
Submit Mine and Reclamation Plan to the BLM	Completed in April 2020
IAN	Completed in October 2020
NOI (represents start of NEPA process)	Completed in December 2020
Draft EIS	In process
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, 2020, the Company advanced activities related to optimizing Conda's EBITDA generation capability as follows:

- advanced formulation development of MAP enhanced with zinc as an additional product in the new line of micronutrient enhanced dry products;
- advanced test work on MgO reduction with the use of enhanced grinding, attrition scrubbing and flotation;
- completed a feasibility study related to on-site ammonia production;
- completed a revised pre-feasibility study related to sulfuric acid plant expansion and cogeneration; and
- advanced pilot plant testing and a FEED study related to AHF/PS by-product recovery.

For the year ended December 31, 2020, the Company advanced activities related to optimizing Conda's EBITDA generation capability as follows:

- completed the micronutrient addition to granulation project to support new line of micronutrient enhanced products;
- entered into a third party tolling agreement for a proprietary micronutrient enhanced dry product as an additional product in the new line of micronutrient enhanced dry products and completed initial production run;
- advanced formulation development of MAP enhanced with zinc as an additional product in the new line of micronutrient enhanced dry products;
- advanced test work on MgO reduction with the use of enhanced grinding, attrition scrubbing and flotation;
- completed a feasibility study related to on-site ammonia production;
- completed a revised pre-feasibility study related to sulfuric acid plant expansion and cogeneration; and
- advanced pilot plant testing and a FEED study related to AHF/PS by-product recovery.

As at December 31, 2020, the Company has advanced activities related to optimizing Conda's EBITDA generation capability as follows:

Area	Status	Highlights
Micronutrient enhanced dry products (MAP+)	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 formulation development of MAP enhanced with zinc as an additional product ▪ Advancing plans to further ramp up production and sales volumes during 2021 and beyond
MgO reduction[i]	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
On-site ammonia production	Ongoing	▪ Completed desktop concept evaluation ▪ Completed feasibility study
Sulfuric acid plant expansion and cogeneration	Ongoing	▪ Completed review of original 2015 pre-feasibility study ▪ Completed revised pre-feasibility study
AHF/PS by-product recovery	Ongoing	▪ Completed phase 0/1 concept engineering and bench-scale testing ▪ Advanced pilot plant testing and FEED study
Increased P_2O_5 throughput	On hold	▪ Completed review by technical advisor ▪ Placed initiative on hold pending advancement of mine life extension
SPA expansion and APP integration	On hold	▪ Completed bench-scale test work and concept engineering study for MgO reduction using continuous ion exchange ("CIX") technology ▪ Placed initiative on hold pending outcome of attrition scrubbing test work, which will allow selection of MgO reduction technology pathway
Vanadium ("V") by-product recovery	On hold	▪ Completed phase 0/1 concept engineering and bench-scale testing ▪ Placed initiative on hold pending V market recovery

i. Formerly referred to as attrition scrubbing and flotation.

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 fertilizer and agriculture 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 as follows:

- adopted temporary travel restrictions;
- temporarily closed the São Paulo office and implemented measures to facilitate employees working from home;
- cancelled all non-critical site visits and implemented measures to minimize exposure while safely continuing critical activities (e.g., tailings dam inspections);
- increased safety measures related to screening site visitors;
- increased cleaning and disinfecting measures;
- adopted new policies related to sick leave and isolation in case of symptoms; and
- adopted the procedure to conduct COVID-19 tests to all employees and contractors in a weekly basis to ensure a safe and healthy environment during the in-fill drilling program (see below).

As at December 31, 2020, there has been one confirmed case of COVID-19 amongst employees and three confirmed cases amongst contractors at Arraias. Following each confirmed case, Arraias successfully implemented stringent quarantine and sanitation efforts to isolate the incidents and prevent further spread.

The Company is not currently projecting any material impact on Arraias' care and maintenance activities as a result of the COVID-19 pandemic.

EHS Highlights

For the three months and year ended December 31, 2020, Arraias sustained environmental, health, and safety excellence with no environmental releases or recordable incidents. During Q3 2020, Arraias achieved a notable milestone by exceeding one year without a recordable incident. As at December 31, 2020, Arraias achieved a further notable milestone by completing a full calendar year without a recordable incident.

Idling and Stage-Gate Restart Program

On November 21, 2019, the Company announced its decision to idle Arraias and suspend the previously announced Repurpose Plan as part of a disciplined approach to capital allocation considering the continued downward pressure on global fertilizer prices and the additional capital requirements to complete the Repurpose Plan.

For the three months and year ended December 31, 2020, the Company safely completed and maintained the idling of Arraias following best practices to protect and preserve the value of the underlying assets. Following receipt of approval from the labor union, the Company completed the employee layoffs and contractor terminations at Arraias associated with the idling. Notwithstanding the idling of Arraias, the Company has continued to employ necessary personnel for the care and maintenance of the assets and has maintained all licenses and permits in good standing and compliance with existing regulations. In addition, the Company successfully monetized inventory, raw materials and miscellaneous equipment at Arraias to partially offset costs.

In parallel with its decision to idle Arraias, the Company engaged the services of Golder Associates Inc. ("Golder") and Jesa Technologies LLC ("Jesa") to conduct third party reports on Arraias' mine and beneficiation plant, respectively. The third party reports, which were completed in January 2020, confirm that restarting Arraias' mine and beneficiation plant is feasible and outline the respective timing and capex requirements.

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 the risk. The first stage-gate is the development of a revised geological model and long-term mine plan of the Domingos pit, which is expected to be completed by Q4 2021. Accordingly, the Company designed and is advancing a test work campaign aimed at the metallurgical characterization of the Domingos ore as well as a detailed in-fill drilling program. 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. As part of this stage-gate, the Company engaged Jesa in June 2020 to conduct the metallurgical test work that will form the basis of the revised beneficiation process. The portion of the metallurgical test work related to milling, classification and coarse flotation was completed during Q4 2020 and the portion of the metallurgical test work related to fines flotation is expected to be completed by Q1 2021. Also, as a part of the first stage-gate, the Company advanced the detailed in-fill drilling program by completing 232 diamond core holes for a total of 6,167m of drilling. The in-fill drilling program is expected to be completed during Q1 2021.

Business Highlights

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

(in thousands of US Dollars except for volumes, per tonne amounts and prices)	*For the three months ended December 31,* 2020	2019	*For the year ended December 31,* 2020	2019
Production volumes (t)				
SSP	—	65,893	3,879	126,906
SSP+	—	9,072	1,113	66,996
PK compounds[iv]	—	—	—	3,230
Total production volumes (t)	**—**	**74,965**	**4,992**	**197,132**
Total production volumes (tonnes P_2O_5)	**—**	**12,835**	**910**	**34,473**
Excess sulfuric acid production volumes (t)[i]	—	14,424	—	50,066
Sales volumes (t)				
SSP	329	47,394	28,500	98,483
SSP+	—	5,489	2,459	59,766
PK compounds[iv]	—	1,899	—	2,018
Total sales volumes (t)	**329**	**54,782**	**30,959**	**160,267**
Total sales volumes (tonnes P_2O_5)	**56**	**9,080**	**4,687**	**28,098**
Excess sulfuric acid sales volumes (t)	—	14,424	5,213	50,066
Realized price ($/t)[ii]				
SSP	$ 58	$ 190	$ 131	$ 194
SSP+	$ —	$ 244	$ 184	$ 261
PK compounds[iv]	$ —	$ 352	$ —	$ 355
Excess sulfuric acid	$ —	$ 94	$ 90	$ 110
Revenues ($)				
SSP, net	$ 20	$ 9,022	$ 3,740	$ 19,077
SSP+, net	$ —	$ 1,340	$ 453	$ 15,589
PK compounds[iv]	$ —	$ 668	$ —	$ 717
Total revenues	**$ 20**	**$ 11,030**	**$ 4,193**	**$ 35,383**
Revenues per tonne P_2O_5[ii]	**$ 357**	**$ 1,215**	**$ 895**	**$ 1,259**
Cash costs[iii]	**$ 497**	**$ 15,085**	**$ 9,833**	**$ 54,246**
Cash costs per tonne P_2O_5[ii]	**$ 8,875**	**$ 1,661**	**$ 2,098**	**$ 1,931**
Cash margin[iii]	**$ (477)**	**$ (4,055)**	**$ (5,640)**	**$ (18,863)**
Cash margin per tonne P_2O_5[iii]	**$ (8,518)**	**$ (447)**	**$ (1,203)**	**$ (671)**
Excess sulfuric acid revenues ($)	$ —	$ 1,360	$ 468	$ 5,496
Adjusted EBITDA[ii]	$ (904)	$ (7,001)	$ (8,546)	$ (23,372)
Maintenance capex[ii]	$ —	$ 1,400	$ —	$ 4,255
Growth capex[ii]	$ 886	$ —	$ 987	$ 2,177
Total capex[ii]	**$ 886**	**$ 1,400**	**$ 987**	**$ 6,432**

i. Excess sulfuric acid production volumes (t) are presented net of production for internal consumption.
ii. Non-IFRS measure (see Section 8).
iii. Non-IFRS measure and excludes sulfuric acid (see Section 8).
iv. Arraias previously demonstrated capability to produce PK compounds as part of the Repurpose Plan, which was enabled by purchasing higher grade phosphate rock from third party producers.

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

- total production and sales volumes were down year-over-year due to the idling of Arraias;
- overall realized prices were down year-over-year primarily due to lower fertilizer prices and implementation of a program to monetize remaining inventory and raw materials to partially offset costs;
- adjusted EBITDA was up year-over-year primarily due to the lower level of activities associated with the idling of Arraias and implementation of corporate wide cost savings and deferral of spending initiatives (see Section 8); and
- total capex was down year-over-year primarily due to the idling of Arraias, which was partially offset by activities related to the stage-gate restart program (see Section 8).

Tax Incentives

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

Capitalization of Intercompany Loans

In December 2020, the Company capitalized certain intercompany loans related to the Company's funding of Arraias. As a result, the Company recorded current and deferred income tax recovery at corporate of $5,933 and other expense of $2,731 at Arraias and increased its ownership interest in Arraias from 97.0% to 98.3% (see Notes 2 and 14 in the Consolidated Financial Statements).

Farim

For the three months ended December 31, 2020, the Company advanced the development of Farim as follows:

- maintained the project at construction ready state while optimizing costs; and
- advanced project financing, related permitting and offtake initiatives.

For the year ended December 31, 2020, the Company advanced the development of Farim as follows:

- advanced project to construction ready state, including completing the in-pit geotechnical report, selecting preferred mining contractor, completing third party reviews of the mine dewatering design and flood study and achieving substantial completion of construction of the contractor's camp;
- maintained the project at construction ready state while optimizing costs; and
- advanced project financing, related permitting and offtake initiatives.

As at December 31, 2020, the Company had advanced the development of Farim as follows:

Area	Status	Highlights
Technical report	Completed	▪ Completed technical report titled "NI 43-101 Technical Report on the Farim Phosphate Project" and dated as of September 14, 2015
Environmental and social	Completed	▪ Completed Environment and Social Impact Assessment ("ESIA") based on International ▪ Finance Corporation guidelines and Equator principles ▪ Baseline air, noise and water quality measurements taken since 2016 and will continue through end of mine life ▪ Received approval for resettlement action plan from the Government of Guinea-Bissau ▪ Measuring baseline air, noise and water quality since 2016; expecting to continue taking quality measurements through end of mine life
Studies and fieldwork (detailed design and engineering inputs)	Completed	▪ Completed river bathymetry study and determined Supramax shipping route ▪ Completed geotech and hydrogeological drilling ▪ Performed four additional pilot plant tests that enabled completion of phosphate rock specification sheet ▪ Completed static and kinetic leach tests that confirmed that tailings do not produce acid drainage or leach metals
Detailed design and engineering	Completed	▪ Completed FEED study by Lycopodium Minerals Canada Ltd, including preparation of a definitive cost estimate and definitive schedule ▪ Completed detailed mine plan with optimized pit shell completed by Golder; completed in-pit geotechnical report; completed contract mining bid process and selected preferred contractor ▪ Completed mine dewatering design by Knight Piésold Ltd., including third party review ▪ Completed flood study by W.F. Baird & Associates Coastal Engineers Ltd. ("Baird"); including third party review ▪ Completed detailed design of mineral terminal by Baird; completed mineral terminal works contractor bid process and selected preferred contractor ▪ Finalized all major process equipment procurement packages ▪ Completed design of resettlement homes
Permits and licenses	Ongoing	▪ Executed mining agreement with the Government of Guinea-Bissau; advancing revisions to facilitate project financing and update tax incentives ▪ Obtained all required environmental and mine operating permits; expecting to obtain mineral terminal operating permit and certain construction permits (e.g, sanitation) prior to construction
Offtake agreements	Ongoing	▪ Advancing offtake alternatives; offtake agreement(s) expected to be required to be executed prior to disbursement of project financing ▪ Evaluating proposals for bulk sample extraction and processing facilities in order to generate bulk samples for prospective offtakers
Project financing	Ongoing	▪ Advancing project financing alternatives
Construction and resettlement	Ongoing	▪ Advanced mine and mineral terminal site and resettlement village to construction ready state; expecting to complete construction over a timeframe of 18 months from disbursement of project financing ▪ Substantially completed construction of the contractor's camp ▪ Engineering, procurement and construction agreement(s) expected to be executed prior to disbursement of project financing

MARKET HIGHLIGHTS

For the three months ended December 31, 2020

Global Phosphate Fertilizer Supply and Demand Highlights

For the three months ended December 31, 2020, global phosphate fertilizer supply highlights were as follows:

- overall, the fertilizer and agriculture sectors were largely deemed essential businesses by most nations worldwide and therefore most producers were not forced to shut down operations due to the COVID-19 pandemic;
- the commissioning of capacity additions in Tunisia (Mdhilla 2) and Morocco (Line F) were delayed to 2021, which significantly reduced supply growth;
- Chinese exports remained down due to solid domestic demand and continued discipline from major producers in limiting export availability;
- excluding China, most producers were producing close to capacity, with reported production disruptions faced by producers in Tunisia, Egypt and Saudi Arabia having limited impact on global supply;
- Mosaic petitioned to the US DOC and the US ITC for CVD orders on phosphate fertilizer imports to the US from Morocco and Russia in June 2020, receiving an affirmative preliminary determination in November 2020 and resulting in significant duties being levied on imports to the US from Morocco and Russia;
- as a result of the CVD orders, US imports and exports were down year-over-year due to the reshuffling of trade flows; and
- global inventory levels continued to be drawn down due to the delay in supply capacity additions, which was furthered by demand factors noted below.

For the three months ended December 31, 2020, global phosphate fertilizer demand highlights were as follows:

- overall, global demand fundamentals were not materially impacted by the COVID-19 pandemic;
- international crop prices rallied on lower forecasted inventory for all major crops, supporting demand and fertilizer relative affordability;
- Chinese demand slightly increased following rising grains prices and a decrease in domestic grains inventories;
- Indian demand continued strong due to positive farmer economics, being further driven by increasing fertilizer subsidies as part of new stimulus package unveiled in November 2020;
- North American demand was positive due to recovering crop prices and government support to the farming community through federal aid packages related to the COVID-19 pandemic;
- Brazilian demand continued on track for a record year due to strong farmer economics supported by the devaluation of the Brazilian Real, despite some drought conditions caused by La Niña weather pattern; and
- demand from other areas such as Russia, Pakistan, Australia and Europe remained constructive.

Global Phosphate Fertilizer Pricing and Input Cost Highlights

For the three months ended December 31, 2020, global phosphate fertilizer pricing and input cost highlights were as follows:

- Diammonium phosphate (“DAP”) New Orleans (“NOLA”) prices averaged $409/t, up 46% year-over-year due to improved supply demand dynamics further supported by the CVD orders;
- MAP Brazil prices averaged $377/t, up 27% year-over-year due to continued draw down of global inventory levels;
- the price premium for liquid phosphate fertilizer over dry phosphate fertilizer in North America came back in line with historical averages due to rising prices of dry phosphate fertilizer;
- sulfur Vancouver and Brazil prices averaged up 58% year-over-year due to strong global demand from phosphates and metals while supply decreased as refinery run rates remained low due to the impact of the COVID-19 pandemic on fuel demand; and
- ammonia Tampa and US Gulf prices averaged down 5% year-over-year due to continued ample supply availability.

For the year ended December 31, 2020

Global Phosphate Fertilizer Supply and Demand Highlights

For the year ended December 31, 2020, global phosphate fertilizer supply highlights were as follows:

- overall, the fertilizer and agriculture sectors were largely deemed essential businesses by most nations worldwide and therefore most producers were not forced to shut down operations due to the COVID-19 pandemic;
- however in Q2 2020, Chinese and Indian suppliers curtailed production due to in-country logistical constraints resulting from the COVID-19 pandemic, but resumed to historical levels end of May 2020;
- the commissioning of capacity additions in Tunisia (Mdhilla 2) and Morocco (Line F) were delayed to 2021, which significantly reduced supply growth;
- Chinese exports were down due to solid domestic demand discipline from major producers in limiting export availability and reduced phosacid production due to environmental constraints;
- Mosaic petitioned to the US DOC and the US IT for CVD orders on phosphate fertilizer imports to the US from Morocco and Russia in June 2020, receiving an affirmative preliminary determination in November 2020 and resulting in significant duties being levied on imports to the US from Morocco and Russia;
- as a result of the CVD orders, US imports and exports were down year-over-year due to the reshuffling of trade flows; and
- high global inventory levels carried out from previous years remained pressuring the market through most of 2020, starting to be drawn down in Q4 2020 due to lower supply growth facing increasing demand.

For the year ended December 31, 2020, global phosphate fertilizer demand highlights were as follows:

- overall, global demand fundamentals were not materially impacted by the COVID-19 pandemic;
- Chinese demand was impacted in the beginning of 2020 due to in-country logistical constraints resulting from the COVID-19 pandemic, yet slightly increased in Q4 2020 following rising grains prices and a decrease in domestic grains inventories;
- Indian demand was impacted in the beginning of 2020 due to uncertainty caused by the COVID-19 pandemic, yet turned strong in Q2 2020 due to an above-average monsoon, positive farmer economics, being further driven by increasing fertilizer subsidies as part of new stimulus package unveiled in November 2020;
- North American demand was generally positive due to higher than expected consumption during the fall and spring seasons, recovering crop prices and government support to the farming community through federal aid packages related to the COVID-19 pandemic;
- Brazilian demand experienced a record year due to strong farmer economics supported by the devaluation of the Brazilian Real; and
- demand from other areas such as Russia, Pakistan, Australia and Europe were constructive.

Global Phosphate Fertilizer Pricing and Input Cost Highlights

For the year ended December 31, 2020, global phosphate fertilizer pricing and input cost highlights were as follows:

- DAP NOLA prices averaged $344/t, up 2% year-over-year due to elevated inventories in the first half of the year, which then started to be drawn down on improved supply demand dynamics further supported by the CVD orders;
- MAP Brazil prices averaged $335/t, down 7% year-over-year due to Brazil becoming the outlet for elevated global inventory levels, being further pressured by additional supply from Morocco and Russia following the CVD orders;
- the price premium for liquid phosphate fertilizer over dry phosphate fertilizer in North America came back in line with historical averages due to rising prices of dry phosphate fertilizer;
- sulfur Vancouver and Brazil prices averaged down 21% year-over-year due low refinery run rates resulting from the impact of the COVID-19 pandemic on fuel demand; and
- ammonia Tampa and US Gulf prices averaged down 6% year-over-year due to continued ample supply availability.

3. BUSINESSES AND PROJECTS

Note Relating to Mineral Reserves and Mineral Resources

The Company's technical information, including Mineral Reserves, Measured and Indicated Mineral Resources (which are inclusive of Mineral Reserves), Inferred Mineral Resources and mine life, is presented as of the date of the Company's latest respective technical reports. No recovery, dilution or other similar mining parameters have been applied to the technical information summarized below. Although the Mineral Resources summarized below are believed to have a reasonable expectation of being extracted economically, they are not Mineral Reserves and there is no certainty that all or any part of the Mineral Resources summarized above will be converted into Mineral Reserves. Estimation of Mineral Reserves requires the application of modifying factors and a minimum of a pre-feasibility study. The Inferred Mineral Resources summarized below are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. Where applicable, Mineral Resources and Mineral Reserves presented in dry short tons in the Company's latest respective technical reports have been presented and summarized below in dry tonnes considering a conversion factor of 0.907185.

Conda

Conda is a vertically integrated phosphate fertilizer business located in Idaho, US. Conda is 100% owned by the Company and has been operating for over 30 years. Conda, with its strategic location and operational flexibility, offers multiple options to deliver P_2O_5 value to the North American fertilizer markets. Conda has production capacity of approximately 550kt per year of MAP, MAP+, SPA, MGA and APP, representing approximately 7% of the US phosphate market. In addition, Conda is one of three key US producers of SPA.

Conda sells 100% of its MAP production to a wholly-owned subsidiary of Nutrien Ltd. ("Nutrien") pursuant to a MAP offtake agreement with pricing linked to DAP NOLA, a leading phosphate benchmark. Conda sells its MAP+, SPA, MGA and APP to crop input retailers who re-sell to end users.

Conda produces approximately 40% of its sulfuric acid requirements internally using sulfur purchased from third parties at pricing linked to applicable sulfur benchmarks. Conda purchases the remainder of its sulfuric acid requirements from a third party under a long-term contract with pricing linked to a sulfur benchmark. Conda purchases 100% of its ammonia requirements from a wholly-owned subsidiary of Nutrien pursuant to an ammonia supply agreement with pricing linked to DAP NOLA.

Conda processes over 2.0Mt of mined phosphate ore annually. The phosphate ore is conventionally open pit mined by a third party operator on a cost-plus basis and transported by truck and rail to the production facilities. Conda sourced ore from its existing mines Rasmussen Valley ("RV") and Lanes Creek ("LC") during 2020, which are located within 15 miles of Conda's production facilities. LC mine reached end of mine life in July 2020. RV mine is expected to continue to supply ore to Conda through mid-2026, which represents an additional one and a half to two years of mine life over Conda's historical internal estimates.

The Company is actively working on extending Conda's current mine life through the safe and responsible execution of its development mines H1/NDR, which are located within 19 miles of Conda's production facilities. H1/NDR's property encompasses an area of more than 1,000 acres and consists of two federal and one state phosphate leases that are being permitted as a single mine. H1/NDR is located near the center of the western phosphate field, which comprises one of the most extensive phosphorite formations in the US. Permitting and development work for H1/NDR is ongoing, with commercial production expected to begin in 2025.

Conda's Mineral Reserves and Mineral Resources highlights[2] are as follows:

Conda – RV/LC	Dry Tonnes (Mt)	Grade (%)	P_2O_5 (Mt)
Mineral Reserves	13.1	26.6	3.5
Measured and Indicated Mineral Resources (including Mineral Reserves)[i]	16.2	26.7	4.0
Inferred Mineral Resources	0.2	25.7	0.0

Conda – H1/NDR	Dry Tonnes (Mt)	Grade (%)	P_2O_5 (Mt)
Measured and Indicated Mineral Resources	34.0	24.9	8.5
Inferred Mineral Resources	0.5	24.7	0.1

Conda – Total	Dry Tonnes (Mt)	Grade (%)	P_2O_5 (Mt)
Mineral Reserves	13.1	26.6	3.5
Measured and Indicated Mineral Resources (including Mineral Reserves)[i]	50.3	25.5	12.5
Inferred Mineral Resources	0.7	25.0	0.2

i. Conda's Measured and Indicated Resources (which are inclusive of Mineral Reserves) include 1.3Mt of stockpile ore.

As at December 31, 2020, Conda had mined approximately 2.8Mt of ore since the Conda Technical Report was prepared on July 1, 2019.

As at December 31, 2020, Conda had 274 employees and 242 contractors (mostly from third-party mining operator).

Arraias

Arraias is a vertically integrated phosphate fertilizer business located in Tocantins, Brazil. Arraias is 98.3% owned by the Company and is currently idled. Arraias is strategically positioned in one of the world's fastest growing fertilizer markets and has production capacity of approximately 500kt per year of SSP and SSP+, representing approximately 7% of the Brazil phosphate market.

On November 21, 2019, the Company announced its decision to idle Arraias and suspend the previously announced Repurpose Plan as part of a disciplined approach to capital allocation considering the continued downward pressure on global fertilizer prices and the additional capital requirements to complete the Repurpose Plan.

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

When operational, Arraias produces its sulfuric acid requirements internally and sells approximately 40kt per year of its excess sulfuric acid production into local sulfuric acid markets. When operational, Arraias purchases sulfur and ammonia from third parties at market prices.

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

[2] The Conda Technical Report is filed under the Company's profile on SEDAR and on the Company's website.

Arraias' Mineral Resources highlights[3] are as follows:

Arraias – Near Mine	Tonnes (Mt)	Grade (%)	P_2O_5 (Mt)
Measured and Indicated Resources	24.6	4.3	1.1
Inferred Mineral Resources	3.8	4.0	0.2

Arraias – Canabrava	Tonnes (Mt)	Grade (%)	P_2O_5 (Mt)
Measured and Indicated Resources	20.4	5.5	1.1
Inferred Mineral Resources	3.7	4.9	0.2

Arraias – Domingos	Tonnes (Mt)	Grade (%)	P_2O_5 (Mt)
Measured and Indicated Resources	34.0	5.1	1.7
Inferred Mineral Resources	5.2	3.0	0.2

Arraias – Total	Tonnes (Mt)	Grade (%)	P_2O_5 (Mt)
Measured and Indicated Resources	79.0	4.9	3.9
Inferred Mineral Resources	12.7	3.9	0.5

Given the fluctuations in commodity prices and lapse in time since the latest technical report for Arraias was prepared on March 27, 2013, the realizable value of the business may differ from the conclusions drawn in such latest technical report.

As at December 31, 2020, Arraias had mined approximately 4.6Mt of ore since the latest technical report for Arraias was prepared on March 27, 2013.

As at December 31, 2020, Arraias had 34 employees and 47 contractors.

Farim

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

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

Farim owns phosphate ore deposits with reserves representing a 25-year mine life. The property consists of a high-grade sedimentary phosphate deposit of one continuous phosphate bed extending over a known surface area of approximately 40km^2. The project has access to existing infrastructure including 70km of paved road covering most of the route from the site to a mineral terminal that will be constructed and owned by the Company, giving Farim access to export phosphate rock to key global fertilizer markets.

Farim's Mineral Reserves and Mineral Resources highlights[4] are as follows:

Farim	Dry Tonnes (Mt)	Grade (%)	P_2O_5 (Mt)
Mineral Reserves	44.0	30.0	13.2
Measured and Indicated Mineral Resources (including Mineral Reserves)	105.6	28.4	30.0
Inferred Mineral Resources	37.6	27.7	10.4

[3] The latest technical report for Arraias titled "Updated Technical Report Arraias SSP Project, Tocantins State, Brazil" and dated as of March 27, 2013 is filed under the Company's profile on SEDAR and on the Company's website.
[4] The latest technical report for Farim titled "NI 43-101 Technical Report on the Farim Phosphate Project" and dated as of September 14, 2015 is filed under GB Minerals Ltd.'s profile on SEDAR and on the Company's website.

Santana

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

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

Santana's Mineral Resources highlights[5] are as follows:

Santana	Tonnes (Mt)	Grade (%)	P_2O_5 (Mt)
Indicated Mineral Resources	60.4	12.0	7.2
Inferred Mineral Resources	26.6	5.6	1.5

Given the early stage of Santana, fluctuations in commodity prices and lapse in time since the latest technical report for Santana, which was prepared on October 28, 2013, the realizable value of the project may differ from the conclusions drawn in such latest technical report.

Araxá

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

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

Araxá's Mineral Resources highlights[6] are as follows:

Araxá	Tonnes (Mt)	TREO Grade (%)	TREO (kt)	Nb_2O_5 Grade (%)	Nb_2O_5 (kt)
Measured and Indicated Mineral Resources	6.3	5.0	317.6	1.0	64.7
Inferred Mineral Resources	21.9	4.0	875.4	0.6	140.4

Given the early stage of Araxá, fluctuations in commodity prices and lapse in time since the latest technical report for the project was amended and restated on January 25, 2013, the realizable value of Araxá may differ from the conclusions drawn in such latest technical report.

Paris Hills

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

Paris Hills owns phosphate ore mines located within 35 miles of Conda's production facilities. The property encompasses an area of approximately 1,010 hectares and consists of three patented lode mining claims and 21 contiguous fee parcels.

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[5] The latest technical report for Santana titled "Feasibility Study – Santana Phosphate Project Pará State, Brazil" and dated as of October 28, 2013 is filed under the Company's profile on SEDAR and on the Company's website.

[6] The latest technical report for Itafos Araxá titled "A Preliminary Economic Assessment in the form of an Independent Technical Report on MBAC Fertilizer Corp. – Araxá Project" dated October 1, 2012 as amended and restated January 25, 2013 is filed under the Company's profile on SEDAR and on the Company's website.

The property is located near the center of the western phosphate field, which comprises one of the most extensive phosphorite formations in the US. The Paris Hills phosphate deposit is divided into the Lower Zone and Upper Zone.

Paris Hills' Mineral Resources highlights[7] are as follows:

Paris Hills – Lower Zone	Dry Tonnes (Mt)	Grade (%)	P_2O_5 (Mt)
Measured and Indicated Mineral Resources	28.1	30.1	8.5
Inferred Resources	3.6	30.1	1.1

Paris Hills – Upper Zone	Dry Tonnes (Mt)	Grade (%)	P_2O_5 (Mt)
Measured and Indicated Mineral Resources	59.9	22.5	13.5
Inferred Resources	6.8	22.0	1.5

Paris Hills – Total	Dry Tonnes (Mt)	Grade (%)	P_2O_5 (Mt)
Measured and Indicated Mineral Resources	88.0	24.9	22.0
Inferred Resources	10.4	24.8	2.6

Mantaro

Mantaro is a phosphate mine project located in Junin, Peru. Mantaro is 100% owned by the Company and is currently in process of being wound down. The Company's decision to wind down Mantaro was part of the Company's corporate wide cost savings and deferral of spending initiatives.

Mantaro owns phosphate ore deposits with property consisting of approximately 12,800 hectares near existing infrastructure.

Mantaro's Mineral Resources highlights[8] are as follows:

Mantaro – West Zone	Tonnes (Mt)	Grade (%)	P_2O_5 (Mt)
Measured and Indicated Mineral Resources	39.5	10.0	4.0
Inferred Mineral Resources	376.3	9.0	33.9

Mantaro's Mineral Resources have upside potential from East Zone and Far East Zone, which are collectively estimated to contain 705-725Mt at an average grade of 9-9.5% P_2O_5.

Given the early stage of Mantaro, fluctuations in commodity prices and lapse in time since the latest technical report for Mantaro was amended and restated on February 21, 2010, the realizable value of the project may differ from the conclusions drawn in such latest technical report.

[7] The latest technical report for Itafos Paris Hills titled "NI 43-101 Technical Report on Itafos Conda and Itafos Paris Hills Mineral Projects, Idaho, USA" and dated as of July 1, 2019 is filed under the Company's profile on SEDAR and on the Company's website.
[8] The latest technical report for Mantaro titled "NI 43-101 Technical Report on Mantaro Phosphate Deposit" dated February 21, 2010 is filed under Stonegate Agricom Ltd.'s profile on SEDAR and on the Company's website.

4. OUTLOOK

FINANCIAL OUTLOOK

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

The assumptions considered by the Company in preparing its guidance for 2021 are explained as follows:

- adjusted EBITDA considers latest outlook for pricing and key inputs at Conda, maintaining the idling of Arraias, maintaining Farim at construction ready state and costs related to other development and exploration projects and corporate (see Section 8);
- maintenance capex considers planned plant maintenance at Conda (see Section 8);
- growth capex considers activities related to extending Conda's mine life through permitting and development of H1/NDR and EBITDA optimization initiatives at Conda (see Section 8); and
- free cash flow considers cash from operating activities and cash from investing activities less cash growth capex (see Section 8).

The Company's guidance for 2021 is as follows:

(in millions of US Dollars)		H1 2021		H2 2021		FY 2021
Adjusted EBITDA[i]	$	43-48	$	37-42	$	80-90
Maintenance capex[i]		16-20		4-5		20-25
Growth capex[i]		4-6		4-7		8-13
Free cash flow[i]		15-21		10-14		25-35

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

BUSINESS OUTLOOK

The Company is executing its strategy by focusing on:

- advancing capital raising initiatives;
- extending Conda's current mine life through advancing permitting and development of H1/NDR;
- optimizing Conda's EBITDA generation capability;
- maintaining the idling of Arraias following best practices while evaluating strategic alternatives;
- maintaining Farim at construction ready state while evaluating strategic alternatives;
- maintaining the integrity of the concessions of Santana and Araxá while evaluating strategic alternatives;
- advancing the wind down of Paris Hills following the Company's decision to wind down the concession following completion of the Conda Technical Report, which defined H1/NDR as the Company's path forward for mine life extension at Conda;
- advancing the wind down of Mantaro as part of the Company's corporate wide cost savings and deferral of spending initiatives; and
- advancing corporate-wide cost savings and capital-lite spending initiatives.

MARKET OUTLOOK

COVID-19 Pandemic Impact

The Company's outlook on the potential impact of the COVID-19 pandemic remains unchanged, as follows:

- overall agricultural demand fundamentals are not expected to be significantly impacted as global food demand should remain strong despite a potential reduction on agricultural demand for biofuels due to soft oil prices and fuel consumption; and
- global fertilizer supply and demand are not expected to be impacted as fertilizer and agriculture were deemed essential businesses by most nations worldwide, which should prevent a significant supply shock.

Global Phosphate Fertilizer Supply and Demand Outlook

The Company's outlook on global phosphate fertilizer supply is as follows:

- Material impacts to global supply are not expected as a result of CVD orders on phosphate fertilizer imports to the US from Morocco and Russia, with such orders being in place for at least 5 years;
- Global producers with penalized access to the US market are expected to expand their market share into Latin America, particularly Brazil, while Mosaic and other US producers are expected to reduce exports;
- US imports are expected to be lower than previous years as a result of the CVD orders on phosphate fertilizer imports to the US from Morocco and Russia while impacted producers are likely in increase production rates as the price environment incentivizes higher production volumes;
- Indian production rates are expected to remain at current levels with no further expected disruptions caused by the COVID-19 pandemic; and
- no significant new production capacity is expected to be commissioned in 2021 as a result of voluntary postponement of project schedules and COVID-19 related delays.

The Company's outlook on global phosphate fertilizer demand is as follows:

- overall, Q1 tends to be a seasonally weaker period globally for fertilizer consumption;
- Agriculture industry fundamentals are expected to continue bullish due to markedly lower stocks-to-use ratio;
- Soybeans and corn outlooks remain robust with strong import demand from Asia;
- Chinese demand is expected to grow after several years of reduced application rates as the rebuild of the domestic hog industry supports strong soybean and corn imports to the tune of 110Mt and 20Mt, respectively; and
- Indian demand is expected to decrease due to lower than desired fertilizer subsidies coinciding with rising fertilizer prices;
- North American demand is expected to remain strong during 2021 bolstered by expectation of an 8% increase in soybean acres planted to 90 million and a 1% increase of corn acres planted to 92 million; and
- Brazilian demand is expected to remain strong driven by production shortfall during the second-season corn planting. The impact on yields and quality should support crop economics for the next season and set the stage for another strong year of fertilizer demand.

Global Phosphate Fertilizer Pricing and Input Cost Outlook

The Company's outlook on global phosphate fertilizer pricing and input costs is as follows:

- prices are expected to continue an upward trend through mid-2021 as supply growth stalls due to delays in new capacity commissioning and demand continues growing supported by bullish agricultural fundamentals, resulting in further global inventories draw down;
- prices are expected to be flattish in the second half of 2021 as delayed supply growth materializes to rebalance the market;
- North American markets are expected to trade at a price premium as a result of the CVD orders on phosphate

fertilizer imports to the US from Morocco and Russia;
- sulfur prices are expected to remain at current levels as supply remains tight due to low refinery operating rates; and
- ammonia prices are expected to reverse their previous downward trajectory and increase as supply reduces due to closure and mothballing of ammonia plants as a result of lower industrial ammonia demand caused by the COVID-19 pandemic.

5. SUMMARY OF QUARTERLY RESULTS

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 for per share amounts)	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Net loss	$ (9,415)	$ (13,788)	$ (20,814)	$ (18,289)
Basic loss per share	(0.05)	(0.07)	(0.10)	(0.10)
Diluted loss per share	(0.05)	(0.07)	(0.10)	(0.10)
Total assets	$ 477,304	$ 454,135	$ 450,713	$ 461,499

For the three months ended December 31, 2019, September 30, 2019, June 30, 2019, and March 31, 2019, the Company's summary of quarterly results was as follows:

(in thousands of US Dollars except for per share amounts)	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Net loss	$ (88,465)	$ (20,778)	$ (21,597)	$ (13,331)
Basic loss per share	(0.63)	(0.15)	(0.15)	(0.09)
Diluted loss per share	(0.63)	(0.15)	(0.15)	(0.09)
Total assets	510,764	568,630	566,575	575,339

6. STATEMENTS OF OPERATIONS

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

(in thousands of US Dollars except for per share amounts)	For the three months ended December 31, 2020	2019
Revenues	$ 75,075	$ 81,431
Cost of goods sold	76,862	90,721
Impairments	—	65,094
Gross margin	**$ (1,787)**	**(74,384)**
Expenses		
Selling, general and administrative expenses	5,013	6,233
Operating loss	**$ (6,800)**	**$ (80,617)**
Foreign exchange loss	(42)	(960)
Other income (expense), net	(2,653)	283
Finance expense	(7,601)	(9,248)
Gain (loss) on asset disposal	(572)	170
Loss before income taxes	**$ (17,668)**	**$ (90,372)**
Current and deferred income tax recovery	(8,253)	(1,907)
Net loss	**$ (9,415)**	**(88,465)**
Net loss attributable to non-controlling interest	754	—
Net loss attributable to shareholders of the Company	**$ (10,169)**	**$ (88,465)**
Basic loss per share	**$ (0.05)**	**$ (0.63)**
Fully diluted loss per share	**$ (0.05)**	**$ (0.63)**

For the three months ended December 31, 2020 and 2019, the Company's statements of operations were explained as follows:

- revenues were down year-over-year primarily due to lower sales volumes following the idling of Arraias, which was partially offset by higher sales volumes and prices at Conda;
- cost of goods sold was down year-over-year primarily due to lower costs following the idling of Arraias and lower depreciation and depletion at Conda, which were partially offset by higher input costs at Conda;
- impairments were down year-over-year due to recorded impairments of non-current assets at Arraias, Farim and Santana during 2019;
- selling, general and administrative expenses were down year-over-year due to the implementation of corporate wide cost savings and deferral of spending initiatives;
- foreign exchange loss was down year-over-year due to fluctuations between the Brazilian Real and the US Dollar;
- other income was up year-over-year due to the capitalization of certain intercompany loans related to the Company's funding of Arraias;
- finance expense was down year-over-year primarily due to loss on debt modification during 2019;
- loss on asset disposal was up year-over-year due to implementation of a program to monetize remaining miscellaneous equipment at Arraias; and
- current and deferred income tax expense (recovery) was up year-over-year primarily due to the capitalization of certain intercompany loans related to the Company's funding of Arraias.

For the years ended December 31, 2020, 2019 and 2018, the Company's statements of operations were as follows

(in thousands of US Dollars except for per share amounts)	*For the years ended December 31,* 2020	2019	2018
Revenues, net	**$ 260,185**	**$ 339,430**	**$ 302,182**
Cost of goods sold	267,957	362,248	276,553
Impairments	—	65,094	146,627
Write-off of mineral properties	8,449	—	—
Gross margin	**$ (16,221)**	**(87,912)**	**$ (120,998)**
Expenses			
Selling, general and administrative expenses	19,435	27,137	$ 21,788
Operating loss	**$ (35,656)**	**$ (115,049)**	**$ (142,786)**
Foreign exchange loss	(5,394)	(2,473)	(665)
Other expense, net	(1,759)	(2,230)	(653)
Finance expense	(28,030)	(28,659)	(15,866)
Gain on fair valuation of Itafos Conda, net	—	—	46,902
Gain from investments in associates	—	—	7,910
Gain (loss) on asset disposal	(1,209)	170	—
Loss before income taxes	**$ (72,048)**	**$ (148,241)**	**$ (105,158)**
Current and deferred income tax recovery	(9,742)	(4,070)	8,329
Net loss	**$ (62,306)**	**$ (144,171)**	**$ (113,487)**
Net loss attributable to non-controlling interest	754	—	(9,062)
Net loss attributable to shareholders of the Company	**$ (63,060)**	**$ (144,171)**	**$ (104,425)**
Basic loss per share	**$ (0.34)**	**$ (1.02)**	**$ (0.75)**
Fully diluted loss per share	**$ (0.34)**	**$ (1.02)**	**$ (0.75)**

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

- revenues were down year-over-year primarily due to lower sales volumes at Conda due to a disruption in sulfuric acid supply from its primary supplier, lower realized prices at Conda and lower sales volumes following the idling of Arraias;
- cost of goods sold was down year-over-year primarily due to lower costs following the idling of Arraias, and lower depreciation and depletion at Conda, which were partially offset by higher input costs at Conda;
- impairments were down year-over-year due to recorded impairments of non-current assets at Arraias, Farim and Santana during 2019;
- write-off of mineral properties was up year-over-year due to a write-off of mineral properties at Paris Hills following the Company's decision to wind down the concession following completion of the Conda Technical Report, which defined H1/NDR as the Company's path forward for mine life extension at Conda (see Note 9 in the Consolidated Financial Statements);
- selling, general and administrative expenses were down year-over-year due to the implementation of corporate wide cost savings and deferral of spending initiatives;
- foreign exchange loss was up year-over-year primarily due to fluctuations between the Brazilian Real and the US Dollar;
- other expense was up year-over-year primarily due to the capitalization of certain intercompany loans related to the Company's funding of Arraias;
- loss on asset disposal was up year-over-year due to sale of equipment at Arraias;
- finance expense was largely consistent year-over-year; and
- current and deferred income tax expense (recovery) was up year-over-year primarily due to the capitalization of certain intercompany loans related to the Company's funding of Arraias.

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 Note 2 in the Consolidated Financial Statements).

LIQUIDITY

As at December 31, 2020 and 2019, the Company had cash and cash equivalents of $9,539 and $29,109, respectively and working capital of $84,382 and $84,106, respectively (see Section 8). In addition to cash flows generated by Conda, the Company is advancing capital raising initiatives.

On December 31, 2019, the Company completed a $36,000 capital raise with CLF through a non-brokered private placement financing of $15,000 and an amendment to increase the availability of the CLF Promissory Note by $21,000. As at December 31, 2020, an additional $5,400 remaining available under the CLF Promissory Note to be drawn by the Company at its sole discretion (see Notes 13, 25 and 26 in the Consolidated Financial Statements).

On August 10, 2020, Conda closed the Revolving Facility, which refinanced the Gavilon Facility. On December 18, 2020, the Company posted a letter of credit of $7,951 under the Revolving Facility as collateral for surety bonds that guarantee Conda's obligations under its existing operating and environmental permits. As at December 31, 2020, an additional $2,049 remained available under the Revolving Facility to be drawn by Conda subject to certain terms and conditions (see Notes 13, 22 and 26 in the Consolidated Financial Statements).

While the Company has a demonstrated track record of raising capital, there can be no assurance of the Company's ability to do so going forward. Failure to obtain sufficient financing could result in a delay or indefinite postponement of the Company's strategic initiatives. Additional financing may not be available when needed, or if available, the terms of such financing might not be favorable to the Company and might involve substantial dilution to existing members. Failure to raise capital when needed could have a material adverse effect on the Company's business, financial condition and results of operations.

FINANCIAL COVENANTS

The Facility includes restrictive financial covenants that require the Company not to exceed certain ratios as at the end of each fiscal quarter. The financial covenants considered in the Facility include requirements for the Company to maintain a consolidated secured leverage ratio and achieve a minimum level of EBITDA at Conda. The Company is currently projecting compliance with its financial covenants. Any reductions to global fertilizer pricing trends, or other factors that could reduce cash flow from operations, including, but not limited to, potential operational disruptions due to sulfuric acid supply or resulting from the COVID-19 pandemic, could result in a financial covenant default, unless otherwise remedied. While the Company has a demonstrated track record of amending its financial covenants, there can be no assurance of the Company's ability to do so going forward (see Notes 2 and 13 in the Consolidated Financial Statements).

SUMMARY BALANCE SHEETS

As at December 31, 2020 and 2019, the Company's summary balance sheets were as follows:

(in thousands of US Dollars)		As at December 31, 2020		2019
Cash and cash equivalents	$	9,539	$	29,109
Current assets (including cash and cash equivalents)	$	134,491	$	164,157
Non-current assets		342,813		346,607
Total assets	**$**	**477,304**	**$**	**510,764**
Current liabilities (excluding current portion of debt)	$	54,579	$	77,592
Non-current liabilities (excluding long-term debt)		100,109		79,603
Debt (current and long-term)		240,193		211,310
Total liabilities	**$**	**394,881**	**$**	**368,505**
Shareholders' equity	$	81,669	$	142,259
Non-controlling interest		754		—
Total equity	**$**	**82,423**	**$**	**142,259**

As at December 31, 2020 and 2019, the Company's summary balance sheets were explained as follows:

- current assets were down year-over-year primarily due to lower cash and cash equivalents and reduced inventory levels at Conda and Arraias;
- non-current assets were down year-over-year primarily due to a write-off of mineral properties at Paris Hills and depreciation and depletion at Conda, which was partially offset by fixed assets additions at Conda (see Notes 8 and 9 in the Consolidated Financial Statements);
- current liabilities were down year-over-year primarily due to lower trade and tax payables at Conda, payroll payables at corporate and provisions at Arraias;
- non-current liabilities were down year-over-year primarily due to lower taxes payable at Arraias and share-based payments due to vesting under the Company's RSU Plan;
- debt was up year-over-year primarily due to paid-in-kind interest related to the Facility and additional debt from the CLF Promissory Note (see Note 13 in the Consolidated Financial Statements); and
- total equity was down year-over-year primarily due to net loss.

As at December 31, 2020 and 2019, the Company did not have any significant off-balance sheet arrangements.

CAPITAL RESOURCES

As at December 31, 2020 and 2019, the Company's capital resources were as follows:

(in thousands of US Dollars)		As at December 31, 2020		2019
Total equity	$	82,423	$	142,259
Net debt[i]		233,926		187,319
Capital resources	**$**	**316,349**	**$**	**329,578**

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, 2020 and 2019, 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)	**2020**	**2019**	**2020**	**2019**
Cash and cash equivalents, beginning of period	**$ 10,180**	**$ 21,780**	**$ 29,109**	**$ 9,919**
Cash flows from (used by) operating activities	5,372	(957)	(3,442)	35,036
Cash flows used by investing activities	(1,914)	(15,738)	(13,965)	(44,445)
Cash flows from (used by) financing activities	(4,126)	24,074	(2,159)	28,590
Effect of foreign exchange of non-US Dollar denominated cash	27	(50)	(4)	9
Cash and cash equivalents, end of period	**9,539**	**29,109**	**9,539**	**29,109**
Free cash flow[i]	6,402	(13,925)	(9,436)	9,323

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

For the three months ended December 31, 2020 and 2019, the Company's summary cash flows were explained as follows:

- cash flows from (used by) operating activities were down year-over-year primarily due to lower cash requirements following the idling of Arraias, which was partially offset by the same factors that resulted in improved adjusted EBITDA;
- cash flows used by investing activities were down year-over-year primarily due to lower maintenance and growth capex;
- cash flows from financing activities were down year-over-year primarily due to proceeds from the CLF Promissory Note (see Notes 13 and 25 in the Consolidated Financial Statements); and
- free cash flow was up year-over-year primarily due to lower maintenance capex and higher cash from (used by) operating activities related to the same factors that resulted in improved adjusted EBITDA (see Section 8).

For the years ended December 31, 2020 and 2019, the Company's summary cash flows were explained as follows:

- cash flows from (used by) operating activities were down year-over-year primarily due to lower trade and tax payables at Conda, which was partially offset by the same factors that resulted in improved adjusted EBITDA and lower inventory at Conda;
- cash flows used by investing activities were down year-over-year primarily due to lower maintenance and growth capex;
- cash flows from financing activities were down year-over-year primarily due to lower proceeds from the CLF Promissory Note (see Notes 13 and 25 in the Consolidated Financial Statements); and
- free cash flow was down year-over-year primarily due to lower trade and tax payables at Conda, which were partially offset by lower maintenance capex, lower inventory and the same factors that resulted in improved adjusted EBITDA (see Section 8).

CONTRACTUAL OBLIGATIONS

As at December 31, 2020, 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	$ 1,429	$ 284,789	$ 10	$ —	**$ 286,228**
Accounts payable and accrued liabilities	50,986	—	—	—	**50,986**
Provisions	760	—	—	82,743	**83,503**
Leases	2,812	7,288	5,494	5,148	**20,742**
Canadian debentures	675	125	125	77	**1,002**
Brazilian debentures	332	239	239	214	**1,024**
Contractual obligations	**$ 56,994**	**$ 292,441**	**$ 5,868**	**$ 88,182**	**$ 443,485**

The Company's provisions are representative of the environmental and asset retirement obligations as well as legal contingencies that exist as at December 31, 2020. As at December 31, 2020, Conda, Arraias and Paris Hills had environmental and asset retirement obligations of $74,942, $7,693 and $451, respectively. Liabilities for costs are recorded when it is probable that obligations have been incurred and the amounts can be reasonably estimated (see Note 12 in the Consolidated Financial Statements).

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, capitalized interest and technical studies	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 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
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
Adjusted cash flows from operating activities	Cash flows from operating activities plus technical studies less accrued technical studies	Cash flows from operating activities
Free cash flow	Cash flows from operating activities plus cash flows from investing activities less cash growth capex	Cash flows from operating activities and cash flows from investing activities

EBITDA AND ADJUSTED EBITDA

For the three months ended December 31, 2020 and 2019

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)	**$ 191**	**$ (4,937)**	**$ (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	**$ 6,109**	**$ (4,858)**	**$ (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	**$ 7,323**	**$ (904)**	**$ (294)**	**$ (1,322)**	**$ 4,803**

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Operating loss	**$ (2,592)**	**$ (1,050)**	**$ (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	**$ 7,323**	**$ (904)**	**$ (294)**	**$ (1,322)**	**$ 4,803**

For the three months ended December 31, 2019, the Company had EBITDA and adjusted EBITDA by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Net loss	**$ (1,590)**	**$ (56,077)**	**$ (18,985)**	**$ (11,813)**	**$ (88,465)**
Finance (income) expense, net	(9)	93	1	9,163	9,248
Current and deferred income tax expense (recovery)	(2,530)	—	—	623	(1,907)
Depreciation and depletion	11,536	2,134	38	53	13,761
EBITDA	**$ 7,407**	**$ (53,850)**	**$ (18,946)**	**$ (1,974)**	**(67,363)**
Unrealized foreign exchange (gain) loss	(68)	255	154	21	362
Impairments	—	47,544	17,550	—	65,094
Inventory adjustments	805	(727)	—	—	78
Share-based payment recovery	—	—	—	(708)	(708)
Dissolution costs	—	—	—	34	34
Transaction costs	—	—	—	143	143
Technical studies	304	—	—	—	304
Non-recurring compensation payments	—	—	—	887	887
Other (income) expense, net	(235)	(223)	—	5	(453)
Adjusted EBITDA	**$ 8,213**	**$ (7,001)**	**$ (1,242)**	**$ (1,592)**	**$ (1,622)**

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Operating loss	**$ (4,182)**	**$ (55,291)**	**$ (19,092)**	**$ (2,052)**	**$ (80,617)**
Depreciation and depletion	11,536	2,134	38	53	13,761
Foreign exchange gain (loss) - realized	(250)	(661)	262	51	(598)
Impairments	—	47,544	17,550	—	65,094
Inventory adjustments	805	(727)	—	—	78
Share-based payment recovery	—	—	—	(708)	(708)
Dissolution costs	—	—	—	34	34
Transaction costs	—	—	—	143	143
Technical studies	304	—	—	—	304
Non-recurring compensation payments	—	—	—	887	887
Adjusted EBITDA	**$ 8,213**	**$ (7,001)**	**$ (1,242)**	**$ (1,592)**	**$ (1,622)**

ITAFOS

For the year ended December 31, 2020 and 2019

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
Realized foreign exchange loss	(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**

ITAFOS

For the year ended December 31, 2019, 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)	**$**	**1,724**	**$**	**(82,136)**	**$**	**(22,447)**	**$**	**(41,312)**	**$**	**(144,171)**
Finance expense, net		205		156		39		28,259		28,659
Current and deferred income tax expense (recovery)		(5,541)		—		—		1,471		(4,070)
Depreciation and depletion		41,026		8,637		155		210		50,028
EBITDA	**$**	**37,414**	**$**	**(73,343)**	**$**	**(22,253)**	**$**	**(11,372)**		**(69,554)**
Unrealized foreign exchange gain		(8)		(311)		(45)		(3)		(367)
Impairments		—		47,544		17,550		—		65,094
Inventory adjustments		(2,648)		640		—		—		(2,008)
Share-based payment expense		—		—		—		204		204
Dissolution costs		—		—		—		34		34
Transaction costs		—		—		—		143		143
Technical studies		304		—		—		—		304
Non-recurring compensation payments		—		—		—		887		887
Other (income) expense, net		55		2,098		3		(96)		2,060
Adjusted EBITDA	**$**	**35,117**	**$**	**(23,372)**	**$**	**(4,745)**	**$**	**(10,203)**	**$**	**(3,203)**

(in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Operating loss	**$**	**(3,500)**	**$**	**(77,790)**	**$**	**(22,100)**	**$**	**(11,659)**	**$**	**(115,049)**
Depreciation and depletion		41,026		8,637		155		210		50,028
Foreign exchange loss - realized		(65)		(2,403)		(350)		(22)		(2,840)
Impairments		—		47,544		17,550		—		65,094
Inventory adjustments		(2,648)		640		—		—		(2,008)
Share-based payment expense		—		—		—		204		204
Dissolution costs		—		—		—		34		34
Transaction costs		—		—		—		143		143
Technical studies		304		—		—		—		304
Non-recurring compensation payments		—		—		—		887		887
Adjusted EBITDA	**$**	**35,117**	**$**	**(23,372)**	**$**	**(4,745)**	**$**	**(10,203)**	**$**	**(3,203)**

CAPEX

For the three months ended December 31, 2020 and 2019

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 three months ended December 31, 2019, 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	$ 11,143	$ 6,544	$ 387	$ —	$ 18,074
Additions to mineral properties	10,160	—	1,663	—	11,823
Additions to property, plant and equipment related to asset retirement obligations	(7,166)	(5,144)	—	—	(12,310)
Additions to right of use assets	—	—	—	—	—
Capitalized interest	(698)	—	—	—	(698)
Technical studies	304	—	—	—	304
Total capex	**$ 13,743**	**$ 1,400**	**$ 2,050**	**$ —**	**$ 17,193**
Maintenance capex	10,891	1,400	—	—	12,291
Growth capex	2,852	—	2,050	—	4,902

For the year ended December 31, 2020 and 2019

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

For the year ended December 31, 2019, 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	$ 31,414	$ 12,006	$ 818	$ 62	$ 44,300
Additions to mineral properties	18,151	—	9,198	—	27,349
Additions to asset retirement obligations	(13,106)	(5,144)	—	—	(18,250)
Additions to Right of Use assets	(370)	(430)	—	—	(800)
Capitalized interest	(2,097)	—	—	—	(2,097)
Technical studies	304	—	—	—	304
Total capex	**$ 34,296**	**$ 6,432**	**$ 10,016**	**$ 62**	**$ 50,806**
Maintenance capex	25,625	4,255	—	62	29,942
Growth capex	8,671	2,177	10,016	—	20,864

CASH CAPEX

For the three months ended December 31, 2020

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, 2020

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**

For the three months ended December 31, 2019

For the three months ended December 31, 2019, the Company had cash capex by segment as follows:

(in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Total capex	$	13,743	$	1,400	$	2,050	$	—	$	17,193
Accrued capex		(1,212)		—		(1,938)		—		(3,150)
Total cash capex	**$**	**12,531**	**$**	**1,400**	**$**	**112**	**$**	**—**	**$**	**14,043**

For the three months ended December 31, 2019, the Company had cash maintenance capex by segment as follows:

(in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Maintenance capex	$	10,891	$	1,400	$	—	$	—	$	12,291
Accrued maintenance capex		(714)		—		—		—		(714)
Cash maintenance capex	**$**	**10,177**	**$**	**1,400**	**$**	**—**	**$**	**—**	**$**	**11,577**

For the three months ended December 31, 2019, the Company had cash growth capex by segment as follows:

(in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Growth capex	$	2,852	$	—	$	2,050	$	—	$	4,902
Accrued growth capex		(498)		—		(1,938)		—		(2,436)
Cash growth capex	**$**	**2,354**	**$**	**—**	**$**	**112**	**$**	**—**	**$**	**2,466**

For the year ended December 31, 2019

For the year ended December 31, 2019, the Company had cash capex by segment as follows:

(in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Total capex	$	34,296	$	6,432	$	10,016	$	62	$	50,806
Accrued capex		(1,212)		—		(1,938)		—		(3,150)
Total cash capex	**$**	**33,084**	**$**	**6,432**	**$**	**8,078**	**$**	**62**	**$**	**47,656**

ITAFOS

For the year ended December 31, 2019, the Company had cash maintenance capex by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Maintenance capex	$ 25,625	$ 4,255	$ —	$ 62	$ 29,942
Accrued maintenance capex	(714)	—	—	—	(714)
Cash maintenance capex	**$ 24,911**	**$ 4,255**	**$ —**	**$ 62**	**$ 29,228**

For the year ended December 31, 2019, the Company had cash growth capex by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Growth capex	$ 8,671	$ 2,177	$ 10,016	$ —	$ 20,864
Accrued growth capex	(498)	—	(1,938)	—	(2,436)
Cash growth capex	**$ 8,173**	**$ 2,177**	**$ 8,078**	**$ —**	**$ 18,428**

NET DEBT, RELATED PARTY DEBT AND ADJUSTED NET DEBT

As at December 31, 2020 and 2019, the Company had net debt as follows:

	As at December 31,	
(in thousands of US Dollars)	2020	2019
Current debt	$ 2,437	$ 2,459
Long-term debt	237,756	208,851
Cash and cash equivalents	(9,539)	(29,109)
Deferred financing costs related to the Facility	3,272	5,118
Net debt	**$ 233,926**	**$ 187,319**

As at December 31, 2020 and 2019, the Company had related party debt as follows:

	As at December 31,	
(in thousands of US Dollars)	2020	2019
CLF participation in the Facility	$ 31,372	$ 29,274
CLF Promissory Note	35,820	20,689
Canadian debentures issued to CLF	399	456
Related party debt	**$ 67,591**	**$ 50,419**

As at December 31, 2020 and 2019, the Company had adjusted net debt as follows:

	As at December 31,	
(in thousands of US Dollars)	2020	2019
Net debt	$ 233,926	$ 187,319
Related party debt	(67,591)	(50,419)
Adjusted net debt	**$ 166,335**	**$ 136,900**

WORKING CAPITAL

As at December 31, 2020 and 2019, the Company had working capital as follows:

(in thousands of US Dollars)	*As at December 31,* **2020**	**2019**
Cash and cash equivalents	$ 9,539	$ 29,109
Accounts receivable	21,949	23,446
Inventories, net	93,435	105,039
Other current assets	9,568	6,563
Accounts payable and accrued liabilities	(50,986)	(72,062)
Provisions	(760)	(2,382)
Current debt	(2,437)	(2,459)
Contract liabilities	(21)	(702)
Other current liabilities	(2,812)	(2,446)
Working capital	**$ 77,475**	**$ 84,106**

REVENUES PER TONNE P_2O_5

For the three months ended December 31, 2020 and 2019

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 for per tonne amounts)	**Conda**	**Arraias**
Revenues	$ 75,055	$ 20
Total sales volumes per tonne P_2O_5	86,037	56
Revenues per Tonne P_2O_5	**$ 872**	**$ 357**

For the three months ended December 31, 2019, the Company had revenues per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except for per tonne amounts)	**Conda**	**Arraias**
Revenues	$ 69,041	$ 11,030
Total sales volumes per tonne P_2O_5	85,447	9,080
Revenues per Tonne P_2O_5	**$ 808**	**$ 1,215**

For the year ended December 31, 2020 and 2019

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 for per tonne amounts)	**Conda**	**Arraias**
Revenues	$ 255,524	$ 4,193
Total sales volumes per tonne P_2O_5	322,756	4,687
Revenues per Tonne P_2O_5	**$ 792**	**$ 895**

For the year ended December 31, 2019, the Company had revenues per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except for per tonne amounts)	**Conda**	**Arraias**
Revenues	$ 298,551	$ 35,383
Total sales volumes per tonne P_2O_5	351,361	28,098
Revenues per Tonne P_2O_5	**$ 850**	**$ 1,259**

CASH COSTS AND CASH COSTS PER TONNE P_2O_5

For the three months ended December 31, 2020 and 2019

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 for per tonne amounts)		Conda		Arraias
Cost of goods sold	$	76,257	$	605
Inventory adjustments		(670)		(31)
Depreciation and depletion		(8,446)		(77)
Cash costs	**$**	**67,141**	**$**	**497**
Total sales volumes per tonne P_2O_5		86,037		56
Cash costs per tonne P_2O_5	**$**	**780**	**$**	**8,875**

For the three months ended December 31, 2019, the Company had cash costs and cash costs per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except for per tonne amounts)		Conda		Arraias
Cost of goods sold	$	72,475	$	16,492
Inventory adjustments		(805)		727
Depreciation and depletion		(11,536)		(2,134)
Cash costs	**$**	**60,134**	**$**	**15,085**
Total sales volumes per tonne P_2O_5		85,447		9,080
Cash costs per tonne P_2O_5	**$**	**704**	**$**	**1,661**

For the year ended December 31, 2020 and 2019

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 for per tonne amounts)		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**
Total sales volumes per tonne P_2O_5		322,756		4,687
Cash costs per tonne P_2O_5	**$**	**675**	**$**	**2,098**

For the year ended December 31, 2019 the Company had cash costs and cash costs per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except for per tonne amounts)		Conda		Arraias
Cost of goods sold	$	297,698	$	63,523
Inventory adjustments		2,648		(640)
Depreciation and depletion		(41,026)		(8,637)
Cash costs	**$**	**259,320**	**$**	**54,246**
Total sales volumes per tonne P_2O_5		351,361		28,098
Cash costs per tonne P_2O_5	**$**	**738**	**$**	**1,931**

CASH MARGIN AND CASH MARGIN PER TONNE P_2O_5

For the three months ended December 31, 2020 and 2019

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 for per tonne amounts)		Conda		Arraias
Revenues	$	75,055	$	20
Cash costs		67,141		497
Cash margin	**$**	**7,914**	**$**	**(477)**
Total sales volumes per tonne P_2O_5		86,037		56
Cash margin per tonne P_2O_5	**$**	**92**	**$**	**(8,518)**

For the three months ended December 31, 2019, the Company had cash margin and cash margin per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except for per tonne amounts)		Conda		Arraias
Revenues	$	69,041	$	11,030
Cash costs		60,134		15,085
Cash margin	**$**	**8,907**	**$**	**(4,055)**
Total sales volumes per tonne P_2O_5		85,447		9,080
Cash margin per tonne P_2O_5	**$**	**104**	**$**	**(447)**

For the year ended December 31, 2020 and 2019

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 for per tonne amounts)		Conda		Arraias
Revenues	$	255,524	$	4,193
Cash costs		217,858		9,833
Cash margin	**$**	**37,666**	**$**	**(5,640)**
Total sales volumes per tonne P_2O_5		322,756		4,687
Cash margin per tonne P_2O_5	**$**	**117**	**$**	**(1,203)**

For the year ended December 31, 2019, the Company had cash margin and cash margin per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except for per tonne amounts)		Conda		Arraias
Revenues	$	298,551	$	35,383
Cash costs		259,320		54,246
Cash margin	**$**	**39,231**	**$**	**(18,863)**
Total sales volumes per tonne P_2O_5		351,361		28,098
Cash margin per tonne P_2O_5	**$**	**112**	**$**	**(671)**

ADJUSTED CASH FLOWS FROM OPERATING ACTIVITIES

(in thousands of US Dollars)	*For the three months ended December 31,* 2020	2019	*For the year ended December 31,* 2020	2019
Cash flows from (used by) operating activities	$ 5,372	$ (957)	$ (3,442)	$ 35,036
Technical studies	908	304	908	304
Accrued technical studies	(75)	—	(75)	—
Adjusted cash flows from (used by) operating activities	**$ 6,205**	**$ (653)**	**$ (2,609)**	**$ 35,340**

FREE CASH FLOW

For the three months and years ended December 31, 2020 and 2019, the Company had free cash flow as follows:

(in thousands of US Dollars)	*For the three months ended December 31,* 2020	2019	*For the year ended December 31,* 2020	2019
Adjusted cash flows from (used by) operating activities	$ 6,205	$ (653)	$ (2,609)	$ 35,340
Cash flows used by investing activities	(1,914)	(15,738)	(13,965)	(44,445)
Less: Cash growth capex	2,111	2,466	7,138	18,428
Free cash flow	**$ 6,402**	**$ (13,925)**	**$ (9,436)**	**$ 9,323**

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 in this MD&A may constitute forward-looking information, including any information as to the Company’s mission, strategy, outlook, plans or future operational and financial performance. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects”, “is expected”, “estimates”, “intends”, 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 in this MD&A 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 resources and reserves, including those stipulated in technical reports;
- expectations around current estimates and potential increases of mine life; and
- expectations around environmental and asset retirement obligations.

RISKS AND UNCERTAINTIES

The 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. Those 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 the 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;
- 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 operating history risks;
- technological advancement risks;
- tax risks;
- foreign subsidiaries risks;
- reputation damage risks;
- controlling shareholder risks; and
- conflicts of interest risks.

Although the Company has attempted to identify crucial factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The reader is cautioned not to place undue reliance on forward-looking information. The forward-looking information contained herein is presented for the purpose of assisting investors in understanding the Company's expected operational and financial performance and the Company's plans and objectives and may not be appropriate for other purposes.

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

RISK FACTORS

Commodity Price Risks

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

Operating Risks

The Company's operations are subject to the typical hazards and risks associated with the exploration, development and production of fertilizers, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding, pit wall failures, tailings dam failures and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. The Company's production facilities are subject to risks relating to equipment breakdowns, interruption in the supply of inputs, power failures, longer-than-expected planned maintenance activities and natural disasters or other events disrupting operations. A prolonged shutdown at any of the Company's facilities could have an adverse effect on the Company's operational and financial performance. Although adequate precautions to minimize risk have been and will continue to be taken, the operating risks cannot be completely mitigated. In addition, the Company's operations are subject to hazards such as fire, equipment failure or other contingencies that may result in environmental pollution and consequent liability, and public health crises (including, but not limited to, the coronavirus), which can result in volatility and disruption to global supply chains, operations, mobility of people and the financial markets.

Safety Risks

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

Mineral Reserves and Mineral Resources Risks

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

Mineral Reserves, Mineral Resources and production costs can also be affected by such factors as environmental permit regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions.

Mine Development and Completion Risks

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

Foreign Operations Risks

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

Regulatory Risks

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

Environmental Risks

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

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

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

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

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

Weather Risks

Anomalies in regional weather patterns can have a significant and unpredictable impact on the demand for the products and services engaged by the Company's business and may also have an impact on prices. The Company's target customers have limited windows of opportunity to complete required tasks at each stage of crop cultivation. Should adverse weather conditions prevail during these seasonal windows, the Company could face the possibility of reduced revenue in a particular season without the opportunity to recover until the following season. The Company also faces the significant risk of inventory carrying costs should its customers' activities be curtailed during their normal seasons. In addition, inflow of water into phosphate mines from heavy rainfall or groundwater could result in increased costs and production down-time and may require the Company to abandon a mine, either of which could adversely affect the Company's operating results.

Climate Change Risks

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

Currency Risks

Currency fluctuations may affect the Company's capital and/or operating costs. The Company is exposed to currency risks stemming from the fact that the Company and its subsidiaries carry on business in the international marketplace. The appreciation of foreign currencies against the US Dollar could adversely affect the Company's earnings and financial condition. In particular, the Company is exposed to increased currency risks because a portion of the Company's expenditures relate to its Brazil operations, which are transacted using Brazilian Reals, and a portion of its sales are generated in Brazil using Brazilian Reals. These expenditures and sales are subject to fluctuations in the exchange rates between the Brazilian Real and other currencies, including the US Dollar and the Canadian Dollar. Depending on the relative changes in the currencies, these fluctuations may adversely affect the amount of US Dollars expended in Brazil and the revenue generated in Brazil.

Competition Risks

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

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

Counterparty Risks

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

Financing Risks

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

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

Additional Capital Risks

The Company's projects will require additional financing. Failure to obtain sufficient financing could result in a delay or indefinite postponement of the development of any or all of the Company's projects. Additional financing may not be available when needed, or if available, the terms of such financing might not be favorable to the Company and might involve substantial dilution to existing members. Failure to raise capital when needed could have a material adverse effect on the Company's business, financial condition and results of operations.

Credit Risks

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

Key Personnel Risks

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

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

Impairment Risks

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

Cybersecurity Risks

With the increased dependence on information technology for the Company's operations, the risks associated with cybersecurity also increase. Every aspect of the business relies on information technology, including supply chain, turnarounds and maintenance, logistics and treasury. Cybersecurity risks include potential hacked or compromised accounts, fraudulent payments, loss of information due to viruses, breaches due to employee error and unintended disclosure of information. The Company is in the process of implementing additional controls and security procedures to safeguard its systems from being vulnerable to cyberattacks; however, the Company may not be able to prevent all cyberattacks and such attacks could seriously harm the Company's operations and materially adversely affect its operating results.

Transportation Risks

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

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

These transportation operations, equipment and services are also subject to environmental, safety and regulatory oversight. Due to concerns related to accidents, terrorism or increasing concerns regarding transportation of potentially hazardous substances, local, provincial, state and federal governments could implement new regulations affecting the transportation of raw materials or the Company's finished products. If transportation of the Company's products is delayed or the Company is unable to obtain raw materials as a result of any third party's failure to operate properly or the other hazards described above, or if new and more stringent regulatory requirements are implemented affecting transportation operations or equipment, or if there are significant increases in the cost of these services or equipment, the Company's revenues and cost of operations could be adversely affected. In addition, the Company may experience increases in its transportation costs or changes in such costs relative to transportation costs incurred by the Company's competitors.

Infrastructure Risks

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

Equipment and Supplies Risks

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

Concentration Risks

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

Litigation Risks

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

Permitting and Licensing Risks

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

Land Title and Access Rights Risks

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

Insurance and Uninsured Risks

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

Acquisitions and Integration Risks

From time to time, the Company examines opportunities to acquire additional businesses and projects. Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations, and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition and integrate the acquired operations successfully with those of the Company. Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after the Company has committed to complete a transaction and established a purchase price or an exchange ratio; the Company may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Company's ongoing business and its relationships with employees, customers, suppliers and contractors; and an acquired business or assets may have unknown liabilities that may be significant. If the Company chooses to raise debt capital to finance any such acquisition, the Company's leverage would increase. If the Company chooses to use equity as consideration for such acquisition, existing members may suffer dilution. Alternatively, the

Company may choose to finance any such acquisition with its existing resources. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered regarding such acquisitions.

Malicious Acts Risks

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

Stock Price Volatility Risks

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

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

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

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

Limited Operating History Risks

The Company has a limited history of operations and has projects that are in the early stage of development. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenue. There is no assurance that the Company will be successful in achieving a return on investment, and the likelihood of the Company's success must be considered in light of its early stage of operations.

Technological Advancement Risks

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

Tax Risks

The interpretation of tax regulations and legislation and their application to the Company's business is complex and subject to change. Accordingly, the Company's ability to realize future income tax assets and participate in favorable tax programs could significantly affect net income or cash flow in future periods.

Foreign Subsidiaries Risks

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

Reputational Damage Risks

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

Controlling Shareholder Risks

Due to its position as controlling shareholder, CLF can exert control on the Company's overall direction. CLF is able to nominate and elect directors of the Company. Obtaining the controlling shareholder's approval would be required for various significant corporate actions. The Company may rely on commitments of additional capital investments from CLF for future working capital and growth opportunities. There can be no assurance that CLF will commit to such additional capital investments.

Conflicts of Interest Risks

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

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, revenue 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 3 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.

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.

The Company is closely monitoring potential risks to its controls and procedures as a result of the COVID-19 pandemic. While the Company's businesses have been deemed essential and therefore have not been forced to shut down operations on account of the COVID-19 pandemic, the majority of the Company's management, administrative and support activities are being conducted by working remotely. While the Company has not experienced and is not currently projecting any material impact on its controls and procedures as a result of the COVID-19 pandemic, the Company continues to monitor and assess the impact, if any, of the COVID-19 pandemic on its controls and procedures in order to minimize any potential impacts on their design and operating effectiveness.

For the three months ended December 31, 2020, 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 CEO and the 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, 2020.

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 25 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 scientific and 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 scientific and 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 scientific and technical information contained in this MD&A regarding Arraias, Santana and Araxá is Carlos Guzmán, FAusIMM (229036), Mining Engineer, RM (Chilean Mining Commission).

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