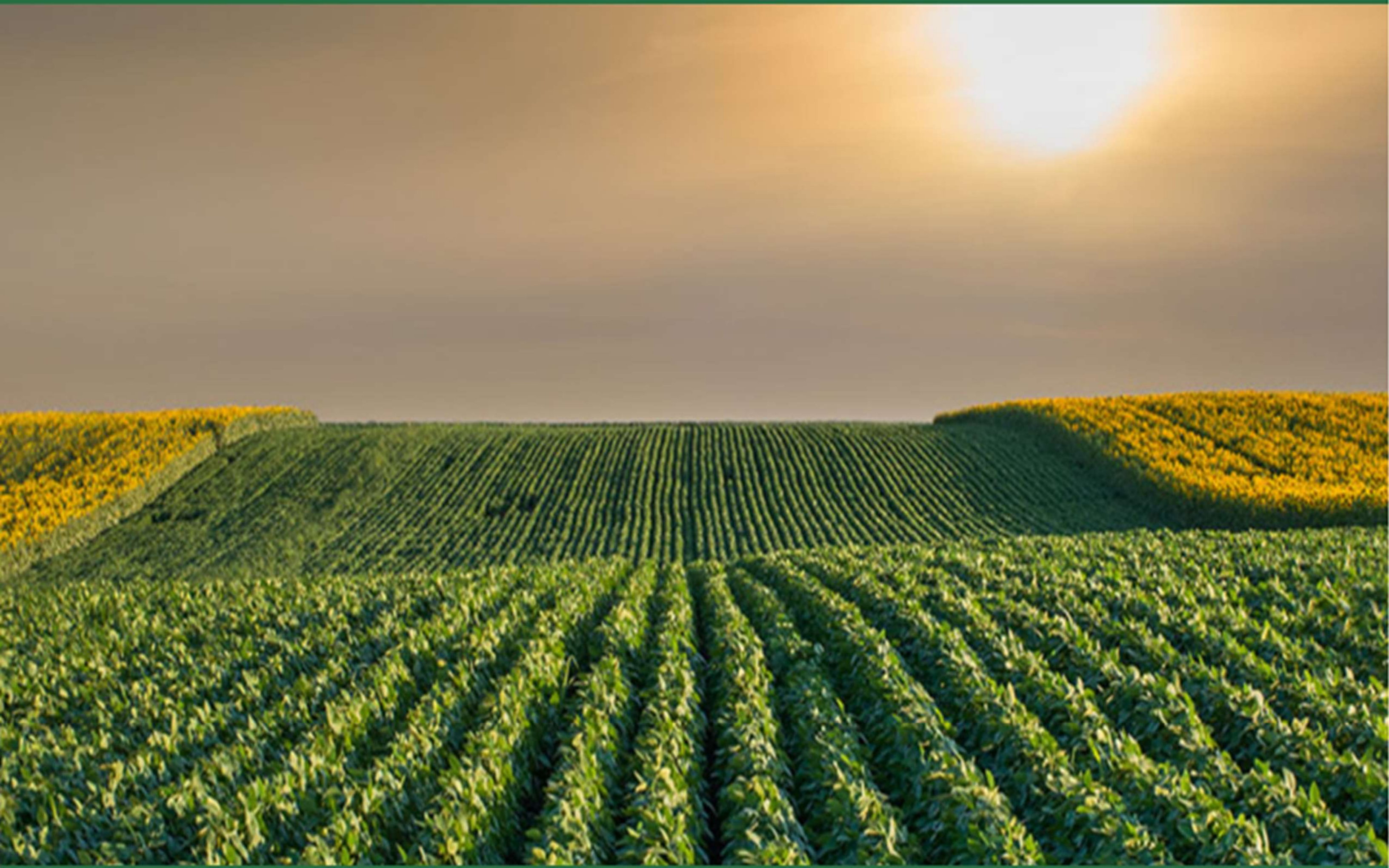

Management's Discussion and Analysis of Operations and Financial Condition
For the three months ended March 31, 2021 and 2020

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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 May 13, 2021 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2021 (the "Interim Financial Statements"), the Company's audited consolidated financial statements for the year ended December 31, 2020 (the "Audited Financial Statements") and accompanying management's discussion and analysis of operations and financial condition for the year ended December 31, 2020 (the "Annual MD&A"). Except as otherwise noted, all figures in this MD&A are presented in thousands of US Dollars ("$") and 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 applicable to the preparation of condensed interim financial statements, including International Accounting Standards 34 Interim Financial Reporting.

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 7 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 7 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 – 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 Interim 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.

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 its mines, beneficiation plant, sulfuric acid plant, phosphoric acid plant and granulation plant. Conda's Mineral Reserves and mine life consider existing mines Rasmussen Valley and Lanes Creek only whereas Measured and Indicated Mineral Resources (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 its mines, beneficiation plant, sulfuric acid plant, acidulation plant and granulation plant.

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 Interim 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 the Annual MD&A. The Company's latest respective technical reports are as follows:

- Conda – the technical report titled "NI 43-101 Technical Report on Itafos Conda and Paris Hills Mineral Projects, Idaho, USA" with an effective date of July 1, 2019 (the "Conda Technical Report") as announced in the Company's news releases dated October 30, 2019 and December 16, 2019;
- Arraias – the technical report titled "Updated Technical Report Itafós Arraias SSP Project, Tocantins State, Brazil" with an effective date of March 27, 2013;
- Farim – the technical report titled "NI 43-101 Technical Report on the Farim Phosphate Project, Guinea-Bissau" with an effective date of September 14, 2015;
- Santana – the technical report titled "Feasibility Study (FS) Santana Phosphate Project, Pará State, Brazil" with an effective date of October 28, 2013;
- Araxá – the technical report titled "A Preliminary Economic Assessment in the form of an Independent Technical Report on MBAC Fertilizer Corp. (MBAC) – Araxá Project, Minas Gerais State, Brazil" with an effective date as of October 1, 2012 as amended and restated as of January 25, 2013;
- Paris Hills – the Conda Technical Report; and
- Mantaro – the technical report titled "Technical Report on Mantaro Phosphate Deposit, Junin District, Peru" with an effective date 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 March 31, 2021, the Company's overall highlights were as follows:

- diammonium phosphate ("DAP") New Orleans ("NOLA") prices averaged $551/tonne in Q1 2021 compared to $300/tonne in Q1 2020, up 84% year-over-year driven by strong agriculture and phosphate fertilizer market supply and demand dynamics;
- continued corporate-wide risk mitigation measures to address potential impacts to employees, contractors and operations as a result of the coronavirus disease 2019 ("COVID-19") pandemic, which resulted in no material impact to operations;
- sustained environmental, health and safety excellence, including no environmental releases and one recordable incident, which resulted in a consolidated Total Reportable Incident Frequency Rate[1] ("TRIFR") of 0.89;
- generated revenues of $90,142 in Q1 2021 compared to $75,361 in Q1 2020 primarily due to higher realized prices at Conda, which was partially offset by lower sales volumes at Conda and completion in 2020 of a program to monetize remaining inventory and raw materials to partially offset costs at Arraias;
- generated adjusted EBITDA of $20,658 in Q1 2021 compared to $(788) in Q1 2020 primarily due to higher realized prices at Conda and lower costs following the idling of Arraias, which was partially offset by lower sales volumes at Conda (see Section 7);
- recorded net income (loss) of $1,901 in Q1 2021 compared to $(18,289) in Q1 2020 primarily due to the same factors that resulted in higher adjusted EBITDA and lower depreciation and depletion, which were partially offset by higher finance and income tax expenses;
- produced 145,191 tonnes at Conda in Q1 2021 compared to 138,896 tonnes in Q1 2020 primarily due to ramp up of MAP+ production and higher APP production, which were partially offset by lower MAP and SPA production;
- generated revenues of $90,142 at Conda in Q1 2021 compared to $70,932 in Q1 2020 primarily due to higher realized prices, which were partially offset by lower sales volumes due to timing of MAP lifting and lower SPA production;
- generated adjusted EBITDA at Conda of $24,164 in Q1 2021 compared to $8,295 in Q1 2020 primarily due to higher realized prices, which were partially offset by lower sales volumes and higher input costs (see Section 7);
- recorded net income at Conda of $14,764 in Q1 2021 compared to $955 in Q1 2020 primarily due to the same factors that resulted in higher adjusted EBITDA and lower depreciation and depletion, which were partially offset by higher finance and income tax expenses;
- advanced activities related to extending Conda's mine life through permitting and development of Husky 1/North Dry Ridge ("H1/NDR"), including advancement of the National Environmental Policy Act ("NEPA") Environmental Impact Statement ("EIS") preparation and public engagement process;
- advanced activities related to the optimization of Conda's EBITDA generation, including:
  - continuation of the ramp up of MAP+ production and sales volumes,
  - advancement of a new initiative to produce and sell hydrofluorosilicic acid ("HFSA"), including completion of a concept study, initiation of detailed engineering and design and advancement of a potential long-term offtake agreement, and
  - advancement of the magnesium oxide ("MgO") reduction initiative to enhance SPA production and sales volumes, including test work with the use of enhanced grinding, attrition scrubbing and flotation;
- maintained the idling of Arraias following best practices; and
- maintained Farim at construction ready state while optimizing costs.

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

ITAFOS

FINANCIAL HIGHLIGHTS

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

(unaudited in thousands of US Dollars except as otherwise noted)	For the three months ended March 31, 2021	2020	% change
Revenues	$ 90,142	$ 75,361	20%
Gross margin	18,529	(6,319)	n/m
Adjusted EBITDA[i]	20,658	(788)	n/m
Net income (loss)	1,901	(18,289)	n/m
Basic earnings (loss) per share	$ 0.01	$ (0.10)	n/m
Fully diluted earnings (loss) per share	$ 0.01	$ (0.10)	n/m
Maintenance capex[i]	$ 1,523	$ 1,919	(21%)
Growth capex[i]	1,300	1,406	(8%)
Total Capex[i]	**$ 2,823**	**$ 3,325**	**(15%)**
Free cash flow[i]	$ 14,774	$ (7,886)	n/m

i. Non-IFRS measure (see Section 7).

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

Item	Q1 2021 vs Q1 2020
Revenues	Revenues increased primarily due to higher realized prices at Conda, which was partially offset by lower sales volumes at Conda and completion in 2020 of a program to monetize remaining inventory and raw materials to partially offset costs at Arraias
Adjusted EBITDA	Adjusted EBITDA increased primarily due to higher realized prices at Conda and lower costs following the idling of Arraias, which was partially offset by lower sales volumes at Conda (see Section 7)
Net income (loss)	Net income (loss) increased primarily due to the same factors that resulted in higher adjusted EBITDA and lower depreciation and depletion, which were partially offset by higher finance and income tax expenses
Maintenance capex	Maintenance capex decreased primarily due to gyp stack expansion during 2020 (see Section 7)
Growth capex	Growth capex decreased 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 the stage-gate restart program at Arraias (see Section 7)
Free cash flow	Free cash flow increased primarily due to higher cash flows from operating activities, which were partially offset by higher working capital requirements (see Section 7)

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

(unaudited in thousands of US Dollars)	March 31, 2021	December 31, 2020	% change
Total assets	$ 482,101	$ 477,304	1%
Total liabilities	397,120	394,881	1%
Net debt[i]	228,319	233,926	(2%)
Adjusted net debt[i]	149,518	166,335	(10%)
Total equity	84,981	82,423	3%

i. Non-IFRS measure (see Section 7).

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

Item	Q1 2021 vs Q4 2020
Total assets	Total assets increased primarily due to higher cash and cash equivalents and accounts receivable, which were partially offset by lower inventories and other non-current assets
Total liabilities	Total liabilities increased primarily due to in-kind interest related to the Company's secured term credit facility (the "Credit Facility") and unsecured and subordinated promissory note (the "Promissory Note")
Net debt	Net debt decreased primarily due to higher cash and cash equivalents, which was partially offset by in-kind interest related to the Credit Facility and Promissory Note (see Section 7)
Adjusted net debt	Adjusted net debt decreased primarily due to the same factors that resulted in decreased net debt and higher related party debt (see Section 7)
Total equity	Total equity increased primarily due to net income recorded during the period and issuance of shares by the Company under its restricted share unit plan (the "RSU Plan")

BUSINESS HIGHLIGHTS

Conda

<u>COVID-19 Risk Mitigation Measures</u>

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

<u>EHS Highlights</u>

For the three months ended March 31, 2021, Conda sustained environmental, health, and safety excellence with no environmental releases and one recordable incident, which resulted in a TRIFR of 1.17.

Business Highlights

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

(unaudited in thousands of US Dollars except as otherwise noted)	*For the three months ended March 31,* 2021	2020	% change
Production volumes (tonnes)			
MAP	74,948	90,548	(17%)
MAP+	28,065	5,275	432%
SPA[i]	37,830	40,265	(6%)
MGA[i]	195	583	(67%)
APP	4,153	2,225	87%
Production volumes (tonnes)	**145,191**	**138,896**	**5%**
Production volumes (tonnes P_2O_5)	**89,355**	**90,747**	**(2%)**
Sales volumes (tonnes)			
MAP	77,439	107,772	(28%)
MAP+	20,220	2,653	662%
SPA[i]	36,697	39,231	(6%)
MGA[i]	196	513	(62%)
APP	2,845	1,647	73%
Sales volumes (tonnes)	**137,397**	**151,816**	**(9%)**
Sales volumes (tonnes P_2O_5)	**86,015**	**97,380**	**(12%)**
Realized price ($/tonne)[ii]			
MAP	$ 460	$ 295	56%
MAP+	$ 513	$ 364	41%
SPA[i]	$ 1,158	$ 941	23%
MGA[i]	$ 1,383	$ 945	46%
APP	$ 497	$ 451	10%
Revenues ($)			
MAP	$ 35,585	$ 31,832	12%
MAP+	$ 10,377	$ 966	974%
SPA	$ 42,494	$ 36,906	15%
MGA	$ 271	$ 485	(44%)
APP	$ 1,415	$ 743	90%
Revenues	**$ 90,142**	**$ 70,932**	**27%**
Revenues per tonne P_2O_5[ii]	**$ 1,048**	**$ 728**	**44%**
Cash costs[ii]	**$ 58,877**	**$ 61,568**	**(4%)**
Cash costs per tonne P_2O_5[ii]	**$ 685**	**$ 632**	**8%**
Cash margin[ii]	**$ 31,265**	**$ 9,364**	**234%**
Cash margin per tonne P_2O_5[ii]	**$ 363**	**$ 96**	**278%**
Adjusted EBITDA[ii]	$ 24,164	$ 8,295	191%
Maintenance capex[ii]	$ 1,523	$ 1,919	(21%)
Growth capex[ii]	$ 910	$ 1,924	(53%)
Total capex[ii]	**$ 2,433**	**$ 3,843**	**(37%)**

i. Presented on a 100% P_2O_5 basis.
ii. Non-IFRS measure (see Section 7).

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

Item	Q1 2021 vs Q1 2020
Production volumes	Production volumes increased primarily due to ramp up of MAP+ production and higher APP production, which were partially offset by lower MAP and SPA production
Sales volumes	Sales volumes decreased due to timing of MAP lifting and lower SPA production
Revenues	Revenues increased due to higher realized prices, which were partially offset by lower sales volumes due to timing of MAP lifting and lower SPA production
Cash margin per tonne P_2O_5	Cash margin per tonne P_2O_5 increased primarily due to higher realized prices, which were partially offset by higher input costs (see Section 7)
Adjusted EBITDA	Adjusted EBITDA increased primarily due to higher realized prices, which were partially offset by lower sales volumes and higher input costs (see Section 7)
Maintenance capex	Maintenance capex decreased primarily due to gyp stack expansion during 2020 (see Section 7)
Growth capex	Growth capex decreased primarily due to timing of activities related to extending Conda's mine life through permitting and development of H1/NDR (see Section 7)

Mine Life Extension

For the three months ended March 31, 2021, the Company advanced activities related to extending Conda's mine life through permitting and development of H1/NDR, including advancement of the NEPA EIS preparation and public engagement process.

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

EBITDA Optimization

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

- continued ramp up of MAP+ production and sales volumes;
- advanced a new initiative to produce and sell HFSA, including completion of a concept study, initiation of detailed engineering and design and advancement of a potential offtake agreement; and
- advanced MgO reduction initiative to enhance SPA production and sales volumes, including test work with the use of enhanced grinding, attrition scrubbing and flotation.

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

Arraias

COVID-19 Risk Mitigation Measures

The Company continues to monitor potential risks to Arraias' employees, contractors and operations as a result of the COVID-19 pandemic. Arraias has been deemed an essential business as part of the agriculture and phosphate fertilizer sector and therefore has not been forced to shut down operations or care and maintenance activities on account of the COVID-19 pandemic. In response to the COVID-19 pandemic, the Company has implemented and continued risk mitigation measures at Arraias to address potential impacts to its employees, contractors and operations as described in the Annual MD&A. 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 ended March 31, 2021, Arraias sustained environmental, health, and safety excellence with no environmental releases or recordable incidents, which resulted in a TRIFR of 0.00.

Idling

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 ended March 31, 2021, the Company maintained the idling of Arraias following best practices.

Stage-Gate Restart Program

During Q2 2020, the Company launched a stage-gate restart program at Arraias. Each stage-gate must be cleared before progressing to the next stage of the program, thereby limiting exposure and managing 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. 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 leading third-party laboratories 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 was completed during Q1 2021. Also, as a part of the first stage-gate, the Company completed the detailed in-fill drilling program during Q1 2021 by completing 280 diamond core holes for a total of 7,510m of drilling.

Business Highlights

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

(unaudited in thousands of US Dollars except as otherwise noted)	*For the three months ended March 31,* 2021	2020	% change
Production volumes (tonnes)			
SSP	—	3,879	n/m
SSP+	—	1,113	n/m
Production volumes (tonnes)	**—**	**4,992**	**n/m**
Production volumes (tonnes P_2O_5)	**—**	**849**	**n/m**
Excess sulfuric acid production volumes (tonnes)[i]	—	—	n/m
Sales volumes (tonnes)			
SSP	—	25,429	n/m
SSP+	—	2,459	n/m
Sales volumes (tonnes)	**—**	**27,888**	**n/m**
Sales volumes (tonnes P_2O_5)	**—**	**4,165**	**n/m**
Excess sulfuric acid sales volumes (tonnes)	—	5,213	n/m
Realized price ($/tonne)[ii]			
SSP	$ —	$ 138	n/m
SSP+	$ —	$ 184	n/m
Excess sulfuric acid	$ —	$ 90	n/m
Revenues ($)			
SSP, net	$ —	$ 3,508	n/m
SSP+, net	$ —	$ 453	n/m
Revenues	**$ —**	**$ 3,961**	**n/m**
Revenues per tonne P_2O_5[ii]	**$ —**	**$ 951**	**n/m**
Cash costs[iii]	**$ —**	**$ 8,984**	**n/m**
Cash costs per tonne P_2O_5[ii]	**$ —**	**$ 2,157**	**n/m**
Cash margin[iii]	**$ —**	**$ (5,023)**	**n/m**
Cash margin per tonne P_2O_5[iii]	**$ —**	**$ (1,206)**	**n/m**
Excess sulfuric acid revenues ($)	$ —	$ 468	n/m
Adjusted EBITDA[ii]	$ (834)	$ (5,523)	n/m
Maintenance capex[ii]	$ —	$ —	n/m
Growth capex[ii]	$ 307	$ —	n/m
Total capex[ii]	**$ 307**	**$ —**	**n/m**

i. Excess sulfuric acid production volumes (t) are presented net of production for internal consumption.
ii. Non-IFRS measure (see Section 7).
iii. Non-IFRS measure and excludes sulfuric acid (see Section 7).

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

Item	Q1 2021 vs Q1 2020
Production and sales volumes	Production and sales volumes decreased primarily due to completion in 2020 of a program to monetize remaining inventory and raw materials to partially offset costs
Adjusted EBITDA	Adjusted EBITDA increased primarily due to the idling of Arraias in 2020 and completion in 2020 of a program to monetize remaining inventory and raw materials to partially offset costs (see Section 7)
Total capex	Total capex increased primarily due to activities related to the stage-gate restart program (see Section 7)

Development & Exploration

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

- sustained environmental, health, and safety excellence at Farim with no environmental releases or recordable incidents, which resulted in a TRIFR of 0.00;
- maintained Farim at construction ready state while optimizing costs;
- advanced revisions to the executed Farim mining agreement with the Government of Guinea-Bissau to facilitate project financing and update tax incentives;
- maintaining the integrity of the concessions of Santana and Araxá; and
- advanced the wind down of Paris Hills and Mantaro.

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

Corporate

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

- issued 1,265,620 shares (net of 371,912 shares withheld to pay applicable taxes) due to vesting under the Company's RSU Plan (see Note 12 in the Interim Financial Statements);
- granted 3,761,637 RSUs under the Company's RSU Plan, including 305,326 RSUs granted to directors, 1,559,777 RSUs granted to management and 1,896,534 RSUs granted to employees and contractors (see Note 12 in the Interim Financial Statements); and
- advanced cost savings initiatives, including merging three holding companies (see Note 2 in the Interim Financial Statements).

As at March 31, 2021 and December 31, 2020, the Company had 186,728,444 and 185,462,284 shares issued and outstanding, respectively. Subsequent to the three months ended March 31, 2021, the Company issued 34,042 shares (net of 10,958 shares withheld to pay applicable taxes) due to vesting under its RSU Plan.

MARKET HIGHLIGHTS

Global Phosphate Fertilizer Supply and Demand Highlights

For the three months ended March 31, 2021, global phosphate fertilizer supply highlights were as follows:

- overall, the agriculture and phosphate fertilizer 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;
- no significant phosphate fertilizer supply capacity additions, which resulted in continued drawdown of global phosphate fertilizer inventory levels;
- Chinese exports were higher year-over-year due to reduced base in 2020 as a result of the COVID-19 pandemic;
- 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;
- US production was flat year-over-year due to both planned and unplanned capacity constraints, yet existing inventory was able to make up for the strong momentum of the domestic market;
- the US International Trade Commission ("ITC") confirmed countervailing duty ("CVD") orders on phosphate fertilizer imports to the US from Morocco and Russia; and
- as a result of the CVD orders, US imports and exports were down year-over-year due to the reshuffling of trade flows.

For the three months ended March 31, 2021, global phosphate fertilizer demand highlights were as follows:

- overall, the agriculture and phosphate fertilizer demand fundamentals were not materially impacted by the COVID-19 pandemic;
- steady phosphate fertilizer demand growth was underpinned by higher global crop prices, which 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 faced headwinds due to an increase in the maximum retail price set by the government, affecting Indian farmers' economics as fertilizer subsidy has not increased proportionally;
- North American demand was positive due to strong crop prices, yet partially offset from dry weather conditions in the Plains and Western Canada;
- Brazilian demand experienced a strong start to the year due to robust 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 March 31, 2021, global phosphate fertilizer pricing and input cost highlights were as follows:

- DAP NOLA prices averaged $551/tonne, up 84% year-over-year driven by strong agriculture and phosphate fertilizer market supply and demand dynamics;
- the price premium for liquid phosphate fertilizer over dry phosphate fertilizer in North America continued in line with historical averages;
- sulfur Vancouver prices averaged up 210% 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 up 48% year-over-year due to natural gas prices recovering from historical lows while supply decreased due to closure and mothballing of ammonia plants as a result of lower industrial ammonia demand caused by the COVID-19 pandemic.

3. OUTLOOK

FINANCIAL OUTLOOK

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

The Company provides guidance on 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 7 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 7);
- maintenance capex considers planned plant maintenance at Conda (see Section 7);
- 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 7); and
- free cash flow considers cash from operating activities and cash from investing activities less cash growth capex (see Section 7).

The Company issued its original guidance for 2021 in the Annual MD&A. The Company has revised its guidance for 2021 as follows:

(in millions of US Dollars)		**H1 2021**		**H2 2021**		**FY 2021**
Adjusted EBITDA[i]	$	45-50	$	50-55	$	95-105
Maintenance capex[i]		16-20		4-5		20-25
Growth capex[i]		4-6		8-11		12-17
Free cash flow[i]		20-25		20-25		40-50

i. Non-IFRS measure (see Section 7).

The Company's revised guidance for FY 2021 is explained as follows:

- increased adjusted EBITDA guidance to $95-105 million (previously $80-90 million) to reflect the Company's view of expected H2 2021 prices at Conda, including the current DAP NOLA prices (100% of Conda's MAP is sold under a long-term offtake agreement with pricing indexed to DAP NOLA on an average three-month trailing basis) and higher reset prices for SPA (see Section 7);
- maintained maintenance capex guidance (see Section 7);
- increased growth capex guidance to $12-17 million (previously $8-13 million) to include the capex investment at Conda to produce and sell HFSA (see Section 7); and
- increased free cash flow guidance to $40-50 million (previously $25-35 million) to reflect the increase in adjusted EBITDA guidance (see Section 7).

BUSINESS OUTLOOK

The Company continues to execute on its strategy which is focused on the following:

- advancing capital raising initiatives;
- extending Conda's current mine life through permitting and development of H1/NDR;
- optimizing Conda's EBITDA generation;
- 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 and Mantaro; and
- continuing corporate-wide cost savings 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, the agriculture and phosphate fertilizer demand fundamentals are not expected to be significantly impacted as global food demand is expected to remain strong despite a potential reduction on agriculture 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 is expected to prevent a significant supply shock.

Global Phosphate Fertilizer Supply and Demand Outlook

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

- no expected significant phosphate fertilizer supply capacity additions in 2021 due to voluntary postponement of project schedules and delays related to the COVID-19 pandemic, resulting in continued drawdown of global phosphate fertilizer inventory levels;
- CVD orders on phosphate fertilizer imports to the US from Morocco and Russia expected to be in place for at least five 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; and
- Indian production rates are expected to remain at current levels with no further expected disruptions caused by the COVID-19 pandemic.

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

- continued strong phosphate fertilizer demand underpinned by global coarse grains and oilseeds reaching multi-year low stocks-to-use ratios and the highest prices in nearly a decade, the effects of which are expected to continue beyond the current growing season;
- overall, Q2 tends to be a seasonally strong period globally for phosphate fertilizer consumption, with demand being driven by spring application in the Northern Hemisphere;
- 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;
- 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 reflecting the solid demand fundamentals, depleted inventory levels and higher crop prices; and
- Brazilian demand is expected to remain strong driven by production shortfall during the second-season corn planting with the impact on yields and quality expected to 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 2021 as supply growth stalls due to delays in new capacity commissioning and demand continues growing supported by bullish agriculture fundamentals, resulting in continued drawdown of global phosphate fertilizer inventory levels;
- 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 increase as higher natural gas prices increase production costs while supply is expected to reduce due to closure and mothballing of ammonia plants as a result of lower industrial ammonia demand caused by the COVID-19 pandemic.

4. SUMMARY OF QUARTERLY RESULTS

For the three months ended March 31, 2021, December 31, 2020, September 30, 2020 and June 30, 2020, the Company's summary of quarterly results was as follows:

(unaudited in thousands of US Dollars except as otherwise noted)		**March 31, 2021**		**December 31, 2020**		**September 30, 2020**		**June 30, 2020**
Net income (loss)	$	1,901	$	(9,415)	$	(13,788)	$	(20,814)
Basic earnings (loss) per share		0.01		(0.05)		(0.07)		(0.10)
Diluted earnings (loss) per share		0.01		(0.05)		(0.07)		(0.10)
Total assets	$	482,101	$	477,304	$	454,135	$	450,713

For the three months ended March 31, 2020, December 31, 2019, September 30, 2019 and June 30, 2019, the Company's summary of quarterly results was as follows:

(unaudited in thousands of US Dollars except as otherwise noted)		**March 31, 2020**		**December 31, 2019**		**September 30, 2019**		**June 30, 2019**
Net loss	$	(18,289)	$	(88,465)	$	(20,778)	$	(21,597)
Basic loss per share		(0.10)		(0.63)		(0.15)		(0.15)
Diluted loss per share		(0.10)		(0.63)		(0.15)		(0.15)
Total assets		461,499		510,764		568,630		566,575

5. STATEMENTS OF OPERATIONS

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

(unaudited in thousands of US Dollars except as otherwise noted)	*For the three months ended March 31,* 2021	2020	% change
Revenues	$ 90,142	$ 75,361	20%
Cost of goods sold	71,613	81,680	(12%)
Gross margin	**$ 18,529**	**(6,319)**	**n/m**
Selling, general and administrative expenses	5,590	5,924	(6%)
Operating income (loss)	**$ 12,939**	**$ (12,243)**	**n/m**
Foreign exchange loss	(71)	(3,100)	n/m
Other income	102	1,267	(92%)
Finance expense	(8,392)	(6,088)	n/m
Income (loss) before income taxes	**$ 4,578**	**$ (20,164)**	**n/m**
Current and deferred income tax expense (recovery)	2,677	(1,875)	n/m
Net income (loss)	**$ 1,901**	**(18,289)**	**n/m**
Net income (loss) attributable to non-controlling interest	—	—	n/m
Net income (loss) attributable to shareholders of the Company	**$ 1,901**	**$ (18,289)**	**n/m**
Basic earnings (loss) per share	**$ 0.01**	**$ (0.10)**	**n/m**
Fully diluted earnings (loss) per share	**$ 0.01**	**$ (0.10)**	**n/m**

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

Item	Q1 2021 vs Q1 2020
Revenues	Revenues increased primarily due to higher realized prices at Conda, which was partially offset by lower sales volumes at Conda and completion in 2020 of a program to monetize remaining inventory and raw materials to partially offset costs at Arraias
Cost of goods sold	Cost of goods sold decreased primarily due to lower sales volumes at Conda, completion in 2020 of a program to monetize remaining inventory and raw materials to partially offset costs at Arraias and lower depreciation and depletion, which were partially offset by higher input costs at Conda
Selling, general and administrative expenses	Selling, general and administrative expenses decreased due to reduced idling costs at Arraias related to higher initial spend in 2020 and lower costs in 2021 from maintaining Farim at construction ready state while optimizing costs, which were partially offset by higher corporate costs
Foreign exchange loss	Foreign exchange loss decreased due to lower fluctuations between the Brazilian Real and the US Dollar
Finance expense	Finance expense increased primarily due to higher interest related to the Credit Facility and the Promissory Note
Current and deferred income tax expense (recovery)	Current and deferred income tax expense (recovery) increased primarily due to higher income tax expense

6. 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 Interim Financial Statements).

LIQUIDITY

As at March 31, 2021 and December 31, 2020, the Company had cash and cash equivalents of $17,675 and $9,539, respectively and working capital of $86,585 and $77,475, respectively (see Section 7). As at March 31, 2021, an additional $5,400 remaining available under the Promissory Note to be drawn by the Company at its sole discretion and an additional $2,049 remained available under the Conda ABL to be drawn by Conda subject to certain terms and conditions (see Notes 10 and 22 in the Interim Financial Statements). In addition to cash flows generated by Conda, the Company is advancing capital raising initiatives.

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 Credit 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 Credit 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 10 in the Interim Financial Statements).

SUMMARY BALANCE SHEETS

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

(unaudited in thousands of US Dollars)		March 31, 2021		December 31, 2020	% change
Cash and cash equivalents	$	17,675	$	9,539	85%
Current assets (including cash and cash equivalents)	$	143,508	$	134,491	7%
Non-current assets		338,593		342,813	(1%)
Total assets	**$**	**482,101**	**$**	**477,304**	**1%**
Current liabilities (excluding current portion of debt)	$	54,307	$	54,579	(0%)
Non-current liabilities (excluding long-term debt)		99,571		100,109	(1%)
Debt (current and long-term)		243,242		240,193	1%
Total liabilities	**$**	**397,120**	**$**	**394,881**	**1%**
Shareholders' equity	$	84,227	$	81,669	3%
Non-controlling interest		754		754	0%
Total equity	**$**	**84,981**	**$**	**82,423**	**3%**

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

Item	Q1 2021 vs Q4 2020
Current assets	Current assets increased primarily due to higher cash and cash equivalents and accounts receivable, which were partially offset by lower inventories
Non-current assets	Non-current assets decreased primarily due to usage of tax credits to reduce tax payables at Arraias and lower depreciation and depletion, which were partially offset by capex additions (see Section 7)
Current liabilities	Current liabilities remained largely consistent primarily due to lower trade payables and tax payables, which were offset by higher contract liabilities
Non-current liabilities	Non-current liabilities remained largely consistent primarily due to lower lease liabilities, which were offset by environmental and asset retirement obligation accretion expense
Debt	Debt increased primarily due to in-kind interest related to the Credit Facility and Promissory Note
Total equity	Total equity increased primarily due to net income recorded during the period and issuance of shares by the Company under its RSU Plan

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

CAPITAL RESOURCES

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

(unaudited in thousands of US Dollars)		March 31, 2021		December 31, 2020
Total equity	$	84,981	$	82,423
Net debt[i]		228,319		233,926
Capital resources	**$**	**313,300**	**$**	**316,349**

i. Non-IFRS measure (see Section 7).

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.

ITAFOS

SUMMARY CASH FLOWS

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

	For the three months ended March 31,		
(unaudited in thousands of US Dollars)	**2021**	**2020**	**% change**
Cash and cash equivalents, beginning of period	**$ 9,539**	**$ 29,109**	**(67%)**
Cash flows from (used by) operating activities	16,011	(6,598)	n/m
Cash flows used by investing activities	(2,395)	(2,566)	n/m
Cash flows used by financing activities	(5,520)	(3,015)	n/m
Effect of foreign exchange of non-US Dollar denominated cash	40	(244)	n/m
Cash and cash equivalents, end of period	**17,675**	**16,686**	**(6%)**
Free cash flow[i]	14,774	(7,886)	n/m

i. Non-IFRS measure (see Section 7).

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

Item	Q1 2021 vs Q1 2020
Cash flows from (used by) operating	Cash flows from (used by) operating activities increased primarily due to higher net income and lower tax payments, which were partially offset by higher working capital requirements
Cash flows used by investing	Cash flows used by investing activities decreased 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 the stage-gate restart program at Arraias
Cash flows from financing	Cash flows from financing activities increased primarily due to increased interest expense related to the Credit Facility
Free cash flow	Free cash flow increased primarily due to higher cash flows from operating activities, which were partially offset by higher working capital requirements (see Section 7)

CONTRACTUAL OBLIGATIONS

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

(unaudited in thousands of US Dollars)	**Within 1 year**	**Years 2 and 3**	**Years 4 and 5**	**After 5 years**	**Total**
Debt	$ 3,624	$ 285,159	$ 380	$ 231.00	**$ 289,394**
Accounts payable and accrued liabilities	48,949	—	—	—	**48,949**
Provisions	760	—	—	82,320	**83,080**
Leases	2,743	7,204	5,035	4,794	**19,776**
Contractual obligations	**$ 56,076**	**$ 292,363**	**$ 5,415**	**$ 87,345**	**$ 441,199**

The Company's provisions are representative of the environmental and asset retirement obligations as well as legal contingencies that exist as at March 31, 2021. As at March 31, 2021, Conda, Arraias and Paris Hills had environmental and asset retirement obligations of $75,182, $7,030 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 9 in the Interim Financial Statements).

ITAFOS

7. 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, which excludes payment of interest expense, plus cash flows from investing activities less cash growth capex	Cash flows from operating activities and cash flows from investing activities

EBITDA AND ADJUSTED EBITDA

For the three months ended March 31, 2021 and 2020

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

(unaudited in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Net income (loss)	**$ 14,764**	**$ (1,252)**	**$ (310)**	**$ (11,301)**	**$ 1,901**
Finance expense, net	726	5	1	7,660	8,392
Current and deferred income tax expense	2,626	—	—	51	2,677
Depreciation and depletion	6,068	115	23	43	6,249
EBITDA	**$ 24,184**	**$ (1,132)**	**$ (286)**	**$ (3,547)**	**$ 19,219**
Unrealized foreign exchange (gain) loss	(62)	309	6	(80)	173
Share-based payment expense	—	—	—	1,291	1,291
Technical studies	42	—	—	—	42
Non-recurring compensation payments	—	—	35	—	35
Other income, net	—	(11)	(91)	—	(102)
Adjusted EBITDA	**$ 24,164**	**$ (834)**	**$ (336)**	**$ (2,336)**	**$ 20,658**

(unaudited in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Operating income (loss)	**$ 18,054**	**$ (949)**	**$ (497)**	**$ (3,669)**	**$ 12,939**
Depreciation and depletion	6,068	115	23	43	6,249
Foreign exchange gain (loss) - realized	—	—	103	(1)	102
Share-based payment expense	—	—	—	1,291	1,291
Technical studies	42	—	—	—	42
Non-recurring compensation payments	—	—	35	—	35
Adjusted EBITDA	**$ 24,164**	**$ (834)**	**$ (336)**	**$ (2,336)**	**$ 20,658**

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

(unaudited in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Net income (loss)	**$ 955**	**$ (9,552)**	**$ (371)**	**$ (9,321)**	**$ (18,289)**
Finance expense, net	25	9	1	6,053	6,088
Current and deferred income tax expense (recovery)	(2,102)	—	—	227	(1,875)
Depreciation and depletion	9,531	1,597	23	39	11,190
EBITDA	**$ 8,409**	**$ (7,946)**	**$ (347)**	**$ (3,002)**	**(2,886)**
Unrealized foreign exchange (gain) loss	(115)	3,698	(449)	(24)	3,110
Share-based payment expense	—	—	—	255	255
Other (income) expense, net	1	(1,275)	10	(3)	(1,267)
Adjusted EBITDA	**$ 8,295**	**$ (5,523)**	**$ (786)**	**$ (2,774)**	**$ (788)**

(unaudited in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Operating loss	**$ (1,236)**	**$ (7,127)**	**$ (811)**	**$ (3,069)**	**$ (12,243)**
Depreciation and depletion	9,531	1,597	23	39	11,190
Foreign exchange gain - realized	—	7	2	1	10
Share-based payment recovery	—	—	—	255	255
Adjusted EBITDA	**$ 8,295**	**$ (5,523)**	**$ (786)**	**$ (2,774)**	**$ (788)**

CAPEX

For the three months ended March 31, 2021 and 2020

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

(unaudited in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Additions to property, plant and equipment	$ 2,558	$ (357)	$ —	$ —	$ 2,201
Additions to mineral properties	930	—	83	—	1,013
Additions to property, plant and equipment related to asset retirement obligations	(1,097)	659	—	—	(438)
Additions to right of use assets	—	5	—	—	5
Technical studies	42	—	—	—	42
Total capex	**$ 2,433**	**$ 307**	**$ 83**	**$ —**	**$ 2,823**
Maintenance capex	1,523	—	—	—	1,523
Growth capex	910	307	83	—	1,300

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

(unaudited in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Additions to property, plant and equipment	$ 5,162	$ (1,834)	$ —	$ 260	$ 3,588
Additions to mineral properties	2,309	—	(518)	—	1,791
Additions to property, plant and equipment related to asset retirement obligations	(2,841)	1,834	—	—	(1,007)
Additions to right of use assets	—	—	—	(260)	(260)
Capitalized interest	(787)	—	—	—	(787)
Total capex	**$ 3,843**	**$ —**	**$ (518)**	**$ —**	**$ 3,325**
Maintenance capex	1,919	—	—	—	1,919
Growth capex	1,924	—	(518)	—	1,406

CASH CAPEX

For the three months ended March 31, 2021

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

(unaudited in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Total capex	$	2,433	$	307	$	83	$	—	$	2,823
Accrued capex		(382)		—		—		—		(382)
Total cash capex	**$**	**2,051**	**$**	**307**	**$**	**83**	**$**	**—**	**$**	**2,441**

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

(unaudited in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Maintenance capex	$	1,523	$	—	$	—	$	—	$	1,523
Accrued maintenance capex		(198)		—		—		—		(198)
Cash maintenance capex	**$**	**1,325**	**$**	**—**	**$**	**—**	**$**	**—**	**$**	**1,325**

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

(unaudited in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Growth capex	$	910	$	307	$	83	$	—	$	1,300
Accrued growth capex		(184)		—		—		—		(184)
Cash growth capex	**$**	**726**	**$**	**307**	**$**	**83**	**$**	**—**	**$**	**1,116**

For the three months ended March 31, 2020

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

(unaudited in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Total capex	$	3,843	$	—	$	(518)	$	—	$	3,325
Accrued capex		(302)		—		—		—		(302)
Total cash capex	**$**	**3,541**	**$**	**—**	**$**	**(518)**	**$**	**—**	**$**	**3,023**

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

(unaudited in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Maintenance capex	$	1,919	$	—	$	—	$	—	$	1,919
Accrued maintenance capex		(174)		—		—		—		(174)
Cash maintenance capex	**$**	**1,745**	**$**	**—**	**$**	**—**	**$**	**—**	**$**	**1,745**

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

(unaudited in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Growth capex	$ 1,924	$ —	$ (518)	$ —	$ 1,406
Accrued growth capex	(128)	—	—	—	(128)
Cash growth capex	**$ 1,796**	**$ —**	**$ (518)**	**$ —**	**$ 1,278**

NET DEBT, RELATED PARTY DEBT AND ADJUSTED NET DEBT

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

(unaudited in thousands of US Dollars)	March 31, 2021	December 31, 2020
Current debt	$ 2,616	$ 2,437
Long-term debt	240,626	237,756
Cash and cash equivalents	(17,675)	(9,539)
Deferred financing costs related to the Credit Facility	2,752	3,272
Net debt	**$ 228,319**	**$ 233,926**

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

(unaudited in thousands of US Dollars)	March 31, 2021	December 31, 2020
CLF participation in the Credit Facility	$ 41,189	$ 31,372
Promissory Note	37,198	35,820
Canadian debentures issued to CLF	414	399
Related party debt	**$ 78,801**	**$ 67,591**

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

(unaudited in thousands of US Dollars)	March 31, 2021	December 31, 2020
Net debt	$ 228,319	$ 233,926
Related party debt	(78,801)	(67,591)
Adjusted net debt	**$ 149,518**	**$ 166,335**

WORKING CAPITAL

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

(unaudited in thousands of US Dollars)	March 31, 2021	December 31, 2020
Cash and cash equivalents	$ 17,675	$ 9,539
Accounts receivable	28,986	21,949
Inventories, net	89,228	93,435
Other current assets	7,619	9,568
Accounts payable and accrued liabilities	(48,949)	(50,986)
Provisions	(760)	(760)
Current debt	(2,616)	(2,437)
Contract liabilities	(1,855)	(21)
Other current liabilities	(2,743)	(2,812)
Working capital	**$ 86,585**	**$ 77,475**

REVENUES PER TONNE P_2O_5

For the three months ended March 31, 2021 and 2020

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

(unaudited in thousands of US Dollars except as otherwise noted)		Conda		Arraias
Revenues	$	90,142	$	—
Sales volumes (tonnes P_2O_5)		86,015		—
Revenues per Tonne P_2O_5	**$**	**1,048**	**$**	**—**

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

(unaudited in thousands of US Dollars except as otherwise noted)		Conda		Arraias
Revenues	$	70,932	$	3,961
Sales volumes (tonnes P_2O_5)		97,380		4,165
Revenues per Tonne P_2O_5	**$**	**728**	**$**	**951**

CASH COSTS AND CASH COSTS PER TONNE P_2O_5

For the three months ended March 31, 2021 and 2020

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

(unaudited in thousands of US Dollars except as otherwise noted)		Conda		Arraias
Cost of goods sold	$	64,945	$	600
Depreciation and depletion		(6,068)		(115)
Cash costs	**$**	**58,877**	**$**	**485**
Sales volumes (tonnes P_2O_5)		86,015		—
Cash costs per tonne P_2O_5	**$**	**685**	**$**	**—**

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

(unaudited in thousands of US Dollars except as otherwise noted)		Conda		Arraias
Cost of goods sold	$	71,099	$	10,581
Depreciation and depletion		(9,531)		(1,597)
Cash costs	**$**	**61,568**	**$**	**8,984**
Sales volumes (tonnes P_2O_5)		97,380		4,165
Cash costs per tonne P_2O_5	**$**	**632**	**$**	**2,157**

CASH MARGIN AND CASH MARGIN PER TONNE P_2O_5

For the three months ended March 31, 2021 and 2020

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

(unaudited in thousands of US Dollars except as otherwise noted)		**Conda**		**Arraias**
Revenues	$	90,142	$	—
Cash costs		58,877		485
Cash margin	**$**	**31,265**	**$**	**(485)**
Sales volumes (tonnes P_2O_5)		86,015		—
Cash margin per tonne P_2O_5	**$**	**363**	**$**	**—**

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

(unaudited in thousands of US Dollars except as otherwise noted)		**Conda**		**Arraias**
Revenues	$	70,932	$	3,961
Cash costs		61,568		8,984
Cash margin	**$**	**9,364**	**$**	**(5,023)**
Sales volumes (tonnes P_2O_5)		97,380		4,165
Cash margin per tonne P_2O_5	**$**	**96**	**$**	**(1,206)**

ADJUSTED CASH FLOWS FROM OPERATING ACTIVITIES

	For the three months ended March 31,			
(unaudited in thousands of US Dollars)		**2021**		**2020**
Cash flows from (used by) operating activities	$	16,011	$	(6,598)
Technical studies		42		—
Adjusted cash flows from (used by) operating activities	**$**	**16,053**	**$**	**(6,598)**

FREE CASH FLOW

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

	For the three months ended March 31,			
(unaudited in thousands of US Dollars)		**2021**		**2020**
Adjusted cash flows from (used by) operating activities	$	16,053	$	(6,598)
Cash flows used by investing activities		(2,395)		(2,566)
Less: Cash growth capex		1,116		1,278
Free cash flow	**$**	**14,774**	**$**	**(7,886)**

8. 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 in the Annual MD&A.

For the three months ended March 31, 2021, there have been no changes to the risks and uncertainties that have materially affected, or are reasonably likely to materially affect, the Company's forward-looking information.

9. 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 Audited Financial Statements).

10. 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 continues to closely monitor 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. 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, may make modifications to DC&P and ICFR from time to time as considered necessary, and 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 March 31, 2021, there were no changes to the Company's controls and procedures that have materially affected, or are reasonably likely to materially affect, the Company's DC&P and ICFR.

11. OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Company's related party transactions include key management compensation and debt from CLF, its principal shareholder (see Note 21 in the Interim 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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