Annual Information Form
For the year ended December 31, 2024
March 19, 2025

TABLE OF CONTENTS

1. INTRODUCTORY NOTES

GENERAL INFORMATION

This annual information form ("AIF") is as of March 19, 2025 and should be read in conjunction with Itafos Inc.'s (the "Company") audited consolidated financial statements for the year ended December 31, 2024 (the "Consolidated Financial Statements") and accompanying management's discussion and analysis of operations and financial condition for the year ended December 31, 2024 (the "2024 Annual MD&A"). Information in this AIF is presented as of December 31, 2024 unless otherwise noted. The amounts contained herein are in thousands of US Dollars except for number of shares, per share amounts, number of restricted share units ("RSUs") and as otherwise noted.

Except as otherwise noted, figures herein are presented in accordance with IFRS Accounting Standards ("IFRS"). This AIF includes both IFRS and certain non-IFRS measures that management considers when evaluating the Company's operational and financial performance. Non-IFRS measures are a numerical measure of a company's performance, that either include or exclude amounts that are not normally included or excluded from the most directly comparable IFRS measures. Management believes that the non-IFRS measures provide useful supplemental information to investors, analysts, lenders and others. In evaluating non-IFRS measures, investors, analysts, lenders and others should consider that non-IFRS measures do not have any standardized meaning under IFRS and that the methodology applied by the Company in calculating such non-IFRS measures may differ among companies and analysts. Non-IFRS measures should not be considered as a substitute for, nor superior to, measures of financial performance prepared in accordance with IFRS. Definitions and reconciliations of non-IFRS measures to the most directly comparable IFRS measures are included in the 2024 Annual MD&A, which is hereby incorporated by reference into this AIF.

A copy of this AIF, the Consolidated Financial Statements, the 2024 Annual 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.sedarplus.com and on the Company's website at www.itafos.com.

FORWARD-LOOKING INFORMATION

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

Forward-looking information contained herein may include, without limitation, statements with respect to the Company's:

- mission, strategy and outlook;
- ability to carry out and complete any plan;
- ability to achieve future operational and financial results;
- ability to own and operate its operating projects;
- ability to develop and complete its development projects;
- ability to obtain necessary permits and licenses;
- ability to secure financing;
- expectations around commodity markets;
- expectations around mineral reserves and mineral resources, including those stipulated in technical reports;
- expectations around current estimates and potential increases of mine life; and
- expectations around environmental and asset retirement obligations.

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

These factors include risks and uncertainties relating to:

- commodity price risks;
- operating risks;
- safety risks;
- mineral reserves and mineral resources risks;
- mine development and completion risks;
- foreign operations risks;
- regulatory risks;
- environmental risks;
- asset retirement obligations risks;
- weather risks;
- climate change risks;
- currency risks;
- inflation 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;
- malicious acts risks;
- stock price volatility risks;
- technological advancement and innovation risks;
- artificial intelligence risks;
- tax risks, including import and export tariffs;
- foreign subsidiaries risks;

- reputational damage risks;
- controlling shareholder risks;
- conflicts of interest risks;
- epidemics, pandemics and public health risks;
- geopolitical risks;
- environmental justice risks;
- internal controls over financial reporting risks;
- Anti-corruption laws risks; and
- Non-governmental organizations ("NGO") risks.

Additionally, all of the forward-looking statements are qualified by the assumptions that are stated or inherent in such forward-looking statements, including the assumptions referred to below and elsewhere in this document. Although we believe that these assumptions are reasonable, having regard to our experience and our perception of historical trends, the assumptions set forth below are not exhaustive of the factors that may affect any of the forward-looking statements and the reader should not place undue reliance on these assumptions and such forward-looking statements. Current conditions, economic and otherwise, render assumptions, although reasonable when made, subject to greater uncertainty. Additional key assumptions that have been made in relation to the operation of our business as currently planned and our ability to achieve our business objectives include, among other things:

- that future business, regulatory and industry conditions will be within the parameters expected by us, including with respect to prices, margins, demand, supply, product availability, supplier agreements, availability and cost of labor and interest, exchange, inflation and effective tax rates;
- assumptions with respect to global economic conditions and the accuracy of our market outlook expectations for 2025 and in the future;
- the adequacy of our cash generated from operations and our ability to access our credit facilities or capital markets for additional sources of financing;
- our ability to achieve our performance targets; and
- our ability to successfully implement new initiatives and programs.

Although management has attempted to identify crucial factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated. The reader is cautioned not to place undue reliance on forward-looking information. Factors that may cause actual results to differ materially from expected results described in forward-looking statements include, but are not limited to, the risk factors set out herein. Readers are cautioned that the list of risks set out herein is not exhaustive.

The forward-looking information included herein is expressly qualified by this cautionary statement and is made as of the date hereof. Management undertakes no obligation to publicly update or revise any forward-looking information except as required by applicable securities laws. Certain statements included herein may be considered "financial outlook" for the purposes of applicable securities laws. Financial outlook is provided for the purposes of assisting the reader in understanding the Company's financial performance and measuring progress towards management's objectives and the reader is cautioned that it may not be appropriate for other purposes.

TECHNICAL INFORMATION

Unless otherwise indicated, 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 have been calculated in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") – CIM Definition Standards on mineral resources and mineral reserves, adopted by the CIM Council, as amended (the "CIM Standards").

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

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

2. CORPORATE STRUCTURE

REGISTRATION AND HEADQUARTERS

The Company is incorporated in the State of Delaware, US and its registered office is located at 3500 South DuPont Highway, Dover, DE 19901, US. The Company is headquartered in Houston, Texas and its head office is located at 5151 San Felipe St., Suite 2015, Houston, TX 77056, US.

PRINCIPAL SHAREHOLDER

The Company's principal shareholder is CL Fertilizers Holding LLC ("CLF"). CLF is an affiliate of Castlelake, L.P. ("Castlelake"), a global private investment firm. As of December 31, 2024 and as of the date of this AIF, CLF beneficially owned and controlled 124,961,722 shares of the Company, representing approximately 65.1% of the issued and outstanding shares of the Company on an undiluted basis.

CORPORATE HISTORY

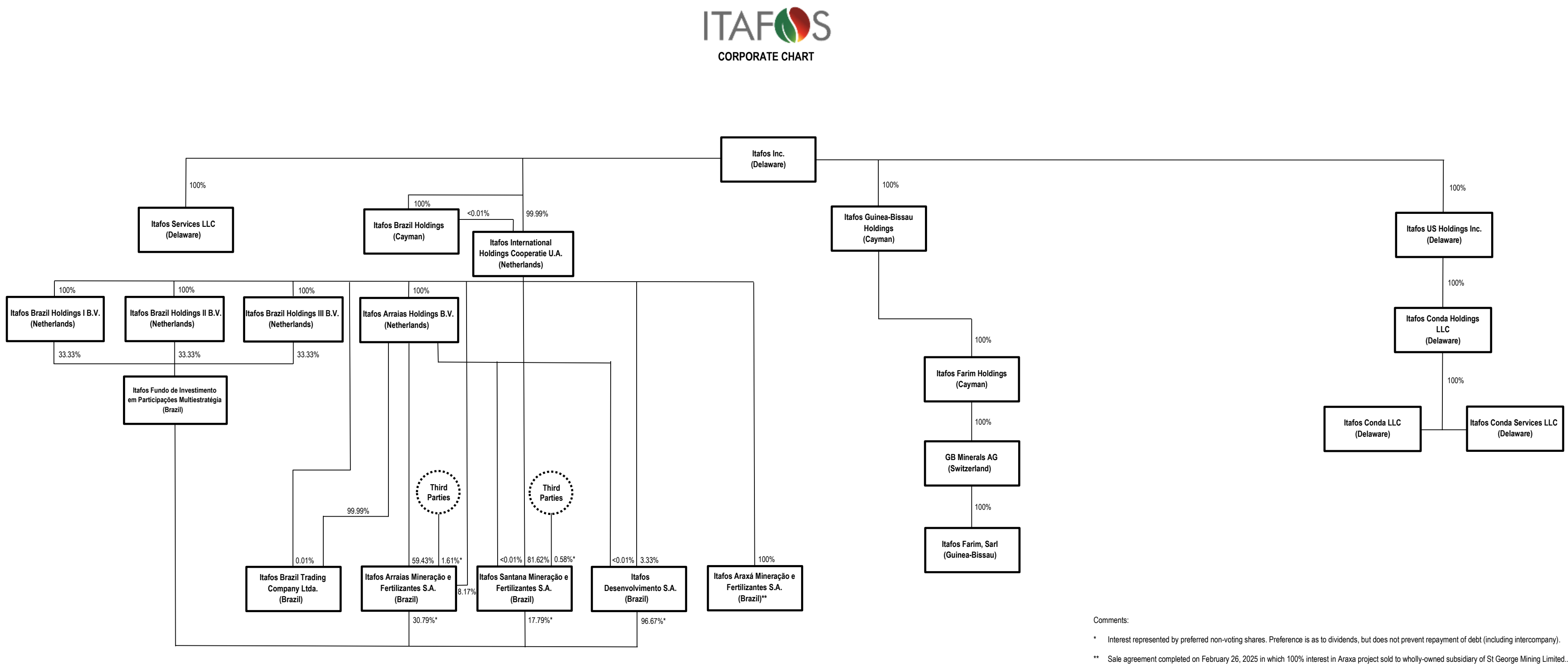
The Company was originally incorporated in Canada under the Business Corporations Act (Alberta) on July 9, 1999 under the name Option-NFA Inc. On December 12, 2000, the Company continued out of the Province of Alberta, Canada, into the Province of British Columbia, Canada, pursuant to the Business Corporations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

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

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

CORPORATE STRUCTURE AND SUBSIDIARIES

As of March 19, 2025, the Company's material consolidated entities were as follows:



Entity Name	Ownership (%)	Jurisdiction
Itafos Inc.	The Company	State of Delaware, US
Itafos Services LLC	100	State of Delaware, US
Itafos Conda Holdings LLC	100	State of Delaware, US
Itafos Conda LLC	100	State of Delaware, US
Itafos Conda Services LLC	100	State of Delaware, US
Itafos US Holdings Inc.	100	State of Delaware, US
Itafos International Holdings Cooperatie U.A.	100	Netherlands
Itafos Brazil Holdings I B.V.	100	Netherlands
Itafos Brazil Holdings II B.V.	100	Netherlands
Itafos Brazil Holdings III B.V.	100	Netherlands
Itafos Arraias Holdings B.V.	100	Netherlands
Itafos Fundo de Investimento em Participações Multiestratégia	100	Brazil
Itafos Brazil Trading Company Ltda.	100	Brazil
Itafos Arraias Mineração e Fertilizantes S.A.	98.4	Brazil
Itafos Santana Mineração e Fertilizantes S.A.	99.4	Brazil
Itafos Desenvolvimento S.A.	100	Brazil
Itafos Brazil Holdings	100	Cayman Islands
Itafos Guinea-Bissau Holdings	100	Cayman Islands
Itafos Farim Holdings	100	Cayman Islands
GB Minerals AG	100	Switzerland
Itafos Farim, Sarl	100	Guinea-Bissau

3. OVERVIEW OF THE BUSINESS

OVERVIEW

The Company is a phosphate and specialty fertilizer company. The Company's businesses and projects are as follows:

- Conda – a vertically integrated phosphate fertilizer business located in Idaho, US with production capacity as follows:
  - approximately 550kt per year of monoammonium phosphate ("MAP"), MAP with micronutrients ("MAP+"), superphosphoric acid ("SPA"), merchant grade phosphoric acid ("MGA") and ammonium polyphosphate ("APP"); and
  - approximately 27kt per year of hydrofluorosilicic acid ("HFSA");
- Arraias – a vertically integrated phosphate fertilizer business located in Tocantins, Brazil with production capacity as follows:
  - approximately 500kt per year of single superphosphate ("SSP") and SSP with micronutrients ("SSP+"); and
  - approximately 40kt per year of excess sulfuric acid (220kt per year gross sulfuric acid production capacity);
- Farim – a high-grade phosphate mine project located in Farim, Guinea-Bissau; and
- Santana – a vertically integrated high-grade phosphate mine and fertilizer plant project located in Pará, Brazil.

The Company is a Delaware corporation that is headquartered in Houston, Texas. The Company's shares trade on the TSX Venture Exchange under the ticker symbol "IFOS". The Company's principal shareholder is CLF. CLF is an affiliate of Castlelake, a global private investment firm (see Notes 1 and 15 in the Consolidated Financial Statements).

As of December 31, 2024, and December 31, 2023, the Company had 192,014,784 and 190,608,358 shares outstanding, respectively (see Note 15 in the Consolidated Financial Statements). As of March 19, 2025, the Company had 192,466,924 shares and 4,565,723 RSUs outstanding. As of December 31, 2024 and December 31, 2023, the Company did not have any other classes of voting securities outstanding.

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

Item	Conda[i, vi, vii]	Arraias[ii, viii]	Farim[viii]	Santana[viii]
Ownership[iii]	100%	98.4%	100%	99.4%
Location	Idaho, US	Tocantins, Brazil	Farim, Guinea-Bissau	Pará, Brazil
Status	Operating	Sulfuric acid part of the beneficiation, and acidulation operating; remainder of operations idled	Construction-ready	Maintaining option
Mineral Reserves[iv]	33.7Mt at avg. 25.0% P_2O_5	Under review	43.8Mt at avg. 30.0% P_2O_5	Under review
Measured and Indicated Mineral Resources[iv,v]	44.9Mt at avg. 24.81% P_2O_5	79.0Mt at avg. 4.9% P_2O_5	102.5Mt at avg. 28.53% P_2O_5	60.4Mt at avg. 12.0% P_2O_5
Inferred Mineral Resources[iv,v]	1.5Mt at avg. 24.73% P_2O_5	12.7Mt at avg. 3.9% P_2O_5	31.1Mt at avg. 28.1% P_2O_5	26.6Mt at avg. 5.6% P_2O_5
Mine life[iv]	Through mid-2037	Under review	25 years	Under review
Products	MAP, MAP+, SPA, MGA, APP and HFSA	SSP, SSP+, excess sulfuric acid, Direct Application Phosphate Rock ("DAPR"), and Partially Acidulated Phosphate Rock ("PAPR")	Phosphate rock	SSP and excess sulfuric acid
Annual production capacity	550kt MAP, MAP+, SPA, MGA, APP and 27kt HFSA	500kt SSP and SSP+ and 40kt excess sulfuric acid (220kt gross sulfuric acid)	1.35Mt of phosphate rock	500kt SSP and 30kt excess sulfuric acid

i. Conda's operations consist of its mines, beneficiation plant, sulfuric acid plant, phosphoric acid plant and granulation plant. Conda's mineral reserves, measured and indicated mineral resources (including mineral reserves), inferred mineral resources and mine life consider Rasmussen Valley, Husky 1 ("H1") and North Dry Ridge ("NDR"). Conda's measured and indicated resources (including mineral reserves) include 1.5Mt of stockpile ore.

ii. Arraias' operations consist of its mines, beneficiation plant, sulfuric acid plant, acidulation plant and granulation plant. On February 8, 2022, the Company announced the resumption of sulfuric acid production and sales at Arraias. During H1 2023, mining was restarted at the Domingos pit for the production and sale of DAPR. The remainder of Arraias' operations, including part of the beneficiation plant and the granulation plant remain idled following best practices.

iii. Arraias and Santana's non-controlling interests are represented by preferred non-voting shares issued by the Company in 2018 upon the exercise of warrants held by creditors under the 2016 Brazilian restructuring proceedings. Under the 2014 Guinea-Bissau Mining Code, the Government of Guinea-Bissau has the right to obtain, free of charge, up to a 10% interest in Farim. The Company expects to grant the free carried interest in Farim to the Government of Guinea-Bissau as part of ongoing revisions to the executed Farim mining agreement.

iv. The Company's technical information, including mineral reserves, measured, and indicated mineral resources (including mineral reserves), inferred mineral resources and mine life, is presented as of the date of the Company's latest respective technical reports. No recovery, dilution or other similar mining parameters have been applied to the mineral resources summarized above.

v. Although the mineral resources summarized above are believed to have a reasonable expectation of being extracted economically, they are not mineral reserves and there is no certainty that all or any part of the mineral resources summarized above will be converted into mineral reserves. Mineral reserves require the application of modifying factors such as recovery, dilution or other similar mining parameters and must be supported with a minimum of a pre-feasibility study. The inferred mineral resources summarized above are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves.

vi. Mineral resource and mineral reserve estimates for Conda are presented in dry short tons per the Conda Technical Report.

vii. The key assumptions used in the mineral resource estimate and mineral reserve estimates for Conda as material property assumptions are provided under Table 1-2 and Table 1-3 of this AIF, respectively.

viii. Mineral resource and mineral reserve estimates for Arraias, Farim and Santana are presented in dry metric tonnes per the Company's latest technical reports for each property.

The Company's latest respective technical reports are as follows:

- Conda – the technical report titled "NI 43-101 Technical Report on Itafos Conda Project Idaho, USA" with an effective date of July 1, 2023 (the "Conda Technical Report") as announced in the Company's news releases dated April 29, 2024;
- Arraias – the technical report titled "Updated Technical Report Itafós Arraias SSP Project, Tocantins State, Brazil" with an effective date of March 27, 2013 (the "Arraias Technical Report");
- Farim – the technical report titled "Farim Phosphate Project - NI 43-101 Technical Report and Feasibility Study" with an effective date of May 17, 2023 (the "Farim Technical Report"); and
- Santana – the technical report titled "Feasibility Study (FS) Santana Phosphate Project, Pará State, Brazil" with an effective date of October 28, 2013 (the "Santana Technical Report").

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

BUSINESSES AND PROJECTS

Note Relating to Mineral Reserves and Mineral Resources

The Company's technical information, including mineral reserves, measured and indicated mineral resources (including mineral reserves), inferred mineral resources and mine life, is presented as of the date of the Company's latest respective technical reports. No recovery, dilution or other similar mining parameters have been applied to the stated resources 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 below 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. Additionally, Conda has production capacity of approximately 27kt per year of HFSA.

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

On September 7, 2023, the Company entered into a MAP sales agreement with J.R. Simplot Company to sell 100% of its MAP production, beginning on January 1, 2024 for a five-year term (the "MAP Offtake Agreement"). The MAP Offtake Agreement is available under the Company's profile on SEDAR+ at www.sedarplus.com.

Conda also sells its MAP+, SPA, MGA and APP to crop input retailers who re-sell to end users. Conda's HFSA offtake agreement has a 10-year term and is renewable by mutual agreement.

Conda produces approximately 40% of its sulfuric acid requirements internally using sulfur purchased from third parties at pricing linked to applicable sulfur benchmarks. Conda purchases the remainder of its sulfuric acid requirements from Rio Tinto's Kennecott mine pursuant to two agreements. First, Conda purchases sulfuric acid from Rio Tinto's Kennecott mine pursuant to a long-term sulfuric acid supply agreement with pricing linked to a sulfur benchmark. Second, Conda purchases sulfuric acid from Rio Tinto's Kennecott mine pursuant to a spot sulfuric acid supply agreement with pricing agreed to annually by the parties that has a term through December 31, 2027. Conda purchases 100% of its ammonia requirements from a wholly-owned subsidiary of Nutrien pursuant to an ammonia supply agreement with pricing linked to Alberta natural gas prices. Conda's ammonia supply agreement has a term through December 31, 2025 and is renewable by mutual agreement six months prior to the end of term (the "Ammonia Supply Agreement").

Conda processes over 2.0Mt of mined phosphate ore annually. The phosphate ore is conventionally open pit mined by a third-party operator on a cost-plus basis and transported by truck and rail to the production facilities. Conda's existing producing mine is Rasmussen Valley ("RV"), which is located within 15 miles of Conda's production facilities. During 2024, Conda sourced ore from RV, which is expected to continue to supply ore to Conda through mid-2026.

In May 2023, the company received the Notice to Proceed ("NTP") as the final approval step for the H1/NDR mine development project. Upon receipt of the NTP, the Company began capital activities associated with the mine development project and is actively working on extending Conda's current mine life through the safe and responsible development of H1/NDR, which is located within 15 miles of Conda's production facilities. H1/NDR's property encompasses an area of more than 1,000 acres and consists of two federal leases and one state phosphate lease that was 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. H1/NDR remains on schedule and on budget and the Company continues to expect to deliver first ore from the H1/NDR in the second half of 2025.
Conda's mineral reserves and mineral resources highlights are as follows:

Conda – RV	**Dry Tons (Mt)**	**Grade (%)**	**P_2O_5 (Mt)**
Mineral reserves[i]	5.8	26.4	1.5
Measured and indicated mineral resources (including mineral reserves)[i]	5.9	25.9	1.5
Inferred mineral resources	0.02	26.7	0.01

Conda – H1/NDR	**Dry Tons (Mt)**	**Grade (%)**	**P_2O_5 (Mt)**
Mineral reserves	27.9	24.7	6.9
Measured and indicated mineral resources	39.0	24.7	9.6
Inferred mineral resources	1.5	24.7	0.4

Conda – Total	**Dry Tons (Mt)**	**Grade (%)**	**P_2O_5 (Mt)**
Mineral reserves	33.7	25.0	8.4
Measured and indicated mineral resources (including mineral reserves)[i]	44.9	24.8	11.1
Inferred mineral resources	1.5	24.7	0.4

i. Conda's RV mineral reserves and measured and indicated resources (including mineral reserves) include 1.5Mt of stockpile ore.

As of December 31, 2024, Conda had mined approximately 2.1 Mt of ore since the Conda Technical Report was prepared on July 1, 2023. The Conda Technical Report is filed under the Company's profile on SEDAR+ and on the Company's website at www.itafos.com.

As of December 31, 2024, Conda had 279 employees and 295 contractors. Most of the contractors are related to mine operations.

Arraias

Arraias is a vertically integrated phosphate fertilizer business located in Tocantins, Brazil. Arraias is 98.4% owned by the Company. Arraias is strategically positioned in one of the world's fastest growing fertilizer markets and when fully operational has production capacity of approximately 220kt per year of sulfuric acid and 500kt per year of SSP and SSP+, representing approximately 7% of the Brazil phosphate market.

In 2017, Arraias issued a total of 593,054,482 preferred shares in exchange for warrants, of which 563,250,403 were issued to a wholly-owned subsidiary of the Company and 29,804,079 were issued to third parties. The preferred shares would participate, on equal terms with other classes of shares, in any declared dividends of Arraias and earnings would be attributable to non-controlling interest ("NCI") upon any payment of dividends. In a liquidation event, after repayment of secured debt and intercompany debt, the preferred shares would be entitled to receive the lower of book value or fair value as determined by an appraisal. Accordingly, annual net and comprehensive income (loss) would be allocated to NCI in the event that the fair value of Arraias would be below the book value of the total preferred shares.

Arraias' operations consist of its mines, beneficiation plant, sulfuric acid plant, acidulation plant and granulation plant. Arraias' production of phosphate fertilizers does not produce phosphogypsum as a by-product and as such Arraias does not maintain phosphogypsum stack systems. The current production of phosphate fertilizer products does not generate a tailings stream and all exploited ore is converted into final products. The original plant was designed to generate a tailings stream, which was intended to be transferred to and maintained in a tailings dam. The Company is considering alternatives to reduce tailings in the production process and change its disposal should the facility produce SSP in the future.

On November 21, 2019, the Company announced its decision to idle Arraias. During 2020, the Company announced a program to evaluate the potential restart of fertilizer production at Arraias (the "Fertilizer Restart Program"). On February 8, 2022, the Company announced the resumption of sulfuric acid production and sales at Arraias, independent of the Fertilizer Restart Program. The Company currently operates the sulfuric acid plant at Arraias with a base load capacity of approximately 10.5kt per month. Arraias has secured short-term sulfuric acid offtake agreements for its base load capacity with pricing linked to sulfur benchmarks. Based on market demand, the Company expects to opportunistically produce additional volumes of sulfuric acid to be sold on the spot market.

Under the Fertilizer Restart Program that began in 2020, Arraias has developed a revised geological model and mine plan for the Domingos pit, developed a cost estimate and project execution schedule for the potential restart of the fertilizer circuit, developed a prefeasibility study to determine operating and capital cost estimates for the short-term mine plan schedule, commenced the mining, production and sale of DAPR and PAPR, recommissioned the acidulation plant, modified and restarted the beneficiation plant to optimize operations around the revised geological model and mine plan, and commenced the Domingos pit pre-stripping program.

Arraias sells its DAPR and PAPR phosphate fertilizer products to domestic customers primarily consisting of national and regional blenders, trading companies, and large farmers.

Arraias purchases sulfur and ammonia from third parties at market prices.

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. Arraias sources ore from the Near Mine, Canabrava and Domingos phosphate ore mines located within ten miles of Arraias' production facilities.

Arraias' mineral resources highlights[1] 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

As of December 31, 2024, Arraias had mined approximately 4.9Mt of ore since the latest technical report for Arraias was prepared on March 27, 2013.

As of December 31, 2024, Arraias had 112 employees and 65 contractors. Most of the contractors are related to security, tailings dam maintenance, cleaning, transportation and meals preparation services.

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.[2] 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. 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 40 km^2. The project has access to existing infrastructure including 70 km 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.

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

[2] Under the 2014 Guinea-Bissau Mining Code, the Government of Guinea-Bissau has the right to obtain, free of charge, up to a 10% interest in Farim. The Company expects to grant the free carried interest in Farim to the Government of Guinea-Bissau as part of ongoing revisions to the executed Farim mining agreement.

Farim's mineral reserves and mineral resources highlights[3] are as follows:

Farim	Dry Tonnes (Mt)	Grade (%)	P_2O_5 (Mt)
Mineral reserves	43.8	30.0	13.1
Measured and indicated mineral resources (including mineral reserves)	102.5	28.5	29.2
Inferred mineral resources	31.1	28.1	8.7

As of December 31, 2024, Farim had 31 employees and three contractors (primarily related to security).

Santana

Santana is a planned 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[4] 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

Araxá

On August 5, 2024, the Company entered into an agreement to sell its 100% interest in the Araxá project to a wholly-owned subsidiary of St George Mining Limited ("St George") (ASX: SGQ) in exchange for a cash payment of $21,000 and securities of St George (the "Transaction"). As a result of the Transaction, St George indirectly acquired all of the outstanding securities of Itafos Araxá Mineração e Fertilizantes S.A ("Itafos Araxá"). The transaction closed on February 26, 2025 (see Current Financial Year).

[3] The Farim Technical Report is filed under GB Minerals Ltd.'s profile on SEDAR+ and on the Company's website. Given the early state of Farim, fluctuations in commodity prices and lapse of time since the Farim Technical Report was prepared on May 17, 2023, the realizable value of the project may differ from the conclusions drawn in the Farim Technical Report.

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

4. GENERAL DEVELOPMENT OF THE BUSINESS

THREE MOST RECENTLY COMPLETED FINANCIAL YEARS

Over the three most recently completed financial years (2022-2024), the following events and conditions have influenced the general development of the Company's business:

Conda

Environmental Health and Safety ("EHS") Highlights

For the three years ended December 31, 2024, 2023 and 2022, Conda's EHS highlights were as follows:

	For the year ended December 31,		
	2024	**2023**	**2022**
Reportable environmental releases	—	—	—
Recordable incidents	6	5	1
Total Recordable Incident Frequency Rate ("TRIFR")[i]	0.86	0.77	0.17

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

As of December 31, 2024, Conda's TRIFR was 0.86.

ITAFOS

Business Highlights

For the three years ended December 31, 2024, 2023, and 2022, Conda's business highlights were as follows:

(in thousands of US Dollars except as otherwise noted)	*For the three years ended December 31,* **2024**	**2023**	**2022**
Production volumes (tonnes)			
MAP[i]	370,748	344,020	352,733
MAP+[i]	33,748	54,349	30,202
SPA[ii]	140,295	139,751	139,230
MGA[ii]	785	1,120	783
APP[i]	6,957	23,743	24,450
HFSA	5,548	3,571	3,142
Production volumes (tonnes)	**558,081**	**566,554**	**550,540**
Production volumes (tonnes P_2O_5)	**349,396**	**349,030**	**343,526**
Sales volumes (tonnes)			
MAP[i]	371,412	364,006	349,589
MAP+[i]	27,608	44,886	34,631
SPA[ii]	137,706	130,581	131,999
MGA[ii]	785	1,120	783
APP[i]	9,283	28,451	22,493
HFSA	5,786	3,767	2,852
Sales volumes (tonnes)	**552,580**	**572,811**	**542,347**
Sales volumes (tonnes P_2O_5)	**345,549**	**348,163**	**335,722**
Realized price ($/tonne)[iii]			
MAP[i]	$ 696	$ 636	$ 880
MAP+[i]	$ 757	$ 666	$ 849
SPA[ii]	$ 1,285	$ 1,264	$ 1,616
MGA[ii]	$ 1,241	$ 1,313	$ 1,648
APP[i]	$ 582	$ 578	$ 746
HFSA	$ 847	$ 989	$ 919
Revenues ($)			
MAP	$ 258,640	$ 231,483	$ 307,656
MAP+	$ 20,911	$ 29,893	$ 29,391
SPA	$ 176,949	$ 165,059	$ 213,330
MGA	$ 974	$ 1,470	$ 1,290
APP	$ 5,405	$ 16,447	$ 16,785
HFSA	$ 4,903	$ 3,724	$ 2,622
Revenues	**$ 467,782**	**$ 448,076**	**$ 571,074**
Revenues per tonne P_2O_5[iii]	**$ 1,354**	**$ 1,287**	**$ 1,701**
Cash costs[iii]	**$ 292,192**	**$ 295,658**	**$ 325,009**
Cash costs per tonne P_2O_5[iii]	**$ 846**	**$ 849**	**$ 968**
Cash margin[iii]	**$ 175,590**	**$ 152,418**	**$ 246,065**
Cash margin per tonne P_2O_5[iii]	**$ 508**	**$ 438**	**$ 733**
Adjusted EBITDA[iii]	$ 170,129	$ 148,131	$ 240,169
Maintenance capex[iii]	$ 23,765	$ 18,431	$ 19,386
Growth capex[iii]	$ 42,140	$ 37,606	$ 16,640
Total capex[iii]	**$ 65,905**	**$ 56,037**	**$ 36,026**

i. P_2O_5 basis considers MAP at 52%, MAP+ at 39%, SPA at 100%, MGA at 100%, APP at 34% and HFSA at 0%.
ii. Presented on a 100% P_2O_5 basis.

iii. Non-IFRS measure which is not a standardized financial measure under IFRS and which might not be comparable to similar financial measures disclosed by other issuers; additional information on the measure is incorporated by reference to section 8 of the 2023 Annual MD&A. The most directly comparable financial measure used in the Company's financial statements for each non-IFRS financial measure above are set out in brackets as follows: Realized price (Revenues); Revenues per tonne P_2O_5 (Revenues); Cash costs (Cost of goods sold); Cash costs per tonne P_2O_5 (Cost of goods sold); Cash margin (Gross margin); Cash margin per tonne P_2O_5 (Gross margin); Adjusted EBITDA (Net income (loss) and operating income (loss)); Maintenance Capex (additions to property, plant and equipment and mineral properties); Growth Capex (additions to property, plant and equipment and mineral properties); Total Capex (additions to property, plant and equipment and mineral properties).

Plant Turnaround

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

During June 2022 and June 2023, Conda completed its scheduled short plant turnaround and returned to full production capacity. Conda's plant turnaround was completed on schedule and within budget. The plant turnaround focused on inspection, testing, repair and preventative maintenance of critical equipment.

During 2024, Conda completed a large scope plant turnaround with no recordable injuries or environmental incidents. The underlying maintenance activities were completed on time and the plant returned to full production capacity. The plant turnaround focused on inspection, testing, repair and preventative maintenance of critical equipment, including cleaning the phosphate rock reactor.

Bureau of Land Management ("BLM") Award

On March 10, 2022, Conda received national recognition from the BLM during the 87th North American Wildlife and Natural Resources Conference. The BLM awarded the Conservation Leadership Partner Award to the Southeast Idaho Habitat Mitigation Fund, which was developed and funded by Conda. This award recognizes external organizations, or individuals representing a conservation organization, for outstanding partnership in the development and implementation of conservation programs and activities that have directly benefited fish, wildlife, and/or native plants on public lands.

Notice of Violation ("NOV")

During Q2 2022, Conda received a NOV from the Department of Environmental Quality (the "DEQ") following a failed air stack emissions test in May 2021. The NOV listed violations related to the failed test and failure to submit an excess emissions notification and report. The issues were investigated and corrected during 2021. The NOV was formally received from the DEQ in May 2022 and resolved in July 2022, including payment of a de minimis fine.

HFSA Production

In June 2022, Conda successfully completed the HFSA plant and commenced HFSA production. HFSA production achieved full capacity in the beginning of Q3 2022, with ongoing HFSA deliveries being completed under long-term offtake agreement.

APP

During Q2 2024, Conda's third-party tolling agreement for APP expired and was not renewed. All remaining APP inventory was sold as of June 30, 2024. Conda expects to be able to sell all SPA formerly used in APP production.

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

Lanes Creek Mine Settlement

During 2022, Conda reached a settlement with wholly-owned subsidiaries of Nutrien Ltd. related to shared environmental and asset retirement obligations at Lanes Creek mine. As a result of the settlement, Conda received an upfront cash payment of $11,000 from Nutrien in exchange for assuming responsibility for 100% of the remaining environmental and asset retirement obligations associated with Lanes Creek mine. As a result of the settlement, Conda recorded an addition to environmental and asset retirement obligations of $4,972, reduced accounts receivable by $4,676 and recorded a gain on settlement of $1,352 as a reduction of cost of goods sold. The settlement does not otherwise amend or restate Nutrien's liability for all environmental and asset retirement obligations related to the pre-closing operations of Conda, including with respect to US Environmental Protection Agency ("EPA") matters (see Notes 12 and 23 in the Consolidated Financial Statements).

Conda Guarantees

Conda's operating and environmental permits require certain obligations related to environmental and reclamation activities to be guaranteed. As of December 31, 2024, Conda's guarantee requirements were $120,158. As of December 31, 2023, Conda's guarantee requirements were $81,113. As of December 31, 2022, Conda's guarantee requirements were $77,739.

Conda ABL

Conda ABL, a secured working capital facility with JPMorgan Chase Bank, N.A., had a commitment amount of $40,000. On September 22, 2022, the Company repaid the Conda ABL in full (see "*Capital Raises*" below).

Conda Equipment Financing

During 2022, Conda purchased mining equipment in exchange for a note payable of $3,930 that matures on April 23, 2027.

During 2024, Conda purchased mining equipment in exchange for a note payable of $1,973 that matures on September 24, 2029.

Mine Life Extension

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

In November 2022, the final EIS for the H1/NDR mine development project (the "Final EIS") was published to the Federal Register, representing a significant milestone in the extension of Conda's mine life. The Final EIS was prepared under the *US National Environmental Policy Act* ("NEPA") by the BLM and the United States Department of Agriculture Forest Service.

During 2023, the Company advanced H1/NDR capital activities including earthworks and related water management features for the rail loadout and haul road, improvement of the maintenance shop, and existing road relocation.

On April 24, 2023, the Company announced the Record of Decision ("ROD") for H1/NDR mine development project. The H1/NDR project comprises primarily civil activities and infrastructure development. Mineral reserves from H1/NDR are expected from 2025 onward, providing an uninterrupted supply as Rasmussen Valley Mine ("RVM") reaches the end of its useful life.

On May 8, 2023, the Company received the NTP for H1/NDR mine development project. Upon receipt of the NTP, the Company began capital activities to develop H1/NDR.

On April 29, 2024, the Company announced the results of the Conda Technical Report titled "NI 43-101 Technical Report on Itafos Conda Project Idaho, USA" encompassing Conda deposits for RVM and H1/NDR with an effective date of July 1, 2023, as announced in the Company's news releases dated April 29, 2024. The Company announced the conversion of H1/NDR mineral resources to mineral reserves related to the H1/NDR future mines and are expected to extend Conda's mine life through mid-2037[5].

During 2024, the Company advanced H1/NDR capital activities including pre-stripping, earthworks, improvement of the maintenance shop, development, and engineering.

EBITDA Optimization

During 2022-2024, the Company advanced activities related to optimizing Conda's EBITDA generation as follows:

- continued ramp up of MAP+ production and sales volumes;
- completed first full quarter of HFSA production and sales in Q3 2022 after commencing production and sales of HFSA at the end of Q2 2022; and
- advanced magnesium oxide ("MgO") reduction initiative to enhance SPA production and sales volumes, including continuation of test work.

MAP Offtake Agreement

On September 7, 2023, the Company announced that it entered into the MAP Offtake Agreement, which commenced on January 1, 2024, with a term of five years. The MAP Offtake Agreement replaced the MAP sales agreement dated January 12, 2018 between the Company and Nutrien, which expired on December 31, 2023.

Ammonia Supply Agreement

On September 7, 2023, the Company announced that it entered into the Ammonia Supply Agreement, which commenced on January 1, 2024, with a term of two years. The Ammonia Supply Agreement replaced the supply contract dated January 12, 2018, between the Company and Nutrien, which expired on December 31, 2023.

[5] The timeline for H1/NDR is based on ongoing civil construction project schedules and activities required to develop H1/NDR. The H1/NDR mine life extension is based on a 2023 Pre-Feasibility Study which formed the basis for the July 1, 2023 report titled NI 43-101 Technical Report on Itafos Conda Project Idaho USA with an effective date of July 1, 2023, and announced April 29, 2024. The Conda Technical Report converted H1/NDR previously reported mineral resources to mineral reserves.

Conda Technical Report

On April 29, 2024, the Company filed the Conda Technical Report, which demonstrates increased mineral reserves and the opportunity for continued operations at Conda through 2037.

Arraias

EHS Highlights

For the three years ended December 31, 2024, 2023, and 2022, Arraias' EHS highlights were as follows:

	For the year ended December 31,		
	2024	**2023**	**2022**
Reportable environmental releases	—	—	—
Recordable incidents	3	—	1
Total Recordable Incident Frequency Rate ("TRIFR")[i]	1.16	—	0.60

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

As of December 31, 2024, Arraias' TRIFR was 1.16.

Business Highlights

For the three years ended December 31, 2024, 2023, and 2022, Arraias' business highlights were as follows:

(in thousands of US Dollars except as otherwise noted)	*For the year ended December 31,* **2024**		**2023**		**2022**
Production volumes (tonnes)					
DAPR	78,092		43,301		—
PAPR	48,757		—		—
Sulfuric acid i	112,785		89,075		99,030
Production volumes (tonnes)	**239,634**		**132,376**		**99,030**
Production volumes (tonnes P_2O_5)[i]	**18,147**		**5,196**		**—**
Sales volumes (tonnes)					
DAPR	28,622		27,897		—
PAPR	47,118		—		
Sulfuric acid i	100,875		97,545		89,607
Sales volumes (tonnes)	**176,615**		**125,442**		**89,607**
Sales volumes (tonnes P_2O_5)[i]	**11,916**		**2,962**		**—**
Realized price ($/tonne)[iii]					
DAPR	49		61		—
PAPR	117		—		
Sulfuric acid i	164		161		224
Revenues ($)					
DAPR	1,402		1,699		—
PAPR	5,502		—		
Sulfuric acid i	16,554		15,750		22,214
Revenues	**$ 23,458**	**$**	**17,449**	**$**	**22,214**
Revenues excluding Sulfuric acid	**$ 6,904**	**$**	**1,699**	**$**	**—**
Revenues per tonne P_2O_5[i, iii]	**$ 579**	**$**	**574**	**$**	**—**
Cash costs[iii]	**$ 16,012**	**$**	**15,459**	**$**	**19,901**
Cash costs excluding Sulfuric acid	**$ 3,444**	**$**	**438**	**$**	**—**
Cash costs per tonne P_2O_5[i, iii]	**$ 289**	**$**	**148**	**$**	**—**
Cash margin[iii]	**$ 7,446**	**$**	**1,990**	**$**	**2,313**
Cash margin excluding Sulfuric acid	**$ 3,460**	**$**	**1,261**	**$**	**—**
Cash margin per tonne P_2O_5[i, iii]	**$ 290**	**$**	**425**	**$**	**—**
Adjusted EBITDA[iii]	$ 4,349	$	419	$	(66)
Maintenance capex[iii]	$ 3,219	$	492	$	1,497
Growth capex[iii]	**1,598**		**868**		**890**
Total capex[iii]	**$ 4,817**	**$**	**1,360**	**$**	**2,387**

i. P_2O_5 basis considers SSP and SSP+ at 17% and sulfuric acid at 0%.
ii. Sulfuric acid production volumes are presented net of production for internal consumption.
iii. Non-IFRS measure; information on the measure is incorporated by reference to section 8 of the 2023 Annual MD&A.

Sulfuric Acid Plant Restart

On February 8, 2022, the Company announced the resumption of sulfuric acid production and sales at Arraias. Subsequent to the restart, the Company decided in March 2022 to conduct further maintenance activities at the sulfuric acid plant, which were completed in May 2022.

During 2023, the Company ran the sulfuric acid plant at an average monthly production rate of 7.4kt per month due to a required 50-day maintenance period (acid plant turnaround) completed in May 2023.

During 2024, the Company ran the sulfuric acid plant at an average monthly production rate of 9.4kt per month, a 27% increase over levels achieved the previous year.

Arraias has secured short-term sulfuric acid offtake agreements for its base load capacity with pricing linked to sulfur benchmarks. Based on market demand and sulfuric acid plant availability, the Company is opportunistically producing additional volumes of sulfuric acid which are sold on the spot market.

The restart of the sulfuric acid plant at Arraias is independent of the previously announced program to evaluate the potential restart of fertilizer production at Arraias (the "Fertilizer Restart Program").

Fertilizer Restart Program

During Q2 2020, the Company launched the Fertilizer Restart Program to evaluate the potential restart of fertilizer production at Arraias.

The first step in the Fertilizer Restart Program was the development of a revised geological model and mine plan for the Domingos pit in order to verify the ability to deliver a constant ore grade to the beneficiation process. The revised geological model and mine plan, which cover a three-year horizon, were completed during Q3 2022.

The second step in the Fertilizer Restart Program was the development of a cost estimate and project execution schedule for the potential restart of the fertilizer circuit at Arraias. The second step considered two scenarios, including (i) a potential restart of the fertilizer circuit using third party phosphate rock and (ii) a potential restart of the fertilizer circuit and required modifications to the beneficiation circuit taking into account the previously completed revised geological model and mine plan. The second step was completed during Q3 2022.

During Q4 2022, the Company further advanced the Fertilizer Restart Program by developing a prefeasibility study-level operating and capital cost estimate for the short-term mine plan schedule. The study demonstrated that the required quality to the plant was achievable, with sufficient pre-stripping of overburden, use of external stockpiles and sufficient levels of ore rehandling from the stockpiles to the stacker/reclaimer. In addition, a pit optimization analysis was completed, targeting only the higher grade Breccia and Conglomerate ore zones.

During 2023, the Company completed detailed third-party ore characterization and geo-metallurgical assessments.

During Q1 2023 the Company approved the first phase of a fertilizer restart program to commence with the mining, production and sale of DAPR. During Q2 2023, two new hammer mills were installed and commissioned for DAPR production. During Q3 2023, the Company started the DAPR production. During Q4 2023, the Company confirmed ramp-up sales of DAPR.

During 2024, Domingos' pit pre-stripping activities commenced allowing Arraias to run the beneficiation plant with an average grade above 18% P_2O_5.

During 2024, Arraias achieved 100% recommissioning of the acidulation plant within schedule and commenced production of Partially Acidulated Phosphate Rock ("PAPR") in Q2 2024.

Idling

The remainder of Arraias' operations, including tailings dam, part of the beneficiation plant, and granulation plant remain idled following best practices.

Dutch Tax Assessment

During 2022 and 2023, the Company received assessments from the Dutch tax authorities in the aggregate amount of Euro 7,244 (approximately $7,659) for 2016, 2017, 2018 and 2019 income taxes related to its Dutch holding structure for the Company's Brazilian subsidiaries. The Company filed an appeal against these tax assessments, which is currently under review by the Dutch tax authorities. The Company and its legal advisors consider it more likely than not that the resolution of these assessments will be favorable to the Company. On that basis, the Company has not recognized a provision for these assessments. In the event of an unfavorable resolution, the Company estimates a potential assessment in the aggregate amount of approximately $7,659.

Development and Exploration

Farim

EHS Highlights

For the three years ended December 31, 2024, 2023, and 2022, Farim's EHS highlights were as follows:

	For the year ended December 31,		
	2024	**2023**	**2022**
Reportable environmental releases	—	—	—
Recordable incidents	—	—	—
Total Recordable Incident Frequency Rate ("TRIFR")[i]	—	—	—

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

Development Highlights

During 2022, the Company maintained Farim at construction-ready state and advanced an updated technical report while evaluating strategic alternatives.

During 2023, the Company published an updated technical report for Farim, titled "Farim Phosphate Project - NI 43-101 Technical Report and Feasibility Study" with an effective date of May 17, 2023 on SEDAR+ in support of the evaluation of strategic alternatives for the project.

During 2023, the Company maintained Farim at construction-ready state and advanced revisions to the executed Farim mining agreement with the Government of Guinea-Bissau to facilitate project financing, update tax incentives and extend the term.

During Q1 2024, the Company received confirmation from the Government of Guinea-Bissau that it had successfully applied for and obtained a 25-year extension to the Farim mining contract and mining lease, which is now valid until 2048.

During 2024, the Company maintained Farim at construction-ready state.

Santana

During 2022-2024, the Company maintained the integrity of the concessions of Santana while evaluating strategic alternatives.

Araxá

On August 5, 2024, the Company entered into an agreement to sell its 100% interest in the Araxá project to a wholly-owned subsidiary of St George Mining Limited ("St George") (ASX: SGQ) in exchange for a cash payment of $21,000 and securities of St George (the "Transaction"). As a result of the Transaction, St George indirectly acquired all of the outstanding securities of Itafos Araxá Mineração e Fertilizantes S.A ("Itafos Araxá") (see Current Financial Year).

Corporate

Capital Raises

On September 22, 2022, the Company entered into two three-year credit facilities with a syndicate of lenders, pursuant to which the lenders have advanced (i) an $85,000 term loan to the Company and made available a $35,000 letter of credit facility (the "Existing Term Loan") and (ii) and $80,000 asset-based revolving credit facility (the "ABL Facility"). The proceeds of the Term Loan and ABL Facility were used to refinance the Company's indebtedness under the 2021 Term Loan, the Conda ABL, the Promissory Note, the Canadian debentures, and to pay related transaction costs and fees. The refinancing provided for the retirement of all related party debt. Proceeds from the ABL Facility will also be used for working capital and general corporate purposes.

On September 6, 2024, the Company refinanced its Existing Term Loan Agreement with a new $100,000 commitment and $30,000 letter of credit facility (the "Amended Term Loan Agreement"), while also extending the maturity dates of its Existing Term Loan and revolving asset-based credit facility ("Amended ABL Facility"). Further amendments to these facilities were made to provide the Company greater flexibility and enhance its ability to distribute capital to shareholders.

New Director Appointments

On April 18, 2022, the Company announced the appointment of Stephen Shapiro and Isaiah Toback to its Board of Directors, effective April 14, 2022. Mr. Toback replaced Rory O'Neill as a nominee to the Board of Directors by its principal shareholder, CLF, pursuant to an investor rights agreement between the Company and CLF.

Director Resignation

On April 10, 2023, the Company announced that Evgenij Iorich stepped down as member of the Company's Board of Directors effective as of April 6, 2023. Mr. Iorich served as a director of the Company since July 11, 2017.
On June 19, 2024, the Company announced that Elena Viyella de Paliza did not stand for re-election at the annual general meeting of shareholders. Ms. Viyella de Paliza served as a director of the Company since August 2021.

New Chief Financial Officer Appointment

On August 11, 2022, the Company announced the appointment of Matthew O'Neill as the Company's Chief Financial Officer. Mr. O'Neill has over 25 years of experience in financial management, corporate development, planning, treasury, insurance, risk management and financial reporting. Mr. O'Neill succeeded George Burdette who served as Chief Financial officer since April 2018.

Environmental, Social and Governance ("ESG") Report

On April 10, 2024, the Company published the 2023 ESG Report, which describes the Company's progress on ESG matters to date and outlines the Company's directional goals moving forward (see Section 5 – "*Sustainability*"). The Company's inaugural ESG Report was published on November 19, 2021.

Strategic Alternatives Review Process

On March 13, 2023, the Company announced that the Board of Directors commenced a process to explore and evaluate various strategic alternatives that may be available to the Company in an effort to enhance shareholder value.

The Board of Directors formed a committee of independent directors (the "Special Committee") to oversee the process. As part of this process, the Special Committee, worked together with its advisors and the management team, would consider a wide range of potentially value enhancing alternatives, including, among other things, the sale of the Company, a merger with another strategic partner, a recapitalization or continued execution of the Company's attractive long-term business plan. CLF, an entity owned by funds managed by Castlelake and the Company's largest shareholder, supported the Company's process to review strategic alternatives.

During 2024, the Board of Directors elected to end the strategic review process that was announced on March 13, 2023 and dissolve the Special Committee. While the process has concluded without an announced transaction, the Board of Directors and the management team have and will continue to operate the business with the objective of maximizing shareholder value and will review strategic opportunities as they arise.

Management Team Restructure

On January 31, 2024, the Company restructured its management team and reassigned several key positions, roles and responsibilities without an impact on the Company's business and operations. A restructuring charge associated with severance payments to the individuals was recorded in Q1 2024.

RSU Plan and Stock Option Plan

On June 19, 2024, the Company obtained disinterested shareholder approval to amend the Company's RSU Plan to a "fixed up to 20% Plan". The Company also obtained disinterested shareholder approval to amend the Company's Stock Option Plan to a "fixed up to 20% Plan". As a result of these amendments, the number of shares issuable under all of the Company's equity-based compensation plans (including the Stock Option Plan and the RSU Plan), in the aggregate, is fixed at a maximum 38,398,527 shares, representing 20% of the number of issued and outstanding shares as of June 19, 2024.

CURRENT FINANCIAL YEAR

During the current financial year, the following events and conditions have influenced the general development of the Company's business.

Sale of the Araxá Project

On February 26, 2025, the Company completed the Transaction. St George now owns all of the outstanding securities of Itafos Araxá. Pursuant to the sale agreement with St George (the "Sale Agreement"), the Company has received from St George the first installment cash payment of $10,000 (less withholding tax payable) and (a) 266,782,003 ordinary shares of St George ("SGQ Shares") representing 10% of St George's outstanding share capital, (b) 86,111,025 options to acquire SGQ Shares at an exercise price of AUD$0.04, expiring two years from the date of issue; and (c) 11,111,100 performance rights, convertible into SGQ Shares for no additional consideration upon St George reporting an Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC) compliant inferred resource of no less than 25Mt @ 3.5% TREO at a cut-off of 2% TREO within five years from the date of issue. Pursuant to the Sale Agreement, St George is required to make two additional cash installment payments to the Company as follows: (a) $6,000 nine months after completion of the transaction which occurred on February 26, 2025 ("Completion"); and (b) $5,000 18 months after Completion (collectively, the "Deferred Payments").

5. DESCRIPTION OF THE BUSINESS

GENERAL

Competitive Conditions

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

Specialized Skill and Knowledge

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

Employees and Contractors

As of December 31, 2024, the Company's employees and contractors by segment were as follows:

Segment	Employees	Contractors	Total
Conda	279	295	574
Arraias	112	65	177
Development and exploration	31	3	34
Corporate	15	2	17
Employees and contractors	**437**	**365**	**802**

Foreign Operations

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

Seasonality

The Company's sales are seasonal in nature due to the general concentration of crop input sales in the spring and fall application seasons. Accordingly, year-over-year comparisons of the Company's results are more appropriate than quarter-over-quarter comparisons. The impact of seasonality on the Company's sales is partially mitigated by the MAP Offtake Agreement. The degree of impact of seasonality on the Company's sales can change significantly from year to year due to changes in the agricultural industry, weather, climate change and other factors (see "*Commodity Price Risks, Weather Risks and Climate Change Risks*" below).

Environmental Protection

The Company's operations are subject to various environmental laws, rules and regulations. The financial and operational effects of the Company's environmental protection requirements were not material during the year ended December 31, 2024. However, environmental protection requirements may cause additional capital expenditures and affect the competitive position of the Company in the future (see "*Environmental Risks, Asset Retirement Obligations Risks and Credit Risks*" below).

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

In 2018, the Company acquired Conda from subsidiaries of Agrium, Inc. ("Agrium"), a wholly-owned subsidiary of Nutrien, by way of an asset purchase agreement ("APA"). Prior to the Company's acquisition of Conda, Nutrien received NOVs as a result of the National Enforcement Initiative related to various of its phosphate fertilizer operations, including Conda. Nutrien has been negotiating with the EPA to resolve the NOVs. As current owner of Conda, the Company has also been involved in such negotiations and will be a party to the settlement agreements with the EPA and the Idaho Department of Environmental Quality ("IDEQ") that are contemplated to resolve these NOVs.

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

- penalties, which are not expected to be material;
- modification of certain operating practices;
- capital improvement projects;
- providing financial assurance for the future closure, maintenance and monitoring costs for phosphogypsum stack systems; and
- addressing findings resulting from the RCRA section 3013 site investigations.

Pursuant to the terms of the APA, Nutrien assumed full liability for all environmental and asset retirement obligations relating to the pre-closing operations of Conda, including responsibility for resolution of the NOVs. Furthermore, the APA allocates liability amongst Nutrien and the Company, including with respect to many of the potential requirements following a resolution of the NOVs as described above. While the Company believes that its activities at Conda are currently carried out in accordance with all applicable laws, rules and regulations, no assurance can be given that as part of the settlement of the RCRA NOVs, the EPA or the IDEQ might allege that the Company has violated applicable laws. Notwithstanding that the liability and full scope of costs that the Company may ultimately incur as it relates to these matters could be material, such liability and costs are not currently predictable or quantifiable with reasonable certainty (see Notes 3 and 21 in the Consolidated Financial Statements).

Social and Environmental Policies

Code of Ethics and Business Practices

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

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

Anti-Corruption Policy

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

Diversity, Equity and Inclusion Policy

The Company's Diversity, Equity and Inclusion Policy focuses on its commitment to fostering, cultivating and preserving a culture of diversity, equity and inclusion throughout its business and operations. The Company's diversity, equity and inclusion initiatives are aimed at fostering a workplace environment that promotes fair treatment; considers circumstances; provides an equal opportunity for success; and recognizes the importance of letting everyone be seen, heard, and respected.

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

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

- do it safely or not at all;
- care for each other's health, safety and security;
- protect the environment and respect human rights;

- learn from incidents to ensure no repeats; and
- support transparent communication and engagement with all stakeholders.

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

Sustainability

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

The Company published its second ESG report on April 10, 2024, updating and revising its inaugural report from 2021. The ESG report is part of various internal initiatives aimed to enhance the Company's sustainability, improve operational performance and continue to identify opportunities to generate positive long-term value to stakeholders. The ESG report provides the investment community and other stakeholders with information about how the Company is managing relevant ESG topics. The Company's ESG report is available on the Company's website at www.itafos.com.

The Company seeks to conduct its activities to the highest environmental standards, including by complying with all applicable environmental laws, policies, rules, regulations and plans and identifying and managing risks and opportunities to keep any environmental impacts to a minimum.

RISK FACTORS

Commodity Price Risks

The Company's operational and financial performance is dependent on commodity prices including phosphate fertilizer products and other fertilizer products, 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 the Company's 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.

Rising international tariffs, including any tariffs applied to goods traded between the U.S. and China, the U.S. and Mexico and the U.S. and Canada, could materially and adversely affect our business and results of operations, including the prices at which we sell our products and the costs we pay for raw materials to produce our products. For example, in February and March 2025, United States ("U.S.") President Donald J. Trump made multiple announcements about the imposition of tariffs on imports from Canada and Mexico into the U.S. as well as an tariffs on Chinese imports. These tariffs, together with any retaliatory tariffs or other protectionist economic policies promulgated by either the U.S., Canada, Mexico, China or other countries, could adversely affect the Company's raw material purchases and increase costs of the same. These tariffs could also impact the selling price or volumes of the Company's finished products. It is uncertain how much, or whether, the potential changes in raw material and finished product prices will be correlated, or what impact changes in either would ultimately have on the Company's operating margins.

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 legal liability. The Company's production facilities are subject to risks relating to equipment breakdowns, interruption in the supply of inputs, labor (including as a result of strikes or other labor disputes) power failures, longer-than-expected planned maintenance activities and natural disasters or other events disrupting operations. A prolonged shutdown at the Company's Conda facility could have an adverse effect on the Company's operational and financial performance. Although precautions to minimize risk have been and will continue to be taken, operating risks cannot be completely mitigated.

Safety Risks

The mining and fertilizer production activities the Company engages in are inherently hazardous, and the Company has personnel working or travelling in countries facing social and political 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, which would in turn reduce production. Accidents could cause the Company to expend significant managerial time and effort 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 and grades of mineral resources must be considered estimates only. Such estimates may not accurately reflect future mineral recovery. 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 following additional 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 factors such as environmental permit regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions.

The Company may be unable to replace its mineral reserves or acquire additional commercially minable mineral rights. The Company's production and development plans and cost estimates may vary and/or not be achieved. The Company has prepared estimates of future production, operating costs and capital costs for its operating mines, and the Company's technical studies and reports for the Company's operating mines and other projects, as may be amended or updated from time to time, contain estimates of future production, development plans, operating and capital costs and other economic and technical estimates relating to these projects. These estimates are based on a variety of factors and assumptions and there is no assurance that such production, plans, costs or other estimates will be achieved. Actual production, costs and financial returns may vary significantly from the estimates depending on a variety of factors, many of which are not within the Company's control. These factors primarily include, but are not limited to: actual ore mined varying from estimates of grade, tonnage, dilution, metallurgical and other characteristics; short-term operating factors, such as the need for sequential development of ore bodies and the processing of new or different ore grades from those planned; mine failures, slope failures, equipment failures or accidents and the exposure for related claims of loss and liabilities; and encountering unusual or unexpected geological conditions. Failure to achieve estimates or material increases in costs could have a material adverse impact on the Company's future cash flows, profitability, results of operations and financial condition.

Mine Development and Completion Risks

It is not possible to ensure that the exploration or development programs planned by the Company will result in profitable commercial mining operations. Whether a mineral deposit will be commercially viable depends on many factors, including: the attributes of the deposit, including size, grade and proximity to infrastructure; highly cyclical mineral prices; and government regulations, related to 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 generating an adequate return on invested capital. There is no certainty that the expenditures made by the Company towards the search for and evaluation of mineral deposits will result in discoveries or development of commercially recoverable quantities of phosphate.

Foreign Operations Risks

The Company owns businesses and projects in various foreign 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 to 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 the 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, rules, regulations and requirements may be retroactive in their effect and implementation. The Company's operations may also be affected in varying degrees by social, political and economic instability, economic or other sanctions imposed by other nations, terrorism, military repression, crime, extreme fluctuations in currency exchange rates, state aids and subsidies 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, rules 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 laws, rules and regulations, no assurance can be given that new laws, rules or regulations will not be enacted or that existing laws, rules or 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, rules or 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 or continuation of operations will be obtainable on reasonable terms or on a timely basis, or that such laws, rules or regulations would not have an adverse effect on any project which the Company may undertake to develop.

In addition, while the Company believes that its activities at Conda are currently carried out in accordance with all applicable laws, rules and regulations, no assurance can be given that as part of the settlement of the RCRA NOVs, the EPA or the IDEQ might allege that the Company has violated applicable laws. Notwithstanding the fact that the liability and full scope of costs that the Company may ultimately incur as it relates to the RCRA NOV matters discussed above could be material, such liability and costs are not currently predictable or quantifiable with reasonable certainty (see Notes 3 and 21 in the Consolidated Financial Statements).

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 set limits regarding the generation, transportation, storage and disposal of hazardous waste and other materials and substances. The Company expects that future environmental legislation will require strict standards and enforcement, increased fines and penalties for non-compliance, potential increase reporting, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Environmental laws and regulations that the Company is subject to may become more stringent over time, which could materially adversely affect the Company's business, financial condition and results of operations. 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. In addition, regulatory restrictions on greenhouse gas emissions in the U.S. and Canada could restrict or require changes in operating activities and the cost of compliance may adversely affect the business of the Company.

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

Violations of environmental and health and safety laws can result in substantial fines, penalties, court orders to install pollution-control equipment, civil and criminal sanctions, permit restrictions or revocations and facility shutdowns. Environmental, 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, health and safety laws and regulations despite its compliance efforts. In addition, future environmental, health and safety laws and regulations or reinterpretation of current laws and regulations may require 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 and/or production of its products. 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 and/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 administrative, civil or criminal fines or penalties imposed for violations of applicable laws, rules or regulations.

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

Asset Retirement Obligations Risks

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

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

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

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

Weather Risks

Anomalies in regional or global weather patterns could 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, severe weather events, including inflows of water into phosphate mines or production facilities from heavy snowfall, rainfall or groundwater could result in increased costs and production down-time and may require the Company to abandon a mine or production facility, 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, potentially irreversible changes to climate, and other unforeseen changes or extreme weather events. These changes and events could adversely impact the Company's costs and operating activities as well as the demand for its products.

Currency Risks

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

Inflation Risks

The world has recently experienced sustained increases in the price of goods and services and the Company is affected by these changes. A significant portion of the increase in prices has been attributed to the rising costs of labor and continuing global supply-chain disruptions. These inflationary pressures have affected the Company's labor, commodity and other input costs and may or may not be transitory. Although inflationary pressures for certain input costs like energy have leveled off recently, any continued upward trajectory in the inflation rate for the Company's inputs may have a material adverse effect on the Company's capital and operating expenditures for the development of its projects as well as its margins, financial condition and results of operations.

Competition Risks

The mining and fertilizer production industries are competitive in all phases, and the Company must compete with companies possessing greater financial and technical resources. Accordingly, such competitors may be better able to withstand market volatility while retaining significantly greater operating and financial flexibility than the Company. The Company's products are subject to intense price competition. Commodities have little or no product differentiation, and customers make their purchasing decisions principally on 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 or the Company's operational and financial performance.

Counterparty Risks

The Company's operations are reliant on relationships with key counterparties, including under the Ammonia Supply Agreement, the MAP Offtake Agreement and the sulfuric acid contracts with Rio Tinto. There can be no assurance that the Company will maintain its relationships 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, including the Ammonia Supply Agreement and the MAP Offtake Agreement, could have a material adverse effect on the Company's operational and financial performance.

Financing Risks

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

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

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

Additional Capital Risks

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

Credit Risks

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

Key Personnel Risks

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

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

Impairment Risks

Mining and mineral interests, fertilizer production facilities, and projects 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 mineral 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. Impairment is considered to exist if the total estimated future undiscounted cash flows expected to be generated by the asset are less than the carrying amount of the asset. 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. 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.

Cybersecurity Risks

With the increased dependence on information and operational technology for the Company's operations, the risks associated with cybersecurity also increase. The majority of the Company's business and operations processes rely on technology. Cybersecurity risks include a variety of potential cyberattacks, threats and breaches conducted by malicious parties, acting alone or in groups, to the Company's systems. These attacks, threats or breaches could lead to a variety of events, including compromised accounts, exposure to viruses and other malware, fraudulent payments, breaches of the Company's industrial control systems, loss of data and information, unintended disclosure of confidential and/or personally identifiable information, and a variety of business disruptions which could have a material adverse effect on the Company. Additionally, regulatory trends in imposing obligations for companies to publicly report cybersecurity incidents continue to evolve. The Company continues to reassess its cybersecurity posture and implement additional controls and other security prevention, detection and response procedures and protocols to address cyber vulnerabilities in an evolving threat landscape. However, the Company may not be able to address every vulnerability or to prevent or detect all cyberattacks and such attacks or breaches could seriously harm the Company's operations and materially adversely affect its operating and financial results.

Transportation Risks

The cost of delivery of raw materials and finished products is a significant factor in the total cost of production which then gets passed on to customers. As a result, changes in transportation costs or changes in customer expectations about transportation costs can affect sales volumes, prices and other commercial terms. The Company relies on railroad, trucking and other transportation service providers to transport raw materials to the Company's manufacturing facilities, to coordinate and deliver finished products to the Company's storage and distribution system and to ship finished products to the Company's customers. The Company 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, spills, 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 production, sales volumes and margins.

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

Infrastructure Risks

Mining and fertilizer production activities depend on adequate infrastructure. Reliable roads, bridges, rail, power sources and water supply are factors affecting capital and operating costs. Unusual or infrequent weather phenomena, sabotage, 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. A shortage of supplies, equipment and parts could have a material adverse effect on its ability to carry out its operations and thereby limit or increase the cost of operations, exploration and development and related activities. An increase in demand for supplies 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 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 manage and maintain its business relationship with any such suppliers or customer, has the potential to materially adversely affect the Company's overall production, sales or results of operations.

Litigation Risks

In the ordinary course of business, the Company is subject to various claims and legal proceedings, including adverse rulings in current or future litigation against the Company and/or its directors or officers, covering a wide range of matters that arise in the ordinary course of business activities or as a result of unforeseen events. Each of these matters is subject to various uncertainties and it is possible that some of these matters may be resolved unfavorably to the Company which may have a material adverse impact on the Company's future cash flows, profitability, results of operations and financial condition.

Additionally, the Company may be subject to frivolous and/or nuisance claims. While such claims are often dismissed, there can be no assurance that all such claims will be dismissed entirely, or that the Company will not be required to incur significant expenses defending such claims.

Permitting and Licensing Risks

The Company's operations are subject to the receipt and maintenance of 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 additional permits or licenses 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 should title or access to properties be successfully challenged or impaired.

Insurance and Uninsured Risks

Although the Company maintains insurance to protect against certain risks and hazards in such amounts as it considers reasonable, its insurance will not cover all potential risks associated with the Company's operations. The Company may also be unable to maintain insurance to cover these risks in an economically feasible manner. Insurance coverage may not continue to be available or may not be adequate to cover all resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards resulting from exploration and production is not generally available to the Company or to other companies in the mining and fertilizer industries at commercially acceptable terms. The Company may 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.

Malicious Acts Risks

Intentional and malicious acts of destruction to the Company's tangible and intangible 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 or cessation 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 or negatively affect 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 and, as a result, the market price of the Company's common shares at a certain point in time may not accurately reflect the Company's long-term value. These fluctuations could be based on numerous factors in addition to those otherwise described herein, including:

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

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

Technological Advancement and Innovation Risks

Future technological advancements and innovations, such as development of high-quality seeds that require less nutrients or technological advancements in efficacy of application of nutrients or the development of full or partial substitutes for the Company's products, could adversely affect demand for its products and impact results of operations. The advancement and adoption of other technology and digital innovations in agriculture and the improvement in the application of crop nutrients across the value chain have increased and are expected to further accelerate. Future digital innovations and use of new technology in the fertilizer market could alter the competitive environment, disrupt business models, and may adversely impact the Company's operations and financial performance.

Artificial Intelligence Risks

The development, use and application of artificial intelligence ("**AI**") continues to rapidly evolve and the pace of AI innovation continues to accelerate. The regulatory environment may change as the use of AI is part of evolving legal frameworks across jurisdictions. Social and ethical issues along with other intended or unintended negative consequences related to the use and application of AI, including machine learning models and generative AI, may result in reputational harm, liability and additional costs to organizations. New AI offerings and technologies and adaptation of such offerings and technologies, along with other AI breakthroughs, could have an adverse impact on the Company's operations and performance.

Tax Risks

The interpretation of tax regulations and legislation and their application to the Company's business is complex and subject to change. Accordingly, the Company's ability to realize future income tax assets and participate in favorable tax programs could significantly affect net income or cash flow in future periods. The Company is subject to income taxes in numerous jurisdictions. The Company's income tax expense and deferred tax assets and liabilities represent management's best estimates of current and future taxes to be paid. Significant judgments and estimates are required in the calculation of the Company's income tax expense, including applying tax laws and regulations, calculating tax deductions, estimating the timing of the reversals of temporary differences and estimating the amount of deferred tax assets. These estimates impact current and deferred income tax assets and liabilities and current and deferred income tax expense. The actual future income tax expense and deferred tax assets and liabilities may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in tax laws or rates in the future.

Foreign Subsidiaries Risks

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

Reputational Damage Risks

The nature of the Company's business makes it crucial to maintain a strong reputation and positive relationships with key stakeholders, including shareholders, customers, its employees, suppliers, landowners, local communities and governments. Damage to its reputation can occur from actual or perceived actions or inactions and a range of events, many of which are out of the Company's control. This includes social media, which has made it easier for individuals and groups to share their opinions of the Company and its activities, whether accurate or not.

The Company's reputation for doing business with integrity is essential to building and maintaining trusting relationships with stakeholders, as well as reducing legal and financial risk. Damage to the Company's reputation could result in, among other things, a decrease in the value of its share price, or decreased investor confidence, any of which could have a material adverse effect on operations, projects and financial position.
Stakeholders may place an increasing importance on the structure of the Company's business, its ability to execute its strategy, the customers and suppliers it does business with, and its core sustainability responsibilities. Underperformance due to weak market fundamentals or business issues, inadequate communication with stakeholders or dissatisfaction with the Company's practices or strategic direction, including its capital allocation priorities and those directed to address ESG matters, may lead to a lack of support for the Company's business plans. Loss of stakeholder confidence could impair the ability to execute on business plans, negatively impact the ability to produce or sell products, lead to reputational or financial losses, or negatively impact access to or cost of capital.

Controlling Shareholder Risks

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

Conflicts of Interest Risks

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

Epidemics, Pandemics and Public Health Risks

Any governmental or other regulatory responses or developments or health concerns in countries in which the Company operates could result in operational restrictions, supply chain disruptions, social and economic instability, or labor shortages. Any future epidemics, pandemics or public health risks could cause similar issues as the COVID-19 pandemic and could have an adverse effect on the Company's business, financial condition and operating results. It is also possible that a public health event similar to COVID-19 could negatively impact the Company's customers, even though the agriculture sector is classified as an essential service. Any significant long-term downturn in the global economy or agricultural markets could impact the Company's access to capital or credit ratings, or customers' access to liquidity, which could increase the Company's counterparty credit exposure.

Geopolitical Risks

Global economic conditions could negatively impact agriculture commodity trade flows and demand for crop nutrients or increase prices for, or decrease availability of, raw materials and energy necessary to produce the Company's products. These conditions include international trade disputes, geoeconomic confrontations, international crises or risks thereof, the relative value of the US dollar and its impact on the importation of fertilizers, foreign agricultural policies, the existence of, or changes in, import or foreign currency exchange barriers in foreign markets, and other regulatory policies of foreign governments, including laws and policies affecting foreign trade and investment. These conditions could have a material adverse effect on the Company's business, financial condition and results of operations.

Geopolitical shifts, geopolitical confrontation, international trade disputes and the evolving concentration of geopolitical power and order continue to impact the world. Geopolitical dynamics, tensions and instability, including the actual and threatened responses to military action may impact the markets for certain commodities, including phosphate fertilizer products and inputs, and could cause significant fluctuations in phosphate fertilizer prices and inputs due to uncertainty in supply levels and geopolitical risk. Furthermore, turmoil in the global financial system, the reshaping of interactions between nations, bilateral or multilateral use of force between states, and manifestation of proxy or open wars could materially affect the Company's business and financial condition.

Recent conflicts such as Russia's invasion of Ukraine, the Israel-Gaza conflict, increasing tensions over Taiwan, and the international response, may have negative effects on financial markets and supply chains, significant impacts on commodity prices, a destabilizing impact into local or regional societies, changes in geopolitical orders, forced movement or displacements across and within borders, societal divisions and other safety and security related ramifications. While the Company does not have operations in Ukraine, Russia, Israel or Palestine, there continues to remain uncertainty relating to the potential impact of these conflicts and the potential effects these may have on global food security and the market for crop nutrient market supply and demand fundamentals and nutrient prices, and they could have a material and adverse effect on the Company's business, financial condition and results of operations. Depending on the extent, duration and severity of the conflicts, they may have the effect of heightening many of the other risks the Company is subject to and which are described herein.

Environmental Justice Risks

The U.S. federal and some state governments are increasingly adopting standards or policies requiring environmental justice reviews in some permitting actions. In general, they require governmental agencies to evaluate projects for disproportionate impacts to disadvantaged or already burdened communities. If such conditions are found, they might result in a permit denial, or restrictive or cost prohibitive conditions imposed on the Company's operations and could have a material adverse effect on its business, financial condition or results of operations.

Internal Controls over Financial Reporting Risks

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Disclosure controls and procedures are designed to ensure that information required to be disclosed by a company in reports filed with securities regulatory agencies is recorded, processed, summarized and reported on a timely basis and is accumulated and communicated to a company's management, including its chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. The Company has invested resources to document and analyze its system of disclosure controls and its internal control over financial reporting. The design of an internal control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. A control system, no matter how well designed and operated has inherent limitations, and can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Anti-Corruption Laws Risks

The Company's operations are governed by, and involve interactions with, various levels of government in multiple countries. The Company is required to comply with anti-corruption, anti-bribery and sanctions laws, including the *Corruption of Foreign Public Officials Act* (Canada) and the U.S. Foreign Corrupt Practices Act, as well as similar laws in the countries in which the Company or its contractual counterparties conducts their business. There has been a general increase in the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment of companies convicted of violating these laws. The Company may be found liable for violations by not only its employees, but also by its third-party agents.

Measures that the Company has adopted to mitigate these risks may not be effective in ensuring that the Company, its employees or third-party agents will comply strictly with such laws. If the Company is subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company which could result in a material adverse effect on the Company's reputation, financial performance and results of operations. If the Company chooses to operate in additional foreign jurisdictions in the future it may become subject to additional anti-corruption, anti-bribery and sanctions laws in such jurisdictions.

NGO Risks

Mining companies are often the target of actions by non-governmental organizations and environmental groups in the countries in which they operate. Such organizations and groups may take actions that are illegal, unauthorized or dangerous, without the support of government, to disrupt commercial operations. There can be no guarantee that any future action will not be taken by any non-governmental organization or environmental group to disrupt our operations or development activities. These groups may also apply pressure to local, regional and national government officials, or local groups, to take actions that are adverse to our operations and development activities. Such actions could have an adverse material effect on our ability to produce and sell products, which could have a material adverse effect on the financial condition, operations, and prospects of the Company.

MATERIAL MINERAL PROPERTY

As of December 31, 2024 and as of the date hereof, the only mineral property, material to the Company for the purposes of NI 43-101, is Conda. The summary from the Conda Technical Report, titled "NI 43-101 Technical Report Itafos Conda Project Idaho, USA" with an effective date of July 1, 2023 as announced in the Company's news release dated April 29, 2024 is reproduced below. Portions of the following information, including certain terms, assumptions, qualifications, and procedures, are not fully described herein. Refer to the Conda Technical Report for detail. The Conda Technical Report is available under the Company's profile on SEDAR+ at www.sedarplus.com and on the Company's website at www.itafos.com.

1.0 Summary

The Conda Technical Report was prepared for Itafos, a vertically integrated phosphate fertilizers and specialty products company headquartered in Houston, Texas (TX) and publicly traded on the TSX Venture Exchange (TSX-V: IFOS). Itafos owns Itafos Conda LLC, which includes the Conda Phosphate Plant ("CPP") and associated mining operations located near Soda Springs, Idaho. The CPP produces approximately 550,000 short tons per year of MAP, MAP+, SPA, MGA, and specialty products including APP. The CPP also includes a wash plant that treats mined phosphate ores delivered by rail to produce the phosphate rock feedstock required by the chemical plant. All ore delivered to the CPP is produced from Itafos' captive mines in southeastern ID, USA.

Itafos engaged WSP USA Inc. ("WSP") to compile the Conda Technical Report on its Idaho mineral projects that are in operation or under development. The mines and projects are owned by its wholly owned subsidiary, Itafos Conda, LLC ("Conda"). Conda operates the RVM with the adjacent Lanes Creek Mine ("LCM") that is currently in reclamation. Conda is also developing the nearby Husky 1 South Maybe Canyon ("H1SMC") project and the NDR project. Mined phosphate ore is and will continue to be delivered from these mines and projects to rail loadouts and transported via the Union Pacific Railroad ("UPRR") to the CPP.

1.1 Property Description and Ownership

<u>Property Description and Ownership</u>

The property that is the subject of the Conda Technical Report consists of the four Conda projects with a total area of 2,850 acres. The projects are located in Caribou County, Idaho. Itafos' title to the projects includes leases from private, state, and federal surface and mineral owners. Annual surface rental payments are required to maintain the leases and production royalties are paid on ore delivered from each lease to the CPP or rail loadout depending on the terms of each lease. Royalty rates are based on federal regulations. Currently, the federal leases expire in 2035 at RVM, 2036 at H1, and 2043 at NDR. The state lease at NDR expires in 2030. Itafos expects to extend all leases that are needed for production or development in the ordinary course of its business.

Current asset retirement obligations are estimated to be $7.5 million at LCM, $51.3 million at RVM, and $3.4 million at NDR for reclamation of the active mining operations.

The location of known phosphate mineralization at the projects is within the upper and lower zones of the Meade Peak Member of the Phosphoria Formation (the "Meade Peak Member"). Mine workings and all other mine development structures exist at the RVM for annual ore production of roughly 2.3 million wet short tons of ore. The H1SMC and NDR projects are in the final stages of planning and permitting. The UPRR currently provides service from the Itafos rail loadout at the Wooley Valley tipple (the "WV Tipple") located near RVM to the CPP. A new tipple is planned to handle ore from H1SMC and NDR, with continued service provided by UPRR.

Itafos has obtained all permits needed for operations at RVM and is in the process of acquiring all permits required to develop and mine H1SMC and NDR including federal, state, and county permits. In addition to the federal NEPA EIS process, Special Use Permit(s) may be required from federal, state, and county authorities and may include but not be limited to air permits, stormwater general permits, permits to construct a drinking water system, septic system permits, stream alteration permits, and wetlands permits (including, US Army Corps of Engineers 404 permit).

Accessibility, Climate, Local Resources, Infrastructure, and Physiography

Access to each of the Conda projects is via local roads connected to state and federal highways. The Conda projects are located about 15 miles northeast of the town of Soda Springs, ID. Soda Springs is 60 miles east of Pocatello, ID and 175 miles north of Salt Lake City, Utah.

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

Itafos controls sufficient surface rights through its leases and agreements with adjacent property owners to conduct all mining operations at RVM. At H1SMC and NDR, Itafos is finalizing agreements with owners of previously mined adjacent properties to conduct mining activities on those properties and backfill waste into existing pits. Water, power, and labor required to conduct mining operations are available locally. No tailings are generated or stored at the projects. All overburden rock mined is disposed of in permitted storage areas and as backfill into the mined-out pits. No processing is conducted or planned at the projects and no tailings are currently or planned to be stored at any project. All RVM mined ore is loaded at the existing WV Tipple and shipped via an existing UPRR rail line for processing and consumption at the CPP. All tailings storage occurs at the CPP. As currently planned, the H1SMC and NDR projects will also ship mined ore via rail to the CPP for processing and tailings storage.

The topography, elevation, and vegetation at the projects reflect the mountainous terrain that is typical of southeastern ID. The Conda projects are located in the Peale Mountains, which consist of several ranges, ridges, and intermontane valleys. At RVM, elevations typically vary from 6,700 feet above mean seal level ("AMSL") to nearly 7,600 feet AMSL at local highs. At H1SMC and NDR, elevations range from 7,700 feet AMSL to nearly 8,900 feet AMSL. The topography changes rapidly from the valley floors to the ridge tops and in steeply incised canyons draining higher elevations. Vegetation is similar at all projects and is primarily sagebrush rangeland at higher elevations with shrubland on ridge flanks and lower elevations. Aspen and mixed aspen conifer forests exist near drainages. Wetlands occur at lower elevations near existing creeks and streams.

History

Conda acquired its leases from Agrium in early 2018. Agrium and a predecessor had produced relatively small quantities of phosphate ore from LCM. RVM was developed by Agrium and Itafos as a greenfield project. Portions of the South Maybe Canyon had historical development and production. There has been no material historical development or production from the NDR or H1SMC projects.

1.2 Geological and Mineralization

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

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

The beds of the Meade Peak Member were deposited within a marine sedimentary basin within the Phosphoria Sea that marked the western margin of the North American craton approximately 250 million years ago. Depositional processes during the period in which the Meade Peak Member was being deposited resulted in alternating beds of phosphatic shale and mudstone with layers of non-phosphatic shale, carbonate, and chert beds.
The phosphate mineralization within the Meade Peak Member consists of apatite pellets, oolites, and sand grains, some of which are further cemented together into clusters of pellets and grains in an apatite cement. The apatite within the Meade Peak Member is entirely in the form of carbonate fluorapatite.[6]

Individual beds of the Meade Peak Member are laterally continuous over significant distances, with some beds commonly found distributed over tens of thousands of square miles within the Western Phosphate Field.[7] However, the thickness and geometry of the beds has been locally impacted on a deposit scale by both primary depositional variability as well as post-depositional structural modification due to both regional and deposit scale faulting and folding.

1.3 Exploration Status

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

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

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

Visual descriptive logs and gamma logs were used by the Conda geologists to assign beds to the drill hole data for the purpose of identifying sample intervals for grade analyses. Samples from the Conda projects were submitted for grade analysis at the onsite CPP laboratory. Elements analyzed, analytical procedures, and quality assurance/quality control measures varied across the exploration campaigns on the individual projects, as well as from project to project.

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[6] Altschuler, Z. S. V., (1958). Geochemistry of uranium in apatite and phosphorite.
[7] Sheldon, R.P. (1989). Phosphorite deposits of the Phosphoria Formation, western United States, in Notholt, A.J.G., Sheldon, R.P., and Davidson, D.F., Phosphate deposits of the world: Cambridge, U.K., Cambridge University Press, v. 2, p. 55-61.

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

Table 1-1: Summary of available drilling data by Conda project

Project	Total Drill Holes	Drill Holes With Available Data				
		Collar Surveys	Downhole Surveys	Downhole Lithology Records	Raw Assay Data	Geophysical Wireline Logs
RVM	210	210	0	210	198	210
NDR	292	292	29	290	239	288
H1SMC(i)	370	370	68	370	320	301

(i) The South Maybe Canyon Mine is a previously mined adjacent property to the H1 Project. Wireline log data was not available for the 66 drill holes from the South Maybe Canyon Mine area included in the H1SMC model.

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

- Conda grade control trench samples and analytical results from RVM and LCM;
- Surface exploration trench samples and analytical results from NDR;
- Downhole wireline geophysical logs performed on the majority of the Conda drill holes;
- Regional and deposit scale geological mapping; and
- Light detecting and ranging survey for NDR and H1SMC.

It is the WSP qualified person's (the "WSP QP") opinion that the sample preparation, security, and analytical procedures applied by Conda and its predecessors at the Conda projects are reasonable for establishing an analytical database for use in grade modeling and estimation of mineral resource estimates as summarized in the Conda Technical Report.

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

1.4 Development and Operation Status

RVM and LCM Operations

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

LCM ceased operations in mid-2020 and is currently in reclamation, while RVM is currently the only pit supplying ore to the CPP. The CPP is the exclusive market for the phosphate ores mined and loaded from the Conda Projects and the CPP plans to continue to take and consume all production from its operating mines and mineral projects as raw feedstock for fertilizer production. Although other chemical plants exist in southeastern Idaho, all of the plant owners also own captive phosphate mines. For this reason, there is no open commodities market in southeastern Idaho for phosphate ores from the Itafos mineral projects.

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

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

Based on a 2019 preliminary feasibility study ("PFS") and planned production estimates, the expected mine life of RVM is through 2025. Mine reclamation activities will continue after production ceases until final mine closure.
H1SMC and NDR Projects

Future contemplated mining activities include the development of the H1SMC and NDR mineral projects as open pit mines. All tonnage produced from these projects is planned for exclusive supply to the CPP.

The Conda Technical Report includes the results of a PFS of the H1SMC and NDR mineral resources and mineral reserves for delivering feedstock to the CPP. The results of the PFS indicate that, assuming all permit requirements and development activities are completed by 2024, full production sufficient to meet the requirements of the CPP may occur by 2024 and continue through 2027 for NDR and 2037 for H1SMC. Investment capital, as stated in 2022 dollars, is estimated to be about $94.2 million primarily for facilities and infrastructure development. The imputed average transfer price required to recover all costs of production, the free on board ("FOB") railcar at the tipple plus a margin sufficient to yield a 7% pre-tax internal rate of return on all production and cover post-production final reclamation and closure costs is estimated to be $287 per ton of P_2O_5 delivered. During full production years, the imputed transfer price per year varies from $225 per ton to $349 per ton depending on production costs. Note that all tons reported in the Conda Technical Report are in short tons unless stated otherwise. The imputed transfer price estimated over the life-of-mine period is within the forecast gross margins available ("GMA") from CPP fertilizer sales over the same period; therefore, indicating positive potential economics for CPP supply from the H1SMC and NDR phosphate mineral resources and reserves.

1.5 Environmental Studies, Permitting, and Social or Community Impact

Three of the four Conda projects – e.g., RVM, H1SMC and NDR have been analyzed under NEPA. The fourth Conda project, LCM, is located on private land and was analyzed under the *Idaho Administrative Procedures Act.*

Additionally for the three projects analyzed under NEPA, an EIS has been conducted for each by BLM, United States Forest Service and/or Idaho Department of Lands along with the participation of various other federal and state agencies.

For RVM, NDR and H1SMC, a Final EIS (or its equivalent) has been issued. For LCM, a NTP was delivered following the reclamation bond approval. Subsequent individual RODs were issued and NTPs were delivered to secure the necessary other permits and authorizations necessary to commence mine development and mining.

Currently, each project is in various stages of mining and/or reclamation, namely:

- RVM – mining activities are on-going along with concurrent pit backfill and reclamation moves forward.
- H1SMC and NDR – mine development activities have commenced with focus on mining NDR first followed by mining of H1SMC.
- LCM – mining activities have concluded, and reclamation activities are on-going.

Reclamation bonds are required by regulatory agencies as assurance to cover the estimated costs of mine reclamation and closure. Itafos maintains surety bonds for all current bonding requirements associated with mining. The bond amounts are adjusted as the mines are closed and reclamation is completed.

Itafos actively supports and develops partnerships with stakeholder groups (governments, development agencies, non-profit entities, local communities, and their citizens) who display their own commitment toward sustainability. The partnerships may be formal agreements or more informal relationships, but in general serve the purpose of maintaining close ties with local stakeholders.

1.6 Mineral Resource and Mineral Reserve Estimates

Mineral Resource Estimate

The mineral resource estimates presented in the Conda Technical Report were prepared under the supervision of the WSP QP in accordance with the definitions presented in NI 43-101 and CIM Standards. The estimates were based on geological and grade block models generated from all verified exploration and pre-production drill holes and analytical samples drilled by Itafos to date for the properties that were the subject of the Conda Technical Report.

Data verification was performed under the supervision of the WSP QP while exploration data collection was performed under the supervision of Itafos personnel that also met the standard for qualified persons under the applicable definitions.

The WSP QP used the verified exploration and sample data to construct a computer-based geological block model of the in-situ phosphate deposit and surrounding rocks and a P_2O_5 grade model for each of the projects. The geological models for the projects were based on a structural interpretation of the deposits based on drilling intervals through the deposits and, in the case of RVM, actual geological exposure in the pits. The grade models consisted of estimated grades within each geological block identified as in situ phosphate. The block model grades were interpolated from sample values of drill hole intercepts.

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

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

The categorized estimated mineral resources for RVM, NDR, and H1SMC are presented in Table 1.2 of the Conda Technical Report and reproduced below. Mineral resource categorization of measured, indicated, and inferred mineral resources presented in Table 1.2 of the Conda Technical Report is in accordance with CIM Standards. The effective date of the mineral resource estimate in the Conda Technical Report is July 1, 2023.

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

The reported mineral resources for RVM, NDR, and H1SMC in Section 14 – "*Mineral Resource Estimates*" of the Conda Technical Report are inclusive of mineral reserves.

For all Conda projects, the reported inferred mineral resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves.

There is no certainty that all or any part of the mineral resource described in the Conda Technical Report will be converted into mineral reserve.

Table 1-2: Summary of estimated mineral resources – Effective date July 1, 2023

Project	Zone	Resource Classification	Volume (millions; bcf)	Short Tons (millions, wet)	Short Tons (millions, dry)	P_2O_5 (wt.%)	MgO (wt.%)	Fe_2O_3 (wt.%)	Al_2O_3 (wt.%)
RVM	UPZ & LPZ Combined	Measured	79.1	5.9	5.3	25.87	0.88	0.88	2.52
		Indicated	9.7	0.7	0.6	25.89	0.57	0.97	2.68
		Measured + Indicated	**88.8**	**6.6**	**5.9**	**25.87**	**0.84**	**0.89**	**2.53**
		Inferred	0.3	0.02	0.02	26.67	0.36	0.83	2.34
NDR	UPZ & LPZ Combined	Measured	72.1	5.3	4.7	26.74	0.83	1.27	2.61
		Indicated	21.6	1.6	1.4	26.42	0.79	1.26	2.46
		Measured + Indicated	**93.8**	**6.9**	**6.2**	**26.66**	**0.82**	**1.27**	**2.57**
		Inferred	0.7	0.05	0.05	25.87	0.39	1.24	2.47
H1SMC	UPZ & LPZ Combined	Measured	372.9	27.6	24.6	24.29	1.01	0.85	2.27
		Indicated	125.6	9.3	8.3	24.24	1.04	0.83	2.16
		Measured + Indicated	**498.5**	**36.9**	**32.8**	**24.27**	**1.02**	**0.85**	**2.24**
		Inferred	21.6	1.6	1.4	24.67	0.91	0.84	2.14
Totals	UPZ & LPZ Combined	Measured	524.1	38.8	34.6	24.86	0.97	0.91	2.36
		Indicated	157.0	11.6	10.3	24.64	0.98	0.90	2.23
		Measured + Indicated	**681.1**	**50.4**	**44.9**	**24.81**	**0.97**	**0.91**	**2.33**
		Inferred	22.6	1.7	1.5	24.73	0.89	0.86	2.16

Notes

1. UPZ means the "Upper Phosphate Zone"; LPZ means the "Lower Phosphate Zone"; bcf means "bank cubic feet"; wt.% means "weight percent".

2. The mineral resource categorization of measured, indicated and inferred mineral resources presented in the summary table is in accordance with CIM Standards.
3. The mineral resources presented are reported on both wet and dry in-situ basis. Masses for the Conda projects have been converted from wet to dry basis using an 11% moisture factor.
4. Mineral resource grades are presented in dry in-situ basis.
5. No recovery, dilution or other similar mining parameters have been applied.
6. Although the mineral resources presented in the Conda Technical Report are believed to have a reasonable expectation of being extracted economically, they are not mineral reserves. Estimation of mineral reserves requires the application of modifying factors and a minimum of a PFS. The modifying factors include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social, and governmental factors.
7. For all projects, the reported inferred mineral resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves.
8. There is no certainty that all or any part of the mineral resources presented will be converted into a mineral reserve.
9. The mineral resource estimates are not precise calculations, and are dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. All figures are rounded to reflect the relative accuracy of the estimates.
10. The mineral resource estimates for the potentially surface mineable resources (i.e., NDR and H1SMC) were constrained by conceptual pit shells for the purpose of establishing reasonable prospects of eventual economic extraction based on potential mining, metallurgical, and processing grade parameters identified by studies performed to date on the given project.
11. Key constraint inputs included reasonable assumptions for operating costs, CRU Group or CRU International Ltd. fertilizer product forecast prices and a 20% minimum P_2O_5 grade for the Conda projects, based on current CPP specifications for all estimated resources.

Mineral Reserve Estimate

WSP produced a technical report for the remaining life of RVM, H1SMC, and NDR. Such technical reports included LOMPs, including mine designs, mining sequences, and annual estimates of waste and ore production based on measured and indicated mineral resource estimates for RVM, H1SMC, and NDR. In determining annual production, the WSP QP applied reasonable modifying factors. Any inferred resources encountered in the sequencing were treated as overburden material. The mining sequence in RVM is scheduled to be completed by the end of 2025. Mining at NDR is scheduled to begin in June of 2024 and continue through 2027. Mining at H1SMC is scheduled to begin in 2027 and continue through 2037. An existing stockpile inventory at the WV Tipple of 1.7 million short tons (wet) was included in the economic analysis and mineral reserve estimates. Stockpile inventory varies as Conda typically does not ship ore from November through March. The mining schedule turns over the current stockpile early in the mining schedule but maintains the stockpile in a manner consistent with past practice. For the H1SMC and NDR schedules, the stockpile inventory was used to supplement the ore production from the mine in years of lower ore production to maintain the tonnage necessary to meet fertilizer production requirements.

The annual production estimates were used to determine annual estimates of operating and capital costs. All cost estimates were based on 2022 actual costs. Total investment capital costs for H1SMC and NDR were estimated as $94.1 million, consisting primarily of infrastructure required for operating the mines. The annual operating cost estimates in the Conda Technical Report also included annual cost estimates of concurrent and post-production or final reclamation costs until projected mine closure. The cost estimates were based on actual Itafos costs and mining contractor rates under an existing mine contracting services agreement with a nationally recognized mining contractor. The WSP QP considers the cost estimates to be to a PFS standard and sufficient for an economic analysis required to support mineral reserve estimates for RVM, H1SMC, and NDR.

For the economic analysis, a discounted cash flow (“DCF”) model was developed for the Conda Technical Report for NDR and H1SMC. The RVM model was not updated for the Conda Technical Report and the WSP QP has relied on the results of the previous economic analysis completed in 2019 for the 2019 Conda Technical Report. The reserves from RVM reported in the 2019 Conda Technical Report were depleted to the effective date of the Conda Technical Report. The WSP QP has verified that no material changes to the costs have occurred that would result in the reduction of the RVM mineral reserves reported.

Because RVM, H1SMC, and NDR are captive suppliers to the CPP and there is no transparent mined phosphate rock commodities price market in southeastern Idaho, WSP estimated mineral reserves for RVM, H1SMC, and NDR based on an imputed transfer price for the LOMP phosphate ore produced and loaded at the tipple. The annual transfer prices are equal to the estimated cost of production and loading from the mine plus a pre-income tax margin sufficient to return all capital invested, provide a 7% rate of return on all capital invested, and cover all costs of final reclamation after production ceases.

The resulting transfer prices from the NDR and H1SMC DCF model vary during full production years over the total return swap period from $225 to $349 per ton of P_2O_5 delivered FOB railcar at the tipple in real 2022 actual cost terms. This imputed transfer price is presented to confirm the minimum economic viability of the mining operations. The imputed transfer price is an estimate and may or may not be indicative of the actual transfer price that Itafos expects to achieve, not does it contemplate market prices of downstream fertilizer derived from mined ore and the corresponding impact on future cash flow.

To determine whether the imputed transfer prices from the DCF analysis were economic, WSP estimated the CPP GMAs FOB railcar at the tipple based on forecast MAP and SPA production provided by Itafos, and fertilizer product prices and estimated chemical plant costs stated in an independent 2023 market study commissioned by Itafos. The price forecasts were for MAP and SPA prices at the CPP for the years 2023 through 2037 in real 2022 actual cost terms. WSP estimated the future annual GMAs to pay the imputed transfer price as follows:

GMAs FOB railcar at the tipple = (Revenue – CPP plant cost – Rail Cost) / P_2O_5 dry tons required by the CPP.

The CPP plant cost includes washing costs. Ore washing and rail costs were based on actual costs provided by Itafos. The resulting GMA estimated in real 2022 actual cost terms was $358 per ton of P_2O_5 delivered FOB railcar at the tipple for ore from NDR and $345 per ton of P_2O_5 delivered FOB railcar at the tipple in H1SMC because of higher mining and beneficiation costs for the H1SMC ore. Because the estimated annual GMAs exceed the annual imputed transfer prices of the H1SMC/NDR ores delivered under the Conda Technical Report, the forecast production plan is economically viable, and therefore, the Conda Technical Report results in the mineral reserve estimates shown in Table 1.3 of the Conda Technical Report, reproduced below.

Table 1-3: Summary of estimated mineral reserves by mine and classification – Effective date July 1, 2023

Property	Reserve Classification	Volume (millions; bcf)	Short Tons (millions, wet)[a,b]	Short Tons (millions, dry)[a,b]	P_2O_5 (wt.%)[c]	MgO (wt.%)	Fe_2O_3 (wt.%)[iii]	Al_2O_3 (wt.%)
RVM	Proven	62.2	4.6	4.1	26.0	0.82	1.1	3.0
	Probable	2.9	0.2	0.2	26.0	0.82	1.2	3.2
	Proven + Probable	**65.1**	**4.8**	**4.3**	**26.0**	**0.82**	**1.1**	**3.0**
NDR[d]	Proven	56.2	4.2	3.7	26.7	0.82	1.3	2.7
	Probable	10.0	0.7	0.7	26.8	1.05	1.1	2.3
	Proven + Probable	**66.2**	**4.9**	**4.4**	**26.7**	**0.85**	**1.3**	**2.6**
H1SMC[e]	Proven	282.9	20.9	18.6	24.3	0.97	0.9	2.4
	Probable	74.1	5.5	4.9	24.5	0.97	0.9	2.2
	Proven + Probable	**356.9**	**26.4**	**23.5**	**24.3**	**0.97**	**0.9**	**2.3**
Stockpiles[f]	Proven	0.1	1.7	1.5	27.7	0.42	0.64	1.53
Totals[g]	Proven	401.3	31.4	27.9	25.0	0.90	0.9	2.4
	Probable	87.0	6.4	5.7	24.8	0.97	0.9	2.2
	Proven + Probable	**488.3**	**37.8**	**33.7**	**25.0**	**0.91**	**0.9**	**2.4**

a. A moisture content of 11% was assumed to convert from wet short tons to dry short tons.
b. A 97% mining recovery and 0% dilution was applied to the tons selected as ore.
c. A P_2O_5 cutoff grade of 20% was assigned as the minimum grade to be considered ore. Grades are reported in dry basis.
d. A pit optimization analysis was performed on the H1SMC deposit, which incorporated the geotechnical parameters, mining costs of $3.06 per wet ton overburden, $4.61 per wet ton ore, ore stockpiling and tipple costs of $11.21 per wet ton. A gross margin available per mined P_2O_5 ton (applied at the point of exchange of the tipple) of $357.73 per dry ton recovered P_2O_5 was used to define the limits of the mining pit. The total processing costs are not disclosed in the Conda Technical Report but are higher for H1SMC relative to NDR due to an MgO reduction circuit required for H1SMC.
e. A pit optimization analysis was performed on the NDR deposit, which incorporated the geotechnical parameters, mining costs of $3.06 per wet ton overburden, $4.61 per wet ton ore, ore stockpiling and tipple costs of $11.21 per wet ton. A gross margin available per mined P_2O_5 ton (applied at the point of exchange of the tipple) of $345.01 per dry ton recovered P_2O_5 was used to define the limits of the mining pits. The total processing costs are not disclosed in this report but are higher for H1SMC relative to NDR due to an MgO reduction circuit required for H1SMC.
f. All stockpiles, which includes WV Tipple and plant stockpiles, total dry tons, and average P2O5 grades are displayed.
g. Stated reserves may be affected by the following factors, currently unforeseen, that could cause actual results to differ materially from the conclusions, estimates, designs, forecasts or projects in the forward-looking information: estimated capital and operating costs, project schedule, approvals timing, availability of funding, projected commodities markets, prices, environmental, permitting, legal, title, taxation, socioeconomic, political, and other relevant issues.

The proven and probable reserve estimates shown in Table 1.3 of the Conda Technical Report, reproduced above, result from the conversion of measured and indicated mineral resources, respectively.
The extent to which the mineral reserve estimates could be materially affected by mining, metallurgical, infrastructure, permitting, and other relevant factors that are different than the factors used in the PFS and described in the Conda Technical Report is shown by the sensitivity analysis provided in Section 22.6 – "Sensitivity Analysis" of the Conda Technical Report. Because RVM is a producing mine, infrastructure and permitting factors are not anticipated to materially affect the mineral reserve estimate.

Operating cost estimates ("OPEX") are for the production and delivery of ore to the tipple and loaded onto rail cars.
Costs include mine development; all pre-stripping and mining functions; mine services, concurrent reclamation, stockpiling at the tipple and loading onto rail cars. Annual OPEX ranges from a low of $39.13/ton ore (wet), to a high of $64.76/ton ore (wet) with an average mining cost of $50.78/ton ore (wet). Capital cost estimates ("Capex") to develop NDR and H1SMC is $94.1 million. The average total cost of ore (which becomes the transfer price) of $287/ton of contained P_2O_5 in run-of-mine ore delivered FOB Rail at the tipple is required to cover all phosphate ore production and final reclamation costs and produce a 7% pre-tax IRR to the mining operations. During full production years, the transfer prices

required vary over the period from $225 to $349 of P_2O_5. The GMA (as discussed above) is estimated at $358 for NDR and $345 for H1SMC. The overall payback period for capital expenditures is within five years.

Except for the CPP GMAs, which is dependent primarily upon fertilizer prices and chemical plant costs, all other relevant mining and metallurgical factors related to RVM, H1SMC, and NDR and described in the Conda Technical Report are factors affecting the estimated operating costs summarized in Section 21 – "*Capital and Operating Costs*" of the Conda Technical Report. If for any reason, any of these operating cost factors are changed such that the operating cost estimates change materially, then the mineral reserve estimates stated in the Conda Technical Report could be materially affected. However, as an example, if the cost factors are changed such that total operating and capital cost estimates are increased by 20%, the imputed transfer price over the project life increases from $287 per ton to $337 per ton of P_2O_5 delivered FOB railcar at the tipple or about 17%. This imputed price remains below the average GMA of $345 per ton for H1SMC and $358 per ton for NDR as described in Section 22 – "*Economic Analysis*" of the Conda Technical Report and therefore the mineral reserve estimates may remain unaffected. As of the effective date of the Conda Technical Report, there are no known cost factors that are materially different from the factors used in the Conda Technical Report and summarized in the Conda Technical Report to the extent that the mineral reserve estimates would be materially affected.

Revenues projected the Conda Technical Report and economic analysis summarized in Section 22 – "*Economic Analysis*" of the Conda Technical Report depend upon forecast MAP and SPA prices that are used to calculate the GMAs described in the Conda Technical Report. If the forecast prices of the CPP phosphate products over the study period decline by 10% or more, then the mineral reserve estimates will be materially and adversely affected. In this case, the GMA would be reduced to about $241 and $253 per ton of P_2O_5 delivered FOB railcar at the tipple for H1SMC and NDR, respectively. The extent to which the mineral reserve estimates could be affected is estimated to be about a 10% to 16% reduction based upon the pit shell analysis described in the Conda Technical Report.

1.7 QP's Conclusions and Recommendations

Geology and Mineral Resource Estimation Recommendations

Regarding geology and mineral resource estimation, recommendations include the following:

- There is a need to increase focus on prioritizing and evaluating additional future potential areas to maintain a mineral resource base beyond the LOMP presented in the Conda Technical Report. This may include exploration focused on upgrading known resources, along strike expansion of existing resource areas, or infilling gaps between past mining areas. However, an emphasis should be placed on a significant amount of step out work along trend, or in parallel trends to evaluate new potential areas. Work should be organized into annual programs to allow for sustainable development of future potential resource areas as Conda approaches the end of the current LOMP.
- Evaluate additional drilling needs with consideration towards additional quality control/verification purposes for areas reliant on older vintage drilling such as NDR and South Maybe Canyon.
- Perform additional density and moisture data for NDR and H1SMC to develop more robust project-specific density and moisture values for these deposits.
- Upgrade and/or obtain new geological mapping and remote sensing information to get better positional data accuracy on the beds used in the old South Maybe Canyon mine area to improve reliability and confidence.
- Conduct a surface geology mapping program to obtain structural geology points that can be incorporated into the geology models for NDR and H1SMC. Emphasis should be placed on attempting to locate modeled faults at the surface.
- As part of any future exploration work, it is recommended to perform additional external check assays for Conda projects analytical data performed primarily at CPP.

- As part of any future exploration work continue to perform downhole positional surveys on all drill holes at Conda projects.

Mining

Regarding mining and mineral reserve estimation, conclusions and recommendations include the following:

- Develop and perform additional tonnage and ore grade reconciliation studies as mining progresses in RVM and incorporate the results into future mining studies.
- Diligent stockpile management will be critical to maintaining a sufficient supply of ore to tipple.
- Evaluate the potential for lowering the cutoff grade and increasing reserves.
- Optimize the PFS mine plan schedule for Conda's mid- and short-range planning purposes to level mining contractor haul truck requirements and add additional excavator capacity to fleet.
- Perform detailed truck haulage study to potentially create a mixed truck fleet by adding Caterpillar 785 trucks to fleet when truck fleet size expands in H1SMC.
- Optimize haulage routes during short-term mine planning process. Optimization of the haul routes could decrease cycle time and reduce the fleet size.
- The geotechnical characteristics of the deposit are complicated. Probabilistic failure analysis could prove particularly beneficial due to the highly variable nature of the rock.
- In the event that Itafos advances NDR and H1SMC to a feasibility level study, more advanced geotechnical numerical modeling should be considered.

Metallurgy Recommendations

With respect to metallurgy and processing, recommendations include the following:

- Optimization studies of the bench scale test results on NDR ore in order to improve recoveries of the lower size fraction material should be considered. Tests will not be rerun, rather reviewed at different cut-offs, with the intention of helping to set the operating conditions of the wash plant Krebs gMax-20 hydrocyclones.
- Improved process control for the future wash plant should be considered. For example, this may include moisture determination (using microwaves or infrared) with the weight meters for both the phosphate feed and the washed product, continuously measuring dry tons. In addition, solids content or density meters of the tailings stream (overflow of the Krebs gMax-20 hydrocyclones) should be considered in conjunction with chemical analysis to determine tailings P_2O_5 losses. These tailings controls should be complemented with pump flowmeters.
- As detailed engineering work of the future CPP wash plant progresses, it is recommended to pursue bench scale and pilot scale test work on a regular to semi regular basis in order to: 1) Improve knowledge of the orebody and performance of the future wash plant as design progresses and 2) Establish and prepare CPP lab and other control processes required to monitor the future plant performance.

6. DIVIDENDS

Over the three most recently completed financial years (2022-2024), the Company has not paid any dividends or made any other distributions on its securities. The Company's ability to pay dividends or make other distributions on its securities is currently limited under the Company's debt agreements. Any future dividends or other distributions on its securities would be made at the discretion of the Board of Directors, subject to the limitations under the aforementioned debt agreements.

On March 19, 2025, the board of directors declared a special dividend in the amount of CAD$0.05 per share of common stock to be paid on April 25, 2025 to holders of record as of April 9, 2025.

7. DESCRIPTION OF CAPITAL STRUCTURE

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

As of December 31, 2024, the Company had 192,014,784 shares of common stock and no shares of preferred stock issued and outstanding. As of the date of this AIF, the Company has 192,466,924 shares of common stock and no shares of preferred stock issued and outstanding.

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

The Company's Certificate of Incorporation authorizes the Board of Directors to issue one or more series of preferred stock and, with respect to each such series, to fix the number of shares constituting such series and the designation of such series, the voting powers, if any, of the shares of such series, and the preferences and relative, participating, optional, or other special rights, if any, and any qualifications, limitations, or restrictions thereof, of the shares of such series (see Section 4 – "*General Development of Business*"). As of December 31, 2024, the Board of Directors has not issued any series of preferred stock.

8. MARKET FOR SECURITIES

The Company's shares trade on the TSXV under the ticker symbol "IFOS".

For the year ended December 31, 2024, The Company's monthly high and low trading prices and volume of the shares traded on the TSXV were as follows:

(TSXV: IFOS)	High (C$)	Low (C$)	Volume
January 2024	1.38	1.28	208,218
February 2024	1.34	1.18	309,159
March 2024	1.38	1.17	1,226,199
April 2024	1.42	1.30	1,217,387
May 2024	1.46	1.32	534,601
June 2024	1.40	1.32	221,700
July 2024	1.44	1.32	200,557
August 2024	1.64	1.38	948,125
September 2024	1.67	1.51	552,020
October 2024	1.76	1.56	611,215
November 2024	1.80	1.64	820,871
December 2024	1.82	1.71	330,460

During the year ended December 31, 2024, Itafos granted 2,739,057 RSUs under its RSU plan and zero stock options under its stock option plan. During the year ended December 31, 2024, Itafos issued 1,406,426 shares pursuant to the exercise or settlement of outstanding share-based compensation awards.

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

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

10. DIRECTORS AND OFFICERS

NAME, OCCUPATION AND SECURITY HOLDING

As of December 31, 2024, the Company's directors were as follows:

Name and Residence	Director Since	Current Principal Occupation(s)	Prior Principal Occupation(s) During the Preceding Five Years
Anthony Cina[i] Ontario, Canada	2015	Chairperson of Itafos Inc. Board and Corporate Director and Board Advisor	Senior Vice President at Yamana Gold Inc. and Corporate Director and Board Advisor
Ricardo De Armas[ii] Minnesota, US	2020	Managing Director at Castlelake	Same as current
G. David Delaney Illinois, US	2017	Chief Executive Officer of the Company	Chief Commercial Officer at Farmer's Business Network Inc.
Stephen Shapiro[iii] Ontario, Canada	2022	Chief Financial Officer at Cellview Imaging Inc.	President and Chief Executive Officer at SLS Financial Advisors
Ronald Wilkinson[iv] British Columbia, Canada	2018	Corporate Director and Board Advisor	Corporate Director and Board Advisor
Isaiah Toback New York, USA	2022	Partner at Castlelake	Partner and deputy co-chief investment officer at Castlelake

i. Chairperson of the Board of Directors, Chair of the Audit Committee, Member of the Compensation Committee and Member of the Governance and Nominating Committee.
ii. Member of the Audit Committee and Member of the Compensation Committee.
iii. Chair of the Compensation Committee and Member of the Governance and Nominating Committee.
iv. Chair of the Governance and Nominating Committee and Member of the Compensation Committee and Member of the Audit Committee.

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

As of December 31, 2024, the Company's officers were as follows:[8]

Name and Residence	Current Position(s) with the Company	Prior Principal Occupation(s) During the Preceding Five Years
G. David Delaney Illinois, US	Chief Executive Officer	Chief Commercial Officer at FBN;
Matthew O'Neill Colorado, US	Chief Financial Officer	Chief Financial Officer at Hawkwood Energy LLC
Tim Vedder Idaho, US	VP Operations, General Manager of Conda	General Manager of Conda
Geoff Williams Colorado, US	VP, General Counsel & Corporate Secretary	VP General Counsel & Secretary at Gevo, Inc.

As of December 31, 2024, the Company's directors and officers, as a group, beneficially owned, or controlled or directed, directly or indirectly, 2,513,017 shares of the Company, representing approximately 1.3% of the issued and outstanding shares on an undiluted basis. As of December 31, 2024, CLF beneficially owned and controlled 124,961,722 shares of the Company, representing approximately 65.1% of the issued and outstanding shares on an undiluted basis. Messrs. De Armas and Toback are Managing Director and Partner, respectively, at Castlelake, which serves as the investment manager to funds owning CLF and serve as CLF's nominees to the Board.

As of December 31, 2024, Cina & Associates Inc. beneficially owned and controlled 1,300 shares of the Company. Mr. Cina, by virtue of his position as President at Cina & Associates Inc., may be deemed to exercise control or direction over the shares beneficially owned and controlled by Cina & Associates Inc.

CORPORATE CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

As of December 31, 2024, except as set out below, no director or executive officer of the Company is, or has been within the last 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company) that was subject to a cease trade or similar order, or an order that denied the company access to any exemption under securities legislation, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or was subject to a cease trade or similar order, or an order that denied the company access to any exemption under securities legislation, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer, that was in effect for a period of more than 30 consecutive days.

In early 2015, in light of the Company's financial constraints at the time, the Company undertook a strategic review process. This process ultimately led to the Company pursuing completion of a recapitalization transaction in 2016 (the "**Recapitalization**") under an amended and restated plan of compromise and arrangement under the *Companies' Creditors Arrangement Act* (Canada) and an extrajudicial restructuring proceeding in Brazil. Mr. Cina was a director of the Company when the Company pursued the Recapitalization. The Company completed the Canadian portion of the Recapitalization on October 27, 2016, and the Brazilian portion of the Recapitalization on March 31, 2017.

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

Other than the below, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to materially affect control of the Company, has as of the date of the AIF, or has been within the 10 years before the date hereof, became bankrupt, made a proposal under any legislation relating to the bankruptcy or insolvency or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

On June 11, 2020, North River Resources PLC, a company registered in England, entered voluntary administration, which is a process under English bankruptcy and insolvency law. Mr. De Armas was a director of North River Resources PLC at the time it entered into voluntary administration but is no longer a director.

On July 16, 2021, Heron Resources Limited entered voluntary administration, which is a process under Australian bankruptcy and insolvency law. Mr. De Armas was a director of Heron Resources Limited at the time it entered into voluntary administration but is no longer a director.

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

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

CONFLICTS OF INTEREST

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

Additionally, CLF has nominees on the Board of Directors. This could lead to conflicts of interests, real or perceived, where the interests of CLF and their respective nominees differ from those of the Company. In such circumstances, the nominees of CLF may be required to abstain from voting on certain matters.

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

11. PROMOTER

During the two most recently completed financial years (2023-2024), no person or company has been a promoter of the Company.

12. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

In the normal course of business, the Company is, and expects to continue to be, subject to various legal proceedings. While it is not possible to determine the ultimate outcome of such proceedings at this time, and inherent uncertainties exist in predicting such outcomes, it is the Company's belief that the ultimate resolution of any such known actions is not reasonably likely to have a material adverse effect on its consolidated financial statements.

13. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

During the three most recently completed financial years, other than as described in Section 4 – "*General Development of Business*", none of the directors, executive officers or persons or companies who beneficially own, or control or direct, directly or indirectly, more than 10% of any class of outstanding voting securities of the Company, nor any associate or affiliate of the foregoing persons, has or has had any material interest, direct or indirect, in any transaction that has materially affected or is reasonably expected to have a material effect on the Company.

14. TRANSFER AGENT AND REGISTRAR

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

15. MATERIAL CONTRACTS

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

- the APA dated November 6, 2017, by and among Itafos Conda LLC, the Company, Nu-West Industries, Inc., Nu-West Mining, Inc. and Agrium Inc., pursuant to which, among other things, the Company acquired assets relating to the Conda phosphate operations, entered into long-term strategic supply and off-take agreements and allocated certain environmental and asset retirement obligation liabilities, which are still in effect (see Section 5 – "*Environmental Protection and Asset Retirement Obligations Risks*");
- the MAP sales agreement (also referred to as the MAP Offtake Agreement) dated September 7, 2023, between Itafos Conda LLC and the J.R. Simplot Company to sell 100% of its MAP production, which commenced on January 1, 2024 for a five-year term relating to the Company's phosphate-based fertilizer manufacturing facility; and
- the sales purchase agreement (also referred to as the Ammonia Supply Agreement) dated August 7, 2023 between Itafos Conda LLC and PCS Sales (USA), Inc., a wholly-owned subsidiary of Nutrien, which commenced on January 1, 2024, relating to the purchase of anhydrous ammonia in liquified compressed gas form.

16. INTEREST OF EXPERTS

TECHNICAL INFORMATION

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

- Terry Kremmel, Professional Engineer licensed by the State of Missouri and the State of North Carolina, US and registered member of the Society for Mining, Metallurgy and Exploration;
- Jerry DeWolfe, Professional Geologist, member in good standing of the Association of Professional Engineers and Geoscientists of Alberta, the Association of Professional Engineers and Geoscientists of British Columbia, and the Association of Professional Geoscientists of Ontario;
- Mitchel J. Hart, Professional Engineer, licensed by the State of Idaho, US and registered member of the Society of Mining, Metallurgy and Exploration; and
- Luc Adjanor, Chartered Engineer and registered member of the Institute of Materials Minerals, and Mining and Qualified for Mineral Reporting.

Unless otherwise indicated, the responsible Qualified Person, as defined by NI 43-101, who has reviewed and approved the technical information sourced from the latest respective technical reports and contained in this AIF regarding mineral resources for Conda and Farim is Jerry DeWolfe, Professional Geologist with the Association of Professional Engineers and Geoscientists of Alberta. Mr. DeWolfe is a full-time employee of WSP.

Unless otherwise indicated, the responsible Qualified Person, as defined by NI 43-101, who has reviewed and approved the technical information sourced from the latest respective technical reports and contained in this AIF regarding mineral reserves for Conda and Farim is Terry Kremmel, Professional Engineer licensed by the States of Missouri and North Carolina. Mr. Kremmel is a full-time employee of WSP.

Unless otherwise indicated, the responsible Qualified Person, as defined by NI 43-101, who has reviewed and approved the technical information sourced from the latest respective technical reports and contained in this AIF regarding mineral resources for Arraias and Santana is Carlos Guzmán, FAusIMM (229036), Mining Engineer, RM (Chilean Mining Commission). Mr. Guzmán is a full-time employee of NCL Brasil Engenharia Ltda. and is independent of the Company.

None of the aforementioned persons received, directly or indirectly, any shares of the Company in connection with the preparation of the Conda Technical Report. As of December 31, 2024, the aforementioned persons beneficially owned and controlled less than one percent of the issued and outstanding shares of the Company.

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

FINANCIAL STATEMENTS

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

17. ADDITIONAL INFORMATION

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

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

Additional financial information is provided in the Company's Consolidated Financial Statements, the 2023 Annual MD&A and the 2022 Annual MD&A, which are available under the Company's profile on SEDAR+ at www.sedarplus.com and on the Company's website at www.itafos.com.

18. AUDIT COMMITTEE

OVERVIEW

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

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

The Company is a "venture issuer" pursuant to relevant securities legislation. As such, the Company is relying on the exemption in Section 6.1 of National Instrument 52-110 – Audit Committees ("NI 52-110") from the Audit Committee composition requirements of Part 3 and the reporting obligations of Part 5 of NI 52-110. At no time since the commencement of the Company's most recently completed fiscal year ended December 31, 2024, has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-Audit Services), or the exemptions in Section 6.1.1 of NI 52-110 with respect to composition of an audit committee of a venture issuer (Circumstance Affecting the Business or Operations of the Venture Issuer, Events Outside Control of Member and Death, Incapacity or Resignation), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

COMPOSITION

As of December 31, 2024, the members of the Committee were Anthony Cina (Chair), Ricardo De Armas and Ronald Wilkinson. Each member of the Committee is "financially literate" and, other than Mr. De Armas (who is a CLF designee), each member of the Committee is "independent" as such terms are defined in National Instrument 52-110 - Audit Committees.

RELEVANT EDUCATIONAL EXPERIENCE

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

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

Anthony Cina – Chair
Mr. Cina has over 35 years' experience in accounting, finance and tax-related matters and has extensive experience in the mining industry. Mr. Cina is a corporate director on various boards and has been a director and board advisor to various mining and technology-related public and private companies. Prior to these roles, Mr. Cina served in several senior executive roles with mining companies, most recently as Senior Vice President, Business Administration at Yamana Gold Inc. ("Yamana"). Prior to joining Yamana, Mr. Cina was Chief Financial Officer of Itafos. Mr. Cina is a Chartered Accountant and Chartered Professional Accountant and received the ICD.D designation from the Institute of Corporate Directors. Mr. Cina holds a Bachelor of Commerce degree from the University of Toronto.

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

Ronald Wilkinson – Director

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

PRE-APPROVAL POLICIES AND PROCEDURES

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

EXTERNAL AUDIT SERVICE FEES

For the years ended December 31, 2024 and 2023, the external audit service fees billed by the Company's external auditors were as follows:

(in thousands of US Dollars)	2024	2023
Audit fees[i]	$ 623	$ 558
Tax fees[ii]	—	—
Other fees[iii]	—	—
External audit service fees[iv]	**$ 623**	**$ 558**

i. For professional services rendered by the Company's external auditors for the audit of the Company's annual financial statements, and interim reviews of the Company's interim financial statements.

ii. For professional services rendered by the Company's external auditors for assistance with preparation and review of tax filings and related tax compliance and assistance in responding to tax authorities, including tax audits.

iii. For professional services rendered by the Company's external auditors for work in connection with the Company's special matters.

iv. This table replaces the "EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)" table in the Company's Management Information Circular dated May 21, 2024.

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

The Company's Audit Committee Charter is reproduced below. A copy of this Charter is available on the Company's website at www.itafos.com.

Purpose and Scope

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

- Overseeing integrity of the Company's financial statements and reviewing the financial reports and other financial information provided by the Company to any governmental body or the public and preparing reports or certifications required by any governmental body, including any stock exchange, in connection with the Company's financial reports;

- Recommending the appointment and reviewing and appraising the audit work of the Company’s independent auditor, overseeing the independent auditor’s qualifications and independence and providing an open avenue of communication among the independent auditor, senior management, the financial, internal audit and reporting team, and the Board;
- Reviewing the Company’s financial statements, MD&A and annual and interim profit or loss press releases before they are publicly disclosed and overseeing procedures for reviewing the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements (other than press releases, which must be reviewed by this Committee);
- Serving as an independent and objective party to oversee and monitor the Company’s auditing, accounting, financial reporting process and internal controls, its processes to manage financial risk, and its compliance with legal, ethical and regulatory requirements regarding financial reporting; and
- Performing such other duties and responsibilities set forth in this charter.

The management of the Company is responsible for preparing accurate and complete financial statements in accordance with applicable financial reporting standards and principles, and for establishing and maintaining appropriate accounting principles and financial reporting policies and satisfactory internal control over financial reporting.

The Committee’s responsibility is one of oversight. It is not the responsibility of the Committee to prepare or certify the Company’s financial statements or to guarantee the audits or reports of the independent auditors, nor is it the duty of the Committee to certify that the independent auditor is “independent” under applicable rules. These are the fundamental responsibilities of management and the independent auditors. The Committee relies on the expertise and knowledge of management, the internal auditor and the independent registered accounting firm in carrying out its oversight responsibilities.

Composition and Meetings

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

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

The members of the Committee shall be appointed by the Board at the annual organizational meeting of the Board held following the annual meeting of shareholders and shall hold office until the following organizational meeting of the Board or until their successors shall be duly appointed and qualified. Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee on ceasing to be a director. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

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

Quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee or such greater number as the Committee shall by resolution determine. The Committee shall otherwise be governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board. The Committee shall take written minutes of its meetings and activities which will be filed with the meeting minutes of the Board.

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

All Committee members are expected to attend, in person or via teleconference, video conference, or other electronic communications facilities that permits all participants to communicate adequately, all meetings of the Committee, to come prepared for the meeting, and to remain in attendance for the duration of the meeting.

As part of its job to foster open communication, the Committee shall meet separately with the Chief Executive Officer and Chief Financial Officer of the Company at such times as it deems appropriate to review the financial affairs of the Company. The Committee will meet separately with the independent auditors of the Company and separately with the head of internal audit (if one is designated) at such times as it deems appropriate.

Responsibilities and Duties

To fulfill its responsibilities and duties the Committee shall:

1. Review and update this Charter periodically, as conditions dictate.
2. Describe briefly in the Company's annual report and more fully in the Company's Management Information Circular the Committee's composition and responsibilities and how they were discharged.
3. Report periodically to the Board of Directors.

Financial Reporting

4. Review with management and the independent auditors, the Company's annual and, to the extent that the independent auditors complete interim reviews, interim financial statements, management discussion and analysis and any reports or other financial information to be submitted to any governmental body, or the public, including any certification, report, opinion, or review rendered by the independent auditor for the purpose of recommending their approval to the Board prior to their filing, issue or publication.
5. Review the Company's financial statements, MD&A and annual and interim profit or loss press releases before they are publicly disclosed.
6. Oversee procedures for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements (other than press releases, which must be reviewed by this Committee), and periodically assess the adequacy of such procedures.

Independent Auditor

7. Recommend the selection of the independent auditor to the Board of Directors, consider the independence and effectiveness of the independent auditor (including any required rotation of the audit partners), and approve the fees and other compensation to be paid to the independent auditor.
8. Review any management letters or other reports of the independent auditor and discuss any material differences of opinion between management and the independent auditor.
9. Review and discuss, on an annual basis, with the independent auditor all relationships they have with the Company to determine their independence and report to the Board. This includes obtaining from the independent auditor their formal written statement of independence, considering applicable auditor independence standards and taking any decisions and actions that may be necessary and appropriate where the Committee becomes aware of the potential for a conflict (or the reasonable perception of a conflict) between the interests of the independent auditors and the interests of the Company.
10. Review and approve requests for any management consulting engagement to be performed by the independent auditor and be advised of any other study undertaken at the request of management that is beyond the scope of the audit engagement letter and related fees.
11. Review the performance of the independent auditor, including the lead audit partner, and approve any proposed discharge and replacement of the independent auditor when circumstances warrant. Consider with management and the independent auditor the rationale for employing accounting/auditing firms other than the principal independent auditor.
12. Periodically consult with the independent auditor in the absence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the Company's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.
13. Arrange for the independent auditor to be available to the Committee and the full Board of Directors as needed. Ensure that the auditor reports directly to the Committee and is made accountable to the Board of Directors and the Committee, as representatives of the shareholders to whom the auditor is ultimately responsible.
14. Oversee the work of the independent auditor engaged for preparing or issuing an audit report or performing other audit, review or attest services.
15. Ensure that the independent auditor is prohibited from providing the following non-audit services and determining which other non-audit services the independent auditors are prohibited from providing:
    a) bookkeeping or other services related to the accounting records or financial statements of the Company;
    b) financial information systems design and implementation;
    c) appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
    d) actuarial services;
    e) internal audit outsourcing services;
    f) management functions or human resources;
    g) broker or dealer, investment adviser or investment banking services;
    h) legal services; and

i) any other services which the Canadian Public Accountability Board or any other public company accounting oversight board, as applicable, determines to be impermissible.

16. Ensure that it is informed by management or a Committee member and, if needed, by the independent auditor of each non-audit service and pre-approve any permissible non-audit services of the independent auditors, in accordance with applicable legislation. In relation to the pre-approval of permissible non-audit services, adopt specific policies and procedures for the engagement of such services, which detail the non-audit services. Such procedures may be delegated to one or more independent Committee member and must not include delegation of the Committee's responsibilities to management.

Financial Reporting Processes

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

Process Improvement

20. At least annually, obtain and review a report prepared by the independent auditors describing (i) the auditors' internal quality-control procedures and (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors, or by any inquiry of investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the auditor, and any steps taken to deal with any such issues.
21. Review and approve hiring of employees or former employees of the past and present independent auditors.
22. Establish regular and separate systems of reporting to the Committee by each of management and the independent auditor regarding any significant judgments and accounting estimates made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments and estimates.
23. Review the scope and plans of the independent auditor's audit and reviews prior to the audit and reviews being conducted. The Committee may authorize the independent auditor to perform supplemental reviews or audits as the Committee may deem desirable.
24. Following completion of the annual audit and quarterly reviews, if any, review separately with each of management and the independent auditor any significant changes to planned procedures, any difficulties encountered during the audit and reviews, including any restrictions on the scope of work or access to required information and the cooperation that the independent auditor received during the audit and reviews.
25. Review any significant disagreements between management and the independent auditor in connection with the preparation of the financial statements and, where there are significant unsettled issues, the Committee shall ensure that there is an agreed course of action for the resolution of such matters.
26. Review with the independent auditor and management significant findings during the year and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been

implemented. This review should be conducted at an appropriate time after implementation of changes or improvements, as decided by the Committee.

27. Review activities, organizational structure, and qualifications of the chief financial officer and the staff in the financial area and ensure that matters related to succession planning within the Company's senior financial and accounting team are raised for consideration by the full Board.

Risk Management

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

General

29. Conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel, accountants and other professionals to assist it in the conduct of any investigation.
30. Perform any other activities consistent with this Charter, the Company's articles (or other governing documents) and the governing law, as the Committee or the Board deems necessary or appropriate.
31. Independently or in conjunction with the entire Board or the Company's Governance and Nominating Committee, perform annual assessments of the effectiveness of the Committee.
32. Review management's monitoring of the Company's systems in place to ensure that the Company's financial statements, reports and other financial information disseminated to governmental organizations and the public satisfy legal requirements.
33. Review, with the Company's counsel, legal and regulatory compliance matters, including corporate securities trading policies, any off-balance sheet structures, and any other matters that could have a significant impact on the Company's financial statements.
34. Confirming that appropriate actions are taken to review the status, results and resolutions of complaints regarding accounting, internal accounting controls or auditing matters submitted to the Committee by the Governance and Nominating Committee of the Board of Directors.

Role of Committee Chair

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

1. Provide leadership to the Committee and oversee the operation of the Committee following appropriate corporate governance practices.
2. Chair meetings of the Committee, unless not present, including in camera sessions.
3. Set the agenda for each meeting of the Committee, with input from other Committee members and take reasonable steps to ensure that the Committee has an opportunity at its meetings, where needed or appropriate, to meet in separate closed sessions without management present, and with or without internal personnel or external advisors as needed.
4. Act as liaison and maintain communication with the Board to optimize and coordinate input from directors, and to optimize the effectiveness of the Committee.

5. Facilitate effective communication between members of the Committee and management, encourage an open and frank relationship between the Committee and independent advisors.
6. Lead the Committee in monitoring and evaluating, in consultation and coordination with the Governance and Nominating Committee, the performance and effectiveness of the Committee as a whole and the contributions to the Committee of individual directors.
7. Perform such other duties as may be delegated from time to time to the Chair by the Board.

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