



Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
March 18, 2026

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The consolidated financial statements of Itafos Inc. (the "Company") and other financial information contained in the management's discussion and analysis of operations and financial condition ("MD&A") are the responsibility of management and have been approved by the Company's Board of Directors on the recommendation of the Audit Committee. The consolidated financial statements have been prepared on a going concern basis in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The consolidated financial statements, where necessary, include amounts which reflect management's best estimates and judgments based on current available information. To provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements, management maintains internal control over financial reporting.

The Company's Board of Directors, through its Audit Committee, is responsible for ensuring that management fulfills its responsibilities for financial reporting. The Company's Board of Directors is ultimately responsible for reviewing and approving the consolidated financial statements and MD&A.

The Audit Committee meets periodically with management and the independent auditors to review internal accounting controls, key audit matters, material accounting policies, significant estimates and judgments, and financial reporting issues and to satisfy itself that all parties are properly discharging their responsibilities. The Audit Committee also reviews the consolidated financial statements, MD&A and the independent auditor's report. The Audit Committee considers and recommends the engagement or reappointment of the independent auditor to the shareholders. The Audit Committee reports its findings to the Company's Board of Directors for its approval of the consolidated financial statements for issuance to the shareholders.

The consolidated financial statements have been audited, on behalf of the shareholders, by the Company's independent auditor, PricewaterhouseCoopers LLP, in accordance with Canadian generally accepted auditing standards. PricewaterhouseCoopers LLP has full and free access to the Audit Committee to discuss their audit and related matters.

Signed "G. David Delaney"
G. DAVID DELANEY
Chief Executive Officer

Signed "Matthew O'Neill"
MATTHEW O'NEILL
Chief Financial Officer

March 18, 2026



Independent auditor's report

To the Shareholders of Itafos Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Itafos Inc. and its subsidiaries (together, the Company) as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated balance sheets as of December 31, 2025 and 2024;
- the consolidated statements of operations and comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

PricewaterhouseCoopers LLP
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Impairment assessment of mineral properties, net and property, plant and equipment, net (PP&E) for the Arraias cash generating unit (CGU)</p> <p>Refer to note 3 – Summary of material accounting policies, note 4 – Critical accounting estimates and judgments, note 8 – Impairments, note 9 – Property, plant and equipment, note 10 – Mineral properties, and note 26 – Segment reporting to the consolidated financial statements.</p> <p>As at December 31, 2025, the carrying value of mineral properties, net and PP&E for the Arraias CGU amounted to \$54.6 million.</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <ul style="list-style-type: none">• Tested how management determined the recoverable amount of mineral properties, net and PP&E related to the Arraias CGU, which included the following:<ul style="list-style-type: none">– Tested the underlying data used in the discounted cash flow model.– Evaluated the reasonableness of key assumptions by (i) comparing future commodity prices with external market and industry data; (ii) comparing operating costs to historical information and external industry data; and (iii) assessing whether these key assumptions were consistent with evidence obtained in other areas of the audit, as applicable.

Key audit matter

Whenever indications of impairment exist, the Company estimates the recoverable amount of the asset in order to compare such estimated recoverable amount to its carrying value. An impairment is recognized for any excess of the carrying value of an asset over its estimated recoverable amount. The Company conducts impairment assessments at the level of the CGU to which the asset belongs. The Company determines the recoverable amount of a CGU as the higher of its fair value less costs of disposal and its value in use.

As of December 31, 2025, the Company's book value of net assets exceeded its market capitalization, which triggered an overall impairment assessment. As a result, the Company performed impairment assessments to estimate the recoverable amounts of its CGUs, including the Arraias CGU.

The Company determined the recoverable amount of the Arraias CGU based on a fair value less costs of disposal method using a discounted cash flow model. Key assumptions used in the discounted cash flow model included: future commodity prices, discount rate and operating costs.

The Company concluded that the estimated recoverable amount for the Arraias CGU was above the carrying value and therefore did not record an impairment.

We considered this a key audit matter due to the significant audit effort and subjectivity in performing procedures to test the key assumptions used by management in determining the recoverable amount of the Arraias CGU, which involved judgment by management. In addition, the audit effort involved the use of professionals with specialized skill and knowledge in the field of valuation.

How our audit addressed the key audit matter

- Professionals with specialized skill and knowledge in the field of valuation assisted in assessing the appropriateness of the method, the discounted cash flow model used by management and the reasonableness of the discount rate used within the model.
- Tested the disclosures, including the sensitivity analysis, made in the consolidated financial statements with regard to the impairment assessment of mineral properties, net and PP&E for the Arraias CGU.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis of Operations and Financial Condition.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sean Devlin.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

March 18, 2026



**CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2025 AND 2024**

	December 31, 2025	December 31, 2024
<i>(in thousands of US Dollars)</i>		
Assets		
Cash and cash equivalents	\$ 70,489	\$ 74,372
Accounts receivable	45,831	41,270
Inventories, net (Note 6)	195,206	131,813
Other current assets (Note 11)	9,585	9,246
Total current assets	\$ 321,111	\$ 256,701
Long-term inventories, net (Note 6)	1,198	1,304
Property, plant and equipment, net (Note 9)	295,639	238,879
Mineral properties, net (Note 10)	205,573	190,475
Deferred tax assets, net (Note 24)	12,416	7,850
Other long-term assets (Note 11)	2,101	653
Total non-current assets	\$ 516,927	\$ 439,161
Total assets	\$ 838,038	\$ 695,862
Liabilities		
Accounts payable and accrued liabilities (Note 12)	\$ 77,292	\$ 60,005
Provisions (Note 13)	28,740	6,252
Current debt (Note 14)	11,033	11,163
Contract liabilities	645	626
Other current liabilities (Note 15)	7,169	2,858
Total current liabilities	\$ 124,879	\$ 80,904
Long-term debt (Note 14)	77,428	86,804
Long-term provisions (Note 13)	174,055	166,303
Other long-term liabilities (Note 15)	26,641	14,022
Total long-term liabilities	\$ 278,124	\$ 267,129
Total liabilities	\$ 403,003	\$ 348,033
Equity		
Share capital (Note 16)	541,975	540,031
Contributed surplus	246,626	246,626
Cumulative translation adjustment reserve	3,797	4,660
Deficit	(357,363)	(443,488)
Shareholders' equity (Note 2 and 16)	\$ 435,035	\$ 347,829
Non-controlling interest (Note 2 and 16)	—	—
Total equity	\$ 435,035	\$ 347,829
Total liabilities and equity	\$ 838,038	\$ 695,862

The accompanying notes are an integral part of the consolidated financial statements.

Approved by the Company's Board of Directors
Signed "Tony Cina"
TONY CINA
Chairman

Signed "G. David Delaney"
G. DAVID DELANEY
Director

**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

<i>(in thousands of US Dollars except as otherwise noted)</i>	<i>For the years ended December 31,</i>	
	2025	2024
Revenues (Note 18)	\$ 557,973	\$ 491,240
Cost of goods sold	413,733	342,446
Gross margin	\$ 144,240	\$ 148,794
Selling, general and administrative expenses (Note 19)	33,607	28,332
Operating income	\$ 110,633	\$ 120,462
Foreign exchange loss (Note 20 and 30)	(1,756)	(2,704)
Other income (Note 21)	17,387	1,218
Gain on disposal of subsidiary (Note 22)	27,921	—
Finance expense, net (Note 23)	(9,458)	(10,932)
Income before income taxes	\$ 144,727	\$ 108,044
Current and deferred income tax expense (Note 24)	28,596	20,253
Net Income	\$ 116,131	\$ 87,791
Net income attributable to non-controlling interest (Note 2 and 16)	—	—
Net income attributable to shareholders of the Company	\$ 116,131	\$ 87,791
Other comprehensive income (loss)		
Items that may be reclassified subsequently to profit or loss:		
Cumulative translation adjustment (Note 22)	(863)	—
Total comprehensive income	\$ 115,268	\$ 87,791
Basic earnings (\$/share) (Note 17)	\$ 0.60	\$ 0.46
Diluted earnings (\$/share) (Note 17)	\$ 0.59	\$ 0.45

The accompanying notes are an integral part of the consolidated financial statements.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

<i>(in thousands of US Dollars except as otherwise noted)</i>	Number of shares	Amount	Contributed surplus	Cumulative translation adjustment reserve	Deficit	Shareholders' equity	Non-controlling interest	Total equity
Balance as of December 31, 2023	190,608,358	\$ 538,727	\$ 246,626	\$ 4,660	\$ (531,279)	\$ 258,734	\$ —	\$ 258,734
Net income and comprehensive income	—	—	—	—	87,791	87,791	—	87,791
Issuance of shares under RSU Plan (Note 16)	1,406,426	1,304	—	—	—	1,304	—	1,304
Balance as of December 31, 2024	192,014,784	\$ 540,031	\$ 246,626	\$ 4,660	\$ (443,488)	\$ 347,829	\$ —	\$ 347,829
Net income	—	—	—	—	116,131	116,131	—	116,131
Cumulative translation adjustment (Note 22)	—	—	—	(863)	—	(863)	—	(863)
Issuance of shares under RSU Plan (Note 16)	1,219,930	1,944	—	—	—	1,944	—	1,944
Dividends (Note 16)	—	—	—	—	(30,006)	(30,006)	—	(30,006)
Balance as of December 31, 2025	193,234,714	541,975	246,626	3,797	(357,363)	435,035	—	435,035

The accompanying notes are an integral part of the consolidated financial statements.

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

<i>(in thousands of US Dollars)</i>	<i>For the years ended December 31,</i>	
	2025	2024
Operating activities		
Net income	\$ 116,131	\$ 87,791
Adjustments for the following items:		
Depreciation and depletion	44,451	34,585
Share-based payment expense <i>(Note 15)</i>	6,090	2,231
Current and deferred income tax expense <i>(Note 24)</i>	28,596	20,253
Gain on disposal of subsidiary <i>(Note 22)</i>	(27,921)	—
Unrealized foreign exchange loss	979	2,485
Commodity derivative fair value loss <i>(Notes 21 and 29)</i>	—	1,018
Gain on sale of investments <i>(Notes 8 and 21)</i>	(15,578)	—
Finance expense, net <i>(Note 23)</i>	9,458	10,932
Cash payment of settled commodity derivative <i>(Notes 21 and 29)</i>	—	(1,782)
Cash settlement of share-based payments <i>(Note 15)</i>	(255)	(135)
Income tax payments	(26,761)	(16,780)
Environmental and asset retirement obligations payments <i>(Note 13)</i>	(5,662)	(3,699)
Net change in non-cash working capital <i>(Note 27)</i>	(41,428)	(16,851)
Cash flows from operating activities	\$ 88,100	\$ 120,048
Investing activities		
Addition of property, plant and equipment and mineral properties <i>(Note 9 and 10)</i>	\$ (78,138)	\$ (67,480)
Proceeds from disposal of subsidiary, net <i>(Note 22)</i>	15,809	—
Proceeds from sale of investments, net	21,753	—
Interest received <i>(see Note 23)</i>	3,681	2,275
Cash flows used by investing activities	\$ (36,895)	\$ (65,205)
Financing activities		
Proceeds from debt <i>(Note 14)</i>	\$ —	\$ 31,299
Repayment of debt <i>(Note 14)</i>	(11,062)	(27,437)
Dividends paid to shareholders <i>(Note 16)</i>	(30,729)	—
Repayment of lease liabilities <i>(Note 15)</i>	(5,100)	(3,979)
Interest paid	(9,037)	(8,879)
Payment of financing related costs	—	(372)
Cash flows used by financing activities	\$ (55,928)	\$ (9,368)
Effect of foreign exchange of non-US Dollar denominated cash	\$ 840	\$ (1,856)
Increase (decrease) in cash	(3,883)	43,619
Beginning cash	74,372	30,753
Ending cash	\$ 70,489	\$ 74,372

The accompanying notes are an integral part of the consolidated financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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.

1. GENERAL COMPANY INFORMATION

Itafos Inc. (the “Company”) is a phosphate and specialty fertilizer company. As of March 18, 2026, the Company’s businesses and projects are as follows:

- Conda – a vertically integrated phosphate fertilizer business located in Idaho, US;
- Arraias – a vertically integrated phosphate fertilizer business located in Tocantins, Brazil;
- Farim – a phosphate mine project located in Farim, Guinea-Bissau; and
- Santana – a vertically integrated phosphate mine and fertilizer plant project located in Pará, Brazil;

The Company is a Delaware corporation with operations in the United States, Brazil and Guinea-Bissau. The Company’s shares trade on the TSX Venture Exchange (“TSX-V”) under the ticker symbol “IFOS”. The Company’s shares also trade in the US on the OTCQX® Best Market (“OTCQX”) under the ticker symbol “ITFS”. The Company’s principal shareholder is CL Fertilizers Holding LLC (“CLF”). CLF is an affiliate of Castlelake, L.P., a global private investment firm. CLF is a related party (see Notes 16 and 28).

2. BASIS OF PREPARATION AND PRESENTATION

STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and were authorized for issuance by the Company’s Board of Directors on March 18, 2026.

GOING CONCERN BASIS

The consolidated financial statements have been prepared and presented under the historical cost convention and on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

BASIS OF PRESENTATION

CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are those entities which the Company controls by having the power to govern their financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which the Company obtained control and are deconsolidated from the date on which the Company ceases to have control. All intercompany balances and intercompany transactions are eliminated on consolidation.

As of December 31, 2025, the Company's consolidated entities were as follows:

Entity Name	Jurisdiction	Segment
Itafos Inc.	State of Delaware, US	Corporate
Itafos Services LLC	State of Delaware, US	Corporate
Itafos Conda Holdings LLC	State of Delaware, US	Conda
Itafos Conda LLC	State of Delaware, US	Conda
Itafos Conda Services LLC	State of Delaware, US	Conda
Itafos US Holdings Inc.	State of Delaware, US	Development and exploration
Itafos International Holdings Cooperatie U.A.	Netherlands	Arraias
Itafos Brazil Holdings I B.V.	Netherlands	Arraias
Itafos Brazil Holdings II B.V.	Netherlands	Arraias
Itafos Brazil Holdings III B.V.	Netherlands	Arraias
Itafos Fundo de Investimento em Participações Multiestratégia	Brazil	Arraias
Itafos Brazil Trading Company Ltda.	Brazil	Arraias
Itafos Arraias Mineração e Fertilizantes S.A.	Brazil	Arraias
Itafos Santana Mineração e Fertilizantes S.A.	Brazil	Development and exploration
Itafos Desenvolvimento S.A.	Brazil	Development and exploration
Itafos Brazil Holdings	Cayman Islands	Arraias
Itafos Ltd.	Cayman Islands	Development and exploration
Itafos I LP	Cayman Islands	Development and exploration
Itafos II LP	Cayman Islands	Development and exploration
Itafos Guinea-Bissau Holdings	Cayman Islands	Development and exploration
Itafos Farim Holdings	Cayman Islands	Development and exploration
Stonegate Agricom Ltd.	Cayman Islands	Development and exploration
GB Minerals AG	Switzerland	Development and exploration
Itafos Farim, Sarl	Guinea-Bissau	Development and exploration
Mantaro (BVI) Ltd.	British Virgin Islands	Development and exploration

For the year ended December 31, 2025, the Company had changes to its consolidated entities as follows:

- Itafos Araxá Mineração e Fertilizantes S.A (“Itafos Araxá”) (previously a consolidated entity of the Company in Brazil). On February 26, 2025, the Company completed the sale of its 100% interest in its Araxá Project (see Note 22).

For the year ended December 31, 2024, the Company did not have any changes to its consolidated entities.

NON-CONTROLLING INTEREST (“NCI”)

As of December 31, 2025 and 2024, the Company had NCI as follows:

Entity	Company interests	NCI
Itafos Arraias Mineração e Fertilizantes S.A.	98.4%	1.6%
Itafos Santana Mineração e Fertilizantes S.A.	99.4%	0.6%

In 2017, the Company’s subsidiary Itafos Arraias Mineração e Fertilizantes S.A. (“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 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. The Company has allocated equity between shareholders’ equity and NCI in the current period based on this methodology.

CURRENCIES

The Company’s presentation and functional currency is US Dollars (“\$”). The functional currency for all the Company’s subsidiaries is the \$. The consolidated financial statements also reference Canadian Dollars (“C\$”) and Brazilian Reals (see Note 30).

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The Company’s material accounting policies are summarized below:

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on deposit with banks and highly liquid short-term investments with terms of 90 days or less.

INVENTORIES

Inventories consist of the following:

- raw materials including ore extracted from mine sites, ore stockpiled at the production facilities and chemicals used to produce phosphate-based fertilizers;
- work in process including inventories that are currently in the process of being converted to finished goods;
- finished goods including inventories of superphosphoric acid (“SPA”), monoammonium phosphate (“MAP”), MAP with micronutrients (“MAP+”), merchant grade phosphoric acid (“MGA”), single superphosphate (“SSP”), SSP with micronutrients (“SSP+”), hydrofluorosilicic acid (“HFSA”), Direct Application Phosphate Rock (“DAPR”), Partially Acidulated Phosphate Rock (“PAPR”), Granulated Partially Acidulated Rock (“G-PAPR”), and sulfuric acid in saleable form; and
- spare parts including commodity consumables and other materials used in the production process as well as spares and maintenance supplies that are not classified as capital items.

Inventories are valued at the lower of cost or net realizable value. Reversals of previous write-downs are made when there is an increase in the value of inventories. Costs include materials, direct labor, other direct costs and production overhead and amortization of plant, equipment and mineral properties directly involved in the mining and production processes. These costs are allocated to raw materials, work in process and finished goods based on the costs incurred in the applicable stage of processing. Overhead (indirect) costs are allocated based on normal levels of production. In periods where the Company produces at less than normal capacity, unallocated overhead costs are recognized as an expense in cost of sales in the period in which they are incurred. As finished goods are sold, costs are removed on a weighted-average basis.

INVESTMENTS

The Company measures all equity investments at fair value. Changes in the fair value of investments at fair value through profit or loss are recognized in other income (expense) in the statement of operations and comprehensive income as applicable.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at cost less depreciation and impairments. Cost includes all expenditures incurred to prepare the asset for its intended use. Costs are also capitalized to the extent they improve the productive capacity or extend the useful economic life of an asset. Depreciation commences when an asset is available for use.

For the major categories of property, plant and equipment, the Company considers depreciation methods and useful lives as follows:

Asset	Depreciation method	Useful life
Land	Not depreciated	–
Buildings and plant	Straight line	3 – 25 years
Machinery, equipment and other ⁱ	Straight line	2 – 10 years

i. Includes environmental and asset retirement obligation assets.

The Company allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant parts and depreciates each part. Residual values, methods of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Expenditures that extend the useful lives of existing facilities or equipment are capitalized and depreciated over the remaining useful lives of the assets or useful life of the component (e.g., major inspections and overhauls) of an asset. Repairs and maintenance expenditures are expensed as incurred.

The Company derecognizes property, plant and equipment upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized within other income (expense) in the statement of operations.

The Company reviews and tests the carrying value of its property, plant and equipment when events or changes in circumstances suggest that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable amount. The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration (see IMPAIRMENTS in this Note 3 below).

LEASES

The Company recognizes a right-of-use asset and corresponding lease liability for any leased assets not of low-value in nature with noncancelable lease terms greater than 12 months in duration. In determining the lease term, the Company assesses the economic benefits of exercising contractual options to extend the duration of the lease or terminate, when applicable.

Upon recognizing a right-of-use asset, the Company discounts the future lease payments, including any applicable residual value guarantees, purchase options, or termination penalties, using an interest rate within the following hierarchy: (i) borrowing rate implicit in the lease and (ii) the Company's incremental borrowing rate. Variable lease payments dependent upon an index or rate are measured using the index or rate at the commencement date of the lease. The amount capitalized as a right-of-use asset is depreciated over the term of the lease and the corresponding lease liability is charged interest at the same rate used for discounting purposes. If the Company is unable to quantify the value of a right-of-use asset because the lease payments are variable and not dependent upon an index or rate, the Company does not recognize a right-of-use asset or corresponding lease liability, but rather discloses the amount of costs incurred during the period relating to such arrangements.

The Company assesses a lease modification to determine if the modification should be accounted for as a separate lease or the modification should be allocated to the remaining lease term of the modified lease. The Company's determination will be based on the change in scope of the lease agreement and whether the price is commensurate with the change in scope. If the Company determines that a lease modification will not be accounted for as a separate lease, the Company will remeasure the future lease payments in a manner consistent with that of a new lease. The measured future lease payments will be discounted using effective rates at time of the modification over the revised term of the modified lease.

CAPITALIZED INTEREST

The Company capitalizes interest for qualifying assets. Qualifying assets are assets that require more than one year to prepare for their intended use, including projects that are in development or construction stages. Capitalized interest costs are included in costs of the qualifying assets and are determined based on gross expenditures incurred on the asset. Capitalization ceases when the development or construction of an asset is substantially complete, and an asset is ready for its intended use or active development or construction is suspended. Where the funds used to finance a qualifying asset form part of general borrowings, the borrowing costs eligible for capitalization are determined by applying a capitalization rate, which is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, to the expenditures on the asset. Capitalized interest costs are amortized on the same basis as the related qualifying asset.

ASSETS UNDER CONSTRUCTION

Assets in the course of construction are capitalized as assets under construction. On completion, the cost of construction is transferred to the appropriate category of property, plant and equipment, and depreciation commences when the asset is available for its intended use.

PLANT TURNAROUND COSTS

Planned inspections, replacements and overhauls of plant machinery and equipment requiring a full or partial plant shutdown are designated as a plant turnaround. The costs related to plant turnarounds are capitalized in property, plant and equipment as incurred and amortized to production costs over the period benefited, which corresponds with the next scheduled plant turnaround cycle.

MINERAL PROPERTIES AND EXPLORATION AND EVALUATION EXPENDITURES

The Company accounts for its projects including (i) Farim, and (ii) Santana under IFRS 6 Exploration for and Evaluation of Mineral Resources.

Exploration and evaluation assets acquired as part of an asset acquisition are capitalized at cost, which represents the fair value of the assets at the time of acquisition.

Costs incurred in the exploration and evaluation of Mineral Reserves and Mineral Resources include permitting activities, geological and geophysical expenses, costs of drilling and general and administrative costs related to exploration and evaluation activities. Such costs are expensed until such time as the technical feasibility and commercial viability of extracting Mineral Reserves and Mineral Resources from the assets is demonstrated, at which point, the project is considered economically feasible and designated as a development project. Costs incurred subsequent to this designation are capitalized until commercial production commences or it is determined that the capitalized amounts will not be recovered.

Following achievement of commercial production, capitalized acquisition costs and capitalized exploration and evaluation costs are amortized using the unit-of-production method based on the estimated economically recoverable Mineral Reserves and Mineral Resources.

CARE AND MAINTENANCE

Changes in circumstances, including market dynamics, can cause continued production or further development to no longer be economically feasible. In such circumstances, the Company may elect to place its businesses or projects in care and maintenance. During care and maintenance, depreciable assets continue to be depreciated, as appropriate, over their useful economic lives.

DEFERRED STRIPPING COSTS

In mining operations, it is necessary to remove overburden and waste to access ore from which minerals can be extracted economically. The process of mining overburden and waste materials is referred to as stripping. Stripping costs incurred prior to commercial production are capitalized to mineral properties and include costs to (i) improve access to ore body to be mined in the future, (ii) increase the fair value of the mine as access to future Mineral Reserves and Mineral Resources become less costly and (iii) increase the production capacity or extend the life of mine. Such capitalized stripping costs are amortized on a unit-of-production method over the Mineral Reserves and Mineral Resources to which such costs relate. Stripping costs incurred during production of a mine are accounted for as a cost of producing those inventories during the period that the stripping costs are incurred.

IMPAIRMENTS

In accordance with International Accounting Standard (“IAS”) 36 “Impairment of Assets” and IFRS 6 “Exploration for and Evaluation of Mineral Resources”, the Company reviews the carrying amounts of its non-current assets including property, plant and equipment and mineral properties for impairment whenever facts and circumstances indicate that the recoverable amounts may be less than the carrying values. Whenever indications of impairment exist, the Company estimates the recoverable amounts of the asset in order to compare such estimated recoverable amount to its carrying value. An impairment is recognized for any excess of the carrying value of an asset over its estimated recoverable amount. The Company conducts impairment assessments on its assets at the level of the cash generating unit (“CGU”) to which the asset belongs. The Company’s CGUs are considered to be its businesses, including Conda and Arraias, and its projects, including Farim and Santana.

The Company determines the recoverable amount of a CGU as the higher of its fair value less costs of disposal (“FVLCD”) and its value in use (“VIU”). Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Costs of disposal are incremental costs directly attributable to the disposal of an asset. The most appropriate measure of FVLCD is a market price, which would be classified within Level 1 or Level 2 of the fair value hierarchy. If a market price is not available, FVLCD is calculated considering a discounted cash flow methodology considering estimated cash flows from the perspective of an independent market participant, which would be classified within Level 3 of the fair value hierarchy. For earlier stage projects where a discounted cash flow methodology is not appropriate, FVLCD is calculated considering market data points including comparable public company and transaction valuations, which would be classified with Level 3 of the fair value hierarchy (see Note 30). VIU is calculated considering a discounted cash flow methodology considering estimated cash flows from the perspective of continuing use of the CGU in its present state.

The Company tests assets that have been impaired in prior periods for possible reversal of impairment whenever facts and circumstances indicate that the impairment may have reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount, but not beyond the carrying amount that would have been determined, net of depreciation, had no impairment been recognized for the asset in prior periods.

BORROWINGS

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently recorded at amortized cost using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan, are capitalized as a pre-payment for liquidity services and amortized using the effective interest rate method over the period of the facility to which it relates.

ENVIRONMENTAL AND ASSET RETIREMENT OBLIGATIONS

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 present value of the estimated environmental and asset retirement obligations is recorded as a liability, with a corresponding increase in the carrying amount of mineral properties or property plant and equipment. The capitalized amount is amortized to expense through depletion or depreciation over the life of the asset. The liability amount is updated each reporting period due to the passage of time and the amount of this accretion is charged to earnings in the period.

Revisions, if any, to the estimated timing of cash flows, to the original estimated undiscounted cost, or to update the discount rate to a current rate, if any, also result in an increase or decrease to the environmental and asset retirement obligations and the related asset. In the case of a decrease to an environmental and asset retirement obligation for which

there is no related asset, the amount is recorded as income in the statement of operations and comprehensive income. Actual costs incurred upon settlement of the environmental and asset retirement obligations are charged against the environmental and asset retirement obligations to the extent of the liability recorded. Any difference between the actual costs incurred upon settlement of the environmental and asset retirement obligations and the recorded liability is recognized as a gain or loss in the Company's earnings in the period in which the settlement occurs. Costs arising from unforeseen remediation activity are recognized as an expense and liability when the event occurs that gives rise to an obligation and reliable estimates of the required rehabilitation costs can be made.

In connection with the acquisition of Conda from subsidiaries of Agrium, Inc. ("Agrium"), a wholly-owned subsidiary of Nutrien Ltd. ("Nutrien"), Nutrien assumed full liability for all environmental and asset retirement obligations relating to the pre-closing operations of Conda. As current owner and operator of Conda (see Note 30), the Company is liable for environmental and asset retirement obligations relating to the post-closing operations of Conda. Accordingly, the Company recognizes the present value of its respective share of environmental and asset retirement obligations relating to the post-closing operations of Conda as follows:

Conda environmental and asset retirement obligations	Liability	Recognition
Rasmussen Valley mine	Company	100%
Lanes Creek mine	Company	100%
Husky 1 and North Dry Ridge mine	Company	100%
Phosphogypsum stack 1	Shared with Nutrien	Pro-rata
Phosphogypsum stack 2	Shared with Nutrien	Pro-rata
Phosphogypsum stack 3	Company	100%
North Rasmussen Ridge Mine shop and haul road	Shared with Nutrien	Pro-rata

RESTRICTED SHARE UNITS

The Company issues RSUs under the Company's restricted share unit plan (the "RSU Plan") to compensate selected directors, employees and contractors. Each RSU granted under the Company's RSU Plan has a value equal to one common share.

Each vested RSU entitles the holder to receive one share of the Company or a cash payment equal to the equivalent of one share, depending on the terms of the grant. The RSUs granted under the Company's RSU Plan vest as follows:

- for RSUs granted to directors, employees and contractors, 1/3 on the anniversary of the grant date over a period of three years; and
- for RSUs granted to management, based on a combination of time and performance with 50% of the RSUs vesting 1/3 on the anniversary of the grant date over a period of three years and 50% of the RSUs vesting on the third anniversary of the grant date subject to achievement of certain key performance indicators as established by the Company's Board of Directors.

The RSUs are accounted for as cash settled share-based payments with a liability recognized for services provided. A liability for RSUs is measured at fair value considering the market price of the share on the grant date and is subsequently adjusted for changes in fair value at the end of each reporting period. The liability is recognized on a straight-line basis over the vesting period, with a corresponding charge to compensation expense, as a component of selling, general and administrative expenses within the corporate segment. Compensation expenses for RSUs incorporate an estimate for expected forfeiture rates based on which the fair value is adjusted (see Note 15).

SHARE ISSUANCE COSTS

Costs incurred in connection with the issuance of shares are netted against the proceeds received.

NCI

NCI in the Company's less than wholly-owned subsidiaries are classified as a separate component of equity. For NCI, the net assets and net profit attributable to outside shareholders are presented as amounts attributable to NCI in the consolidated balance sheet and consolidated statements of operations and comprehensive income (see Note 2).

REVENUE RECOGNITION

Revenues from Sale of Goods

The Company's revenues consist of Conda's sales of MAP, MAP+, SPA, MGA and HFSA to its customers in the North American market and Arraias's sales of DAPR, PAPR, G-PAPR and excess sulfuric acid in the Brazilian market. The Company recognizes revenue from these sales when control of the product has transferred to the customer as specified by the contract delivery terms agreed with the customer (e.g., free on board, freight paid allowance, delivery prepaid). The control of the product has transferred to the customer when the customer has legal title to and the risk and rewards of ownership of the product and the customer is able to direct the use of and obtain substantially all of the remaining benefits from the product. Revenue is measured at the transaction price agreed under the contract. The Company's customer contract terms do not typically extend beyond 12 months from commencement. Accordingly, unfulfilled performance obligations and financing components of customer contracts do not have a significant impact on the presentation and disclosure of the consolidated financial statements. Individual customer orders are placed in accordance with underlying contract terms. Customer orders are typically fulfilled within 30 days or less from receipt of the order. Payment of the transaction price is due based on the terms stated in the contract. Typically, payments are received 30-60 days from the invoice date.

Variable Consideration

The Company's revenues are subject to variable consideration such as rebates and credits. These rebates are normally outlined in the contracts and are subject to customers meeting certain volume thresholds. The Company estimates the variable consideration to be at the most likely amount to which each customer is contractually entitled. The Company includes the likely amount in the transaction price to the extent that it is highly probable a significant reversal of revenue will not occur when the uncertainty will be resolved. Estimates of variable consideration and its inclusion in the transaction price are based on management's assessment of anticipated performance and information reasonably available to the Company. A rebate liability (included in accounts payable and accrued liabilities) is recognized for the expected rebates and credits payable to customers in relation to sales made until the end of the reporting period.

Contract Liabilities

The Company recognizes consideration received from customers for performance obligations not yet met as contract liabilities. As performance obligations are met the contract liabilities are amortized and recognized as revenues.

TAXES

Income Tax

Income tax considers current and deferred tax. Income tax is recognized in the statement of operations except to the extent that it relates to items recognized directly in equity, in which case the income tax is recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year. Current tax is determined at the end of the reporting period, using tax rates enacted or substantively enacted in the countries where the Company and its subsidiaries operate and generate taxable income. Current tax also includes any adjustment to tax payable in respect of previous years.

Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset or liability is settled.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets are recognized for the carry-forward of unused tax losses and/or credits to the extent that it is probable that taxable profits will be available against which the unused tax losses and/or credits can be utilized. The interpretation of tax regulations and legislation and their application to the Company and its subsidiaries is subject to change. Accordingly, the Company's ability to realize deferred income tax assets could significantly affect net income or cash flows in future periods.

Deferred tax assets and liabilities are presented as non-current and can be presented on a net basis if related subject to certain criteria.

BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is based on the weighted average number of common shares of the Company outstanding during the period. Diluted earnings (loss) per share is calculated using the treasury stock method and reflects the potential dilution of common share equivalents, such as outstanding share options, RSUs and warrants, in the weighted average number of common shares outstanding during the period, if dilutive. The diluted earnings (loss) per share calculation excludes any potential conversion of options and warrants that would increase earnings per share or decrease loss per share. The calculation of basic and diluted earnings (loss) for all periods presented is adjusted retrospectively when the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalization, bonus issue, or share split, or decreases as a result of a reverse share split.

FOREIGN CURRENCY TRANSLATION

Functional currency

Functional currency is the currency of the primary economic environment in which an entity operates. Foreign currency transactions are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions

and from period end remeasurement of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recognized in the statement of operations under foreign exchange gain (loss).

FINANCIAL INSTRUMENTS

IFRS 9 Financial Instruments ("IFRS 9") requires financial assets to be classified into three measurement categories on initial recognition: (i) those measured at fair value through profit and loss, (ii) those measured at fair value through other comprehensive income and (iii) those measured at amortized cost. Measurement and classification of financial assets depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Under IFRS 9, financial liabilities are measured at amortized cost or if the fair value option is chosen, the part of a fair value change relating to an entity's own credit risk is recorded in other comprehensive income.

The Company has accounted for modifications in accordance with the clarifications to calculate effective interest rate on financial liabilities using the original effective interest rate and recognize any gain or loss through profit and loss.

The Company applies an expected credit loss model for calculating impairment for financial assets, which is based on changes in credit quality since initial recognition.

SEGMENT REPORTING

The Company's segment reporting is as follows:

- Conda;
- Arraias;
- Development and Exploration; and
- Corporate.

The Company's Development and Exploration segment considers activities related to Farim, and Santana. The Company's Corporate segment considers support, administrative and financing activities (see Note 26). The Company's segment reporting is consistent with its internal reporting to its chief operating decision maker ("CODM"). The Company's CODM role is comprised of its management team. The CODM considers the Company's segment reporting in its decision making, planning, cash flow management and other management activities.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in accordance with IFRS Accounting Standards requires the Company to make estimates and judgments that affect the reported amounts of the assets, liabilities, revenues and expenses reported each period. Each of these estimates varies with respect to the level of judgment involved, changes in facts and circumstances, and the potential impact on the Company's reported financial results. Evaluations of estimates and judgments occur continuously. Estimates and judgments are based on historical experience and other factors including expectations of future events that are considered reasonable under the circumstances. Estimates are deemed critical, if the Company's financial condition, changes in financial condition or results of operations would be materially impacted by a different estimate or a change in estimate from period to period. By their nature, these estimates are subject to measurement uncertainty, and changes in these estimates may affect the consolidated financial statements of future periods. The key areas where judgments, estimates and assumptions have been made are summarized below.

Carrying Values and Impairment Charges

Whenever indications of impairment exist, the Company estimates the recoverable amount of the asset in order to compare such estimated recoverable amount to its carrying value. Calculating estimated recoverable amounts requires management to make estimates and assumptions relying on its judgment and taking into account information available at the end of each reporting period. The recoverable amount determination requires management to make estimates and assumptions about expected production and sales volumes, commodity prices, recoverable resources (based on estimated quantities of mineral resource and the Company's ability to convert resources in reserves), operating costs, mine closure and restoration costs, future capital expenditures and appropriate discount rates for future cash flows. Reserves and resources are estimated based on National Instrument 43-101 compliant reports produced by qualified persons. The estimates and assumptions are subject to risk and uncertainty, and as such there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reduced with the impact recorded in the consolidated statements of operations and comprehensive income.

Environmental and Asset Retirement Obligations

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 estimated future cash costs of such obligations are based primarily upon environmental and regulatory requirements of the various jurisdictions in which the Company operates as well as any other constructive obligations that exist. The liability represents management's best estimates assumptions such as of cash required to settle the liability, inflation, rates associated with future cash flows and the applicable risk-free interest rates for discounting the future cash outflow. Changes in the above factors can result in a change to the liability recognized by the Company. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental or regulatory requirements in the future.

Income Tax

The Company is subject to income taxes in numerous jurisdictions. The Company's income tax expense and deferred tax assets and liabilities represent management's best estimates of current and future taxes to be paid. Significant judgments and estimates are required in the calculation of the Company's income tax expense, including applying tax laws and regulations, calculating tax deductions such as tax depletion, estimating the timing of the reversals of temporary differences and estimating the realizability of deferred tax assets. These estimates impact current and deferred income tax assets and liabilities and current and deferred income tax expense. The actual future income tax expense and deferred tax assets and liabilities may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in tax laws and/or rates in the future.

Uncertain Tax Positions

The Company is subject to assessments by various taxation authorities, who may interpret tax legislation differently than the Company (see Note 25). Tax liabilities for uncertain tax positions are adjusted by the Company to reflect its best estimate of the probable outcome of assessments and in light of changing facts and circumstances, such as the completion of a tax audit, expiration of a statute of limitations, the refinement of an estimate, and interest accruals associated with the uncertain tax positions until they are resolved. Some of these adjustments require significant judgment in estimating the timing and amount of any additional tax expense.

5. RECENT ACCOUNTING PRONOUNCEMENTS

NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The International Accounting Standards Board (“IASB”) issued certain new accounting standards or amendments that were not yet effective as of December 31, 2025 as follows:

- IFRS 18, Presentation and Disclosure in Financial Statements, which was issued on April 9, 2024, will impact the presentation and disclosure of items in the financial statements, including the requirement to disclose management-defined performance measures (“MPMs”) in the financial statements. IFRS 18 will replace IAS 1. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its operating profit or loss. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027, and also applies to comparative information; and
- Amendments to the Classification and Measurement of Financial Instruments (IFRS 9 and IFRS 7), which was issued on May 30, 2024. This amendment clarifies the date of recognition and derecognition of financial assets and liabilities to address diversity in practice by making the requirements more understandable and consistently applied. These amendments will apply for reporting periods beginning on or after January 1, 2026, and will not apply to comparative information.

The Company is evaluating the potential effect of such new accounting standards or amendments on its consolidated financial statements in future periods.

6. INVENTORIES

As of December 31, 2025 and 2024, the Company had inventories as follows:

<i>(in thousands of US Dollars)</i>	December 31, 2025	December 31, 2024
Finished goods	\$ 21,681	\$ 14,889
Work in process	4,608	4,079
Raw materials	144,628	90,557
Spare parts	25,487	23,592
Inventories, net	\$ 196,404	\$ 133,117
Less: current portion	(195,206)	(131,813)
Long-term inventories, net	\$ 1,198	\$ 1,304

As of December 31, 2025, raw materials inventories included a stockpile from mining activities at H1/NDR which is expected to commence shipping to the Conda plant in 2026.

As of December 31, 2025 and 2024, the Company had long-term inventories related to certain raw materials at Arraias.

7. INVESTMENTS

On February 26, 2025, in connection with the sale of the Araxá project, and in addition to the first installment cash payment of \$10,000 (less withholding tax payable), the Company received from St George Mining Limited (“St George”) the following: (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% total rare earth oxide (“TREO”) at a cut-off of 2% TREO within five years from the date of issue. On April 3, 2025, the Company received a vesting notice from St George related to the 11,111,100 performance rights received from St George as part of the sale of the Araxá project. On August 1, 2025, the Company converted 11,111,100 performance rights received from St George into ordinary SGQ Shares (see Note 22).

On October 16, 2025, the Company announced that it partially monetized its ownership interest in St George that it acquired as consideration for the sale of its Araxá project, announced in February 2025. Between October 13 and 14, 2025, the Company sold 277,893,103 SGQ Shares.

On October 16, 2025, the Company issued an exercise notice to exercise the 86,111,025 options at AUD\$0.04 per share. Between October 21 and 22, 2025, the Company sold the remaining 86,111,025 SGQ Shares.

The total net proceeds received from the sale of 364,004,128 SGQ Shares was \$21,753, net of the exercise price of the options.

For the years ended December 31, 2025 and 2024, the Company recorded a gain on sale of investments of \$15,578 and nil, respectively (see Note 21, 22, and 30).

8. IMPAIRMENTS

2025 IMPAIRMENT ASSESSMENT

As of December 31, 2025, the Company’s book value of net assets exceeded its market capitalization, which triggered an overall impairment assessment. As a result of the overall impairment trigger, the Company performed impairment assessments to estimate the respective recoverable amounts of its CGUs Conda, Arraias and Farim in order to compare such respective estimated recoverable amounts to their respective carrying values. The Company did not perform valuations to estimate the respective recoverable amounts of Santana due to de minimis respective carrying values.

In order to estimate the respective recoverable amounts of Conda, Arraias and Farim, the Company followed a FVLCD approach classified within Level 3 of the fair value hierarchy (see Note 30).

For Conda, Arraias and Farim the Company utilized a conventional discounted cash flow methodology considering projected cash flows from their business plans, risk adjusted discount rates and various sensitivities. The Company concluded that the estimated recoverable amounts for Conda, Arraias and Farim were above their carrying values and therefore did not record impairments.

The Company considered key assumptions such as quantity and grade of recoverable reserves and resources (ore production and %P₂O₅), future commodity prices and discount rates to estimate the recoverable amount of Conda, Arraias and Farim as follows:

<i>(in thousands of US Dollars except for year, exchange rate and percentages)</i>	Conda	Arraias	Farim
Long-term SSP sales price (\$/tonne)	N/A	261	N/A
Long-term MAP NOLA price (\$/tonne)	671	N/A	N/A
Long-term beneficiated rock sales price (\$/tonne)	N/A	N/A	198
Long-term Sulfuric Acid price (\$/tonne)	83	207	N/A
Weighted average cost of capital (%)	7.7	10.3	21.5

The Company considered the impact of changes in key assumptions to the estimated recoverable amount of Conda and Arraias as follows:

<i>(in thousands of US Dollars except for year, exchange rate and percentages)</i>	Conda	Arraias	Farim
10% reduction to long-term sales prices	(113,667)	(47,433)	(66,208)
1% increase to weighted average cost of capital	(25,760)	(7,201)	(19,126)

A 10% reduction to long-term sales prices would not have resulted in an impairment for Conda but would have resulted in impairments for Arraias and Farim. A 1% increase to weighted average cost of capital would not have resulted in impairments for Conda, Arraias or Farim.

2024 IMPAIRMENT ASSESSMENT

As of December 31, 2024, the Company's book value of net assets exceeded its market capitalization, which triggered an overall impairment assessment. As a result of the overall impairment trigger, the Company performed impairment assessments to estimate the respective recoverable amounts of its CGUs Conda, Arraias and Farim in order to compare such respective estimated recoverable amounts to their respective carrying values. The Company did not perform valuations to estimate the respective recoverable amounts of Santana and Araxá due to de minimis respective carrying values.

In order to estimate the respective recoverable amounts of Conda, Arraias and Farim, the Company followed a FVLCD approach classified within Level 3 of the fair value hierarchy (see Note 30).

For Conda, Arraias and Farim the Company utilized a conventional discounted cash flow methodology considering projected cash flows from their business plans, risk adjusted discount rates and various sensitivities. The Company concluded that the estimated recoverable amounts for Conda, Arraias and Farim were above their carrying values and therefore did not record impairments.

The Company considered key assumptions such as quantity and grade of recoverable reserves and resources (ore production and %P₂O₅), future commodity prices and discount rates to estimate the recoverable amount of Conda, Arraias and Farim as follows:

<i>(in thousands of US Dollars except for year, exchange rate and percentages)</i>	Conda	Arraias	Farim
Long-term SSP sales price (\$/tonne)	N/A	209	N/A
Long-term MAP NOLA price (\$/tonne)	635	N/A	N/A
Long-term beneficiated rock sales price (\$/tonne)	N/A	N/A	197
Long-term Sulfuric Acid price (\$/tonne)	62	123	N/A
Weighted average cost of capital (%)	7.7	10.4	21.3

The Company considered the impact of changes in key assumptions to the estimated recoverable amount of Conda and Arraias as follows:

<i>(in thousands of US Dollars except for year, exchange rate and percentages)</i>	Conda	Arraias	Farim
10% reduction to long-term sales prices	(111,752)	(37,938)	(66,585)
1% increase to weighted average cost of capital	(26,762)	(5,462)	(19,458)

A 10% reduction to long-term sales prices would not have resulted in an impairment for Conda but would have resulted in impairments for Arraias and Farim. A 1% increase to weighted average cost of capital would not have resulted in impairments for Conda, Arraias or Farim.

9. PROPERTY, PLANT AND EQUIPMENT

As of December 31, 2025 and 2024, the Company had property, plant and equipment as follows:

<i>(unaudited in thousands of US Dollars)</i>	Land	Buildings and plant	Machinery, equipment and other	Asset under construction	Total property, plant and equipment
Cost					
Balance as of December 31, 2023	\$ 26,267	\$ 78,762	\$ 306,037	\$ 27,400	\$ 438,466
Additions	—	16,706	3,043	44,751	64,500
Asset Retirement Obligations	—	—	(8,090)	—	(8,090)
Disposals/transfers	—	(26,378)	5,675	(5,675)	(26,378)
Balance as of December 31, 2024	\$ 26,267	\$ 69,090	\$ 306,665	\$ 66,476	\$ 468,498
Additions	—	12,873	21,812	51,844	86,529
Asset Retirement Obligations	—	—	(377)	—	(377)
Disposals/transfers	—	4,411	4,996	(9,846)	(439)
Balance as of December 31, 2025	\$ 26,267	\$ 86,374	\$ 333,096	\$ 108,474	\$ 554,211
Accumulated depreciation					
Balance as of December 31, 2023	\$ —	\$ 50,341	\$ 178,130	\$ —	\$ 228,471
Additions	—	10,807	16,719	—	27,526
Disposals/transfers	—	(26,378)	—	—	(26,378)
Balance as of December 31, 2024	\$ —	\$ 34,770	\$ 194,849	\$ —	\$ 229,619
Additions	—	9,399	20,091	—	29,490
Disposals/transfers	—	—	(537)	—	(537)
Balance as of December 31, 2025	\$ —	\$ 44,169	\$ 214,403	\$ —	\$ 258,572
Property, plant and equipment, net					
as of December 31, 2024	\$ 26,267	\$ 34,320	\$ 111,816	\$ 66,476	\$ 238,879
as of December 31, 2025	\$ 26,267	\$ 42,205	\$ 118,693	\$ 108,474	\$ 295,639

For the year ended December 31, 2025, the Company capitalized interest in property, plant and equipment of \$4,145 at an average capitalization rate of 8.5%. For the year ended December 31, 2024, the Company capitalized interest in property, plant and equipment of \$1,518 at an average capitalization rate of 8.8%. (see Note 23).

IFRS 16 – RIGHT-OF-USE ASSETS

As of December 31, 2025 and 2024, the Company had right-of-use assets, recorded as a component of property, plant and equipment, as follows:

<i>(unaudited in thousands of US Dollars)</i>	Right-of-use assets- buildings and plant	Right-of-use assets- machinery, equipment and other	Total right-of-use assets
Cost			
Balance as of December 31, 2023	\$ 1,189	\$ 25,795	\$ 26,984
Additions	—	—	—
Balance as of December 31, 2024	\$ 1,189	\$ 25,795	\$ 26,984
Additions	—	17,731	17,731
Disposals/transfers	—	(40)	(40)
Balance as of December 31, 2025	\$ 1,189	\$ 43,486	\$ 44,675
Accumulated depreciation			
Balance as of December 31, 2023	\$ 602	\$ 16,957	\$ 17,559
Additions	152	3,903	4,055
Balance as of December 31, 2024	\$ 754	\$ 20,860	\$ 21,614
Additions	152	4,182	4,334
Disposals/transfers	—	(41)	(41)
Balance as of December 31, 2025	\$ 906	\$ 25,001	\$ 25,907
Right-of-use assets, net			
Balance as of December 31, 2024	\$ 435	\$ 4,935	\$ 5,370
Balance as of December 31, 2025	\$ 283	\$ 18,485	\$ 18,768

The Company is unable to quantify the value of certain of its right-of-use assets because the lease payments are variable and not dependent upon an index or rate. In such cases, the Company did not recognize a right-of-use asset or corresponding lease liability. For the years ended December 31, 2025 and 2024, the Company had \$33,300 and \$28,139 of costs related to variable lease payments that are not dependent on an index or rate, respectively (see Note 3).

The Company is exempt from quantifying the value of certain of its right-of-use assets for leases that are 12 months or less in duration or for leases of low-value assets. In such cases, the Company did not recognize a right-of-use asset or corresponding lease liability. For the years ended December 31, 2025 and 2024, the Company's costs related to short-term leases or low-value assets were not material (see Note 3).

During 2025, Conda added \$17,731 to right-of-use assets related to ore and acid railcars. Conda added 280 ore railcars under a 15-year lease term for the purposes of transporting ore from the H1/NDR tipple to the Conda plant. Conda also entered into lease extensions of a portion of the existing acid railcars fleet at varying lease terms (see Note 15).

10. MINERAL PROPERTIES

As of December 31, 2025 and 2024, the Company had mineral properties as follows:

<i>(unaudited in thousands of US Dollars)</i>	Development costs	Exploration and evaluation costs	Accumulated depletion	Total mineral properties
Balance as of December 31, 2023	\$ 144,814	\$ 74,071	\$ (57,259)	\$ 161,626
Additions	10,552	500	—	11,052
Asset Retirement Obligations	26,938	—	—	26,938
Depletion	—	—	(9,141)	(9,141)
Balance as of December 31, 2024	\$ 182,304	\$ 74,571	\$ (66,400)	\$ 190,475
Additions	17,462	722	—	18,184
Asset Retirement Obligations	18,487	—	—	18,487
Depletion	—	—	(21,228)	(21,228)
Disposals/Transfers	—	(345)	—	(345)
Balance as of December 31, 2025	\$ 218,253	\$ 74,948	\$ (87,628)	\$ 205,573

For the year ended December 31, 2025, the Company capitalized interest in mineral properties of \$2,897, at an average capitalization rate of 8.5%. For the year ended December 31, 2024, the Company capitalized interest in mineral properties of \$2,604, at an average capitalization rate of 8.8%. (see Note 23).

11. OTHER ASSETS

As of December 31, 2025 and 2024, the Company had other assets as follows:

<i>(in thousands of US Dollars)</i>	December 31, 2025	December 31, 2024
Tax credits	\$ 5,369	\$ 2,185
Prepaid expenses	5,347	5,539
Deposits	292	814
Advances to suppliers	79	842
Other	599	519
Other assets	\$ 11,686	\$ 9,899
Less: current portion	(9,585)	(9,246)
Other long-term assets	\$ 2,101	\$ 653

As of December 31, 2025 and 2024, the Company had other current assets as follows:

<i>(in thousands of US Dollars)</i>	December 31, 2025	December 31, 2024
Tax credits	\$ 3,416	\$ 2,185
Prepaid expenses	5,347	5,539
Deposits	292	292
Advances to suppliers	79	842
Other	451	388
Other current assets	\$ 9,585	\$ 9,246

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As of December 31, 2025 and 2024, the Company had accounts payable and accrued liabilities as follows:

<i>(in thousands of US Dollars)</i>	December 31, 2025	December 31, 2024
Trade payables	\$ 41,184	\$ 27,895
Taxes payable	813	386
Accrued liabilities and other	13,435	13,051
Payroll and related taxes payable	13,378	11,416
Rebates	3,066	1,868
Other payables	5,416	5,389
Accounts payable and accrued liabilities	\$ 77,292	\$ 60,005

13. PROVISIONS

As of December 31, 2025 and 2024, the Company had provisions as follows:

<i>(in thousands of US Dollars)</i>	December 31, 2025	December 31, 2024
Environmental and asset retirement obligations	\$ 202,513	\$ 172,318
Contingent liabilities	282	237
Provisions	\$ 202,795	\$ 172,555
Less: current portion	(28,740)	(6,252)
Long-term provisions	\$ 174,055	\$ 166,303

For the years ended December 31, 2025 and 2024, the Company had changes in environmental and asset retirement obligations as follows:

<i>(unaudited in thousands of US Dollars)</i>	Environmental and asset retirement obligations
Balance as of December 31, 2023	\$ 149,340
Revisions to expected cash flows	29,842
Adjustments to present value	(7,836)
Payments	(3,699)
Accretion (Note 23)	4,671
Balance as of December 31, 2024	\$ 172,318
Revisions to expected cash flows	24,684
Adjustments to present value	3,299
Payments	(5,662)
Accretion (Note 23)	7,874
Balance as of December 31, 2025	\$ 202,513

For the year ended December 31, 2025, Conda recorded revisions to expected cash flows related to environmental and asset retirement obligations of \$24,684 due to advancement of mining at the Husky 1 and North Dry Ridge Mine, completion of mining at Rasmussen Valley mine and updated estimates related to development of phosphogypsum stacks.

For the year ended December 31, 2025, Conda recorded an addition to environmental and asset retirement obligations of \$4,598 to reflect changes in the discount rate affecting the present value of the asset retirement obligations.

For the year ended December 31, 2025, Arraias recorded a reduction to environmental and asset retirement obligations of \$1,299 to reflect changes in the discount rate affecting the present value of the asset retirement obligations.

For the year ended December 31, 2024, Conda recorded revisions to expected cash flows related to environmental and asset retirement obligations of \$29,842 due to advancement of mining at Rasmussen Valley mine and ongoing development at the Husky 1 and North Dry Ridge Mine.

For the year ended December 31, 2024, Conda recorded a reduction to environmental and asset retirement obligations of \$2,561 to reflect changes in the discount rate affecting the present value of the asset retirement obligations.

For the year ended December 31, 2024, Arraias recorded a reduction to environmental and asset retirement obligations of \$5,275 to reflect changes in the discount rate affecting the present value of the asset retirement obligations.

14. DEBT

As of December 31, 2025 and 2024, the Company had debt as follows:

<i>(in thousands of US Dollars)</i>	December 31, 2025	December 31, 2024
Amended Term Loan	\$ 87,500	\$ 97,666
Deferred financing costs related to the Amended Credit Facilities	(1,533)	(3,207)
Conda equipment financings	2,416	3,369
Brazilian debentures	78	139
Debt	\$ 88,461	\$ 97,967
Less: current portion	(11,033)	(11,163)
Long-term debt	\$ 77,428	\$ 86,804

For the years ended December 31, 2025 and 2024 the Company had changes in debt as follows:

<i>(unaudited in thousands of US Dollars)</i>	Current debt	Long-term debt
Balance as of December 31, 2023	\$ 29,127	\$ 61,441
Proceeds from the Amended Term Loan	10,000	90,000
Deferred financing costs related to the Amended Credit Facilities	—	(3,637)
Amortization of financing costs related to the Credit Facilities	—	609
Accrual of cash interest of the Term Loan	47	—
Repayment of the Term Loan	(28,322)	(21,276)
Repayment of the ABL Facility	—	(40,000)
Repayment of the Amended Term Loan	—	(2,500)
Amortization of financing costs related to the Amended Credit Facilities	—	278
Loss on debt modification of the Credit Facilities	—	1,031
New Conda equipment financings	319	1,654
Repayment of Conda equipment financings	11	(691)
Repayment of Brazilian Debentures	—	(95)
Change in Brazilian Debentures	(19)	(10)
Balance as of December 31, 2024	\$ 11,163	\$ 86,804
Accrual of cash interest of the Term Loan	(166)	—
Repayment of the Amended Term Loan	(10,000)	—
Reclassification of the Amended Term Loan to current debt	10,000	(10,000)
Amortization of financing costs related to the Amended Credit Facilities	—	1,673
Repayment of Conda equipment financings	28	(980)
Repayment of Brazilian Debentures	—	(82)
Change in Brazilian Debentures	8	13
Balance as of December 31, 2025	\$ 11,033	\$ 77,428

CREDIT FACILITIES

On September 6, 2024, the Company entered into an amendment of its existing credit facilities with a syndicate of lenders led by RBC Capital Markets, pursuant to which the Company refinanced its existing \$85,000 loan and its \$35,000 letter of credit facility (together, the “Existing Term Loan Agreement”) for a new commitment of \$100,000 and a \$30,000 letter of credit facility and extended the maturity date under the Existing Term Loan Agreement (as so amended, the “Amended Term Loan Agreement”). The Company also entered into an amendment to its revolving asset-based credit facility with a syndicate of lenders led by RBC Capital Markets to extend the maturity date of such facility and to effect certain other amendments to such facility (the “Amended ABL Agreement”). The changes in the Company’s debt as a result of the amendment of its existing credit facilities resulted in a loss on debt modification of \$1,031 which was recorded as finance expense (see Note 23).

The key terms of the Amended Term Loan Agreement are as follows:

- Extension of maturity date to September 6, 2027;
- Term loan upsized from the original \$85,000 to \$100,000;
- Dedicated letter of credit facility (“LC Facility”) reduced from \$35,000 to \$30,000;
- Annual principal amortization reduced from 33.33% to 10%; and
- Further amendments to the facility that provide the Company greater flexibility and enhance its ability to distribute capital to shareholders.

As of December 31, 2025 and 2024, the Company posted letters of credit of \$12,539 under the LC Facility, respectively.

The key terms of the Amended ABL Facility are as follows:

- Extension of maturity date to September 6, 2027;
- Enhancements to the facility that provide the company additional flexibility and capacity under the borrowing base calculation; and
- Further amendments to the facility that provide the Company greater flexibility and enhance its ability to distribute capital to shareholders.

As of December 31, 2025, \$80,000 remained available under the Amended ABL Facility to be drawn by the Company subject to certain terms and conditions.

The Amended Term Loan Agreement includes financial covenants that require the Company to comply with certain ratios and thresholds. As of December 31, 2025, the Company was in compliance with all financial covenants related to the Amended Term Loan Agreement. The Amended ABL Facility includes a springing financial covenant that applies if availability under the Amended ABL Facility falls below a specified level. The principal springing financial covenant in the Amended ABL Facility, if applicable, requires the Company to maintain a specified Minimum Fixed Charge Coverage Ratio at the end of each fiscal quarter. As of December 31, 2025, the springing financial covenants related to the Amended ABL Facility were not applicable (see Note 30).

CONDA EQUIPMENT FINANCINGS

On September 24, 2024, Conda purchased mining equipment in exchange for a note payable of \$1,973 with maturity on September 24, 2029. The note payable bears interest at 7.75% per annum with equal monthly installments of principal and interest thereafter through maturity.

During Q2 2022, Conda purchased mining equipment in exchange for a note payable of \$3,930 with maturity on April 23, 2027. The note payable bears interest at 4.75% per annum with an upfront principal payment of \$1,000 and equal monthly installments of principal and interest thereafter through maturity.

DEBENTURES

Arraias' Brazilian debentures bear interest at 10% per annum with 10 equal annual installments of principal and interest through maturity on August 29, 2026.

15. OTHER LIABILITIES

As of December 31, 2025 and 2024, the Company had other long-term liabilities as follows:

<i>(in thousands of US Dollars)</i>	December 31, 2025	December 31, 2024
Lease liabilities	\$ 24,212	\$ 10,207
Other tax liabilities	3,038	3,237
Share-based payments	5,958	2,834
Other	602	602
Other liabilities	\$ 33,810	\$ 16,880
Less: current portion	(7,169)	(2,858)
Other long-term liabilities	\$ 26,641	\$ 14,022

As of December 31, 2025, and 2024, the Company had other current liabilities as follows:

<i>(in thousands of US Dollars)</i>	December 31, 2025	December 31, 2024
Lease liabilities	\$ 3,276	\$ 2,858
Share-based payments	3,893	—
Other current liabilities	\$ 7,169	\$ 2,858

LEASE LIABILITIES

Lease liabilities reflect the present value of future payments under the terms of the leases. Amounts expected to be paid within 12 months are presented as other current liabilities and any payments expected to be paid beyond 12 months are included in other long-term liabilities.

During 2025, Conda added \$17,731 to lease liabilities related to ore and acid railcars. Conda added 280 ore railcars under a 15-year lease term for the purposes of transporting ore from the H1/NDR tipple to the Conda plant. Conda also entered into lease extensions of the existing fleet at varying lease terms (see Note 9).

For the years ended December 31, 2025 and 2024, the Company had changes in lease liabilities as follows:

<i>(in thousands of US Dollars)</i>	Current Lease Liabilities	Long-term Lease Liabilities
Balance as of December 31, 2023	3,186	10,080
Interest accrual on the leases	920	—
Lease payments	(1,248)	(2,731)
Balance as of December 31, 2024	2,858	7,349
New leases commenced	440	17,244
Interest accrual on the leases	1,421	—
Lease payments	(1,443)	(3,657)
Balance as of December 31, 2025	\$ 3,276	\$ 20,936

TAXES PAYABLE

As of December 31, 2025 and 2024, taxes payable were primarily related to the taxes payable to the Brazilian tax authorities resulting from intercompany loans between the Company's subsidiaries.

SHARE-BASED PAYMENTS

As of December 31, 2025 and 2024, share-based payments were related to RSUs granted by the Company under its RSU Plan (see Note 3).

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 December 31, 2025, the Company had 4,128,610 RSUs outstanding and 20,273,811 RSUs available for issuance under its RSU Plan. As of December 31, 2024, the Company had 5,263,356 RSUs outstanding and 21,009,787 RSUs available for issuance under its RSU Plan.

For the years ended December 31, 2025 and 2024, the Company had changes in RSUs as follows:

<i>(in number of RSUs)</i>	RSUs
Balance as of December 31, 2023	5,628,759
Granted	2,739,057
Cash settled	(144,265)
Vested	(1,950,146)
Forfeited	(1,010,049)
Balance as of December 31, 2024	5,263,356
Granted	850,198
Cash settled	(160,197)
Vested	(1,710,525)
Forfeited	(114,222)
Balance as of December 31, 2025	4,128,610

For the year ended December 31, 2025, the Company granted 850,198 RSUs under its RSU Plan, including 110,972 RSUs granted to directors, 662,065 RSUs granted to management and 77,161 RSUs granted to employees and contractors.

For the year ended December 31, 2024, the Company granted 2,739,057 RSUs under its RSU Plan, including 242,730 RSUs granted to directors, 763,257 RSUs granted to management and 1,733,070 RSUs granted to employees and contractors.

For the year ended December 31, 2025, the Company cash settled 160,197 RSUs for \$255 due to vesting under its RSU Plan. For the year ended December 31, 2024, the Company cash settled 144,265 RSUs for \$135 due to vesting under its RSU Plan.

For the year ended December 31, 2025, the Company issued 1,219,930 shares (net of 490,595 shares withheld to pay applicable taxes) due to vesting under its RSU Plan. For the year ended December 31, 2024, the Company issued 1,406,426 shares (net of 543,720 shares withheld to pay applicable taxes) due to vesting under its RSU Plan. (see Notes 3 and 16).

For the years ended December 31, 2025 and 2024, the Company had share-based payment expense of \$6,090 and \$2,231, respectively (see Note 19).

16. SHARE CAPITAL

AUTHORIZED CAPITAL

As of December 31, 2025, the Company was authorized to issue up to 5,000,000,000 shares, consisting of 4,000,000,000 shares of common stock and 1,000,000,000 shares of preferred stock, each with a par value of 0.00001 US Dollars per share.

SHARES ISSUED AND OUTSTANDING

As of December 31, 2025 and 2024, the Company had 193,234,714 and 192,014,784 shares issued and outstanding, respectively. As of December 31, 2025 and 2024, CLF beneficially owned and controlled 124,961,722 shares of the Company, representing approximately 64.7% and 65.1% of the issued and outstanding shares on an undiluted basis, respectively (see Notes 1 and 28).

For the year ended December 31, 2025, the Company issued 1,219,930 shares (net of 490,595 shares withheld to pay applicable taxes) due to vesting under its RSU Plan (see Notes 3 and 15).

For the year ended December 31, 2024, the Company issued 1,406,426 shares (net of 543,720 shares withheld to pay applicable taxes) due to vesting under its RSU Plan (see Notes 3 and 15).

WEIGHTED-AVERAGE NUMBER OF SHARES

For the years ended December 31, 2025 and 2024, the Company had weighted-average number of shares and potentially dilutive RSUs as follows:

<i>(in number of shares)</i>	<i>For the years ended December 31,</i>	
	2025	2024
Weighted-average number of shares	192,986,447	191,649,161
Weighted-average number of potentially dilutive RSUs	2,607,720	2,411,260
Diluted weighted-average number of shares	195,594,167	194,060,421

NCI

As of December 31, 2025 and 2024, the Company had NCI of \$0, respectively. For the year ended December 31, 2025, the Company had net income of \$116,131 all of which \$116,131 was attributable to shareholders' equity and none of which was attributable to NCI. For the year ended December 31, 2024, the Company had net income of \$87,791 all of which \$87,791 was attributable to shareholders' equity and none of which was attributable to NCI.

SPECIAL DIVIDEND

On March 19, 2025, the Board of Directors approved a Canadian Dollar C\$0.05 per share special dividend to shareholders of record as of the close of business on April 9, 2025, which was paid on April 25, 2025.

On November 5, 2025, the Board of Directors approved a C\$0.17 per share special dividend to shareholders of record as of the close of business on November 17, 2025, which was paid on December 11, 2025.

17. EARNINGS PER SHARE

For the years ended December 31, 2025 and 2024, the Company had income per share as follows:

<i>(in thousands of US Dollars except as otherwise noted)</i>	<i>For the years ended December 31,</i>	
	2025	2024
Net income attributable to shareholders of the Company	\$ 116,131	\$ 87,791
Weighted average shares outstanding	192,986,447	191,649,161
Basic earnings (\$/share)	\$ 0.60	\$ 0.46
Diluted earnings (\$/share)	\$ 0.59	\$ 0.45

For the years ended December 31, 2025 and 2024, the Company recorded net income. Accordingly, all potentially dilutive RSUs were included in the diluted weighted-average number of shares (see Note 16).

18. REVENUES

For the years ended December 31, 2025 and 2024, the Company had revenues as follows:

<i>(in thousands of US Dollars)</i>	<i>For the years ended December 31,</i>	
	2025	2024
MAP	\$ 294,991	\$ 258,640
MAP+	12,000	20,911
SPA	198,794	176,949
MGA	1,512	974
APP ⁱ	28	5,405
HFSA	4,637	4,903
DAPR	1,972	1,402
PAPR	8,031	5,502
G-PAPR	7,795	—
Excess sulfuric acid	28,213	16,554
Revenues	\$ 557,973	\$ 491,240

i. Ammonium polyphosphate ("APP")

For the years ended December 31, 2025 and 2024, the Company had one customer that individually accounted for more than 10% of the Company's total revenues. For the year ended December 31, 2025 and 2024, this one customer represented 53% of the Company's total revenues.

19. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

For the years ended December 31, 2025 and 2024 the Company had selling, general and administrative expenses as follows:

<i>(in thousands of US Dollars)</i>	<i>For the years ended December 31,</i>	
	2025	2024
Payroll expenses	\$ 14,841	\$ 14,579
Professional fees	4,777	4,598
Share-based payments expense	6,090	2,231
Insurance expenses	639	761
Office, travel and general administrative expense	6,548	5,320
Directors fees	712	843
Selling, general and administrative expenses	\$ 33,607	\$ 28,332

20. FOREIGN EXCHANGE GAIN (LOSS)

For the years ended December 31, 2025 and 2024, the Company recognized a foreign exchange loss of \$1,756 and \$2,704, respectively. These amounts are primarily comprised of the gain or loss resulting from remeasuring monetary items denominated in Brazilian Reals and Canadian Dollars (see Note 30).

21. OTHER INCOME (EXPENSE)

For the years ended December 31, 2025 and 2024, the Company recognized other income (expense) of \$17,387 and \$1,218, respectively. For the years ended December 31, 2025 and 2024, the Company recorded a gain on sale of investments of \$15,578 and nil, respectively (see Note 7). For the year ended December 31, 2025 and 2024, Conda recorded a commodity derivative fair value loss of nil and \$1,018, respectively (see Note 29).

22. SALE OF SUBSIDIARY

Sale of the Araxá Project

On February 26, 2025, the Company completed the sale of its 100% interest in its Araxá project to a wholly-owned subsidiary of St George, which now owns all of the outstanding securities of Itafos Araxá. Pursuant to the sale agreement with St George (the “Sale Agreement”), the Company 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% total rare earth oxide (“TREO”) at a cut-off of 2% TREO within five years from the date of issue (see Note 7). Pursuant to the Sale Agreement, St George was 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”).

On April 3, 2025, the Company received a vesting notice from St George related to the 11,111,100 performance rights received from St George as part of the sale of the Araxá project. On August 1, 2025, the Company converted 11,111,100 performance rights received from St George into ordinary shares of SGQ Shares (see Note 22).

On November 5, 2025, St George made payment of the deferred cash consideration totaling \$11,000 (less withholding tax payable) due to the Company under the second and third installments of the Sale Agreement. As a result of the payment, the Araxá project sale transaction was completed.

For the year ended December 31, 2025, the Company had a realized gain on disposal of subsidiary as follows:

	<i>For the year ended December 31,</i>	
<i>(in thousands of US Dollars)</i>		2025
Consideration received or receivable:		
Cash	\$	21,000
Fair value of SGQ Shares on award		5,459
Fair value of SGQ Options on award		523
Fair value of SGQ Performance Rights on award		191
Total disposal consideration	\$	27,173
Carrying amount of net assets sold		(115)
Reclassification of cumulative translation adjustment reserve		863
Gain on sale before income tax	\$	27,921

23. FINANCE EXPENSE (INCOME)

For the years ended December 31, 2025 and 2024, the Company had finance expense as follows:

<i>(in thousands of US Dollars)</i>	<i>For the years ended December 31,</i>	
	2025	2024
Interest expense	\$ 9,213	\$ 9,820
Interest capitalized in property, plant, and equipment and mineral properties	(7,042)	(4,122)
Amortization of deferred financing costs related to the Credit Facilities	—	609
Amortization of financing costs related to the Amended Credit Facilities	1,673	278
Loss on debt modification of the Credit Facilities	—	1,031
Environmental and asset retirement obligation accretion expense	7,874	4,671
Interest on lease liabilities	1,421	920
Interest income	(3,681)	(2,275)
Finance expense, net	\$ 9,458	\$ 10,932

For the year ended December 31, 2025, the Company capitalized interest in property plant and equipment and mineral properties of \$4,145 and \$2,897, respectively, at an average capitalization rate of 8.5%. For the year ended December 31, 2024, the Company capitalized interest in property plant and equipment and mineral properties of \$1,518 and \$2,604, respectively, at an average capitalization rate of 8.8%. (see Notes 9 and 10).

24. INCOME TAXES

For the years ended December 31, 2025 and 2024, the Company had income tax (recovery) expense as follows:

<i>(in thousands of US Dollars except as otherwise noted)</i>	<i>For the years ended December 31,</i>	
	2025	2024
Income (loss) before income taxes	\$ 144,727	\$ 108,044
US statutory tax rate (%) ⁱ	25.19	25.50
Expected income tax expense (recovery)	\$ 36,452	\$ 27,551
Difference in foreign tax rates	1,203	500
Non-deductible/taxable items	(5,243)	(6,154)
Tax benefit not recognized	(1,185)	(141)
Withholding taxes	5,305	119
Foreign tax credit utilized	(5,330)	—
True-up of tax provisions in respect of prior years	(676)	(1,684)
Recognition of previously unrecognized deferred tax assets	(1,930)	—
Interest and penalties	—	62
Income tax expense (recovery)	\$ 28,596	\$ 20,253
Actual effective tax rate (%)	19.8	18.7

- i. Considers effective rate comprised of US federal corporate income tax rate of 21.0% and State of Idaho corporate income tax rate of 5.3% and 5.695%, respectively, for 2025 and 2024.

For the years ended December 31, 2025 and 2024, the Company had total current and deferred income tax expense (recovery) as follows:

<i>(in thousands of US Dollars)</i>	<i>For the years ended December 31,</i>	
	2025	2024
Current income tax expense	\$ 33,047	\$ 16,903
Deferred income tax expense	(4,451)	3,350
Total current and deferred income tax expense	\$ 28,596	\$ 20,253

DEFERRED TAX ASSETS

As of December 31, 2025 and 2024, the Company had deferred tax assets as follows:

<i>(in thousands of US Dollars)</i>	December 31, 2025	December 31, 2024
Payroll and related taxes payable	\$ 2,788	\$ 2,011
Mineral properties	34,926	26,076
Interest expense	—	1,686
Deferred tax assets	\$ 37,714	\$ 29,773
Offset of deferred tax liabilities	(25,298)	(21,923)
Deferred tax assets, net	\$ 12,416	\$ 7,850

As of December 31, 2025 and 2024, the Company had related deferred tax assets and liabilities at Conda, which have been presented on a net basis.

For the years ended December 31, 2025 and 2024, the Company had changes in deferred tax assets as follows:

<i>(in thousands of US Dollars)</i>	Payroll and related taxes payable	Mineral properties	Interest expense	Total deferred tax assets
Balance as of December 31, 2023	\$ 1,463	\$ 22,145	\$ 7,443	\$ 31,051
Credit (charge) to profit or loss	548	3,931	(5,757)	(1,278)
Balance as of December 31, 2024	\$ 2,011	\$ 26,076	\$ 1,686	\$ 29,773
Credit (charge) to profit or loss	777	8,850	(1,686)	7,941
Balance as of December 31, 2025	\$ 2,788	\$ 34,926	\$ —	\$ 37,714

The Company has not recognized a deferred tax asset for its tax losses. As of December 31, 2025, the Company had Brazilian tax losses of approximately \$493,792 that may be carried forward indefinitely, which are primarily related to Arraías.

DEFERRED TAX LIABILITIES

As of December 31, 2025 and 2024, the Company had deferred tax liabilities as follows:

<i>(in thousands of US Dollars)</i>	December 31, 2025	December 31, 2024
Property, plant and equipment	\$ 18,326	\$ 19,854
Inventories	6,972	2,069
Deferred tax liabilities	\$ 25,298	\$ 21,923
Offset of deferred tax assets	(25,298)	(21,923)
Deferred tax liabilities, net	\$ —	\$ —

For the years ended December 31, 2025 and 2024, the Company had changes in deferred tax liabilities as follows:

<i>(in thousands of US Dollars)</i>		Property, plant and equipment		Inventories		Total deferred tax liabilities
Balance as of December 31, 2023	\$	19,096	\$	873	\$	19,969
Charge (credit) to profit or loss		758		1,196		1,954
Balance as of December 31, 2024	\$	19,854	\$	2,069	\$	21,923
Charge (credit) to profit or loss		(1,528)		4,903		3,375
Balance as of December 31, 2025	\$	18,326	\$	6,972	\$	25,298

25. COMMITMENTS AND CONTINGENT LIABILITIES

CONTRACTUAL OBLIGATIONS

As of December 31, 2025, the Company's contractual obligations were as follows:

<i>(in thousands of US Dollars)</i>		Within 1 year		Years 2 and 3		Years 4 and 5		After 5 years		Total
Debt	\$	11,033	\$	78,494	\$	468	—	\$	\$	89,995
Interest payments		8,625		5,597		22		—		14,244
Accounts payable and accrued liabilities		77,292		—		—		—		77,292
Provisions		28,740		71,867		25,834		76,354		202,795
Leases		3,276		10,752		6,417		12,225		32,670
Contractual obligations	\$	128,966	\$	166,710	\$	32,741	\$	88,579	\$	416,996

CONTINGENT LIABILITIES

The Company records contingent liabilities for legal, tax and other matters that may arise in the ordinary course of business. The Company recognizes a provision for such matters when (i) an entity has a present obligation as a result of a past event (a past event is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists at the end of the reporting period); (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (iii) a reliable estimate can be made of the amount of the obligation.

As of December 31, 2025 and 2024, the Company has accrued contingent liabilities of \$282 and \$237, respectively (see Note 13). The Company does not believe that the outcome of any of the matters, individually or in the aggregate, that are not recorded in the consolidated financial statements would have a material adverse effect. The ultimate amount of any liability for such matters, including interest and penalties, is uncertain and the Company is defending its position in each case.

During 2025, the Company received assessments from the Dutch tax authorities in the aggregate amount of Euro 2,557 (approximately \$3,008) in respect of 2020, 2021, 2022 and 2023 income taxes related to its Dutch holding structure for the Company's Brazilian subsidiaries. During 2022 and 2023, the Company received assessments in respect of 2016, 2017, 2018 and 2019 income taxes in the aggregate amount of Euro 7,244 (approximately \$8,521). 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 Euro 9,801 (approximately \$11,529).

CONDA GUARANTEES

Conda's operating and environmental permits require certain obligations related to environmental and reclamation activities to be guaranteed. As of December 31, 2025 and 2024, Conda's guarantee requirements were \$120,304 and \$120,158, respectively. As of December 31, 2025, Conda had surety bonds in place for its guarantee requirements.

As of December 31, 2025, the Company had posted letters of credit of \$12,539 under the LC Facility as collateral for Conda's surety bonds (see Note 14).

ENVIRONMENTAL PROTECTION AGENCY ("EPA") MATTERS

In 2003, the US 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, a wholly-owned subsidiary of Nutrien, by way of an Asset Purchase Agreement ("APA"). Prior to the Company's acquisition of Conda, Nutrien received Notices of Violation ("NOVs") as a result of the National Enforcement Initiative related to various of its phosphate fertilizer operations, including Conda. Nutrien has been negotiating with the EPA to resolve the NOVs. As current owner of Conda, the Company has also been involved in such negotiations 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. Notwithstanding, the full scope of costs that the Company may ultimately incur as it relates to these matters could be material but are not currently predictable or quantifiable with reasonable certainty (see Note 3).

26. SEGMENT REPORTING

For the years ended December 31, 2025, the Company had net income (loss) by segment as follows:

<i>(in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate	Total
Revenues	\$	511,962	\$	46,011	\$	—	\$	557,973
Cost of goods sold		382,360		31,373		—		413,733
Gross margin	\$	129,602	\$	14,638	\$	—	\$	144,240
Selling, general and administrative expenses		5,369		4,315		1,369		22,554
Operating income (loss)	\$	124,233	\$	10,323	\$	(1,369)	\$	(22,554)
Foreign exchange gain (loss)		28		(731)		(248)		(805)
Other income		271		1,524		—		15,592
Gain on disposal of subsidiary		—		—		—		27,921
Finance (expense) income		(5,817)		17		—		(3,658)
Income (loss) before income taxes	\$	118,715	\$	11,133	\$	(1,617)	\$	16,496
Current and deferred income tax expense		26,932		434		—		1,230
Net income (loss)	\$	91,783	\$	10,699	\$	(1,617)	\$	15,266

For the years ended December 31, 2024, the Company had net income (loss) by segment as follows:

<i>(in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate	Total
Revenues	\$	467,782	\$	23,458	\$	—	\$	491,240
Cost of goods sold		324,050		18,396		—		342,446
Gross margin	\$	143,732	\$	5,062	\$	—	\$	148,794
Selling, general and administrative expenses		5,250		3,097		739		19,246
Operating income (loss)	\$	138,482	\$	1,965	\$	(739)	\$	(19,246)
Foreign exchange gain (loss)		(211)		(3,013)		528		(8)
Other income (expense)		(1,568)		2,752		(7)		41
Finance (expense) income		(4,215)		714		(2)		(7,429)
Income (loss) before income taxes	\$	132,488	\$	2,418	\$	(220)	\$	(26,642)
Current and deferred income tax expense (recovery)		28,496		—		—		(8,243)
Net income (loss)	\$	103,992	\$	2,418	\$	(220)	\$	(18,399)

As of December 31, 2025, the Company had total assets and total liabilities by segment as follows:

<i>(in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate	Total
Total assets	\$	670,701	\$	85,790	\$	78,158	\$	3,389
Total liabilities	\$	293,415	\$	7,900	\$	2,915	\$	98,773

As of December 31, 2024, the Company had total assets and total liabilities by segment as follows:

<i>(in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate	Total
Total assets	\$	538,166	\$	75,769	\$	77,535	\$	4,392
Total liabilities	\$	233,661	\$	9,256	\$	2,627	\$	102,489

As of December 31, 2025 and 2024, the Company had property, plant and equipment and mineral properties by segment as follows:

<i>(in thousands of US Dollars)</i>		Conda		Arraias		Development and exploration		Corporate		Total
Balance as of December 31, 2025	\$	368,541	\$	54,608	\$	77,802	\$	261	\$	501,212
Balance as of December 31, 2024	\$	299,538	\$	52,036	\$	77,228	\$	552	\$	429,354

As of December 31, 2025 and 2024, the Company had property, plant and equipment and mineral properties by region as follows:

<i>(in thousands of US Dollars)</i>		December 31, 2025		December 31, 2024
US (North America)	\$	368,782	\$	300,070
Brazil (South America)		63,465		61,131
Guinea-Bissau (Africa)		68,965		68,153
Property, plant and equipment, and mineral properties, net	\$	501,212	\$	429,354

For the years ended December 31, 2025 and 2024, the Company had revenues by region as follows:

<i>(in thousands of US Dollars)</i>		<i>For the years ended December 31,</i>	
		2025	2024
US (North America)	\$	511,962	\$ 467,782
Brazil (South America)		46,011	23,458
Guinea-Bissau (Africa)		—	—
Revenues	\$	557,973	\$ 491,240

27. NET CHANGE IN NON-CASH WORKING CAPITAL

For the years December 31, 2025 and 2024, the Company had net change in non-cash working capital as follows:

<i>(in thousands of US Dollars)</i>		<i>For the years ended December 31,</i>	
		2025	2024
Accounts receivable	\$	(4,561)	\$ (3,821)
Inventories, net		(44,429)	(9,915)
Other assets and prepaids		(1,787)	5,305
Accounts payable and accrued liabilities		13,050	(5,894)
Other liabilities and provisions		(3,701)	(2,526)
Net change in non-cash working capital	\$	(41,428)	\$ (16,851)

28. RELATED PARTY TRANSACTIONS

The Company's related party transactions include key management compensation.

KEY MANAGEMENT COMPENSATION

Key management compensation considers amounts the Company has paid or accrued as payable to key management, including directors and officers of the Company.

For the years ended December 31, 2025 and 2024, the Company had key management compensation as follows:

<i>(in thousands of US Dollars)</i>	<i>For the years ended December 31,</i>	
	2025	2024
Management compensation ^{i,ii}	\$ 3,420	\$ 2,413
Management compensation Long-term incentives cash awards ^{i,iii}	919	588
Management compensation Share-based awards ^{i,iv}	919	588
Director fees	712	843
Directors Share-based awards ^v	175	225
Non-recurring compensation payments ^{vi}	—	1,194
Other benefits	57	53
Key management compensation	\$ 6,202	\$ 5,904
i.	Includes salary and bonus payments to the Company's Chief Executive Officer, Chief Financial Officer, Chief Strategy Officer (only applicable for 2024) and General Counsel.	
ii.	Includes salary and short-term incentives earned during each financial year, which are paid in cash in the year following the financial year in which they are earned	
iii.	Long-term incentives granted in the form of cash.	
iv.	Long-term incentives granted in the form of RSUs. The amounts represent the grant date fair value and may be different than the value upon vesting	
v.	Equity compensation granted in the form of RSUs. The amounts represent the grant date fair value and may be different than the value upon vesting	
vi.	Includes cash termination payments	

29. DERIVATIVE FINANCIAL INSTRUMENTS

On November 10, 2023, the Company entered into a natural gas swap contract as part of its risk management program. The primary objective of this contract was to mitigate commodity price risk associated with the natural gas formula included in the ammonia contract at Conda.

For the year ended December 31, 2024 the Company had the following derivative contract in place which settles monthly:

Derivative Instrument	Settlement Period	Contracted Volumes	Weighted Averaged Contract Price
Natural Gas Swap	Jan - Dec 2024	2,000,000 mmBTU	\$ 1.954

The Company's commodity derivatives are measured at fair value and are included in the consolidated balance sheets as a derivative asset or liability. As of December 31, 2024, the Company had no outstanding commodity derivatives, as all derivative contracts were terminated during the year. As of December 31, 2025 and 2024, the Company had a net derivative liability of \$0, respectively (see Note 15). For the year ended December 31, 2025 and 2024, the Company recorded a commodity derivative fair value loss of \$0 and \$1,018, respectively (see Note 21).

30. FAIR VALUE MEASUREMENT AND RISK FACTORS

FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value as follows:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs are quoted prices in active markets for similar assets or liabilities; and
- Level 3: inputs are not derived from observable market data; rather methodologies such as discounted cash flow based on internal cash flow forecasts are used.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The Company recognizes transfers between the levels of the fair value hierarchy at the date of the event or change in circumstances that caused the transfer. For the years ended December 31, 2025 and 2024, there were no such transfers.

The fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and current debt approximate their carrying values in the consolidated balance sheets given the instruments are short-term in nature.

Long-term debt is recorded on the consolidated balance sheets at amortized cost. The fair value of long-term debt approximates its carrying value because interest payments on the debt are based on a variable rate and there has not been a significant change in the Company's credit spread since inception of the Amended Term Loan.

RISK FACTORS

The Company's activities are subject to various risk factors that could impact the Company's financial assets, liabilities or future cash flows including, but not limited to, market risk, credit risk and liquidity risk. Such risk factors, as well as the Company's capital management objectives, are described below.

Market Risk

Currency Risk

The Company's presentation and functional currency is US Dollars (see Note 2).

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

For the years ended December 31, 2025 and 2024, the Company had foreign exchange loss and cumulative translation adjustment as follows:

<i>(in thousands of US Dollars except as otherwise noted)</i>	<i>For the years ended December 31,</i>	
	2025	2024
Brazilian Real weakening (strengthening) against US Dollar (%)	(12.9)	21.5
Canadian Dollar weakening (strengthening) against US Dollar (%)	(5.0)	8.1
Foreign exchange loss	\$ (1,756)	\$ (2,704)

Commodity Price Risk

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

Interest Rate Risk

As of December 31, 2025 and 2024, the Amended Term Loan Agreement and the Amended ABL Facility interest rates include a variable component tied to Secured Overnight Financing Rate ("SOFR") (see Note 14).

Credit Risk

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.

As of December 31, 2025 and 2024, the Company had accounts receivable of \$45,831 and \$41,270, respectively. As of December 31, 2025 and 2024, Conda had approximately 62% and 54%, respectively, of total accounts receivable from one customer, respectively.

Management reviews the aging of accounts receivables and, where necessary, reduces the carrying value to provide for possible losses. As of December 31, 2025 and 2024, management did not anticipate material credit losses. Accordingly, the Company's credit loss provision is insignificant.

In connection with the acquisition of Conda from subsidiaries of Agrium, a wholly-owned subsidiary of Nutrien, Nutrien assumed full liability for all environmental and asset retirement obligations relating to the pre-closing operations of Conda.

As current owner and operator of Conda, the Company is liable for environmental and asset retirement obligations relating to the post-closing operations of Conda. Certain of the environmental and asset retirement obligations, including those relating to phosphogypsum stack 1 and phosphogypsum stack 2, encompass both pre-closing and post-closing operations of Conda. Accordingly, the responsibility for such environmental and asset retirement obligations is shared on a pro-rata basis between Nutrien and the Company. Although the Company expects Nutrien to fulfill its environmental and asset retirement obligations, the Company could be exposed to the credit risk of Nutrien performing its obligations (see Note 3).

Liquidity Risk

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

As of December 31, 2025, the Company had cash and cash equivalents of \$70,489. As of December 31, 2025, an additional \$80,000 remained available under the ABL Facility to be drawn by the Company subject to certain terms and conditions (see Note 14).

Financial Covenant Risk

The Amended Term Loan Agreement includes financial covenants that require the Company to comply with certain ratios and thresholds. The principal financial covenants in the Amended Term Loan Agreement require the Company not to exceed a specified Consolidated Total Net Leverage Ratio and to maintain a minimum specified Consolidated Interest Coverage Ratio as of the end of each fiscal quarter (as such terms are defined in the Amended Term Loan Agreement).

The Amended ABL Facility includes a springing financial covenant that applies if availability under the Amended ABL Facility falls below a specified level. The principal springing financial covenant in the Amended ABL Facility, if applicable, requires the Company to maintain a specified minimum Fixed Charge Coverage Ratio at the end of each fiscal quarter (as defined in the Amended ABL Facility agreement).

Capital Management

The Company's objectives when managing capital are to maintain a flexible capital structure and to invest capital at attractive rates of return. The Company actively manages its capital structure and makes adjustments as necessary in light of general economic conditions, the risk characteristics of its businesses and projects and working capital requirements.

31. SUBSEQUENT EVENTS

RSU Plan

Subsequent to December 31, 2025, the Company issued 983,269 shares (net of 347,326 shares withheld to pay applicable taxes) due to vesting under its RSU Plan.
