



Unaudited Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2022 and 2021
May 12, 2022

TABLE OF CONTENTS

CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS	3
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME.....	4
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY	5
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS.....	6
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS	7
1. GENERAL COMPANY INFORMATION.....	7
2. BASIS OF PREPARATION AND PRESENTATION.....	7
3. ACCOUNTING POLICIES	8
4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS	8
5. INVENTORIES.....	9
6. PROPERTY, PLANT AND EQUIPMENT	9
7. MINERAL PROPERTIES.....	10
8. OTHER ASSETS	11
9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	11
10. PROVISIONS	12
11. DEBT	12
12. OTHER LIABILITIES	14
13. SHARE CAPITAL.....	16
14. REVENUES	16
15. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES.....	17
16. FOREIGN EXCHANGE GAIN (LOSS)	17
17. OTHER INCOME (EXPENSE).....	17
18. FINANCE EXPENSE (INCOME).....	18
19. INCOME TAXES	18
20. COMMITMENTS AND CONTINGENCIES	19
21. SEGMENT REPORTING	21
22. NET CHANGE IN NON-CASH WORKING CAPITAL.....	22
23. RELATED PARTY TRANSACTIONS	23
24. FAIR VALUE MEASUREMENT AND RISK FACTORS	23
25. SUBSEQUENT EVENTS	25

**CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS
AS AT MARCH 31, 2022 AND DECEMBER 31, 2021**

<i>(unaudited in thousands of US Dollars)</i>	March 31, 2022	December 31, 2021
Assets		
Cash and cash equivalents	\$ 36,992	\$ 31,565
Accounts receivable	52,381	39,688
Inventories, net (Note 5)	115,521	112,704
Other current assets (Note 8)	8,894	11,173
Total current assets	\$ 213,788	\$ 195,130
Long-term inventories, net (Note 5)	1,365	1,505
Property, plant and equipment, net (Note 6)	315,051	313,073
Mineral properties, net (Note 7)	119,329	120,746
Other long-term assets (Note 8)	3,717	3,399
Total non-current assets	\$ 439,462	\$ 438,723
Total assets	\$ 653,250	\$ 633,853
Liabilities		
Accounts payable and accrued liabilities (Note 9)	\$ 75,140	\$ 61,469
Provisions (Note 10)	2,368	4,072
Current debt (Note 11)	33,481	52,838
Contract liabilities	2,161	913
Other current liabilities (Note 12)	2,579	2,544
Total current liabilities	\$ 115,729	\$ 121,836
Long-term debt (Note 11)	170,441	187,010
Deferred tax liabilities, net (Note 19)	2,046	1,670
Long-term provisions (Note 10)	175,275	170,232
Other long-term liabilities (Note 12)	18,461	18,500
Total long-term liabilities	\$ 366,223	\$ 377,412
Total liabilities	\$ 481,952	\$ 499,248
Equity		
Share capital (Note 13)	536,074	532,390
Contributed surplus	246,626	246,626
Cumulative translation adjustment reserve	4,660	4,660
Deficit	(617,227)	(650,236)
Shareholders' equity (Notes 2 and 13)	\$ 170,133	\$ 133,440
Non-controlling interest (Notes 2 and 13)	1,165	1,165
Total equity	\$ 171,298	\$ 134,605
Total liabilities and equity	\$ 653,250	\$ 633,853

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

Approved by the Company's Board of Directors

Signed "Anthony Cina"
ANTHONY CINA
Chairman

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

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021**

<i>(unaudited in thousands of US Dollars except as otherwise noted)</i>	<i>For the three months ended March 31,</i>	
	2022	2021
Revenues (Note 14)	\$ 149,853	\$ 90,142
Cost of goods sold	91,370	71,613
Gross margin	\$ 58,483	\$ 18,529
Selling, general and administrative expenses (Note 15)	12,424	5,590
Operating income	\$ 46,059	\$ 12,939
Foreign exchange gain (loss) (Notes 16)	322	(71)
Other income (Note 17)	8,365	102
Finance expense, net (Note 18)	(9,692)	(8,392)
Income before income taxes	\$ 45,054	\$ 4,578
Current and deferred income tax expense (Note 19)	12,045	2,677
Net income	\$ 33,009	\$ 1,901
Net income and comprehensive income attributable to non-controlling interest (Notes 2 and 13)	—	—
Net income and comprehensive income attributable to shareholders of the Company	\$ 33,009	\$ 1,901
Basic earnings (\$/share) (Note 13)	\$ 0.18	\$ 0.01
Diluted earnings (\$/share) (Note 13)	\$ 0.17	\$ 0.01

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

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021**

<i>(unaudited 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 at December 31, 2021 (Note 2)	186,814,842	\$ 532,390	\$ 246,626	\$ 4,660	\$ (650,236)	\$ 133,440	\$ 1,165	\$ 134,605
Net income	—	—	—	—	33,009	33,009	—	33,009
Issuance of shares under RSU Plan (Notes 13)	1,956,209	3,684	—	—	—	3,684	—	3,684
Balance as at March 31, 2022 (Note 2)	188,771,051	\$ 536,074	\$ 246,626	\$ 4,660	\$ (617,227)	\$ 170,133	\$ 1,165	\$ 171,298
Balance as at December 31, 2020	185,462,824	\$ 531,647	\$ 246,626	\$ 4,660	\$ (701,264)	\$ 81,669	\$ 754	\$ 82,423
Net income	—	—	—	—	1,901	1,901	—	1,901
Issuance of shares under RSU Plan (Note 13)	1,265,620	657	—	—	—	657	—	657
Balance as at March 31, 2021	186,728,444	\$ 532,304	\$ 246,626	\$ 4,660	\$ (699,363)	\$ 84,227	\$ 754	\$ 84,981

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

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021**

<i>(unaudited in thousands of US Dollars)</i>	<i>For the three months ended March 31,</i>	
	2022	2021
Operating activities		
Net income	\$ 33,009	\$ 1,901
Adjustments for the following items:		
Depreciation and depletion	6,879	6,249
Cash settlement of share-based payments <i>(Note 12)</i>	(421)	(36)
Share-based payment expense <i>(Note 12)</i>	5,935	1,291
Current and deferred income tax expense <i>(Note 19)</i>	12,045	2,677
Environmental and asset retirement obligations payments <i>(Note 10)</i>	(75)	—
Unrealized foreign exchange (gain) loss	(331)	173
Finance expense, net <i>(Note 18)</i>	9,692	8,392
Net change in non-cash working capital <i>(Note 22)</i>	(11,421)	(4,636)
Cash flows from operating activities	\$ 55,312	\$ 16,011
Investing activities		
Addition of property, plant and equipment and mineral properties <i>(Notes 6 and 7)</i>	\$ (4,968)	\$ (2,395)
Cash flows used by investing activities	\$ (4,968)	\$ (2,395)
Financing activities		
Repayment of debt <i>(Note 11)</i>	(39,753)	(243)
Repayment of lease liabilities <i>(Note 12)</i>	(1,021)	(995)
Payment of interest expense <i>(Note 11)</i>	(4,500)	(4,282)
Cash flows used by financing activities	\$ (45,274)	\$ (5,520)
Effect of foreign exchange of non-US Dollar denominated cash	\$ 357	\$ 40
Increase in cash	5,427	8,136
Beginning cash	31,565	9,539
Ending cash	\$ 36,992	\$ 17,675

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021

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

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

- Conda – a vertically integrated phosphate fertilizer business with capacity to produce monoammonium phosphate (“MAP”), MAP with micronutrients (“MAP+”), superphosphoric acid (“SPA”), merchant grade phosphoric acid (“MGA”) and ammonium polyphosphate (“APP”) located in Idaho, US;
- Arraias – a vertically integrated phosphate fertilizer business with capacity to produce single superphosphate (“SSP”), SSP with micronutrients (“SSP+”) and excess sulfuric acid located in Tocantins, Brazil;
- Farim – a high-grade phosphate mine project located in Farim, Guinea-Bissau;
- Santana – a vertically integrated high-grade phosphate mine and fertilizer plant project located in Pará, Brazil; and
- Araxá – a vertically integrated rare earth elements and niobium mine and extraction plant project located in Minas Gerais, Brazil.

In addition to the businesses and projects described above, the Company also owns Paris Hills (Idaho, US) and Mantaro (Junin, Peru), which are phosphate mine projects that are in process of being wound down.

The Company is a Delaware corporation that is headquartered in Houston, TX. The Company’s shares trade on the TSX Venture Exchange under the ticker symbol “IFOS”. The Company’s principal shareholder is CL Fertilizers Holding LLC (“CLF”). CLF is an affiliate of Castlelake, L.P., a global private investment firm. CLF is a related party (see Notes 13 and 23).

2. BASIS OF PREPARATION AND PRESENTATION

STATEMENT OF COMPLIANCE

The unaudited condensed consolidated interim financial statements (the “Interim Financial Statements”) are based on International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) applicable to the preparation of interim financial statements. The Interim Financial Statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 Interim Financial Reporting. The Interim Financial Statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2021 (the “Audited Financial Statements”), which include information necessary or useful to understand the Company’s business and financial statement presentation.

The Interim Financial Statements were authorized for issuance by the Company’s Board of Directors on May 12, 2022.

GOING CONCERN BASIS

The Interim 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.

CONSOLIDATION

The Interim 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.

The Company's consolidated entities are described in greater detail in the Audited Financial Statements. For the three months ended March 31, 2022, the Company had no changes to its consolidated entities.

NCI

As at March 31, 2022 and December 31, 2021 the Company had NCI as follows:

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

CURRENCIES

The Company's presentation and functional currency is US Dollars (“\$”).

3. ACCOUNTING POLICIES

ACCOUNTING POLICIES

Except as noted below, the accounting policies adopted in the preparation of the Interim Financial Statements remain consistent with those adopted in the preparation of the Audited Financial Statements.

NEW ACCOUNTING STANDARDS

The IASB issued certain new accounting standards or amendments that are mandatory for accounting periods after December 31, 2021, including annual improvements to IFRS Standards 2018-2020, amendments to IFRS 3, IAS 16 and IAS 37. The Company concluded that the effect of such new accounting standards or amendments did not have a material impact and therefore did not record any adjustments to the Interim Financial Statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The critical accounting estimates and judgments considered in the preparation of the Interim Financial Statements remain consistent with those considered in the preparation of the Audited Financial Statements.

5. INVENTORIES

As at March 31, 2022 and December 31, 2021, the Company had inventories as follows:

<i>(unaudited in thousands of US Dollars)</i>	March 31, 2022	December 31, 2021
Finished goods	\$ 21,077	\$ 22,049
Work in process	3,976	3,622
Raw materials	73,589	71,161
Spare parts	18,244	17,377
Inventories, net	\$ 116,886	\$ 114,209
Less: current portion	(115,521)	(112,704)
Long-term inventories, net	\$ 1,365	\$ 1,505

As at March 31, 2022 and December 31, 2021, the Company had non-current inventories related to raw materials at Arraias.

6. PROPERTY, PLANT AND EQUIPMENT

As at March 31, 2022 and December 31, 2021, 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 at December 31, 2021	\$ 26,267	\$ 146,409	\$ 287,516	\$ 28,672	\$ 488,864
Additions	—	—	2,667	3,895	6,562
Balance as at March 31, 2022	\$ 26,267	\$ 146,409	\$ 290,183	\$ 32,567	\$ 495,426
Accumulated depreciation					
Balance as at December 31, 2021	\$ —	\$ 37,395	\$ 138,396	\$ —	\$ 175,791
Additions	—	601	3,983	—	4,584
Balance as at March 31, 2022	\$ —	\$ 37,996	\$ 142,379	\$ —	\$ 180,375
Property, plant and equipment, net					
Balance as at December 31, 2021	\$ 26,267	\$ 109,014	\$ 149,120	\$ 28,672	\$ 313,073
Balance as at March 31, 2022	\$ 26,267	\$ 108,413	\$ 147,804	\$ 32,567	\$ 315,051

IFRS 16 – RIGHT-OF-USE ASSETS

As at March 31, 2022 and December 31, 2021, 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 at December 31, 2021	\$ 878	\$ 21,644	\$ 22,522
Additions	—	35	35
Balance as at March 31, 2022	\$ 878	\$ 21,679	\$ 22,557
Accumulated depreciation			
Balance as at December 31, 2021	\$ 312	\$ 10,941	\$ 11,253
Additions	37	666	703
Balance as at March 31, 2022	\$ 349	\$ 11,607	\$ 11,956
Right-of-use assets, net			
Balance as at December 31, 2021	\$ 566	\$ 10,703	\$ 11,269
Balance as at March 31, 2022	\$ 529	\$ 10,072	\$ 10,601

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 three months ended March 31, 2022 and 2021, the Company had \$4,407 and \$4,057 of costs related to variable lease payments that are not dependent on an index or rate, respectively.

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 three months ended March 31, 2022 and 2021, the Company's costs related to short-term leases of low-value assets were not material.

7. MINERAL PROPERTIES

As at March 31, 2022 and December 31, 2021, 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 at December 31, 2021	\$ 91,268	\$ 72,046	\$ (42,568)	\$ 120,746
Additions	1,251	35	—	1,286
Depletion	—	—	(2,703)	(2,703)
Balance as at March 31, 2022	\$ 92,519	\$ 72,081	\$ (45,271)	\$ 119,329

8. OTHER ASSETS

As at March 31, 2022 and December 31, 2021, the Company had other assets as follows:

<i>(unaudited in thousands of US Dollars)</i>	March 31, 2022	December 31, 2021
Tax credits	\$ 7,530	\$ 6,592
Prepaid expenses	3,027	4,310
Deposits	1,208	1,041
Advances to suppliers	346	2,062
Other	500	567
Other assets	\$ 12,611	\$ 14,572
Less: current portion	(8,894)	(11,173)
Other non-current assets	\$ 3,717	\$ 3,399

As at March 31, 2022 and December 31, 2021, the Company had other current assets as follows:

<i>(unaudited in thousands of US Dollars)</i>	March 31, 2022	December 31, 2021
Tax credits	\$ 4,902	\$ 4,088
Prepaid expenses	3,027	4,310
Advances to suppliers	346	2,062
Deposits	292	292
Other	327	421
Other current assets	\$ 8,894	\$ 11,173

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at March 31, 2022 and December 31, 2021, the Company had accounts payable and accrued liabilities as follows:

<i>(unaudited in thousands of US Dollars)</i>	March 31, 2022	December 31, 2021
Trade payables	\$ 28,485	\$ 25,295
Taxes payable	25,037	13,221
Accrued liabilities and other	8,087	9,537
Payroll and related taxes payable	8,139	8,838
Rebates	1,505	1,028
Other payables	3,887	3,550
Accounts payable and accrued liabilities	\$ 75,140	\$ 61,469

10. PROVISIONS

As at March 31, 2022 and December 31, 2021, the Company had provisions as follows:

<i>(unaudited in thousands of US Dollars)</i>	March 31, 2022	December 31, 2021
Environmental and asset retirement obligations	\$ 177,284	\$ 174,056
Legal contingencies	359	248
Provisions	\$ 177,643	\$ 174,304
Less: current portion	(2,368)	(4,072)
Long-term provisions	\$ 175,275	\$ 170,232

For the period December 31, 2021 through March 31, 2022, 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 at December 31, 2021	\$ 174,056
Additions	1,177
Payments	(75)
Changes	1,337
Accretion (Note 18)	789
Balance as at March 31, 2022	\$ 177,284

11. DEBT

As at March 31, 2022 and December 31, 2021, the Company had debt as follows:

<i>(unaudited in thousands of US Dollars)</i>	March 31, 2022	December 31, 2021
Term Loan	\$ 164,177	\$ 198,863
Deferred financing costs related to the Term Loan	(7,314)	(9,423)
Promissory Note	44,884	43,283
Conda ABL	—	5,000
Conda equipment financings	781	909
Brazilian debentures	1,047	885
Canadian debentures	347	331
Debt	\$ 203,922	\$ 239,848
Less: current portion	(33,481)	(52,838)
Long-term debt	\$ 170,441	\$ 187,010

TERM LOAN

The Company's secured term loan (the "Term Loan") bears interest at 8.25% per annum plus the London Interbank Offered Rate ("LIBOR"), subject to a floor of 1.00%, with interest payments payable in cash on a quarterly basis. The Term Loan has a maturity of August 25, 2024. The Term Loan had an original principal amount of \$205,000 and the proceeds of the Term Loan were used to repay the Company's secured term credit facility (the "Credit Facility") and to pay related transaction costs and fees. The Term Loan amortizes 15% per annum with principal payments payable on a quarterly basis and a one-time principal payment on or before 15 months after the closing date in an amount sufficient to reduce the outstanding principal balance to \$155,000 or less.

The Term Loan includes financial covenants that require the Company to comply with certain ratios and thresholds. As at March 31, 2022, the Company was in compliance with all financial covenants related to the Term Loan (see Note 24). In addition, the Term Loan includes certain compliance requirements including, but not limited to, a requirement to maintain

a minimum liquidity amount of \$15,000 throughout the term of the Term Loan.

For the three months ended March 31, 2022, the effective interest rate for the Term Loan was 9.25% and the Company repaid \$34,625 of principal under the Term Loan.

PROMISSORY NOTE

The Company's unsecured and subordinated promissory note (the "Promissory Note") bears interest at 15% per annum on drawn amounts and 4% per annum on undrawn amounts, with interest payments payable in-kind on a quarterly basis. The Promissory Note interest rate per annum would increase from 15% payable in-kind to 18% payable in-kind starting on August 25, 2022 if the Company has not repaid at least \$20,000 under the Promissory Note by such date. The Promissory Note has a maturity of the later of (i) August 25, 2024 or (ii) six months after the date on which the Term Loan and the Conda ABL are paid in full and commitments under the Conda ABL are terminated; however, if the obligations under the Term Loan and the Conda ABL are accelerated, then the Promissory Note would become payable on demand (see Note 24).

CONDA ABL

Conda's secured working capital facility (the "Conda ABL") has a commitment amount of \$40,000. The Conda ABL bears interest as follows:

- for cash drawn, at a variable rate tied to Conda's fixed charge coverage ratio and LIBOR, with a rate ranging from 1.75%-2.25% per annum plus LIBOR on drawn amounts;
- for posted letters of credit, at a variable rate tied to Conda's fixed charge coverage ratio with a rate ranging from 1.75%-2.25% per annum; and
- for undrawn committed amounts, at 0.375% per annum.

The Conda ABL has a maturity of the earlier of August 25, 2024 and 91 days before the maturity of the Term Loan (if the Term Loan is outstanding on such date).

For the three months ended March 31, 2022, the effective interest rates for the Conda ABL were 1.9% for cash drawn and 1.9% for posted letters of credit and Company repaid \$5,000 cash drawn under the Conda ABL.

The Conda ABL includes springing financial covenants that require Conda to comply with certain ratios and thresholds if there is an event of default or an insufficient borrowing base (see Note 24). As at March 31, 2022, Conda had no cash drawn and posted letters of credit of \$32,793 under the Conda ABL. As at March 31, 2022, an additional \$7,207 remained available under the Conda ABL to be drawn by Conda subject to certain terms and conditions (see Notes 20 and 24).

OTHER DEBT

Conda's equipment financings bear interest at 8.3% per annum with maturity on August 28, 2022 and 5.75% per annum with maturity on March 11, 2024. Such equipment financings are payable in equal monthly installments of principal and interest through maturity (see Note 25).

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

The Company's Canadian debentures bear interest at 10% per annum with 10 equal annual installments of principal and interest through maturity on October 27, 2026 (see Note 23).

For the period December 31, 2021 through March 31, 2022, the Company had changes in debt as follows:

<i>(unaudited in thousands of US Dollars)</i>	Current debt	Long-term debt
Balance as at December 31, 2021	\$ 52,838	\$ 187,010
Amortization of deferred financing costs related to the Term Loan	—	2,109
Repayment of the Term Loan	—	(34,625)
Reclassification of current portion of the Term Loan	(19,250)	19,250
Payment of cash interest of the Term Loan	(4,500)	—
Accrual of cash interest of the Term Loan	4,440	—
Accrual of in-kind interest of the Promissory Note	—	1,601
Repayment of the Conda ABL	—	(5,000)
Repayment of the Conda equipment financings	—	(128)
Reclassification of current portion of the Conda equipment financings	(119)	119
Change in Brazilian debentures	63	98
Change in Canadian debentures	9	7
Balance as at March 31, 2022	\$ 33,481	\$ 170,441

12. OTHER LIABILITIES

As at March 31, 2022 and December 31, 2021, the Company had other long-term liabilities as follows:

<i>(unaudited in thousands of US Dollars)</i>	March 31, 2022	December 31, 2021
Lease liabilities	\$ 13,518	\$ 14,244
Other tax liabilities	2,610	2,607
Share-based payments	4,220	3,499
Other	692	694
Other liabilities	\$ 21,040	\$ 21,044
Less: current portion	(2,579)	(2,544)
Other long-term liabilities	\$ 18,461	\$ 18,500

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.

As at March 31, 2022 and December 31, 2021, the Company had other current liabilities as follows:

<i>(unaudited in thousands of US Dollars)</i>	March 31, 2022	December 31, 2021
Lease liabilities	\$ 2,579	\$ 2,544
Other current liabilities	\$ 2,579	\$ 2,544

As at March 31, 2022, the Company had total future contractual payments for leases recognized under IFRS 16 as follows:

<i>(unaudited in thousands of US Dollars)</i>	March 31, 2022
Within 1 year	\$ 2,579
Between 2 and 3 years	6,854
Between 4 and 5 years	3,455
After 5 years	3,532
Total contractual payments	\$ 16,420

For the period December 31, 2021 through March 31, 2022, the Company had changes in lease liabilities as follows:

<i>(unaudited in thousands of US Dollars)</i>	Current Lease Liabilities	Long-term Lease Liabilities
Balance as at December 31, 2021	2,544	11,700
New leases commenced	20	15
Interest accrual on the leases <i>(Note 18)</i>	260	—
Lease payments	(245)	(776)
Balance as at March 31, 2022	\$ 2,579	\$ 10,939

OTHER TAX LIABILITIES

As at March 31, 2022 and December 31, 2021, other tax liabilities 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 at March 31, 2022 and December 31, 2021, share-based payments were related to RSUs granted by the Company under its restricted share unit plan (the "RSU Plan").

As at March 31, 2022, the Company had 5,293,488 RSUs outstanding and 5,928,876 RSUs available for issuance under its RSU Plan. As at December 31, 2021, the Company had 6,985,661 RSUs outstanding and 6,978,838 RSUs available for issuance under its RSU Plan.

For the period December 31, 2021 through March 31, 2022, the Company had changes in RSUs as follows:

<i>(in number of RSUs)</i>	RSUs
Balance as at December 31, 2021	6,985,661
Granted	1,251,799
Cash settled	(199,712)
Vested	(2,542,422)
Forfeited	(201,838)
Balance as at March 31, 2022	5,293,488

For the three months ended March 31, 2022, the Company granted 1,251,799 RSUs under its RSU Plan, including 105,724 RSUs granted to directors, 466,251 RSUs granted to management and 679,824 RSUs granted to employees and contractors (see Note 25).

For the three months ended March 31, 2022, the Company cash settled 199,712 for \$421 due to vesting under its RSU Plan. For the three months ended March 31, 2021, the Company cash settled 74,597 for \$36 due to vesting under its RSU Plan.

For the three months ended March 31, 2022, the Company issued 1,956,209 shares (net of 586,213 shares withheld to pay applicable taxes) due to vesting under its RSU Plan. For the three months ended March 31, 2021, the Company issued 1,265,620 shares (net of 371,912 shares withheld to pay applicable taxes) due to vesting under its RSU Plan (see Note 13).

For the three months ended March 31, 2022 and 2021, the Company had share-based payment expense of \$5,935 and \$1,291, respectively (see Note 15).

13. SHARE CAPITAL

AUTHORIZED CAPITAL

As at March 31, 2022, 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 at March 31, 2022 and December 31, 2021, the Company had 188,771,051 and 186,814,842 basic shares outstanding, respectively. As at March 31, 2022 and December 31, 2021, CLF beneficially owned and controlled 124,961,722 shares of the Company, representing approximately 66.2% and 66.9% of the basic shares outstanding, respectively (see Notes 1 and 23).

For the three months ended March 31, 2022, the Company issued 1,956,209 shares (net of 586,213 shares withheld to pay applicable taxes) due to vesting under its RSU Plan (see Note 12).

For the three months ended March 31, 2021, the Company issued 1,265,620 shares (net of 371,912 shares withheld to pay applicable taxes) due to vesting under its RSU Plan (see Note 12).

WEIGHTED-AVERAGE NUMBER OF SHARES

For the three months ended March 31, 2022 and 2021, the Company had weighted-average number of shares and potentially dilutive RSUs as follows:

<i>(in number of shares)</i>	<i>For the three months ended March 31,</i>	
	2022	2021
Basic weighted-average shares outstanding	187,236,207	185,658,004
Weighted-average potentially dilutive RSUs	1,856,543	5,208,480
Diluted weighted-average shares outstanding	189,092,750	190,866,484

For the three months ended March 31, 2022 and 2021, the Company recorded net income. Accordingly, all potentially dilutive RSUs were included in the diluted weighted-average shares outstanding.

NCI

As at March 31, 2022 and December 31, 2021, the Company had NCI of \$1,165 (see Note 2).

14. REVENUES

For the three months ended March 31, 2022 and 2021, Conda had revenues as follows:

<i>(unaudited in thousands of US Dollars)</i>	<i>For the three months ended March 31,</i>	
	2022	2021
MAP	\$ 73,955	\$ 35,585
MAP+	8,933	10,377
SPA	62,848	42,494
MGA	—	271
APP	1,794	1,415
Revenues	\$ 147,530	\$ 90,142

For the three months ended March 31, 2022 and 2021, Conda had two customers that individually accounted for more than 10% of Conda's total revenues. For the three months ended March 31, 2022, these two customers represented

approximately 57% and 12%, respectively of Conda's total revenues. For the three months ended March 31, 2021, these two customers represented approximately 38% and 15%, respectively of Conda's total revenues.

For the three months ended March 31, 2022 and 2021, Arraias had revenues as follows:

<i>(unaudited in thousands of US Dollars)</i>	<i>For the three months ended March 31,</i>	
	2022	2021
SSP	\$ —	\$ —
SSP+	—	—
Excess sulfuric acid	2,323	—
Revenues	\$ 2,323	\$ —

For the three months ended March 31, 2022 and, Arraias had two customers that individually accounted for more than 10% of Arraias' total revenues. For the three months ended March 31, 2022, these two customers represented approximately 62% and 10%, respectively of Arraias' total revenues.

15. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

For the three months ended March 31, 2022 and 2021, the Company had selling, general and administrative expenses as follows:

<i>(unaudited in thousands of US Dollars)</i>	<i>For the three months ended March 31,</i>	
	2022	2021
Payroll expenses	\$ 3,675	\$ 2,541
Professional fees	956	519
Share-based payments expense	5,935	1,291
Insurance expenses	298	252
Office, travel and general administrative expense	1,226	841
Director fees	334	146
Selling, general and administrative expenses	\$ 12,424	\$ 5,590

16. FOREIGN EXCHANGE GAIN (LOSS)

For the three months ended March 31, 2022 and 2021, the Company recognized a foreign exchange gain (loss) of \$322 and \$(71), respectively. These amounts are primarily comprised of the gain or loss resulting from remeasuring monetary items denominated in Brazilian Reals and Canadian Dollars.

17. OTHER INCOME (EXPENSE)

For the three months ended March 31, 2022 and 2021, the Company recognized other income of \$8,365 and \$102, respectively. For the three months ended March 31, 2022, Conda reached a settlement with insurers on a business interruption claim related to the 2020 disruption in sulfuric acid supply. As a result of the settlement, Conda received net insurance proceeds of \$8,675.

18. FINANCE EXPENSE (INCOME)

For the three months ended March 31, 2022 and 2021, the Company had finance expense (income) as follows:

<i>(unaudited in thousands of US Dollars)</i>	<i>For the three months ended March 31,</i>	
	2022	2021
Interest expense	\$ 6,536	\$ 7,302
Amortization of deferred financing costs related to the Credit Facility <i>(Note 11)</i>	—	520
Amortization of deferred financing costs related to the Term Loan <i>(Note 11)</i>	2,109	—
Environmental and asset retirement obligation accretion expense <i>(Note 10)</i>	789	260
Interest on lease liabilities <i>(Note 12)</i>	260	311
Interest income	(2)	(1)
Finance expense, net	\$ 9,692	\$ 8,392

19. INCOME TAXES

For the three months ended March 31, 2022 and 2021, the Company had total current and deferred income tax expense (recovery) as follows:

<i>(unaudited in thousands of US Dollars)</i>	<i>For the three months ended March 31,</i>	
	2022	2021
Current income tax expense	\$ 11,637	\$ 4,700
Deferred income tax expense (income), net	408	(2,023)
Total current and deferred income tax expense	\$ 12,045	\$ 2,677
Actual effective tax rate (%)	26.7	58.5

DEFERRED TAX ASSETS

As at March 31, 2022 and December 31, 2021, the Company had deferred tax assets as follows:

<i>(unaudited in thousands of US Dollars)</i>	March 31, 2022	December 31, 2021
Payroll and related taxes payable	\$ 1,062	\$ 1,726
Mineral properties	16,489	15,372
Interest expense	—	1,297
Deferred tax assets	\$ 17,551	\$ 18,395
Offset of deferred tax liabilities	(17,551)	(18,395)
Deferred tax assets, net	\$ —	\$ —

As at March 31, 2022 and December 31, 2021, the Company had related deferred tax assets and liabilities at Conda and corporate, which have been presented on a net basis.

For the period December 31, 2021 through March 31, 2022, the Company had changes in deferred tax assets as follows:

<i>(unaudited in thousands of US Dollars)</i>	Payroll and related taxes payable	Mineral properties	Interest expense	Total deferred tax assets
Balance as at December 31, 2021	\$ 1,726	\$ 15,372	\$ 1,297	\$ 18,395
Credit (charge) to profit or loss	(664)	1,117	(1,297)	(844)
Balance as at March 31, 2022	\$ 1,062	\$ 16,489	\$ —	\$ 17,551

The Company has not recognized a deferred tax asset for its tax losses. As at, March 31, 2022 the Company had tax losses as follows:

- Brazilian tax losses of approximately \$461,325 that may be carried forward indefinitely; and
- US tax losses of 6,180 that may be carried forward indefinitely.

The Company's Brazilian tax losses are primarily related to Arraias. The Company's US tax losses are related to Paris Hills (wind down in process).

DEFERRED TAX LIABILITIES

As at March 31, 2022 and December 31, 2021, the Company had deferred tax liabilities as follows:

<i>(unaudited in thousands of US Dollars)</i>	March 31, 2022	December 31, 2021
Property, plant and equipment	\$ 17,101	\$ 17,594
Inventories	2,496	2,471
Deferred tax liabilities	\$ 19,597	\$ 20,065
Offset of deferred tax liabilities	(17,551)	(18,395)
Deferred tax liabilities, net	\$ 2,046	\$ 1,670

As at March 31, 2022 and December 31, 2021, the Company had related deferred tax assets and liabilities at Conda and corporate, which have been presented on a net basis.

For the period December 31, 2021 through March 31, 2022, the Company had changes in deferred tax liabilities as follows:

<i>(unaudited in thousands of US Dollars)</i>	Property, plant and equipment	Inventories	Total deferred tax liabilities
Balance as at December 31, 2021	\$ 17,594	\$ 2,471	\$ 20,065
Charge (credit) to profit or loss	(493)	25	(468)
Balance as at March 31, 2022	\$ 17,101	\$ 2,496	\$ 19,597

20. COMMITMENTS AND CONTINGENCIES

CONTRACTUAL OBLIGATIONS

As at March 31, 2022, 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	\$ 33,481	\$ 177,278	\$ 475	\$ —	\$ 211,234
Accounts payable and accrued liabilities	75,140	—	—	—	75,140
Provisions	2,368	6,425	39,496	129,354	177,643
Leases	2,579	6,854	3,455	3,532	16,420
Contractual obligations	\$ 113,568	\$ 190,557	\$ 43,426	\$ 132,886	\$ 480,437

The Company's contractual obligations do not include estimated interest payments related to such contractual obligations.

LEGAL CONTINGENCIES

From time to time, the Company may be involved in legal proceedings that arise in the ordinary course of its business. The amount of any ultimate liability (including interest and penalties) with respect to these actions is not expected to, in the opinion of management, materially affect the Company's financial position, results of operations or cash flows. Based on

the Company's knowledge and assessment of events as at March 31, 2022, the Company does not believe that the outcome of any of the matters, individually or in aggregate, not recorded in the Interim Financial Statements would have a material adverse effect. As at March 31, 2022, the Company has currently accrued \$359 in relation to labor and other claims that have been made (see Note 10). The ultimate outcome of these claims is uncertain at this time and the Company is defending its position in each case.

CONDA GUARANTEES

Conda's operating and environmental permits require certain obligations related to environmental and reclamation activities to be guaranteed. As at March 31, 2022, Conda's guarantee requirements were \$77,739. As at March 31, 2022, Conda had surety bonds in place for the full amount of its \$77,739 guarantee requirements.

For the three months ended March 31, 2022, Conda posted incremental letters of credit of \$3,663 under the Conda ABL as collateral for its surety bonds. As at March 31, 2022, Conda had posted letters of credit of \$32,793 under the Conda ABL as collateral for its surety bonds (see Note 11).

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, Inc. ("Agrium"), a wholly-owned subsidiary of Nutrien Ltd. ("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.

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 25).

21. SEGMENT REPORTING

The Company's segment reporting is as follows:

- Conda;
- Arraias;
- development and exploration; and
- corporate.

The development and exploration segment is comprised of activities related to Farim, Santana, Araxá, Paris Hills and Mantaro. The Company's corporate segment considers support, administrative and financing activities. 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.

For the three months ended March 31, 2022 and 2021

For the three months ended March 31, 2022, the Company had net income (loss) by segment as follows:

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total	
Revenues	\$	147,530	\$	2,323	\$	—	\$	—	\$	149,853
Cost of goods sold		88,607		2,763		—		—		91,370
Gross margin	\$	58,923	\$	(440)	\$	—	\$	—	\$	58,483
Selling, general and administrative expenses		988		585		269		10,582		12,424
Operating income (loss)	\$	57,935	\$	(1,025)	\$	(269)	\$	(10,582)	\$	46,059
Foreign exchange gain (loss)		(1)		718		(406)		11		322
Other income (expense), net		8,386		(11)		(10)		—		8,365
Finance expense, net		(1,206)		(226)		(2)		(8,258)		(9,692)
Income (loss) before income taxes	\$	65,114	\$	(544)	\$	(687)	\$	(18,829)	\$	45,054
Current and deferred income tax expense (recovery)		15,379		—		—		(3,334)		12,045
Net income (loss)	\$	49,735	\$	(544)	\$	(687)	\$	(15,495)	\$	33,009

For the three months ended March 31, 2021, the Company had net income (loss) by segment as follows:

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total	
Revenues	\$	90,142	\$	—	\$	—	\$	—	\$	90,142
Cost of goods sold		71,013		600		—		—		71,613
Gross margin	\$	19,129	\$	(600)	\$	—	\$	—	\$	18,529
Selling, general and administrative expenses		1,075		349		497		3,669		5,590
Operating loss	\$	18,054	\$	(949)	\$	(497)	\$	(3,669)	\$	12,939
Foreign exchange gain (loss)		62		(309)		97		79		(71)
Other income		—		11		91		—		102
Finance expense, net		(726)		(5)		(1)		(7,660)		(8,392)
Income (loss) before income taxes	\$	17,390	\$	(1,252)	\$	(310)	\$	(11,250)	\$	4,578
Current and deferred income tax expense		2,626		—		—		51		2,677
Net income (loss)	\$	14,764	\$	(1,252)	\$	(310)	\$	(11,301)	\$	1,901

As at March 31, 2022, the Company had total assets and total liabilities by segment as follows:

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total
Total assets	\$	427,752	\$	143,884	\$	75,712	\$	5,902	\$ 653,250
Total liabilities	\$	262,422	\$	15,063	\$	3,589	\$	200,878	\$ 481,952

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

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total
Total assets	\$	419,603	\$	135,109	\$	75,691	\$	3,450	\$ 633,853
Total liabilities	\$	248,127	\$	12,139	\$	3,192	\$	235,790	\$ 499,248

As at March 31, 2022 and December 31, 2021, the Company had property, plant and equipment and mineral properties by segment as follows:

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total
Balance as at March 31, 2022	\$	237,478	\$	121,650	\$	74,757	\$	495	\$ 434,380
Balance as at December 31, 2021	\$	238,543	\$	120,012	\$	74,726	\$	538	\$ 433,819

As at March 31, 2022 and December 31, 2021, the Company had property, plant and equipment and mineral properties by region as follows:

<i>(unaudited in thousands of US Dollars)</i>	March 31, 2022		December 31, 2021	
Brazil (South America)	\$	130,752	\$	129,092
US (North America)		237,953		239,061
Guinea-Bissau (Africa)		65,675		65,666
Property, plant and equipment, and mineral properties, net	\$	434,380	\$	433,819

22. NET CHANGE IN NON-CASH WORKING CAPITAL

For the three months ended March 31, 2022 and 2021, the Company had net change in non-cash working capital as follows:

<i>(unaudited in thousands of US Dollars)</i>	March 31, 2022		March 31, 2021	
Accounts receivable	\$	(12,693)	\$	(6,702)
Inventories, net		163		5,498
Other assets and prepaids		1,422		8,335
Accounts payable and accrued liabilities		1,572		(12,870)
Other liabilities and provisions		(1,885)		1,103
Net change in non-cash working capital	\$	(11,421)	\$	(4,636)

23. RELATED PARTY TRANSACTIONS

The Company's related party transactions include key management compensation and debt from CLF, its principal shareholder (see Note 1).

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 three months ended March 31, 2022 and 2021, the Company had key management compensation as follows:

<i>(unaudited in thousands of US Dollars)</i>	<i>For the three months ended March 31,</i>	
	2022	2021
Management compensation ⁱ	\$ 2,009	\$ 290
Director fees	334	146
Share-based payments ⁱⁱ	1,492	256
Non-recurring compensation expenses ⁱⁱⁱ	738	—
Other benefits	35	17
Key management compensation	\$ 4,608	\$ 709

- i. Includes salary and bonus payments to the Company's Chief Executive Officer, Chief Financial Officer and Chief Strategy Officer.
- ii. Relates to vesting under the Company's RSU Plan.
- iii. Includes cash and share-based termination payments.

RELATED PARTY DEBT

As at March 31, 2022 and December 31, 2021, the Company had related party debt as follows:

<i>(unaudited in thousands of US Dollars)</i>	March 31, 2022	December 31, 2021
Promissory Note	44,884	43,283
Canadian debentures	347	331
Related party debt	\$ 45,231	\$ 43,614

24. 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, such as discounted cash flow methodologies based on internal cash flow forecasts.

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 three months ended March 31, 2022 and 2021, there were no such transfers.

The fair values of cash and cash equivalents, accounts receivable, short-term investments, accounts payable and accrued liabilities to approximate their carrying values in the consolidated balance sheets given the interest receivable and or payable is either close to current market rates or 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 is determined by applying a discount rate, reflecting an appropriate credit spread considering the Company's credit rating, to future related cash flows. As such, long-term debt is classified within Level 3 of the fair value hierarchy. As at March 31, 2022 and December 31, 2021, the Company's long-term debt was stated at an amortized cost of \$170,441 and \$187,010, respectively and had a fair value of \$193,667 and \$231,645, respectively.

RISK FACTORS

Except as noted below, the risk factors considered in the Interim Financial Statements remain consistent with those considered in the Audited Financial Statements.

Liquidity Risk

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

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 at March 31, 2022, the Company had cash and cash equivalents of \$36,992. As at March 31, 2022, an additional \$7,207 remained available under the Conda ABL to be drawn by Conda subject to certain terms and conditions (see Note 11).

Financial Covenant Risk

The Term Loan includes financial covenants that require the Company to comply with certain ratios and thresholds. The principal financial covenants in the Term Loan require the Company not to exceed a consolidated net secured leverage ratio and to maintain a minimum fixed charge coverage ratio as at the end of each fiscal quarter commencing December 31, 2021 (see Note 11).

The Conda ABL includes springing financial covenants that require Conda to comply with certain ratios and thresholds if there is an event of default or an insufficient borrowing base. The principal springing financial covenants in the Conda ABL, if applicable, require Conda to maintain minimum fixed charge coverage ratios at the end of each month and fiscal quarter, respectively (see Note 11).

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.

25. SUBSEQUENT EVENTS

CONDA EQUIPMENT FINANCING

Subsequent to March 31, 2022, Conda purchased mining equipment in exchange for a note payable of \$3,930 that matures in 60 months. The note payable bears interest at 4.75% per annum with equal monthly installments of principal and interest through maturity (see Note 11).

LANES CREEK SETTLEMENT

Subsequent to March 31, 2022, Conda reached a settlement agreement with wholly-owned subsidiaries of Nutrien related to shared environmental and asset retirement obligations at Lanes Creek mine. The settlement agreement provides for an upfront cash payment of \$11,000 by Nutrien to Conda in exchange for assuming responsibility for 100% of the remaining environmental and asset retirement obligations associated with Lanes Creek mine. The settlement agreement does not otherwise amend or restate Nutrien's liability for all environmental and asset retirement obligations related to the pre-closing operations of Conda, including with respect to EPA matters (see Note 20).

RSU GRANT

Subsequent to March 31, 2022, the Company granted 187,955 RSUs to management under its RSU Plan (see Note 13).

DUTCH TAX ASSESSMENT

Subsequent to March 31, 2022, the Company received an assessment from the Dutch tax authorities of EUR 1,730 (approximately \$1,834) for 2016 income taxes related to its Dutch holding structure for the Company's Brazilian subsidiaries. The Company intends to defend and vigorously appeal the tax assessment.
