



News Release

TSX-V: IFOS

ITAFOS REPORTS Q2 2023 RESULTS

HOUSTON, TX – August 9, 2023 – Itafos Inc. (TSX-V: IFOS) (the “Company”) reported today its Q2 2023 financial and operational highlights. The Company’s financial statements and management’s discussion and analysis for the three and six months ended June 30, 2023 are available under the Company’s profile at www.sedarplus.com and on the Company’s website at www.itafos.com. All figures are in thousands of US Dollars except as otherwise noted.

CEO Commentary

“We are pleased to report solid financial results and continuation of our strong safety and operational performance in Q2 2023. For 1H 2023 we reported revenues of \$235.7 million and adjusted EBITDA of \$82.6 million.

The Record of Decision issued on April 24th and subsequent Notice to Proceed on May 8th for the Husky 1/North Dry Ridge mine project represent a significant milestone for Itafos. The approvals provide the path for the Company to achieve our strategic goal of extending Conda’s mine life. The permit allows us to work to continue to serve the North American fertilizer market through 2037 with potential to further extend the resource life through leases and third-party arrangements.

The Company has lowered its full year EBITDA guidance, due to the sharp decline in commodity prices in Q2. The impact of this price decline will also be seen in the Company’s Q3 performance due to the pricing formula of our MAP sales contract. Following the sharp decline in Q2, commodity prices have partially rebounded in early Q3, driven by demand improvement and tighter US supply fundamentals.”

Finally, the process to explore and evaluate various strategic alternatives to enhance value for all Itafos Shareholders announced by our Board in Q1 2023 is on-going. At the same time, we remained focused on running the Company to support our customers, maintaining our safety performance, and delivering on our operational and financial results” said G. David Delaney, CEO of Itafos.

Q2 2023 Key Highlights

- revenues of \$116.1 million
- Adjusted EBITDA of \$39.7 million¹
- net income of \$20.4 million
- basic earnings of C\$0.14/share
- free cash flow of \$44.1 million¹

H1 2023 Key Highlights

- revenues of \$235.7 million
- Adjusted EBITDA of \$82.6 million
- net income of \$48.6 million
- basic earnings of C\$0.35/share
- free cash flow of \$63.9 million

June 30, 2023 Key Highlights

- trailing 12 months Adjusted EBITDA of \$183.4 million¹
- net debt of \$38.0 million¹
- net leverage ratio of 0.2x¹

¹ Adjusted EBITDA, trailing 12 months Adjusted EBITDA, maintenance capex, growth capex, net debt, net leverage ratio and free cash flow are each a non-IFRS financial measure. For additional information on non-IFRS and other financial measures, see “Non-IFRS financial measures” below. International Financial Reporting Standards (“IFRS”).

Lowered FY 2023 Guidance

- Adjusted EBITDA guidance of \$115-135 million
- net income guidance of \$45-60 million
- basic earnings guidance of C\$0.31-0.41/share
- maintenance capex guidance of \$15-25 million¹
- growth capex guidance of \$35-45 million¹
- free cash flow guidance of \$65-85 million

Q2 and H1 2023 Market Highlights

Diammonium phosphate ("DAP") New Orleans ("NOLA") prices averaged \$527/st in Q2 2023 compared to \$860/st in Q2 2022, down 39% year-over-year, and averaged \$571/st in H1 2023 compared to \$827/st in H1 2022, down 31% year-over-year. Specific factors driving the year-over-year decline in DAP NOLA were as follows:

- weakened demand in response to historically high 2022 phosphate prices;
- the softening of global Ammonia and Sulphur prices;
- the softening of historically high crop prices; and
- increased phosphate exports out of Russia and China.

Q2 2023 Financial Highlights

For Q2 2023, the Company's financial highlights were as follows:

- revenues of \$116.1 million in Q2 2023 compared to \$155.0 million in Q2 2022;
- Adjusted EBITDA of \$39.7 million in Q2 2023 compared to \$63.6 million in Q2 2022;
- net income of \$20.4 million in Q2 2023 compared to \$44.3 million in Q2 2022;
- basic earnings of C\$0.14/share in Q2 2023 compared to C\$0.30/share in Q2 2022; and
- free cash flow of \$44.1 million in Q2 2023 compared to \$41.3 million in Q2 2022.

The decrease in the Company's Q2 2023 financial performance compared to Q2 2022 was primarily due to lower realized prices as a result of softer global market conditions partially offset by lower input costs.

The Company's total capex² spend in Q2 2023 was \$18.1 million compared to \$16.0 million in Q2 2022 with the increase primarily due to the the development activities at H1/NDR upon receipt of ROD in Q2 2023.

H1 2023 Financial Highlights

For H1 2023, the Company's financial highlights were as follows:

- revenues of \$235.7 million in H1 2023 compared to \$304.9 million in H1 2022;
- Adjusted EBITDA of \$82.6 million in H1 2023 compared to \$124.0 million in H1 2022;
- net income of \$48.6 million in H1 2023 compared to \$77.3 million in H1 2022;
- basic earnings of C\$0.35/share in H1 2023 compared to C\$0.52/share in H1 2022; and
- free cash flow of \$63.9 million in H1 2023 compared to \$95.7 million in H1 2022.

The decrease in the Company's H1 2023 financial performance compared to H1 2022 was primarily due to lower sales volumes and lower realized prices, partially offset by lower input costs.

The Company's total capex² spend in H1 2023 was \$20.9 million compared to \$21.3 million in H1 2022 with the decrease primarily due to the capital additions expended in the prior year relating to the HFSA build out at Conda during Q1 2022 and the Arraias sulfuric acid restart.

²Total capex is a non-IFRS financial measure. For additional information on non-IFRS and other financial measures, see "Non-IFRS financial measures" below.

June 30, 2023 Highlights

As at June 30, 2023, the Company had trailing 12 months Adjusted EBITDA of \$183.4 million compared to \$224.8 million at the end of 2022 with the decrease primarily due to the same factors that resulted in lower revenues, which were partially offset by lower input costs at Conda.

At June 30, 2023, the Company had net debt of \$38.0 million compared to \$88.3 million at the end of 2022, with the reduction due to the repayment of principal debt outstanding from free cash flows generated and higher cash and cash equivalents. The Company's net debt as at June 30, 2023 was comprised of \$68.6 million in cash and \$106.6 million in debt (gross of deferred financing costs). As at June 30, 2023 and the end of 2022, the Company's net leverage ratio were 0.2x and 0.4x.

As at June 30, 2023, the Company had liquidity³ of \$101.7 million comprised of \$68.6 million in cash and \$33.0 million in ABL Facility undrawn borrowing capacity.

Q2 2023 Operational Highlights

Environmental, Health, and Safety ("EHS")

- Sustained EHS performance, including no reportable environmental releases and two recordable incidents, which resulted in a consolidated total recordable incident frequency rate ("TRIFR") of 0.35.

Conda

- Produced 83,190 tonnes P₂O₅ at Conda in Q2 2023 compared to 80,297 tonnes P₂O₅ in Q2 2022 with the increase primarily due to higher throughput resulting from operational efficiencies and reduced downtime;
- Generated revenues of \$112.9 million at Conda in Q2 2023 compared to \$148.9 million in Q2 2022 primarily due to lower realized prices;
- Generated Adjusted EBITDA at Conda of \$44.6 million in Q2 2023 compared to \$66.7 million in Q2 2022 primarily due to the same factors that resulted in lower revenues, which were partially offset by lower input costs;
- On April 24, 2023, the Company announced the Record of Decision ("ROD") for Husky 1/North Dry Ridge ("H1/NDR") mine development project. The H1/NDR project comprises primarily of civil activities and infrastructure development. Mineral resources from H1/NDR are expected from 2026⁴ onward, providing an uninterrupted supply as Rasmussen Valley Mine reaches the end of its useful life; and
- On May 8, 2023, the Company received the Notice of Proceed ("NTP") for H1/NDR mine development project. Upon receipt of the NTP, the Company has begun capital activities associated with the mine development project.

Q2 2023 Other Highlights

- Produced 8,523 tonnes of sulfuric acid at Arraias in Q2 2023 compared to 20,549 tonnes in Q2 2022 with the decrease due to sulfuric acid plant shutdown for required maintenance and turnaround in June 2023;
- Generated Adjusted EBITDA at Arraias of \$0.8 million loss in Q2 2023 compared to \$0.4 million gain in Q2 2022 with the decrease primarily due to lower realized sulfuric acid prices, which were partially offset by higher sales volumes, lower cost of goods sold and lower selling, general and administrative expenses;
- On June 28, 2023, the Company filed the National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") technical report for the Farim Phosphate Project; and
- The Special Committee of the Board of Directors continues to evaluate strategic alternatives that may be available to company in an effort to enhance shareholder value.

³ Liquidity is a non-IFRS financial measure. For additional information on non-IFRS and other financial measures, see "Non-IFRS financial measures" below.

H1 2023 Operational Highlights

Environmental, Health, and Safety ("EHS")

- Sustained EHS excellence, including no reportable environmental releases and two recordable incidents, which resulted in a consolidated total recordable incident frequency rate ("TRIFR") of 0.35.

Conda

- Produced 165,336 tonnes P₂O₅ at Conda in Q2 2023 compared to 169,393 tonnes P₂O₅ in Q2 2022 with the decrease slightly due to extreme winter weather conditions and unplanned downtime in Q1 2023, mostly offset by stronger throughput in Q2 2023;
- Generated revenues of \$228.9 million at Conda in Q2 2023 compared to \$296.5 million in Q2 2022 primarily due to lower sales volumes and lower realized prices;
- Generated Adjusted EBITDA at Conda of \$92.0 million in Q2 2023 compared to \$131.1 million in Q2 2022 primarily due to the same factors that resulted in lower revenues, which were partially offset by lower input costs;
- On April 24, 2023, the Company announced the ROD for H1/NDR mine development project. The H1/NDR project comprises primarily of civil activities and infrastructure development. Mineral resources from H1/NDR are expected from 2026⁴ onward, providing an uninterrupted supply as Rasmussen Valley Mine reaches the end of its useful life; and
- On May 8, 2023, the Company received the NTP for H1/NDR mine development project. Upon receipt of the NTP, the Company has begun capital activities associated with the mine development project.

H1 2023 Other Highlights

- Produced 29,137 tonnes of sulfuric acid at Arraias in H1 2023 compared to 30,200 tonnes in H1 2022 with the Sulfuric acid production consistent year-over-year; Increased sales volumes due to full half year sales in H1 2023 compared to a partial half year in H1 2022 (the sulfuric acid plant was restarted in February 2022);
- Generated Adjusted EBITDA at Arraias of \$0.6 million loss in H1 2023 compared to \$0.3 million loss in H1 2022 with the decrease primarily due to lower realized sulfuric acid prices, which were partially offset by higher sales volumes and lower selling, general and administrative expenses; and
- On June 28, 2023, the Company filed the NI 43-101 technical report for the Farim Phosphate Project; and
- The Special Committee of the Board of Directors continues to evaluate strategic alternatives that may be available to company in an effort to enhance shareholder value.

Market Outlook

2023 prices have moderated off the historically high 2022 prices and weaker global demand drove a significant reduction in Q2 2023 prices. Due to the nature of our MAP sales contract, with sales price determined by a three-month lagging average, the impact of this decrease, coupled with a lower SPA reset pricing, will impact the Company's performance in Q3 2023. The Company expects relatively stable global agriculture and phosphate fertilizer fundamentals moving forward but has seen demand and pricing improve in early Q3 2023 driven by tighter US supply fundamentals. Accordingly, the Company expects some volatility in pricing in the short term with consistent volume fundamentals in the phosphate fertilizer markets and expects stabilization in pricing long term.

Specific factors the Company expects to support strength in the global phosphate fertilizer markets through 2023 are as follows:

- no significant phosphate supply capacity additions;
- excellent farmer affordability due to sustained high crop prices
- improved phosphate application following lower demand associated with historically high pricing; and
- ongoing phosphate export restrictions from China compared to recent norms.

The Company expects the sulfur and sulfuric acid markets to remain under pressure globally through 2023 due to increased refinery activity and softer demand from phosphate producers and metals consumers.

⁴Timeline for H1/NDR based on management estimates and subject to certain assumptions, including successful permitting and development activities. The H1/NDR mine life extension is based on a Preliminary Economic Assessment ("2019 PEA") included in the Conda Technical Report (as defined below). The 2019 PEA on the H1 and NDR properties is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the 2019 PEA will be realized. Readers are referred to the Conda Technical Report for the applicable qualifications and assumptions in connection with its 2019 PEA.

Financial Outlook

The Company lowered its guidance for 2023 as follows:

<i>(in millions of US Dollars except as otherwise noted)</i>		<i>Projected FY 2023</i>
Adjusted EBITDA	\$	115-135
Net income		45-60
Basic earnings (C\$/share)		0.31-0.41
Maintenance capex		15-25
Growth capex		35-45
Free cash flow		65-85

Business Outlook

The Company continues to focus on the following key objectives to drive long-term value and shareholder returns:

- improving financial and operational performance;
- deleveraging the balance sheet;
- executing on the requisite infrastructure and civil works required for the mine development for H1/NDR; and
- conducting the strategic review process (including evaluating potential strategic alternatives for the company as outlined in the news release dated March 13, 2023).

About Itafos

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

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

For more information, or to join the Company's mailing list to receive notification of future news releases, please visit the Company's website at www.itafos.com.

Forward-Looking Information

Certain information contained in this news release constitutes forward-looking information, including statements with respect to: the timing for commencement of operations at H1 / NDR; the expected resource life of H1 / NDR; the sources of funding to be used for the development of H1 / NDR; economic and market trends with respect to the global agriculture and phosphate fertilizer markets. All information other than information of historical fact is forward-looking information. Statements that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future include, but are not limited to, statements regarding estimates and/or assumptions in respect of the Company's financial and business outlook are forward-looking information. The use of any of the words “intend”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “would”, “believe”, “predict” and “potential” and similar expressions are intended to identify forward-looking information.

The forward-looking information contained in this news release is based on the opinions, assumptions and estimates of management set out herein, which management believes are reasonable as at the date the statements are made. Those opinions, assumptions and estimates are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in the forward-looking information. These include the Company's expectations and assumptions with respect to the following: commodity prices; operating results; safety risks; changes to the Company's mineral reserves and resources; risk that timing of expected permitting will not be met; changes to mine development and completion; foreign operations risks; changes to regulation; environmental risks; the impact of adverse weather and climate change; general economic changes, including inflation and foreign exchange rates; the actions of the Company's competitors and counterparties; financing, liquidity,

credit and capital risks; the loss of key personnel; impairment risks; cybersecurity risks; risks relating to transportation and infrastructure; changes to equipment and suppliers; adverse litigation; changes to permitting and licensing; loss of land title and access rights; changes to insurance and uninsured risks; the potential for malicious acts; market volatility; changes to technology; changes to tax laws; the risk of operating in foreign jurisdictions; and the risks posed by a controlling shareholder and other conflicts of interest. Readers are cautioned that the foregoing list of risks, uncertainties and assumptions is not exhaustive.

Although the Company has attempted to identify crucial factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Additional risks and uncertainties affecting the forward-looking information contained in this news release are described in greater detail in the Company's current Annual Information Form and current Management's Discussion and Analysis available under the Company's profile on SEDAR+ at www.sedarplus.com and on the Company's website at www.itafos.com. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The reader is cautioned not to place undue reliance on forward-looking information. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates, assumptions or opinions should change, except as required by applicable securities law. The forward-looking information included in this news release is expressly qualified by this cautionary statement and is made as of the date of this news release.

This news release contains future oriented financial information and financial outlook information (together, "FOFI") about the Company's prospective results of operations, including statements regarding expected adjusted EBITDA, net income, basic earnings per share, maintenance capex, growth capex and free cash flow. FOFI is subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraph. The Company has included the FOFI to provide an outlook of management's expectations regarding anticipated activities and results, and such information may not be appropriate for other purposes. The Company and management believe that the FOFI has been prepared on a reasonable basis, reflecting management's reasonable estimates and judgements; however, actual results of operations and the resulting financial results may vary from the amounts set forth herein. Any financial outlook information speaks only as of the date on which it is made and the Company undertakes no obligation to publicly update or revise any financial outlook information except as required by applicable securities laws.

NEITHER THE TSX-V NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX-V) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS NEWS RELEASE.

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Scientific and Technical Information

The scientific and technical information contained in this news release related to Mineral Resources for Conda and Farim has been reviewed and approved by Jerry DeWolfe, Professional Geologist (P.Ge.) with the Association of Professional Engineers and Geoscientists of Alberta. Mr. DeWolfe is a full-time employee of WSP Canada Inc. and is independent of the Company. The scientific and technical information contained in this news release related to Mineral Reserves for Conda and Farim has been reviewed and approved by Edward Minnes, Professional Engineer (P.E.) licensed by the State of Missouri. Mr. Minnes is a part-time employee of WSP USA Inc. and is independent of the Company. The Company's latest technical report in respect of Conda is entitled, "NI 43-101 Technical Report on Itafos Conda and Paris Hills Mineral Projects, Idaho, USA," with an effective date of July 1, 2019 (the "Conda Technical Report") and is available under the Company's website at www.itafos.com and under the Company's profile on SEDAR+ at www.sedarplus.com

Non-IFRS Financial Measures

This press release contains both IFRS and certain non-IFRS measures that management considers to evaluate the Company's operational and financial performance. Non-IFRS measures are a numerical measure of a company's performance, that either include or exclude amounts that are not normally included or excluded from the most directly comparable IFRS measures. Management believes that the non-IFRS measures provide useful supplemental information to investors, analysts, lenders and others. In evaluating non-IFRS measures, investors, analysts, lenders and others should consider that non-IFRS measures do not have any standardized meaning under IFRS and that the methodology applied by the Company in calculating such non-IFRS measures may differ among companies and analysts. Non-IFRS measures should not be considered as a substitute for, nor superior to, measures of financial performance prepared in accordance with IFRS. Definitions and reconciliations of non-IFRS measures to the most directly comparable IFRS measures are included below.

DEFINITIONS

The Company defines its non-IFRS measures as follows:

Non-IFRS measure	Definition	Most directly comparable IFRS measure	Why the Company uses the measure
EBITDA	Earnings before interest, taxes, depreciation, depletion and amortization	Net income (loss) and operating income (loss)	EBITDA is a valuable indicator of the Company's ability to generate operating income
Adjusted EBITDA	EBITDA adjusted for non-cash, extraordinary, non-recurring and other items unrelated to the Company's core operating activities	Net income (loss) and operating income (loss)	Adjusted EBITDA is a valuable indicator of the Company's ability to generate operating income from its core operating activities normalized to remove the impact of non-cash, extraordinary and non-recurring items. The Company provides guidance on Adjusted EBITDA as useful supplemental information to investors, analysts, lenders, and others
Trailing 12 months Adjusted EBITDA	Adjusted EBITDA for the current and preceding three quarters	Net income (loss) and operating income (loss) for the current and preceding three quarters	The Company uses the trailing 12 months Adjusted EBITDA in the calculation of the net leverage ratio (non-IFRS measure)
Total capex	Additions to property, plant, and equipment and mineral properties adjusted for additions to asset retirement obligations, additions to right-of-use assets and capitalized interest	Additions to property, plant and equipment and mineral properties	The Company uses total capex in the calculation of total cash capex (non-IFRS measure)
Maintenance capex	Portion of total capex relating to the maintenance of ongoing operations	Additions to property, plant and equipment and mineral properties	Maintenance capex is a valuable indicator of the Company's required capital expenditures to sustain operations at existing levels
Growth capex	Portion of total capex relating to the development of growth opportunities	Additions to property, plant and equipment and mineral properties	Growth capex is a valuable indicator of the Company's capital expenditures related to growth opportunities.
Net debt	Debt less cash and cash equivalents plus deferred financing costs (does not consider lease liabilities)	Current debt, long-term debt and cash and cash equivalents	Net debt Debt less cash and cash equivalents plus deferred financing costs (does not consider lease liabilities) Current debt, long-term debt and cash and cash equivalents Net debt is a valuable indicator of the Company's net debt position as it removes the impact of deferring financing costs.
Net leverage ratio	Net debt divided by trailing 12 months Adjusted EBITDA	Current debt, long-term debt and cash and cash equivalents; net income (loss) and operating income (loss) for the current and preceding three quarters	The Company's net leverage ratio is a valuable indicator of its ability to service its debt from its core operating activities.
Liquidity	Cash and cash equivalents plus undrawn committed borrowing capacity	Cash and cash equivalents	Liquidity is a valuable indicator of the Company's liquidity
Free cash flow	Cash flows from operating activities, which excludes payment of interest expense, plus cash flows from investing activities less cash growth capex	Cash flows from operating activities and cash flows from investing activities	Free cash flow is a valuable indicator of the Company's ability to generate cash flows from operations after giving effect to required capital expenditures to sustain operations at existing levels. Free cash flow is a valuable indicator of the Company's cash flow available for debt service or to fund growth opportunities. The Company provides guidance on free cash flow as useful supplemental information to investors, analysts, lenders, and others.

EBITDA, ADJUSTED EBITDA AND TRAILING 12 MONTHS ADJUSTED EBITDA

For the three months ended June 30, 2023 and 2022

For the three months ended June 30, 2023, the Company had EBITDA and Adjusted EBITDA by segment as follows:

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total	
Net income (loss)	\$	27,198	\$	(924)	\$	87	\$	(5,931)	\$	20,430
Finance (income) expense, net		1,578		(135)		(5)		3,510		4,948
Current and deferred income tax expense (recovery)		8,600		—		—		(2,272)		6,328
Depreciation and depletion		7,198		732		2		48		7,980
EBITDA	\$	44,574	\$	(327)	\$	84	\$	(4,645)	\$	39,686
Unrealized foreign exchange (gain) loss		—		(432)		(342)		454		(320)
Share-based payment recovery		—		—		—		(98)		(98)
Transaction costs		—		—		—		453		453
Other (income) expense, net		(7)		(43)		6		—		(44)
Adjusted EBITDA	\$	44,567	\$	(802)	\$	(252)	\$	(3,836)	\$	39,677

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total	
Operating income (loss)	\$	37,357	\$	(1,534)	\$	(254)	\$	(4,239)	\$	31,330
Depreciation and depletion		7,198		732		2		48		7,980
Realized foreign exchange gain		12		—		—		—		12
Share-based payment recovery		—		—		—		(98)		(98)
Transaction costs		—		—		—		453		453
Adjusted EBITDA	\$	44,567	\$	(802)	\$	(252)	\$	(3,836)	\$	39,677

For the three months ended June 30, 2022, the Company had EBITDA and Adjusted EBITDA by segment as follows:

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total	
Net income (loss)	\$	47,487	\$	(960)	\$	80	\$	(2,326)	\$	44,281
Finance (income) expense, net		1,228		(183)		4		6,609		7,658
Current and deferred income tax expense (recovery)		11,371		—		—		(7,310)		4,061
Depreciation and depletion		7,939		545		3		48		8,535
EBITDA	\$	68,025	\$	(598)	\$	87	\$	(2,979)	\$	64,535
Unrealized foreign exchange (gain) loss		—		1,062		(311)		101		852
Share-based payment recovery		—		—		—		(1,204)		(1,204)
Transaction costs		—		—		35		—		35
Gain on settlement		(1,352)		—		—		—		(1,352)
Non-recurring compensation expenses		—		—		—		229		229
Other (income) expense, net		43		(59)		(32)		544		496
Adjusted EBITDA	\$	66,716	\$	405	\$	(221)	\$	(3,309)	\$	63,591

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total	
Operating income (loss)	\$	60,164	\$	(140)	\$	(259)	\$	(2,362)	\$	57,403
Depreciation and depletion		7,939		545		3		48		8,535
Realized foreign exchange gain		(35)		—		—		(20)		(55)
Share-based payment recovery		—		—		—		(1,204)		(1,204)
Transaction costs		—		—		35		—		35
Gain on settlement		(1,352)		—		—		—		(1,352)
Non-recurring compensation expenses		—		—		—		229		229
Adjusted EBITDA	\$	66,716	\$	405	\$	(221)	\$	(3,309)	\$	63,591

For the six months ended June 30, 2023 and 2022

For the six months ended June 30, 2023, the Company had EBITDA and Adjusted EBITDA by segment as follows:

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total	
Net income (loss)	\$	55,183	\$	(1,172)	\$	157	\$	(5,531)	\$	48,637
Finance (income) expense, net		3,280		(271)		79		7,346		10,434
Current and deferred income tax expense (recovery)		17,016		—		—		(14,870)		2,146
Depreciation and depletion		16,582		1,413		5		95		18,095
EBITDA	\$	92,061	\$	(30)	\$	241	\$	(12,960)	\$	79,312
Unrealized foreign exchange (gain) loss		—		(508)		(743)		942		(309)
Share-based payment expense		—		—		—		2,602		2,602
Transaction costs		—		—		—		1,164		1,164
Other income, net		(24)		(75)		(32)		—		(131)
Adjusted EBITDA	\$	92,037	\$	(613)	\$	(534)	\$	(8,252)	\$	82,638

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total	
Operating income (loss)	\$	75,445	\$	(2,026)	\$	(539)	\$	(12,114)	\$	60,766
Depreciation and depletion		16,582		1,413		5		95		18,095
Realized foreign exchange loss		10		—		—		1		11
Share-based payment expense		—		—		—		2,602		2,602
Transaction costs		—		—		—		1,164		1,164
Adjusted EBITDA	\$	92,037	\$	(613)	\$	(534)	\$	(8,252)	\$	82,638

For the six months ended June 30, 2022, the Company had EBITDA and Adjusted EBITDA by segment as follows:

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total	
Net income (loss)	\$	97,222	\$	(1,504)	\$	(607)	\$	(17,821)	\$	77,290
Finance expense, net		2,434		43		6		14,867		17,350
Current and deferred income tax expense (recovery)		26,750		—		—		(10,644)		16,106
Depreciation and depletion		14,393		917		7		97		15,414
EBITDA	\$	140,799	\$	(544)	\$	(594)	\$	(13,501)	\$	126,160
Unrealized foreign exchange loss		—		344		95		82		521
Share-based payment expense		—		—		—		4,731		4,731
Transaction costs		—		—		65		205		270
Gain on settlement		(1,352)		—		—		—		(1,352)
Non-recurring compensation expenses		—		—		—		1,511		1,511
Other (income) expense, net		(8,343)		(48)		(22)		544		(7,869)
Adjusted EBITDA	\$	131,104	\$	(248)	\$	(456)	\$	(6,428)	\$	123,972

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total	
Operating income (loss)	\$	118,099	\$	(1,165)	\$	(528)	\$	(12,944)	\$	103,462
Depreciation and depletion		14,393		917		7		97		15,414
Realized foreign exchange gain		(36)		—		—		(28)		(64)
Share-based payment expense		—		—		—		4,731		4,731
Transaction costs		—		—		65		205		270
Gain on settlement		(1,352)		—		—		—		(1,352)
Non-recurring compensation expenses		—		—		—		1,511		1,511
Adjusted EBITDA	\$	131,104	\$	(248)	\$	(456)	\$	(6,428)	\$	123,972

As at June 30, 2023 and December 31, 2022

As at June 30, 2023, and December 31, 2022 the Company had trailing 12 months Adjusted EBITDA as follows:

<i>(unaudited in thousands of US Dollars)</i>	June 30, 2023	December 31, 2022
For the three months ended June 30, 2023	\$ 39,677	\$ —
For the three months ended March 31, 2023	42,961	—
For the three months ended December 31, 2022	50,130	50,130
For the three months ended September 30, 2022	50,656	50,656
For the three months ended June 30, 2022	—	63,591
For the three months ended March 31, 2022	—	60,381
Trailing 12 months Adjusted EBITDA	\$ 183,424	\$ 224,758

TOTAL CAPEX

For the three months ended June 30, 2023 and 2022

For the three months ended June 30, 2023 the Company had capex by segment as follows:

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total	
Additions to property, plant and equipment	\$	1,889	\$	1,016	\$	25	\$	—	\$	2,930
Additions to mineral properties		12,768		(1)		429		—		13,196
Additions to property, plant and equipment related asset retirement obligations		2,223		(314)		—		—		1,909
Additions to right-of-use assets		—		42		(25)		—		17
Total capex	\$	16,880	\$	743	\$	429	\$	—	\$	18,052
Accrued capex		(4,548)		—		—		—		(4,548)
Total cash capex	\$	12,332	\$	743	\$	429	\$	—	\$	13,504
Maintenance capex	\$	10,548	\$	378	\$	—	\$	—	\$	10,926
Accrued maintenance capex		(2,446)		—		—		—		(2,446)
Cash maintenance capex	\$	8,102	\$	378	\$	—	\$	—	\$	8,480
Growth capex	\$	6,332	\$	365	\$	429	\$	—	\$	7,126
Accrued growth capex		(2,102)		—		—		—		(2,102)
Cash growth capex	\$	4,230	\$	365	\$	429	\$	—	\$	5,024

For the three months ended June 30, 2022, the Company had capex by segment as follows:

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total	
Additions to property, plant and equipment	\$	13,196	\$	289	\$	—	\$	9	\$	13,494
Additions to mineral properties		1,377		—		704		—		2,081
Additions to property, plant and equipment related asset retirement obligations		(362)		822		—		—		460
Additions to right-of-use assets		—		(1)		—		—		(1)
Total capex	\$	14,211	\$	1,110	\$	704	\$	9	\$	16,034
Accrued capex		(3,528)		—		—		—		(3,528)
Total cash capex	\$	10,683	\$	1,110	\$	704	\$	9	\$	12,506
Maintenance capex	\$	11,627	\$	813	\$	—	\$	9	\$	12,449
Accrued maintenance capex		(3,426)		—		—		—		(3,426)
Cash maintenance capex	\$	8,201	\$	813	\$	—	\$	9	\$	9,023
Growth capex	\$	2,584	\$	297	\$	704	\$	—	\$	3,585
Accrued growth capex		(102)		—		—		—		(102)
Cash growth capex	\$	2,482	\$	297	\$	704	\$	—	\$	3,483

For the six months ended June 30, 2023 and 2022

For the six months ended June 30, 2023 the Company had capex by segment as follows:

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total	
Additions to property, plant and equipment	\$	10,140	\$	217	\$	25	\$	9	\$	10,391
Additions to mineral properties		13,462		880		501		—		14,843
Additions to asset retirement obligations		(3,958)		(370)		—		—		(4,328)
Additions to right-of-use assets		—		20		(25)		—		(5)
Total capex	\$	19,644	\$	747	\$	501	\$	9	\$	20,901
Accrued capex		(5,159)		—		—		—		(5,159)
Total cash capex	\$	14,485	\$	747	\$	501	\$	9	\$	15,742
Maintenance capex	\$	11,998	\$	378	\$	—	\$	9	\$	12,385
Accrued maintenance capex		(2,719)		—		—		—		(2,719)
Cash maintenance capex	\$	9,279	\$	378	\$	—	\$	9	\$	9,666
Growth capex	\$	7,646	\$	369	\$	501	\$	—	\$	8,516
Accrued growth capex		(2,440)		—		—		—		(2,440)
Cash growth capex	\$	5,206	\$	369	\$	501	\$	—	\$	6,076

For the six months ended June 30, 2022, the Company had capex by segment as follows:

<i>(unaudited in thousands of US Dollars)</i>	Conda		Arraias		Development and exploration		Corporate		Total	
Additions to property, plant and equipment	\$	17,743	\$	2,299	\$	—	\$	14	\$	20,056
Additions to mineral properties		2,627		—		740		—		3,367
Additions to asset retirement obligations		(1,540)		(514)		—		—		(2,054)
Additions to right-of-use assets		—		(36)		—		—		(36)
Total capex	\$	18,830	\$	1,749	\$	740	\$	14	\$	21,333
Accrued capex		(3,859)		—		—		—		(3,859)
Total cash capex	\$	14,971	\$	1,749	\$	740	\$	14	\$	17,474
Maintenance capex	\$	12,086	\$	1,261	\$	—	\$	14	\$	13,361
Accrued maintenance capex		(3,426)		—		—		—		(3,426)
Cash maintenance capex	\$	8,660	\$	1,261	\$	—	\$	14	\$	9,935
Growth capex	\$	6,744	\$	488	\$	740	\$	—	\$	7,972
Accrued growth capex		(433)		—		—		—		(433)
Cash growth capex	\$	6,311	\$	488	\$	740	\$	—	\$	7,539

NET DEBT AND NET LEVERAGE RATIO

As at June 30, 2023, and December 31, 2022 the Company had net debt and net leverage ratio as follows:

<i>(unaudited in thousands of US Dollars except as otherwise noted)</i>	June 30, 2023		December 31, 2022	
Current debt	\$	29,154	\$	29,217
Long-term debt		75,616		98,907
Cash and cash equivalents		(68,619)		(42,811)
Deferred financing costs related to the Credit Facilities		1,875		3,006
Net debt	\$	38,026	\$	88,319
Trailing 12 months Adjusted EBITDA		183,424		224,758
Net leverage ratio		0.2x		0.4x

LIQUIDITY

As at June 30, 2023, and December 31, 2022 the Company had liquidity as follows:

<i>(unaudited in thousands of US Dollars)</i>	June 30, 2023		December 31, 2022	
Cash and cash equivalents	\$	68,619	\$	42,811
ABL Facility undrawn borrowing capacity		33,044		21,447
Liquidity	\$	101,663	\$	64,258

FREE CASH FLOW

For the three and six months ended June 30, 2023 and 2022, the Company had free cash flow as follows:

<i>(unaudited in thousands of US Dollars)</i>	For the three months ended June 30, 2023		For the six months ended June 30, 2023		For the three months ended June 30, 2022		For the six months ended June 30, 2022	
Cash flows from operating activities	\$	52,538	\$	50,310	\$	73,610	\$	105,622
Cash flows used by investing activities		(13,505)		(12,505)		(15,743)		(17,473)
Less: Cash growth capex		5,024		3,483		6,076		7,539
Free cash flow	\$	44,057	\$	41,288	\$	63,943	\$	95,688