Sunday, November 9, 2025

HALLGARTEN + COMPANY

Sector Coverage

Joshua Mayfield
jmayfield@hallgartenco.com

Growth Minerals Review

All Noisy on the Eastern Front

November 2025

Growth Minerals Sector

All Noisy on the Eastern Front

- + Russia and Belarus are back in the spotlight for the global potash market dynamics, along with looming uncertainty around quotas, tariffs and sanctions
- ✕ Tensions on the border between Belarus and Lithuania form a pivotal backdrop to what's happening in the E.U.s Global Gateway strategy
- ✕ Ammonia supplies are in focus after Nutrien Ltd announced its nitrogen plant closure at Trinidad and Tobago
- + PhosCo (PHO) announced another series of drilling results getting the deserved attention of EU government financing
- + Brazil Potash (GRO) is taking the bull by the horns in its drive to build a potash mine despite the stock taking another beating
- + Junior phosphate developers are outshining the junior potash development space
- ✕ East African regional fertilizer supply and demand upended by Tanzanian election
- ✕ Fertilizers play an important role for food security but also facilitate more chaos from the Black Sea to the East Africa region

Uralkali and Belaruskali potash producers—a cabal?

Russia's Uralkali announced intentions to increase potash supplies to producers of compound and complex fertilizers by 400,000 tonnes. The company had performed a series of potash facility maintenances at key production sites in Russia since 2Q25. This means that the facility repairs should be near completion, and thus potash exports could be boosted to global markets by the end of the year.

Time is of the essence for Urakali since the Russian Federation has already announced fertilizer export quotas that will kick in from 31 December 2025 to 31 May 2026. The total amount for mineral fertilizer exports set by the Russian government is 18.7 million tonnes for the six-month period. We should be mindful that China has fertilizer export restrictions in place, so Uralkali will probably export more of its fertilizers to China and India depending on the demand for MOP.

One interesting note about the fertilizer export quota is that it will not apply to South Ossetia and Abkhazia markets, so that more fertilizer shipments could be received from Russian suppliers in that region of Georgia. One of the reasons the fertilizer export quotas have been used by Russia is to stabilize domestic fertilizer prices, and to ensure that Russian agricultural producers have a stable supply of all key fertilizer products.

MOP, or potassium chloride (KCl), has been one of the main targets of the export quota system, due to Russia's significant global market share, which is also a concern for Russia's domestic fertilizer procurement for potash. At the beginning of 2025, data released from the Russian Federation stated that potash production levels would reach 16.9 million tonnes for the entire year. Market analysts also speculated that the export quotas would cause a rise in global potash prices. It's not entirely clear if Russia's domestic potash production has been affected by the fertilizer export quotas, but the outcome was clearly a steady rise in potash prices on the global market due to fears over tighter global supplies.

	Mine production		Reserves[5]	
	2023	2024[e]	Recoverable ore	K_2O equivalent
United States[1]	390	420	970,000	220,000
Belarus	[e]4,500	7,000	3,300,000	750,000
Brazil	[e]300	360	10,000	2,300
Canada	13,500	15,000	4,500,000	1,100,000
Chile	[e]600	750	NA	100,000
China	[e]6,000	6,300	NA	180,000
Germany	[e]2,700	3,000	NA	150,000
Israel	2,330	2,400	NA	[6]Large
Jordan	1,700	1,800	NA	[6]Large
Laos	[e]1,500	1,500	NA	1,000,000
Russia	[e]9,000	9,000	NA	920,000
Spain	367	400	NA	100,000
Other countries	435	440	1,500,000	300,000
World total (rounded)	43,300	48,000	>10,000,000	>4,800,000

Source: USGS, Potash Mineral Commodity Summaries, 2025

Belaruskali is faced with an entirely different problem. The Belarusian government is patiently watching the steady rise in global potash market prices, since running up revenues from potash exports is more important to the state-owned potash producer at this time; its potash exports have been hit with sanctions from both the U.S. and the E.U. over the last five years. Higher potash prices could've been a positive sign for Belaruskali, until another flare up happened on the borders of Poland and Lithuania.

The government in Minsk has been criticized by the E.U. for its "targeted hybrid campaign" against Lithuania. The campaign came with a barrage of so-called smuggling balloons that had reportedly been used to smuggle cigarettes from Belarus into the E.U. The Lithuanian government then announced that it would close its entire border with Belarus until 30 November due to the security risks posed to Lithuania's airspace. Then, the Polish government also announced that it would delay the re-opening of its border with Belarus, probably due to the Lithuanian government's decision. The border between Poland and Belarus was initially closed on 12 September 2025 in response to the joint military exercises held by Russia and Belarus, known as Zapad 2025. Poland has also accused Belarus of engaging in a hybrid war.

The geopolitical issues will not bode well for Belaruskali or its global potash marketing arm Belarusian Potash Corporation (BPC). BPC is the company that got hit with E.U. sanctions the hardest, while both the U.S. and E.U. have sanctioned Belaruskali. If Belaruskali wants to get the E.U. potash market back into its portfolio, then it will have to negotiate with the E.U. to have sanctions on BPC lifted. Maybe there could be a compromise between Belarus and the E.U. over sanctions, but it will not matter at all if the current sanctions on BPC hold for the long term.

The other problem for Belaruskali is again related to the Lithuania-Belarus border. Another entity involved in the E.U. sanctions on BPC is Lithuanian Railways. There have been reports in the media suggesting that a new agreement between Lithuanian Railways and Belarusian Railways could be imminent. Other goods have already been transported via the Belarusian railway connections into Lithuania that were destined for the Baltic sea port at Klaipėda. Thus, all it will take is for the E.U. to make a deal for allowing Belarusian potash exports to resume through Lithuania, at which time one of the world's largest potash suppliers would be back in the seaborne potash market.

Weak links in the Black Sea gateway to Europe

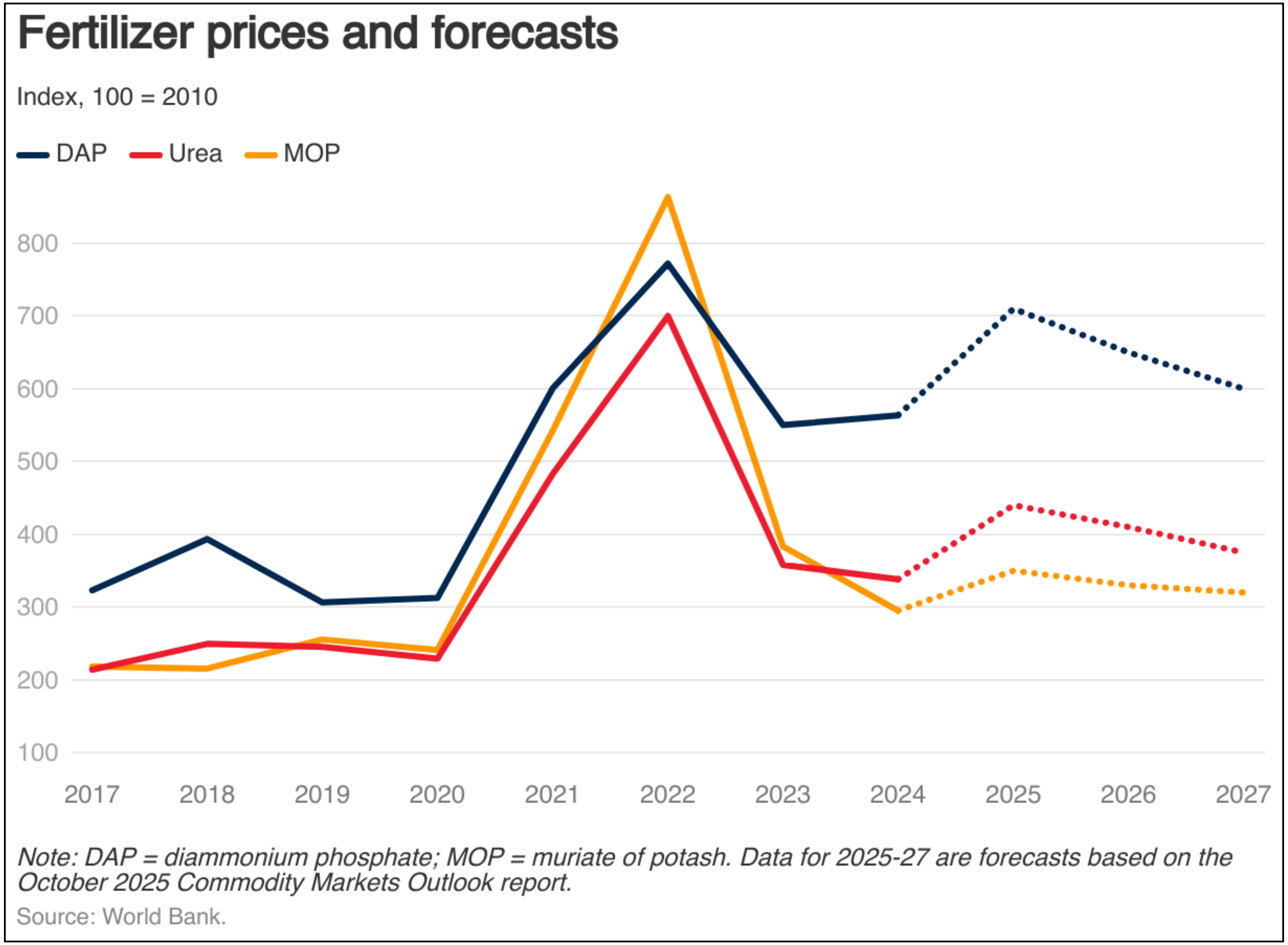
There are some notable changes taking place in the E.U.'s foreign affairs. A strategy entitled "Global Gateway" is the E.U.'s newly enhanced external investment proposal, which will plug around EUR € 300 million of investments into expanding on global trade partnerships between E.U. member states and other countries.

It was announced that at least EUR € 2 million will go into a Solidarity Lanes fund that will assist Ukraine in its ability to export grain to the global markets, with the help of Moldova's transit routes, which obviously means Solidarity Lanes will depend on logistical capabilities in Romania and Bulgaria.

While the Solidarity Lanes fund is a concrete proposal to create a new grain corridor from the Black Sea to the E.U., the issues surrounding fertilizer market access are not going to be solved by any such upgrades to transit from Moldova. Russia is not going to play along with this corridor scheme, and there aren't any other countries, except for possibly Georgia, that could supply fertilizers through such a corridor—thus, it's no wonder that Russia has given incentives to South Ossetia and Abkhazia for fertilizer procurement.

The E.U.'s only hope for change is to switch from Russian and Belarusian imports to Canadian imports of potash. The latest E.U. 19th sanctions package aims to completely ban Russian gas imports by 2028, so there's probably not going to be a revival in the E.U.'s domestic fertilizer production. It is even more curious that the E.U. appears to be relying on domestic potash sources from Germany, Spain and the U.K to promote views on future supply chain security.

A lack of domestic nitrogen and phosphate supplies will send E.U. member states deeper into the Maghreb, betting on new sources and production capacity expansions in Morocco, Algeria, Tunisia and Egypt to make up for the shortfalls in domestic supplies for nitrogen and phosphates.



Source: World Bank, https://blogs.worldbank.org/en/developmenttalk/the-commodity-markets-outlook-in-eight-charts2

Those changes in the E.U. strategy are occurring during a time of fierce competition for global fertilizer imports in China, India, Brazil and the U.S. Luckily, there are finally signs of an overall downward trend in global MAP and DAP fertilizer prices. Although this year has seen a rise in all three macro-fertilizers, especially for DAP, Urea and MOP. One of the reasons that phosphate fertilizer prices have remained higher from the 2021-2022 price spikes is because the cost to produce phosphate fertilizers includes inputs from ammonia, which has been more volatile compared with other inputs due to tensions in the Middle East conflict.

Ukraine – Ingress & Egress

Ukraine is not in good shape on many levels. Renewed missile attacks from Russia on the port city of Odesa, including shipping vessels in the Black Sea, provide another reason to believe that grain and fertilizer exports are still at a high risk of being destroyed by military warfare. We have seen a constant escalation of attacks on Black Sea targets from both the Russian and Ukrainian militaries throughout the year, so 2026 doesn't look like it will be any different for shipping and supply security concerns. Moreover, Ukraine's agriculture production from January to September 2025 fell by 16.4% year over year in the country's economically vital crop sector.

We already mentioned Romania and Bulgaria. The two countries have formed a critical grain exchange platform called Constanca-Varna-Burgas (CVB) which will be needed to secure global grain supplies in the short to medium term. However, some of the similar issues facing Ukraine have had an impact on grains and oilseeds production in the entire Black Sea region, notably higher rainfall levels. This caused a rise in Ukraine's sunflower seed prices by USD $10–20/t, bringing the total cost of Ukraine sunflower oil at USD $1,200–1,210/t for the global market.

Another sign of concern for the global grains and oilseeds sectors is that now the Ukrainian government is changing to other agricultural commodities, such as blueberries. This has more to do with Ukraine's need to diversify agriculture trade partners, particularly due to the bigger markets like India where Russia will be able to outcompete Ukraine with higher volumes to offset lower prices. Ukraine is already exploring new market access opportunities for agricultural goods. There have been reports that suggest Ukraine has already gained access to 381 export markets as of October 2025.

Drumroll, please…

All these events are leading up to the big show: E.U.'s new export agreement with Ukraine came into effect on 29 October. The new agreement intends to save Ukraine from the issues already discussed about the country's grains and oilseeds sectors. Nearly every E.U. member state with significant agriculture production detests the new export agreement which will give Ukraine financial incentives to export agricultural commodities for processing within the E.U.'s borders. Hungary, Poland and Slovakia have vowed to keep import restrictions on Ukraine's agri-food imports in place.

The deal with Ukraine is seemingly less antagonistic for E.U. member states than the E.U.-Mercosur deal. The latter was rejected by a vote of 10 MEPs (269-259) who decided to go against it. Given that those Mercosur countries grow some of the same crops as Ukraine, it would be a nightmare for many E.U. farmers to turn a reasonable profit—just look at what's happening in the U.S. farming sector right now. High fertilizer costs have weighed on E.U. farmers in the same way as U.S. farmers, since both sides of the Atlantic food chain are dependent on global fertilizer imports and supply chains.

In a growing sense of concern regarding the resiliency of supply chain management for fertilizers, Mercosur countries would benefit the most from having broader access to food markets in the U.S. and the E.U, given the significant investments going into the domestic fertilizer production and strategies throughout Latin America. This is one of the critical factors to watch in global agriculture and fertilizer investments going into 2026. We covered some of the Brazil and Paraguay fertilizer angles extensively in the previous October monthly: **Brazil as the Holy Grail of Fertilizer Markets**.

Ammonia, Ammonia, Ammonia!

Global ammonia prices are having another moment. Middle East tensions have a direct effect on the global ammonia supply chain, which has caused volatility in global ammonia prices since the escalation between Israel and Iran in June. The focus on ammonia and nitrogen fertilizers should begin to shift over to the Caribbean production centre, where Trinidad and Tobago quietly dominates a large global market share.

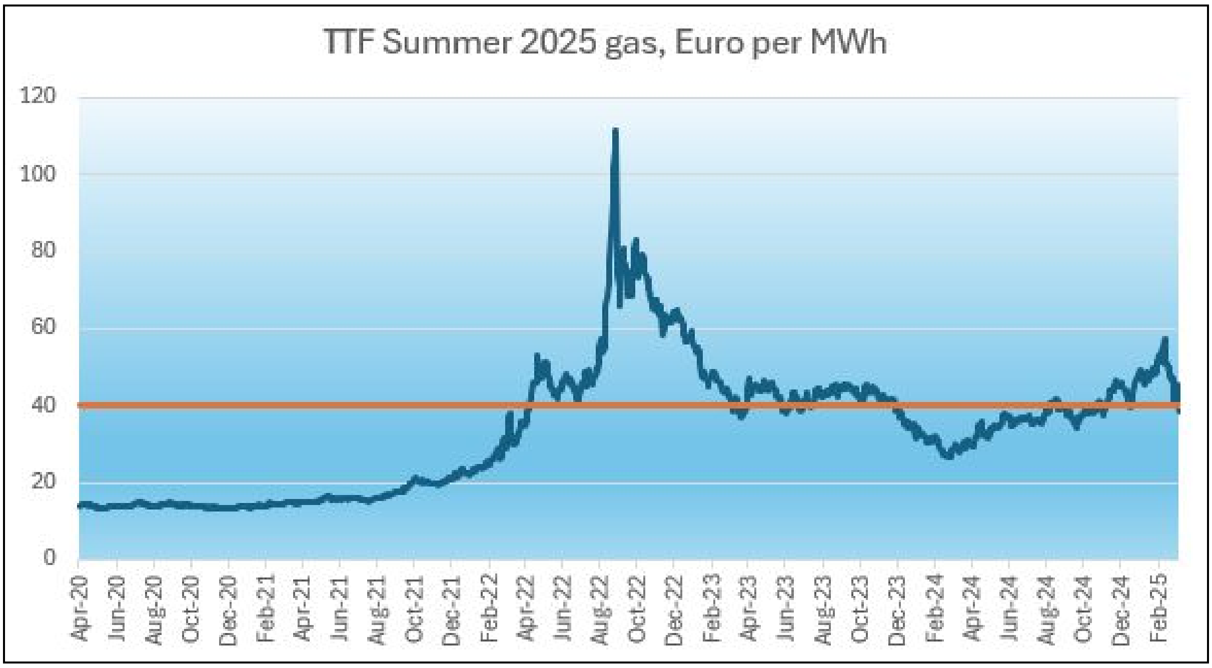
Nutrien Ltd announced it will shut down its key operations at Point Lisas' nitrogen fertilizer facility as of the end of October 2025. Nutrien's guidance for nitrogen production was between 10.7-11.2 million tonnes in nitrogen sales volumes, of which monthly ammonia production of 85,000 metric tons are at stake for the company's output. The problems between Trinidad and Tobago and fertilizer producers are less about geopolitical issues, then it is about global commodities markets in general.

Trinidad is known for having substantial natural gas reserves, and over time the country has attracted plenty of FDI into the gas processing and industrial production networks to export significant volumes of nitrogen and ammonia-based fertilizers. Natural gas prices are rising along with the growing momentum around LNG supplies as an "energy transition fuel". Premiums being paid by various producers and governments for reliable natural gas supplies will no longer benefit the model that Nutrien has been able to set up since it started nitrogen fertilizer operations in the Caribbean country.

Nutrien's subsidiary PCS Nitrogen secured a contract with The National Gas Company of Trinidad and Tobago Limited (NGC) back in November 2023. Two gas sales contracts were executed at the time, apparently on a two-year basis, which were supplied by NGC for four anhydrous ammonia plants and one urea plant owned and operated by Nutrien Ltd. However, issues over paying increased port charges for ammonia supplies led to Nutrien citing "port access restrictions" in the press release about the plant's closure. The Trinidad and Tobago government, under NGC, had refused to extend contracts for fertilizer producers unless they agreed to pay higher port fees for ammonia and methanol supplies.

In this context, Guyana is also worth mentioning, as the world's fastest growing oil producer has a strategy in place to produce its own ammonia and urea fertilizers. Plans are already underway to build a new ammonia and urea plant, the Guyana Ammonia and Urea Plant (GAUP), using the country's own natural gas reserves by 2028. It will produce 300,000 tons of nitrogen fertilizers per year. The EPC process will be finalized by January 2026. The GAUP falls under Guyana's "Gas-to-Energy" project, and the fertilizers will support Guyana's own domestic agriculture production, followed up by exports to Latin America and other global markets.

The E.U's CBAM is the elephant in the room in this scenario. The new initiative is linked to cross-border low-carbon energy imports. It is set to begin at the beginning of January 2026. In a volatile natural gas market with unpredictable ammonia production scenarios from the Middle East to Latin America, one company Minbos Resources (ASX: MNB), is using green ammonia sourced for the Cabinda phosphate fertilizer project in Angola. The company's HOA with Talus Renewables reveals progress in the Capanda Green Ammonia Project. Under the joint venture, renewable hydropower will be supplied to Minbos for 10 years using the TalusAg systems technology.



Portfolio Updates: PHO and GRO

There were two positive drivers for PhosCo (ASX: PHO) at the end of October. The company reported another significant series of phosphate (P_20_5) drilling results at the Gasaat Phosphate Project in Tunisia, which add on to the drilling results that we covered in the last monthly. The new results were located within the KM prospect, where a significant discovery was made for phosphate production. KM is north of the company's other phosphate rock deposit in the SAB prospect. The KM prospect results gave the company new discovery data within the intersections, including 53 meters of phosphate at the GADD-03 hole and 50.5 meters of phosphate at the GADD-11 hole. The SAB prospect has nine drill holes, so it will be the focus for the company's phosphate mining project going forward.

PhosCo was also awarded a €1 million (AUD$1.8 million) grant by the European Bank for Reconstruction and Development (EBRD) to advance plans at the Gasaat Phosphate Project in Tunisia. The funds will go toward speeding up the bankable feasibility study (BFS) as well as the inclusion of the KM discovery into the resource scoping study. PhosCo's phosphate project is intended to make the company one of the world's lowest-cost phosphate fertilizer producers, so the company has prioritized low strip ratios as part of the mine development plans. The Gasaat Phosphate Project currently stands at 146.4mn tonnes at 20.6% P_2O_5 for the phosphate resource base.

The PHO stock has been on an upward trend since the beginning of October (+54%) which is a testament to the strong investor interest in new phosphate mining projects. Any changes to the BFS, previously mentioned above, would have a direct effect on the company's phosphate scoping study and resource base.

In the junior potash space, Brazil Potash (NYSE: GRO) outshone the rest with its announcement of a final offtake agreement for the Autazes Potash Project. The third offtake agreement with Kimia Solutions puts at least 90% of the company's potash production under binding take-or-pay arrangements. The other two agreements had previously been made with Keytrade and AMAGGI. The last agreement with Kimia is significant because it has agreed to purchase 704,000 of potash on an annual basis, over a period of ten years.

Brazil Potash's final offtake agreement hasn't moved the stock price upward. GRO has seen a decline of -11.74% since the beginning of October. The initial timing of the offtake agreement did give the stock a boost, hitting 3.00 per share on 28 October, but it has been on a steady decline ever since.

East Africa - In Chaos or Change?

Recent political events in the East Africa region are pertinent to global fertilizer imports and exports. Kenya and Tanzania play key roles in the distribution and logistics of fertilizers on the African continent—roles that has become even more critical due to higher security risks in the Red Sea. The latter gave way to Saudi Arabia entering the shipping world with a 30-year lease at Djibouti's Port of Tadjourah, to be developed and operated by Red Sea Gateway Terminal (RSGT) for 30 years. Interestingly, the Port of Tadjourah was initially built to facilitate potash exports from Ethiopia's Danakil Basin in the Afar region.

The wording has changed quite a bit since then. The MoU signed between RSGT and Djibouti Ports and Free Zones Authority (DPFZA) refers to the port concession deal as "a leading logistics and maritime hub in the Horn of Africa and the Red Sea". Potash is still very relevant to Ethiopian government's plans to expand infrastructure capabilities by rail to the Dijibouti port. All of this means that Saudi Arabia is quite bullish on Ethiopia's potash production, not to mention that the Kingdom is already an influential phosphate and ammonia producer, so it has deep insights into the global fertilizer market trends.

Here is where Kenya and Tanzania come into play. The ports of Mombasa and Dar Es Salaam have been expanded in the last decade to make up for a loss of shipping activity during the rise of maritime security concerns in the Red Sea. Port congestion is one theme in this area of East Africa, but so do fertilizers play a key role in the two ports' imports. Thus, Kenya and Tanzania are important to food security for a variety of countries on the African continent. Without the ports of Mombasa and Dar Es Salaam, the ports in the Red Sea would be one of the few ways for African countries to access fertilizers from the global markets.

This is why the insecurity after the election results in Tanzania should raise eyebrows about how fertilizers are going to be imported into Sub-Saharan Africa in the short term. Port access to Dar Es Salaam was restricted due to civil unrest, causing the fertilizer supply chains to shift cargo over to the port of Mombasa. Tanzania's President Samia Suluhu Hassan of the ruling Chama Cha Mapinduzi (CCM) party came to power after the official results were announced on 1 November 2025. Aside from other concerns, the Tanzanian government carried out port restrictions during a very important agricultural season.

Domestic politics in Tanzania will not support regional economic and trade concerns as a priority when it comes down to the supply of and demand for fertilizers. We have seen this happening all over the world, much to the chagrin of the developed world, as high fertilizer costs and supply chain disruptions continue unabated during fall harvest.

GROWTH MINERALS STOCKS

	Security	Ticker	Rating	Currency	Price	Market Cap. mns	Status	Country
Potash	Kore Potash	KP2.L	Neutral	GBP	3.15	£153	Developer	Congo Brazzaville
	Millennium Potash	MLP.v	LONG	CAD	2.80	$313	Developer	Gabon
	Brazil Potash	GRO	LONG	USD	2.20	$114	Developer	Brazil
	Nutrien	NTR.to, NYSE: NTR	Neutral	CAD	79.83	$385,585	Producer	Canada
	Altamin	ASX: AZI	Neutral	ASX	0.025	$19	Explorer	Italy
	Intrepid Potash	NYSE: IPI	Neutral	USD	25.21	$338	Producer	USA
	Verde Agritech	NPK.to	Neutral	CAD	1.04	$55	Producer	Brazil
	Sage Potash	SAGE.v	Neutral	CAD	0.31	$32	Developer	USA
	South Harz Potash	SHP.ax	Neutral	ASX	0.04	$4.6	Developer	Germany
	Peak Minerals		Neutral	Private			Developer	USA
	Karnalyte Resources	KRN.to	Neutral	CAD	0.12	$6	Developer	Canada
	American Critical Minerals	CSE: KCLI	Neutral	CAD	0.28	$24	Explorer	USA
	Gensource Potash	GSP.v	Neutral	CAD	0.07	$32	Developer	Canada
	The Mosaic Company	MOS	Neutral	USD	25.58	$8,119	Producer	Canada/USA
Phosphate	First Phosphate	CSE: PHOS	LONG	CAD	0.78	$109	Developer	Canada
	Nevada Organic	CSE:NOP	Neutral	CAD	0.08	$7	Explorer	USA
	ItaFos	TSX-V: IFOS	Neutral	CAD	3.51	$678	Developer	Guinea-Bissau/Brazil
	Aguia Resources	AGR.ax	Neutral	AUD	0.02	$36	Developer	Brazil
	PhosCo	PHO.ax	Neutral	AUD	0.13	$57	Developer	Tunisia
	Minbos	MNB.ax	LONG	AUD	0.04	$39	Developer	Angola

Important disclosures

I, Joshua Mayfield, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

Hallgarten's Equity Research rating system consists of LONG, SHORT and NEUTRAL recommendations. LONG suggests capital appreciation to our target price during the next twelve months, while SHORT suggests capital depreciation to our target price during the next twelve months. NEUTRAL denotes a stock that is not likely to provide outstanding performance in either direction during the next twelve months, or it is a stock that we do not wish to place a rating on at the present time. The information contained herein is based on sources that we believe to be reliable, but we do not guarantee their accuracy. Prices and opinions concerning the composition of market sectors included in this report reflect the judgments of this date and are subject to change without notice. This report is for information purposes only and is not intended as an offer to sell or as a solicitation to buy securities.

Hallgarten & Company or persons associated do own securities described herein (i.e. Brazil Potash and Millennial Potash). Additional information is available upon request.

Web access at:

Research: www.hallgartenco.com