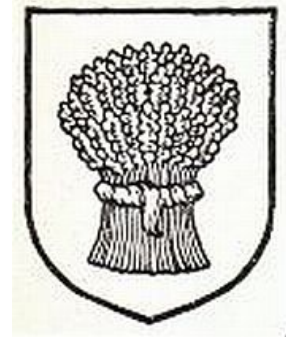


Wednesday, December 10, 2025



HALLGARTEN + COMPANY

Sector Coverage

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Growth Minerals Review Juniors Nip at Heels of Majors

December 2025

Growth Minerals Sector

Juniors Nip at Heels of Majors

- + Saskatchewan and Brazil juniors are flying in the growth minerals space
- + China will need a diversification of potash suppliers and new sources
- + Mosaic's and Nutrien's exits open new opportunities for LATAM fertilizers
- + Aguia Resources gets financing from regional bank for organic phosphate play
- × Russia continues its hot streak in the BRICS fertilizer sector
- × Nutrien's potash export terminal makes Trump happy, but not Carney
- × New MOP and SOP projects enter a new VUCA year in 2026
- × ICL's Dead Sea potash assets are literally dead

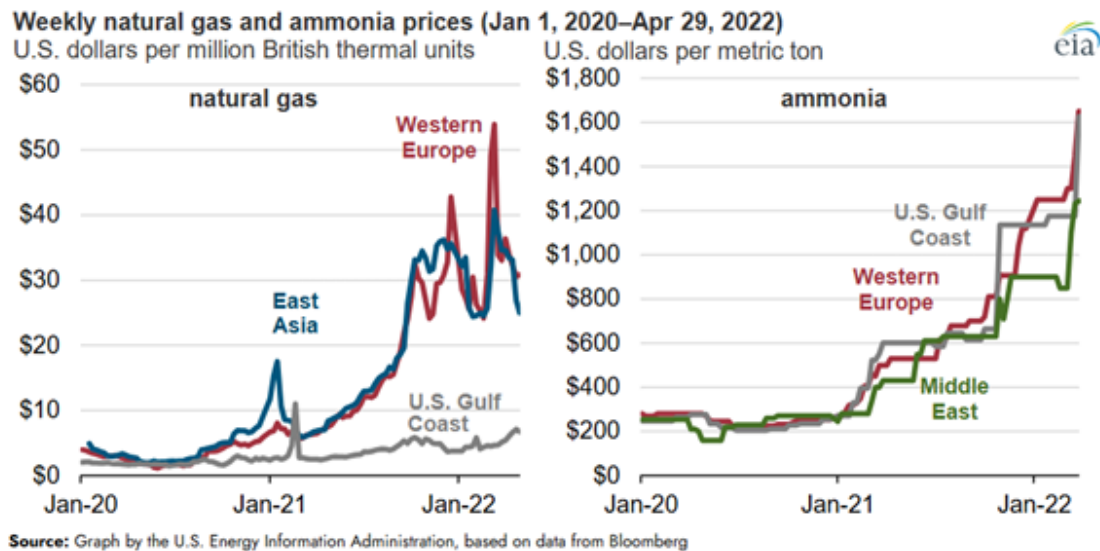
Russia-India ties heating up in the fertilizer sector

Investors that follow BRICS likely already know about one of the biggest announcements in the fertilizer sector this year. Russia's Uralchem Group, which owns Uralchem JSC, Uralkali PSJC and Togliattiazot JSC, announced a new joint venture agreement with India's top fertilizer companies— Rashtriya Chemicals and Fertilizers Limited (RCF), National Fertilizers Limited (NFL) and Indian Potash Limited (IPL). All those fertilizer companies have been relevant to the trade discussions for India's fertilizer tenders.

The signing of this JV agreement occurred during the meeting between President Vladimir Putin and Prime Minister Narendra Modi. The joint venture was carried out by representatives from Uralchem JSC during the 23rd India-Russia annual summit in New Delhi on 12 December 2025. The fertilizer deal is about supplying the India market with new sources of ammonia and nitrogen-based fertilizers, notably urea. Uralchem has already made plans to build a new fertilizer plant with a production capacity of 1.8-2 million tons of urea fertilizers. This joint venture will see both Russian and Indian entities engaging in the joint development of the urea plant in Russia, including the upfront financing and construction costs, while Russia will own a majority stake in the plant and run the operations.

Uralchem's subsidiary, Togliattiazot JSC, will supply the ammonia for the new urea fertilizer plant. According to reports, this is the company's third ammonia production facility in Russia. The company was known for amassing record highs of ammonia production during the 2021 marketing year. There were reportedly 3.051 million tonnes of ammonia produced by Togliattiazot JSC in 2021, a nearly two-fold increase from the latest reported figure of 1.601 million tonnes in the 2023 marketing year. There isn't a lot of information about the company in the public domain, but one fact is clear, which is that the company is able to readily increase domestic production capacity when ammonia prices rise on global markets. For example, from 2021-2022 is when the ammonia price surged on the global markets,

reaching nearly USD \$1,600 per metric ton for both the U.S. Gulf Coast and NW Europe ports. Even with comparatively lower natural gas prices, the U.S. fertilizer producers struggled to produce fertilizers at a lower cost, notably The Mosaic Company and CF Industries, during the massive spike in ammonia prices.



Source: Energy Information Agency (EIA), <https://www.eia.gov/todayinenergy/detail.php?id=52358>

Uralchem’s subsidiary, Uralkali, is one of the world’s largest potash producers. Uralchem announced intentions to increase potash supplies to producers of compound and complex fertilizers by 400,000 tonnes for the remainder of 2025. The company had performed a series of potash facility maintenances at key production sites in Russia since the first half of 2025. This means that the facility repairs are near completion, and thus potash exports could be boosted to global markets in the near term.

Time is of the essence for Uralkali 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.

We covered more of the latest information about Uralkali and Belaruskali potash producers in our previous [Growth Minerals Review: All Noisy on the Eastern Front](#).

Nutrien’s potash export terminal decision raises uncertainty in Canada

The biggest headline from the potash sector in 2025 is Nutrien Ltd.’s decision to forego an opportunity to build a potash export terminal in Canada, while going ahead with the decision to invest in a new potash terminal in Longview, Washington, USA.

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The decision was very controversial in Canada. In an op-ed by Lorne Gunter in the Edmonton Journal, the decision to build a new potash terminal in the U.S. was analyzed under the backdrop of PM Carney's Major Projects Office (MPO) and other Canadian domestic politics. Lorne Gunter posed a critical question to readers about the decision: "So when Nutrien, the world's largest potash mining company, based in Saskatoon, says it's looking to build a new billion-dollar export terminal, don't you think that Prime Minister Mark Carney and his vaunted MPO would jump at the chance to help the company find a Canadian site and remove any roadblocks to the terminal's construction?"

There are various opinions about why Nutrien has decided to abandon plans for Vancouver or Prince Rupert. One is logistical. Infrastructure investments would be needed to upgrade railroads from the potash mines in Saskatchewan to the ports on Canadian coasts. Another argument is about domestic politics in Canada. Under the "nation-building" platform, Prime Minister Carney's government has prioritized projects that will have quick turnarounds from construction to production.

Karnalyte Leaves Behind its Woes

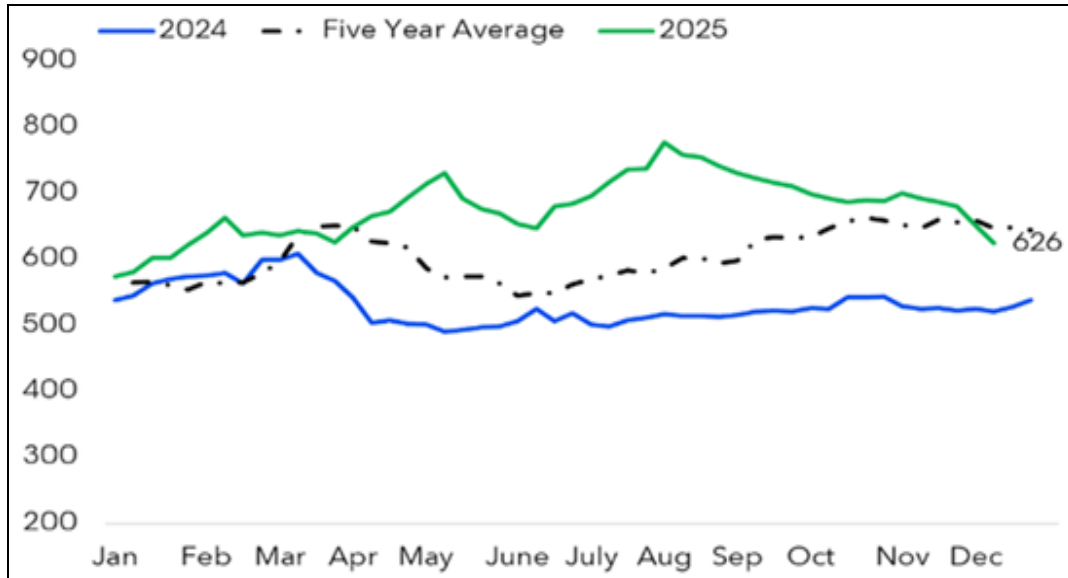
While we will not speculate on the politics around this decision, we do believe it is timely to mention that a Saskatchewan-based junior potash company, Karnalyte Resources (TSX:KRN), which we [covered as far back as 2017](#), has emerged from the shadows of potash mining and exploration in Canada. The company has a solution mining facility near Wynyard, Saskatchewan, where it intends to develop a carnallite-sylvite mineral deposit that will produce 350,000 tons per year in a first phase, with another 600,000 tons of potash per year in the second phase, while increasing to over one million tons per year through advancements in the development project.

In late April 2015, the company had made a unanimous decision to write down the Wynyard Project to its salvage value, a decision which was strongly supported by Karnalyte's independent auditors. The board also unanimously determined that it would not be possible to finance and profitably construct and operate a production facility at the Wynyard Project due to the price environment for potash and magnesium in 2015.

In mid-August of 2025, ten years later, the company released a statement about the strategic review, expanding into magnesium chloride production at the Wynyard Project by developing magnesium resources alongside the potash resource. The new strategy is to produce two resources—potash and magnesium—of which are both relevant to global fertilizer market trends. For example, magnesium is also a critical mineral in Canada.

In this context, Karnalyte emerged with its ambitions to carry out a new strategy for the Wynyard Project in Saskatchewan, including recent results from a NI 43-101 Technical Report, which confirmed the company's plans to produce a total amount of potash at 142.2-million tons, or 2.175-million tons per year, in addition to seven million tons of hydromagnesite. One of the most important aspects of the Wynyard Project is that it already has an influential offtake agreement from India's Gujarat State Fertilizers & Chemicals (GSFC). Moreover, both fertilizer resources have the attention of the U.S. market, particularly magnesium sulfate (SOPM), also known as langbeinite.

Karnalyte is one of the few companies that has an advantage in producing SOPM from the resource base in Saskatchewan. SOPM will be an important part of the company's strategy to sell fertilizer to U.S. farmers in the Corn Belt.



Source: Green Markets North American Fertilizer Price Index, <https://fertilizerpricing.com/priceindex/>

Canpotex CEO Gordon McKenzie recently wrote about potash supply chains in The Hill Times. Under the backdrop of U.S. tariffs, McKenzie pointed out that Canada's potash supply chain vulnerabilities are an internal problem for exporters. This is why Karnalyte's dual-market strategy, targeting both U.S. and India for its potash and magnesium fertilizers, will complement the diversification strategy for potash exports from Canada.

The supply and demand of potash reveals that food security comes at a price, so Canadian potash producers should look for growth markets where long term value supersedes uncertainty. Since Canada will not be the only game in town the India fertilizer market, Canadian potash producers should leverage Saskatchewan's potash advantage against the U.S. by investing in more junior exploration and development projects.

On with the show – From Saskatchewan to Brazil

Nutrien and Mosaic have both benefited from low-cost potash production and higher prices in the latter half of 2025. Leading the way, Nutrien announced in its latest Q3 earnings report that potash production will increase to 74-77 million tonnes in 2026. Nutrien's current 2025 potash production guidance is 73-75 million tonnes.

Mosaic had a successful turnaround of its potash operations in Florida and Saskatchewan at the beginning of the year, giving the company a production forecast of 8.7-9.1 million tons, which was then

raised to 9.3 million-9.5 million tons on the momentum of higher potash prices in 2025. The Esterhazy Hydrofloat project added 400,000 tons of potash capacity at the Esterhazy mining complex in Saskatchewan. The mine expansion at Mosaic’s K3 Esterhazy mine has given the company a significant amount of hedging power due to the uncertainties facing the company’s phosphate and potash operations in the U.S. The K3 mine became fully operational in 2022. The North K3 headframe has a hoisting capacity of 21 million tons per year and the plant capacity is 7 million tons per year.

The major potash players are not the only ones getting attention in Saskatchewan right now, as we noted with the new developments at Karnalyte Resources.

Brazil – A Desired Market for Majors and Juniors

There’s also a growing trend toward Brazil for future potash development and investments. Brazil Potash (NYSE: GRO) is one company that we’ve had under our magnifying glass since the beginning of 2025. A new President of Potássio do Brasil, Sergio Leite, will lead in securing the funding for Brazil’s premier domestic potash operation that will sell directly from the mine gate to the Brazilian farmers in Mato Grasso. Brazil Potash also announced that it has a new strategy in place to use A.I. Optical Ore Sorting in the underground mining operations. A trial is underway to evaluate prospects for the AI technology known as X-ray Transmission (XRT) at the Autazes Potash Project. While GRO has experienced some volatile activity in the stock price since the initial IPO, it is showing resiliency in the last three months of the year. It hit a six-month high in September. GRO’s stock price is still hovering around 8-9% higher in the last three months.



Mosaic and Nutrien bucked the global trend by selling off their potash assets in Brazil. Mosaic closed the transaction for its Taquari-Vassouras potash mine with VL Mineração (VL Holding), a Brazilian

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agribusiness firm with links to Brazil's agriculture powerhouse JBS, for a total amount of USD \$27 million, in addition to an extra USD \$22 million in environmental liabilities. VL Holding is controlled by one of the Batista family sisters, Valere Batista.

Nutrien also sold its potash assets in Brazil and Argentina, which has given Latin American companies a new edge in boosting profits from the fertilizer sector. Adecoagro, which bought Nutrien potash assets in Brazil, has now offered to buy Argentina YPF's 50% stake Profertil S.A, in which Adecoagro was given the right per the terms of the deal with Nutrien. Adecoagro has offered to pay USD \$600 million for YPF's stake, which will give them 90% control of the company in Argentina.

U.S.-based Cargill is already a full-fledged player in the Brazilian agriculture sector. The multinational company competes with Brazil's JBS, the world's largest meat-processing company, in global food production. Cargill acquired a 100% stake in Brazilian-based SJC Bioenergia as part of the company's strategy to expand into the renewable energy production and distribution sector. Cargill will take over the company's raw sugar, ethanol (hydrated and anhydrous), corn oil, and high-protein dried distillers' grains (DDGs). Thus, it will be interesting to see how the interlinkages between Brazil's agriculture, energy and mining sectors link up with new projects in the future.

Brazil will hold its next presidential election next year, for which all eyes should be on developments in the Brazil National Fertilizer Plan. Brazil intends to expand its national fertilizer strategy by boosting domestic production capacity to 73 million tons by 2036. At present, Brazil's domestic fertilizer production is below 50 million tons per year. The Ministry of Agriculture and Livestock (MAPA) and delegates of the Brazilian Association for Fertilizer Diffusion (ANDA) were keen on providing support to the new goals for Brazil's domestic fertilizer production. High profile domestic fertilizer production projects are in place to meet the rising fertilizer demand for Brazil's agriculture industry, including Brazil Potash's Autazes Project, which intends to develop an in-country muriate of potash (MOP) resource for Brazil to reduce dependence on imports from Canada, Russia and Belarus.

Agua Resources Gets Noticed by Brazilian bankers

There's a lot more to come in Brazil's dynamic fertilizer sector, given the expansions in phosphate production by Mosaic and Eurochem. There's even a junior phosphate developer Agua Resources (ASX:AGR) that will serve the Brazilian market with an organic phosphate product from the Tres Estradas Mine Site and Processing Plant. Agua released key updates about the advancements in financing and operations. The company plans to begin mining and processing operations in Rio Grande do Sul of Brazil by the middle of 2026.

The company received interests by way of offtake volumes for the organic phosphate product PAMPAFOS™, currently held under LOIs with the local Brazilian market. The final steps for the operating license will be completed by March 2026, thereafter Agua's first organic phosphate product will become available to customers in May 2026. A bank loan agreement with the Regional Development Bank of the Far South was executed for financing the advancement of the company's processing plant at AUD\$1.7mn.

Brazil's government regulators have been receptive to M&A activity in the emerging organic agriculture and fertilizer space. For example, Israel Chemicals Ltd (ICL Group) acquired 100% of Nitro 1000 in February 2024. This gave ICL Group full ownership of a leading biologicals company serving the domestic market for soybean, corn and sugar cane crops.

China's potash imports need diversification of supply

China was forced to disgorge part of its strategic potash reserves in the beginning of 2025 to meet rising domestic demand. This is one of the reasons why China lifted nitrogen and phosphate export restrictions, to take advantage of higher prices and buy more potash. China was able to secure potash imports from Russian and Belarusian sources and thus mitigated the rise in MOP prices from Canada. Nevertheless, China is a massive market that will require a diversification of MOP suppliers in the future.

Data provided by Chinese market sources shows that China imported approximately 1.2 million tons of KCl in October 2025, although cumulative potash imports reached 9.9 million tons, which is down 3.12% year-on-year. The top suppliers were Russia, Belarus and Laos. The big shift in this China market is the import-export dynamics, given that China has exported SOP to global markets in the past, but this trend is highly unlikely to come back in the near term. From January to October 2025, cumulative KCl exports from China totaled 31,300 metric tons, a year-on-year decrease of 71.80%. Russia's exports have dominated the potash market in China, at a value of USD \$1.2 billion dollars since October.

China cannot lean on domestic production for potash fertilizers. As with the rest of the world, China must pay higher prices when MOP values rise. Even long-term supply contracts with Russia come with higher MOP volumes, and thus China will need to consider diversification of suppliers in the future.

MOP and SOP Development Projects rise from the Ashes

Millennial Potash (TSX-V: MLP) has been the main success story for MOP developers in the junior potash space in 2025. The company released an updated Mineral Resource Estimate to boost the stock price: measured and indicated carnallite resources at 2.42 billion tonnes (at 15.5% KCl) and inferred carnallite resources of 3.6B tonnes grading (at 15.4% KCl). The thought of having access to key potash markets in Brazil and the U.S. has finally given Millennial Potash the attention it deserves in the junior potash space. The Banio Potash mine in Gabon has the potential to become one of Africa's most advanced potash projects.

Sage Potash (TSX-V: SAGE) aims to become a domestic MOP producer in the U.S market. The company is developing a potash mine in the Paradox Basin of Utah, where a new MOP source of 300,000 mts per year is going to help U.S. farmers access a reliable domestic source of potash and reduce their reliance on potash imports. Sage Potash completed a PEA technical report for its Sage Plain Potash Project in Utah. The NI 43-101 compliant report was issued by RESPEC in November 2025.

Gensource Potash (TSX-V: GSP) exercised its land purchase option agreement for the Tugaske Project in Saskatchewan. The company intends to make offtake agreements with customers in Southeast Asia. At

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present, funding is needed to secure the front-end engineering design (FEED) package for plant construction.

Two E.U.-based potash explorers and developers **Altamin Limited** (ASX: AZI) and South Harz Potash (ASX: SHP) have both made plans to diversify their resource assets along with potash from brownfield mine sites in Italy and Germany. Altamin has an SOP resource, along with lithium, and boron, at the Lazio Project in Cesano, Italy. It will use geothermal energy to reduce carbon footprint at the mining operations. **South Harz Potash** has an MOP resource at the historical South Harz potash district in Central Germany. The company decided to acquire the Glava Copper-Gold-Silver project in Sweden as part of the dual-asset strategy. The company has recently come under a new leadership structure with Executive Chairman Len Jubber at the helm.

Winners and losers, let the games begin!

Going into 2026, there are going to be some winners and losers in the international growth minerals space. We have already seen the financial difficulties hit new potash projects from Highfield Resources in Spain, Agrimin in Western Australia and Kore Potash in the Republic of Congo. Additionally, other potash producers have underperformed in their recent potash sales, notably SQM and Verde Agritech.

It is interesting to point out that there are some intersections here. Highfield Resources has SQM as one of its top shareholders. Kore Potash and Highfield Resources both failed to attract sufficient capital with a predominantly Chinese shareholder base. Agrimin and Verde Agritech will withdraw or divest from potash projects completely.

This all comes to mind as ICL Group came out with an announcement that it has lost a court case with the Israeli government over water rights in the Dead Sea. ICL will also relinquish control of the Dead Sea potash assets to the Israeli government by 2030. No love lost between potash producers these days. The Year ahead, 2026, should be a capital markets rat race in the growth minerals sector!

GROWTH MINERALS STOCKS

	Security	Ticker	Rating	Currency	Price	Market Cap. mns	Status	Country
Potash	Kore Potash	LSE: KP2	Neutral	GBP	2.94	£152	Developer	Congo Brazzaville
	Millennium Potash	TSX-V: MLP	LONG	CAD	3.18	\$355	Developer	Gabon
	Brazil Potash	NYSE: GRO	LONG	USD	2.17	\$116	Developer	Brazil
	Nutrien	NTR.to, NYSE: NTR	Neutral	CAD	81.22	\$28,570	Producer	Canada
	Altamin	ASX: AZI	Neutral	ASX	0.03	\$21	Explorer	Italy
	Intrepid Potash	NYSE: IPI	Neutral	USD	25.29	\$339	Producer	USA
	Verde Agritech	NPK.to	Neutral	CAD	1.2	\$63	Producer	Brazil
	Sage Potash	SAGE.v	Neutral	CAD	0.24	\$25	Developer	USA
	South Harz Potash	ASX: SHP	Neutral	ASX	0.03	\$3.8	Developer	Germany
	Peak Minerals		Neutral	Private			Developer	USA
	Karnalyte Resources	KRN.to	Neutral	CAD	0.16	\$9	Developer	Canada
	K2O Potash		Neutral	Private			Explorer	Poland
	American Critical	NE: KCLI	Neutral	CAD	0.26	\$24	Explorer	USA
	Gensource Potash	TSX-V: GSP	Neutral	CAD	0.07	\$32	Developer	Canada
	The Mosaic Company	NYSE: MOS	Neutral	USD	23.81	\$7,557	Producer	Canada/USA
Phosphate	First Phosphate	CSE: PHOS	LONG	CAD	1.01	\$145	Developer	Canada
	Nevada Organic	CSE: NOP	Neutral	CAD	0.07	\$7	Explorer	USA
	Kropz	LSE: KRPZ	Neutral	GBP	0.60	£9	Producer	South Africa
	ItaFos	TSX-V: IFOS	Neutral	CAD	3.21	\$560	Developer	Guinea-Bissau/Brazil
	Agua Resources	AGR.ax	Neutral	AUD	0.02	\$31	Developer	Brazil
	PhosCo	PHO.ax	Neutral	AUD	0.13	\$62	Developer	Tunisia
	Arianne Phosphate	DAN.v	AVOID	CAD	0.21	\$45	Explorer	Canada
	Fox River Phosphate	CSE: FOX	Neutral	CAD	0.49	\$39	Explorer	Canada
	Minbos	MNB.ax	LONG	AUD	0.03	\$24	Developer	Angola

Important disclosures

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