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HALLGARTEN + COMPANY

Sector Coverage

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Growth Minerals Review New Players Rise on VUCA

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Growth Minerals Sector

New Players Rise on VUCA

- + Corn and sunflower stocks are where Ukraine has the biggest advantage compared with the rest of the EU
- + Grains and oilseeds are both particularly sensitive to movements in potash prices
- + Utah potash darlings will compete fiercely for U.S. market financing
- + Brazilian and Argentine farmers should take advantage of the divergence in fertilizer supplies and agricultural commodities prices in the future
- ✗ Fertilizers in the Black Sea do not appear to be having a revival going into 2026
- ✗ Farmers in the E.U. are weary of trade policies across the board
- ✗ The E.U. is struggling with volatile ammonia prices and supply diversification
- ✗ The saga of sorrows continues for The Mosaic Company and Nutrien in LatAm
- ✗ Gabon announced a significant mining audit targeting potash (and more)

VUCA (Volatility, Uncertainty, Complexity, and Ambiguity) - Fire up the Engines!

The roaring sounds of tractors entering Belgium and Greece probably couldn't be heard near Turkey due to Russia and Ukraine sent a barrage of drones and missile attacks over the Black Sea. Russia's attacks are a response to Ukraine's escalation of drone attacks on Russia's oil infrastructure targets, as well as the shadow fleet tankers operating nearby. What is commonly being called "situational awareness" in military terms is merely a sign that the war in the Black Sea is far from over, and by drawing Turkey into the sphere of Russian aggression, it looks like NATO has their work cut out for them in 2026.

This is the first time we've heard of F-16 fighter jets being used by Turkey in the Black Sea since Russia's invasion of Ukraine. The more important issue at stake is Turkey's Black Sea ports and passage through the Bosphorus Strait. Meanwhile, Odesa is Russia's ultimate retaliation point. It is becoming increasingly clear that Russia effectively controls Odesa as a military target. Ukraine may never get the Black Sea port back into full swing. Is this a "new normal" for fertilizer shipments in the Black Sea?

We all know that the Black Sea Grain Initiative could've prevented all these events from happening, and who knows, maybe the tit-for-tat energy infrastructure war could've been prevented as well. It's all for the history books to murmur over for now. In the present, fertilizers in the Black Sea do not appear to be having a revival going into 2026, and Ukraine will be lucky to have its agriculture exports back on track after a relatively stable 2025 production year. The EU probably saved Ukraine's agriculture industry by giving the country access to the EU market for grains and other agricultural commodities. It's no wonder

that farmers in the EU are both weary of the war in Ukraine and fiercely against the EU-Mercosur Deal.

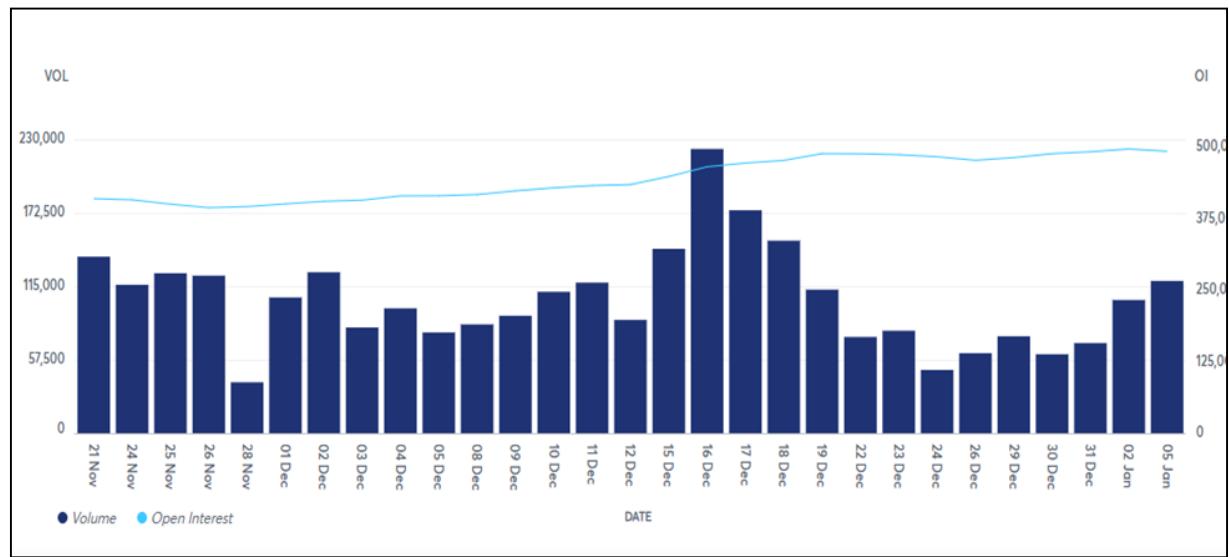
And this is where we encounter Belarus and the deal with the U.S. for prisoners. It is being called a *quid pro quo*—the “prisoners for potash deal”. The U.S. agreed to lift sanctions on Belaruskali, the state-owned Belarus potash producer, in exchange for the release of 123 political prisoners held in Belarusian prisons. Indeed, Belarus has already been sending millions of potash shipments into the East of Suez markets, notably to China, Indonesia and Malaysia, despite the sanction regimes in the U.S. and the EU, while the U.S. farmers have struggled to fend off rising costs for all fertilizers, including potash, even while agricultural commodities prices sank.

This divergence in fertilizer supplies and agricultural commodities prices will make Brazilian and Argentine farmers the most attractive players in the future of agriculture and fertilizers, putting the U.S. farmers’ competitive advantages to the test in a volatile, uncertain, complex and ambiguous (VUCA) world with fertilizers as a geopolitical bargaining chip for food security.

Chicago and Black Sea wheat are having a moment

CME wheat futures have seen rising price movements since the end of December 2025, mostly because of the escalation of attacks from Russia and Ukraine in the Black Sea. There are also some issues linked to weather patterns in the U.S. and South America, but the overall concern for global wheat prices are tight supplies from the Black Sea where Europe, Africa and Middle Eastern markets are all at stake.

Whatever happens in the Black Sea will reverberate through the rest of the global wheat market, which is why the CME wheat futures are showing signs to the upside in prices.



Source: Chicago Wheat Futures on the CME:

<https://www.cmegroup.com/markets/agriculture/grains/wheat.volume.html>

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The longer this goes on, it will have an impact on the negotiations for Russia and Ukraine, since Russia's attacks on Odesa will cause ships to avoid certain Black Sea shipping lanes. On the first monday of the new year, CME wheat futures had jumped +6% as of 5 January 2026.

Ukraine got its groove back, but not everyone is happy!

The full year results for Ukraine's agriculture production show that 57.6 million tons of grains and 17.3 million tons of oilseeds were harvested, in addition to sunflower seeds which will put the total figure even higher. This put Ukraine's total agriculture production figures for 2025 above all the EU member states, except for France. Corn and sunflower stocks are where Ukraine has the biggest advantage compared with the rest of the EU. In terms of volume, Ukraine harvested a total of 23.5 million tons of corn, compared with the EU total corn production of 57 million tons. Ukraine also produced 9 million tons of sunflower which was higher than all EU member states combined.

Taras Vysotskyi, Ukraine's Deputy Minister of Economy, Environment & Agriculture, emphasized that agriculture production is not a threat to the other E.U. members states. Many of the MEPs agree, but tell that to farmers in France, Germany, Poland, Greece and Bulgaria. The protests in Belgium and Greece were aimed at a confluence of factors that will put E.U. farmers to the ultimate test of survival in a fast-changing market for agriculture and fertilizers due to the Cross Border Adjustment Mechanism (CBAM).

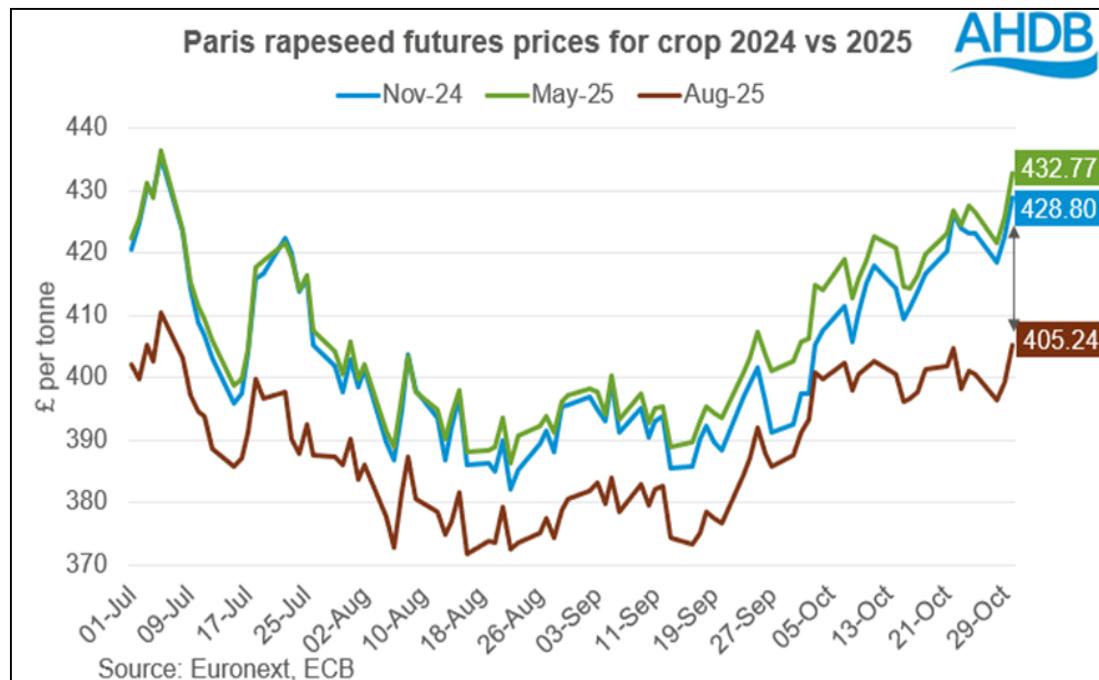
Take Bulgaria as an example. It is also a sunflower producer, with advantageous market access to the EU as well as the global market outside of the European continent. Volatile and extreme weather conditions during the summer and fall of 2025 caused the country's total sunflower production to fall to 1.66 million tons.

The unpredictable weather patterns for Bulgaria allowed Ukraine's sunflower supplies to access a higher value market in the EU. Bulgaria must consider its options, and compared with other export markets, the EU market for sunflower oil is still more attractive than the rest of the world.

Rapeseed oil is another key factor to consider for Ukraine and Bulgaria. The niche oilseed depends on cost-effective crushing and processing. Bulgaria boosted its rapeseed production to 295,000 tons to make up for the loss of production in sunflower oil. It has been reported that the figures likely reached a higher volume of around 350,000 tons of total rapeseed oil production by the end of 2025.

However, the problem lies in the competition for export markets, given that Ukraine also produces and exports rapeseed oil at a lower operating cost than Bulgaria. The other reason rapeseed oil should be receiving more attention is because it is considered an attractive feedstock for biofuel production in the EU market.

The chart on the following page shows rapeseed futures in the Paris market resurgent since the northern summer of 2025.



As with many agricultural commodities, rapeseed oil production depends on fertilizer supply and demand dynamics. Grains and oilseeds are both particularly sensitive to movements in potash prices. With potash prices rising in the beginning of 2026, agricultural production will trend lower given the downward prices for agricultural commodities on global markets in 2025, raising the stakes of a potential supply squeeze in the short term. Wheat and soybean futures for 2026 are rising for that very reason.

CBAM, CBAM, CBAM...

The EU's CBAM got off to an interesting start for the fertilizer space. It was announced on 17 December 2025 that the EU will treat fertilizers as a "specific situation" during the rollout of CBAM, according to the quote by French Commissioner Stéphane Séjourné. EU MEPs use simplistic language to describe a process that is anything but simple. Fertilizer imports into CBAM were initially treated with lower markups of 1% to the respective default values at the beginning of 2026. Now, there's an even murkier timeline for fertilizer imports into EU due to French and Italian insistence on the exemption of fertilizers in Article 27a of the CBAM Regulation.

Article 27a allows for the suspension or removal of goods from the scope of application of CBAM regulations on fertilizer imports. The problems surrounding Russian fertilizers are more of an imminent threat to EU agriculture producers, due to the lingering issues around food shortages. Many in the EU fertilizer policy circles are arguing that Russian fertilizers keep agriculture industry consolidation concerns at bay. All of this revolves around the old question of who you would rather have providing your food security, Russia or industry conglomerates?

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Two fertilizer producers in the EU domestic market are Bulgaria's Agropolichim and Poland's Grupo Azoty. They are both NPK producers, with their own production advantages, and primarily known for having exceptional access to both the EU market and raw material imports.

Agropolichim bought a cargo of 5,000 mts blue ammonia from U.S. suppliers ahead of CBAM. The company has a strategy in place to reduce its carbon footprint to meet the standards of CBAM in the long term. Thus, this is an example whereby companies will have to diversify their suppliers from around the world to access the EU market in the era of CBAM.

Grupo Azoty has been more proactive in its potash import diversification strategy. The company signed a deal with Nutrien Ltd for potash supplies until the end of 2027. That gives the company at least two years of stable potash supplies from the world's largest potash exporter. The potash will directly supply the company's NPK plants at the Police and Fosfory plants in Poland.

CBAM is obviously playing a role in both of those companies' long-term strategies to reduce dependence on raw materials sources from Russia, Belarus and the Middle East and North Africa region. North American producers not only have access to sustainable and low-carbon energy production, the U.S. and Canada also produce large volumes that ensure available supplies regardless of price volatility on global markets.

CBAM will likely cause EU-based fertilizer producers to spend more on operating costs, and this will translate into higher costs for food production as well. This isn't even getting into the discussion about biofuels and what CBAM regulations will mean for potash prices in countries that produce palm oil, soybean oil, rapeseed oil, ethanol, sugarcane, etc. The growing trend in biofuel production is a very bullish sign for potash producers outside of the EU, so it doesn't appear that investments in EU's domestic potash production will be needed in the short to medium term.

Ammonia production down, prices up

Ammonia is a different story. The EU is struggling with volatile ammonia prices and supply diversification. Yara International halted operations at the Ferrara ammonia and urea fertilizer facility in Italy in December 2025. There isn't a clear timeline on when the Ferrara operations will come back online, and Yara will have to diversify its ammonia suppliers from global sources to make up for the shortfall—a total of 1.2 million tons per year of ammonia and urea was knocked offline.

The EU's largest ammonia producer and supplier is German-based BASF. BASF launched a new plant using renewable energy sources to produce green ammonia in Ludwigshafen, Germany. The first hydrogen-based ammonia from the new BASF plant will be supplied to OCI Global's nitrogen fertilizer plant in the Netherlands. Replacing natural gas production with renewable feedstocks is a milestone in the era of CBAM. Let's see if other companies try to follow along with this approach going forward.

The news about Yara couldn't have come at a worse time since Saudi Arabia's Ma'aden also had to shut down one of its ammonia plants with a production capacity of 1,300 mts per day. Ma'aden's phosphate

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mining expansions at the “Phosphate 4” project are said to be a game-changer for Saudi Arabia’s position in global phosphate market. For example, the expansion at Phosphate 4 will allow the company to produce 1.1 million tons of ammonia, which will ensure the company’s phosphate and specialty fertilizers expansion by around 2.5 million tons, raising total production capacity to nearly 12 million tons per year.

Given that one of the company’s ammonia plants were shut down, the phosphate expansion plans in Saudi Arabia remain dubious for the global markets in the near term. Of course, Saudi Arabian producers will have a key advantage over Morocco in securing domestic ammonia and sulfur supplies, so Ma’aden will be a top supplier in phosphate fertilizer markets in the long term.

CBAM ups the ante on renewable energy sources for fertilizers, such as BASF’s hydrogen plant, as opposed to the sources from Morocco and Saudi Arabia that are highly natural gas intensive. OCI, a nitrogen fertilizer producer, is a case in point. So, where will the future phosphate production come from in the era of CBAM?

Junior phosphate companies emerge in a tight global supply market

Several phosphate companies have emerged from the shadows, and not all of them are even trying to break into the phosphate fertilizer market. There are indeed some junior phosphate players coming on to the market that are worth mentioning for the fertilizer space.

We have already covered the Tunisian junior **PhosCo** (ASX: PHO) and its Gasaat phosphate mining project. The company continues to rip through its drilling campaign, with the latest work occurring at the SAB prospect where phosphate mineralization intersected in five of the six drill holes: 21m of phosphate from 53.7m at GADD-10; 18m phosphate from 47.5m at GADD-17; and 13.5m phosphate from 63.5m at GADD-16.

In addition to the SAB, the drilling results from the KM discovery have allowed the company to pursue a maiden resource estimate (MRE) by early 2026. Once the drilling results from both SAB and KM are finalized in the MRE, the company will be prepared for an updated Scoping Study and bankable feasibility study (BFS) by mid-2026.

Nevada Organic Phosphate (CSE: NOP) is another company on our radar as of late. The stock price bounced up from 0.04 in September 2025 and has been trading in a price range from 0.08-0.12 ever since the end of 2025. NOP is a lesser-known organic phosphate exploration play located in Elko County, Nevada, USA. The project is on the Murdock Mountain Property, north of Reno, Nevada.

NOP has overcome many challenges during its rise through the organic fertilizer space. NOP recently gained 100% control of the company by eliminating a 2% net smelter royalty (NSR) previously owned by the Montecinos Family Trust. NOP was formerly known as Silver Eagle Mines, which was quite confusing for investors given the “silver” name in the title. The CEO, Robin Dow, has also spent rigorous moments with the Bureau of Land Management (BLM) in Nevada to achieve the exploration permit since 2023.

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The Murdock Mountain Project is an organic sedimentary raw rock phosphate bed, with no heavy metal contaminations as in conventional phosphate mining production.

NOP's drilling campaign began in October 2025. Six drill holes have been explored in the Upper Phosphatic Zone of Murdock Mountain, including 10.23% P₂O₅ over 5.12 metres; 10.64% P₂O₅ over 3.71 metres; and 17.47% P₂O₅ over 4.11 metres. NOP's organic assays prove that the phosphate mineralization is consistent and homogeneous with the rest of the company's drilling plan and market strategy.

Mosaic and Nutrien made the headlines in LATAM again

We couldn't talk about the phosphate fertilizer market without The Mosaic Company. It seems that the U.S.-based fertilizer producer continues to hobble around at its Brazilian fertilizer operations. It announced that the company will halt single super phosphate (SSP) production at the core phosphate facilities in Brazil. A review will be held to determine when SSP production will start up again. There are indications that rising sulfur prices have caused this to happen, but both Nutrien and Mosaic will prioritize potash shipments and sales going into 2026. Another big win for Canpotex!

Moreover, the sale of The Mosaic Company's Carlsbad potash mine left behind the company's legacy in U.S. domestic potash production. Going forward, the company will focus all its efforts on the potash mining operations in Saskatchewan, Canada. Truly a sign of the times for the U.S. fertilizer company, since the K3 potash mine—the predecessors were K1 and K2 potash mines—in Saskatchewan has benefited from volatile potash prices during the expansion at the Esterhazy mining complex since 2022.

Nutrien has its own problems in Trinidad & Tobago. In a battle for headlines Trinidad & Tobago is trying to beat Venezuela for readership this month. The National Gas Company (NGC) in Trinidad & Tobago claimed that Nutrien allegedly held the country for ransom over the disagreement for port fees. The saga continues there.

The more the merrier is a key theme for junior potash miners

In an industry known for price volatility and geopolitical risk, most of the junior potash explorers and developers are in peaceful countries: the U.S., Canada, Brazil and Gabon. (Well, only if you consider the military coup in Gabon to have been as peaceful as alleged hitherto).

American Critical Minerals (CSE: KCLI) is still surviving in the Utah potash exploration space. The company was once known as "American Potash" until it dived into a lithium prospect in the Paradox Basin. The company's upcoming initial Phase 1 Drill Program at the Green River Potash and Lithium Project is scheduled for Q1 2026. The Green River Potash project contains between 600-950 million tons of sylvinitite with an average grade ranging between 19 and 29% eKCl. The company has yet to submit a PEA, although it has been authorized by the BLM in Utah to explore seven drill holes for muriate of potash (MOP) resources.

The other Paradox Basin darling in the junior potash space is **Sage Potash** (TSX-V: SAGE). The company

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had a productive 2025, which was kickstarted by a USD\$14mn grant by the U.S. government to advance the Sage Plain Potash project in Utah. Sage Potash recently closed a private placement financing of US \$11.4mn. The company thought it could raise up to USD\$12-14mn. It didn't quite go the distance given that the company still has an LMO permit hanging in the balance. Sage Potash will compete with American Critical Minerals for financing opportunities going forward.

Brazil and Gabon have two junior potash companies with massive MOP resources in the development and construction phases. **Brazil Potash** (NYSE: GRO) and **Millennial Potash** (TSX-V: MLP) have a lot on their plates for 2026. Brazil is, of course, the largest import market in the world for potash fertilizers. It goes without saying that GRO is advantageously situated to supply Brazil's first domestic source of MOP fertilizers.

Gabon

Gabon is a little tricky. We already referenced the military coup there in 2023. As a result, there have been some developments in Gabonese politics that should be of interest to investors about the future of potash mining in Gabon. The Gabonese government announced that it will carry out a mining contract audit in conjunction with the country's International Monetary Fund (IMF) reforms. The audit targets all mining agreements signed between 2010 and 2024, though apparently excluding MLP's Banio potash mining project (according to the company).

At the same time, Gabon's former oil and gas minister, Sosthène Nguema Nguema (reportedly a relative of the President) was appointed as Gabon's minister of mines and geological resources as of 1 January 2026. The high-level political reshuffling reveals that Gabon's oil and gas interests are still a higher priority than the mining sector. This is crucial given that MLP's potash exports will depend on the port development activities on Gabon's Atlantic coast.

Brazil Intensifies Focus

Luckily for GRO, Brazil's domestic fertilizer security is synonymous with the country's national security. Agriculture production in Brazil not only feeds the world, but it also drives the GDP of one of the world's fastest-growing countries. Potash is central to the National Fertilizer Plan, since it aims to reduce Brazil's reliance on imports of fertilizers, including Russia, Belarus, China and Morocco. The Autazes Potash Project is directly linked to Mato Grosso crop growth where GRO has a target market for its MOP resource. Not to mention that Brazilian agriculture is one of the main benefactors of the EU-Mercosur Deal, which is apparently going forward as a result of the EU-Mercosur Partnership Agreement (EMPA) and the Interim Trade Agreement (iTA) signed on 9 January 2026.

And a new player....

The new year ushered in our latest addition to the growth minerals portfolio. Another junior potash project in Saskatchewan, **Buffalo Potash** (TSX-V: BUFF), began public trading on 6th of January 2026.

GROWTH MINERALS STOCKS

	Security	Ticker	Rating	Currency	Price	Market Cap. mns	Status	Country
Potash	Kore Potash	LSE: KP2	Neutral	GBP	2.9	£152	Developer	Congo Brazzaville
	Millennium Potash	TSX-V: MLP	LONG	CAD	2.99	\$329	Developer	Gabon
	Brazil Potash	NYSE: GRO	LONG	USD	2.3	\$123	Developer	Brazil
	Nutrien	NTR.to, NYSE: NTR	Neutral	CAD	83.28	\$2,913	Producer	Canada
	Altamin	ASX: AZI	Neutral	ASX	0.03	\$20	Explorer	Italy
	Intrepid Potash	NYSE: IPI	Neutral	USD	30.16	\$405	Producer	USA
	Verde Agritech	NPK.to	Neutral	CAD	1.60	\$84	Producer	Brazil
	Sage Potash	SAGE.v	Neutral	CAD	0.24	\$25	Developer	USA
	South Harz Potash	ASX: SHP	Neutral	ASX	0.03	\$3.95	Developer	Germany
	Peak Minerals		Neutral	Private			Developer	USA
	Buffalo Potash	TSX-V: BUFF	Neutral	CAD	0.35	\$28	Developer	Canada
	Karnalyte Resources	KRN.to	Neutral	CAD	0.23	\$12	Developer	Canada
	K2O Potash		Neutral	Private			Explorer	Poland
	American Critical	NE: KCLI	Neutral	CAD		\$24	Explorer	USA
	Gensource Potash	TSX-V: GSP	Neutral	CAD	0.08	\$34	Developer	Canada
	The Mosaic Company	NYSE: MOS	Neutral	USD	25.98	\$8,246	Producer	Canada/USA
Phosphate	First Phosphate	CSE: PHOS	LONG	CAD	1.02	\$154	Developer	Canada
	Nevada Organic	CSE:NOP	Neutral	CAD	0.13	\$16	Explorer	USA
	Kropz	LSE: KRPZ	Neutral	GBP	0.78	£12	Producer	South Africa
	ItaFos	TSX-V: IFOS	Neutral	CAD	3.45	\$603	Developer	Guinea-Bissau/Brazil
	Chatham Rock	NZ: CRP	Neutral	NZD	0.061	\$7	Explorer	Pacific/Australia
	Aguia Resources	AGR.ax	Neutral	AUD	0.02	\$35	Developer	Brazil
	PhosCo	PHO.ax	Neutral	AUD	0.14	\$70	Developer	Tunisia
	Arianne Phosphate	DAN.v	AVOID	CAD	0.20	\$42	Explorer	Canada
	Fox River Phosphate	CSE: FOX	Neutral	CAD	0.65	\$52	Explorer	Canada
	Minbos	MNB.ax	LONG	AUD	0.03	\$28	Developer	Angola

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