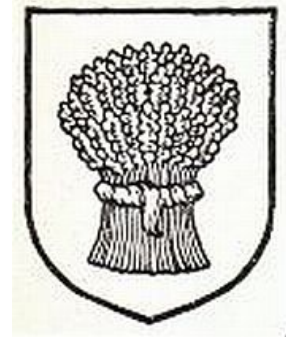


Thursday, May 7, 2026



HALLGARTEN + COMPANY

Sector Coverage

Joshua Mayfield

jmayfield@hallgartenco.com

Growth Minerals Review It's All Go (except stock prices)

May 2026

Growth Minerals Sector

It's All Go (except stock prices)

- + **Fertilizers are one of the top spaces to watch in global commodities right now**
- + **Agnico Eagle subsidiary Avenir Minerals Ltd acquires Fox River Resources's Martison Phosphate Project in Ontario, Canada**
- + **ASX-listed PhosCo releases updated MRE for Gasaat Phosphate Project in Tunisia**
- + **Wheat is bullish on prices and tight supply**
- + **China's MOP imports saw a significant rise from the previous year**
- × **Morocco and Nigeria see an opportunity to capture global fertilizer market share**
- × **WFP says additional 9.1mn people could be pushed into acute food insecurity in 2026**
- × **A perfect storm of events occurring to global wheat production and supply chains**
- × **German government attempts to win leverage over President Trump by attacking U.S.'s potash vulnerability**
- × **U.S. government is on a fertilizer witch hunt with unclear prospects for change**

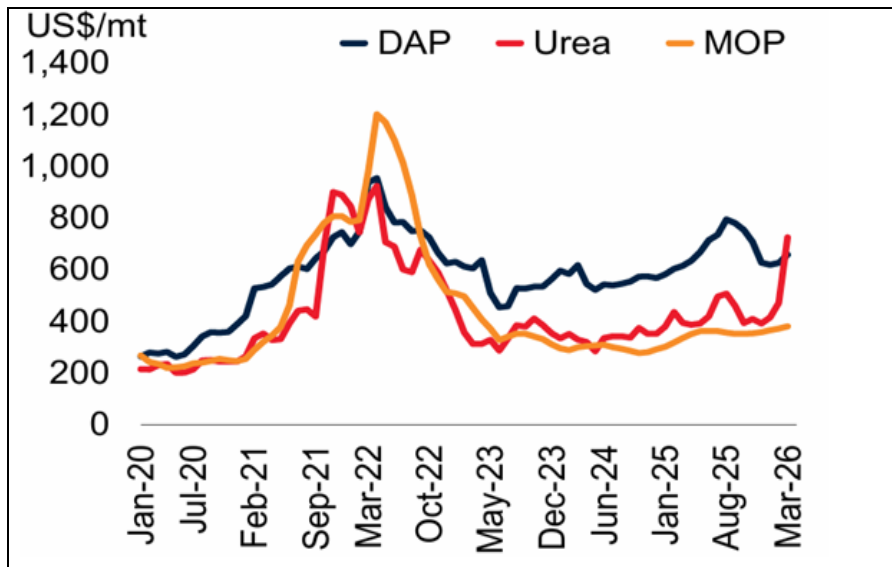
Rare fertilizer moments to be continued...

Everyone knows by now that fertilizers are one of the top spaces to watch in global commodities during the Middle East chaos. One commodities news source put it this way: "Global fertilizer markets are being slowly reshaped by a rare convergence of geopolitical disruption, supply constraints and growing affordability concerns...As a result, prices for nitrogen, sulphur, sulphuric acid and phosphate are being increasingly driven by scarcity and unease in market sentiment rather than consumption or demand."

This isn't exactly a "rare" moment for fertilizers. We have been here before in terms of geopolitical disruptions to fertilizer supplies. More importantly, this is not a rare moment for farmer affordability worldwide. Fertilizer prices have been going up across the board since around the spring planting season of 2025. It was only during the first months of 2026 that the market thought fertilizer prices

Thursday, May 7, 2026

were finally moving on a downward trend, and to the benefit and relief of farmers, until the Strait of Hormuz shut down in March 2026.



Source: World Bank Commodity Report on Fertilizers, April 2026

One of the talking points in the mass media is to make comparisons to fertilizer prices in the 2021-2022 market in the lead up to and during Russia's invasion of Ukraine. The price chart below reveals that the Producer Price Index (PPI) for Phosphates rose sharply by almost 180 points in 2021-2022. This in contrast to the upward trend in Phosphate PPI facing the fertilizer market in the last three years.

Since July 2023, the Phosphate PPI has been on an upward trend of around 100 index points:



Source: FRED

Thursday, May 7, 2026

We recently spoke to The Global and Mail again about global phosphate production. Morocco's OCP Group is launching a strategy to supply Africa with phosphate. This will occur under a backdrop of Nigeria's Aliko Dangote – the continent's wealthiest man – pouring US\$40 billion into an energy and fertilizer strategy that plans to quadruple urea fertilizer output. Morocco and Nigeria clearly see an opportunity in what's going on with Russia and China to capture market share for global nitrogen and phosphate production.

The United Nations World Food Programme (WFP) has already warned of the doomsday scenarios that are likely to happen in the current price environments for food and fertilizers. According to WFP, an additional 9.1 million people could be pushed into acute food insecurity across the Asia-Pacific region alone, an increase of 24% prior to the war between the U.S. and Iran.

Shouldn't the world be concerned that Morocco and Nigeria, two countries that are a far cry from being food-secure themselves, could determine the future of nitrogen and phosphate fertilizer supplies to the global market?

The Phosphate PPI tells a different angle on the fertilizer production than actual market prices. With sulphur and ammonia being sold at a premium to fertilizer manufacturers, phosphate fertilizer prices will not come down in the short term, regardless of what happens in the Strait of Hormuz. This is why new phosphate projects are getting a lot of attention in the capital markets. Even the battery-intensive companies with their LFP battery dreams in sight are getting noticed for the high phosphate fertilizer prices.

Agnico Goes Off-Piste into Phosphate

In a very intriguing transaction, in recent days, it was announced that Agnico Eagle, via its subsidiary Avenir Minerals Ltd, was acquiring Fox River Resources (CSE:FOX) by way of a statutory plan of arrangement under the Canada Business Corporations Act. The deal was unanimously approved by the directors of Fox.

Fox River holds a 100% interest in the Martison Phosphate Project near Hearst, Ontario. This had been planned as a vertically integrated operation, to exploit a high-grade, large-scale igneous phosphate deposit “capable of providing a secure domestic supply of phosphate fertilizers as well as PPA for the LFP battery industry”. The project's Anomaly A deposit underpinned a PEA with an effective date of April 21, 2022.

Shareholders of Fox River will receive CAD\$1.10 per share, payable in cash, for an aggregate purchase price of approximately CAD\$94.3mn on a fully-diluted basis.

This is a very interesting appearance of a very different set of “fins in the water” in the phosphate space in Canada.

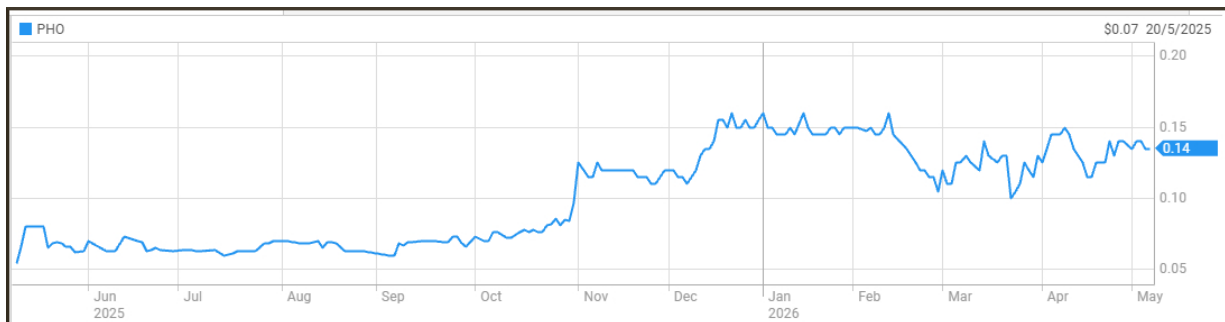
Thursday, May 7, 2026

PhosCo's Phosphate Mining Project is a Rare Gem

ASX-listed PhosCo's (ASX:PHO) Gasaat Phosphate Project is indeed a rare story given that the company is completely dedicated to supplying the phosphate fertilizer market from the phosphate rock sources in Tunisia. The company released a Maiden Mineral Resource Estimate (MRE) including the recently announced mineral deposits at KM and SAB this month.

We have consistently reported results from PhosCo's mining project, and so we are not surprised to find that the resource expansion is an impressive one: a current JORC Resource total of 166.6 million tons of Phosphate Rock at 20.6% P205 grade.

The company still has five more prospects to define and measure in the phosphate resource base at Gasaat, such as the DOH discovery. The strip ratio was lowered from 4:1 to 0.4:1 because of the latest MRE. The PHO stock price is up over 90% year-over year.



Minesite Visit to Brazil Potash's Autazes Mine

It was clear from our recent site visit to Autazes that Brazil Potash has crossed the border that divides the explorer from the developer and is now in the construction phase. To say the expedition was action-packed is an understatement. There was never a dull moment, and we find it hard to recall if we have ever experienced so many dramatic modes of transportation in such a short time. Only thing lacking was a camel ride.

The expedition was based out of Manaus, the capital of the vast state of Amazonas. It stands at the confluence of the Rio Negro (Black River) and the Rio Solimões. It is a vast sprawling conurbation with around 2.2mn people and is one of only two major cities in Amazonas. It is a major industrial centre and the major port on the Amazon and thus the major transport, service and access point for the future Autazes mine.

The Autazes Potash project is situated in an area encompassing approximately 98 square miles located in the Amazon potash basin near the city of Autazes in the eastern portion of the state of Amazonas, Brazil, within the Central Amazon Basin, between the Amazon River and the Madeira River, approximately 75 miles southeast of the city of Manaus, northern Brazil.

We also got to participate in the tribal gathering with local Amazonas indigenous group during the

Thursday, May 7, 2026

2nd Encounter of the Mura Peoples. Below can be seen the CEO of Brazil Potash, Matt Simpson, getting with the local vibe.



The event was a fascinating mix of local culture and modernity. The enthusiasm for the project was palpable as the prospect of jobs and progress for traditionally marginalized groups was a strong draw for the recent votes that have strongly supported the advancement of the Autazes project.

Our investment thesis for Brazil Potash remains focused on the critical nexus of geopolitical risk and Brazilian fertilizer independence. The company is not exaggerating when it refers to the Autazes project as one of the world's largest undeveloped potash basins in Brazil's own backyard.

The most critical aspect is that the potash will be sold domestically—for Brazilian farmers first—thus fulfilling the goals of the National Fertilizer Plan. The site visit made clear that the company is very advanced in site preparation for the processing plant and the port terminal for the Autazes project. The port and other infrastructure is one of the greatest advantages compared with other mining projects in the region.

The Autazes potash mine is located near to the Madeira River which gives the company downriver access to Mato Grosso, where the captive market of Brazilian soybean and corn producers hunger for a domestic supply of fertilizers. Brazil Potash isn't concerned about its market strategy, because Brazil is already the biggest importer of potash in the world. Brazil Potash is a clear Brazilian agriculture play, fitting with the government's National Fertilizer plan to increase domestic production sources of potash supplies for farmers. Brazil is ahead of the game—way ahead of the U.S.—in terms of plans to diversify domestic and international sources of potash fertilizers.

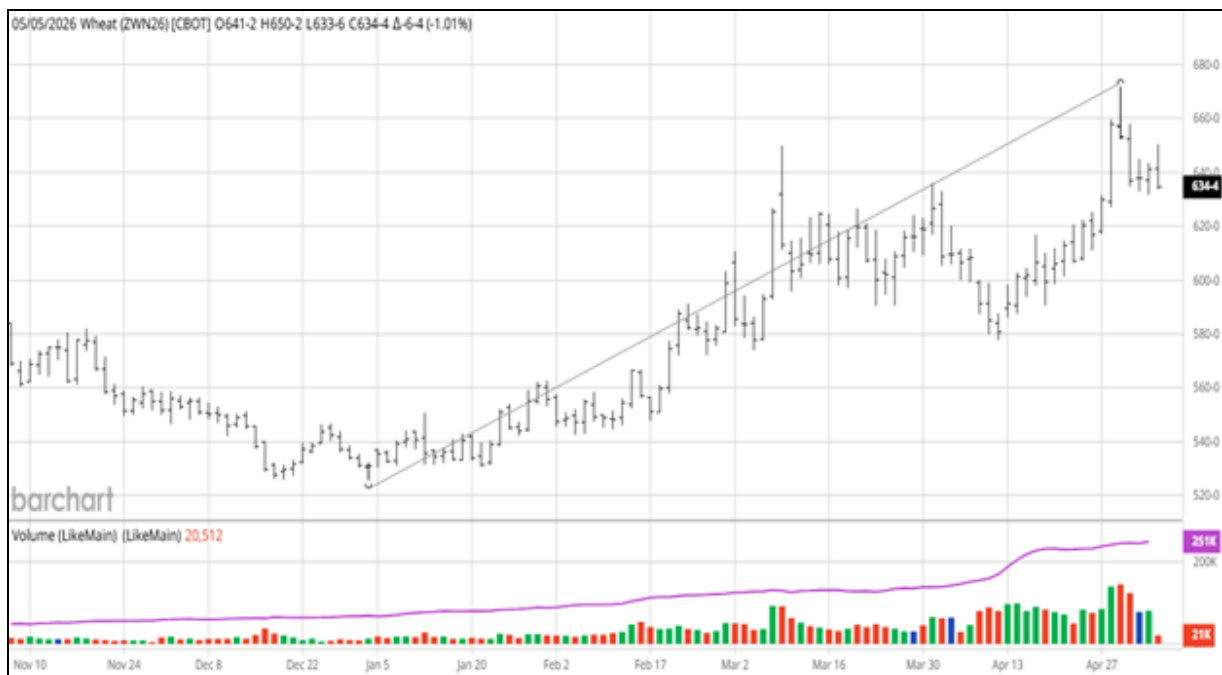
Thursday, May 7, 2026

Global Wheat Prices Moving to the Upside

We noted in the previous monthly—Squeeze on Urea (& Everything)—that global wheat prices were destined to go higher. There is a perfect storm of events occurring to global wheat production and supply chains. Kpler put it like this: “Agricultural markets remain volatile, with Hormuz bottlenecks, US drought risks, and robust South American exports shaping the outlook.”

On 1 May 2026, wheat prices on the CBOT closed at USD \$6.37 per bushel and then rose to USD \$6.50 before falling again. Since then, the prices have fallen to around USD \$6 per bushel. Wheat’s high occurred on 29 April 2026 when the price was above USD \$6.70 per bushel. This price beat 2025’s best day for CBOT wheat at USD \$6.67 on 18 February 2025.

Wheat prices bottomed out at around USD \$5.24 per bushel on 2 January 2026. Prices have been on an uptrend for the remainder of the year. Prices rose to USD \$6.34 per bushel on 5 May 2026. As of this publication time (7 May 2026) prices are at USD \$6.12 per bushel.



Source: barchart, Wheat CBOT Prices, closing date on 5 May 2026.

Globally, wheat is bearish on production and bullish on prices. India is going to be one of the key suppliers of wheat this year. The government has approved overseas wheat shipments of 7.5 million tons for the current year.

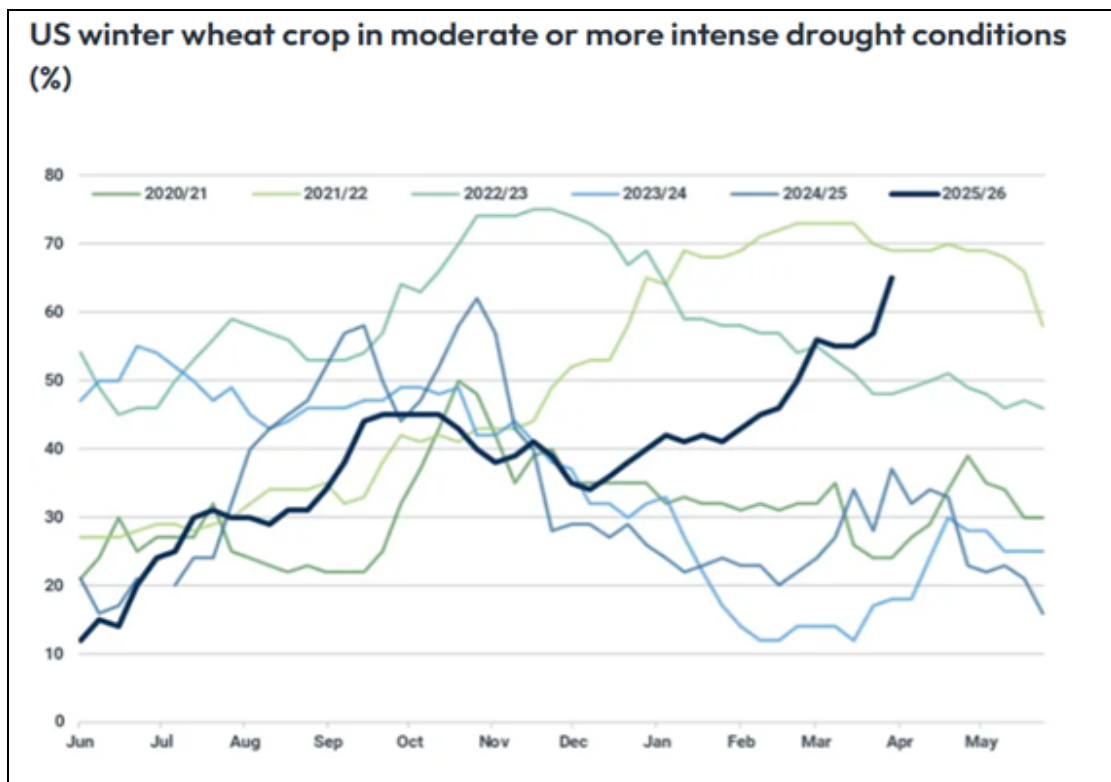
Russia is the world’s biggest producer and supplier of wheat. SovEcon has raised its Russian wheat export forecast for the 2025/26 season by 0.9 million tonnes to 47.4 million tonnes, and for 2026/27 by 1.4 million tonnes to 45.2 million tonnes. The upward revision reflects a strong demand for

Thursday, May 7, 2026

wheat from Egypt, one of the largest Black Sea wheat importers. Egypt reportedly imported around 1.5 millions tons of wheat in the month of April.

In the U.S., the 2025/26 forecast for wheat plantings declared that wheat plantings in the U.S. will hit a century low. The acreage report forecasted the lowest wheat plantings by U.S. farmers since 1919. Prolonged winter and drier conditions are the main causes for the low output for U.S. wheat.

In closing, global wheat prices are volatile right now. Weather problems in Western Hemisphere have reduced wheat plantings, while higher fertilizer prices have caused less desire to increase output in other parts of the world, notably Australia. Then there's also the geopolitical risk premium related to the Russia-Ukraine war. That's still the biggest concern of all for wheat supply and demand dynamics going forward.



Source: Kpler/USDA

Germany takes a stab at U.S. vulnerability in potash procurement

There was very provocative and true article that circulated in the mass media about potash this month. Given the geo-political tensions between the U.S. and Germany over NATO and the Iran War, it was a timely discussion to bring potash into the balance of power equation. The article, originally published in Bloomberg and subsequently in various other media sources, is entitled "Germany Sees US as Vulnerable to Squeeze on Potash Supplies".

Thursday, May 7, 2026

Potash was referred to as a way for the German government to win leverage over President Trump by attacking one of the U.S.'s supply chain vulnerabilities. K+S Group is the German potash producer that has potash mines in both Germany and Canada. The Bethune mine in Saskatchewan was the world's newest greenfield potash mine before BHP's Jasen mine arrived to the sector. In other words, K+S's Bethune mine is the newest potash mine that is currently in production for the global market.

K+S released its 1Q26 earnings in April: EBITDA was reported at EUR 280 million, which was above the market consensus of EUR 225 million and higher than 1Q25's EUR 201 million. K+S is also a salt producer, supplying both the de-icing and food-grade salt markets. The MOP price for K+S was an average of €336 per tonne in 1Q26, and the company produced 1.97 million tons.

K+S raised its full-year 2026 EBITDA forecast to €630 million–€730 million, up from approximately €600 million–€700 million in the previous forecast. The company attributed the raise in the EBITDA forecast to Brazilian potash demand. The company noted in the earnings statement: "If the average annual price of potassium chloride in Brazil remains at the level seen at the end of 2025, EBITDA could reach the lower end of the range, assuming sales volumes of 7.4 million tonnes in the Agriculture customer segment." Brazilian potash price levels are already rising, at around USD \$400 per ton of MOP. This is already a premium of more than USD \$50 per ton at the end of 2025.

It is not difficult to see K+S as a potential predator lurking around GRO.

China - Potash Demand Rises in 2026

China's MOP imports for January–March 2026 saw a 29.3% rise from the previous year, at around 4.5 million tons. In March 2026 alone, China imported more than one-third of the total MOP supplies during this period at 1.68 million tons.

China must feel like a big winner since they locked in a price at around US\$348-\$354/ton of MOP with suppliers from Russia, Belarus and Canada in 2025. MOP prices are currently on a trajectory to surpass US\$400-\$500 per ton in the Brazilian and U.S. market in 2026. The value of China's total MOP imports from January-March 2026 were US\$1.65 billion.

In this price environment for MOP, Belarusian potash supplies to China look very attractive.

China's imports of potash from Belarus in January–March 2026 amounted to USD \$409.9 million, or 40% of the entire value for the entire period. However, Russia took the cake with a value at USD \$505.9 million.

Russia's fertilizer quota extension by 1.3 million tons is generous. The market should be jumping for joy that Russia even expanded the quota, or even worse, Russia could've reduced the quota for the remainder of the year. It is also evident from the China MOP data that Russia allocated a significant amount of the fertilizer export quota to MOP exports for the China market. MOP supplies from Canada, Laos and Israel filled the rest of the gaps.

Thursday, May 7, 2026

In addition to Russia and Belarus, China secured potash shipments from Jordan and Israel based on previously signed potash agreements from 2025. Jordanian potash producer APC and Chinese importer Sinofert agreed to an exclusive potash marketing agreement until 2028. Israel's ICL Group signed the the 2025–2027 potash framework agreements with Chinese importers to provide 750,000 metric tons of potash, with a mutual option for an additional 340,000 metric tons, at a price aligned with recent contracts settlements ay US\$346 per ton.

Price, price, price!

We've recently got a lot of questions about the validity of potash pricing benchmarks. It is worthwhile to look back at some of the historical information about China's MOP price contracts in this regard.

Back in 2021, for example, China expanded planting areas and swine herds which pushed up the demand for potash tonnage. This also influenced MOP supplies for the global market, and so China's MOP price contract was raised from US\$247 per ton to US\$362 per ton. This didn't change the MOP price contract settled by Belarusian Potash Corporation (BPC) at the time, which kept the price arrangement at \$247 per ton. This price was comparatively lower than the actual market price, which put Belarusian potash suppliers at a significant advantage to supply China with MOP in 2021 when China's potash demand was on the up.

The global potash price benchmarks are based on MOP prices in Vancouver, Canada, and a few other ports. The data is not very reliable, because potash export agreements are made based on separate supply arrangements. For example, the Canadian potash producers and suppliers (aka: Canpotex) must make deals based on large potash volumes that justify rail, port and seaborne freight costs. The China MOP price contract with Russia and Belarus was made at around US\$348-\$354 per ton because of lesser transportation and freight costs.

At present, MOP prices are rising higher than the China MOP contract price, and we are also wondering whether China will agree to pay higher prices than Brazil or U.S. in the event that Russia or Belarus demand a market premium for MOP. The latter will determine China's diversification strategy, on the one hand, such as boosting potash imports from Canada or Laos. On the other hand, the Russia-Belarus MOP prices could diverge now that the U.S. is lifting sanctions on Belaruskali. That will be another very important signal for the MOP prices in the long term.

Fertilizer procurement matters for global food security

The former President of Costa Rica, Carlos Alvarado Quesada, gave a riveting account about the ongoing vulnerabilities from fertilizer procurement in an op-ed with Fortune. He stated that governments spend more than USD \$700 billion a year subsidising agriculture, while farmers must eat the high costs of fuel and fertilizers to produce the crops. The former Costa Rican president makes the case for the agri-food transition as an untapped capital pool for investors, calling it the "next infrastructure trade". This so-called infrastructure trade is quite different than the one we are

Thursday, May 7, 2026

used to hearing about for data centers and AI; it is about governments providing subsidies tied to sustainable agriculture practices, agricultural research, rural infrastructure improvements, and direct support to help smallholder farmers transition away from fossil-fuels.

That sounds like a swipe at fertilizers. Fertilizers shouldn't be the enemy of the state. When prices rise, it is because of factors outside of the farmers' control, indeed, but farmers turn bigger profits themselves when they apply fertilizers to their fields. Without fertilizers, the real vulnerabilities go into food insecurity, not the other way around. One of the statements made in the op-ed should clarify this reality: "In a world hungry for hope and often short on it, let's make food—the one thing that brings us all to the same table—a source of shared, win-win solutions."

In closing, you can't have your cake and eat it, too!

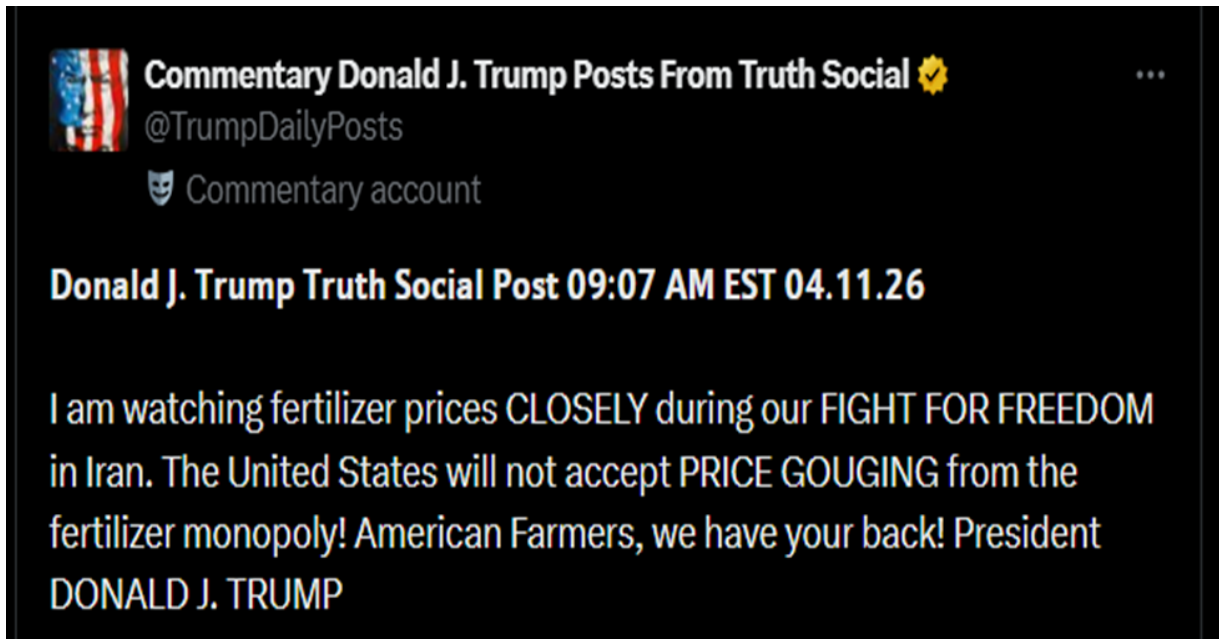
The op-ed by Carlos Quesada reminds us of the issues pertaining to U.S. countervailing duties (CVDs) on Morocco's phosphate imports. The CVDs were placed on OCP Group due to the state-owned producer's advantages in having access to secure government subsidies whereas the U.S. phosphate producers are almost disadvantaged in supplying the U.S. market. In the various negativities surrounding the CVDs, one critic really got our attention when he called phosphate fertilizers from Morocco the "low-hanging fruit" that U.S. farmers need to secure fertilizers at a lower price.

The low-hanging fruit should be placed on domestic phosphate production, or at least from sources closer to the U.S. market geographically, and not one that receives government subsidies during a market downturn, when prices can be controlled by a state-owned monopoly source. OCP Group is currently selling phosphate fertilizer at some of the highest premiums in the entire global fertilizer market.

Meanwhile, the contradictions coming from U.S. farming groups and U.S. government representatives is astounding. U.S. Agriculture Secretary Rollins said in an interview about fertilizer prices that U.S. farmers shouldn't be relying on fertilizer supplies from other parts of the world—"onshore what we reshore out of America... both in the short term and the long term," she said. "The silver lining in all of this is that we have got to be able to produce this within our own country. That relying on other countries like Russia and China and to a certain extent even Canada for some this is not sustainable...for our food and our fertilizer...a real recalibration of the federal government around the importance of the farmer and rancher in all of this, and making sure the policy reflects that."

And to a certain extent even Canada. There you have it: the U.S. government doesn't have a clear view on the vulnerabilities imposed upon it by phosphate and potash. You just can't have your cake and eat it, too. Plus, without fertilizers, the cake is a foregone conclusion anyways. How does paying a premium for wheat and sugar sound right now? Perhaps that's where the next price-gouging witch hunt by President Trump will take place on social media.

Thursday, May 7, 2026



Source: X @ TrumpDailyPosts, 11 April 2026:

<https://x.com/TrumpDailyPosts/status/2042970512759144822>

GROWTH MINERALS STOCKS

	Security	Ticker	Rating	Currency	Price	Market Cap. mns	Status	Country
Potash	Kore Potash	LSE: KP2	Neutral	GBP	3.10	160.45	Developer	Congo Brazzaville
	Millennial Potash	TSX-V: MLP	LONG	CAD	2.06	243.5	Developer	Gabon
	Brazil Potash	NYSE: GRO	LONG	USD	2.62	141.85	Developer	Brazil
	Nutrien	NTR.to, NYSE: NTR	Neutral	CAD	94.07	45,228	Producer	Canada
	Altamin	ASX: AZI	Neutral	ASX	0.03	20.60	Explorer	Italy
	Intrepid Potash	NYSE: IPI	Neutral	USD	38.38	513.77	Producer	USA
	Ethiopotash B.V.		Neutral	Private			Developer	Ethiopia
	Verde Agritech	NPK.to	Neutral	CAD	0.87	49.10	Producer	Brazil
	Sage Potash	SAGE.v	Neutral	CAD	0.14	24.8	Developer	USA
	Turnstone Resources	ASX: TSR	Neutral	ASX	0.032	5.43	Developer	Germany
	Peak Minerals		Neutral	Private			Developer	USA
	Buffalo Potash	TSX-V: BUFF	Neutral	CAD	0.64	51.9	Developer	Canada
	Karnalyte Resources	KRN.to	Neutral	CAD	0.35	18.4	Developer	Canada
	K2O Potash		Neutral	Private			Explorer	Poland
	American Critical	CSE: KCLI	AVOID	CAD	0.26	22.1	Explorer	USA
	Gensource Potash	TSX-V: GSP	Neutral	CAD	0.16	72.6	Developer	Canada
	The Mosaic Company	NYSE: MOS	Neutral	USD	23.02	7,325	Producer	Canada/USA

GROWTH MINERALS STOCKS

	Security	Ticker	Rating	Currency	Price	Market Cap. mns	Status	Country
Phosphate	First Phosphate	CSE: PHOS	LONG	CAD	1.56	\$245.3	Developer	Canada
	Nevada Organic	CSE: NOP	Neutral	CAD	0.205	\$28.7	Explorer	USA
	Kropz	LSE: KRPZ	Neutral	GBP	1.30	£21.9	Producer	South Africa
	ItaFos	TSX-V: IFOS	Neutral	CAD	3.42	\$546.4	Developer	Guinea-Bissau/Brazil
	Agua Resources	AGR.ax	Neutral	AUD	0.02	\$40.1	Developer	Brazil
	PhosCo	PHO.ax	Neutral	AUD	0.14	\$70.8	Developer	Tunisia
	Arianne Phosphate	DAN.v	AVOID	CAD	0.45	\$102.9	Explorer	Canada
	Fox River Phosphate	CSE: FOX	Neutral	CAD	1.08	\$86.1	Explorer	Canada
	Minbos	MNB.ax	LONG	AUD	0.03	\$28.9	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.

© 2026 Hallgarten & Company Limited. All rights reserved.

Reprints of Hallgarten reports are prohibited without permission.

Web access at:

Research: www.hallgartenco.com