

## ITAFOS PROVIDES UPDATE ON ITAFOS ARRAIAS

**TORONTO, ON – March 17, 2020** – Itafos (TSX-V: IFOS) (the “**Company**”) provided today an update on Itafos Arraias and announced the completion of the Company’s plan to idle Itafos Arraias considering the continued downward pressure on global fertilizer prices. In addition, the Company announced that it completed third party reports on Itafos Arraias’ mine and beneficiation plant and secured important long-term income tax incentives for Itafos Arraias.

“We have safely completed the idling of Itafos Arraias to manage the current fertilizer downcycle and preserve the value of the assets while we evaluate strategic alternatives for the business. We have also further validated the long-term viability of the assets by completing independent third party reviews of the mine and beneficiation plant that confirmed that restarting Itafos Arraias’ mine and beneficiation plant is viable,” said Dr. Wynand van Dyk, VP Engineering, R&D and Development at Itafos.

On November 21, 2019, the Company announced its decision to idle Itafos Arraias as part of a disciplined approach to capital allocation considering the continued downward pressure on global fertilizer prices. The Company has followed best practices in implementing its plan to idle Itafos Arraias to protect and preserve the value of the underlying assets. As of March 6, 2020, the Company has completed the employee layoffs and contractor terminations associated with the idling plan. In addition, the Company has successfully monetized its remaining inventory and raw materials to partially offset costs associated with the implementation of the idling plan. Notwithstanding the idling of Itafos Arraias, the Company will continue to employ personnel that are necessary for the care and maintenance of the assets and will continue to maintain all licenses and permits in good standing and compliance with existing regulations.

In parallel with its decision to idle Itafos Arraias, the Company engaged the services of Golder Associates Inc. and Jesa Technologies LLC to conduct third party reports on Itafos Arraias’ mine and beneficiation plant, respectively. The third party reports, which were completed in January 2020, confirm that restarting Itafos Arraias’ mine and beneficiation plant is feasible and outline the respective timing and capex requirements.

Itafos Arraias is domiciled in Brazil and is subject to a federal tax rate of 34%, composed of a federal corporate income tax of 25% and other taxes of 9%. The location of Itafos Arraias’ assets makes it eligible to participate in a regional development program administered by the Superintendência do Desenvolvimento da Amazônia (“**SUDAM**”). Created in 1966 to promote development of the Amazon region in Brazil, SUDAM offers tax incentives that allow eligible companies to reduce the federal tax rate of 34% to 15.25% by means of a 75% discount to the federal corporate income tax of 25%. In February 2020, SUDAM accepted Itafos Arraias’ application, granting Itafos Arraias the tax incentives for a period of ten years with an opportunity to extend thereafter.

### **About Itafos**

The Company is a vertically integrated phosphate fertilizers and specialty products company with an attractive portfolio of long-term strategic businesses and projects located in key fertilizer markets worldwide.

The Company owns, operates and is developing the following businesses and projects:

- Itafos Conda – a vertically integrated phosphate mine and fertilizer business with production and sales capacity of approximately 550kt per year of monoammonium phosphate (“**MAP**”), MAP with micronutrients (“**MAP+**”), superphosphoric acid (“**SPA**”), merchant grade phosphoric acid (“**MGA**”) and specialty products including ammonium polyphosphate (“**APP**”) located in Idaho, US;
- Itafos Arraias – a phosphate fertilizer business with production and sales capacity of approximately 500kt per year of single superphosphate (“**SSP**”), SSP with micronutrients (“**SSP+**”), premium PK compounds and approximately 40kt per year of excess sulfuric acid located in Tocantins, Brazil;
- Itafos Farim – a high-grade phosphate mine project located in Farim, Guinea-Bissau;
- Itafos Paris Hills – a high-grade phosphate mine project located in Idaho, US;
- Itafos Santana – a vertically integrated high-grade phosphate mine and fertilizer plant project located in Pará, Brazil;
- Itafos Mantaro – a large phosphate mine project located in Junin, Peru; and
- Itafos Araxá – a vertically integrated rare earth elements and niobium mine and extraction plant project located in Minas Gerais, Brazil.

For more information, or to join the Company’s mailing list to receive notification of future news releases, please visit the Company’s website, [www.itafos.com](http://www.itafos.com).

### **Forward Looking Information**

Certain information contained in this news release constitutes forward looking information. All information other than information of historical fact is forward looking information. The use of any of the words “intend”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “would”, “believe”, “predict” and “potential” and similar expressions are intended to identify forward looking information. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking information. No assurance can be given that this information will prove to be correct and such forward looking information included in this news release should not be unduly relied upon.

Forward looking information is subject to a number of risks and other factors that could cause actual results and events to vary materially from that anticipated by such forward looking information. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Factors that may cause actual results to differ materially from expected results described in forward-looking statements include, but are not limited to, those risk factors set out in the Company’s Management Discussion and Analysis and other disclosure documents available under the Company’s profile at [www.sedar.com](http://www.sedar.com). Readers are cautioned that the foregoing list of risks, uncertainties and assumptions are not exhaustive. The forward-looking information included in this news release is expressly qualified by this cautionary statement and is made as of the date of this news release. The Company undertakes no obligation to publicly update or revise any forward-looking information except as required by applicable securities laws.

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