

ITAFOS ANNOUNCES AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT

TORONTO, ON – December 31, 2019 – Itafos (TSX VENTURE: IFOS) (the “**Company**”) announced today that it has executed an amended and restated credit and guaranty agreement (the “**A&R Credit Agreement**”). The A&R Credit Agreement replaces the existing credit and guaranty agreement dated May 18, 2018, including prior amendments, and further amends certain terms to provide the Company with additional financial flexibility including deferring the testing of financial covenants and reducing cash interest payable in 2020.

The key further amended terms of the A&R Credit Agreement are as follows:

- delayed testing of financial covenants until September 30, 2020 and re-sculpted financial covenants thereafter considering the Company’s business plan;
- reallocated interest of 12% per annum from 9% payable in cash and 3% payable in kind to 5% payable in cash and 7% payable in kind until December 6, 2020 or certain conditions have been met;
- eliminated additional interest of 1% per annum payable in cash for each quarter that the Company’s Consolidated Secured Leverage Ratio is equal to or greater than 4.00:1.00 at the end of such quarter;
- reduced minimum cash requirement from US\$2.5 million to US\$1.0 million; and
- other terms and conditions customary for similar agreements.

In exchange for eliminating additional interest of 1% per annum payable in cash for each quarter that the Company’s Consolidated Secured Leverage Ratio is equal to or greater than 4.00:1.00 at the end of such quarter, the Company intends to issue five million shares (the “**Shares**”) to lenders to the A&R Credit Agreement, subject to approval from the TSX Venture Exchange. Until the issuance of the Shares is approved by the TSX Venture Exchange and such Shares have been issued to the lenders to the A&R Credit Agreement, the Company would be subject to additional interest of 1.25% per annum payable in kind for each quarter that the Company’s Consolidated Secured Leverage Ratio is equal to or greater than 4.00:1.00 at the end of such quarter.

Lenders to the A&R Credit Agreement include funds managed by BlackRock and a syndicate of other lenders including CL Fertilizers Holding LLC (“**CLF**”). CLF is a “related party” to the Company under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) by virtue of its shareholding being in excess of 10% of the Company’s issued and outstanding share capital. Accordingly, the A&R Credit Agreement constitutes a “related party transaction” under MI 61-101. The A&R Credit Agreement is exempt from (i) the formal valuation requirements under Section 5.4 of MI 61-101 pursuant to Subsection 5.5(b) of MI 61-101; and (ii) the minority approval requirements under Section 5.6 of MI 61-101 pursuant to Subsection 5.7(1)(a) and 5.7(1)(f).

In accordance with United States securities legislation, the Shares will be subject to resale restrictions pursuant to a ‘distribution compliance period’ (as defined in Regulation S under the United States Securities Act of 1933, as amended) of one year from the date the Shares are issued. Concurrently, in accordance with applicable Canadian securities legislation, the Shares will be subject to a statutory hold period of four months plus a day from the date the Shares are issued.

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.

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. 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. Itafos undertakes no obligation to publicly update or revise any forward-looking information except as required by applicable securities laws.

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

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