

ITAFOS REPORTS Q3 2018 FINANCIAL RESULTS AND OPERATIONAL HIGHLIGHTS

TORONTO, ON – November 15, 2018 – Itafos (TSX VENTURE: IFOS) (the “**Company**”) reported today its Q3 2018 financial results and operational highlights. The Financial Statements and Management Discussion and Analysis for the quarter ended September 30, 2018 are available under the Company’s profile at www.sedar.com and under the Investors – Financial Statements page of the Company’s website, www.itafos.com. All dollar values are in US Dollars.

“Our Q3 2018 results were anchored by the continued solid operational and commercial performance at Itafos Conda and strengthening phosphate fertilizer prices. Itafos Conda generated Adjusted EBITDA of \$12.9 million in Q3 2018 and has generated \$45.9 million since we acquired the business on January 12, 2018. Despite having achieved commercial production in Q3 2018, Itafos Arraias experienced operational challenges resulting in lower than optimal levels of capacity utilization. As is typical in the ramp-up of new phosphate fertilizer production, we continue to focus on improving Itafos Arraias’ operations with particular focus on improving mass yield, P₂O₅ recovery and overall product quality. Finally, we remain focused on advancing our key development initiatives, including extending the mine life of Itafos Conda and developing our near-term pipeline, which includes Itafos Paris Hills, Itafos Husky 1/North Dry Ridge and Itafos Farim.” said Brian Zatarain, CEO of Itafos.

With Itafos Arraias having achieved commercial production and contributing to revenues in Q3 2018, the Company generated total revenues of \$76.3 million in Q3 2018, up from \$67.2 million in Q2 2018, and \$0.0 million in Q3 2017. Q3 2018 net income was \$(9.1) million (\$(0.06) per fully-diluted share), compared to \$1.4 million in Q2 2018 (\$0.01 per fully-diluted share) and \$(9.0) million in Q3 2017 (\$(0.11) per fully-diluted share). Adjusted EBITDA was \$5.4 million in Q3 2018 versus \$6.1 million in Q2 2018 and (\$6.1 million) in Q3 2017.

Q3 2018 Highlights

- Itafos Conda sales included: (i) 64,335 t monoammonium phosphate (“MAP”) at \$448/t average price, (ii) 28,793 t superphosphoric acid (“SPA”) at \$927/t average price, (iii) 281 t merchant grade phosphoric acid (“MGA”) at \$936/t average price and (iv) 5,988 t ammonium polyphosphate (“APP”) at \$429/t average price.
- Itafos Arraias sales included: (i) 89,695 t single superphosphate (“SSP”) at \$161/t average price and (ii) 24,142 t sulfuric acid at \$144/t average price.
- On July 3, 2018, Itafos Arraias achieved commercial production as it completed 30 consecutive days of sustainable production at 75% capacity utilization.
- Despite having achieved commercial production, Itafos Arraias experienced operational challenges resulting in lower than optimal levels of capacity utilization. The Company has developed and is implementing an efficiency improvement plan (the “Efficiency Improvement Plan”) at Itafos Arraias, which is intended to address the technical issues underlying such operational challenges.

Q3 2018 Segment Summary

Itafos Conda

The Company acquired Itafos Conda on January 12, 2018. Q3 2018 revenues were \$58.3 million, down 13% from \$67.2 million in Q2 2018 and compared to \$0.0 million in Q3 2017. Revenues declined quarter-over-quarter primarily driven by \$7.2 million in SPA shipments that had not yet been received by customers as at quarter end, which will be recognized in future periods. Operating income was \$11.2 million in Q3 2018, down from \$14.7 million in Q2 2018, owing to lower revenues and resulting

lower gross margins; Q3 2017 operating income was \$0.0 million. Adjusted EBITDA was \$12.9 million in Q3 2018, compared to \$17.3 million in Q2 2018 and \$0.0 million in Q3 2017.

Itafos Arraias

Itafos Arraias achieved commercial production on July 3, 2018. Q3 2018 revenues were \$18.0 million versus \$0.0 million in each of Q2 2018 and Q3 2017. Operating income was \$(8.5) million in Q3 2018, compared to \$(1.5) million in Q2 2018 and \$(2.6) million in Q3 2017. Adjusted EBITDA was \$(4.7) million in Q3 2018, compared to \$(1.5) million in Q2 2018 and \$(4.0) million in Q3 2017.

Corporate

Corporate SG&A was \$2.1 million in Q3 2018, down from \$5.9 million in Q2 2018, which included \$3.0 million of advisory fees related to the Itafos Conda acquisition, and slightly above \$2.0 million in Q3 2017.

Liquidity

Cash at September 30, 2018 was \$27.2 million, down from \$63.7 million at December 31, 2017. Current debt was \$0.3 million and long-term debt rose to \$157.9 million as compared to \$25.5 million, and \$0.0 million, respectively, at December 31, 2017. The increased debt is due to the closing of the \$165.0 million secured term credit facility in June 2018. The net proceeds of the credit facility are being used to fund working capital and other cash requirements of Itafos Conda and Itafos Arraias, as well as continued implementation of the Company's business development initiatives.

Outlook

Currently, the Company is executing its strategy by focusing on the following:

- Extending Itafos Conda's current mine life through finalizing permitting of Itafos Paris Hills and Itafos Husky 1/North Dry Ridge and pursuing other alternatives;
- Integrating and optimizing Itafos Conda;
- Implementing the Efficiency Improvement Plan to improve Itafos Arraias' mass yield, P₂O₅ recovery and overall product quality; and
- Finalizing permitting, pursuing off-take alternatives, selecting key project contractors and securing project financing for Itafos Farim.

Additional details are available under the Company's profile at www.sedar.com and on the Company's website, www.itafos.com.

About Itafos

Itafos is a vertically integrated phosphate based fertilizers and specialty products company with an attractive portfolio of long-term strategic businesses located in key fertilizer markets worldwide. Itafos is managed by an experienced and diverse team with extensive operations, commercial and financial expertise. Itafos owns and operates Itafos Conda, a vertically integrated phosphate fertilizer business with production and sales capacity of 550,000 t per year of monoammonium phosphate, superphosphoric acid, merchant grade phosphoric acid and specialty products including ammonium polyphosphate located in Idaho, U.S. and Itafos Arraias, a vertically integrated phosphate fertilizer business with production and sales capacity of approximately 500,000 t per year of single superphosphate located in Tocantins, Brazil. Itafos owns and is developing Itafos Paris Hills, a high-grade phosphate mine project located in Idaho, U.S., Itafos Farim, a high-grade phosphate mine

project located in Farim, Guinea Bissau, Itafos Santana, a vertically integrated high-grade phosphate fertilizer project located in Pará, Brazil, Itafos Araxá, a phosphate and rare earth oxide mine project located in Minas Gerais, Brazil and Itafos Mantaro, a high-grade phosphate mine project located in Junin, Peru.

For more information, please visit the Company's website, www.itafos.com.

Non-IFRS Financial Measures

The Company believes Adjusted EBITDA provides useful supplemental information to investors, analysts, lenders and others in order to evaluate the Company's operational and financial performance. Adjusted EBITDA does not have any standardized meaning under IFRS and may be calculated differently by other issuers. The Company defines "Adjusted EBITDA" as earnings before interest, taxes, depreciation and amortization adjusted for non-cash, extraordinary, non-recurring and other items unrelated to the Company's core operating activities. The Company calculates Adjusted EBITDA from both net income (loss) and operating income (loss). Non-IFRS financial measures should not be considered as a substitute for, nor superior to, measures of financial performance prepared in accordance with IFRS.

Forward-Looking Statements

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.

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