

ITAFOS ANNOUNCES AMENDMENT TO CREDIT AND GUARANTY AGREEMENT

TORONTO, ON – September 30, 2019 – Itafos (TSX VENTURE: IFOS) (the “**Company**”) announced today that it has executed an amendment (the “**Amendment**”) to its secured term credit facility (the “**Facility**”). The purpose of the Amendment is to align financial covenants requiring the Company not to exceed certain ratios at the end of each quarter with the Company’s business plan and to provide the Company with additional flexibility to raise working capital financings at Itafos Conda and Itafos Arraias.

“We are pleased to have the continued support of our lenders and appreciate their collaboration on this amendment, which provides us with the financial flexibility needed to support our strategic initiatives,” said George Burdette, CFO of Itafos.

The key terms of the Amendment are as follows:

- sculpted financial covenants considering the Company’s business plan, including certain new financial covenants related to Itafos Arraias’ EBITDA and capex;
- additional flexibility to raise working capital financings at Itafos Conda and Itafos Arraias subject to certain terms and conditions;
- required capital raise by December 31, 2019 of lesser of US\$40 million or 24.9% of Itafos’ market capitalization, inclusive of the US\$15 million convertible unsecured subordinated debt funded by CL Fertilizers Holding LLC on September 11, 2019;
- additional cash interest of 1% per annum for each quarter that the Company’s Consolidated Leverage Ratio is equal to or greater than 4.00:1.00 at the end of such quarter beginning with the quarter ended September 30, 2019 and 2% per annum until the required capital raise is completed beginning November 1, 2019;
- increased principal balance of US\$2.2 million;
- reduced minimum cash requirements upon closing working capital financings at Itafos Conda and/or Itafos Arraias; and
- other terms and conditions customary for similar amendments.

Lenders to the Facility 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 Amendment constitutes a “related party transaction” under MI 61-101. The Amendment 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).

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 Paris Hills – a high-grade phosphate mine project located in Idaho, US;
- Itafos Farim – a high-grade phosphate mine project located in Farim, Guinea-Bissau;
- 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 press 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.

For further information, please contact:

Itafos Investor Relations
investor@itafos.com
www.itafos.com