**ITAFOS REPORTS Q4 AND FULL YEAR 2019 FINANCIAL RESULTS AND OPERATIONAL HIGHLIGHTS**

**TORONTO, ON – March 27, 2020** – Itafos (TSX-V: IFOS) (the "**Company**") reported today its Q4 and full year 2019 financial results and operational highlights. The Company's financial statements and management's discussion and analysis for the three months and year ended December 31, 2019 are available under the Company's profile at www.sedar.com and on the Company's website at www.itafos.com. All dollar values are in thousands of US Dollars except as otherwise noted.

## Overall Highlights

For the three months ended December 31, 2019, the Company's financial highlights were as follows:

- generated adjusted EBITDA of $(1,926), representing a 163% decrease year-over-year primarily due to significant and continued downward pressure on fertilizer prices in key markets including North America and Brazil;
- incurred net loss of $(88,465), representing a 43% decrease year-over-year primarily due to lower impairments of non-current assets of Itafos Arraias, Itafos Farim and Itafos Santana ($65,094 during 2019 compared to $146,627 during 2018);
- recorded an impairment of $47,544 at Itafos Arraias primarily due to a longer expected ramp-up to optimal capacity utilization and increased associated upfront capital expenditures;
- recorded impairments of $15,662 and $1,888 at Itafos Farim and Itafos Santana, respectively, primarily due to the decline in multiples of comparable publicly traded companies and transactions during 2019;
- completed a $36,000 capital raise with CL Fertilizer Holding LLC ("**CLF**") including a non-brokered private placement financing of $15,000 and an amendment to increase the availability of a previously issued unsecured subordinated promissory note by $21,000, of which $5,000 was drawn;
- closed a $20,000 secured working capital facility (the "**Revolving Facility**") at Itafos Conda;
- executed an amended and restated credit and guaranty agreement (the "**A&R Credit Agreement**"), replacing the existing credit and guaranty agreement dated May 18, 2018, including prior amendments, and further amended certain terms to provide the Company with additional financial flexibility including deferring the testing of financial covenants and reducing cash interest payable in 2020; and
- implemented an aggressive corporate wide cost savings and deferral of spending initiatives.

For the three months ended December 31, 2019, the Company's business highlights were as follows:

- continued strong operational performance at Itafos Conda with overall production volumes of 140,683t, representing a 2% decrease year-over-year;
- generated adjusted EBITDA of $7,909 at Itafos Conda, representing a 60% decrease year-over-year primarily due to higher input costs and significant and continued downward pressure on diammonium phosphate ("**DAP**") New Orleans ("**NOLA**") to which MAP sales prices are linked;
- incurred net loss of $(1,590) at Itafos Conda, representing a 111% decrease year-over-year primarily due to significant and continued downward pressure on DAP NOLA to which MAP sales prices are linked;
- completed the technical report titled "NI 43-101 Technical Report on the Itafos Conda and Itafos Paris Hills Mineral Projects, Idaho, USA" and dated as of July 1, 2019 (the "**Itafos Conda Technical Report**"), concluding one and a half to two years of additional mine life from existing mines and defining Husky 1/North Dry Ridge ("**H1/NDR**") as the Company's path forward for mine life extension;

- idled Itafos Arraias and suspended the previously announced repurpose plan (the "**Repurpose Plan**") as part of a disciplined approach to capital allocation considering the significant and continued downward pressure on global fertilizer prices and the additional capital requirements to complete the Repurpose Plan; and
- advanced the development of Itafos Farim including advancing offtake agreement negotiations, completing front-end design and engineering, finalizing the mining contractor tender evaluation and advancing project financing.

For the three months ended December 31, 2019, the Company's other highlights were as follows:

- announced the resignation of Brent de Jong as Chairman and member of the Company's Board of Directors and appointment of Anthony Cina to serve as Chairman on an interim basis; and
- repurchased and cancelled 9,500 shares through the Normal Course Issuer Bid ("**NCIB**") for an aggregate amount of $3.

For the year ended December 31, 2019, the Company's financial highlights were as follows:

- generated adjusted EBITDA of $1,149, representing a 96% decrease year-over-year primarily due to significant and continued downward pressure on fertilizer prices in key markets including North America and Brazil;
- incurred net loss of $(144,171), representing a 27% increase year-over-year primarily due to significant and continued downward pressure on fertilizer prices in key markets including North America and Brazil and higher finance expense at corporate, which were partially offset by lower impairments of non-current assets of Itafos Arraias, Itafos Farim and Itafos Santana ($65,094 during 2019 compared to $146,627 during 2018) and lower current income tax expense at Itafos Conda;
- recorded an impairment of $47,544 at Itafos Arraias primarily due to a longer expected ramp-up to optimal capacity utilization and increased associated upfront capital expenditures;
- recorded impairments of $15,662 and $1,888 at Itafos Farim and Itafos Santana, respectively, primarily due to the decline in multiples of comparable publicly traded companies and transactions during 2019;
- completed capital raises with CLF totalling $51,000 including $15,000 in the form of convertible unsecured promissory notes issued to CLF (the "**CLF Promissory Note**"), a non-brokered private placement financing of $15,000 and an amendment to increase the availability of the CLF Promissory Note by $21,000, of which $5,000 was drawn;
- closed the Revolving Facility at Itafos Conda;
- executed the A&R Credit Agreement, replacing the existing credit and guaranty agreement dated May 18, 2018, including prior amendments, and further amended certain terms to provide the Company with additional financial flexibility including deferring the testing of financial covenants and reducing cash interest payable in 2020; and
- implemented an aggressive corporate wide cost savings; and deferral of spending initiatives.

For the year ended December 31, 2019, the Company's business highlights were as follows:

- continued strong operational performance at Itafos Conda with overall production volumes of 575,948t, representing a 6% increase year-over-year;
- generated adjusted EBITDA of $39,469 at Itafos Conda, representing a 38% decrease year-over-year primarily due to higher input costs and significant and continued downward pressure on DAP NOLA to which MAP sales prices are linked;
- generated net income of $1,724 at Itafos Conda, representing a 98% decrease year-over-year primarily due to the gain recognized on the fair valuation of Itafos Conda in 2018 as well as

higher input costs and significant and continued downward pressure on DAP NOLA to which MAP sales prices are linked, and higher depreciation;

- demonstrated sustained environmental, health and safety excellence at Itafos Conda including achievement of one year without a reportable injury (prior to one contract worker reportable injury occurring during Q3 2019 and one employee reportable injury occurring during Q4 2019) and continued avoidance of any chemical releases during 2019;
- completed the Itafos Conda Technical Report concluding one and a half to two years of additional mine life from existing mines and defining H1/NDR as the Company's path forward for mine life extension;
- launched a micronutrient enhanced product MAP+, representing the Company's entry into semi-specialty fertilizer products at Itafos Conda;
- idled Itafos Arraias and suspended the previously announced Repurpose Plan as part of a disciplined approach to capital allocation considering the continued downward pressure on global fertilizer prices and the additional capital requirements to complete the Repurpose Plan; and
- advanced the development of Itafos Farim including securing all operational and environmental permits required to commence construction, signing two memorandums of understanding for offtake, completing front-end design and engineering, finalizing works contractors and procurement packages and advancing project financing.

For the year ended December 31, 2019, the Company's other highlights were as follows:

- announced the resignation of Brian Zatarain as Chief Executive Officer ("**CEO**") and appointment of Dr. Mhamed Ibnabdeljalil to serve as CEO on an interim basis;
- announced the resignation of Brent de Jong as Chairman and member of the Company's Board of Directors and appointment of Anthony Cina to serve as Chairman on an interim basis; and
- repurchased and cancelled 1,781,000 shares through the NCIB for an aggregate amount of $1,031.

Subsequent to the year ended December 31, 2019, the Company's overall highlights were as follows:

- issued 5,000,000 shares to lenders pursuant to the A&R Credit Agreement in exchange for, among other things, eliminating additional interest of 1% per annum payable in cash for each quarter that the Company's Consolidated Secured Leverage Ratio is equal to 4.00:1.00 at the end of such quarter;
- announced the appointment of Dr. Mhamed Ibnabdeljalil as CEO;
- announced the appointment of Anthony Cina as Chairman of the Company's Board of Directors;
- announced the appointment of Rory O'Neill and Ricardo de Armas to the Company's Board of Directors, as delegated by CLF; and
- completed the idling plan at Itafos Arraias, completed third party reviews of Itafos Arraias' mine and beneficiation plant and secured important long-term tax incentives for Itafos Arraias.

**Financial Highlights**

For the three months and years ended December 31, 2019 and 2018, the Company's financial highlights were as follows:

| *(in thousands of US Dollars except for volumes and prices)* | *For the three months ended December 31,* **2019** | **2018** | *For the years ended December 31,* **2019** | **2018** |
|---|---|---|---|---|
| Revenues | $ 81,431 | $ 100,597 | $ 339,430 | $ 302,182 |
| Operating loss | (80,617) | (151,485) | (115,049) | (142,786) |
| Net loss | (88,465) | (155,157) | (144,171) | (113,487) |
| Adjusted EBITDA | (1,926) | 3,050 | 1,149 | 30,767 |
| | | | | |
| Maintenance capex | $ 12,291 | $ 8,358 | $ 29,942 | $ 39,467 |
| Growth capex | 4,598 | 4,912 | 20,560 | 24,023 |
| | | | | |
| Basic loss per share | $ (0.63) | $ (1.09) | $ (1.02) | $ (0.82) |
| Fully diluted loss per share | $ (0.63) | $ (1.09) | $ (1.02) | $ (0.82) |

For the three months ended December 31, 2019 and 2018, the Company's financial highlights were explained as follows:

- revenues were down year-over-year primarily due to lower MAP and SPA sales volumes and lower realized MAP prices at Itafos Conda, which were partially offset by higher revenue contributions from Itafos Arraias;
- net loss was down year-over-year primarily due to lower impairments of non-current assets of Itafos Arraias, Itafos Farim and Itafos Santana;
- adjusted EBITDA was down year-over-year primarily due to significant and continued downward pressure on fertilizer prices in key markets including North America and Brazil;
- maintenance capex was up year-over-year primarily due to gyp stack expansion at Itafos Conda during 2019; and
- growth capex was down year-over-year primarily due to reduced spend at Itafos Arraias during 2019, which was partially offset by mine life extension initiatives at Itafos Conda related to H1/NDR.

For the years ended December 31, 2019 and 2018, the Company's financial highlights were explained as follows:

- revenues were up year-over-year primarily due to higher MAP and SPA sales volumes as well as higher realized SPA prices, which were partially offset by lower realized MAP prices, at Itafos Conda and higher revenue contributions from Itafos Arraias during 2019, which had not achieved commercial production during H1 2018;
- net loss was up year-over-year primarily due to lower impairments of non-current assets of Itafos Arraias, Itafos Farim and Itafos Santana and higher finance expense at corporate, which were partially offset by lower current income tax expense at Itafos Conda;
- adjusted EBITDA was down year-over-year primarily due to higher input costs at Itafos Conda and constrained production due to the implementation of the Repurpose Plan at Itafos Arraias during 2019, which had not achieved commercial production during H1 2018;
- maintenance capex was down year-over-year primarily due to a partial planned plant turnaround at Itafos Conda during 2019 compared to a full planned plant turnaround at Itafos Conda during 2018; and
- growth capex was down year-over-year primarily due to the capitalization of costs at Itafos Arraias during H1 2018 ahead of achieving commercial production, which were partially offset by development activities at Itafos Farim and mine life extension initiatives at Itafos Conda related to H1/NDR.

As at December 31, 2019 and 2018, the Company’s financial highlights were as follows:

| | As at December 31, | |
|---|---|---|
| *(in thousands of US Dollars)* | **2019** | **2018** |
| Total assets | $ 510,764 | $ 576,419 |
| Total liabilities | 368,505 | 304,640 |
| Net debt | 182,201 | 152,088 |
| Adjusted net debt | 136,964 | 128,335 |
| Total equity | 142,259 | 271,779 |

As at December 31, 2019 and 2018, the Company’s financial highlights were explained as follows:

- total assets were down year-over-year primarily due to decreases in receivables and inventory at Itafos Conda, impairments of non-current assets of Itafos Arraias, Itafos Farim and Itafos Santana and increases in depreciation of assets in service during 2019, which were partially offset by an increase in property, plant and equipment related to the application of IFRS 16 during 2019 and gyp stack expansion at Itafos Conda during 2019;
- total liabilities were up year-over-year primarily due to increases as a result of the recognition of lease liabilities related to the application of IFRS 16, increases in long-term provisions due to additions to asset retirement obligations at Itafos Conda, higher taxes payable primarily at Itafos Conda and higher trade payables during 2019;
- net debt was up year-over-year primarily due to additional debt from the CLF Promissory Note and the Revolving Facility and paid-in-kind interest expense related to the Facility, which was partially offset by higher cash and cash equivalents;
- adjusted net debt was up year-over-year primarily due to additional debt from the Revolving Facility and paid-in-kind interest expense related to the secured term credit facility (the “**Facility**”), which was partially offset by higher cash and cash equivalents; and
- total equity was down year-over-year primarily due to an increase in deficit due to the net loss during 2019, which was partially offset by the non-brokered private placement financing with CLF.

**Itafos Conda Highlights**

In 2019, Itafos Conda continued its strong operational performance with overall production volumes up year-over-year. In addition, Itafos Conda sustained environmental, health and safety excellence including achievement of a notable milestone by exceeding one year without a reportable injury (prior to one contract worker reportable injury occurring during Q3 2019 and one employee reportable injury occurring during Q4 2019) and continued avoidance of any chemical releases during 2019. Unusually cold and wet weather conditions across key growing regions affected short-term fertilizer buying patterns in the US and caused many growers to defer fertilizer purchases. These developments have elevated inventories to near historic highs, putting significant and continued downward pressure on fertilizer prices in the short-term. SPA production and sales were constrained due to increased amounts of unfavorable ore elements, shortage of finished product rail cars and lack of sulfuric acid availability, which were impacted by weather and logistical challenges and correspondingly resulted in a shift to incremental MAP production. The increase in unfavorable ore elements, most notably magnesium oxide, resulted in evaporation capacity limitations, which negatively impacted SPA production. To mitigate the potential impact of unfavorable ore elements affecting future periods, Itafos Conda is taking steps to further optimize ore blending and evaluating selective beneficiation processes.

Itafos Conda’s margins were compressed year-over-year primarily due to higher input costs, most notably purchased sulfuric acid, ore and natural gas. The higher input costs were related to sulfuric acid contract repricing in 2019, higher ore feed costs driven by reduced ore volumes due to mine sequencing and a spike in natural gas price driven by a supply disruption due to an off-site pipeline explosion, which negatively impacted the Sumas index in late 2018. To mitigate the potential impact of input costs affecting future periods, Itafos Conda made operational improvements to improve mining efficiencies during Q3 2019 and entered into a two-year fixed price natural gas supply agreement during Q4 2019.

During 2019, Itafos Conda completed a pilot production run of a new semi-specialty fertilizer product, MAP+. The Company expects that production and sales of MAP+ will improve Itafos Conda's margin profile by reducing exposure to DAP NOLA price fluctuations, requiring less $P_2O_5$ per tonne and limiting the commercial impact of lower near-term SPA production. Also during Q3 2019, Itafos Conda completed a significant amount of exploratory drilling work in support of the Itafos Conda Technical Report and environmental baselines in support of the permitting process for H1/NDR.

Also during 2019, Itafos Conda completed a partial planned plant turnaround compared to a full planned plant turnaround during 2018. For the year ended December 31, 2018, Itafos Conda's business highlights consider the period from the date of acquisition on January 12, 2018 through December 31, 2018.

For the three months and years ended December 31, 2019, and 2018, Itafos Conda's business highlights were as follows:

| *(in thousands of US Dollars except for volumes and prices)* | *For the three months ended December 31,* **2019** | **2018** | *For the years ended December 31,* **2019** | **2018** |
|---|---|---|---|---|
| Production volumes (t) | | | | |
| MAP | 95,990 | 89,341 | 381,316 | 360,004 |
| MAP+ | — | — | 9,028 | — |
| SPA | 36,794 | 38,156 | 145,848 | 148,235 |
| MGA | 199 | 72 | 1,277 | 353 |
| APP | 7,700 | 15,300 | 38,479 | 33,082 |
| **Total production volumes** | **140,683** | **142,869** | **575,948** | **541,674** |
| | | | | |
| Sales volumes (t) | | | | |
| MAP | 85,156 | 101,652 | 392,162 | 327,851 |
| MAP+ | 2,329 | — | 2,329 | — |
| SPA | 35,795 | 41,079 | 132,070 | 128,369 |
| MGA | 272 | 113 | 1,350 | 394 |
| APP | 12,257 | 8,602 | 38,486 | 26,527 |
| **Total sales volumes** | **135,809** | **151,446** | **566,397** | **483,141** |
| | | | | |
| Realized price ($/t) | | | | |
| MAP | $ 313 | $ 473 | $ 378 | $ 439 |
| MAP+ | $ 375 | $ — | $ 375 | $ — |
| SPA | $ 996 | $ 1,006 | $ 986 | $ 942 |
| MGA | $ 952 | $ 1,106 | $ 994 | $ 985 |
| APP | $ 455 | $ 396 | $ 466 | $ 420 |
| | | | | |
| Revenues ($) | | | | |
| MAP | $ 26,681 | $ 48,033 | $ 148,182 | $ 144,084 |
| MAP+ | $ 873 | $ — | $ 873 | $ — |
| SPA, net | $ 35,649 | $ 41,337 | $ 130,233 | $ 120,925 |
| MGA, net | $ 259 | $ 125 | $ 1,342 | $ 388 |
| APP, net | $ 5,579 | $ 3,405 | $ 17,921 | $ 11,133 |
| **Total revenues** | **$ 69,041** | **$ 92,900** | **$ 298,551** | **$ 276,530** |
| | | | | |
| Revenues per tonne $P_2O_5$ | $ 808 | $ 958 | $ 850 | $ 897 |
| Cash costs per tonne $P_2O_5$ | $ 704 | $ 752 | $ 725 | $ 688 |
| Adjusted EBITDA | $ 7,909 | $ 19,758 | $ 39,469 | $ 63,614 |

For the three months ended December 31, 2019 and 2018, Itafos Conda's business highlights were explained as follows:

- MAP production volumes were up year-over-year primarily due to a shift to incremental MAP production as a result of SPA production constraints;
- MAP sales volumes were down year-over-year due to timing of shipments under the exclusive long-term MAP offtake agreement with Nutrien;
- MAP realized prices were down year-over-year primarily due to significant and continued downward pressure on DAP NOLA to which MAP sales prices are linked ;
- MAP+ production volumes were flat year-over-year due to timing of 2019 production runs;
- MAP+ sales volumes were up year-over-year due to the launch of MAP+ in 2019;
- SPA production and sales volumes were down year-over-year primarily due to the presence of unfavorable ore elements constraining production;
- SPA realized prices were relatively flat year-over-year primarily due to pricing resiliency related to liquid products in premium sales region;
- revenues per tonne $P_2O_5$ were down year-over-year primarily due to significant and continued downward pressure on DAP NOLA to which MAP sales prices are linked; and
- cash costs per tonne $P_2O_5$ were down year-over-year primarily due to input costs declining in line with the overall fertilizer market.

For the years ended December 31, 2019 and 2018, Itafos Conda's business highlights were explained as follows:

- MAP production volumes were up year-over-year primarily due to a shift to incremental MAP production as a result of SPA production constraints and shortened 2018 due to acquisition timing and longer plant turnaround;
- MAP sales volumes were up year-over-year despite delayed spring demand due to higher MAP sales under the exclusive long-term MAP offtake agreement with Nutrien;
- MAP realized prices were down year-over-year primarily due to significant and continued downward pressure on DAP NOLA to which MAP sales prices are linked;
- MAP+ production volumes were up year-over-year due to pilot production run during Q3 2019;
- SPA production volumes were flat year-over-year primarily due to production constraints during 2019 and shortened 2018 due to acquisition timing and longer plant turnaround;
- SPA sales volumes were up year-over-year primarily due to greater demand for liquid products during 2019;
- SPA realized prices were up year-over-year primarily due to pricing resiliency related to liquid products in premium sales region;
- revenues per tonne $P_2O_5$ were down year-over-year primarily due to lower MAP realized prices during 2019, which were partially offset by higher SPA realized prices during 2019; and
- cash costs per tonne $P_2O_5$ were up year-over-year primarily due to higher input costs in 2019.

**Itafos Arraias Highlights**

In July 2017, the Company completed the recommissioning of Itafos Arraias. On July 3, 2018, Itafos Arraias achieved commercial production. Despite having achieved commercial production, Itafos Arraias experienced operational challenges post declaration of commercial production resulting in lower than optimal levels of capacity utilization. As is typical in the ramp-up of new phosphate fertilizer production capacity, the Company was working to improve Itafos Arraias' operations with particular focus on improving mass yield, $P_2O_5$ recovery and overall product quality. To achieve these goals, the Company developed and implemented an efficiency improvement plan (the "**Efficiency Improvement Plan**") to address the technical issues underlying the operational challenges and to return Itafos Arraias to optimal levels of capacity utilization by year end 2019. While certain of the operational challenges were resolved and the business improved, the Efficiency Improvement Plan did not achieve the results expected.

During 2019, the Company implemented the Repurpose Plan at Itafos Arraias in order to optimize Itafos Arraias' finished fertilizer production with a multi-product portfolio of higher grade SSP and SSP+ and premium PK compounds. The Repurpose Plan at Itafos Arraias was intended to enhance Itafos Arraias' competitive positioning and profitability while reducing its operational and environmental risk profile. To enable the Repurpose Plan, Itafos Arraias purchased, received and processed higher grade phosphate rock from third parties during 2019, including entering into a multi-year phosphate rock supply agreement to purchase higher grade phosphate rock from the OCP Group S.A.

In addition, the Company advanced other aspects of the Repurpose Plan, including production and sales of higher grade SSP and SSP+ and premium PK compounds, implementation of an efficient logistics process related to third party phosphate rock, reorganization of the site and commissioning of process equipment to enhance efficiency. In connection with advancing implementation of the Repurpose Plan, the Company idled Itafos Arraias' existing mines, tailings dam and the beneficiation plant during Q2 2019.

On November 21, 2019, the Company announced its decision to idle Itafos Arraias and suspend the previously announced Repurpose Plan at Itafos Arraias as part of a disciplined approach to capital allocation considering the continued downward pressure on global fertilizer prices and the additional capital requirements to complete the Repurpose Plan.

Subsequent to the year ended December 31, 2019, the Company has completed the idling plan at Itafos Arraias, completed third party reviews of Itafos Arraias' mine and beneficiation plant and secured important long-term tax incentives for Itafos Arraias. The Company followed best practices in implementing its plan to idle Itafos Arraias to protect and preserve the value of the underlying assets. 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.

For the year ended December 31, 2018, Itafos Arraias' business highlights consider that Itafos Arraias had not achieved commercial production during H1 2018.

For the three months and years ended December 31, 2019 and 2018, Itafos Arraias' business highlights were as follows:

| *(in thousands of US Dollars except for volumes and prices)* | *For the three months ended December 31,* **2019** | **2018** | *For the years ended December 31,* **2019** | **2018** |
|---|---|---|---|---|
| Production volumes (t) | | | | |
| SSP | 65,893 | 29,227 | 126,906 | 72,212 |
| SSP+ | 9,072 | 2,806 | 66,996 | 18,562 |
| PK compounds | — | — | 3,230 | — |
| **Total production volumes** | **74,965** | **32,033** | **197,132** | **90,774** |
| Excess sulfuric acid production volumes (t) | 14,424 | 13,609 | 50,066 | 37,751 |
| Sales volumes (t) | | | | |
| SSP | 47,394 | 33,739 | 98,483 | 106,922 |
| SSP+ | 5,489 | 6,672 | 59,766 | 23,134 |
| PK compounds | 1,899 | — | 2,018 | — |
| **Total sales volumes** | **54,782** | **40,411** | **160,267** | **130,056** |
| Excess sulfuric acid sales volumes (t) | 14,424 | 13,609 | 50,066 | 37,751 |
| Realized price ($/t) | | | | |
| SSP | $ 190 | $ 135 | $ 194 | $ 155 |
| SSP+ | $ 244 | $ 160 | $ 261 | $ 158 |
| PK compounds | $ 352 | $ — | $ 355 | $ — |
| Excess sulfuric acid | $ 94 | $ 152 | $ 110 | $ 143 |
| Revenues ($) | | | | |
| SSP | $ 9,022 | $ 4,560 | $ 19,077 | $ 16,594 |
| SSP+ | $ 1,340 | $ 1,067 | $ 15,589 | $ 3,653 |
| PK compounds | $ 668 | | $ 717 | $ — |
| **Total revenues** | **$ 11,030** | **$ 5,627** | **$ 35,383** | **$ 20,247** |
| Excess sulfuric acid revenues ($) | $ 1,360 | $ 2,070 | $ 5,496 | $ 5,405 |
| Revenues per tonne $P_2O_5$ | $ 759 | $ 381 | $ 1,259 | $ 1,178 |
| Cash costs per tonne $P_2O_5$ | $ 1,661 | $ 1,715 | $ 1,931 | $ 1,504 |
| Adjusted EBITDA | $ (7,001) | $ (12,649) | $ (23,372) | $ (21,995) |

For the three months ended December 31, 2019, and 2018, Itafos Arraias' business highlights were as follows:

- SSP and SSP+ production and sales volumes were up year-over-year primarily due to an aggressive program to monetize raw materials and finished goods inventories following the decision to idle Itafos Arraias;
- SSP and SSP+ realized prices were up year-over-year primarily due to production of higher grade products;
- excess sulfuric acid production and sales volumes were up due to higher sulfuric acid plant availability and throughput;
- revenues per tonne $P_2O_5$ were up year-over-year primarily due to production of higher grade products; and
- cash costs per tonne $P_2O_5$ were down year-over-year primarily due to higher production volumes and reduction in MAP consumption required to achieve grade.

For the years ended December 31, 2019, and 2018, Itafos Arraias' business highlights were as follows:

- SSP and SSP+ production and sales volumes were up year-over-year primarily due to the implementation of the Repurpose Plan;
- SSP and SSP+ realized prices were up year-over-year due to production of higher grade products;
- PK compounds production and sales volumes were up year-on-year due to the implementation of the Repurpose Plan;
- excess sulfuric acid production and sales volumes were up year-over-year despite an oversupplied market during 2019 and higher internal consumption as Itafos Arraias had not achieved commercial production during H1 2018;
- revenues per tonne $P_2O_5$ were up year-over-year primarily due to production of higher grade products; and
- cash costs per tonne $P_2O_5$ were up year-over-year primarily due to higher input costs associated with production of higher grade products, which was partially offset by a reduction in MAP consumption.

**Financial Outlook**

The Company's financial outlook for 2020 is as follows:

| *(in thousands of US Dollars)* | | Low | | High |
|---|---|---|---|---|
| Adjusted EBITDA | $ | 10,000 | $ | 20,000 |
| Maintenance capex | | 15,000 | | 25,000 |
| Growth capex | | 5,000 | | 10,000 |
| Adjusted net debt | | 170,000 | | 180,000 |

The Company's financial outlook is explained as follows:

- adjusted EBITDA outlook considers latest third party pricing outlook for pricing and key inputs, continuation of the idling of Itafos Arraias and corporate costs;
- maintenance capex outlook considers planned plant maintenance at Itafos Conda;
- growth capex outlook considers unlevered capex related to Itafos Conda's mine life extension initiatives related to H1/NDR; and
- adjusted net debt considers projected balance as at December 31, 2020 and does not include potential additional financing.

**Business Outlook**

The Company is executing its strategy by focusing on:

- extending Itafos Conda's current mine life through advancing permitting and development of H1/NDR;
- optimizing Itafos Conda's EBITDA generation potential;
- evaluating strategic alternatives for Itafos Arraias;
- focusing on securing project financing, completing detailed design and engineering and negotiating offtake agreements for Itafos Farim;
- maintaining the integrity of the concessions and evaluating strategic alternatives for Itafos Paris Hills, Itafos Santana, Itafos Mantaro and Itafos Araxá;
- continuing to advance aggressive corporate wide cost savings and deferral of spending initiatives; and
- advancing initiatives related to capital raising.

**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 vertically integrated phosphate mine and fertilizer business with production and sales capacity of approximately 500kt per year of single superphosphate ("**SSP**"), SSP with micronutrients ("**SSP+**") 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 at www.itafos.com.

**Non-IFRS Financial Measures**

The Company considers both IFRS and certain non-IFRS measures to assess performance. Non-IFRS measures are a numerical measure of a company's performance, that either include or exclude amounts that are not normally included or excluded from the most directly comparable IFRS measures. In evaluating non-IFRS measures, investors, analysts, lenders and others should consider that non-IFRS measures do not have any standardized meaning under IFRS and that the methodology applied by the Company in calculating such non-IFRS measures may differ among companies and analysts. The Company believes the non-IFRS measures provide useful supplemental information to investors, analysts, lenders and others in order to evaluate the Company's operational and financial performance. These non-IFRS financial measures should not be considered as a substitute for, nor superior to, measures of financial performance prepared in accordance with IFRS.

The Company defines:

- "**EBITDA**" as earnings before interest, taxes, depreciation, depletion and amortization;
- "**Adjusted EBITDA**" as EBITDA adjusted for non-cash, extraordinary, non-recurring and other items unrelated to the Company's core operating activities;
- "**Total capex**" as additions to property, plant and equipment and mineral properties adjusted for additions to asset retirement obligations, additions to right of use assets and capitalized interest;
- "**Maintenance capex**" as that portion of total capex relating to maintenance of ongoing operations of the Company;
- "**Growth capex**" as that portion of total capex relating to development of growth opportunities of the Company;
- "**Net debt**" as debt and debentures less cash and cash equivalents and short-term investments;
- "**Adjusted net debt**" as net debt adjusted for deferred financing costs and related party debt and debentures;
- "**Working capital**" as current assets less current liabilities;
- "**Realized price**" as revenues divided by sales volumes;
- "**Revenues per tonne $P_2O_5$**" as revenues divided by sales volumes presented on $P_2O_5$ basis;
- "**Cash costs**" as cost of goods sold less net realizable value adjustments, depreciation, depletion and amortization; and
- "**Cash cost per tonne $P_2O_5$**" as cash costs divided by sales volumes presented on $P_2O_5$ basis.

**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’s discussion and analysis and other disclosure documents available under the Company’s profile at www.sedar.com and on the Company’s website at www.itafos.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.



**For further information, please contact:**

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