TORONTO, ONTARIO--(Marketwired - Jan 11, 2017) - Itafos (TSX VENTURE:IFOS) ("Itafos" or the "Company") is pleased to announce that it has appointed Raymond James Ltd. (the "Lead Agent") to lead a syndicate of agents (the "Agents") to sell, by way of a marketed private placement on a best efforts basis, shares of the Company (the "Shares") at a price to be determined in the context of the market for gross proceeds of up to US$35,000,000 (the "Offering"). The net proceeds of the Offering shall be used primarily for the re-commissioning of the Company's Itafos Arraias SSP Operations and for working capital and general corporate purposes.

Completion of the Offering is subject to a number of conditions, including the completion of due diligence by the Agents, the negotiation and execution of a definitive agency agreement, satisfaction of any regulatory requirements and receipt of the approval of the TSX Venture Exchange (the "TSXV"). The closing of the Offering is expected to occur on or about such date or dates as agreed upon by the Company and the Lead Agent. The Shares issued with respect to the Offering will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation.

Zaff LLC ("Zaff") is expected to subscribe for approximately US$15,000,000 of the Shares under the Offering. As an insider of the Company, Zaff's subscription constitutes a related party transaction under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Investments* ("MI 61-101") and TSXV Policy 5.9. The Company expects to rely on the formal valuation exemption in section 5.5(a) of MI 61-101 and the minority approval exemption in section 5.7(a) of MI 61-101 on the basis that neither the fair market value of the Shares to be distributed to Zaff nor the consideration to be received for the Shares will exceed 25% of the Company's market capitalization at the time of Zaff's subscription. Zaff currently beneficially owns, or controls or directs, directly or indirectly 55,573,669 Shares, representing 96.60% of the issued and outstanding Shares (on an undiluted basis) as of the date hereof.

This news release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States absent U.S. registration or an applicable exemption from U.S. registration requirements.

About Itafos

Itafos (TSX VENTURE:IFOS) is focused on becoming a significant integrated producer of phosphate based fertilizers and related products. Itafos has an experienced team with significant experience in the business of fertilizer operations, management, marketing and finance. Itafos owns and operates the Itafós Arraias SSP Operations, which consists of an integrated fertilizer producing facility comprised of a phosphate mine, a mill, a beneficiation plant, a sulphuric acid plant, an SSP plant and a granulation plant and related infrastructure located in central Brazil. Itafos' exploration portfolio includes a number of additional projects in Brazil, including the Santana Project, a high-grade phosphate deposit located in close proximity to the largest fertilizer market of Mato Grosso State and animal feed market of Pará State, and the Araxá Project, a high-grade rare earth elements, niobium and phosphate deposit located in close proximity to two operating mines, therefore benefiting from existing local infrastructure. In addition, Itafos owns an approximate 31.3% interest in GB Minerals Ltd. which owns the Farim Project, a high-grade phosphate deposit located in Guinea Bissau and an approximate 29.6% interest in Stonegate Agricom Ltd. which owns the Paris Hills Project, a high-grade phosphate deposit located in Idaho, United States and the Mantaro Project, a high-grade phosphate deposit located in Peru.

Forward-Looking Statements

This news release contains "forward-looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements related to activities, events or developments that the Company expects or anticipates will or may occur in the future, including, without limitation, statements related to the closing of the Offering and the receipt of regulatory approval in respect of the Offering. These statements speak only as of the date of this news release. Forward looking statements are based on a number of factors and assumptions made by management and considered reasonable at the time such statements are made, and forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. Such risk factors include but are not limited to, the Company not obtaining the final approval of the TSXV for the Offering and those factors disclosed in the Company's current Annual Information Form and Management's Discussion and Analysis, as well as other public disclosure documents, available under the Company's profile on SEDAR at www.sedar.com. Although Itafos has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate. The forward looking statements contained herein are presented for the purposes of assisting investors in understanding the Company's plans, objectives and goals and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

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