

TORONTO, ONTARIO--(Marketwired - Mar 2, 2017) - [Itafos](#) (TSX VENTURE:IFOS) ("Itafos" or the "Company") is pleased to provide, further to the Company's news release dated January 11, 2017, an update on the previously announced private placement (the "Offering").

The Company has agreed with Raymond James Ltd. (the "Lead Agent") and GMP Securities L.P. (together with the Lead Agent, the "Agents") that the Offering will consist of the issuance and sale of up to 22,242,982 shares of the Company (the "Placement Shares") at a price of CAD\$2.10 per Placement Share for gross proceeds of up to US\$35,000,000 by way of a marketed private placement on a best efforts basis. The Company and the Agents have to date received commitments for approximately US\$33,000,000, including Zaff's commitment as described below. The Company has agreed to pay the Agents a cash fee equal to 6.0% of the gross proceeds from the Offering raised by the Agents from unrelated parties.

Zaff LLC ("Zaff"), a control person of the Company, is expected to acquire US\$15,000,000 of the Placement Shares, of which amount it is expected to subscribe for 7,626,165 Placement Shares at a price of CAD\$2.10 for an aggregate US\$12,000,000, and to subscribe for 1,906,541 Placement Shares at an effective price of CAD\$2.10 in lieu of a cash repayment to Zaff (the "Shares for Debt Transaction") to settle an outstanding cash advance of US\$3,000,000 recently made to the Company on February 23, 2017.

The completion of the Offering, including the Shares for Debt Transaction, is subject to certain conditions, including the completion of due diligence by the Agents, the negotiation and execution of a definitive agency agreement, the execution of subscription agreements, the satisfaction of any regulatory requirements and receipt of the approval of the TSX Venture Exchange (the "TSXV"), among others. The closing of the Offering is expected to occur on or about March 9, 2017.

The Placement Shares 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 and TSX Venture Exchange requirements.

Zaff currently beneficially owns, or controls or directs, directly or indirectly 55,573,669 shares of the Company, representing approximately 96.60% of the issued and outstanding shares (on an undiluted basis) as of the date hereof. Upon completion of the Offering, including the Shares for Debt Transaction, on the terms described herein, Zaff would beneficially own, or control or direct, directly or indirectly, 65,106,375 shares of the Company, representing approximately 81.61% of the issued and outstanding shares (on an undiluted basis).

Mr. Brent de Jong, a director of [Itafos](#), is a related party of Zaff and, as such, declared his interest to the board of directors of the Company in connection with the Offering, including the Shares for Debt Transaction. The directors reviewed the Offering, including the Shares for Debt Transaction, and concluded that they are in the best interests of the Company. The Company did not file a material change report at least 21 days prior to the anticipated date of completion of the Offering, including the Shares for Debt Transaction, due to the Company's determination that it is in the best interests of the Company to avail itself of the proceeds and complete the Offering, including the Shares for Debt Transaction, in an expeditious manner.

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 [Itafos](#)-Arraiaas 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, the subscription for Placement Shares, the Shares for Debt Transaction and the receipt of regulatory approval in respect of each of the Offering and the Shares for Debt Transaction. 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 either the Offering or the Shares for Debt Transaction, the Company being unsuccessful in recommissioning the [Itafos](#)-Arraias SSP Operations 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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