

TORONTO, ONTARIO--(Marketwired - Mar 9, 2017) - [Itafos](#) (TSX VENTURE:IFOS) ("Itafos" or the "Company") is pleased to announce that it has closed its previously announced private placement of shares of the Company for gross proceeds of US\$34,054,074 (which includes the shares for debt transaction described below) at CAD\$2.10 per share (the "Offering"). The net proceeds of the Offering are being used to fund the recommissioning of the Company's [Itafos-Arraias SSP Operations](#) and for working capital and general corporate and strategic purposes.

Pala Investments Limited ("Pala") subscribed for 6,348,000 shares under the Offering and now beneficially owns 6,348,000 shares (or, approximately, 8.0% of the issued and outstanding shares on an undiluted basis). In connection with the Offering, the Company and Pala have entered into an investor rights agreement pursuant to which the Company has granted Pala the right to designate one nominee to the board of directors of the Company provided that Pala holds 5.0% or more of the Company's outstanding shares (on an undiluted basis). Pala is an experienced investor in the mining sector with a strong track record of successful investments and value creation. Pala's team has extensive experience in project development, financing, construction and expansion projects, and seeks to assist companies in which it has long-term shareholdings by providing strategic support in these areas.

Zaff LLC ("Zaff"), which is an insider and a related party of the Company, subscribed for a total of 8,388,781 shares under the Offering and received 1,906,541 shares at an effective price of CAD\$2.10 to settle an outstanding cash advance of US\$3,000,000 recently made to the Company on February 23, 2017. Zaff now beneficially owns, or exercises control or direction over, 65,868,991 shares (or approximately 83.04% of the issued and outstanding shares on an undiluted basis).

A director of the Company subscribed for 25,000 shares and an executive officer of the Company subscribed for 32,000 shares under the Offering. As insiders of the Company, the director's subscription and the executive officer's subscription constitute related party transactions under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Investments ("MI 61-101") and TSXV Policy 5.9. The Company has relied 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 distributed to the director or the executive officer nor the consideration to be received for the shares exceeded 25.0% of the Company's market capitalization at the time of the director's or the executive officer's subscription.

The TSX Venture Exchange (the "TSXV") has granted conditional approval of the listing of the shares issued under the Offering and final approval of the shares for debt transaction. Final TSXV approval of the Offering is subject to compliance with the customary requirements of the TSXV. The shares issued by the Company 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.

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-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, 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](http://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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