Itafos Announces Acquisition of Conda Phosphate Operations

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Itafos signs a definitive agreement to acquire Agrium’s Conda Phosphate Operations

Transaction marks a significant step in Itafos strategic objective to become a leading global phosphate fertilizer company

Itafos expands operating presence to North America and further diversifies product and geographic mix

Strategic ammonia supply agreement and MAP off-take agreement to be entered into with Agrium

HOUSTON and CALGARY, Alberta, Nov. 07, 2017 (GLOBE NEWSWIRE) -- Itafos (TSXV:IFOS) today announced that it has signed a definitive arm’s length purchase agreement with Agrium Inc. (TSX:AGU) (NYSE:AGU) to acquire Agrium’s Conda Phosphate Operations, an integrated producer of phosphate fertilizers and specialty products, for total cash consideration of approximately US$100 million (which includes inventory) on a cash and debt free basis.

Conda Phosphate Operations, located in Conda, Idaho, which include phosphate production facilities and adjacent phosphate mineral rights, produces approximately 540,000 metric tons per year of mono-ammonium phosphate (“MAP”), super phosphoric acid (“SPA”), merchant grade phosphoric acid (“MGA”) and specialty products (“phosphate solutions”) and serves the North American fertilizer market.

The transaction includes long-term strategic supply and off-take agreements. Under the terms of the supply and off-take agreements, Agrium will supply 100% of the ammonia requirements of Conda Phosphate Operations and purchase 100% of MAP product produced, with pricing formulas for both tied to benchmark phosphate fertilizer prices.

“This transaction is transformative for Itafos and vastly accelerates our strategic objective of becoming a leading global player in the phosphate fertilizer industry,” said Brian Zatarain, Chief Executive Officer of Itafos. “Conda Phosphate Operations further diversifies our global position of long-term strategic phosphate assets with an operating business in North America that has a long and successful track record of safe, responsible, reliable, continuous and financially stable operations.”

The transaction is expected to close by year end 2017, subject to customary closing conditions, including approval of the Federal Trade Commission and approval of the TSXV.

About Itafos

Itafos is an integrated producer of phosphate fertilizers and related products with an attractive portfolio of long-term strategic assets. Itafos is managed by an experienced and diverse team with extensive commercial, financial, legal and technical expertise. Itafos owns the Itafos Arraias 500,000 ton per year Single Super Phosphate (SSP) Operations, which consists of an integrated fertilizer production 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’ development portfolio includes a number of additional projects in Brazil, including the Santana Project, a high-grade phosphate mine project located in Mato Grosso State and the Araxá Project, a high-grade rare earth elements, niobium and phosphate mine project located in Pará State. In addition, Itafos owns the Paris Hills Project, a high-grade phosphate mine project located in Idaho, United States, the Mantaro Project, a high-grade phosphate mine project located in Junin, Peru and an approximate 31.3% interest in GB Minerals Ltd. which owns the Farim Project, a high-grade phosphate mine project located in Farim, Guinea Bissau.

About Agrium

Agrium Inc. is a major producer and distributor of agricultural products and services in North America, South America, Australia and Egypt through its agricultural retail-distribution and wholesale nutrient businesses. Agrium supplies growers with key products and services such as crop nutrients, crop protection, seed, and agronomic and application services, thereby helping to meet the ever growing global demand for food and fiber. Agrium produces nitrogen, potash and phosphate fertilizers, with a combined wholesale nutrient capacity of over nine million tonnes and with competitive advantages across all product lines. Agrium retail-distribution has an unmatched network of close to 1,500 facilities and over 3,000 crop consultants. We partner with over half a million grower customers globally to help them increase their yields and returns on more than 50 different crops. With a focus on sustainability, the company strives to improve the communities in which it operates through safety, education, environmental improvement and new technologies such as the development of precision agriculture and controlled release nutrient products. Agrium is focused on driving operational excellence across our businesses, pursuing value-enhancing growth opportunities and returning capital to shareholders.

About The Blueshirt Group

The Blueshirt Group provides capital markets expertise and strategic financial and media relations counsel to growth companies and venture capital firms globally. Founded in 1999, The Blueshirt Group has earned its reputation as a leader in investor relations (IR), financial communications, financial media relations and crisis management.

For more information, please visit http://www.blueshirtgroup.com.

Forward-Looking Statements

This news release contains forward-looking information (“FLI”) regarding future events or the future performance of Itafos and Conda Phosphates Operations. Generally, FLI can be identified by expressions of belief, expectation or intention, and often contain words such as “anticipates”, “believes”, “expects”, “estimates”, “intends”, “plans”, “could”, “may”, “might”, “should”, “would” or variations of such words. FLI is based on various assumptions, including with respect to fertilizer market growth, reserves and resources, mine life, production, operating costs, product sales and pricing, capital expenditures, financing sources and use of funds, operations and financial performance and business prospects and opportunities, including with respect to the acquisition of Conda Phosphates Operations. While Itafos considers these assumptions to be reasonable based on information currently available, such assumptions may prove to be incorrect as FLI is subject to various risks and uncertainties that could cause actual events or results to differ materially from those projected. These risks and uncertainties include, but are not limited to: variations from Itafos ’ assumptions regarding the matters mentioned above; changes in the agriculture, fertilizer, commodity, raw material, energy, transportation and financial market conditions and prices; fluctuations in currency exchange rates; changes in government policy and in environmental and other governmental regulation; inability to obtain necessary permits and licenses; timing and outcome of current and pending government and third party claims or lawsuits; ability to attract and retain skilled employees with relevant industry expertise; imprecision in mineral reserves and resources estimates; certainty of supply of raw materials; intermittency of operations and production; increases in production costs; ability to sell product; credit risk of offtake counterparties; ability to effectively finance, close and integrate any future developments and/or acquisitions including with respect to Conda Phosphates Operations; catastrophic events such as fires, floods, explosions, release of hazardous chemicals and seismic events; insurance and uninsured risks, as well as other risks and uncertainties reported by Itafos from time to time in its Management’s Discussion and Analysis filed with the securities regulatory authorities in Canada and available at www.sedar.com.

FLI should not be read as a guarantee of future events or results. You are cautioned not to put undue reliance on FLI. FLI included in this news release is expressly qualified by this cautionary statement and is made as of the date of this news release. Itafos does not undertake any obligation to publicly update or revise any FLI 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 news release.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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