

ITAFOS REPORTS Q4 2018 AND FULL YEAR 2018 FINANCIAL RESULTS AND OPERATIONAL HIGHLIGHTS

TORONTO, ON – April 5, 2019 – Itafos (TSX VENTURE: IFOS) (the “**Company**”) reported today its Q4 2018 and full year 2018 financial results and operational highlights. The Financial Statements and Management’s Discussion and Analysis for the year ended December 31, 2018 are available under the Company’s profile at www.sedar.com and under the Investors – Financial Statements page of the Company’s website, www.itafos.com. All dollar values are in US Dollars.

“2018 was a record-setting year for Itafos Conda in terms of environmental, health and safety and operational performance, marked by no recordable injuries since July 2018 and coupled with our highest ever production rates in October 2018. Q4 2018 results were positively impacted by the continued solid operational and commercial performance at Itafos Conda where strength in phosphate fertilizer prices carried into the early part of the quarter. Itafos Conda generated Adjusted EBITDA of \$20.9 million in Q4 2018 and has generated Adjusted EBITDA of \$63.6 million since we acquired the business on January 12, 2018.

During the second half of 2018 and Q1 2019, we developed and implemented an efficiency improvement plan at Itafos Arraias focused on improving mass yield, P₂O₅ recovery and overall product quality. While certain of the operational challenges have been resolved and the business has improved, the efficiency improvement plan did not achieve our expected results. After considering several alternatives, we have decided to implement a repurpose plan aimed at optimizing Itafos Arraias’ finished fertilizer production with a multi-product portfolio of higher-grade SSP, micronutrient SSP and value added premium PK compound products. To enable the repurpose plan, Itafos Arraias will procure higher-grade phosphate rock from third parties and, once operational, from Itafos Farim. The repurpose plan is expected to significantly enhance Itafos Arraias’ competitive positioning and profitability while reducing its operational and environmental risk profile.

Finally, we are pleased with the progress made this year toward extending Itafos Conda’s mine life by further advancing air quality and groundwater permits as well as technical studies of our nearby development projects, Itafos Paris Hills and Itafos Husky 1/North Dry Ridge. We have also made significant progress with continued de-risking of Itafos Farim where we received our operating license and environmental permit, advanced resettlement actions and commenced camp construction,” said Brian Zatarain, CEO of Itafos.

The Company’s financial highlights for Q4 2018 and full year 2018 were as follows:

- revenues of \$100.6 million in Q4 2018 and \$302.2 million for full year 2018;
- Adjusted EBITDA of \$7.6 million in Q4 2018 and \$34.1 million for full year 2018;
- net loss of \$(153.5) million in Q4 2018 and \$(113.5) million for full year 2018; and
- fully diluted loss per share of \$(1.08) in Q4 2018 and \$(0.82) for full year 2018.

Net loss and fully diluted loss per share for Q4 2018 and full year 2018 were affected by \$146.6 million of impairments of non-current assets of Itafos Arraias, Itafos Farim and Itafos Santana triggered by the Company’s book value of net assets exceeding its market capitalization as of December 31, 2018. The impairment of Itafos Arraias was primarily due to the delay in ramp-up to optimal capacity utilization and associated capital expenditures and working capital requirements combined with lower projected run-rate EBITDA due to margin compression. The respective impairments of Itafos Farim and Itafos Santana were primarily due to the decline in multiples of comparable publicly traded companies and transactions during 2018.

Q4 2018 Highlights

- Itafos Conda sales included:
 - 101,652t of monoammonium phosphate (“MAP”) at an average realized price of \$473/t;
 - 41,079t of superphosphoric acid (“SPA”) at an average realized price of \$1,006/t;
 - 113t of merchant grade phosphoric acid (“MGA”) at an average realized price of \$1,106/t; and
 - 8,602t of ammonium polyphosphate (“APP”) at an average realized price of \$396/t.
- Itafos Arraias sales included:
 - 33,739t of single superphosphate (“SSP”) at an average realized price of \$135/t;
 - 6,672t of SSP with micronutrients (“SSP+”) at an average realized price of \$160/t; and
 - 13,609t of sulfuric acid at an average realized price of \$152/t.
- On December 12, 2018, the Company received conditional acceptance from the TSXV to commence a Normal Course Issuer Bid (“NCIB”). Through the NCIB, the Company may purchase up to 7,103,515 shares of the Company, representing 5.0% of the Company’s issued and outstanding shares as of December 12, 2018. As of April 4, 2019, the Company repurchased 1,478,500 shares through the NCIB.
- As of December 31, 2018, the Company’s book value of net assets exceeded its market capitalization, which triggered an overall impairment assessment. The Company performed valuations to estimate the recoverable value of its assets and as a result recorded \$146.6 million of impairments of non-current assets as follows:
 - \$132.3 million at Itafos Arraias;
 - \$11.2 million at Itafos Farim; and
 - \$3.1 million at Itafos Santana.

Q4 2018 and Full Year 2018 Segment Highlights

Itafos Conda

The Company acquired Itafos Conda on January 12, 2018. Strong sales volumes coupled with rising fertilizer pricing drove Q4 2018 revenues of \$92.9 million and Adjusted EBITDA of \$20.9 million. For the full year 2018, revenues were \$276.5 million and Adjusted EBITDA was \$63.6 million.

Itafos Arraias

Itafos Arraias achieved commercial production on July 3, 2018. Despite having achieved commercial production, Itafos Arraias has experienced operational challenges post declaration of commercial production resulting in lower than optimal levels of capacity utilization. Lower production volumes due to the implementation of the efficiency improvement plan drove Q4 2018 revenues of \$7.7 million and Adjusted EBITDA of \$(9.3) million. For the full year 2018, revenues were \$25.7 million and Adjusted EBITDA was \$(18.6) million.

Other

The Company’s development and exploration Adjusted EBITDA was \$(1.6) million in Q4 2018 and \$(3.6) million for full year 2018, while corporate Adjusted EBITDA was \$(2.5) million in Q4 2018 and \$(7.3) million for full year 2018.

Liquidity

The Company’s net debt at year end 2018 was \$152.1 million as compared to \$(33.2) million at year end 2017. The increased net debt is largely due to the closing of the \$165.0 million secured term credit facility in June 2018. The net proceeds of the credit facility are being used to fund working capital and

other cash requirements of Itafos Conda and Itafos Arraias, as well as continued implementation of the Company's business development initiatives.

Outlook

Currently, the Company is executing its strategy by focusing on the following:

- extending Itafos Conda's current mine life through advancing permitting of Itafos Paris Hills and Itafos Husky 1/North Dry Ridge and pursuing other alternatives;
- implementing the repurpose plan to optimize Itafos Arraias' finished fertilizer production with a multi-product portfolio of higher-grade SSP, micronutrient SSP and value added premium PK compound products and procuring higher-grade phosphate rock from third parties and, once operational, from Itafos Farim for Itafos Arraias; and
- finalizing permitting, negotiating offtake agreements, selecting contractors and securing project financing for Itafos Farim.

Additional details are available under the Company's profile at www.sedar.com and on the Company's website, www.itafos.com.

About Itafos

Itafos 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. Itafos is managed by an experienced and diverse team with extensive operations, commercial and financial expertise. Itafos owns and operates Itafos Conda, a vertically integrated phosphate fertilizer business with production and sales capacity of approximately 550,000 t per year of MAP, SPA, MGA and specialty products including APP located in Idaho, US and Itafos Arraias, a vertically integrated phosphate fertilizer business with production and sales capacity of approximately 500,000 t per year of SSP and SSP+ and approximately 40,000 t per year of excess sulfuric acid located in Tocantins, Brazil. Itafos owns and is developing Itafos Paris Hills, a high-grade phosphate mine project located in Idaho, US, Itafos Farim, a high-grade phosphate mine project located in Farim, Guinea-Bissau, Itafos Santana, a vertically integrated high-grade phosphate fertilizer project located in Pará, Brazil, Itafos Araxá, a vertically integrated phosphate and rare earth oxide mine project located in Minas Gerais, Brazil and Itafos Mantaro, a high-grade phosphate mine project located in Junin, Peru.

For more information, please visit the Company's website, 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 “Adjusted EBITDA” as earnings before interest, taxes, depreciation, depletion and amortization adjusted for non-cash, extraordinary, non-recurring and other items unrelated to the Company’s core operating activities.

The Company defines “net debt” as debt and debentures less cash and cash equivalents and short-term investments.

The Company defines “realized price” as revenues divided by sales volumes.

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 Discussion and Analysis and other disclosure documents available under the Company’s profile at www.sedar.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. Itafos undertakes no obligation to publicly update or revise any forward looking information except as required by applicable securities laws.

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