

## **ITAFOS PROVIDES UPDATE ON THE COMPANY AND THE COMPANY'S KEY STRATEGIC INITIATIVES**

**TORONTO, ON – June 21, 2017** – Itafos (TSX VENTURE: IFOS) (“**Itafos**”) provided an update today on the company and the status of Itafos’ key strategic initiatives.

### **Itafos Arraias Single Super Phosphate (“SSP”) Operations Recommissioning and Ramp-Up**

Itafos remains on plan to complete the recommission of the Itafos Arraias SSP Operations in Brazil by the end of the second quarter of 2017, and to ramp-up production to 80% of capacity by year-end. All top management, coordinator and supervisor positions at the facility are filled. Mr. Charles Bathomarco was hired as the General Plant Manager of the Itafos Arraias SSP Operations in. Mr. Bathomarco has more than 17 years of experience as a senior professional in the resource, mining and chemical industry, primarily in Brazil. Prior to joining Itafos, Mr. Bathomarco was a General Plant Manager for Bahia Mineração (ERM Group) in Brazil and AEMR (Angola Exploration Mining Resources) in Angola, and a Manager of Operations for MMX, Anglo American, Vale and Mineração Caraiba.

### **Staffing**

Itafos made substantial progress in its objective to build a world class leadership team. Key appointments included:

- Brian Zatarain as Chief Executive Officer.
- Rafael Rangel as Chief Financial Officer.
- Marten Walters as Vice President of Operations.
- Sarvin Patel as Vice President of Corporate Development and Commercial.
- Mohamed Ibnabdeljalil and G. David Delaney as Directors to the Board of Directors.

Mr. Zatarain was formerly the Chief Financial Officer of Itafos, and replaced Cristiano Melcher who resigned to pursue other opportunities. Mr. Zatarain was previously a principal of Zaff LLC (“**Zaff**”), playing an integral role in Zaff’s acquisition and subsequent restructuring of Itafos (then MBAC Fertilizer Corp.). Mr. Zatarain has 20 years of direct experience in corporate and business development, finance and investment management.

Mr. Rangel will oversee accounting, tax and treasury, a position he previously held on an interim basis from April 2016 to October 2016. Mr. Rangel has over 35 years of finance, accounting and international experience with multinational companies.

Mr. Walters will oversee operations and engineering. Mr. Walters is a Chemical Engineer with more than 35 years’ experience in the design, start-up and operation of fertilizer and chemical plants.

Mr. Patel will oversee sales, marketing and business development. Mr. Patel has over 15 years of principal investing, business development, mergers and acquisitions, portfolio analysis and risk management experience globally. Mr. Patel previously worked in senior roles at Carval Investors and Cargill.

Dr. Ibnabdeljalil and Mr. Delaney will provide governance best practices, strategic guidance and overall counsel to the Itafos management team. Dr. Ibnabdeljalil is the Founder and Managing Partner of Spika Ventures LLC, a strategic advisory and corporate development firm based in New York City focused on natural resources and basic materials including fertilizers and industrials. Dr. Ibnabdeljalil has broad sector expertise in a wide range of basic materials, chemicals and industrials

and most recently was the EVP and Chief Commercial Officer of OCP where he led sales, marketing, raw material procurement, logistics and business development efforts. Mr. Delaney serves as Chief Executive Officer of Plaman Corp. Prior to joining Plaman Corp., Mr. Delaney served as a Strategic Advisor for Paine & Partners, a private equity firm that focuses on the large and growing food and agribusiness sectors. Mr. Delaney most recently was the EVP and Chief Operating Officer of Potash Corporation of Saskatchewan, Inc. ("**PotashCorp**") where Mr. Delaney oversaw operations across PotashCorp's business segments, spanning 16 different sites.

### **Financing**

Itafos made significant progress in implementing its financing plan including the completion of a brokered private placement of shares, raising US\$34.05 million in gross proceeds. Key investors who subscribed to the brokered private placement were Zaff, Pala Investments Ltd. ("**Pala**") and J.P. Morgan Asset Management, which now own approximately 63%, 8% and 5% of the issued and outstanding shares (on an undiluted basis) of Itafos, respectively. Pala is an experienced mining sector investor and has the right to designate one nominee to the Itafos Board of Directors.

### **Zaff LLC Redemption**

Zaff announced on June 13, 2017 that it has redeemed certain membership units from its members in exchange for delivery by Zaff of an aggregate of 15,986,493 Itafos shares to such members (the "**Redemption**"). Prior to the Redemption, Zaff had direct or indirect ownership of or control over 65,868,991 shares of Itafos, representing approximately 83% of the issued and outstanding shares (on an undiluted basis) of Itafos. Following the completion of the Redemption, Zaff has direct or indirect ownership of or control over 49,882,498 shares of Itafos, representing approximately 63% of the issued and outstanding shares (on an undiluted basis) of Itafos.

### **Itafos Arrais SSP Operations Sales and Marketing**

In preparation for the completion of the recommissioning and ramp-up of production, Itafos advanced the development and initial implementation of its sales and marketing strategy. This strategy includes assessment of the market for its two main products, SSP and sulfuric acid, identification of the target off-takers, completion of pricing tools, initial view of FOB prices through year-end and build out of the sales and marketing team in Brazil.

### **Other Highlights**

- Zaff acquired control of Itafos on October 27, 2016, with year-end ownership of approximately 96.6%. Zaff's contributions to Itafos included Itafos debt held by Zaff, US\$10 million subscription to a non-brokered private placement of shares, shares in GB Minerals Ltd. (TSX VENTURE:GBL) and Stonegate Agricom Ltd. (TSX:ST) ("**Stonegate**") and various bridge loans and other cash advances.
- Itafos redomiciled from Canada to the Cayman Islands by way of continuation and ceased to be incorporated in Canada.
- Itafos' securities were delisted from the Toronto Stock Exchange and listed on the TSX Venture Exchange ("**TSXV**") under the symbol "MBC". Trading in Itafos' securities, which had been suspended since April 2016, resumed on November 7, 2016.
- Itafos changed its name from "MBAC Fertilizer Corp." to "Itafos" and its listing from MBC to IFOS.

- Itafos and certain other of its subsidiaries changed their functional currency from CAD or BRL to USD based on the primary currency of Itafos' operations and financing activities being denominated in USD.
- Itafos entered into an arrangement agreement dated May 18, 2017 with Stonegate pursuant to which Itafos will acquire all of the issued and outstanding common shares of Stonegate not already owned directly or indirectly by Itafos by way of a court-approved plan of arrangement under the Business Corporations Act (Ontario).

The table below summarizes Itafos' balance sheet as of March 31, 2017:

	Amount in <u>USD millions</u>
Cash	\$27.00
Current Assets	\$7.10
Non-Current Assets	\$303.70
<b>Total Assets</b>	<b>\$337.80</b>
Current Liabilities	\$28.40
Non-Current Liabilities	\$10.60
Debt	\$2.90
<b>Total Liabilities</b>	<b>\$41.90</b>
Equity	\$295.90
<b>Total Liabilities and Equity</b>	<b>\$337.80</b>

The Financial Statements and Management Discussion and Analysis for the year ended December 31, 2016 and quarter ended March 31, 2017 are available under Itafos profile at [www.sedar.com](http://www.sedar.com) and at its website, [www.itafos.com](http://www.itafos.com).

### **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 35.2% 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.

### **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.

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### **Forward-Looking Statements**

This news release contains forward-looking information (“**FLI**”) regarding future events or the future performance of Itafos. 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 operations and production at the Itafos-Arraias SSP Operations and other projects, technical feasibility, resources and reserves, mine life, financing sources and use of funds, growth of Brazilian and global fertilizer markets, results of operations, performance, business prospects and opportunities. While Itafos considers these assumptions to be reasonable based on information currently available, such assumptions may prove to be incorrect. 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; the timing and outcome of current and pending environmental claims or lawsuits; imprecision in mineral reserves and resources estimates; changes in the agriculture, energy, fertilizer, financial, raw material and transportation market conditions; fluctuations in commodity prices and currency exchange rates; inability to obtain necessary permits; insurance and uninsured risks; potential increases in production costs; Itafos’ ability to effectively integrate any future acquisitions into its business structure; changes in government policy and in environmental and other governmental regulation; Itafos’ ability to attract and retain skilled employees with relevant industry expertise; catastrophic events such as fires, floods, explosions, release of hazardous chemicals and seismic events, 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](http://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.

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

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### **FOR FURTHER INFORMATION, PLEASE CONTACT:**

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