



News Release

TSX-V: IFOS, OTCQX: ITFS

ITAFOS COMPLETES UPDATED PRELIMINARY ECONOMIC ASSESSMENT FOR THE ARRAIAS PHOSPHATE PROJECT

HOUSTON, TX – January 27, 2026 – Itafos Inc. (TSX-V: IFOS) (OTCQX: ITFS) (the “Company”) is pleased to announce the results of the updated Preliminary Economic Assessment (“PEA”) for its Arraias Phosphate Project (the “Arraias Project”), a phosphate mine project located in Tocantins, Brazil.

Arraias Project 2026 PEA Highlights

- Targeting high grade phosphate rock layers in breccia and conglomerate
- Four individual deposits at the Arraias Project were evaluated for Mineral Resources: Domingos, Cana Brava, Coite, and Near Mine
- 2 Mt Measured and Indicated Resource plus 3 Mt Inferred Mineral Resources including:
 - Measured Mineral Resources include 1.1 Mt of breccia at an in-situ grade of 17.7% P₂O₅ and 0.5 Mt of conglomerate at an in-situ grade of 12.1% P₂O₅.
 - Indicated Mineral Resources include 0.4 Mt of breccia at an in-situ grade of 16.4% P₂O₅ and 89,000 t of conglomerate at an in-situ grade of 11.6% P₂O₅.
 - Inferred Mineral Resources for the four deposits include 2.4 Mt of breccia at an in-situ grade of 15.4% P₂O₅ and 0.6 Mt of conglomerate at an in-situ grade of 12.0% P₂O₅.
- Itafos has been successfully mining breccia and conglomerate at the Domingos deposit since 2023 and selling a direct application product (“DAPR”) as well as a partially acidulated product (“PAPR”). The PEA mine plan includes continued production of DAPR and PAPR, as well as processing the breccia to produce single superphosphate (“SSP”).
- An estimated \$8.0 million USD in capital expenditures will be required for beneficiation plant upgrades enabling the production of SSP. The life-of-mine plan for the currently estimated resources is approximately 14 years with an estimated after-tax net present value (“NPV”) 8% of \$70.7 million USD, internal rate of return (IRR) of 85%, and payback period of around 2 years.

CEO Commentary

Chief Executive Officer David Delaney commented, “Itafos is pleased with the results of this PEA and believes it supports our fertilizer restart strategy at the Arraias Project. The results of this study point towards a project with robust economics and allow us to proceed to the next stages of project development. Further exploration work will be focused on increasing resources and mine life.

Over the last four years, Itafos Brazil has focused on developing the market for its blend of non-traditional fertilizers and 2025 marked a record year of profitability at Arraias. 2026 will represent a period of transition as we move to upgrade the beneficiation circuit in order to produce SSP, with the goal of selling this product into the large and growing Brazilian market during 2027.”

Arraias Project Preliminary Economic Assessment

A technical report, entitled “NI 43-101 Technical Report Preliminary Economic Assessment Arraias Phosphate Operations, Tocantins, Brazil” (the “Arraias PEA”) was prepared for the Company by WSP Canada Inc. (“WSP”) in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects (“NI 43-101”). The Report was prepared to summarize the results of the PEA and consolidate all project work to date. WSP was supported by Millcreek Engineering.

Data Verification

The Mineral Resource Qualified Person (“QP”), Jennifer Simper, P.Geol. considers sample preparation, analytical, and security protocols employed by the Arraias Project to be acceptable. The QP has reviewed the QA/QC procedures used by the Company including the use of certified reference materials, blank, duplicate, and umpire data, and considers the assay database to be adequate for Mineral Resource estimation. The QP also carried out data verification both on site and on the database. This included a review of the assay database and collar locations. The QP considers the assay database to be acceptable for Mineral Resource estimation. In addition, there are no identified significant factors or concerns regarding the accuracy and reliability of the results from the exploration programs in the Arraias Project area.

Arraias Project Mineral Resource Estimate

The Arraias Project’s current Mineral Resource estimate, as shown in Table 1, was completed by WSP and has an effective date of November 14, 2025. The QP is not aware of any material changes between the November 14, 2025, effective date of the Mineral Resource estimate and the January 27, 2026 publication date of this news release that would affect the resource model or Mineral Resource estimate. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability at this time.

Table 1: Mineral Resource Statement, Arraias Phosphate Deposit, November 14, 2025

Domain	Deposit	Classification	Mass (Mt)	P ₂ O ₅ (wt. %)	Al ₂ O ₃ (wt. %)	CaO (wt.%)	MgO (wt. %)	Fe ₂ O ₃ (wt. %)
Breccia	Domingos	Measured	1.11	17.74	4.81	22.58	0.68	2.35
		Indicated	0.13	15.82	3.36	16.43	0.68	1.64
	Coité	Indicated	0.27	16.70	4.94	22.41	1.02	2.24
		Measured + Indicated	1.51	17.39	4.70	22.01	0.74	2.27
	Domingos	Inferred	0.68	14.46	3.21	14.19	0.92	1.50
	Cana Brava	Inferred	0.88	15.84	6.68	23.63	0.87	2.46
	Coité	Inferred	0.32	15.27	6.51	22.22	0.99	2.77
	Near Mine	Inferred	0.50	16.00	6.46	23.35	2.43	3.08
	Inferred	2.37	15.40	5.62	20.69	1.23	2.36	
Domain	Deposit	Classification	Mass (Mt)	P ₂ O ₅ (wt. %)	Al ₂ O ₃ (wt. %)	CaO (wt.%)	MgO (wt. %)	Fe ₂ O ₃ (wt. %)
Conglomerate	Domingos	Measured	0.46	12.10	5.23	18.68	1.94	3.48
		Indicated	0.06	11.19	6.95	16.53	1.36	3.48
	Coité	Indicated	0.03	12.27	4.59	15.59	0.67	2.48
		Measured + Indicated	0.55	12.02	5.36	18.27	1.80	3.42
	Domingos	Inferred	0.01	10.71	5.32	10.23	0.63	2.30
	Cana Brava	Inferred	0.47	12.00	8.99	16.98	0.89	3.29
	Near Mine	Inferred	0.08	12.09	7.76	17.57	0.88	3.50
		Inferred	0.56	11.99	8.76	16.98	0.88	3.31

Notes:

1. The Mineral Resource estimate was constrained by a conceptual pit shell for the purpose of establishing reasonable prospects of eventual economic extraction based on potential mining, processing grade parameters identified by studies performed to date on the Arraias Project.
2. Key constraint inputs included reasonable assumptions for operating costs, geotechnical slope parameters, processing costs and recovery, and specific product pricing.
3. Variable cut-off grades for P₂O₅ (wt. %) were assigned by deposit and domain based on sensitivity analyses and target feed grades for Breccia of 16.0% and Conglomerate of 12.0%. Domingos (Breccia 10.0%, Conglomerate 10.0%), Cana Brava (Breccia 12.5%, Conglomerate 9.5%), Coite (Breccia 11.0%, Conglomerate 11.0%), Near Mine (Breccia 12.5%, Conglomerate 8.5%)
4. Bulk density applied to Breccia (2.65 g/cm³) and Conglomerate (1.45 g/cm³) based on results from the Itafos Arraias internal laboratory.
5. Tonnage estimates are rounded to the nearest 10,000.
6. Mt = Million tonnes; wt. % = weight percent.
7. Mineral Resources are reported in accordance with NI 43-101 and CIM Definition Standards for Mineral Resource and Mineral Reserves (2014) and CIM Estimation of Mineral Resource and Mineral Reserve Best Practice Guidelines (2019).
8. No mining recovery or dilution factors have been applied.
9. Mineral Resource estimates are not precise calculations and may be materially affected by data quality, geological variability, metallurgical recovery, and the economic assumptions used to assess reasonable prospects for extraction. They are also influenced by the estimation methodology and parameters applied, including outlier treatment and search or estimation strategies. . All figures are rounded to reflect the relative accuracy of the estimates.

Mining Methods

The phosphate rock is mined by a free-dig, multiple-bench, open-pit, haul-back mine using excavators and trucks. Mining will be accomplished using conventional loader, excavator, and truck materials handling operation. Overburden excavation will advance ahead of the phosphate rock extraction in maximum 5 m height production benches.

Currently, the Domingos deposit is the only pit in operation. The Life of Mine Plan includes ongoing mining of Domingos while blending in material from the other deposits to achieve the desired plant feed grade. The Cana Brava deposit will be opened first, to be followed by Coite, and then the Near Mine deposit. The 14-year Life of Mine Plan includes production of approximately 630,000 tonnes of DAPR, 760,000 tonnes of PAPR, and 2.3 Mt of SSP.

Metallurgy and Processing

The mineral processing facilities for the Arraias Project are designed to treat breccia from the Arraias mineral deposit. The primary product will be phosphate concentrate, which will be further processed for fertilizer manufacture. The unit operations in the breccia processing will include: primary crushing, screening, grinding, cyclone classification, column flotation, concentrate handling, and tailings handling.

Phosphate rock will be hauled from the mine to the concentrator, where it will be dumped into the primary crusher feed bin. An apron feeder will move the rock onto a vibrating grizzly, separating undersized material from oversize. Oversize will be crushed further, and both fractions will be conveyed to a stockpile.

Rock from the stockpile will be reclaimed and sent to a screening tower. A new transfer point will divert material for additional screening and crushing before entering the auxiliary mill. Oversize will be crushed to finer sizes, and all material will be classified by a hydro-cyclone, separating fines (-106 µm) from coarser fractions.

Coarse breccia (+106 µm) will be milled to achieve 90% passing 106 µm. The resulting slurry, combined with cyclone fines, will be conditioned with reagents and pH modifiers to prepare for flotation.

The flotation circuit will include rougher and cleaning stages to produce concentrate. A scavenger stage will recover additional concentrate. Dewatering will be performed using a plate and frame filter, with water recycled for process use. The final product will be conveyed to a storage stockpile. Tailings will also be dewatered and stored via a radial stacker.

Project Infrastructure

Plant and administrative buildings are in place including a workshop, central warehouse, scale, administrative office, ambulance and fire brigade building, restaurant, locker room, and laboratory. Electrical power is supplied to the main substation via a 60 kV transmission line spanning 16 km from the substation in Campos Belos. Freshwater is gravity fed from a reservoir located Northeast of the beneficiation plant. A single overburden storage area is located to the west of the existing Domingos pit and access roads are available connecting the 4 deposits to the main administrative facility and beneficiation plant.

A tailings dam was constructed on the Bezerra River to dispose of tailings from the phosphate beneficiation plant as part of the original tailings management plan. The proposed plant upgrades include a filter press for dewatering which will allow the tailings to be dry-stacked rather than held in an impoundment. As a result, the existing tailings impoundment will be maintained in a care and maintenance status, with no further deposition of tailings planned within the facility.

Capital Cost Estimate

The capital cost for the Arraias Project is primarily related to beneficiation and tailings disposal. The existing beneficiation plant was designed to process the arenoso and argiloso siltstones and requires retrofitting to process the breccia and produce concentrate for SSP production. The Arraias Project is also implementing a dry stack tailings system to eliminate the need to expand the existing tailings storage facility. The overall cost of the beneficiation plant retrofit and dry stack tailings system is approximately \$8.0 million USD.

A nominal amount of \$3.5 million USD per year was included in the budget as sustaining capital. This allocation is intended to cover the ongoing costs associated with replacements and rebuilds of both plant and Itafos-owned equipment. As the project advances beyond the PEA stage, it will be necessary to develop a more detailed sustaining capital schedule and budget through evaluation of equipment lifecycles, anticipated replacement intervals, and specific rebuild requirements for plant and mine assets.

Operating Cost Estimate

Currently, mining at the Domingos pit is performed under a mining contract and these contract mining costs represent the bulk of the mine operating costs. Cash operating costs include operating and maintenance labor, supplies, repair parts, power, overheads and administration, government levies, and miscellaneous costs. The operating costs are summarized in Table 2.

Table 2: Operating Cost Estimate Summary

Description	Value	Unit
Variable		
Phosphate Rock Mining (Contract Miner)	1.68	\$/tonne mined
Phosphate Rock Mining (Owners' Cost)	0.19	\$/tonne mined
Overburden Mining (Contract Miner)	0.43	\$/tonne mined
Rehandle (Contract Miner)	0.19	\$/tonne rehandled
Processing Cost		
DAPR	36.22	\$/tonne product
PAPR	74.42	\$/tonne product
SSP	118.28	\$/tonne product
Fixed		
Mining	510,000	\$/year
Processing Cost	2,560,000	\$/year
Other	4,340,000	\$/year

Economic Analysis

The results of the economic analysis presented here represent forward-looking information as defined under Canadian securities law. The results are subject to several known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those presented here. See the section titled "Forward-Looking Information" below for further details. Salient financial data for the Arraias Project is shown in Table 3.

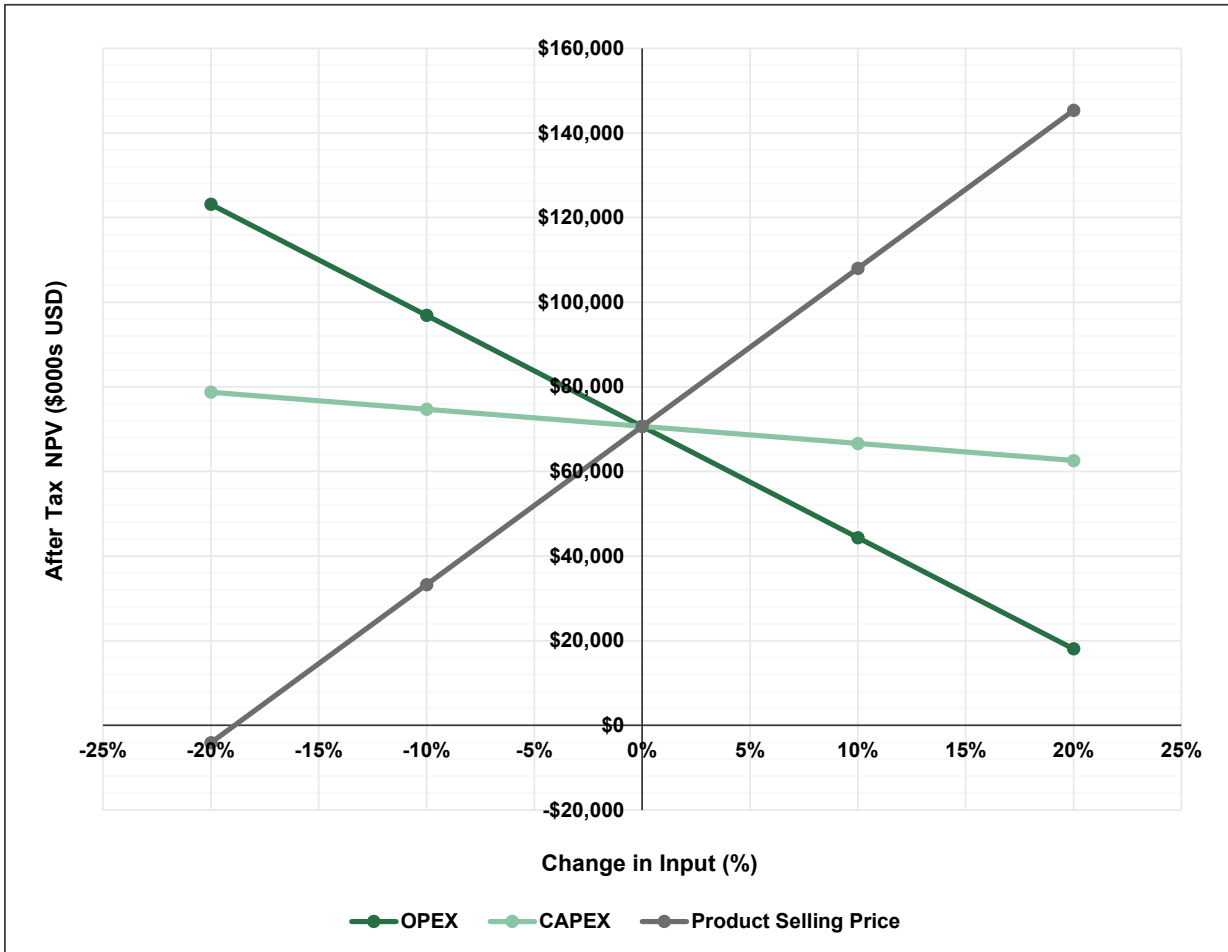
Table 3: Preliminary Economic Analysis Summary

Economic Analysis Summary		
2026 - 2040		
Total Waste	000s tonnes	30,449
Total Breccia + Conglomerate		4,981
DAPR Production		630
PAPR Production		760
SSP Production		2,255
Initial CAPEX	000s USD	11,500
Sustaining CAPEX		49,000
Project Cash Flow excluding Capital		184,519
Cash Flow		124,019
NPV 8.0% Discount Rate		70,667

The preliminary economic assessment is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that the preliminary economic assessment will be realized.

A sensitivity analysis was conducted on the after-tax NPV of the project using the following variables: product sales price, operating cost, and total capital cost. The analysis revealed that the project is most sensitive to changes in product sales price. The results of the sensitivity analysis are presented graphically in Figure 1.

Figure 1: Arraias Project Sensitivity Analysis



Environmental and Permitting Considerations

An Environmental and Social Impact Assessment for the Itafos Arraias site was prepared in 2010 and submitted to the environmental agency of the state of Tocantins (“Naturatins Environmental Agency”) as part of the environmental permitting process to obtain the preliminary license. The site currently holds the licenses required for operating at the current configuration. All permits were still valid at the time this news release was prepared or had its renewal application filed in the Naturatins Environmental Agency within the legal deadline; according to the Brazilian legislation, in the latter case the permits are still valid until a final decision of the Naturatins Environmental Agency is provided.

Risks and Opportunities

Costs have been estimated to +50%/-30%, a level of accuracy suitable for a PEA. Overall economic risks include financing, cost of production increases, escalation, inflation, commodity sales price variability, and general global economic conditions. General technical risks include reliance on RC drilling in some areas, geotechnical uncertainties, dewatering and heavy inflow of surface water during the rainy season, reduction in mining recovery, reduction in processing recovery when scaling up from bench scale testing.

Recommendations

It is recommended to continue developing the project through mineral resource infill drilling and expansion, and more advanced mining studies to support further investment decisions. Analysis of the results of the PEA suggests numerous recommendations for further investigation to mitigate risks and/or improve the base case designs. Costs associated with future recommendations are included within the Arraias Technical Report.

Recommended work for the next phase, based on the PEA, includes:

- Conduct exploration diamond drilling to further delineate high grade areas identified during correlation and geological modeling.
- Conduct infill drilling to upgrade inferred mineral resources to indicated or measured mineral resources. Drilling should include twinning of some historical drill holes in of Cana Brava, Coite and Near Mine deposits.
- Collect additional density samples across each deposit area for breccia and conglomerate unit.

- Quantify appropriate modifying factors to convert mineral resources to mineral reserves.
- Conduct additional phosphatic breccia testing to determine if lower feed grades can yield a 28% P₂O₅ concentrate.
- Conduct additional phosphatic conglomerate testing to determine if conglomerate with a minimum 12% P₂O₅ grade can be used to produce a concentrate with 28% P₂O₅.
- Recent mining activity has revealed that the breccia from Domingos is displaying increased hardness and a higher degree of apatite crystallization. Comparative flotation testing is recommended to determine whether this harder rock type will perform similarly to the materials tested previously.
- Identify and quantify mining factors which will increase historical contract mining costs, such as higher overburden removal and storage costs, longer truck haulage requirements, and pit dewatering requirements.

Arraias Technical Report and Qualified Persons

The Arraias Technical Report, prepared in accordance with NI 43-101, will be filed on SEDAR+ (www.sedarplus.ca) within 45 days. Readers are encouraged to read the Arraias Technical Report in its entirety once it is available, including all quantifications, assumptions, and exclusions that relate to the PEA. The Arraias Technical Report is intended to be read as a whole, and sections should not be read, or relied upon, out of context.

Scientific and technical information contained in this news release was verified by:

Jennifer Simper, P.Geo., WSP Canada Inc., Geology and Mineral Resources
 Terry L. Kremmel, P.E., WSP USA Inc. Mining Methods and Economic Analysis
 Rainer Stephenson, P.E., Millcreek Engineering, Mineral Processing and Metallurgical Testing

Each of these persons are independent qualified persons as defined by NI 43-101 for the Arraias Project. Each of these qualified persons has reviewed and approved the respective scientific and technical disclosure on the Arraias Project contained in this news release.

Further information about the Arraias Project, including a description of the key assumptions, parameters, description of sampling methods, data verification and QA/QC programs, methods relating to resources and reserves and factors that may affect those estimates will be contained in the Arraias Technical Report.

About Itafos

The Company is a phosphate and specialty fertilizer company with businesses and projects spanning three continents:

- Conda – a vertically integrated phosphate fertilizer business located in Idaho, US, with the following production capacity:
 - approximately 550kt per year of MAP, MAP with micronutrients, superphosphoric acid, merchant grade phosphoric acid and ammonium polyphosphate
 - approximately 27kt per year of hydrofluorosilicic acid
- Arraias – a vertically integrated phosphate fertilizer business located in Tocantins, Brazil, with the following production capacity:
 - approximately 500kt per year of SSP and SSP with micronutrients
 - approximately 40kt per year of excess sulfuric acid (220kt per year gross sulfuric acid production capacity)
- Farim – a high-grade phosphate mine project located in Farim, Guinea-Bissau; and
- Santana – a vertically integrated high-grade phosphate mine and fertilizer plant project located in Pará, Brazil

The Company is a Delaware corporation headquartered in Houston, Texas. The Company's shares trade on the TSX-V under the ticker "IFOS". The Company's shares also trade in the US on the OTCQX® Best Market ("OTCQX") under the ticker symbol "ITFS". The Company's principal shareholder is CL Fertilizers Holding LLC ("CLF"). CLF is an affiliate of global private investment firm Castllake, L.P.

For more information, or to join the Company's mailing list, please visit www.itafos.com.

Forward-Looking Information

Certain information contained in this news release constitutes forward-looking information, including statements with respect to: the successful development of the Arraias Project; the Company's planned operations; capital expenditures; upgrading the beneficiation circuit; operating costs; sustaining capital requirements; pre-tax and post-tax NPV, IRR, and payback period, and sensitivity analyses; cash flows; estimates of mineral resources; development of mineral resources; regulation of mining operations; realization of mineral resources estimates, including whether mineral resources will ever be developed into mineral reserves; timing and amount of future production; expected results of testing of mineral resources and related materials; expected outcome and timing of permit applications and other environmental and social matters; expected expenditures to be made by the Company; timing, cost, quantity, capacity and product quality of production of the Arraias Project; and the ability to achieve capital cost efficiencies. All information other than information of historical fact is forward-looking information. Statements that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future include, but are not limited to, statements regarding estimates and/or assumptions in respect of the Company's financial and business outlook are forward-looking information. The use of any of the words "intend", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "should", "would", "believe" and "potential" and similar expressions are intended to identify forward-looking information.

The forward-looking information contained in this news release is based on the opinions, assumptions and estimates of management, some of which are set out herein, which management believes are reasonable as at the date the statements are made. Those opinions, assumptions and estimates are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in the forward-looking information. These include the Company's expectations and assumptions with respect to the following: commodity prices; operating results; safety risks; changes to the Company's mineral resources; risk that timing of expected permitting will not be met; changes to mine development and completion; foreign operations risks; changes to regulation; environmental risks; the impact of weather and climate change; risks related to asset retirement obligations, general economic changes, including inflation and foreign exchange rates; the actions of the Company's competitors and counterparties; financing, liquidity, credit and capital risks; the loss of key personnel; impairment risks; cybersecurity risks; risks relating to transportation and infrastructure; changes to equipment and suppliers; concentration risks, adverse litigation; changes to permitting and licensing; geo-political risks; loss of land title and access rights; changes to insurance and uninsured risks; the potential for malicious acts; market and stock price volatility; changes to technology, innovation or artificial intelligence; changes to tax laws; the risk of operating in foreign jurisdictions; the risks posed by a controlling shareholder and other conflicts of interest; risks related to reputational damage, the risk associated with epidemics, pandemics and public health; the risks associated with environmental justice; and any risks related to internal controls over financial reporting risks. Readers are cautioned that the foregoing list of risks, uncertainties and assumptions is not exhaustive.

Although the Company has attempted to identify crucial factors that could cause actual actions, events or results to differ materially from those described in the forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Additional risks and uncertainties affecting the forward-looking information contained in this news release are described in greater detail in the Company's Annual Information Form and current Management's Discussion and Analysis available under the Company's profile on SEDAR+ at www.sedarplus.ca and on the Company's website at www.itafos.com. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The reader is cautioned not to place undue reliance on forward-looking information. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates, assumptions or opinions should change, except as required by applicable securities law. 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.

This news release contains future-oriented financial information and financial outlook information (together, "FOFI") about the Company's prospective results of operations. FOFI is subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraph. The Company has included the FOFI to provide an outlook of management's expectations regarding anticipated activities and results, and such information may not be appropriate for other purposes. The Company and management believe that the FOFI has been prepared on a reasonable basis, reflecting management's reasonable estimates and judgements; however, actual results of operations and the resulting financial results may vary from the amounts set forth herein. Any financial outlook information speaks only as of the date on which it is made and the Company undertakes no obligation to publicly update or revise any financial outlook information except as required by applicable securities laws.

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Cautionary Note Regarding Mineral Resource Estimates

This news release uses Mineral Resource classification terms that comply with reporting standards set forth in NI 43-101 for all public disclosure of scientific and technical information concerning mineral projects by Canadian registered issuers. NI 43-101 standards differ significantly from standards set forth by the United States Securities and Exchange Commission ("SEC"). Therefore, information regarding mineralization presented herein may not be directly comparable to similar information disclosed by companies in accordance with SEC standards. The reader is cautioned not to assume that any part or all of the Mineral Resources identified as "Mineral Resources," "Measured Mineral Resources," "Indicated Mineral Resources" and "Inferred Mineral Resources" in this news release will ever be converted into Mineral Reserves as defined in NI 43-101, be upgraded to a higher category, or be economically or legally mineable.