

ITAFOS PROVIDES UPDATE ON ITAFOS FARIM ENGINEERING AND CONSTRUCTION, ANNOUNCES TERMINATION OF EPCM AGREEMENT WITH LYCOPODIUM

TORONTO, ON – January 24, 2020 – Itafos (TSX VENTURE: IFOS) (the “**Company**”) today provided an update on the engineering and construction of Itafos Farim and announced the termination of the engineering, procurement and construction management (“**EPCM**”) agreement with Lycopodium Minerals Canada Limited (Toronto, Canada) (“**Lycopodium**”).

In July 2019, the Company announced an EPCM agreement with Lycopodium for services related to the development of Itafos Farim’s mine, which is expected to produce 1.3Mt per year of phosphate rock, and services related to the on land portion of Itafos Farim’s port, which is expected to load Itafos Farim’s mine production for global export. The EPCM agreement with Lycopodium contemplated two phases; phase one considered preparation of a definitive cost estimate and schedule and phase two considered additional detailed engineering, equipment procurement and construction. Given the revised project financing timeline of expected lender approval during the first half of 2020, Itafos Farim suspended the EPCM agreement following completion of phase one and did not provide notice to proceed for phase two. As a result, the EPCM agreement was terminated on January 17, 2020.

“The EPCM agreement with Lycopodium was structured in two phases to provide flexibility with respect to timing and not commit the Company ahead of project financing. We will look to enter into a new agreement to cover the expected phase two activities of detailed engineering, equipment procurement and construction that aligns the timing of and capital expenditures associated with such activities with the project financing timeline of Itafos Farim,” said Dr. Mhamed Ibnabdeljalil, CEO of the Company.

Also in July 2019, the Company provided an update on the engineering, procurement and construction administration agreement with W.F Baird and Associates Ltd. (Madison, USA) (“**Baird**”) for services related to the development of the marine portion of Itafos Farim’s port. To date, Baird has completed approximately 90% of its detailed design work. Following an extensive process, the Company has selected Stefanutti Stocks Coastal (Cape Town, South Africa), a division of Stefanutti Stocks (Pty) Ltd (“**Stefanutti**”), as contractor for the marine portion of Itafos Farim’s port. Baird is expected to manage Stefanutti for construction of the marine portion of Itafos Farim’s port with mobilization and construction expected to commence following completion of project financing.

About Itafos

The Company 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.

The Company owns, operates and is developing the following businesses and projects:

- Itafos Conda – a vertically integrated phosphate mine and fertilizer business with production and sales capacity of approximately 550kt per year of monoammonium phosphate (“**MAP**”), MAP with micronutrients (“**MAP+**”), superphosphoric acid (“**SPA**”), merchant grade phosphoric acid (“**MGA**”) and specialty products including ammonium polyphosphate (“**APP**”) located in Idaho, US;

- Itafos Arraias – a phosphate fertilizer business with production and sales capacity of approximately 500kt per year of single superphosphate (“SSP”), SSP with micronutrients (“SSP+”), premium PK compounds and approximately 40kt per year of excess sulfuric acid located in Tocantins, Brazil;
- Itafos Farim – a high-grade phosphate mine project located in Farim, Guinea-Bissau;
- Itafos Paris Hills – a high-grade phosphate mine project located in Idaho, US;
- Itafos Santana – a vertically integrated high-grade phosphate mine and fertilizer plant project located in Pará, Brazil;
- Itafos Mantaro – a large phosphate mine project located in Junin, Peru; and
- Itafos Araxá – a vertically integrated rare earth elements and niobium mine and extraction plant project located in Minas Gerais, Brazil.

For more information, or to join the Company’s mailing list to receive notification of future news releases, please visit the Company’s website, www.itafos.com.

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. The Company undertakes no obligation to publicly update or revise any forward-looking information except as required by applicable securities laws.

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For further information, please contact:

Itafos Investor Relations
investor@itafos.com
www.itafos.com