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MINE ARNAUD RECEIVES UNANIMOUS SHAREHOLDERS SUPPORT TO COMPLETE FINAL BFS

Montréal, October 5 2016 — Mine Arnaud is pleased to announce that the budget for completion of its updated Bankable Feasibility Study expected in Q2 2017 has been unanimously approved by both Yara International and Investissement Quebec which own 38% and 62%, respectively. The main drivers for the updated study include: i) incorporating cost savings arising from the port and rail infrastructure recently acquired by Investissement Quebec, ii) increased confidence in tailings management, iii) confirm concentrator flow sheet with a complete pilot plant test, and iv) review the LOM and actualize cost with updated figures.

The Mine Arnaud phosphate project is located approximately 15km west of the town of Sept-Îles and close to the Saint Lawrence River. Mine Arnaud is connected by a rail line to the loading port facilities at Pointe-Noire. In February 2016, Investissement Quebec acquired Cliffs Natural Resources' iron ore assets in Canada including related infrastructure. The port, dumper house, silos, and rail will be cleaned and updated for use by Mine Arnaud to deliver Phosphate rock to its customers. This is expected to have a material impact on both returns and upfront capital requirements in our upcoming BFS. We are excited to advance this project and help revitalize the local Sept-Iles mining industry which has been negatively impacted by the downturn in iron ore prices.

Mine Arnaud is expected to have a mine life of approximately 30 years, producing on average 1.5mm tonnes per year of payable phosphate rock concentrate. Given the low contaminants in the deposit, Mine Arnaud will be able to produce a high grade concentrate at 39% P₂O₅. In comparison, the average Moroccan benchmark quoted price references grade of approximately 32% P₂O₅, giving Mine Arnaud a transportation cost and realized revenue per tonne advantage.

With Yara and Investissement Quebec support we are excited to move Mine Arnaud towards a production decision in the near future. We have engaged Société Générale Capital Canada to be our Financial Advisor.

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