Arianne Phosphate Closes on Agreement to Reduce Debt and Extend Credit Facility

DAN: TSX-V (Canada)
JE9N: FSE (Germany)
DRRSF: OTC (USA)

SAGUENAY, QC, April 1, 2021 /CNW/ – **Arianne Phosphate (the "Company" or "Arianne")** (TSXV: DAN) (OTC: DRRSF) (FRANKFURT: JE9N), a development-stage phosphate mining company, advancing the Lac à Paul project in Quebec's Saguenay-Lac-Saint-Jean region, , is pleased to announce that it has closed its previously announced (see Press Release dated March 18, 2021) agreement whereby its senior secured lender, Mercury Financing Corp. ("Mercury" or the "Lender"), had agreed to exercise its 26,780,000 warrants, reducing the amount owed under the credit facility to $24.9M (the "Loan"). The Lender also agreed to extend the Loan under the credit facility for a period of 5 years and reduce the annual interest rate to 8%. In conjunction with the amended credit facility, the Lender has received 32 million non-transferable share purchase warrants, exercisable at a price of $0.33 per share, good for a period of 5 years. These warrants are subject to a "warrant blocker" provision whereby the Lender shall not be entitled to exercise warrants resulting in the Lender holding more than 19.9% of the issued and outstanding shares of the Company. As well, Arianne has also closed on its agreements with subordinated unsecured debt holders in the amount of $5,970,155 (see Press Release dated March 18, 2021) whereby these debt holders agreed to convert of their debt into 21,709,655 common shares of the Company and, have 11,028,584 existing warrants originally tied to the subordinated debt cancelled. The securities issued in conjunction with both agreements are subject to a hold period ending August 1, 2021.

"This deal comes at a time when the overall agricultural macro has turned very favorable," said Brian Ostroff, CEO of Arianne Phosphate. "With grain prices at multi-year highs and phosphate fertilizer prices having doubled, Arianne is well-placed to advance its project towards development. The closing of this Agreement also puts our Company on a more solid financial position, resulting in the elimination of $12.5 million of debt, a reduction in interest payments of roughly $2.5 million a year and, an extension on the maturity of its credit facility by 5 years."

These transactions remain subject to final approval of the TSX Venture Exchange.

Qualified Person
Jean-Sébastien David, P.Geo., Qualified Person by NI 43-101, has approved this release. Mr. David is also the Company's Chief Operating Officer.

About Arianne Phosphate

Arianne Phosphate (“Arianne Phosphate Inc.”) (www.arianne-inc.com) is developing the Lac à Paul phosphate deposits located approximately 200 km north of the Saguenay/Lac St. Jean area of Quebec, Canada. These deposits will produce a high quality igneous apatite concentrate grading 39% P_2O_5 with little or no contaminants (Feasibility Study released in 2013). The Company has 173,354,669 shares outstanding.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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Cautionary Statements Regarding Forward Looking Information

This news release contains “forward-looking statements” and “forward-looking information” within the meaning of applicable securities regulations in Canada and the United States (collectively, “forward-looking information”). Forward-looking information includes, but is not limited to, anticipated quality and production of the apatite concentrate at the Lac à Paul project. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects, “is expected”, “budget”, “scheduled”, “estimates”, forecasts”, “intends”, “anticipates”, or “believes”, or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might”, or “will” be taken, occur or be achieved. Forward-looking information is subject to be known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: volatile stock price; risks related to changes in commodity prices; sources and cost of power facilities; the estimation of initial and sustaining capital requirements; the estimation of labour and operating costs; the general global markets and economic conditions; the risk associated with exploration, development and operations of mineral deposits; the estimation of mineral reserves and resources; the risks associated with uninsurable risks arising during the course of exploration, development and production; risks associated with currency fluctuations; environmental risks; competition faced in securing experienced personnel; access to adequate infrastructure to support mining,

processing, development and exploration activities; the risks associated with changes in the mining regulatory regime governing the Company; completion of the environmental assessment process; risks related to regulatory and permitting delays; risks related to potential conflicts of interest; the reliance on key personnel; financing, capitalization and liquidity risks including the risk that the financing necessary to fund continued exploration and development activities at Lac à Paul project may not be available on satisfactory terms, or at all; the risk of potential dilution through the issue of common shares; the risk of litigation. Forward-looking information is based on assumptions management believes to be reasonable at the time such statements are made, including but not limited to, continued exploration activities, no material adverse change in commodity prices, exploration and development plans proceeding in accordance with plans and such plans achieving their stated expected outcomes, receipt of required regulatory approval, and such other assumptions and factors as set out herein. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is made as of the date of this press release, and the Company does not undertake to update such forward-looking information except in accordance with applicable securities laws.

SOURCE Arianne Phosphate Inc.