Arianne Phosphate Reaches Agreement to Significantly Reduce its Debt and Extends its Credit Facility on Much Improved Terms

-Company also enters into agreement with subordinated debt holders

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

SAGUENAY, QC, March 18, 2021 /CNW Telbec/ – **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 entered into an Agreement with its senior secured lender Mercury Financing Corp. ("Mercury" or the "Lender") by which the Lender has agreed to exercise its 26,780,000 warrants that it currently holds, thereby reducing the amount owed under the credit facility by roughly $6.6M to $24.9M (the "Loan"). Further, the Lender has also agreed to extend the Loan under the credit facility for a period of 5 years and reduce the annual interest rate to 8% from the previous 15% (the "Loan Extension"). In conjunction with the amended credit facility, the Lender will receive 32 million non-transferable share purchase warrants, exercisable at a price of $0.33 per share for a period of 5 years (the "2021 Warrants"). As well, these warrants will be subject to a "warrant blocker" provision.

Additionally, Arianne is also please to announce that it has also entered into Agreements with its subordinate unsecured debt holders amounting to a total of $5,970,155 whereby these debt holders have agreed to a conversion of their existing debt into common shares of the Company at a price of $0.275 per share (the "Debt Conversion"), representing the volume weighted average price of Arianne's common shares on the TSX-V for the previous 30 trading days.

"This is very significant news for Arianne and its shareholders," said Brian Ostroff, CEO of the Company. "By addressing this, Arianne has removed a significant concern of its shareholders and put the Company on a more solid foundation. This agreement allows Arianne to cut its overall debt by roughly a third, extend the maturity of its outstanding loan by a full five years and cut the interest rate almost in half which, will save the Company close to $3 million a year in interest payments. This agreement also fully aligns the Company and its lender, as Mercury through its decision to exercise its warrants, will now become a major shareholder of Arianne with over a 17% equity holding."

"This deal comes at an ideal time," added Mr. Ostroff. "Over the last few years, Arianne has been able to weather a very difficult macro while many others have not. The Company has advanced its Lac a Paul project to, what is today, arguably a best of breed asset. Now, we are seeing a drastic improvement in the agricultural sector with many grains trading at multiyear highs and, improved conditions for farmers along with tightness in markets, has led to a significant increase in the price of phosphate fertilizers with DAP prices having doubled in the last year. Arianne should now be very well-placed to take advantage of its position and advance its project, thus unlocking substantial returns for its investors and stakeholders."

Highlights of the Agreement with Mercury

- The Lender will exercise 26,780,000 warrants into the Company's common shares, thereby reducing the credit facility from $31,496,897 to $24,892,949, a reduction of $6,603,948;
- The credit facility will be extended for a period of 5 years at an annual interest rate of 8% (down from the previous 15%);
- The 8% annual interest can be paid by the Company, at its sole option, either in cash or in common shares of the Company (the "Share Interest Payment") at a price per share equal to the 1-year volume weighted average price and subject to the rules of the TSX Venture Exchange (the "TSX-V"), but the Company shall not issue commons shares resulting in the Lender holding more than more than 19.9% of the issued and outstanding common shares of the Company as a result of such Share Interest Payment. In such case, the balance of the interest which may not be paid in common shares shall be paid in cash;
- The Company will issue the Lender the 2021 Warrants. The Lender shall not be entitled to exercise 2021 Warrants which would result in the Lender holding, following such exercise, on a partially diluted basis, more than 19.9% of the issued and outstanding common shares of the Company. The Lender shall nevertheless be entitled to exercise such 2021 Warrants in the event of a transaction involving the Company, by way of Take-Over Bid (as defined under applicable Canadian securities legislation) or otherwise, resulting in the Company ceasing to be a publicly listed issuer on the TSX-V. In the event of a transaction of the Company resulting in the creation of a new Control Person (as defined in the policies of the TSX-V) and requiring the Company to obtain disinterested shareholder approval in connection with such transaction, the Company shall also request the approval of its disinterested shareholders in order to remove the warrant exercise restrictions from said 2021 Warrants, thereby entitling the Lender to become a Control Person of the Company;
- The Company will increase the buyback purchase price of the existing production fee granted in favour of the Lender to $11.25M;
- For as long as the Loan remains outstanding, the Lender shall have the right to designate a nominee for appointment to the board of directors of the Company;
- The Company has undertaken to raise additional funds in the amount of $3M within the 1-year anniversary of the closing of the transaction and, every anniversary thereafter for the three subsequent years, for total cumulative gross proceeds of $12M. Should the Company not raise additional funds on a yearly and cumulative basis, the Company shall issue the Lender an additional 5M non-transferable share purchase warrants (the

"Additional Warrants") per year where a funding milestone has not been met (maximum of 20M non-transferable warrants). Each warrant will be exercisable at a price per share equal to the market price on the date such warrants must be issued by the Company and will expire on the date the amended credit facility expires- for the first 4 years of the amended credit facility, in the event the Company has not repaid the Loan in full and the Lender remains the creditor of the Company in relation to such Loan, the Company shall grant the Lender an additional annual production fee of $0.25/tonne , which may be bought back by the Company for $2.25M, for a maximum annual additional production fee of $1/tonne (which may be bought back by the Company for a total amount of $9M).

Conversion of Existing Unsecured Debt

- The holders of $5,970,155 have decided to convert the debt into the common shares of the Company at a price of $0.275 per share (the "Debt Conversion"), representing the volume weighted average price of Arianne's common shares on the TSX-V for the previous 30 trading days.
- As a result of the Debt Conversion, the Company will issue a total of 21,709,655 common shares to such debt holders.
- The Company will cancel 11,028,584 warrants that were originally issued with the unsecured debt

The Loan Extension and Debt Conversion are expected to close on or about March 31, 2021. The completion of these transactions are subject to, notably, the approval of the TSX-V and the execution of definitive agreements in relation to each of the Loan Extension and the Debt Conversion. The 2021 Warrants, the Additional Warrants and the common shares of the Company issued under the Debt Conversion shall be subject to a four month hold period from their date of issuance.

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 171,688,003 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.

Follow Arianne on:
Facebook: https://www.facebook.com/ariannephosphate
Twitter: http://twitter.com/arianne_dan
YouTube: http://www.youtube.com/user/AriannеResources
Flickr: http://www.flickr.com/photos/arianneresources
Resource Investing News: http://resourceinvestingnews.com/?s=Arianne

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 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 approvals, 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.