Arianne Phosphate Reports Corporate and Financial Results for Second Quarter 2020

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

SAGUENAY, QC, Aug. 20, 2020 /CNW Telbec/ — **Arianne Phosphate (the "Company" or "Arianne") (TSX VENTURE: 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, reported its financial results for the three-month and six-month period ended June 30, 2020. All amounts are in Canadian dollars unless noted.

Q2 2020 Financial and Operational Highlights

- In July 2020, the Company announced that it has received favorable results from recently conducted metallurgical tests performed at COREM Labs in Quebec City, Canada. In tests run earlier this year, Arianne weighed the benefits of using a different collector agent sourced from NordChem, a Canadian-based company that provides tailor-made chemicals to the mining industry. Results received from these tests demonstrated that Arianne could produce a phosphate concentrate averaging 40.25% P_2O_5 with recoveries ranging between 91.1% and 93.2% and, combined with the rapidity with which this collector acts, would also produce cost savings in the production of the Company's high-purity concentrate.
- On June 30, 2020 Arianne extended its secured credit facilities held with Mercury Financing Corp. The extended secured credit facilities will have a maturity of June 15, 2021. These credit facilities will continue to bear interest at an annual rate of 15%, with

all interest capitalized through maturity. The Company has also issued Mercury 26,780,000 non-transferable warrants with an exercise price of $0.2466 per share.

- On June 10, 2020 the Company closed an equity financing in the amount of $1,500,000 financing. Under the terms of the financing, Arianne has issued 9,999,998 units at a price of $0.15 per unit. Each unit is comprised of one common share and one-half warrant. Each full warrant entitles the holder to purchase one common share at a price of $0.20 until June 10, 2023. The Government of Quebec subscribed 3,333,333 units in this placement through Investissement Quebec.
- In April 2020, Arianne received the final report from its partners for the optimization of the truck-trailer design. The new design will now allow for a payload of 150Mt as opposed to the original 120Mt of phosphate concentrate providing for greater economies of scale. This increased payload per run will both improve the Company's profitability as it lowers our FOB cost at port and, reduces the environmental footprint as Arianne will require fewer trucks to haul the same annual output.
- In April 2020, Arianne's Board and Management put into effect several changes to policy and budgeting in response to the Covid-19 crisis. The Company is continuing to closely monitor the situation and react to any changes that may need to be put in place to counter the path of the virus and any effect they may have on Arianne's operations.

Financial Summary

Arianne is a development-stage company and, as such, did not generate revenue or positive cash flow in Q2 2020. In the second quarter ended June 30, 2020, the Company incurred **net losses of $0.2 million (M) for the three-month period and** $0.6M for the six-month period. For the same period in 2019, the net loss incurred was $0.6M for the three-months period **and** $1.2M for the six-month period in 2019.

Outlook

Through the rest of 2020, Arianne will be focused on the ongoing advancement and development of its Lac à Paul project, namely:

- Complete partnership and financing arrangements;
- Continue to enhance the value of the project through project optimization;
- Continue our ongoing dialogue with Stakeholders.

Arianne's Management Discussion and Analysis and condensed consolidated interim financial statements for the six-month period ended June 30, 2020 are available on the Company's website and on SEDAR at www.sedar.com.

Also Arianne wishes to announce, subject to regulatory approval, the extension on the term of 1,441,250 common share purchase warrants ("Warrants") issued as part of a private placement which closed on August 22, 2017 for gross proceeds of $2,306,000. Each of the Warrants, which were part of the units being issued, entitles its holder to purchase one

common share of Arianne (a “Common Share”) at an exercise price of $1.25 per Common Share until August 22, 2020. Arianne has elected to extend the expiry date of the Warrants to August 22, 2022. No other Warrant terms are amended. Arianne will deliver a notice of extension to the registered holders of the Warrants.

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 123,198,348 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 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.