

# MBAC Fertilizer Provides Production and Corporate Update

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**TORONTO, ON--(Marketwired - October 08, 2014) - MBAC Fertilizer Corp.** ("MBAC" or the "Company") (TSX: MBC)(OTCQX: MBCFF) today provided an update on the production and operational activities completed in September (through September 30) at its Itafós operations in Brazil.

- Produced approximately 22,000 tonnes of Single Super Phosphate ("SSP").
- Produced approximately 10,500 tonnes of sulphuric acid.
- Established a daily production record of 1,700 tonnes of SSP, exceeding the expected daily production volume that Itafós was originally designed for.

Subsequent to September 30, MBAC has:

- Secured access to US\$1.6 million in new working capital from a Brazil-based lender with a long-standing relationship with the Company.
- Commenced purchasing Phosphate Rock ("phos-rock") from third parties for use as feedstock in the production of SSP at Itafós, thereby lowering production costs and de-risking the ramp up in production.

"Since resuming continuous production, we have made considerable progress towards our short-term goal of achieving commercial production of 25,000 tonnes of SSP per month," said Cristiano Melcher, President and CEO of MBAC Fertilizer. "Our production totals and the positive customer feedback received to date suggest a number of encouraging signs. The most important being that we are building momentum and executing against our strategic plan."

Given its recent production output and quality of SSP produced, the Company also announced that it is continuing to explore a number of options to ramp up its operations and strengthen its working capital position. As part of this strategic review process, MBAC has initiated the purchase of phos-rock from third parties to serve as feedstock for the Company's production of SSP. MBAC believes that the purchase of third party phos-rock allows the Company to immediately reduce production costs, accelerate production, generate positive cash flow in the near term as well as exceed nominal capacity of 500,000 tonnes per year in the longer term.

As previously noted, the Company has been attempting to address its liquidity issues through various strategic efforts to date. Concurrent with the review of new strategic alternatives, the Company continues to seek financing to address its near term liquidity issues. The Company's ability to continue as a going concern in the short term is dependent on the Company obtaining additional working capital facilities in the immediate term combined with the reprofiling of the existing secured facilities. Documentation on the reprofiling is currently being finalized. The Company is also engaged in discussions with its senior lenders in relation to its short-term funding requirements. As a result of these discussions, the Company announced that it has secured access to US\$ 1.6 million working capital loan from one of its senior lenders. The working capital will be used primarily to purchase phos-rock, supplies and spare parts needed for SSP production. Discussions for additional working capital facilities required for ensuring operational continuity are underway and are expected to be announced shortly.

In the event that the Company is unsuccessful in implementing viable solutions to address its liquidity issues, it may be required to pursue formal restructuring options in Canada and/or Brazil.

## About MBAC

MBAC is focused on becoming a significant integrated producer of phosphate and potash fertilizers and related products in the Brazilian market. MBAC has an experienced team with significant experience in the business of fertilizer operations, management, marketing and finance within Brazil. In October 2008, MBAC acquired Itafós Mineração Ltda., which consisted of a phosphate mine, a mill and plant and related

infrastructure, all located in central Brazil. Since late 2012, such operations have been phased out as the Company completed the construction of the Itafós Arraias SSP Project. The Santana Phosphate project is a high grade phosphate deposit located in close proximity to the largest fertilizer market of Mato Grosso State and animal feed market of Pará State. Further information on MBAC can be found on the Company's website at [www.mbacfert.com](http://www.mbacfert.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **FORWARD LOOKING STATEMENTS**

*This press release contains "forward-looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements related to activities, events or developments that the Company expects or anticipates will or may occur in the future, including, without limitation, statements related to the Company's business strategy, objectives and goals; the expectation of Itafós becoming a significant integrated producer of phosphate and potash fertilizers and related products in the Brazilian market; the Company evaluating all strategic options including pursuing additional financing options and potential restructuring options; the expectation that it will ramp up operations and reach commercial production of 25,000 tonnes of SSP per month; the Company's belief that the purchase of third party phos-rock would allow it to exceed its nominal capacity of 500,000 tonnes per year in the longer term, with the potential to generate positive cash flow in the near term.. Forward-looking statements are often identified by the use of words such as "plans", "planning", "planned", "expects" or "looking forward", "does not expect", "continues", "scheduled", "estimates", "forecasts", "intends", "potential", "anticipates", "does not anticipate", or "belief", or describes a "goal", or variation of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements are based on a number of factors and assumptions made by management and considered reasonable at the time such statements are made, and forward-looking statements involve known and unknown risks, uncertainties and other factors may cause the actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. Such risk factors include, among others, the Company not being successful at becoming a significant integrated producer of phosphate and potash fertilizers and related products in the Brazilian markets; the risk of not completing the ramp up of operations and reaching commercial production of 25,000 tonnes of SSP per month in the coming weeks; the risk that the Company may not be successful in its ongoing negotiations with its senior lenders, in obtaining additional working capital facilities in the immediate term and/or a long term debt solution to deal with the existing secured facilities; the risk that the Company may not be able to continue as a going concern; the Company not being successful at purchasing third party phos-rock in an effort to exceed its nominal capacity of 500,000 tonnes per year in the longer term or positive cash flow in the near term; the risk that the Company is unsuccessful in implementing viable solutions to address its liquidity issues; the risk that the Company may be required to pursue formal restructuring options in Canada and/or Brazil, as well as those factors disclosed in the Company's current Annual Information Form and Management's Discussion and Analysis, as well as other public disclosure documents, available on SEDAR at [www.sedar.com](http://www.sedar.com). Although MBAC has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate. The forward-looking statements contained herein are presented for the purposes of assisting investors in understanding the Company's plan, objectives and goals and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on forward-looking statements.*

**Shares Outstanding: 181,607,492**

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