

MBAC Fertilizer Provides Update on Strategic Review Process

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TORONTO, ON--(Marketwired - January 21, 2015) - [MBAC Fertilizer Corp.](#) ("MBAC" or the "Company") (TSX: MBC) today provided an update on its ongoing strategic review process aimed at improving the Company's liquidity and working capital position.

In consultation with its senior lenders, MBAC has engaged Deutsche Bank AG to act as its financial advisor in connection with the Company's strategic review process. As MBAC's advisor, Deutsche Bank AG has been given the mandate to help find a definitive solution to the Company's working capital constraints and liquidity requirements.

Options under consideration in the strategic review process include, but are not limited to, securing a strategic partner, the sale of the Company or its assets as well as other potential value-maximizing transactions. A number of potential candidates have already been selected and approached and are currently initiating the process of evaluation of the Company and the Itafós Operations.

Although MBAC believes that a long-term solution will be achieved in due course through the strategic process, the Company's ability to continue as a going concern is dependent on obtaining additional working capital funding in the immediate term. The Company continues to work with its senior lenders to obtain the required funding in the short term.

There can be no assurances that the Company will pursue or complete a business transaction or sale under its strategic process. The Board of Directors of the Company will review all possible strategic alternatives and weigh the relative benefits of such alternatives to stakeholders. Given the nature of the strategic review process and the need for confidentiality during potential negotiation discussions, MBAC does not intend to provide progress updates until such time as the Board of Directors approves or completes a transaction or otherwise determines that further disclosure is required.

As disclosed previously, the Company has put its Itafós Operations into minimum production mode in an effort to conserve working capital given that it is now low season for fertilizer sales in Brazil. To further preserve its working capital, the Company is evaluating the temporary suspension of its operations and putting the project into care and maintenance mode. MBAC will re-evaluate operations once fertilizer demand increases and the Company strengthens its working capital position in the coming months. Depending on the success of the strategic process and funding working capital requirements, the Company intends to resume full operation at Itafós.

About MBAC

MBAC is focused on becoming a significant integrated producer of phosphate 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. MBAC owns and operates the Itafós Arraias SSP Operations which consists of an integrated fertilizer producing facility comprised of a phosphate mine, a mill, a beneficiation plant, a sulphuric acid plant, an SSP plant and a granulation plant and related infrastructure located in central Brazil ("Itafós" or "Itafós Operations"). The Itafós Operations are estimated to have production capacity of approximately 500,000 tonnes of SSP per annum. MBAC's exploration portfolio includes a number of additional exciting projects, which are also located in Brazil. 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 and on SEDAR at 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 strategic review process, obtaining immediate term working capital funding; improving cash flow generation and the Company's business strategy, objectives and goal, including the expectation the MBAC will become a significant integrated producer of phosphate fertilizers and related products in the Brazilian market. 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 being unsuccessful in its strategic process and in rectifying its working capital constraints and liquidity issues; the Company ultimately not becoming a significant integrated producer of phosphate fertilizers and related products in the Brazilian market; the Company not being successful in improving cash flow generation 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. 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
Fully Diluted: 221,995,672

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