

TORONTO, ON--(Marketwired - June 15, 2015) - [MBAC Fertilizer Corp.](#) ("MBAC" or the "Company") (TSX: MBC) today announced that, following the receipt of non-binding proposals disclosed previously, it has now received revised proposals from third parties active in the fertilizer and agriculture sectors. The Company and its lenders are currently evaluating the proposals and defining next steps. Upon final settlement the chosen proposal is expected to address MBAC's liquidity requirements together with all other issues described below and result in the resumption of operations at its ItafÃ³s Arraias Operations.

As disclosed previously, MBAC is conducting a strategic process in collaboration with its senior lenders. Options under consideration 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. There can be no assurances that the Company will complete a business transaction or sale under its strategic process nor that a business transaction or sale will provide any value to all or any stakeholders.

MBAC also reports that two lawsuits have been filed against its wholly-owned subsidiary, ItafÃ³s MineracÃ£o Ltda. ("ItafÃ³s"), in Brazil by the Labour Public Ministry and the Arraias City Hall, respectively. The Company wishes to advise that it is defending its claims, that certain rulings rendered thus far are being challenged and that protocols for the re-hiring of employees will be followed once the strategic review process is completed.

The first lawsuit relates to a combination of a class action and individual claims from former employees for severance payments stemming from the Company's cost-cutting restructuring initiative that resulted in the ItafÃ³s Arraias Operations being put on care and maintenance. The total value claimed by the class action and the individual claims amounts to approximately US\$13.1 million. This amount includes the original outstanding severance amount of approximately US\$1.6 million and damages of approximately US\$11.5 million.

MBAC has already settled 120 individual claims heard to date using a working capital facility of US\$ 0.4 million obtained from one of its senior lenders for this purpose. Once all individual claims are settled, MBAC expects to be able to significantly reduce the total amount of penalties and damages that are being claimed.

In connection with the lawsuit, the labour judge of the State of Tocantins has placed certain of Company's fixed and non-fixed assets (valued at US\$2.7 million) in escrow to cover payments related to the claims and has ruled that the assets be sold by way of auction on June 30, 2015. These assets however are pledged to ItafÃ³s' lenders as part of the security package under the Company's project loan financing. As a result, the lenders are working to stop the auction.

The second lawsuit relates to a notification received on June 10th of a tax claim from the Arraias City Hall relating to Municipal Services Taxes ("ISS"). The claim states that the ISS associated with all services rendered to ItafÃ³s should be remitted to the City of Arraias regardless of whether the services were rendered locally or remotely. The total ISS amount being claimed is approximately US\$1.9 million, plus penalties and interest of US\$1.6 million for a total of US\$3.5 million. The Company believes that it has remitted ISS correctly in the appropriate jurisdictions, and will vigorously defend this lawsuit.

The Company will provide updates on its strategic review process and legal activities as material developments occur.

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 ItafÃ³s 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 ("ItafÃ³s Operations"). The ItafÃ³s 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 ParÃ¡ 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 evaluating payment options under the labour claims; the Company's plans to vigorously defend the tax claim the Company's expectation that it will be able to take the Itafos Operations off care and maintenance in the future; the Company's business strategy, objectives and goals; the expectation of MBAC becoming a significant integrated producer of phosphate fertilizers and related products in the Brazilian markets; MBAC continuing to explore and implement initiatives to address its liquidity and capital restructuring requirements and improve cash flow generation. 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 becoming a significant integrated producer of phosphate fertilizers and related products in the Brazilian markets; MBAC not being successful in continuing to explore and implement initiatives to address its liquidity and capital restructuring requirements; not being able to obtain additional funds and not being successful in its strategic process; not being able to improve 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 plans, objectives and goals and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on forward-looking statements.

Contact

For further information:

Joe Racanelli

TMX Equicom

416-815-0700 ext. 243

investor@mbacfert.com

www.mbacfert.com.