

TORONTO, ON--(Marketwired - July 27, 2015) - [MBAC Fertilizer Corp.](#) ("MBAC" or the "Company") (TSX: MBC) today announced that it has entered into exclusive discussions and negotiations with an investment fund (the "Offeror") active in the fertilizer industry that has submitted an offer as part of the Company's strategic review process. The exclusivity period with the Offeror will expire on the earlier of the execution of a binding definitive agreement and September 30, 2015.

The offer, which involves a recapitalization of the Company, is currently non-binding and subject to a number of conditions, including debt settlement with MBAC's creditors and senior lenders, a board restructuring and settlement of the Company's current liabilities; which could include informal settlements with creditors and, if deemed necessary, a formal plan for restructuring.

As a sign of commitment, and in recognition of exclusivity being granted, the Offeror has agreed to extend a senior secured bridge loan. The proceeds of which will be used primarily to prepare the plant for a potential resumption of operations and to fund general and administrative expenses related thereto. The bridge loan carries an interest rate of 15% per annum and will mature on the earlier of September 30, 2015, the date of execution of a binding definitive agreement or such later date as the Offeror and MBAC mutually agree.

The terms and conditions of a proposed transaction are being negotiated; however, there is no assurance that the transaction will be successfully agreed and concluded. In addition, the final terms and conditions of the transaction will be subject to all necessary approvals, including the approval of the boards of directors of MBAC and the Offeror, the shareholders of MBAC as well as applicable regulatory authorities, including the Toronto Stock Exchange. Both MBAC and Offeror are permitted to terminate the non-binding letter of intent at any time should either party determine not to proceed with a transaction.

There can be no assurances that the Company will pursue or 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.

The Company will provide further updates on its strategic review process as material developments occur.

The Company also announced that Peter Marrone has resigned as a director of the Company. The resignation paves the way for the board restructuring contemplated in the discussions with the Offeror and recognizes the new phase the Company is entering into. The Board wishes to thank Mr. Marrone for his contributions in the strategic process and his role in the engagement of the Company with the Offeror and other prospective parties in the strategic process.

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 offer and proposed transaction with the Offeror; 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 being successful in negotiating and completing the transaction with the Offeror; the Company not becoming a significant integrated producer of phosphate fertilizers and related products in the Brazilian markets; MBAC not being successful under its strategic process or in rectifying its liquidity and capital restructuring requirements; 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.

Shares Outstanding: 181,607,492

Fully Diluted: 221,612,672

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Visit our website at: www.mbacfert.com