

TORONTO, ON--(Marketwired - August 14, 2015) - [MBAC Fertilizer Corp.](#) ("MBAC" or the "Company") (TSX: MBC) announced today its financial results for the three and six months ended June 30, 2015 and provided an update on lawsuit claim against ItafÃ³s. All amounts, unless noted, are in U.S. currency.

Q2 2015 HIGHLIGHTS:

- Company continued in care and maintenance during Q2 2015, without any production.
- In response to MBAC's strategic review process, during the quarter MBAC has received non-binding indicative offers and expressions of interest from third parties, most of which are active in the fertilizer and agriculture sectors.
- Subsequent to quarter end, the Company entered into exclusive discussions and negotiations with an investment fund active in the fertilizer industry that has submitted an offer as part of the Company's strategic review process. 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.

FINANCIAL RESULTS

Q2 2015

MBAC incurred a net loss of \$12.8 million or \$0.07 basic and diluted net loss per share in Q2 2015. This compares to a net loss of \$7.0 million or \$0.04 basic and diluted net loss per share for Q2 2014.

The net loss was primarily due to finance expenses of approximately \$6.9 million and Operations care and maintenance expenses of \$5.4 million, which includes \$5.0 million of depreciation expense. Excluding foreign exchange impact, other non-cash items and non-recurring items, MBAC had an adjusted net loss¹ in Q2 2015 of \$9.6 million or \$0.05 adjusted basic and diluted net loss per share. This compares to an adjusted net loss of \$8.0 million or \$0.05 adjusted basic and diluted net loss per share in Q2 2014.

As at June 30, 2015, MBAC had cash and cash equivalents and restricted cash of \$0.2 million. This compares to bank indebtedness of \$1.6 million and restricted cash of \$1.4 million as at December 31, 2014.

Six months ended June 30, 2015

MBAC incurred a net loss of \$56.0 million or \$0.31 basic and diluted net loss per share for the six months ended June 30, 2015. This compares to a net loss of \$1.0 million or \$0.01 basic and diluted net loss per share for the same period in 2014.

The net loss was primarily due to finance expenses of approximately \$19.5 million, unrealized foreign exchange loss of \$17.6 million and Operations care and maintenance expenses of \$12.8 million, which includes \$10.3 million of depreciation expense. Excluding foreign exchange impact, other non-cash items and non-recurring items, MBAC had an adjusted net loss¹ for the first half of 2015 of \$35.9 million or \$0.20 adjusted basic and diluted net loss per share. This compares to an adjusted net loss of \$13.4 million or \$0.08 adjusted basic and diluted net loss per share for the first half of 2014.

MBAC's Financial Statements and Management Discussion and Analysis ("MD&A") for the six months ended June 30, 2015 are available on www.sedar.com and from the Company's website, www.mbacfert.com.

UPDATE ON LAWSUIT CLAIM AGAINST ITAFÃ³S

The proposed auction to sell certain assets of ItafÃ³s, which had been originally scheduled for June 30, 2015, was suspended by the judge of the Superior Court of Brasilia, following injunctions filed by the Company and certain lenders, as disclosed in the Company's press release dated June 15, 2015.

The labor judge of the State of Tocantins has decided to reinstate the action that places certain of Company's fixed and non-fixed assets (valued at approximately US\$2.7 million) in escrow and has ruled that the assets be sold by way of auction on September 3rd, 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 company and its lenders continue to work to stop the auction.

The Company wishes to advise that it continues its efforts towards reaching a definitive agreement with authorities and employees, that it will continue to defend its claims, and that it will provide updates on 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 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 expectation that it will be successful in its strategic process, 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.

¹ *Adjusted for the exclusion of certain non-cash and non-recurring items. Please refer to the Q2 2015 MD&A filed on www.sedar.com for a reconciliation of the Non-IFRS measures.*

Shares Outstanding: 181,607,492
Fully Diluted: 221,612,672

Contact

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