

TORONTO, ON--(Marketwired - November 16, 2015) - [MBAC Fertilizer Corp.](#) ("MBAC" or the "Company") (TSX: MBC) announced today its financial results for the three and nine months ended September 30, 2015. All amounts, unless noted, are in U.S. currency.

### Q3 2015 HIGHLIGHTS:

- Company continued in care and maintenance during Q3 2015, without any production.
- In response to MBAC's strategic review process, during the quarter the Company entered into exclusive discussions and negotiations with an investment fund active in the fertilizer industry that submitted an offer to MBAC. The offer 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.
- 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 of USD\$1.75 million carries an interest rate of 15% per annum

### Subsequent to quarter end:

- Negotiations with the investment fund active in the fertilizer industry continued. The parties mutually agreed to further extend the exclusivity period and the deadline for entering into definitive binding documentation to December 15, 2015. The parties have also agreed to extend the maturity date of the bridge loan which the investment fund had given the Company, from October 30, 2015 to the earlier of: (i) February 28, 2016; (ii) the closing of the recapitalization transaction which is being negotiated with the investor; or (iii) the termination of the letter of intent.

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.

## FINANCIAL RESULTS

### Q3 2015

MBAC incurred a net loss of \$46.2 million or \$0.25 basic and diluted net loss per share in Q3 2015. This compares to a net loss of \$18.3 million or \$0.10 basic and diluted net loss per share for Q3 2014.

The net loss was primarily due to finance expenses of approximately \$11.1 million and Operations care and maintenance expenses of \$4.7 million'. Excluding foreign exchange impact, other non-cash items and non-recurring items, MBAC had an adjusted net loss(1) in Q3 2015 of \$18.7 million or \$0.10 adjusted basic and diluted net loss per share. This compares to an adjusted net loss of \$2.2 million or \$0.01 adjusted basic and diluted net loss per share in Q3 2014.

As at September 30, 2015, MBAC had cash and cash equivalents and restricted cash of \$0.9 million. This compares to bank indebtedness of \$1.6 million and restricted cash of \$1.4 million as at December 31, 2014.

### Nine months ended September 30, 2015

MBAC incurred a net loss of \$102.2 million or \$0.56 basic and diluted net loss per share for the nine months ended September 30, 2015. This compares to a net loss of \$19.7 million or \$0.12 basic and diluted net loss per share for the same period in 2014.

The net loss was primarily due to finance expenses of approximately \$30.5 million, unrealized foreign exchange loss of \$44.2 million and Operations care and maintenance expenses of \$17.5 million, which includes \$14.6 million of depreciation expense. Excluding foreign exchange impact, other non-cash items and non-recurring items, MBAC had an adjusted net loss<sup>1</sup> for the first nine months of 2015 of \$54.7 million or \$0.30 adjusted basic and diluted net loss per share. This compares to an adjusted net loss of \$15.6 million or \$0.09 adjusted basic and diluted net loss per share for the first nine months of 2014.

MBAC's Financial Statements and Management Discussion and Analysis ("MD&A") for the nine months ended September 30, 2015 are available on [www.sedar.com](http://www.sedar.com) and from the Company's website, [www.mbacfert.com](http://www.mbacfert.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 being able to take the ItafÃ³s Operations off care and maintenance, 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 being successful in a search for a new chief financial officer; the Company not being successful in concluding definitive documentation with the offeror under its strategic process; the Company not being successfully in defending the lawsuits against ItafÃ³s and the preservation of its assets; 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](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 plans, objectives and goals and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on forward-looking statements.*

<sup>1</sup> 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](http://www.sedar.com) for a reconciliation of the Non-IFRS measures.

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

Contact

FOR FURTHER INFORMATION, PLEASE CONTACT:

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