

TORONTO, ON--(Marketwired - April 28, 2016) - [MBAC Fertilizer Corp.](#) ("MBAC" or the "Company") (TSX: MBC) announced today its results for the financial year ended December 31, 2015. All amounts, unless noted, are in U.S. currency.

The Financial Statements and Management Discussion and Analysis ("MD&A") and the Annual Information form (AIF) for the year ended December 31, 2015 are available under the Company's profile at www.sedar.com and from the Company's website, www.mbacfert.com.

2015 HIGHLIGHTS:

- ItafÃ³s Arraias SSP Operations continued in care/maintenance mode during 2015, without any SSP production.
- Zaff LLC ("Zaff") has made senior secured bridge loans of \$3.364 million to the Company during the year ended December 31, 2015, carrying an interest rate of 15% per annum. The proceeds have been used primarily to settle outstanding labour claims and to fund general/administrative expenses and preparatory expenses related to a possible resumption of activities.

HIGHLIGHTS SUBSEQUENT TO YEAR END:

- On April 5, 2016, the Company entered into a support agreement (the "Support Agreement") with Zaff, an investment fund active in the fertilizer industry, which has previously provided bridge financing to the Company, to give effect to a recapitalization of the Company. Under the agreement, the Company has agreed to pursue the completion of the Recapitalization pursuant to a plan of compromise and arrangement under the Companies' Creditors Arrangement Act (Canada) and a parallel extrajudicial restructuring proceeding in Brazil under The Bankruptcy Law (11,101/2005), (the "Brazil Proceeding"). Per the terms of the Support Agreement, Zaff will acquire substantially all of the outstanding secured and guaranteed debt of the Company and its Brazilian subsidiaries, as well as certain outstanding unsecured debts of the Company and of the Company's Brazilian subsidiaries that are not guaranteed by the Company. Under the Canadian restructuring, unsecured creditors of the Company will receive either a percentage of their claim in cash or, in the alternative, a combination of (i) restructured debt of MBAC's primary operating subsidiary or (if elected by the applicable creditor) restructured debt of MBAC; and (ii) common shares of MBAC or (if elected by the applicable creditor) share purchase warrants of an MBAC subsidiary exercisable for common shares of MBAC. As a result of the Brazilian Proceeding, certain secured and unsecured creditors of the Brazilian subsidiaries of the Company will receive either cash or, in the alternative, a combination of (i) restructured debt of the respective MBAC Brazilian subsidiary; and (ii) common shares of MBAC or (if elected by the applicable creditor) share purchase warrants. Upon completion of all transactions contemplated by the Support Agreement, Zaff will receive securities representing a controlling interest in the common equity of reorganized MBAC in exchange for the compromise of the acquired debt and the interim working capital financing that has been provided or will be provided to the Company. Subject to certain conditions, Zaff will fund the Company's funding requirements during the term of the Support Agreement, up to a maximum of \$5 million. Additionally, MBAC will indirectly acquire all of the shares of [GB Minerals Ltd.](#) ("GBL") beneficially held by Zaff in return for common shares of MBAC at a ratio of 2.5 shares of MBAC for each share of GBL so acquired. If the transaction contemplated in and by the Support Agreement is not implemented, the Company may not be able to secure the funding necessary to continue to meet its debt obligations and, in that case, its ability to continue as a going concern would be highly unlikely.
- On April 15, 2016, the TSX announced that the Company's common shares and share purchase warrants would be delisted from the TSX effective May 13, 2016.

ITAFÃ³S OPERATIONS

MBAC's performance throughout 2014 and 2015 was impacted by significant working capital constraints. In early 2015, the Company suspended production at its ItafÃ³s Arraias SSP Operations and placed the operations on care and maintenance. The Company expects to resume production if and when its recapitalization transaction contemplated in the Support Agreement is successfully completed and its liquidity constraints are resolved. Given that the recapitalization transaction is ongoing and that the Company has no certainty of when, or if, the recapitalization transaction will be successfully completed, MBAC's previously disclosed production and sales guidance for 2016 and 2017 are no longer valid and should not be relied upon.

Q4 2015 AND FY2015 FINANCIAL RESULTS

Prior to reaching commercial production, MBAC capitalized all costs related to ItafÃ³s to property, plant and equipment. As operations were placed in care and maintenance mode, such costs were expensed in 2015.

MBAC continues to expect that over the longer-term its future sales growth will be supported by strong market fundamentals and demand trends in Brazil. Fertilizer consumption has continued to be strong, driven by increased intensity of fertilizer application and increased planting area. Brazil.

MBAC incurred a net loss of \$15.4 million or \$0.09 basic and diluted loss per share in Q4 2015. This compares to a net loss of

\$8.8 million or \$0.06 basic and diluted loss per share for Q4 2014.

For the year ended December 31, 2015, MBAC incurred a net loss of \$117.62 million or \$0.65 net loss per share, up from a net loss of \$28.5 million or \$0.16 net loss per share for 2014. The increase in net loss was primarily due to higher selling, general and administrative expenses (due to Itafos being in care and maintenance mode) and higher unrealized foreign exchange loss. Excluding unrealized foreign exchange loss of \$43.6 million as well as other non-cash or non-recurring items totaling a loss of \$7.8 million, MBAC incurred an adjusted net loss of \$66.47 million or \$0.36 adjusted net loss per share for 2015. This compares to an adjusted net loss of \$18.9 million or \$0.11 adjusted net loss per share for 2014.

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.

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 after re-evaluation in the coming months and resume production, the Company's expectation that it will be successful in implementing the transaction contemplated by the Support Agreement, 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 but are not limited to, actions taken by creditors of the Company, shareholders, regulators, governmental agencies and other stakeholders to enforce their rights; the Company's ability to complete the transactions contemplated by the Support Agreement, which is subject to the satisfaction or waiver of conditions some of which are beyond the control of the Company; MBAC's and its subsidiaries' level of indebtedness; the volatility of its stock price and the ability of the securities of MBAC to remain listed on a Canadian stock exchange; 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.

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