

TORONTO, ON--(Marketwired - August 04, 2016) - [MBAC Fertilizer Corp.](#) (TSX VENTURE: MBC) (MBAC or the Company) announced that, further to its announcement of earlier today, the Company and its wholly-owned subsidiary, MBAC Opportunities and Financing Inc. (together with MBAC, the Applicants), have obtained an Initial Order from the Ontario Superior Court of Justice (Commercial List) under the *Companies' Creditors Arrangement Act* (CCAA).

The Initial Order authorizes: (i) the Applicants to commence a Court-supervised restructuring proceeding; (ii) provides protections to allow normal operations to continue as the Applicants proceed to consummate a proposed comprehensive restructuring transaction (the Recapitalization) further to MBAC's previously announced support agreement with Zaff LLC; and (iii) an interim financing facility of up to \$4,000,000 to provide funding to the Applicants and their subsidiaries while the Recapitalization process is ongoing. The Initial Order of the Court provides that the Company is relieved of any obligation to call and hold an annual meeting of its shareholders until further ordered by the Court.

Under the Initial Order, the Court also appointed Ernst & Young Inc. as monitor (the Monitor) of the Applicants.

The Company has also obtained a Meeting Order authorizing it to call a meeting of affected unsecured creditors to consider and vote on the plan of compromise and arrangement in connection with the Recapitalization (the Plan), which meeting has been scheduled for September 14, 2016 at 10 a.m. A motion for approval of the Plan by the Court has been scheduled for September 22, 2016.

The Applicants have also obtained a Claims Procedure Order to establish a process to call for and determine claims against the Applicants and certain of their subsidiaries. A claims bar date of 5:00 p.m. (Toronto time) on August 29, 2016 has been set under the Claims Procedure Order.

Additional information regarding MBAC's CCAA proceedings will be available on the monitor's website at <http://www.ey.com/ca/mbac>.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of applicable Canadian securities legislation. These forward-looking statements include, but are not limited to, statements concerning the implementation of the CCAA proceedings, the Recapitalization and the Company's future financial condition. Forward-looking statements can be identified by the use of words, such as "are expected", "is forecast", "is targeted", "approximately" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance to be materially different from any future results or performance expressed or implied by the forward-looking statements.

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 that 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 implementation and impact of the Recapitalization; the failure of the courts or other regulatory authorities to grant the protection sought by the Company under CCAA proceedings in Canada and/or proceedings under other applicable jurisdictions (including in Brazil); failure of the Company to complete the Recapitalization or otherwise reach an agreement with its creditors to restructure the Company's capital structure; any negative impact on the Company's current operations as a result of the Recapitalization; the cancellation or extensive dilution of the Company's equity securities as a result of the Recapitalization; the Company's ability to satisfy the conditions for trading on the TSX Venture Exchange; the Company's ability to generate sufficient cash flow from operations or obtain adequate financing to fund its capital expenditures and meeting working capital needs; the Company's ability to maintain relationships with suppliers, customers, employees, stockholders and other third parties in light of the current liquidity situation and the CCAA proceedings; 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. The implementation of the Recapitalization is subject to a number of conditions and other risks and uncertainties including, without limitation, court and any required regulatory approvals. Accordingly, there can be no assurance that the Recapitalization will occur, or that it will occur on the terms and conditions contemplated. The Recapitalization could be modified, restructured or terminated.

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. Except as required by law, MBAC disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained in this press release to reflect future results, events or developments.

About MBAC

MBAC (TSX VENTURE: MBC) 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. MBAC's exploration portfolio includes a number of additional 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.

Contact

FOR FURTHER INFORMATION, PLEASE CONTACT:

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