TORONTO, ONTARIO--(Marketwired - Sep 7, 2016) - MBAC Fertilizer Corp. (MBAC or the Company) announces that, further to its press release of August 4, 2016, the extrajudicial consolidated restructuring proceeding filed by Itafós Mineração S.A., MBAC Fertilizantes S.A. and MBAC Desenvolvimento S.A., each a wholly-owned subsidiary of MBAC, with the court of Arraias, State of Tocantins (the Brazilian Court) under applicable restructuring law in Brazil (the Brazil Restructuring Plan), was approved by the Brazilian Court on August 29, 2016.

The Brazil Restructuring Plan, which under the Brazilian Bankruptcy Law 11.101/2005 requires approval of creditors holding at least 60% of affected claims in order to be binding upon non signatory creditors, received approval of claimholders retaining in excess of 90% of the unsecured claims. As a result, the Brazil Restructuring Plan was confirmed by the Brazilian Court, and a total amount of R$760 million (ca. US$235 million) will be restructured, with creditors having the option of either receiving a cash upfront payment of up to R$15,000 (ca.US$ 4,700) or receiving 100% of their claims, being 10% in unsecured convertible debentures (the Debentures) of the Brazilian subsidiary against which the creditor's claim exists and the remaining 90% in warrants (Warrants), or 100% in Warrants as well. The Warrants will grant a creditor the right to purchase preferred shares (the Preferred Shares) issued by the Brazilian subsidiary against which such creditor holds its unsecured claim. The Debentures will grant to the creditors the right to receive either (i) cash yearly installments at an interest rate of 10% per annum, with a one year grace period for the first installment, over a 10 year period; or (ii) the right to convert the Debentures into Preferred Shares of the Brazilian subsidiary which issued the Debentures. Preferred Shares issued by the respective Brazilian subsidiary are convertible, at the option of the holder, into shares of MBAC and are redeemable by the Brazilian subsidiary that issued such Preferred Shares.

On August 4, 2016, the Company and its wholly-owned subsidiaries, MBAC Opportunities and Financing Inc., MBAC International Holdings Coöperatie U.A. and MBAC (Barbados) Inc., obtained an Initial Order from the Superior Court of Justice in Ontario under the *Companies' Creditors Arrangement Act* in connection with the implementation of a recapitalization transaction (the Recapitalization) pursuant to an amended and restated support agreement (the A&R Support Agreement) with Zaff LLC. Approval of the Brazil Restructuring Plan by the Brazilian Court is a condition to the implementation of the Recapitalization. The Brazil Restructuring Plan will only be implemented in combination and concurrently with the Recapitalization.

Completion of the Recapitalization is subject to the receipt of all necessary approvals, as well as the satisfaction or waiver of all the conditions of the A&R Support Agreement, and the Company can give no assurances that the Recapitalization will be completed.

Forward-Looking Statements

This news 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 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 Recapitalization in Canada and/or proceedings under other applicable jurisdictions (including the Brazil Restructuring Plan); 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 Recapitalization; 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 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 Itafós 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 Pará State.

Contact

MBAC Fertilizer Corp.
investor@mbacfert.com
www.mbacfert.com