



**CHARTER OF THE COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS
DATED AS OF AUGUST 1st, 2010**

1. PURPOSE

- 1.1 The compensation committee (the "Committee") is a committee of the Board of Directors (the "Board") of MBAC Fertilizer Corp. (the "Company") with the primary function to assist the Board in fulfilling its oversight responsibilities by:
- (a) Reviewing and approving and then recommending to the Board salary, bonus, and other benefits, direct or indirect, and any change-of-control packages of the President and Chief Executive Officer of the Company;
 - (b) Considering and approving the recommendation(s) of the Chairman and President and Chief Executive Officer of the Company on the salary, bonus, and other benefits, direct or indirect, and any change-of-control packages of the Chief Financial Officer of the Company;
 - (c) Reviewing compensation of the Board on at least an annual basis;
 - (d) Attending to the administration of the Company's compensation plans, including stock option plans, outside directors compensation plans, and such other compensation plans or structures as are adopted by the Company from time to time;
 - (e) Researching and identifying trends in employment benefits;
 - (f) Establishing and periodically reviewing the Company's policies in the area of Management benefits and perquisites based on comparable benefits and perquisites in the mining industry.

2. COMPOSITION AND MEETINGS

- 2.1 The Committee shall be comprised of at least three directors, each of whom shall be an "independent director" within the meaning of National Policy 58-201 - *Corporate Governance Guidelines*, as outlined in Schedule "A" attached hereto. Pursuant to Canadian corporate governance guidelines, in order to be considered "independent", directors shall have no direct or indirect material relationship with the Company. Each Committee member shall also possess skills and/or experience which are relevant to the mandate of the Committee.
- 2.2 The members of the Committee shall be appointed by the Board at the annual organizational meeting of the Board or at such other time determined by the Board.
- 2.3 Unless a Chairman of the Committee is appointed by the full Board, the members of the Committee may designate a Chairman by majority vote of the full membership of the Committee.
- 2.4 The Committee may ask members of management of the Company ("Management") or others to attend meetings or to provide information as necessary. The Committee may retain and terminate the services of outside compensation specialists and other advisors to

the extent required, and shall have the sole authority to approve their fees and other retention terms. The Company shall provide for appropriate funding, as determined by the Committee, for payment to any compensation specialist or other advisors retained by the Committee, search firms, counsel or other consultants.

2.5 Quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee or such greater number as the Committee shall by resolution determine.

2.6 Meetings of the Committee shall be held from time to time as the Committee or the Chairman of the Committee shall determine upon 48 hours notice to each of its members. The notice period may be waived by a quorum of the Committee.

3. **RESPONSIBILITIES AND DUTIES**

3.1 Responsibilities and duties of the Committee include:

- (a) Annually reviewing and revising this Charter as necessary with the approval of the Board.
- (b) Providing periodic reports to the Board on compensation matters.
- (c) Annually reviewing and making recommendations to the Board upon the recommendation(s) of the Chairman and President and Chief Executive Officer of the Company with respect to the Company's overall compensation and benefits philosophies and programs for the Chief Financial Officer, the Vice President of Corporate Development, the Vice President of Exploration and the Vice President of Operations of the Company, including base salaries, bonus and any incentive plans, deferred compensation and retirement plans and share purchase or issuance plans including stock options. As part of its review process, the Committee will review peer group and other mining industry compensation data reported through surveys and other sources.
- (d) Annually reviewing and making recommendations to the Board with respect to the Company's compensation and benefit programs for the President and Chief Executive Officer of the Company, including base salary, bonus or other performance incentives and stock options. In setting the President and Chief Executive Officer's salary, the Committee will take into consideration salaries paid to chief executive officers in the mining industry. The President and Chief Executive Officer's contribution towards the Company's achievement of business goals and objectives for the previous financial year will form the basis for the Committee's recommendations concerning bonus or other performance recognition awards.
- (e) In consultation with the Chairman and President and Chief Executive Officer of the Company, reviewing and making recommendations to the Board with respect to the implementation or variation of stock option, share purchase plans, compensation and incentive plans and retirement plans. The number of options granted will give consideration to the potential contribution an individual may make to the success of the Company.
- (f) The Committee shall prepare reports as required pursuant to applicable securities laws and ensure that it reviews all executive compensation disclosure before it is publicly disclosed by the Company.

- (g) The Committee is responsible for reviewing and recommending to the Board the compensation of the Board including annual retainer, meeting fees, option grants and other benefits conferred upon the Board.
- (h) The Committee is responsible for viewing and submitting to the Board as a whole, recommendations concerning executive compensation and compensation plan matters. Unless such matters are delegated specifically to the Compensation Committee, the Compensation Committee shall only make recommendations to the Board for their consideration and approval, if appropriate. The Board will have the responsibility to instruct management to implement the directives.