

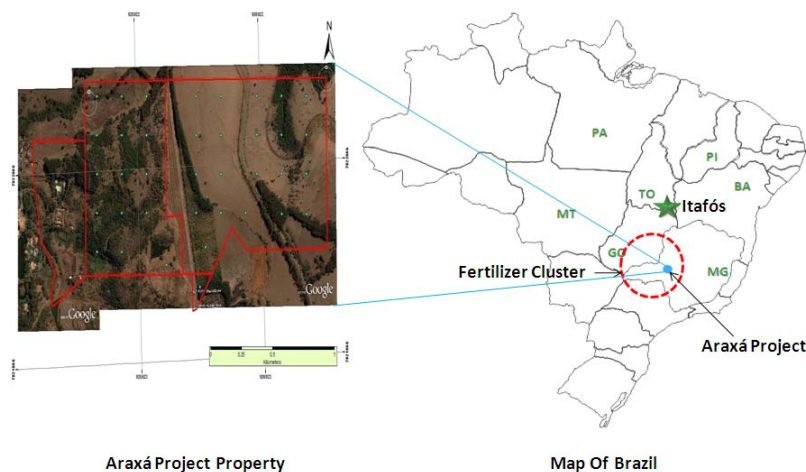
<b>Symbol:</b>	<b>MBC:TSX</b>
<b>Shares Outstanding:</b>	<b>86,374,336</b>
<b>Fully Diluted:</b>	<b>94,388,643</b>

## **MBAC ACQUIRES OPTION TO BUY PHOSPHATE PROJECT IN SOUTH EAST BRAZIL**

Toronto, Ontario, June 29, 2011, MBAC Fertilizer Corp. (“MBAC” or the “Company”) (TSX:MBC) is pleased to announce that it has acquired an option to purchase 100% of a phosphate project (the “Araxá Project”) located in the Municipality of Araxá in the southern part of Minas Gerais State, Brazil. The option has been acquired from a private vendor and the exercise of the option to acquire the project is subject to certain conditions, including the completion of satisfactory due diligence by MBAC.

### **The Araxá Project**

The phosphate project consists of four tenements covering 214 hectares of a carbonatite in close proximity to the Municipality of Araxá in Minas Gerais State, and contains Rare Earth Elements (REE) and Niobium mineralization (see map). Phosphate occurrences in the carbonatite were first discovered in the early 1950s and the tenement areas optioned to MBAC have been explored in the past by companies such as Companhia Brasileira de Metalurgia e Mineração (“CBMM”) and Rhodia Group. The area in which the project is situated hosts excellent infrastructure and is home to one of the largest phosphate fertilizer producers in Brazil. Numerous blenders and fertilizer distributors are also established in the region, which is commonly referred to in the industry as the “fertilizer cluster” in Brazil.



For many years Vale and its predecessors as well as CBMM have been large scale producers of Niobium and phosphate from carbonatite mines located in the same region. REE and Niobium



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occurrences have been identified in the course of exploring the carbonatite for phosphate and found to be concentrated to a greater extent in 70 to 80 hectares that are centrally positioned in the Araxá Project area.

"We believe this project presents a great opportunity for MBAC given its historical grades, size and, most importantly, the strategic location in the "fertilizer cluster" region of Brazil. Our aim continues to become a leading fertilizer supplier in Brazil and the location and other attributes of this phosphate-Nb-REE deposit will continue to bring us closer to our vision. It is our belief that the Nb-REE mineralization will provide a strong economic benefit for the overall project and we expect to be in a position to exercise the option in the near term. We are currently in discussions with third parties interested in the development of the Niobium and REE mineralization area of the project. The Nb-REE area has been drilled to a considerable extent and has the potential to generate a mineral resource in a short time frame" commented Antenor Silva, President and CEO.

Under the terms of the option, MBAC has agreed to pay to the vendor an initial fee of US \$100,000, which will trigger a 90-day period for MBAC to complete due diligence on the project. Upon the completion of due diligence, in the event MBAC decides to proceed with exercising the option, MBAC will work together with the vendor to obtain the initial environmental license as a next step. The final payment to acquire 100% of the project under the option is payable in instalments after the receipt of the initial environmental license, the construction license and the operation license, respectively. In addition, the vendor will be entitled to a net smelter return royalty on revenue generated from the production of phosphate, Niobium and REE from the project.

For further information:

Steve Burleton, Vice President, Corporate Development, at 416-367-2200, investor@mbacfert.com or visit our website at: [www.mbacfert.com](http://www.mbacfert.com)

### **About MBAC**

MBAC is focused on becoming a significant integrated producer of phosphate and potash fertilizers in the Brazilian and Latin American markets. MBAC has an experienced team with over 150 years of combined experience in the business of fertilizer operations, management, marketing and finance within Brazil. In October 2008, MBAC acquired Itafós Mineração Ltda, which consisted of a phosphate mine, a mill and plant and related infrastructure, all located in central Brazil. MBAC's exploration portfolio includes a number of additional phosphate and potash projects, which are also located in Brazil. The Company continues to search for additional fertilizer opportunities in the Brazilian and other Latin-American markets, where strong agricultural fundamentals and unique opportunities are expected to provide attractive growth opportunities in the near future. Further information on MBAC can be found on the Company's website at [www.mbacfert.com](http://www.mbacfert.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

**Antenor Silva**  
**President & Chief Executive Officer**

### **FORWARD LOOKING STATEMENTS**



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*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's business strategy, objectives and goals; the exercise of the option to acquire 100% of the Araxá Project; and the develop of the Nb-REE area of the project. 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 factors include, among others, the completion of satisfactory due diligence, including verification of historical data related to the Araxá Project; obtaining all necessary licenses to explore and develop the project; successful negotiation with third parties to develop the Nb-REE area of the project; successful definition of a current mineral resource at the project; 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 plan, objectives and goals and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on forward-looking statements.*