

TSX:	MBC
OTCQX:	MBCFF
Shares Outstanding:	97,720,219
Fully Diluted:	105,007,635

NEWS RELEASE

FOR IMMEDIATE RELEASE: DECEMBER 6, 2011

**MBAC REPORTS NI 43-101 RESOURCE ESTIMATE FOR WORLD CLASS  
ARAXÁ RARE EARTH OXIDE/NIOBIUM/PHOSPHATE DEPOSIT**

Toronto, Ontario, December 6, 2011, MBAC Fertilizer Corp. (“MBAC” or the “Company”) (TSX:MBC and OTCQX:MBCFF) is very pleased to report a National Instrument 43-101 (“NI 43-101”) compliant independent inferred mineral resource estimate for the rare earths oxides at the Company’s 100% owned Araxá Rare Earth Oxide (“REO”)-Niobium-Phosphate Project (the “Araxá Project” or the “Project”) located in the western part of Minas Gerais State, Brazil. The inferred mineral resource estimate is based on 35 diamond drill holes for 3,485 metres, 68 auger holes for 381 metres and 43 pits for 436 metres.

**Highlights of Mineral Resource Estimate:**

- The inferred mineral resource estimate comprises **2.7M tonnes with an average total REO (“TREO”) content of 8.39%** (using a 6% TREO cut-off) and an average of 1.4% Nb<sub>2</sub>O<sub>5</sub> and 9.9% P<sub>2</sub>O<sub>5</sub>
- Heavy rare earth oxides (“HREO”) represent 2.22% of the TREO based on the recent MBAC assays.
- These grades place the Araxá deposit as one of the highest grade REO deposits in the world.
- An additional exploration target has been defined by existing wide spaced diamond drill holes consisting of between 28M tonnes and 34M tonnes at between 4% TREO and 6% TREO.

Antenor Silva, President and CEO, stated “*This resource estimate places Araxá as one of the highest grade REO deposits in the world. The monazite mineral found at the property is one of the typical sources of rare earths and should give us confidence that the material should be able to be processed into the various REO concentrates. We are currently undertaking metallurgical tests to confirm the ability to produce the REO concentrates. The deposit is situated in the fertilizer cluster of Brazil in Minas Gerais State which has excellent infrastructure. We continue to see great interest from companies looking for off-take agreements not only for the rare earth elements but for the niobium as well. It is important to remember that the rare earth niobium deposit is sitting above what we believe to be a very significant phosphate deposit. Our next milestone is to complete a preliminary economic assessment for the rare earth oxides which is expected in the first quarter of 2012.*”

**The Araxá Project**

The Project consists of four tenements covering 214 hectares. The Barreiro carbonatite containing the Araxá REO is also the host rock to the Brazilian Company Companhia Brasileira de Metalurgia e Mineração’s (“CBMM”) massive niobium mine which currently supplies approximately 85% of the

world's niobium each year. Historical exploration from the Araxá Project has led to the discovery of significant REO, phosphate and niobium mineralization. Phosphate occurrences in the carbonatite were first discovered in the early 1950's and the tenement areas optioned to MBAC have been explored over the past 50 years by DNPM/Geosol, IPR, CBMM, Rhône-Poulenc and Extramil (including a joint venture partner – CIF).

### Summary of the Mineral Resource Estimate

The Araxá inferred mineral resource estimate is based on 35 diamond holes (3,485m), 68 auger holes (381m) and 43 pits (436m) drilled at a spacing of approximately 40m by 40m. Only data received as at December 1, 2011 has been used in this estimate. MBAC has an ongoing 3,000m infill and extensional diamond drill hole program underway but no results are available from this phase of drilling.

The mineral resource estimate is focussed on an area of 480m by 240m which hosts the majority of the 40m spaced drilling. Other wide spaced drilling has not been included as the 200m spacing is too wide to allow sufficient geological confidence. The majority of sample data was completed in mineralization at between 10m to 50m in depth although there are limited diamond holes deeper than 40m vertical depth and as such the footwall limit to the mineralization is poorly defined. All mineralization is contained within saprolitic material and has been interpolated as a single mineralized horizontal domain. The REO mineralization remains open in all directions.

The historical exploration data was assessed for its precision and accuracy where possible. Only the Extramil series of diamond core holes was available to resample but these holes had no immediate influence on the current inferred resource area. The majority of the historical samples have hard copy assay certificates available and have been analyzed in respected international laboratories. In addition, MBAC completed 36 auger holes which were analyzed at SGS Geosol laboratory. The results to these auger holes were compared to historical holes drilled within 15 metres and moderate precision was found. The MBAC auger holes were submitted with two (2) Geostats Pty Ltd certified REO standards and were returned acceptable accuracy.

The mineral resource has been classified by qualified person Beau Nicholls (BSc (Geo) MAIG) principal consulting geologist for Amazon Geoservices Ltda ("Amazon Geoservices") in accordance with NI 43-101 effective as of December 2, 2011. The inferred mineral resource estimate comprises of **2.7M tonnes with an average TREO content of 8.39%** (using a 6% TREO cut-off) and an average of 1.41% Nb<sub>2</sub>O<sub>5</sub> and 9.91% P<sub>2</sub>O<sub>5</sub>

**Table 1**  
**Araxá REO-Niobium- Phosphate Project**  
**Inferred Mineral Resource Grade Tonnage Report 2 December 2011**  
**Inverse distance weighted to Power Two (IDW2)**  
**Block Model – 12.5mE X 12.5mN X 3mRL**

<b>Cutoff (% TREO)</b>	<b>Tonnes (Mt)</b>	<b>TREO %</b>	<b>LREO % **</b>	<b>HREO % **</b>	<b>P<sub>2</sub>O<sub>5</sub> %</b>	<b>Nb<sub>2</sub>O<sub>5</sub> %</b>	<b>CeO<sub>2</sub> %</b>	<b>La<sub>2</sub>O<sub>3</sub> %</b>	<b>Y<sub>2</sub>O<sub>3</sub> %</b>
0	8	5.90	5.77	0.13	9.75	1.00	2.86	1.70	0.08
2	8	5.90	5.77	0.13	9.75	1.00	2.86	1.70	0.08
4	6.9	6.25	6.11	0.14	9.70	1.05	3.02	1.81	0.08
<b>6</b>	<b>2.7</b>	<b>8.39</b>	<b>8.21</b>	<b>0.19</b>	<b>9.91</b>	<b>1.41</b>	<b>4.06</b>	<b>2.45</b>	<b>0.10</b>
8	1	10.90	10.66	0.24	11.78	1.95	5.34	3.127	0.12
10	0.5	13.03	12.74	0.29	13.01	2.25	6.44	3.68	0.14

*Mineral resources are not mineral reserves and do not have demonstrated economic viability  
 Appropriate rounding has been applied to the table 1*

**TREO** includes La<sub>2</sub>O<sub>3</sub>, Ce<sub>2</sub>O<sub>3</sub>, Pr<sub>2</sub>O<sub>3</sub>, Nd<sub>2</sub>O<sub>3</sub>, Sm<sub>2</sub>O<sub>3</sub>, Eu<sub>2</sub>O<sub>3</sub>, Gd<sub>2</sub>O<sub>3</sub>, Tb<sub>2</sub>O<sub>3</sub>, Dy<sub>2</sub>O<sub>3</sub>, Ho<sub>2</sub>O<sub>3</sub>, Er<sub>2</sub>O<sub>3</sub>, Tm<sub>2</sub>O<sub>3</sub>, Yb<sub>2</sub>O<sub>3</sub>, Lu<sub>2</sub>O<sub>3</sub> and Y<sub>2</sub>O<sub>3</sub>

**LREO (97.78% of TREO)** includes La<sub>2</sub>O<sub>3</sub>, Ce<sub>2</sub>O<sub>3</sub>, Pr<sub>2</sub>O<sub>3</sub>, Nd<sub>2</sub>O<sub>3</sub> and Sm<sub>2</sub>O<sub>3</sub>.

**HREO (2.22% of TREO)** includes Tb<sub>2</sub>O<sub>3</sub>, Dy<sub>2</sub>O<sub>3</sub>, Ho<sub>2</sub>O<sub>3</sub>, Er<sub>2</sub>O<sub>3</sub>, Tm<sub>2</sub>O<sub>3</sub>, Eu<sub>2</sub>O<sub>3</sub> and Gd<sub>2</sub>O<sub>3</sub> and Lu<sub>2</sub>O<sub>3</sub>.

**\*\*Only 4.5 % of the database was analyzed for TREO. A factor of 1.27 was determined by analysis of this data and applied to the sum of CeO<sub>2</sub> + La<sub>2</sub>O<sub>3</sub> + Y<sub>2</sub>O<sub>3</sub> which was analysed for all holes.**

### Future Exploration Target

An exploration target has been defined by existing 200m to 400m wide spaced diamond drill holes with between 28Mt and 34Mt at between 4% TREO and 6% TREO. It is important to point out that the potential quantity and grade of the exploration target is conceptual in nature. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource.

MBAC is currently drilling the deposit at 40 metre spacing in the REO mineralized area aiming to define measured and indicated resources. The samples are being analyzed via ICP-MS at SGS Geosol laboratory located in Belo Horizonte, Brazil.

Surface topography has been completed utilizing a total station to an accuracy of +/-10cm.

The majority of the exploration data is historical, however Amazon Geoservices has completed a site visit and validated the drill hole positions and geology in the field and have reviewed the available diamond core which is stored in Belo Horizonte. Due diligence grab samples have been taken in the field by Amazon Geoservices and a resampling umpire program for the available diamond drill holes duplicate samples and auger sampling was submitted to SGS Geosol laboratories along with appropriate QAQC. The full suite of REO has not been systematically analyzed by historic explorers. A factor of 1.27 has been determined by MBAC and Extramil assays to allow a global resource estimate to be undertaken at this stage of exploration. Current MBAC drilling will analyze the full suite of rare earth elements.

## Qualified Persons

Beau Nicholls, (MAIG) principal consulting geologist of Amazon Geoservices, is the qualified person who has approved the contents of this press release.

For further information:

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## 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

*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; exploration of the Araxá Project; the completion of further NI 43-101 resource estimates; the develop of the newly defined exploration target area of the Project and the results of MBAC's current infill and extension drilling program at the Project, the expected results of current metallurgical tests to confirm the ability to produce the REO concentrates and the completion of a preliminary economic assessment by Q1 2012. 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 inability to complete further NI 43-101 resource estimates, the inability to verify historical data related to the Araxá Project; the failure to obtain all necessary licenses to explore and develop the Project; the failure to successfully negotiate with third parties to develop the Nb-REE area of the Project; the inability to successfully complete additional drilling at the Project in order to analyze the full suite of rare earth elements, 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).*



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