

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

FOR IMMEDIATE RELEASE: January 31, 2012

MBAC REPORTS 28% INCREASE IN RESOURCES AT THE ITAFÓS ARRAIAS SSP PROJECT

Toronto, Ontario, January 31, 2012, MBAC Fertilizer Corp. (“MBAC” or the “Company”) (TSX:MBC and OTCQX:MBCFF) is pleased to report the results of an extensional and infill drilling campaign, aimed at testing the north-eastern portion of the Domingos target, located in close proximity to the beneficiation plant at the Itafós Arraias Project. The measured and indicated mineral resource estimate for the project now totals 75.8 million tonnes grading 5.0% P₂O₅ up from the previously reported NI 43-101 measured and indicated mineral resource estimate of 58.8 million tonnes grading 5.0% P₂O₅.

As stated in the April 27th, 2011 press release, systematic drilling of high-potential areas has led to the identification of additional, shallower and higher than average grade phosphate mineralization in the northern Domingos Block. The new drilling campaign totaled 4,551m of reverse circulation drilling and 768m of diamond drilling.

In addition, MBAC has refined the geological studies and subsequent block modelling for the Canabrava Block. This has led to an increase in the tonnage and grade of the resource at the Canabrava Block as summarized in Table 1 below. No additional drilling is expected to be done at the Canabrava Block during 2012, however the Company believes that further drilling in all directions at the Canabrava Block has the potential to increase the current mineral resource estimate.

2011 Exploration Results

The 2011 drilling campaign targeted the northern extension of the Domingos Block, and was aimed at converting indicated mineral resources into measured mineral resources in an area where the phosphate ore is relatively shallow and located close to the future beneficiation plant site. Infill drilling of the central parts of the Domingos Block has increased the geological confidence and resulted in the conversion of inferred resources into indicated mineral resources. The new drilling has confirmed the Domingos Block as a target along with the São Bento target to the north.

The updated mineral resource estimate has been classified, effective as of December 20, 2011, by Beau Nicholls (BSc (Geo) MAIG), principal consulting geologist for Amazon Geoservices Ltda, who is a qualified person in accordance with National Instrument 43-101. The measured and indicated

mineral resource estimate comprises 75.8 million tonnes grading 5.0% P₂O₅ (using a 1.5% cut-off for the Domingos target and a 2.8% cut-off for all other targets).

Table 1		
Arraias Phosphate Project		
Measured and Indicated and Inferred Mineral Resource Grade		
Tonnage Report 20 December 2011		
Ordinary Kriging (OK) Block Model – 12.5mE X 12.5mN X 3mRL		
Target	Tonnage (Mt)	P₂O₅ %
Near Mine	2.8% cut off grade applied	
Measured	15.2	4.38
Indicated	9.4	4.12
M&I	24.6	4.28
Inferred	3.8	3.99
Canabrava	2.8% cut off grade applied	
Measured		
Indicated	20.4	5.53
M&I	20.4	5.53
Inferred	3.7	4.94
Domingos	1.5% cut off grade applied	
Measured	4.4	6.54
Indicated	26.4	5.01
M&I	30.7	5.23
Inferred	4.7	3.08
TOTAL M&I	75.8	5.00
TOTAL Inferred	12.3	3.93

Appropriate rounding has been applied to the figures in Table 1 above

Drilling, sampling and QA/QC procedures were established at the beginning of the drilling campaign and conform to acceptable industry standards. QA/QC results have returned acceptable precision and accuracy.

Please refer to the technical report entitled “Arraias Tocantins Definitive Feasibility Study Report” dated October 26, 2010, as amended February 10, 2011, available under the Company’s SEDAR profile at www.sedar.com for further details on the QA/QC procedures.

All recent drilling has been analysed at ALS Chemex Ltd laboratory.

Itafós Arraias Project Update

The Itafós Arraias Project is progressing in accordance with the scheduled timeline. The detailed engineering for the project is almost complete. All equipment on the critical path to construction has been acquired. The earthworks for the project concluded last year and civil construction has commenced at the site, beginning with the water dam. MBAC also has started hiring and training personnel for the day-to-day operation of the SSP plant.

The detailed engineering has shown that the project capital costs have increased in the range of 8-9% due to inflation, but are still in line with the expected accuracy of the feasibility study. The expected capital expenditures for the project are currently fully funded through project finance debt facilities secured by the Company and funds raised through equity financings completed to date. The current average selling price for SSP is currently more than 40% higher than that used in the feasibility study. MBAC expects construction of the project to be complete in Q4 2012 and the commencement of SSP production in the same quarter.

Beau Nicholls, (MAIG) principal consulting geologist of Amazon Geoservices Ltda, 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 Santana Phosphate project is a high grade phosphate deposit located in close proximity to the largest fertilizer market of Mato Gross State and animal feed market of Pará State. The Company continues to search for additional fertilizer opportunities in the Brazilian and 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 and on SEDAR at www.sedar.com.

Antenor Silva
Chief Executive Officer and Vice-Chairman

FORWARD LOOKING STATEMENTS

This press release contains "forward-looking statements" within the meaning of applicable Canadian and United States 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 future drilling at the Canabrava Block, completion of detailed engineering at the Itafós Arraias Project and the completion of construction of the project and the commencement of SSP production in Q4 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 a 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. 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, including among others, the Company continuing to successfully drill the various targets at the Itafós Arraias Project, the construction and commencement of production at the project meeting the current timeline, the Company's ability to hire and train qualified personnel for day-to-day operations at the SSP plant, the actual capital expenditures at the project being fully-funded, fluctuations in capital costs based on inflation and other factors, fluctuations in the average selling price for SSP, 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. 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.