



MBAC Fertilizer Corp. Significantly Expands Resource Estimate by 113% and Increases Grade for the Itafós Phosphate Project

TORONTO, CANADA, July 27, 2010 MBAC Fertilizer Corp. (TSX: MBC) (“MBAC” or the “Company”) is pleased to report a new National Instrument 43-101 (“NI 43-101”) compliant Mineral Resources Estimate (the “Report”) for the Itafós Phosphate Project (“Itafós” or the “Project”) as of July 16, 2010, which is an update of those mineral resources previously reported on April 12, 2010. The new Report was also prepared by Wardrop Engineering (“Wardrop”) and will be available on SEDAR (www.sedar.com) and on MBAC’s website under “Presentations”.

The Report presents the results of a comprehensive independent evaluation of mineral resources for Itafós prepared under the coordination of Callum Grant from Wardrop, a Qualified Person under NI 43-101. It indicates measured and indicated resources totalled 58.8 million tonnes at an average 5.01% P₂O₅ and an additional inferred resource of 24 million tonnes at an average 5.3% P₂O₅. This new resource estimate represents an increase of approximately 113% in measured and indicated resources since the April report and a grade increase of over ten per cent.

Antenor Silva, President and CEO, stated: “We are very pleased to have significantly exceeded our First Phase measured and indicated resource target of 45 million tonnes much earlier than anticipated and by more than double from our most recent resource estimate released this past spring and almost thirty per cent in excess of our target. As importantly, we are now also close to our Second Phase target of 60 million tonnes which was planned for development after 2015, which is well ahead of schedule. We are also glad that the average grade of the deposit has increased to over 5% P₂O₅ which represents a grade increase of over ten per cent. This robust resource base will allow for greater flexibility in the optimization of the current mine plan and we anticipate that this will lower the strip ratio and improve the project economics even beyond the current robust level. The Company is on track to release the Definitive Feasibility Study for the Itafós Project within the next month which will incorporate this resource estimate and upgraded mine plan.”

Project Background

Itafós is located in the municipality of Arraias Tocantins, in the southeast of Tocantins state, just a few kilometres away from Campos Belos, a town in the Goiás state in central Brazil.

The existing small-scale phosphate mining operation is based on high grade (+18% P₂O₅) mineralization, but MBAC is currently focused on the development of a higher volume and much larger mining operation which is expected to be in place by second quarter of 2012. At full capacity, the proposed beneficiation plant is expected to generate 330 ktpa of phosphate rock

concentrate at 28% P₂O₅. This phosphate concentrate will be used to produce 500 ktpa of Single Super Phosphate (“SSP”).

Beyond this proposed First Phase of development (the “First Phase”), the Company is also actively investigating the potential for a larger scale (“Second Phase”) development within the Arraias-Campos Belos area which could potentially be in place by 2015.

New Resource Estimation results

Wardrop estimated that the Near Mine, Canabrava and Domingos block models for the Near Mine Project Area contain 58.8 Mt of measured and indicated mineral resources at an average grade of 5.01% P₂O₅ using a 2.8% P₂O₅ cut-off grade.

In addition, inferred mineral resources totalling 23.9 million tonnes have been estimated for the Near Mine Project Area combining data from the three block models and from a conventional polygonal plan calculated at a similar 2.8% P₂O₅ cut-off grade.

The breakdown of resources calculated for the three block models in the Near Mine Project Area is as follows:

	Tonnage Mt	P ₂ O ₅ %	Al ₂ O ₃ %	CaO %	Fe ₂ O ₃ %	SiO ₂ %
<u>Near Mine block:</u>						
Measured	17.5	4.5	9.0	7.8	4.3	63.8
Indicated	10.1	4.2	9.1	7.5	4.3	63.2
Measured & indicated	27.6	4.5	9.1	7.5	4.3	63.6
Inferred	4.0	4.0	8.4	6.3	4.9	66.9
<u>Canabrava block:</u>						
Measured	-	-	-	-	-	-
Indicated	19.1	5.1	10.1	7.8	3.7	61.8
Measured & indicated	19.1	5.1	10.1	7.8	3.7	61.8
Inferred	3.5	4.1	7.1	6.6	2.8	67.4
<u>Domingos block:</u>						
Measured	-	-	-	-	-	-
Indicated	12.1	6.4	7.9	9.9	3.6	60.6
Measured & indicated	12.1	6.4	7.9	9.9	3.6	60.6
Inferred	0.7	3.8	8.7	5.7	3.8	69.7

Notes:

1. Mineral resources prepared on July 16, 2010 on the basis of assay data received up to July 1st, 2010.
2. Estimates for the Near Mine Block comprise of Coité, Gauchó, Juscelino, Mateus, São Bento, and Mateus zones.
3. The mineral resources estimates for the Near Mine Block have been calculated using Ordinary Kriging interpolation.
4. The mineral resources estimates for Canabrava and Domingos Blocks have been calculated using Inverse Distance Square.
5. The cutoff grade of 2.8% P₂O₅ is based on current pricing and economic parameters for phosphate products, an average metallurgical recovery of 57% for material averaging 4.4-5.5% P₂O₅, operating costs estimated by NCL Ltda and AMEC-GRD Minproc, and other considerations.

The breakdown of the inferred resources for Avião, Brejo and Cabeçadas using a conventional 2D polygonal method is as follows:

	Tonnage	P ₂ O ₅
	Mt	%
Aviao	0.55	5.66
Brejo	14.37	6.00
Cabeçadas	0.81	4.75
Total	15.73	5.92

Notes:

1. These inferred resources are in addition to the Near Mine Block model estimates shown in the previous table and do not include any areas that have not been systematically drilled.
2. Estimates based on a 2.8% P₂O₅ cutoff grade and a 3 metre minimum width criteria.
3. Estimated on April 23, 2010 based on data provided to Wardrop at that time.
4. Note that according to NI 43-101 guidelines, it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration. Inferred mineral resources are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves.

The new block models with drilling information and analytical results have been passed on to NCL Ltda and AMEC-GRD Minproc for inclusion in the Definitive Feasibility Study presently being compiled.

Qualified Person

The resource estimates were prepared under the supervision of Callum Grant, P.Eng at Wardrop, a Qualified Person independent of MBAC within the meaning of section 1.4 of NI 43-101, who has reviewed and approved the technical information within this news release.

About MBAC Fertilizer Corp.

MBAC Fertilizer Corp. is focused on becoming a significant integrated producer of phosphate and potash fertilizer in the Brazilian market. In October 2008, MBAC indirectly acquired all of Itafós Mineração Ltda, which holds a 100% interest in the Itafós phosphate mine and related infrastructure. MBAC is continuing to search for additional fertilizer opportunities in the Brazilian and other Latin-American markets. Strong agricultural fundamentals in Latin-America combined with unique opportunities in Brazil are expected to provide attractive growth opportunities for MBAC.

To learn more about MBAC, please visit our website www.mbacfert.com

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Cautionary Note Regarding Forward-Looking Information

This press release contains ‘forward-looking information’ within the meaning of applicable Canadian securities legislation. The forward-looking information contained in this press release includes, but is not limited to, statements with respect to, MBAC’s vision to become a significant integrated producer of phosphate and potash fertilizer in the Brazilian market and MBAC’s expectation that strong agricultural fundamentals in Latin America will provide attractive growth opportunities.

The forward-looking information contained in this press release is based on the opinions, assumptions and estimates of management and third party sources, which are considered to be reasonable and accurate as at the date the information is presented, and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in the forward-looking information. These factors include various exploration and development risks, environmental risks and hazards, uncertainty with respect to current global financial conditions, uncertainty with respect to the estimation of mineral reserves and mineral resources, the need for additional resources, uncertainty with respect to inferred mineral resources, insurance and uninsured risks, potential increases in production costs, competition within the mining industry and, in particular, the fertilizer production business in Brazil and elsewhere, the need to obtain additional capital, fluctuations in currency values, the ability to effectively integrate any future acquisitions into its business structure, uncertainty with respect to governmental regulation of the mining industry, risks relating to foreign operations, labour and employment risks, dependence upon key management personnel and executives, possible conflicts of interest with respect to directors and executive officers who serve as directors and/or officers of other companies involved in natural resource exploration and development, climate change, and volatility in the Company’s stock price. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Potential investors are cautioned not to place undue reliance on forward-looking information. The forward-looking information contained in this press release is included for the purpose of assisting potential investors in understanding the Company’s expected financial and operational performance and the Company’s plans and objectives and may not be appropriate for other purposes. Potential investors should conduct their own investigations as to the suitability of investing in securities of MBAC.