

Symbol:	MBC:TSX
Shares Outstanding:	72,689,336
Fully Diluted:	80,703,643

FOR IMMEDIATE RELEASE: JANUARY 31, 2011

MBAC ANNOUNCES APPROVAL OF DEBT FINANCING FOR THE DEVELOPMENT OF ITAFÓS PROJECT

Toronto, Ontario, January 31, 2011, MBAC Fertilizer Corp. (“MBAC” or the “Company”) (TSX:MBC) is pleased to announce that it has received approval from Banco Itaú BBA S.A. (“Itaú BBA”) for a US\$110 million project financing facility in connection with the development of its large-scale single superphosphate (“SSP”) fertilizer project (the “Itafós Project” or the “Project”) located in the State of Tocantins, Brazil. The facility is expected to be provided through the on-lending program of the Brazilian development bank (*Banco Nacional de Desenvolvimento Econômico e Social (BNDES)*), which is the Brazilian development bank. Subject to BNDES approval and certain conditions Itaú BBA has indicated that they will underwrite US\$110M of project financing facility. The actual disbursement is subject to certain terms and conditions, including those provided in the indicative term sheet received in September 2010 (see September 7, 2010 news release).

In addition, further to a mandate letter received in October 2010, the International Finance Corporation (“IFC”), a member of the World Bank Group, has provided indications to the Company that it would be willing to provide US\$25 million of project financing and US\$20 million of equity financing in connection with the Project. The IFC has recently completed a site visit whereby it conducted technical, environmental, social and financial and market due diligence. The Company expects to receive a definitive term sheet from the IFC upon completion of their due diligence, expected in March 2011.

The proceeds from these financings, along with the cash on hand, will be sufficient to fully fund the expected future capital expenditures for the Itafós Project through to the commencement of commercial production in mid-2012.

Antenor Silva, President and CEO of MBAC stated “We are extremely pleased to see the enthusiasm demonstrated for the Project by Itaú BBA. The support from both of our financial partners gives us great confidence that we will be in a position to proceed with the development of the Project once we receive the construction licence which is expected soon”.

MBAC continues to advance the development of the Itafós Project and has commenced detailed engineering as well as the procurement of long lead items, including the sulphuric acid plant.

Update on Progress at the Santana Project

The drilling program at the Santana Project ("Santana Project") in the southern Pará State, Brazil, continues to experience high grades consistent with the previously announced results. Additional two drill holes have yielded an average 17% P₂O₅ confirming the encouraging results from the first drill hole announced in MBAC's press release dated January 19, 2011. These preliminary results were obtained from a calibrated portable XRF analyzer and all of the recent drill samples are now subject to assaying at ALS, an independent external lab. These positive results obtained in the Santana Project have led the Company to plan for an additional 10,000 metres of drilling expected to be completed within the next six months.

The Santana Project consists of tenement areas covering approximately 90,000 hectares located in the southern Pará State, approximately 80 kilometres away from the main route used for export of soya and other agricultural products to Europe and elsewhere. This main route also gives the Santana Project access to extensive farm land in the northern Mato Grosso State of Brazil, one of the fastest growing agricultural frontiers in the world.

Dr. Luiz A. Bizzi, PhD, MBA, Vice-President, Exploration of MBAC, is a qualified person as defined by National Instrument 43-101 and has reviewed and approved the applicable contents of this news release.

For further information:

Steve Burtleton, Vice President Corporate Development, at 416-367-2200, investor@mbacfert.com or visit our website at: 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. MBAC is well funded with approximately C\$50 million, which will be used to develop the Itafós Project. 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. All material information on MBAC can be found on the Company's website at www.mbacfert.com or at SEDAR at www.sedar.com.

Antenor Silva
President & Chief Executive Officer

FORWARD LOOKING STATEMENTS

This release contains "forward-looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements that address activities, events or developments that the Company expects or anticipates will or may occur

in the future, including such things as the closing of bank financing, future business strategy, competitive strengths, goals, expansion, growth of the Company's business, operations, plans and with respect to exploration results, the timing and success of exploration activities such as diamond drilling to validate geological continuity, obtaining enough material for first phase technological characterization and metallurgical testing and exploration activities generally, permitting time lines, government regulation of exploration and mining operations, environmental risks, title disputes or claims, limitations on insurance coverage, timing and possible outcome of any pending litigation, timing and results of future resource estimates or future economic studies and the outcome of application for tenement areas.

Often, but not always, forward-looking statements can be 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 material factors and assumptions made by management and considered reasonable at the time such assumptions were made, including, the result of drilling and exploration activities, that contracted parties provide goods and/or services on the agreed timeframes, that equipment necessary for exploration is available as scheduled and does not incur unforeseen break downs, that no labour shortages or delays are incurred, that plant and equipment function as specified, that no unusual geological or technical problems occur, and that laboratory and other related services are available and perform as contracted. Forward-looking statements involve known and unknown risks, future events, conditions, uncertainties and other factors may cause the actual results, performance or achievements to be materially different from any future results, prediction, projection, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, the interpretation and actual results of current exploration activities; changes in project parameters as plans continue to be refined; future commodities' price; possible variations in grade or recovery rates; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of exploration, as well as those factors disclosed in the company's current annual information form and management's discussion and analysis 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, as actual results and future events could differ materially from those anticipated in such statements. The forward-looking statements contained herein are presented for the purpose of assisting investors in understanding the Company's current plans, objectives and expectations and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on forward-looking statements.