



MBAC Fertilizer Corp. to Proceed with the Itafós Phosphate Project

TORONTO, CANADA, April 26, 2010, MBAC Fertilizer Corp. (TSX: MBC) (“MBAC” or the “Company”) is pleased to announce that it has approved the development and construction of its 100% owned Arraias – Campos Belos Itafós Phosphate Project (the “Project”) in Brazil. The decision is based on the results of the National Instrument 43-101 (NI 43-101) compliant Technical Report which provides an analysis of the technical and capital cost considerations. The Technical Report will be available on SEDAR (www.sedar.com) and on MBAC’s website under “Presentations”.

The Technical Report was prepared by GRD Minproc Engenharia e Consultoria Ltda. (“AMEC Minproc”) which incorporates the results of a resource estimate report prepared by Wardrop, A Tetra Tech Company (“Wardrop”), a mining plan prepared by NCL (Brazil) and a market report by MB Agro (Brazil). The Technical Report presents the results of a comprehensive evaluation of the resource base, mining plan, beneficiation, sulphuric acid, Single Super Phosphate (“SSP”) and granulation plants. The Technical Report indicates the Project will be profitable with positive economics from mining and beneficiation of the phosphate ore to 28% rock phosphate suitable for SSP fertilizer production. Itafós remains MBAC’s primary focus, and the Company plans to build an SSP plant with production expected to start in Q2 2012.

Antenor Silva, President and CEO, stated “we are very pleased to have taken this significant step in getting the Itafós Phosphate project under way. Our goal is to have the Project up and running by the second quarter of 2012. The Technical Report, based on exploration to date around the near mine area of our property only, gives the Project an Internal Rate of Return (“IRR”) of over 26% and a discounted payback of 3.5 years. This demonstrates that the Project is economically compelling and that there is a significant upside potential as we continue to expand our resource base towards our target of 45 million tonnes from 28 million tonnes used in the report. We have significantly increased our resources, by more than doubling the initial estimate from late last year. While the Technical Report demonstrates the viability of the Project, we will now also undertake certain optimization initiatives to increase total resources and mine life and further improve the mine plan during the initial phase of development over the next few months.”

Near term milestones for the Project include:

- The Company will continue its drilling program on the Project with the goal of migrating further inferred mineral resources to measured mineral resource and indicated mineral resource categories and completing an updated resource estimate within the next 60-90 days;
- The Company expects to further optimize its mine plan within the next 60-90 days
- The Company will obtain a mining licence in calendar Q2 2010;

- Detailed engineering work will start immediately; and
- Negotiations for long-lead capital items will also begin immediately with final terms expected to be reached in the next 60-90 days.

MBAC is currently undertaking negotiations with various government organizations to coordinate fiscal incentives for the Project. The Company is also in discussions with several lenders regarding financing for the Project. Management expects that its current cash balance plus the proceeds from any debt facilities will fund the Project into the second half of 2011.

Project Background

The Project is located in the municipality of Arraias, in the southeast of Tocantins State in central Brazil. The Technical Report shows that at full capacity the proposed mine and beneficiation plant is expected to generate 330 thousand tonnes per annum (“ktpa”) of phosphate rock concentrate at 28% P₂O₅. This phosphate concentrate will be used to produce 500 ktpa of SSP by the addition of 170 ktpa of sulphuric acid to be produced at the Project site.

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.

Under the “First Phase” scenario the resource tonnages reported are significant in that they confirm that sufficient phosphate rock is available as potential beneficiation plant feed. The “First Phase” plant output will require plant feed in the order of 3.5 Mtpa, which will be sourced from the near mine deposit. The ore for the Second Phase is most likely to be sourced out of deposits yet to be delineated in the Regional Project area.

Highlights of the Technical Report

The results from the Technical Report only take into account the 28 Mt measured mineral resource and indicated mineral resource base (which translates into 24.4 Mt @ 4.4% P₂O₅ of proven and probable reserves).

The Technical Report supports an open pit mining operation, delivering the ore to an on-site crushing, grinding and finally flotation concentration of the phosphate ore. The flotation concentrate will be further reacted with sulphuric acid located adjacent to the mining facility in Tocantins State.

The Project is estimated to produce on average 330,000 tonnes of phosphate rock (28% P₂O₅) annually and have an IRR of 26.3%. The Technical Report details a total capital cost of US\$126 million (an additional \$24 million in taxes, part of which will be refunded, and \$19 million in contingencies brings the total to \$169 million) including G&A, start-up and reclamation. The Technical Report also contemplates an addition \$19 million for mine preparation and pre-stripping costs. The Technical Report has been prepared to ±20% accuracy.

Project Economics

The following economic results were achieved using a discount rate (weighted average cost of capital or WACC) of 10% and 24.4 Mt of reserves:

- Internal Rate of Return (IRR): 26.3% per annum

- Net Present Value @ WACC: US\$ 140.0 million
- Capital Efficiency Ratio @ WACC: 1.60 times
- Discounted Payback @ WACC: 3.45 years after start-up.

The SSP price of US\$249 per tonne was used in the model as a base case and increased by 2% inflation on a yearly basis life of mine (Base Case price).

Based on the Technical Report, the Management believes that the Project is viable given the robust returns and the short payback period.

Mineral Resources

Wardrop estimated that the near mine blocks of the Project deposit contain 28.3 Mt of measured mineral resources and indicated mineral resources averaging 4.3% P₂O₅ at a 2.8% P₂O₅ cut-off grade as per the table below:

	Density t/m ³	Tonnage Mt	P ₂ O ₅ %	Al ₂ O ₃ %	CaO %	Fe ₂ O ₃ %	SiO ₂ %
Measured	1.54	16.5	4.4	9.1	7.8	4.4	63.4
Indicated	1.54	11.8	4.2	9	7.6	4.2	63.1
Measured and Indicated	1.54	28.3	4.3	9	7.7	4.3	63.3
Inferred	1.55	4.2	4.1	8.7	6.5	4.6	65.0

Notes:

1. Mineral resources prepared on April 12, 2010 on the basis of assay data received up to March 26, 2010.
2. Estimates above refer only to the near mine blocks consisting of the Coité, Gauchó, Juscelino, Mateus, São Bento, and Mateus zones.
3. These mineral resources have been calculated using Ordinary Kriging interpolation and a block size of 12.5m by 12.5m by 3m.
4. 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 GRD Minproc, and other considerations.

Using a conventional 2D polygonal method on plan, Wardrop estimated additional inferred resources for five other zones adjacent to the near mine blocks, as follows:

	Tonnes	P ₂ O ₅ , %
AVIÃO	554,000	5.66
BREJO	14,377,000	6.00
CABECUDA	807,000	4.75
CANABRAVA	30,295,000	6.12
DOMINGOS	10,897,000	6.04
TOTAL	56,930,000	6.05

Notes:

1. These inferred resources are in addition to the near mine block model estimates shown in the previous table.
2. Estimates based on a 2.8% P₂O₅ cutoff grade and a 3m minimum width criteria.
3. Estimated on April 23 2010 based on data provided to Wardrop at that time.
4. Since drilling is still underway on the project, these estimates may not include all available information.
5. Note that according to NI 43-101 guidelines that 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.

Qualified Persons

The Technical Report was prepared by David Frost at AMEC Minproc and incorporated the results of the Resource Estimate prepared by Callum Grant, P.Eng at Wardrop and a mine plan prepared by Carlos Guzman at NCL, all persons are Qualified Persons, independent of MBAC within the meaning of section 1.4 of NI 43-101, and they have each reviewed and approved the technical information within this news release.

For further information please contact:

Steve Burleton, Vice President, Corporate Development

Phone: 416-367-2200

Investor@mbacfert.com

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 has also recently expanded its property portfolio in Brazil with the acquisition of two potash exploration projects and one additional phosphate exploration project. 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

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 the Company’s expectation that the Project will be profitable with positive economics from mining, the Company’s expectation that it will be able to have the Project up and running by the first quarter of 2012, the upside potential of the Project and the Company’s expectation that its current cash balance plus the proceeds from debt facilities will be sufficient to fund the Project into the second half of 2011.

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 also 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.