MBAC FERTILIZER CORP.

Management's Discussion and Analysis of Financial Condition and Results of Operations

For the Three Months Ended March 31, 2015 and 2014

Management's Discussion and Analysis of Financial Condition and Results of Operations

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with the unaudited condensed interim consolidated financial statements of MBAC Fertilizer Corp. ("MBAC" or the "Company") for the three months ended March 31, 2015 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A contains "forward-looking information" that is subject to certain risk factors including those set out in the cautionary note and elsewhere in this MD&A and in the Company's current Annual Information Form. All figures are in thousands of United States dollars ("$" or "USD"), except price per tonne and earnings per share, or unless otherwise noted. References herein to C$ or CAD are to the Canadian dollar and R$ or BRL are to the Brazilian Real. This MD&A has been prepared as of May 15, 2015. A copy of this MD&A and additional information relating to the Company, including the Company's current Annual Information Form, are available online under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

Throughout this MD&A, reference to "the quarter", "the three-month period" or "Q1 2015" shall refer to the period from January 1, 2015 to March 31, 2015. References to "the comparative quarter" or "Q1 2014" shall refer to the period from January 1, 2014 to March 31, 2014. References to "the year" or "the fiscal year" or "FY2015" shall refer to the period from January 1, 2015 to December 31, 2015. References to "the prior year" shall refer to the period from January 1, 2014 to December 31, 2014.

HIGHLIGHTS AND OVERALL PERFORMANCE

THREE MONTHS ENDED MARCH 31, 2015

Highlights

- Executed and received disbursements on new working capital loans totalling approximately $6.2 million (R$19.7 million), the proceeds of which were primarily used to refinance bank indebtedness balances and to cover debt service requirements on other loan agreements;

- As part of the debt extension agreements executed in October 2014, the "Itaú Nassau Loan" and the "Itaú W/C Loan 2" agreements were amended to extend the maturity date of both loans to July 2015. The Modal Working Capital Loan was also extended to August 2015;

- Received a number of non-binding indicative offers from third parties related to the Company's strategic review process. These third parties are completing their due diligence on MBAC's assets, and are expected to submit binding proposals in the second quarter of 2015; and

- Suspended production at its Itafós Operations, and placed the operations on care and maintenance, largely in response to market conditions and as a means to preserve working capital pending and during the strategic review process.

CORE BUSINESS

MBAC is a Canadian-based company, listed on the Toronto Stock Exchange ("TSX") under the symbol "MBC". The Company is focused on becoming a significant integrated producer of phosphate fertilizer and related products in the Brazilian market. The Company operates the Itafós Arraias Single Super Phosphate ("SSP") Operations which is wholly owned by the Company's subsidiary, Itafós Mineração Ltda. ("Itafós"). The production facility comprises a beneficiation plant, a sulphuric acid plant, an SSP acidulation plant and a granulation plant and is estimated to have production capacity of approximately 500,000 tonnes of SSP per annum (the "Itafós Arraias SSP Operations"). The Company also produces and sells excess sulphuric acid after the required amount is used in the SSP production process. The Company finished construction in 2013 and has since advanced on ramp-up of its Itafós Arraias SSP Operations. At the beginning of Q1 2015, the Company suspended production at its Itafós Arraias SSP Operations and placed the operations on care and maintenance, largely in response to market conditions and as a means to preserve working capital pending and during the strategic review process. The Company expects to resume production if and when its strategic review process is successfully completed and its liquidity constraints are resolved.

In addition, the Company was engaged in exploration and evaluation efforts aimed at increasing the mine life of the Itafós Arraias SSP Operations. If the required funding is available and sufficient mineral resources are confirmed through additional exploration efforts, the Company may consider the expansion of the SSP production facility in the long term. MBAC also owns two additional projects, namely the Santana Phosphate Project and the Araxá Project (see "Project Updates" section).

OPERATIONS UPDATE

ITAFÓS ARRAIAS SSP OPERATIONS

The Itafós Arraias SSP Operations are located in the municipality of Arraias, in the state of Tocantins, Brazil, and its production is expected to meet the domestic demand in the new agricultural frontier in central northern Brazil. SSP is a type of phosphate fertilizer widely used in Brazil. The target market of the Company is known to be one of the areas with the largest agricultural growth in the country. According to SIACESP/ANDA (the Association of Fertilizer and Agriculture in the state of Sao Paulo, Brazil), the total SSP market size in Brazil is estimated to be approximately 5.0 million tonnes per year, of which approximately 1.2 million tonnes are estimated to be consumed in the Company's target market area. Once fully ramped up, the Itafós Arraias SSP Operations would be the largest fully integrated SSP producing facility in this market, being among one of the largest SSP producing facilities in Brazil. Based on the Updated Itafós Technical Report (as defined below), proven and probable reserves are currently estimated at 64.8 million tonnes at an average P_2O_5 grade of 5.08% which supports a mine life of approximately 19 years. The Company has significant unexplored property in its land package.

In 2013, the Company began production and delivery of granulated SSP, meeting industry specifications. During 2014, MBAC was focused on ramping up production to full capacity and increasing market share. For the majority of 2014 to date, the Company has had lower than expected levels of working capital and experienced severe cash constraints. These financial constraints affected the Company in its ability to purchase consumables and spare parts causing interruptions and delays, leading to operational inefficiencies, which resulted in a slower than expected ramp-up and reduced production output. During Q3 2014, the Company received disbursements from a working capital loan with Banco Santander ("Santander") in the amount of $10.6 million which allowed the Company to resume continuous production in September 2014. During the month of September 2014, approximately 22,000 tonnes of SSP and approximately 10,500 tonnes of sulphuric acid were produced and the Company established a daily production record of approximately 1,700 tonnes of SSP, exceeding the expected daily production volume that the Itafós Arraias SSP Operations was originally designed for.

During Q4 2014, with the commencement of the strategic review process (see below), the Company evaluated the temporary suspension of its operations. At the beginning of Q1 2015, the Company suspended production at its Itafós Arraias SSP Operations and placed the operations on care and maintenance, largely in response to market conditions and as a means to preserve working capital pending and during the strategic review process. The Company expects to resume production if and when its strategic review process is successfully completed and its liquidity constraints are resolved.

During the prior year, in consultation with its senior lenders, MBAC engaged Deutsche Bank AG to act as its financial advisor in connection with the Company's strategic review process. As MBAC's advisor, Deutsche Bank AG was given the mandate to help find a definitive solution to the Company's working capital constraints and liquidity requirements. Options under consideration in the strategic review process include, but are not limited to, securing a strategic partner, the sale of the Company or its assets as well as other potential value-maximizing transactions. A number of potential candidates were selected and approached. During the quarter, MBAC has received non-binding indicative offers and expressions of interest from a number of third-parties, most of which are active in the fertilizer and agriculture sectors, in response to MBAC's strategic review process. These third-parties are currently completing their due diligence on MBAC's assets, and are expected to submit binding proposals in the second quarter of 2015. Once in receipt of the binding proposals, MBAC will evaluate the relative benefits of each binding proposal in consultation with its financial advisor, Deutsche Bank AG, and its senior lenders to identify which is in the best interest of existing stakeholders.

ITAFÓS TECHNICAL REPORT

The Company's technical report for the Itafós Arraias SSP Operations is titled "Updated Technical Report Itafós Arraias SSP Project" dated and effective as of March 27, 2013 prepared by Carlos Guzmán, FAusIMM, RM (Chilean Mining Commission), of NCL Brasil Ltda. ("NCL"), Beau Nicholls (BSc (Geol) MAIG), an associate consulting geologist with Andes Mining Ltd. ("AMSL"), Bradley Ackroyd (BSc (Geol) MAIG), the principal consulting geologist for AMSL, and Homero Delboni Jr. (registered member CIM & SME), owner of HDA Serviços S/S Ltda, each a "qualified person" within the meaning of National Instrument 43-101 (the "Updated Itafós Technical Report"). The Updated Itafós Technical Report was prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and is filed under the Company's profile on SEDAR at www.sedar.com.

Proven and probable mineral reserves based on the production schedule used for the Updated Itafós Technical Report are as follows. Information below is based on assumptions, qualifications and procedures which are not fully described herein and reference should be made to the full text of the Updated Itafós Technical Report:

Category	Tonnage (million tonnes)	P_2O_5 %
Proven reserves	15.9	5.09
Probable reserves	48.9	5.07
	64.8	**5.07**

PROJECT UPDATES

SANTANA PHOSPHATE PROJECT

The Company, through two of its subsidiaries, is the beneficial holder of eight exploration properties, with one of these being a mining permit under application, and one additional exploration permit under application for a total of nine claims totalling 87,855 hectares, for a phosphate project in the southeastern region of Pará State close to the border of Mato Grosso State in Brazil (the "Santana Phosphate Project"). The Santana Phosphate Project is a high grade phosphate fertilizer project located in the heartland of one of the most promising agricultural areas in South America.

The Company's technical report for the Santana Phosphate Project is titled "Feasibility Study – Santana Phosphate Project Pará State, Brazil," dated and effective as of October 28, 2013, prepared by Bradley Ackroyd of AMSL, Carlos Guzmán of NCL and Robert Alexander of PegasusTSI, each a "qualified person" within the meaning of NI 43-101 (the "Santana Feasibility Study"). The Santana Feasibility Study was prepared in accordance with NI 43-101 and is filed under the Company's profile on SEDAR at www.sedar.com. Please refer to the Santana Feasibility Report for more details on the updated mineral resource estimate and mine plan, base case assumptions, project economics and proven and probable reserves regarding the project.

The Company has worked closely with its technical consultants and has had the benefit of its recent experience in planning and constructing the production facility at the Itafós Arraias SSP Operations in benchmarking the estimated Santana Phosphate Project capital costs.

In the potential development of the Santana Phosphate Project, the Company would focus on minimizing risks of the project by applying lessons learned from the Itafós Arraias SSP Operations and retaining an Engineering, Procurement and Construction Management (EPCM) contractor to provide additional independent oversight at the project, which would be expected to assist in mitigating the risk of cost overruns and time delays.

Apart from applying the lessons learned at the Itafós Arraias SSP Operations, the Santana Phosphate Project is expected to benefit from certain cost reducing factors including the more compact footprint for the operations which coupled with design improvements will require less materials and equipment such as structural steel, wiring, concrete and belt conveyors; the water supply can be sourced directly from a river so building a water dam would not be required; and the high grade mineral deposit would allow for a smaller beneficiation plant and lower volumes of ore and waste will be mined.

MBAC underwent a public hearing process with Pará State Environment Agency and has submitted the Environmental Assessment Report for the development of the Santana Phosphate Project. The Company is now waiting for the evaluation of its submission. The approval of the Environmental Assessment Report and the public hearing is part of the procedure of issuance of the Initial Environmental License ("Licença Prévia"). The Company has submitted the final report on exploration and is awaiting approval from the Mineral Production National Department ("DNPM") of Brazil.

To date, related to the development of the Santana Phosphate Project, the Company has executed a credit facility with Brazilian Development Bank ("BNDES") for $5.6 million (R$17.9 million).

Notwithstanding the above, the Company's current focus remains entirely on the Itafós Arraias SSP Operations. MBAC also continues to review strategic alternatives and work with its financial advisor to identify suitable strategic partners for the potential sale of the Santana Phosphate Project. These strategic initiatives are expected to impact the timelines and the project economics described in the Santana Feasibility Study. Given the early stage of the Santana Phosphate Project and fluctuations in commodity prices, the realizable value of the project may differ significantly from the NPV calculated in the Santana Feasibility Study.

ARAXÁ PROJECT

The Company, through one of its subsidiaries, is the beneficial holder of four exploration claims, totalling 214 hectares, of a rare earth oxides ("REO")/niobium/phosphate project located in the southwestern part of Minas Gerais state, Brazil (the "Araxá Project").

During 2012, the Company announced the results of an initial preliminary economic assessment, based on the technical report titled "A Preliminary Economic Assessment in the form of an Independent Technical Report on MBAC Fertilizer Corp. – Araxá Project", effective October 1, 2012 as amended and restated January 25, 2013 (the "Amended Araxá PEA"). The Amended Araxá PEA was prepared by Bradley Ackroyd and Andrew N. Clay of Venmyn Rand (Pty) Limited, each of whom is a "qualified person" within the meaning of NI 43-101. Certain of the following information is based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the Amended Araxá PEA which is available for review under the Company's SEDAR profile at www.sedar.com. The Amended Araxá PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the Amended Araxá PEA will be realized.

MBAC's business plan for the Araxá Project was selected by the Inova Energia, a financial support program in Brazil by BNDES, the Brazilian Innovation Agency - Financiadora de Estudos e Projetos ("FINEP") and the National Agency for Electricity - Agência Nacional de Energia Elétrica (ANEEL) that provides a series of subsidies and other incentives to assist Brazilian companies and technology institutes to develop and commercialize innovative technologies (the "Inova Support Program"). As noted earlier, the Company's current focus remains entirely on the Itafós Arraias SSP Operations. In light of the current liquidity challenges, the Company is postponing these discussions for the future.

The DNPM of Brazil provided its approval for the Mineral Extraction - Economic Plan which was prepared based on the results disclosed on the Amended Araxá PEA. The Company is in the early stages of obtaining the preliminary environmental license in order to be issued development consent by DNPM.

Given the early stage of the Araxá Project and fluctuations in commodity prices, the realizable value of the project may differ significantly from the NPV calculated in the Amended Araxá PEA. MBAC has determined that although the Araxá Project has great potential, it is considered a non-core project given the Company's focus on agricultural inputs. MBAC also continues to review strategic alternatives and work with its financial advisor to identify suitable strategic partners for the potential sale of the Araxá Project. The foregoing factors will impact the timelines and the project economics described in the Amended Araxá PEA.

FINANCIAL INFORMATION

The following selected financial data is derived from the audited consolidated financial statements of MBAC for the quarters presented:

STATEMENT OF OPERATIONS

	Three months ended March 31, 2015	Three months ended March 31, 2014
Selling, general and administrative expenses	960	2,110
Operations care and maintenance expenses	7,469	–
Exploration and evaluation expenditures	-	24
Operating loss	(8,429)	(2,134)
Unrealized foreign exchange gain (loss)	(19,438)	10,977
Realized foreign exchange gain (loss)	6	(1,680)
Other income (expense)	(2,441)	(893)
Finance income (expense)	(12,562)	187
Income (loss) before income taxes	(42,864)	6,457
Current income tax expense	-	–
Deferred income tax expense	340	402
	340	402
Net income (loss)	$ (43,204)	$ 6,055
Adjusted net loss[1]:		
Share-based payment expense	84	345
Loss (gain) on disposition of long-term assets	170	50
Amortization of deferred transaction costs	793	409
Unrealized loss on derivative instruments	–	(1,309)
Unrealized foreign exchange loss (income)	19,438	(10,977)
Adjusted net loss[2]	$ (22,719)	$ (5,427)
Basic and diluted net income (loss) per share	$ (0.24)	$ 0.04
Adjusted basic and diluted net loss per share	$ (0.13)	$ (0.04)

1 *A cautionary note regarding non-IFRS measures is included in the "Non-IFRS Measures" section of this MD&A, including a discussion and definition of Adjusted net loss and Adjusted net loss per share.*

2 *Adjustments to net loss did not have an income tax effect.*

FOR THE THREE MONTHS ENDED MARCH 31, 2015

Selling, general and administrative (“SG&A”) expenses

SG&A expenses for Q1 2015 decreased by $1,150 compared with SG&A expenses for Q1 2014. This was primarily due to a decrease of $743 in payroll expenses and a decrease of $140 in professional fees.

Operations care and maintenance expenses

Prior to January 7, 2015, the Company capitalized pre-commercial production costs relating to the Itafós Arraias SSP Operations as property, plant and equipment, as these costs were incurred in the development of the Itafós Arraias SSP Operations towards commercial production. Effective January 7, 2015, the Itafós Operations has been placed under care and maintenance while the Company continues to seek potential solutions under the strategic review process. The Company determined that expenditures incurred at Itafós Arraias SSP operations during the care and maintenance phase no longer satisfy the requirement to be capitalized as an asset, and accordingly are recorded as “Operations care and maintenance expenses” in the consolidated statement of operations.

The Operations care and maintenance expenses of $7,469 for the quarter ended March 31, 2015 (quarter ended March 31, 2014 – $nil) was primarily comprised of depreciation expense of $5,276 and salaries & wages of $1,866.

Unrealized foreign exchange loss

The unrealized foreign exchange loss of $19,438 for the quarter ended March 31, 2015 (quarter ended March 31, 2014 – gain of $10,977) was primarily comprised of foreign exchange revaluation on BRL denominated intercompany loans of R$156.2 million (March 31, 2014 – R$156.2 million) between the Company’s subsidiaries.

Finance expense

Finance expense of $12,562 for the quarter ended March 31, 2015 (quarter ended March 31, 2014 – income of $187) was primarily comprised of interest expense and amortization of deferred transaction costs. For the three months ended March 31, 2015, interest expense and amortization of deferred transaction costs was $12,531 (Q1 2014 – $1,033). Prior to January 7, 2015, the Company capitalized interest expense and amortization of deferred transaction costs relating to the Itafós Arraias SSP Operations as property, plant and equipment, as these costs were incurred in the development of the Itafós Arraias SSP Operations towards commercial production. Effective January 7, 2015, the Itafós Arraias SSP Operations has been placed under care and maintenance while the Company continues to seek potential solutions under the strategic review process. The Company determined that interest expenses and amortization of deferred transaction costs relating to the Itafós Arraias SSP Operations during the care and maintenance phase no longer satisfy the requirement to be capitalized as an asset, and accordingly are recorded as “finance expense” in the consolidated statement of operations.

Deferred income tax expense

The deferred income tax expense of $340 for the quarter ended March 31, 2015 (quarter ended March 31, 2014 – $402) was primarily due to unrealizable withholding tax credits related to intercompany loans.

FINANCIAL CONDITION

The following selected financial data is derived from the unaudited condensed interim consolidated financial statements for the periods presented.

BALANCE SHEET

	March 31, 2015	December 31, 2014
Current		
Cash and cash equivalents	$ 142	$ –
Restricted cash	768	1,409
Inventories	2,437	4,529
Other current assets	1,740	2,329
Non-current		
Other long-term assets	20,094	24,329
Property, plant and equipment	321,854	390,443
Mineral properties	51,335	60,669
Total Assets	$ 398,370	$ 483,708
Current		
Bank Indebtedness	$ –	$ 1,619
Accounts payable and accrued liabilities	29,865	32,073
Deferred revenue	1,357	1,515
Current debt	239,299	254,788
Non-current		
Other long-term liabilities	7,948	10,122
Total Liabilities	278,469	300,117
Shareholders' Equity	119,901	183,591
Total Liabilities and Shareholders' Equity	$ 398,370	$ 483,708

Assets

Total assets were $398,370 as at March 31, 2015 (December 31, 2014 – $483,708). Total assets included restricted cash of $768 (December 31, 2014 – $1,409).

The movement in significant assets is described below:

Restricted Cash

The Company had restricted cash of $768 (December 31, 2014 – $1,409) comprising primarily of balances in debt service reserve accounts.

Other long-term assets

Other long-term assets are primarily comprised of tax credits. Tax credits consist of Brazilian state and federal taxes accumulated primarily on purchases of property, plant and equipment and can be applied to offset and potentially reimburse certain value added taxes and other taxes payable in future periods. As at March 31, 2015, the Company had tax credits of $19,629 (December 31, 2014 – $23,628) of which $203 (December 31, 2014 – $251) was included in "Other current assets".

Property, plant and equipment

During the quarter, property, plant and equipment decreased by $68,589 (quarter ended March 31, 2014 – $19,965), substantially all of which was related to a negative foreign exchange impact of $63,271 and depreciation of $5,342.

Prior to January 7, 2015, the Company capitalized pre-commercial production costs relating to the Itafós Arraias SSP Operations as property, plant and equipment, as these costs were incurred in the development of the Itafós Arraias SSP Operations towards commercial production. Effective January 7, 2015, the Itafós Operations has been placed under care and maintenance while the Company continues to seek potential solutions under the strategic review process. The Company determined that expenditures incurred at Itafós Arraias SSP operations during the care and maintenance phase no longer satisfy the requirement to be capitalized as an asset, and accordingly are recorded as "Operations care and maintenance expenses" in the consolidated statement of operations.

The suspension of the Itafós operations results in an impairment indicator under IAS 36. The outcome of the impairment assessment on the Itafós property did not change the outcome of the impairment assessment performed as part of the December 31, 2014 annual financial statements, and there are no other changes in the key estimates and judgements to note in these unaudited condensed interim financial statements.

Mineral properties

In Q1 2015, the Company spent $561 on development expenditures related to the Santana Phosphate Project. These expenditures were primarily related to capitalized fees and interest expenses related to debt. For the three months ended March 31, 2015, the Company did not invest any amount as development expenditures at the Itafós Arraias SSP Operations and the Araxá Project. The decrease in net book value of $9,334 during the quarter includes a negative foreign exchange impact of $9,895.

Accumulated depreciation and depletion

Depreciation and depletion of property, plant and equipment and mineral properties for the quarter was $5,342 (quarter ended March 31, 2014 – $5,246). In Q1 2015, depreciation expense was recorded as "Operations care and maintenance expenses" in the consolidated statement of operations.

Liabilities

Total liabilities as at March 31, 2015 were comprised of current liabilities of $270,521 (December 31, 2014 – $289,995) and long-term liabilities of $7,948 (December 31, 2014 – $10,122). The movement in significant liabilities is described below:

Accounts payable and accrued liabilities

Total accounts payable and accrued liabilities were primarily comprised of trade payables and accruals of $19,614 (December 31, 2014 – $22,112), payroll and related tax liabilities of $6,917 (December 31, 2014 – $6,564), taxes payable of $1,590 (December 31, 2014 – $1,830), other current liabilities of $1,684 (December 31, 2014 – $1,251) and restructuring provision of $nil (December 31, 2014 – $316). Overall, accounts payable and accrued liabilities have decreased during the quarter primarily due to foreign exchange impact.

Debt

The overall decrease of $15,489 in debt since December 31, 2014 was primarily comprised of principal, interest and fee payments of $3,651 and foreign exchange impact of $31,171 offset by new borrowings of $8,138 and interest accruals (including monetary adjustments) of $11,257. See "Liquidity and Capital Resources" section below for discussion on new borrowings during the quarter ended March 31, 2015.

As at March 31, 2015 and December 31, 2014, the Company was not in compliance with certain debt covenants associated with its Project Financing and Other Loans and therefore has presented all its debt as current as there are cross-default provisions in our senior debt agreements.

Shareholders' Equity

	March 31, 2015	December 31, 2014
Share capital	$ 286,553	$ 312,868
Contributed surplus	16,457	17,879
Warrant reserve	9,421	10,286
Accumulated other comprehensive loss	(8,916)	(17,032)
Deficit	(183,614)	(140,410)
	$ 119,901	$ 183,591

The change in share capital and warrant reserve was due to a negative foreign exchange impact. For commentary on movement in accumulated other comprehensive loss, see the "Foreign Exchange" section of this MD&A.

CASH FLOW INFORMATION

	March 31, 2015	March 31, 2014
Cash flows from (used in) operating activities	$ (3,208)	$ 2,965
Cash flows used in investing activities	(194)	(8,856)
Cash flows from financing activities	5,215	4,341
Foreign currency effect on cash	(52)	(230)
Increase (decrease) in cash	$ 1,761	$ (1,780)

Three months ended March 31, 2015

Operating activities

Cash flows used in operating activities amounted to $3,208 during Q1 2015 (Q1 2014 – from operations $2,965). Changes in non-cash working capital items provided $1,930 of cash (Q1 2014 – $7,633) and cash of $5,318 (Q1 2014 – $4,668) was used to fund the operating loss.

Investing activities

During Q1 2015, investing activities used $194 (Q1 2014 – $8,856) of cash, comprised of payments related to property, plant and equipment acquisitions and capitalized operational costs.

Financing activities

During the quarter, the Company generated $5,215 (Q1 2014 – $4,341) from financing activities, comprised primarily of proceeds from debt financing of $8,138 (Q1 2014 – $16,467), offset by repayment of principal, interest and fees of $3,326 (Q1 2014 – $14,293).

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents as at March 31, 2015 was $142 (December 31, 2014 – bank indebtedness of $1,619) and total restricted cash as at March 31, 2015 was $768 (December 31, 2014 – $1,409).

Factors that could impact MBAC's liquidity are monitored regularly and include operating margins, seasonality, working capital requirements, currency fluctuation, capital costs and exploration expenditures.

The Company was ramping up production of granulated SSP at the Itafós Arraias SSP Operations in 2014, meeting industry specifications and making deliveries to customers. This production ramp-up was delayed due to severe financial constraints resulting in additional funding requirements to finance the working capital and debt service needs of the Company. In consultation with its senior lenders, MBAC has engaged Deutsche Bank AG to act as its financial advisor in connection with the Company's strategic review process to help find a definitive solution to the Company's working capital constraints and liquidity requirements. Options under consideration in the strategic review process include, but are not limited to, securing a strategic partner, the sale of the Company or its assets as well as other potential value-maximizing transactions. In support of its strategic review process and its objective to preserve working capital, at the beginning of the quarter MBAC has put its Itafós Arraias SSP Operations in care and maintenance mode. Although MBAC believes that a long-term solution will be achieved in due course through the strategic review process, the Company's ability to continue as a going concern is dependent on obtaining additional working capital funding in the immediate term. The Company continues to work with its senior lenders to obtain the required funding in the short term. MBAC has determined that its working capital needs for the next twelve months exceeds the amounts available under its credit agreements. While the Company has had a successful track record in raising capital to date, there can be no assurance that it will be able to do so in the future. These conditions indicate material uncertainty that may cast significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern. The Company's primary sources of funding to this point have been the issuance of equity securities, debt and the sale of assets. MBAC has limited other financial resources. See the "Cautionary Note Regarding Forward-Looking Information" below.

Itaú Working Capital Loans

The Company has a working capital loan with Banco Itaú BBA ("Itaú") in the amount of $10.3 million (the "Itaú Nassau Loan"). This loan, denominated in USD, has a fixed interest rate of 4.66% p.a. and was scheduled to mature on March 15, 2015. During Q1 2015, this loan agreement was amended to extend the maturity date of the Itaú Nassau Loan to July 2015

The Company has a working capital loan with Banco Itaú BBA ("Itaú") in the amount of $2.7 million (R$8.6 million). This loan, denominated in BRL, has an interest rate of DI + 4.50% p.a. and was scheduled to mature on April 20, 2015. Subsequent to quarter end, this loan agreement was amended extending its maturity to July 2015.

During Q1 2015, the Company executed and received disbursements on new working capital loans from Itaú in the amounts of $5.3 million (R$17.0 million) and $0.8 million (R$2.7 million). The loans have an interest rate of DI + 4.50% and mature on November 20, 2020. Interest is payable quarterly beginning in July 2015, and monthly commencing September 2016 and principal is payable monthly beginning September 2016. The purpose of these loans was to refinance overdraft balances, settle bank guarantee liabilities and cover debt service requirements on other Itaú loan agreements.

Votorantim Working Capital Loans

The Company has a working capital loan with Banco Votorantim ("Votorantim") in the amount of $1.6 million (R$5.0 million). This loan, denominated in BRL, has an interest rate of DI + 4.50% p.a. and was scheduled to mature on April 20, 2015. Subsequent to quarter end, the Company was not able to settle this loan; however, the Company continues to negotiate a potential maturity extension with the lender.

Santander Working Capital Loan

During 2014, the Company executed and received disbursements from a working capital loan with Banco Santander ("Santander") for $10.6 million (the "Santander Working Capital Loan"). This loan has an interest rate of LIBOR + 3.473% p.a. and matures on August 21, 2015. Principal is due at maturity and interest is payable semi-annually beginning in February 2015. Subsequent to quarter end, the maturity date of the interest payment that was due under this facility was extended to August 21, 2015.

Modal Working Capital Loan

During 2014, the Company entered into a working capital loan with Banco Modal S.A. ("Modal") for $5.1 million (R$16.2 million). This loan has an interest rate of 0.75% per month + DI and was originally scheduled to mature on March 2, 2015. Principal is due at maturity and interest was payable monthly beginning in May 2014. During Q1 2015, the Company extended the maturity date of the loan to August 10, 2015.

SUMMARY OF QUARTERLY RESULTS

	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Net sales	$ –	$ –	$ –	$ –
Net income (loss)	$ (43,204)	$ (8,808)	$ (18,744)	$ (7,017)
Basic and diluted earnings (loss) per share	$ (0.24)	$ (0.05)	$ (0.10)	$ (0.04)
Adjusted basic and diluted loss per share	$ (0.13)	$ (0.02)	$ (0.01)	$ (0.05)
Total assets	$ 398,370	$ 483,708	$ 512,417	$ 553,279

	Q1 2014	Q4 2013	Q3 2013	Q2 2013
Net sales	$ –	$ –	$ –	$ –
Net income (loss)	$ 6,055	$ (10,951)	$ (6,580)	$ (17,168)
Basic and diluted loss per share	$ 0.04	$ (0.08)	$ (0.04)	$ (0.12)
Adjusted basic and diluted loss per share	$ (0.04)	$ (0.02)	$ (0.03)	$ (0.03)
Total assets	$ 549,061	$ 511,257	$ 536,741	$ 470,806

NON-IFRS MEASURES

The Company has included certain non-IFRS measures including "Adjusted net loss" and "Adjusted net loss per share" to supplement its financial statements, which are presented in accordance with IFRS. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The presentation of adjusted non-IFRS measures are not meant to be a substitute for net income (loss) or net income (loss) per share presented in accordance with IFRS, but rather should be evaluated in conjunction with such IFRS measures. Adjusted net loss and Adjusted net loss per share are calculated as net income (loss) excluding (a) share-based payment expense, (b) gains and losses on the disposition of long-term assets, (c) amortization of deferred transaction costs, (d) realized and unrealized gains and losses on derivative instruments, and (e) unrealized foreign exchange gains and losses. Management believes that the presentation of Adjusted net loss and Adjusted net loss per share provide useful information to investors because they exclude certain non-cash and other non-recurring items and are a better indication of the Company's results from operations. The items excluded from the computation of Adjusted net loss and Adjusted net loss per share, which are otherwise included in the determination of net income (loss) and net income (loss) per share prepared in accordance with IFRS, are items that the Company does not consider to be meaningful in evaluating the Company's past financial performance or the future prospects and may hinder a comparison of its period-to-period results.

CAPITALIZATION

The Company is authorized to issue an unlimited number of common shares without par value and an unlimited number of preferred shares issuable in series. There are no preference shares issued or outstanding.

Share capital as at March 31, 2015 was $286,553 (December 31, 2014 – $312,868). As at March 31, 2015, MBAC had 181,607,492 common shares (December 31, 2014 – 181,607,492) issued and outstanding. The following common shares and stock options of the Company were outstanding as at May 15, 2015:

	Expiry date	Exercise price	Securities outstanding	Common shares on exercise
Common shares	–	–	181,607,492	–
Stock options	Feb 14, 2017 to Feb 21, 2019	C$0.98 to C$2.99	4,346,000	4,346,000
Warrants	April 15, 2019 to April 17, 2019	C$1.00 to C$2.20	35,659,180	35,659,180

OUTLOOK AND STRATEGY

The Company's vision is to be a significant integrated producer of phosphate fertilizer and related products in the Brazilian market. The fundamentals of the Brazilian agribusiness sector continue to be positive.

The Company's primary focus remains on the Itafós Arraias SSP Operations. Continuity of this vision and strategy is now dependant on the outcome and the associated timing of the previously mentioned strategic review process. During Q4 2014, with the commencement of the strategic review process, the Company evaluated the temporary suspension of its operations. At the beginning of the quarter, the Company suspended production at its Itafós Arraias SSP Operations and has not had any production to date in 2015. Depending on the outcome of the strategic review process and funding working capital requirements, the Company intends to resume operations at the Itafós Arraias SSP Operations.

The Company's action plan nevertheless remains as specified below, subject to the successful completion of the strategic review process:

- Putting the balance sheet on solid footing by ensuring a healthy working capital position, allowing the Company to achieve its operational goals;
- Optimizing the ramp-up by strengthening our team by bringing in experienced people with significant knowledge and background in operations and maintenance;
- Operational excellence by setting up a discipline to capture value throughout the whole organization in a structured and focused manner;
- Position MBAC as a "Supplier of Choice" in its target region by leveraging competitive advantages with logistics, client proximity and the quality of our product; and
- Future growth strategy will be undertaken by pursuing its attractive greenfield and brownfield project pipeline once we are comfortable that the Itafós Arraias SSP Operations are running at or above expectations.

In October 2013, MBAC completed the Santana Feasibility Study. The Company continues to be very positive about the prospects for this project and believes that the Santana Phosphate Project together with the Itafós Arraias SSP Operations have the potential to make MBAC the largest SSP producer in Northern Brazil and the second largest SSP producer in Brazil. MBAC continues to review strategic options and expects to pursue further advancement of the Santana Phosphate Project with partnerships or at a time if and when the Itafós Arraias SSP Operations' cash flow becomes positive and steady. The Santana Phosphate Project is strategically located near extensive farmland in the northern Mato Grosso State, one of the fastest growing agricultural frontiers in Brazil with extensive grain and soy growing operations. In addition, the Santana Phosphate Project is also located in Pará State, a key geographical area for animal feed supplement business, which may provide the opportunity for MBAC to produce DCP (an animal nutrient product) in the future. MBAC continues to review its strategic alternatives and work with its financial advisor to identify suitable strategic partners for the potential sale of the Santana Phosphate Project (see "Santana Phosphate Project" section of this MD&A).

CONTRACTUAL OBLIGATIONS

Except for the presentation of all debt as current as at March 31, 2015 under IFRS requirements, the table below provides a breakdown of the Company's contractual obligations as at March 31, 2015:

	Total	Less than 1 year	1 -3 years	4 -5 years	Thereafter
Accounts payable and accrued liabilities	$ 29,865	$ 29,865	$ –	$ –	$ –
Debt repayments (principal portion)	238,407	31,016	129,552	77,839	–
Accrued interest payable on debt	13,666	4,933	8,733	–	–
Provision for environmental restoration	714	–	–	–	714
Capital commitments	12	9	3	–	–
Non-cancellable operating leases[1]	50	43	4	3	–
Purchase obligations	2,792	2,792	–	–	–
	$ 285,506	$ 68,658	$ 138,292	$ 77,842	$ 714

[1] In March 2015, the Company's head office in Canada renegotiated its office lease agreement, effectively reducing future operating lease commitments by approximately $703.

PHOSPHATE FERTILIZER MARKETS

According to the Instituto de Economia Agricola (IEG), Brazilian agribusiness exports in 2014 totalled $96.8 billion, representing a decrease of approximately 3.1% compared to 2013, when exports reached a record $99.9 billion. The trade balance was $80.1 billion surplus, a decrease of approximately 3.4% compared to 2013, when the trade surplus was a record $82.9 billion. The five contributors of Brazilian agribusiness exports for 2014 were soy, meat, sugar (including ethanol), forest products and coffee. These five categories accounted for 78.4% of the Brazilian agribusiness sales. The latest survey of grains for 2014-2015 conducted by Brazil National Supply Company (CONAB) in March 2015 indicated that Brazil's annual soybean production is estimated to increase from 86.1 million tonnes in 2014 to 93.3 million tonnes in 2015, representing a growth of 8.4%. Total planted area for grains in Brazil for 2015 is estimated to reach 57.0 million hectares. Soybean crop is estimated to occupy the most area with 31.3 million hectares, 3.9% higher than 2014. The figures continue to demonstrate the strength in the Brazilian agribusiness sector and its competitiveness internationally. The Brazilian economy depends on agribusiness as a major revenue earner and contributor of surplus to the economy.

According to the Brazilian Institute of Geography and Statistics (IBGE) the estimate for the 2015 soybean harvest is approximately 94.9 million tonnes, which would represent an increase of 9.8% as compared to the total soybean harvest of 86.4 million tonnes in 2014. The soybean harvested area is expected to increase by 4.0%, from 30.2 million hectares in 2014 to 31.4 million hectares by the end of 2015 according to the IBGE. Sales from the soy complex increased 1.6%, from $30.9 billion in 2013 to $31.4 billion in 2014. In Brazil, soybean planting got off to a sluggish start due to erratic rainfall from September through October 2014. By early November 2014, planting was accelerating quickly upon arrival of a more consistent rainfall pattern. A few pockets of dryness persist but moisture conditions for most soybean-growing regions are currently favorable. In January 2015, the United States Department of Agriculture (USDA) raised its Brazil soybean yield forecast, which increased the 2014/2015 production to 95.5 million. While the planting delays in Brazil have not affected yield prospects, they may result in a later-than usual harvest season.

According to the National Association of Fertilizer Producers – Brazil (ANDA), total consumption of fertilizer in Brazil for 2014 was 32.2 million tonnes. This represents an increase of 5.0% over the 30.7 million tonnes consumed in 2013, resulting in another record year for fertilizer consumption in Brazil.

The Di-ammonium phosphate ("DAP") prices FOB Tampa, Florida is one of the benchmarks the industry uses for phosphate pricing. The DAP price on December 2013 was $373 per tonne, increasing to approximately $460 per tonne by the end of December 2014. In Q1 2015, the DAP price continued to increase and reached approximately $485 per tonne during February 2015. Fertilizer consumption in Brazil and Latin American markets are generally favourable with the continued expectation of increased fertilizer application over the mid-to-long-term. As the USDA increased its forecast for global soybean production and expects inventories to reach an all-time high, soybean prices declined during Q4 2014. The Brazilian farmers continue to optimize crop yield through the use of fertilizers and other agricultural inputs. Demand is firm in the Company's target region; however ANDA is forecasting an 8.49% decline in the total volume of fertilizer consumed in Brazil for 2015. Additionally, devaluation of BRL against USD generally helps the farmers to offset the decrease in price of the commodities. Although fertilizer consumption in the Brazilian markets was generally favourable during 2014, the price of SSP has not recovered substantially from its lows in 2013. The pricing for phosphate fertilizers in Brazil is driven by "import parity" meaning that the cost of importing the final product or its inputs largely determines the local price. Prices for phosphate rock (FOB Morocco) have increased somewhat from approximately $100 per tonne at the beginning of 2014 to $120 per tonne during March 2015, but are significantly lower than $128 per tonne and $185 per tonne at the same time in 2013 and 2012, respectively.

The Company's initial product is SSP which is an excellent source of three plant nutrients – phosphorous, sulphur and calcium. The presence of these nutrients in SSP provides great benefit to the development of crops in regions where these nutrients are deficient, such as in Brazil's Cerrado region where the soils are very old. It is also the preferred fertilizer for development of new cropping areas such as Brazil's new agricultural frontier in central and northern Brazil. According to ANDA, during 2014, Brazil produced and imported 5.2 million tonnes of SSP, as compared to 5.8 million tonnes of SSP in 2013.

FOREIGN EXCHANGE

MBAC's Brazilian operations are denominated in BRL, the functional currency of the Brazilian entities. The functional currency of all other entities is CAD. The presentation currency of the Company is USD. Accordingly, fluctuations in the exchange rates (BRL/USD and CAD/USD) may significantly impact the consolidated results of operations and the consolidated reported net assets. The effect of changes in currency fluctuations from the functional currency to the presentation currency on the operations' net assets is recorded in the Company's shareholders' equity as a cumulative translation adjustment.

The following is a summary of the changes in foreign exchange rates during the respective periods and the related impact on the financial statements:

	Three months ended	
	March 31, 2015	March 31, 2014
BRL strengthening (weakening) against USD	(19.6)%	4.6 %
CAD strengthening (weakening) against USD	(9.2)%	(3.9)%
Unrealized and realized foreign exchange gain (loss)	$ (19,432)	$ 9,297
Cumulative translation gain	$ 8,116	$ 16,039

The total foreign exchange loss of $19,432 for the quarter ended March 31, 2015 was primarily comprised of unrealized foreign exchange losses of $19,438 on BRL denominated intercompany loans of R$156.2 million between the Company's subsidiaries.

OFF-BALANCE SHEET ARRANGEMENTS

As at March 31, 2015, MBAC did not have any off-balance sheet arrangements.

INCOME TAXES

MBAC's combined Canadian federal and provincial statutory tax rate was 26.5%. There are a number of factors that affect MBAC's effective tax rate, including the rate differential and proportion of income earned in each jurisdiction, tax benefits that were not recognized, foreign currency gains and losses and changes in tax rates. As a result, MBAC's effective tax rate may fluctuate from period to period.

The interpretation of tax regulations and legislation and their application to the Company's business is complex and subject to change. Accordingly, the Company's ability to realize future income tax assets could significantly affect net income or cash flow in future periods.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The accounting policies and estimates that are critical to the understanding of the Company's business operations and results of operations are identified in the Company's audited consolidated financial statements for the year ended December 31, 2014 and notes thereto, as well as in the Company's MD&A for the year ended December 31, 2014. For Q1 2015 there were no changes to the critical accounting policies, estimates and judgements from those found in the Company's MD&A for the year ended December 31, 2014, with the exception of a new policy in respect of care and maintenance expenditures resulting from Itafós being placed on care and maintenance during the quarter.

CONTINGENCIES

Due to the size, complexity and nature of MBAC's operations, various legal and tax matters arise in the ordinary course of business. MBAC accrues for such items when a liability is both probable and the amount can be reasonably estimated. Based on the Company's knowledge and assessment of events, the Company does not believe that the outcome of any of the matters not recorded in the financial statements, individually or in aggregate, would have a material adverse effect. The Company continues to monitor its legal contingencies for proper and accurate reporting.

RISKS AND UNCERTAINTIES

There were no changes to the Company's exposure to risks and other uncertainties as described in the "Management's Discussion and Analysis" for the year ended December 31, 2014.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in its filings under Canadian securities legislation is recorded, processed, summarized and reported in a timely manner. The system of disclosure controls and procedures includes, among other things, the Company's Code of Business Conduct and Ethics policies, the review and approval procedures of the Disclosure Committee and continuous review and monitoring procedures by senior management.

Both the President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") have evaluated the design of the Company's disclosure controls and procedures as at March 31, 2015, pursuant to the requirements of National Instrument 52-109. There has been no change in the Company's disclosure controls and procedures during the period from January 1, 2015 to March 31, 2015 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Company is responsible for establishing and maintaining effective internal control over financial reporting as defined in the rules of the Canadian Securities Administrators. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of the Company's financial reporting for external purposes in accordance with accounting principles generally accepted in Canada for external purposes.

LIMITATIONS OF CONTROLS AND PROCEDURES

The Company's management, including the President and CEO and the Vice President, Finance and CFO, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, and not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

QUALIFIED PERSON

Unless otherwise indicated, the responsible qualified person, within the meaning of NI 43-101, who has reviewed and approved the scientific and technical information contained in this MD&A is Carlos Guzmán, FAusIMM (229036), Mining Engineer, RM (Chilean Mining Commission).

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Except for statements of historical fact relating to the Company, information contained herein may constitute forward-looking information, including any information as to the Company's strategy, vision, plans or future financial or operating performance. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", "is expected", "estimates", "intends", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

In particular, forward-looking information included in this MD&A includes, without limitation, statements with respect to:

- the Company's vision and goal to become a significant integrated producer of phosphate fertilizer and related products in the Brazilian market;
- the Company's ability to continue as a going concern;
- the Company's current estimate of mine life stipulated in the Updated Itafós Technical Report and its potential increase;
- the Company's expectations related to resources and reserves stipulated in the Updated Itafós Technical Report;
- the Company's ability to resume exploration and evaluation efforts towards increasing the mine life at the Itafós Arraias SSP Operations and respective expansion strategy;
- the Company's expectations that its financial advisor will work in collaboration with the Company's senior lenders to find a definitive solution for the Company's working capital constraints and liquidity requirements, including the sale of assets or other strategic arrangements;
- the Company's expectations to receive binding proposals in connection with the strategic review process during Q2 2015;
- the Company's expectations for future financing sources and use of funds;
- the Company's expectations related to extension on the Votorantim working capital loan;
- the Company's expectation that the cost containment initiatives implemented in 2014 will reduce the Company's annual costs by approximately $4.0 million;
- the Company's ability to carry out its devised action plan;
- the Company's expectation to resume operations at the Itafós Arraias SSP Operations after the re-evaluation of its working capital position;
- the Company's expectations around the growth of Brazilian and global fertilizer markets in the foreseeable future and increase in fertilizer and phosphate prices;
- the Company's expectations that the Santana Phosphate Project, together with the Itafós Arraias SSP Operations, have the potential to make MBAC the largest SSP producer in Northern Brazil and the second largest SSP producer in Brazil;
- the Company's expectation that 1.2 million tonnes of SSP will be consumed in the Company's target area for Itafós Arraias SSP Operations and the Company's expectations of volume increases and of higher average selling price;
- the Company's expectations around the project design, economics, resource and reserve potential, technical feasibility, development timelines, the underlying assumptions as well as forecasted market conditions stipulated in the Santana Feasibility Study and the Amended Araxá PEA, as well as in relation to the advancement of those projects;
- the Company's ability to potentially produce DCP at the Santana Phosphate Project in the future;
- the Company's expectation of the sufficiency of capital resources to fund all projected capital expenditures for the Santana Phosphate Project;
- the Company's expectation that it will obtain funding for the Santana Phosphate Project through IFC Santana Financing;
- the Company's plans in connection with pursuing the Inova Support Program;

- the Company's expectations in relation to the strategic initiatives in regards to the Santana Phosphate Project and the Araxá Project;
- the Company's expectations that the timelines contemplated and the project economics in the Amended Araxá PEA and the Santana Feasibility Study may be impacted by the decision to retain a financial advisor to review the sale of an interest in the Araxá Project and the Santana Phosphate Project; and
- the Company's projections of future levels of taxable income.

Conclusions, forecasts and projections are based on the following factors and assumptions, among others:

- fertilizer market strength and SSP prices;
- future agricultural imports and exports and fertilizer market in Brazil;
- general economic and industry growth rates;
- currency exchange rates;
- cash flows from the Itafós Arraias SSP Operations will support borrowing under the project financing facilities and working capital loans;
- the sufficiency of capital resources to fund all projected capital expenditures for the Santana Phosphate Project;
- sufficient mineral resources being confirmed at the Itafós Arraias SSP Operations to justify potential expansion in the future; and
- expert conclusions, assumptions and estimates contained in the Company's current technical reports filed on SEDAR, in the Santana Feasibility Study and in applicable industry reports relied upon.

The forward-looking information contained in this MD&A is based on the opinions, assumptions and estimates of management set out herein, which are considered to be reasonable as at the date the statements are made, 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:

- exploration, development and operating risks;
- environmental risks and hazards;
- risks in connection with current global financial conditions;
- uncertainty with respect to the estimation of mineral reserves and mineral resources;
- uncertainty with respect to inferred mineral resources;
- fluctuations in commodity prices;
- infrastructure risks;
- the Company's ability to obtain all necessary permits;
- insurance and uninsured risks;
- risks relating to potential disputes to the Company's title to its properties;
- the possibility that the Company's concessions may be terminated in certain circumstances;
- competition with other companies possessing greater financial and technical resources than MBAC;
- risks relating to additional capital requirements;
- currency fluctuations;
- potential write-downs and impairments;
- litigation risks;
- risks relating to future acquisitions and the integration of these acquisitions into the Company's business structure;
- risks relating to a potential sale or disposition of certain assets by the Company;
- risks relating to governmental regulation of the mining industry;
- risks relating to the Company's foreign operations;
- risks relating to labour, employment and other workforce matters;
- risks relating to the transfer of cash and assets to and from MBAC's foreign subsidiaries;
- the Company's dependence upon key management personnel and executives;
- possible conflicts of interests of the Company's directors and executive officers;
- possible damage to the Company's reputation;
- risks relating to potential malicious acts of destruction to the Company's property;
- risks relating to weather and climate change;
- volatility with respect to the Company's stock price;
- uncertainty with respect to current or pending litigation;
- uncertainty with respect to the commercial viability of phosphate ore deposits;
- uncertainty with respect to mine development and completion;

- uncertainty with respect to the accuracy of estimates and findings for the Itafós Arraias SSP Operations, the Araxá Project and the Santana Phosphate Project;
- operating risks, political risks and credit risks;
- risks relating to the Company's equipment and supplies; and
- uncertainty with respect to the Company's ability to obtain sufficient financing in order to continue as a going concern and continue its proposed business plan.

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. The reader is cautioned not to place undue reliance on forward-looking information. The forward-looking information contained herein is presented for the purpose of assisting 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.