



US\$14 MILLION LOAN FACILITY APPROVED & FIRM BIDS FOR PLACEMENT RECEIVED

Highlights

- Minbos has received credit committee approval from the IDC for a US\$14 million (~AU\$21.5 million) debt facility, on usual commercial terms (Appendix A).
- The Company has received firm commitments for an AU\$6.1 million capital raising with strong support from new and existing sophisticated and institutional investors (Appendix B).
- Key components of the phosphate fertilizer plant are already in Cabinda. The factory site is cleared, fenced and ready for construction.
- The Company expects Phase 1 construction works (earthworks, civils and drainage) to commence within two weeks of executing the Phase 1 construction contract with the preferred contractor.
- The Company is planning all project activities to ensure the major phosphate customer has the majority of its fertilizer requirements for the 2025/26 growing season and in their warehouse by the end of December 2025.
- To achieve this sales target, construction must start no later than July 2024 to facilitate first production in Q2 2025.
- The Company's securities have been in suspension while it completed the IDC debt approval process and an associated capital raising.



Minbos Resources Limited (ASX:MNB) (“Minbos” or “the Company”) is pleased to announce that it has received credit committee approval for a US\$14 million (~AU\$21.5 million) debt facility from the Industrial Development Corporation of South Africa Ltd (IDC) for construction funds applied to the Cabinda Phosphate Project.

Presidential Decree to support local production in Angola

- Presidential Decree no. 213/23 came into effect 1 January 2024 and prioritises local production over imports for certain goods, including fertilizers. Authorisation for imported fertilizers is now required, which will only be granted when the importer demonstrates it has exhausted purchasing opportunities with registered national producers.
- This means phosphate fertilizer customers will be required to purchase from Minbos, as it is the only producer of phosphate fertilizers in Angola (currently 100% of such fertilizers are imported).
- As well as building a moat around the Company’s business, the law also benefits and strengthens Minbos customers, as they are producers of food and other agricultural products that are largely imported into Angola.

Government funding of agricultural projects

- The Angolan Government has implemented two important measures that aim to make available approximately half a billion US dollars of credit to producers primarily in and assisting in the development of the agricultural sector, being a stated key policy objective of the Government.
- The first such measure was prescribed by the Central Bank of Angola (BNA) under Aviso No.10 ‘*Granting Credit to the Real Sector of Economy*’, which requires financial institutions to grant a minimum quota of credit per year (based on the institution’s net assets) to borrowers in the sector, which explicitly includes fertilizer producers, with the cost of credit capped at 7.5% for loans and 10% for working capital facilities.



- The second measure provides qualifying borrowers up to 70% of the security required by the lenders, in the form of Public Guarantees from the Credit Guarantee Fund (FGC). The cost for the guarantee is 2.5%, which is also loaned by the lender.
- The Company is in the initial stages of the process to access such credit with Angolan financial institutions.

Construction update

- The Company previously announced it had resumed management control of engineering for construction at Cabinda through its owner's team TRW Consulting and design engineers ASL. There has been a reduction in costs in line with the Company's earlier study estimates based on improved design, improved engagement with local suppliers, and a phased program of works:
 - Phase 1 (\$US5.5M): Comprising earthworks, civils and drainage. The execution contract is ready to sign, and the engineer is ready to start. Phase 1 is expected to take 5 months.
 - Phase 2 (\$US18.5M): Design is substantially complete for the balance of works including structural, mechanical, electrical and process control, and the package is being prepared for pricing and contracting. Phase 2 construction is expected to take 5 months. and will commence 2 months after commencement of Phase 1.
 - Phase 3 (Commissioning): expected to take 1 month. The total construction timeframe from first work to first delivery is estimated at nine months.

Phase 4 (Expansion): While the IDC funding was being approved, the project team have commenced investigating expansion options which may be incorporated into Phase 2 of construction. This will depend on progress at Porto do Caio deepwater port, negotiations, and test work with potential offtake customers in South Africa and the delivery timing for a larger crusher.



Funding

The US\$14M IDC facility will cover the majority of the ~US\$24M (subject to final pricing of Phase 2 construction). The remaining US\$10M required to complete construction and commissioning is expected to be sourced from Angola's agriculture-focused banking and lending sector and/or with development-focused investors, with which discussions are currently underway.

Approval of the IDC facility has allowed the Company to access financing opportunities not previously available to it. Moreover, agricultural development in Angola has now become a Government-wide priority.

In his recent State of the Nation address, Angolan President Joao Lourenco, spoke directly to the importance of the Cabinda Phosphate Project, which has directly enabled discussions with Angolan institutions.

The Cabinda phosphate project supplies a seasonal industry, and the Company has commenced discussions for a working capital facility with competing local banks charged with deploying concessional funds from the Government to the agricultural value chain. Minbos intends to maximise its use of this funding. The funding explicitly considers factoring finance which the Company is exploring with possible third-party warehouse operators.

The Company has also been evaluating a number of unsolicited partnership opportunities for both the Cabinda Phosphate Project and the Capanda Green Ammonia Project. The Company notes that such partnership opportunities are not however at a point where the Company would be required to make an announcement and the Company confirms it is in keeping with its continuous disclosure requirements as at the date of this release. The opportunities may not eventuate and the Company will keep shareholders informed as to the advancement of such opportunities as and when they are required to do so.

The Company believes that there is no reason why the suspension of its securities from trading should not be lifted and the Company confirms that it is in accordance with ASX Listing Rule 3.1.

- END -

This announcement has been authorised for release by the Board.

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APPENDIX A

| | |
|-----------------|--------------------------------------------------------------------|
| Lender | Industrial Development Corporation of South Africa (IDC). |
| Facility amount | US\$14 million. |
| Term | 60 months with a 12-month capital and interest moratorium. |
| Repayment | 16 equal quarterly instalments. |
| Interest rate | SOFR +6.26% +1.75 (PRI margin) compounded quarterly. |
| First drawdown | 30% of facility amount upon satisfaction of conditions precedents. |

Conditions Precedents included:

- deliver the project security as defined in the agreed terms.
- evidence of US\$ 11 million of funding raised by borrower.
- evidence of working capital facility of minimum US\$ 10 million.
- conversion the Grupo Carrinho Memorandum of Understanding into a signed offtake agreement.



APPENDIX B

Placement Details

The Company has received firm commitments from new and existing sophisticated and institutional investors to raise ~AU\$6.1m (before costs) by way of private Placement.

Under the Placement, Minbos will issue ~87.5m new fully paid ordinary shares at an issue price of AU\$0.07 per share, representing a 23% discount to the last traded share price. Placement participants will be entitled to a one (1) for one (1) free attaching option, exercisable at AU\$0.07 with a 24-month term. The attaching options issued under the Placement will seek quotation, subject to meeting ASX's minimum listing requirements and the issue of a prospectus.

The Placement will be conducted in two tranches. Tranche 1 shares and attaching options are not subject to shareholder approval and will be issued under the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A. Tranche 1 Placement shares are expected to be issued on 18 April 2024 and the attaching options are to be issued shortly after subject to the Company filing a prospectus.

Minbos directors and management intend to subscribe for ~\$900,000 worth of shares in the Placement. The issue of shares to directors and management forms Tranche 2 of the Placement. Tranche 2 Placement shares will be subject to shareholder approval at an upcoming General Meeting.

In addition, the Company has also extended its engagement with StocksDigital (S3 Consortium Pty Ltd) to provide digital investor awareness services to the Company for a term of 2 years.

The fee for these services is AU\$250,000 (plus GST). In lieu of cash settlement, the Company intends to issue StocksDigital with 3.57m shares at an issue price of AU\$0.07 per share.

All Placement shares issued will rank equally with existing shares on issue.

An investor presentation and Appendix 3B for the proposed issue of securities will follow this announcement.

CPS Securities and PAC Partners acted as Joint Lead Managers to the Placement and will receive fees on normal commercial terms.



Use of Placement Funds

Placement funds coupled with the secured debt funding will ensure the Company remains funded for Phase 1 construction activities at the Cabinda Phosphate project.

Compliance Statement

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Forward Looking Statements

Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices, or potential growth of Minbos Resources Limited, are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.