

04 October 13

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ASX ANNOUNCEMENT/MEDIA RELEASE

\$250,000 ADDITIONAL FUNDS THROUGH CONVERTIBLE NOTES

Minbos Resources Limited (“**Minbos**” or “**Company**”) (ASX:MNB) wishes to announce that it expects to shortly complete financing arrangements with a group of sophisticated investors (“**New Noteholders**”) to provide an additional \$250,000 in secured funding through the issue of convertible notes under a facility for \$500,000 (“**New Facility**”). \$250,000 was previously advanced to the Company as announced on 22 August 2013. The \$250,000 convertible note funding will provide the Company with working capital as it works on longer term funding solutions.

The fundraising from the New Noteholders is being managed and arranged by CPS Capital Group.

The Company has finalised the provision of general security and variations to the repayment dates and structure of the following existing convertible note facilities:

- (i) convertible note facility agreement under which Mr David Reeves has provided the Company with \$250,000 to assist with its working capital requirements (the “**Reeves Facility**”);
- (ii) convertible note facility agreement under which Mr James Carter has provided the Company with \$250,000 to assist with its working capital requirements (the “**Carter Facility**”); and
- (iii) a convertible note facility agreement under which Lind Partners LLC has provided the Company with \$300,000 to assist with its working capital requirements (the “**Lind Facility**”). The outstanding amount of this facility is currently \$250,000 with \$50,000 of the facility being recently converted into 5 million of the Company’s shares at Lind’s election.

It is proposed that the New Facility, Reeves Facility, Carter Facility and Lind Facility will be secured under a general security deed granting security over all the Company’s present and after acquired property (“**General Security Deed**”).

ASX WAIVER

As part of the restructure of the Reeves Facility, the Company has sought a waiver from ASX Listing Rule 10.1, concerning the grant of the security over the Company assets without first seeking shareholder approval.

The waiver has now been granted by the ASX on the following terms:

- (i) *The General Security Deed includes a term that if an event of default occurs and any of the Noteholders exercises their rights under the General Security Deed, none of the Noteholders nor any of their associates can acquire any legal or beneficial interest in an asset of the Company in full or part satisfaction of the Company's obligations under any of the Facilities, or otherwise deal with the assets of the Company, without the Company first having*

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complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver, or receiver and manager (or any other person acting on behalf of any of the Noteholders) appointed by any of the Noteholders exercising their power of sale under the General Security Deed and selling the assets to an unrelated third party on arm's length commercial terms and conditions and distributing the cash proceeds to any or all of the Noteholders in accordance with their legal entitlements.

- (ii) A summary of the material terms of the General Security Deed is made in each annual report of the Company during the term of the General Security Deed.*
- (iii) Any variations to the terms of any of the Facilities or the General Security Deed which is not a minor change or inconsistent with the terms of the waiver, must be subject to shareholder approval.*
- (iii) The Company must seek to discharge the General Security Deed when the funds advanced under all the Facilities have been repaid, or if they are not discharged, seek shareholder approval for the continuation of the General Security Deed for any further loan facility amount.*
- (iv) The Company immediately releases to the market an announcement which sets out the terms of the waiver, and the Company's plans with respect to the repayment of the funds advanced under all of the Facilities and the discharge of the General Security Deed, including the timeframe within which it expects the repayment and discharge to occur.*

The Company may repay the Facilities before their respective repayment dates or the Facilities may be converted to equity in the Company under the terms and conditions of the relevant convertible note agreements. Pursuant to the General Security Deed, the security provided under the Facilities will be discharged in due course upon repayment or refinance of the amounts provided under the Facilities.

Terms of the \$500,000 New Noteholders Facility

The key terms of the proposed secured New Note Facility are as follows:

- a) the Company may issue convertible notes (Notes) with a principal amount outstanding not exceeding \$500,000;
- b) each Note will have a face value representing a principal amount of \$25,000 (up to 10 Notes will be issued with each Note having a value of \$25,000 for a total Note issue valued at \$250,000), and all Notes will rank equally;

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- c) the Notes will be convertible into ordinary shares of the Company at an issue price of:
 - i. \$0.01 per share in the event that an extension of certain Angolan exploration licences (Cacata Deposit) are renewed (Renewal) within 3 months from the date of issue of the Notes; or
 - ii. \$0.003 per share in the event that the Renewal has not occurred within 3 months from the date of issue of the Notes.
- d) the maturity date in relation to each Note will be the first to occur of:
 - i. the date shares are issued to the noteholder upon conversion of the Note;
 - ii. 5 months from the date of issue of the Notes; or
 - iii. any earlier date on which the Company repays the Note in accordance with the other conditions of the Note Facility;
- e) interest payable as a fee equal to 15% of the face value the Notes at maturity; and

the Notes will be secured by the General Security Deed granted by the Company over all of the Company's present and after acquired property.

The Company expects that the funds under the New Facility will be repaid or converted to securities in the Company, subject to shareholder approval, within 12 months at which time the discharge of the New Security Deed will occur.

ENDS

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About Minbos

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Minbos Resources Limited (**ASX:MNB**) is an ASX-listed exploration and development company focused on phosphate ore within the Cabinda Province of Angola and the adjoining areas of the far western DRC. Through its subsidiaries and joint ventures, the Company is exploring over 400,000ha of highly prospective ground hosting phosphate ore.

Minbos is focussing on the development of the high grade Cacata project in Cabinda whilst growing its current resource base in incremental stages on the remaining deposits in Angola.

The Company's strategy is to specifically target the exploration and development of low cost fertiliser-based commodities in order to tap into the growing global demand for fertilisers. Phosphate is an essential component in certain agricultural fertilisers, with the market supported by the increasing global demand for food and bio-fuel products.

For more information, visit www.minbos.com