

# MINBOS RECEIVES FIRM COMMITMENTS FOR \$25M PLACEMENT

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## HIGHLIGHTS

- **\$25 million Placement, cornerstoned to \$15 million by a syndicate of investors, including an entity controlled by the Chairman of the world's largest Battery Anode Producer.**
- **Placement funds paired with a number of important strategic agreements, including:**
  - **Strategic Cooperation Agreement to collaborate on Ferro Phosphate and Lithium Ferro Phosphate Projects and Large-scale Green Ammonia Projects.**
  - **Non-Binding Debt Term Sheet for US \$25 million.**
- **Proceeds of the Placement funds are to be used for:**
  - **CAPEX for the Cabinda Phosphate Project, with construction anticipated to be underway Q3 2022.**
  - **Technical Studies for Capanda Green Ammonia Project, underway immediately.**
  - **Developing a world-class management team capable of delivering some of the most exciting green energy projects globally.**
- **Strong demand for the Placement from new domestic and international institutional, sophisticated and professional investors.**
- **Minbos Board and Management participation up to \$845,000.**

## Commenting on the Placement, Minbos CEO Lindsay Reed:

*"Following the Announcement of the Company's hydropower concession and its plans for the Capanda Green Ammonia Project, the Company was approached by a syndicate of investors looking to partner in developing some of the most exciting green energy projects globally.*

*While the Company is very pleased with the strong demand for the Placement, we are even more excited to work with our new partners on Ferro Phosphate and Lithium Ferro Phosphate for batteries and Large-scale Green Ammonia Projects - backed by their strong commitment to zero-carbon green energy projects.*

*On behalf of the board, I welcome all new shareholders to the register and look forward to an exciting 12 months which will see us deliver our Definitive Feasibility Study and commence construction for the Cabinda Phosphate Fertilizer Plant and undertake initial Technical Studies with our Green Ammonia technical partner, Stamicarbon, for the Capanda Green Ammonia Project."*

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**Minbos Resources Limited (ASX: MNB)** ("**Minbos**" or "**the Company**") is pleased to advise that the Company has received firm commitments to raise A\$25 million (before costs) through the placement of 227,272,728 fully paid ordinary shares ("**New Shares**") at A\$0.11 per New Share from institutional, sophisticated and professional investors ("**the Placement**"), including participation by the Minbos directors and management team.

The Placement was well supported by new domestic and international institutional investors, including a syndicate of investors led by Mr. Liang Feng, the Chairman of US \$18 Billion Shanghai Putailai New Energy, seeking exposure to Ferro Phosphate, Lithium Ferro Phosphate and large-scale Green Ammonia Projects, driven by Angola's green energy infrastructure and Minbos' plans for developing one of the most prospective agriculture regions globally.

### **Placement Details**

The Placement issue price of A\$0.11 represents an 18.5% discount to the last traded share price and a 22.1% discount to the 5-day VWAP prior to the Placement.

The Placement comprises the issue of 227,272,728 New Shares via two Tranches as set out below:

- 131,414,473 New Shares pursuant to the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A ("**Tranche 1**"); and
- 95,858,255 New Shares subject to Shareholder approval at a General Meeting of Shareholders scheduled for August 2022 ("**Tranche 2**").

Minbos directors and management will be participating in the Placement for approximately \$845,000.

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 \$375,000 (plus GST). In lieu of cash settlement, the Company intends to issue StocksDigital with 3,750,000 Shares at an issue price of \$0.11 per share (\$412,500).

The Tranche 1 New Shares are expected to settle on Wednesday, 20 July 2022 and the Tranche 2 New Shares are expected to settle in late August 2022, following shareholder approval in general meeting. All New Shares issued under the Placement will rank equally with existing shares in issue.

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

Evolution Capital acted as Lead Managers to the Placement.

### **Strategic Cooperation Agreement**

Minbos and the syndicate of cornerstone investors (being Longmarch Principal Holding Limited, HongKong Jayson Holding Co., Ltd. and Hoston Investments (Australia) Pty Ltd.) have signed a Strategic Cooperation Agreement ("**SCA**") to develop Ferro Phosphate, Lithium Ferro Phosphate and Large-Scale Green Ammonia Projects. Key points of the SCA are as follows:

#### ***Ferro Phosphate and Lithium Ferro Phosphate (LFP Projects)***

- Identify, approach and secure appropriate partners, technology and service providers;
- Identify, approach and secure appropriate customer investment and offtake partners;
- Contribute to project feasibility;
- Minbos commits to long term off-take of 100,000 tonnes per annum of high-grade phosphate rock at agreed market rates.

#### ***Large-Scale Green Ammonia Project (LSGA Projects)***

- Investigate the availability of up to 500MW hydropower for new large-scale Green Ammonia Projects;
- Evaluation and development of potential downstream Ammonia products;
- Complete feasibility studies on a large-scale Ammonia Project;
- Identify, approach and secure appropriate investment partners, including debt financing sufficient to fund the capital expenditure requirements to construct the production facilities;
- Assist with identifying and securing suitable land and location for the LSGA Project;
- Secure customers and offtake arrangements for the Ammonia products;
- Government relations including introductions, referrals and meetings as required for approvals, permits and licenses for the LSGA Project;
- Provide phosphate feedstock on competitive market terms under a long-term offtake agreement.

The Company believes the SCA, in conjunction with Placement funds, the non-binding debt term sheet and the financial and technical expertise of SCA and syndicate partners will materially advance the Company's plans for its Angolan Projects.

## About Syndicate Partners

- **HongKong Jayson Holding Co., Ltd. (HKJYS) (70% of Placement funds)** is a Hong Kong-incorporated holding company substantially held by Mr. Liang Feng, founder and chairman of Shanghai Jayson New Energy Materials. Jayson mines green energy metals (cobalt, copper and nickel, etc.) across several continents, producing cathode materials for lithium batteries.

Mr. Liang is also founder and chairman of Shanghai Putailai New Energy Technology (PTL), listed on the Shanghai Stock Exchange with a market capitalization of US\$18billion, and the world's largest anode materials maker for lithium batteries.

- **Hoston Investments (Australia) Pty Ltd. (20% of Placement funds)** represents a successful Australian-Chinese entrepreneur with manufacturing businesses focused on textiles and garments, real estate development, marine technology and services.
- **Longmarch Principal Holding Limited (10% of Placement Funds)** Long March Capital has originated, advised and managed several billion dollars investments of Chinese investors in the resources, infrastructure and energy sectors in Africa, Canada and Australia.

## Non-Binding Debt Term Sheet

Minbos has signed a high-level US\$25 million Non-Binding Debt Term Sheet with Long March Capital for arrangement a of debt facility. Key points of the Non-Binding Term Sheet are as follows:

- US\$25 million in tranches of US\$5 million, available for first drawdown on financial close;
- Term - 5 years;
- Interest Rate - competitive market interest rates to be agreed, with potential equity participation;
- Use of Proceeds - CAPEX for Cabinda Phosphate Project, mining and fertilizer plant;
- Conditions - completion of due diligence by financiers, execution of definitive agreements, completion of acceptable DFS by Minbos, off-take and supply agreements to be in place and other customary conditions;
- Debt to backstop Cabinda Phosphate Project, with DFS to be delivered and construction expected to begin Q3 2022.

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This announcement is authorised for release by the Board of Minbos Resources Limited.



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**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 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.

# Grow to eat. Grow to **sell** and grow to export.

Minbos is an exploration and development company with a vision to build a nutrient supply and distribution business that stimulates agricultural production and promotes food security in Angola and the broader Middle Africa region, through development of its world-class phosphate ore project within the Cabinda Province

