

CABINDA PHOSPHATE FERTILIZER PROJECT FUNDING UPDATE

Minbos Resources Limited (ASX:MNB) (“Minbos” or “the Company”) is pleased to provide an update on funding progress for the Cabinda Phosphate Fertilizer Project (“Project”).

In October 2023, the Company announced it had signed a term sheet with the Industrial Development Corporation of South Africa Ltd (“IDC”) for a loan facility of US\$14 million (“Loan Facility”), with credit committee approval received in April 2024¹.

The Company is working to satisfy the Loan Facility conditions precedent and unlock the funding to begin construction on the Project.

PROGRESS WITH IDC CONDITIONS PRECEDENT

1. US\$11 million of equity funding

The Company has engaged with the Angolan Sovereign Fund (“FSDEA”) on an equity injection for US\$10-15 million, with a view to taking a strategic stake in Minbos and demonstrating the support the Project has within Angola.

The FSDEA is currently completing site visits and due diligence on Minbos.

In parallel, the Company is engaging with an emerging market fund as an alternative or co-investor. This fund has already cleared its first Investment Committee hurdle.

Both funds are expected to put proposals to their investment committees by mid-July.

2. US\$10 million working capital facility

The IDC adjusted its condition precedent for the Company to obtain a US\$10 million working capital facility and instead requires the Company to obtain a term loan for US\$10 million.

To meet this condition precedent, the Company approached a number of banks in Angola and is now well advanced in a loan application process with Banco BAI (“BAI”), one of Angola’s largest banks.

Terms of the loan are defined by the Central Bank of Angola’s regulations to incentivise development of the agricultural sector, referred to as Aviso No. 10. The Company is seeking a 5-year term loan with interest at 7.5% and a further 2% for guarantees from the Angolan Credit Guarantee Fund (“FGC”) for the loan’s security.

¹ASX Announcement: US\$14m Loan Facility Approved & Firm Bids for Placement (15th April 2024)

In June, as part of its due diligence, BAI visited the Cabinda mine and fertilizer production sites and inspected all imported equipment. The FGC also visited the Cabinda sites in early July 2024.

The Company is expecting BAI will shortly be in a position for its credit committee to make an approval decision on the loan, subject to security and other conditions precedent.

3. Grupo Carrinho Offtake Agreement

The Company expects to have converted the binding Grupo Carrinho MOU into a formal offtake agreement in the coming weeks.

4. Project Security

The Company has engaged with the IDC's legal and commercial teams in a normal securitisation process, which is expected to be completed in the coming weeks.

Satisfying all of the conditions precedent will put Minbos in the position of being fully funded to commence and complete construction, and have working capital to deliver on its sales contract with a major customer in Grupo Carrinho.

In light of these developments and progress regarding funding facilities, the Company is contemplating the immediate expansion of the plant.

The Company will continue to keep market updated on its progress in completing the aforementioned conditions precedent.

DUE DILIGENCE VISITS AND EXPANSION PLANNING

On 1 July 2024, the Company signed and announced a Memorandum of Understanding with Foskor Pty Ltd ("**Foskor**") setting out a path to a potential offtake agreement. The announcement coincided with the Company hosting Foskor at its Cabinda sites as well as a visit to the deep water port, Porto de Caio.

Also in July, the Company hosted the FSDEA, the FGC and Carrinho Agri for an inspection of the mine site and bulk sampling program, as well as the Subantando factory site and equipment laydown areas and general infrastructure.

Highlights from the visits included:

- Carrinho Agri advised that it has commenced propagating seedlings for a 20,000Ha palm oil project in Cabinda.
- Foskor is finalising a MOU to investigate potential export from Porto de Caio to South Africa.
- Porto de Caio has confirmed it is on track to make a berth available in December 2025.



Figure 1 – MD Lindsay Reed and COO Steve Abbott hosting Foskor, Fundo Soberano de Angola-FSDEA, FGC - Fundo de Garantia de Crédito, Carrinho Agri and visiting Industrial Development Corporation.

FUNDING OVERVIEW AND PROJECT BACKGROUND

- In March 2020, Minbos announced it had successfully bid for the Cávata Phosphate Concession², with the Definitive Feasibility Study (“DFS”) launched in May 2020³ and a Scoping Study delivered in August 2020⁴.
- In April 2020, Angola announced severe COVID-19 pandemic restrictions, with travel restrictions causing significant disruption to project and studies programs – including CEO (now MD) Lindsay Reed not being able to leave Angola for 13 months. Travel restrictions were lifted in March 2022.
- Despite these significant disruptions, the Company completed wet and dry season environmental studies, agronomic studies, was awarded its mining licence⁵ and completed the DFS for the Cabinda Phosphate Project⁶.

²ASX Announcement: Successful tender bid for Cacata phosphate concession (18th March 2020)

³ASX Announcement: Cabinda project Definitive Feasibility Study underway with key appointment (27th May 2020)

⁴ASX Announcement: Cabinda Phosphate Project Scoping Study (26th August 2020)

⁵ASX Announcement: Minbos receives mining licence for the Cabinda Phosphate Project (24th March 2021)

⁶ASX Announcement: DFS Delivers Compelling Economics for Cabinda Project (17th October 2022)

- The DFS outlined Stage-1 CAPEX expenditure of US\$48.5 million, which included CAPEX for the fabrication of the fertilizer plant (which was already under way in the USA), and in January 2023 the Company announced the prefabricated fertilizer plant was being shipped to Angola⁷.
- In January 2023, following a flowsheet optimisation process and having already spent ~US\$11 million of the Stage-1 CAPEX, the Company announced a significant CAPEX reduction of US\$10 million⁸.
- To date the Company has spent ~US\$12.5 million and budgets a further US\$24M to complete construction and commissioning of the Cabinda Fertilizer Plant.

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This announcement has been released with the approval of the Minbos Board of Directors.

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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.

⁷ASX Announcement: Cabinda Phosphate Fertilizer Plant Enroute to Angola (19th January 2023)

⁸ASX Announcement: Simplified flowsheet delivers significant CAPEX reduction for phosphate fertilizer plant (23rd February 2023)