

ASX ANNOUNCEMENT

FIRM COMMITMENTS RECEIVED FOR \$2.265M SHARE PLACEMENT

Minbos Resources Limited (ASX:MNB) (“Minbos” or the “Company”) is pleased to announce that it has received binding commitments from sophisticated investors to raise AU\$2.265m (before costs) through a two-tranche placement (“Placement”).

Vert Capital Pty Ltd (“Vert Capital”) acted as Lead Manager of the Placement.

The Placement was supported by a number of the Company’s existing shareholders and introduced a number of new, high net-worth investors to the Minbos register. The Company worked diligently to ensure new investors were aligned with its continued growth strategy.

Commenting on the placement, Chief Executive Officer Lindsay Reed said:

“It is exciting to have new investors share our enthusiasm for the Cabinda Phosphate Project and Angola. We are in the enviable position of having a project that offers transformational social impact and positive returns for investors. These funds will accelerate our DFS and get us closer to feeding the soils that feed Angola.”

PLACEMENT

The Placement comprises a proposed issue of 1,510,000,000 fully paid ordinary shares (“Shares”) in the Company at AU\$0.0015 per Share (pre consolidation) to raise AU\$2.265million. The Placement will be completed in two tranches:

- A total of 848,000,000 Tranche 1 pre consolidation Shares will be issued utilising the Company’s existing placement capacity under ASX Listing Rules 7.1 for AU\$1.272 million.
- A total of 662,000,000 Tranche 2 pre consolidation Shares will be issued subject to shareholder approval for AU\$993,000.

The Company intends to issue the Tranche 1 Shares under the Placement on or around 15 September 2020.

The Company anticipates holding a shareholder meeting in late October 2020 (“Shareholder Meeting”), to seek approval for the issuance of the Tranche 2 Shares, with settlement of this tranche of the Placement to occur soon thereafter.

Subject to approval at the Shareholder Meeting, Mr Peter Wall and Mr Bill Oliver (directors of the Company) are both participating in the placement, for \$100,000 and \$15,000 respectively, demonstrating their confidence in the Company.

Funds raised from the placement will be used for working capital requirements and to further Definitive Feasibility Study (DFS) activities for the Cabinda Phosphate project in Angola, including

- finalisation of the mining plan,
- preparation of tender documentation for mining and transportation contracts,
- completion of process and basic engineering packages for the granulation plant,
- continuation of IFDC greenhouse trials,
- planning and installing commercial demonstration field trials in Angola, and
- environmental approvals.

Commercial negotiations for port and land access, energy supply, offtake, and project finance will continue concurrent with the DFS activities.

FEES PAYABLE IN RELATION TO THE PLACEMENT

Vert Capital acted as Lead Manager to the Placement. The Company will pay Vert Capital a management fee of \$15,000, a capital raising fee of 6% on the funds raised and will, subject to receipt of prior shareholder at the Shareholder Meeting, issue 10,000,000 unlisted options (post consolidation) to Vert Capital (or its nominees), each having an exercise price of AU\$0.05 each and expiring 2 years from their issue date.

It is also noted that Aesir Corporate Pty Ltd (an entity of which Damian Black, a director, is a director and shareholder) raised \$750,000 under the Placement and will receive a fee of 5% on these funds.

As a demonstration of support for the Company, both Vert Capital and Aesir Corporate Pty Ltd have agreed to be paid the majority of their capital raising fee in shares at the same issue price as the Placement (subject to receipt of shareholder approval at the Shareholder Meeting).

PROPOSED ISSUE OF DIRECTOR AND MANAGEMENT OPTIONS

The Company has agreed to issue the following unlisted options (post consolidation) to directors and management, with each option having an exercise price of AU\$0.05 (post consolidation) and expiring 4 years from issue date, subject to shareholder approval at the Shareholder Meeting:

PERSONNEL	OPTIONS
CEO – Mr Lindsay Reed	10,500,000
Chairman - Mr Peter Wall	6,500,000
NED – Mr Damian Black	6,000,000
NED – Mr Bill Oliver	3,500,000
NED – Ms Dganit Baldar	3,500,000
TOTAL	30,000,000

PROPOSED CONSOLIDATION OF CAPITAL

Minbos advises that the Company proposes to seek shareholder approval to consolidate the issued capital of the Company at the Shareholder Meeting.

The consolidation will be on the basis of one (1) share for every twenty (20) shares currently held. Where the consolidation results in an entitlement to a fraction of share or option (as applicable), the fraction will be up to the next whole number.

The Company has a significant number of shares on issue and the Board considers a share consolidation will provide the best platform for continued growth and a capital structure that is more in line with the Company's size and peer group companies. The consolidation will apply equally to all shareholders.

A timetable for the consolidation will be included in the Notice of Meeting that is sent to shareholders.

The effect of consolidation, if approved, on the Company's capital structure is set out below.

Shares

	Number
Existing Ordinary Shares	5,654,561,320
- Tranche 1	848,000,000
- Tranche 2	662,000,000
Total shares on completion of Placement	7,164,561,320
Total Shares following consolidation	358,228,066
Shares to Stock Digital as fees ^{[1][2]}	6,666,667
Shares to Vert Capital/Aesir as fees ^{[1][3]}	4,763,000
TOTAL	369,657,733

^[1] Subject to Shareholder Approval.

^[2] Proposed to issue shares in lieu of marketing services.

^[3] Proposed to issued shares in lieu of broker fees.

Options

	OPTIONS (Post Consolidated)	
	Number	Exercise price
Options to directors and management ^[1]	30,000,000	\$0.0500
Options to Vert Capital ^[1]	10,000,000	\$0.0500

^[1] Subject to Shareholder Approval

- ENDS-

The announcement is authorised for release by the Board of Minbos.

Lindsay Reed

Chief Executive Officer
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ABOUT MINBOS

Minbos Resources Limited (ASX: MNB) is an ASX-listed exploration and development company which won an international tender for the Cabinda Phosphate Project in March 2020. Minbos and its in-country partner, Soul Rock Ltda (15% carried interest), won the tender based on producing Enhanced Phosphate Rock as a substitute for fertilizers currently imported by the Angolan Government for distribution to wholesalers and farmers.

The Company's vision is to build a nutrient supply and distribution business that stimulates agricultural production and promotes food security in Angola and the broader Middle Africa region.

For more information: www.minbos.com

ASSET OVERVIEW

OVERVIEW

Ownership	Minbos 85%, Local Partner 15% carried.
Project	Cacata Fertilizer Project
Location	Cabinda Province, Angola
Commodity	Enhanced Phosphate Rock
Infrastructure	Gas, Power, Roads and Regional Port
Mining Target (M&I)	6.5Mt @ 30.2% P ₂ O ₅ 21 year mine life ¹

SCOPING STUDY RESULTS

Capacity	150ktpa commissioning at 50ktpa, with plans to add two more granulation circuits (450ktpa)
Market	Currently imports around 50,000tpa of P ₂ O ₅
Price	US\$222 – 290 per tonne
Manufacturing Costs	US\$121 – 141 per tonne (LOM)
Pre production Capex	US\$22.4 – 27.9 million
After Tax NPV	US\$159 – 260 million
After Tax IRR	40 – 58%
Payback	Three years

¹ASX Announcements – Cabinda Phosphate Project Scoping Study <https://www.minbos.com.au/en/announcements/mmb/2252c261-51d.pdf>
The company confirms there is not material changes to the Mineral Resource or supporting data.

