

MBAC Signs Senior Debt Extension Agreements, Receives Indication of a Commitment for Additional R\$16 MM of Working Capital and Provides Update on Liquidity Initiatives

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TORONTO, ON--(Marketwired - October 22, 2014) - [MBAC Fertilizer Corp.](#) ("MBAC" or the "Company") (TSX: MBC) (OTCQX: MBCFF) today announced that it has signed final agreements with its senior lenders to extend the maturity of its loans and defer related interest and principal repayments for a period of up to two years. The loans were originally incurred to build the Company's Itafós operations in Brazil and begin production of Single Super Phosphate ("SSP").

"Signing final agreements in connection with our debt extension with our senior lenders is important on a number of levels," said Cristiano Melcher, President and CEO of MBAC. "We believe it demonstrates a strong level of support within the financial community for Brazil's agriculture fundamentals as well as for our prospects for becoming a significant fertilizer producer. In addition, it enables management to focus more attention and effort on strategic initiatives that will help accelerate our production ramp up, optimize operations and identify strategic partners."

Consistent with terms disclosed in its press release of August 26, 2014, MBAC will be permitted to defer the repayment of principal and interest amounts until September 15, 2016 under the final senior debt extension agreement. The senior debt extension also includes an extension of the current maturity dates of the existing working capital facilities previously provided by the senior lenders by up to four years. In addition, current maturity dates of the various loans have been extended as follows:

	Principal Amounts	Amended Maturity	Original Maturity
New Tranche 1 - Project Finance	US\$142.4 million	Nov 15, 2020	Between Nov 2019 - Mar 2022
New Tranche 2 - Project Finance	US\$19.2 million	Mar 15, 2018	Sep 15, 2016
New Tranche 1 - Working capital loans	US\$19.1 million	July 15, 2018	Between Oct 2014 - Mar 2015
New Tranche 2 - Working capital loans	US\$2.9 million	Sep 15, 2016	Jan 12, 2015

Interest rates under the debt facilities will remain the same except for certain sub credits under the Itaú Loans and Votorantim Loans, which rates increased by 20 basis points. The Company currently has sufficient funds required to be maintained in the debt service reserve accounts, which will not be required to be replenished until 2016. In connection with the senior debt extension, the security package on the senior debt will be amended to add a first lien on the shares and mineral rights of MBAC Fertilizantes Ltda. (the subsidiary company that holds the Santana Phosphate Project in the State of Pará, Brazil), which is in addition to the assets of the Itafós Operations that currently secure the senior debt.

MBAC continues to explore and implement initiatives to address its near-term liquidity requirements. In connection with the execution of the debt extension, the Company has received indications from its senior lenders for a commitment for additional working capital facilities totaling approximately US\$6.7 million (R\$16 million). These funds will be used primarily to purchase supplies, spare parts and phosphate rock (concentrate) from third parties. From this total, approximately US\$2.8 million have already been disbursed in October.

"The initiative to purchase third-party concentrate provides a number of short-term benefits," added Mr. Melcher. "In a period of intense ramp up, third-party concentrate allows us to optimize our industrial facilities, lower the consumption of certain consumables and take advantage of the advanced stage of the ramp-up of certain of our plants. We expect to be able to produce more granulated SSP immediately, improving our cash

flow generation."

MBAC and its senior lenders continue to work in a cooperative manner to explore additional financing arrangements that will enable the Company to continue and accelerate the ramp-up at Itafós. In addition to the abovementioned working capital facilities, these financing arrangements include the sale of non-core assets as well as potential merger opportunities.

As part of the debt extension, the senior lenders have asked the Company to appoint at least one independent Director that is a Brazilian national with expertise in the mining and fertilizer markets in Brazil and to continue strengthening its corporate governance practices. This individual would also join the audit committee.

About MBAC

MBAC is focused on becoming a significant integrated producer of phosphate fertilizers and related products in the Brazilian market. MBAC has an experienced team with significant experience in the business of fertilizer operations, management, marketing and finance within Brazil. In October 2008, MBAC acquired Itafós Mineração Ltda., which consisted of a phosphate mine, a mill and plant and related infrastructure, all located in central Brazil. Since late 2012, such operations have been phased out as the Company completed the construction of the Itafós Arrais SSP Project. The Santana Phosphate project is a high grade phosphate deposit located in close proximity to the largest fertilizer market of Mato Grosso State and animal feed market of Pará State. Further information on MBAC can be found on the Company's website at www.mbacfert.com and on SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS

This press release contains "forward-looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements related to activities, events or developments that the Company expects or anticipates will or may occur in the future, including, without limitation, statements related to the Company's business strategy, objectives and goals; the expectation of MBAC becoming a significant integrated producer of phosphate fertilizers and related products in the Brazilian markets; MBAC continuing to explore and implement initiatives to address its near-term liquidity requirements; receiving the balance of the indication for a R\$16 million commitment, being able capture the short term benefits of purchasing third party concentrate; being able to produce more granulated SSP immediately, improving cash flow generation. Forward-looking statements are often identified by the use of words such as "plans", "planning", "planned", "expects" or "looking forward", "does not expect", "continues", "scheduled", "estimates", "forecasts", "intends", "potential", "anticipates", "does not anticipate", or "belief", or describes a "goal", or variation of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements are based on a number of factors and assumptions made by management and considered reasonable at the time such statements are made, and forward-looking statements involve known and unknown risks, uncertainties and other factors may cause the actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. Such risk factors include, among others, the Company not becoming a significant integrated producer of phosphate fertilizers and related products in the Brazilian markets; MBAC not being successful in continuing to explore and implement initiatives to address its near-term liquidity requirements; not receiving the balance of the indication for a R\$16 million commitment, not being able capture the short term benefits of purchasing third party concentrate; MBAC not being able to produce more granulated SSP immediately, improving cash flow generation as well as those factors disclosed in the Company's current Annual Information Form and Management's Discussion and Analysis, as well as other public disclosure documents, available on SEDAR at www.sedar.com. Although MBAC has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate. The forward-looking statements contained herein are presented for the purposes of assisting investors in understanding the Company's plan, objectives and goals and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on forward-looking statements.

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