

Interim Financial Report

For the half-year ended 31 December 2020



ABN 93 141 175 493

Contents

Corporate Directory	3
Directors' Report	4
Auditor's Independence Declaration	10
Consolidated Statement of Profit or Loss and Other Comprehensive Income	11
Consolidated Statement of Financial Position	12
Consolidated Statement of Changes in Equity	13
Consolidated Statement of Cash Flows	14
Notes to the Consolidated Financial Statements	15
Directors' Declaration	21
Independent Auditor's Review Report	22

Corporate Directory

Directors & Officers

Mr Peter Wall - Non-Executive Chairman
Ms Dganit Baldar - Non-Executive Director
Mr Valentine Chitalu - Non-Executive Director
Mr Paul McKenzie - Non-Executive Director
Mr Graeme Robertson - Non-Executive Director

Mr Lindsay Reed - Chief Executive Officer
Mrs Ashley Lim - Company Secretary

Registered Office

Suite 1, 245 Churchill Avenue
Subiaco WA 6008

T: +61 (08) 6270 4610
F: +61 (08) 6270 4614
E-mail: info@minbos.com
Website: www.minbos.com

Principal Place of Business

Suite 1, 245 Churchill Avenue
Subiaco WA 6008

PO Box 162
Subiaco WA 6904

Domicile and Country of Incorporation

Australia

Australian Company Number

ACN 141 175 493

Australian Business Number

ABN 93 141 175 493

Bankers

National Australia Bank
West Perth Business Banking Centre
Level 1, 1238 Hay Street
West Perth WA 6005
Website: www.nab.com.au

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008
Website: www.bdo.com.au

Share Registry

Automic Registry Services
Level 2, 267 St Georges Terrace
Perth WA 6000
Website: www.automic.com.au

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Miligan street
Perth WA 6000
Website: www.steinpag.com.au

Securities Exchange

Australian Securities Exchange Limited (ASX)
Home Exchange - Perth
ASX Code - MNB (Ordinary Shares)

Directors' Report

The Directors submit their half-year report of the 'Consolidated Entity' or 'Group', being Minbos Resources Limited ('Minbos' or the 'Company') and its Controlled entities, for the half-year ended 31 December 2020 ('Period').

1. BOARD OF DIRECTORS

The Directors of the Company at any time during or since the end of the Period are as follows.

Directors	Position	Appointment	Resigned
Peter Wall	Non-Executive Chairman	21/02/2014	-
Dganit Baldar	Non-Executive Director	18/03/2016	-
Valentine Chitalu	Non-Executive Director	07/12/2020	-
Paul McKenzie	Non-Executive Director	07/12/2020	-
Graeme Robertson	Non-Executive Director	07/12/2020	-
Damian Black	Non-Executive Director	21/02/2014	30/11/2020
William Oliver	Non-Executive Director	02/09/2013	07/12/2020

2. REVIEW OF OPERATIONS

(a) GROUP OVERVIEW

Minbos Resources Limited is an ASX-listed exploration and development company. The Company's primary focus during the period continued to be on the advancement of the Cabinda Phosphate Project, located in the exclave province of Cabinda in northern Angola.

The Company's immediate focus is on bringing the Cabinda Phosphate Project into production, a de-risked project uniquely positioned to address the exponential agricultural growth in Middle Africa. 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.

(b) HIGHLIGHTS & SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The highlights and significant changes in state of affairs during and subsequent to the end of the half-year include:

- **COMPLETION OF SCOPING STUDY**, which demonstrated the Cabinda Phosphate Project to be technically and financially robust. The Scoping Study results will be used to initiate discussions with debt and equity financiers for the construction of the project and frame the scope of work for the Definitive Feasibility Study.
- **DEFINITIVE FEASIBILITY STUDY KEY APPOINTMENTS**, including FEECO, Grupo Simples, HCV Africa and DRA Global. Works undertaken include preparing a basic engineering package for the granulation plant, preparation of the EIS and WMP for the Cácata Mine and Caio Granulation Plant and design of the Caio Granulation Plant and associated infrastructure.
- **MEMORANDUM OF UNDERSTANDING WITH THE INTERNATIONAL FERTILIZER DEVELOPMENT CENTRE**, provides the platform to develop a joint proposal for a multi-year project designed to support the development of the local fertilizer market in Angola.
- **CORPORATE**, the Company raised AUD \$2.34 million through a placement to sophisticated investors and consolidated the issued capital of the Company on the basis that every 20 shares were consolidated into 1 share. The consolidation was approved by shareholders at the Annual General Meeting held on 3 November 2020.

Directors' Report

- **BOARD APPOINTMENTS**, The Company welcomed three highly experienced Non-Executive Directors to its Board as part of its strategy to develop the Cabinda Phosphate Project. Each Non-Executive Director is paid \$3,000 per month (plus GST).
 - *Mr Valentine Chitalu* is a Zambian entrepreneur specialising in Private Equity and General Investments. He is the co-founder of Phatisa Group, a Private Equity Fund Manager in SubSaharan Africa with ~US\$400 million in funds under management in the food and housing sectors.
 - *Mr Paul McKenzie* is a professional independent agribusiness consultant in Australia. He is Chairman of ASX listed Kangaroo Island Plantation Timbers Ltd and a Director of Saudi Agricultural and Livestock Investment Co Australia.
 - *Mr Graeme Robertson* was born in Australia and a pioneer and manager of world-class international mining, energy, and infrastructure operations. He now lives in Mauritius, pursuing private investments in agriculture, resources, corporate and financial services. Graeme is a substantial shareholder and former Director of AfrAsia Bank Ltd, a private commercial bank based in Mauritius with more than US\$3.5 Billion in assets.
- **OPTIONS**, the Company issued the following unlisted options under the Company's incentive Option Plan as approved by shareholders on 3 November 2020 at the Company's Annual General Meeting:
 - 6,500,000 unlisted options to *Peter Wall (Non-Executive Chairman)*,
 - 6,000,000 unlisted options to *Damian Black (former Non-Executive Director)*,
 - 3,500,000 unlisted options to *William Oliver (former Non-Executive Director)*,
 - 3,500,000 unlisted options to *Dganit Baldar (Non-Executive Director)* and
 - 10,500,000 unlisted options to *Lindsay Reed (CEO)*.

(c) PROJECTS

➤ CABINDA PHOSPHATE PROJECT (ANGOLA)

Angola is one of the world's great untouched agricultural regions, possessing over 35 million hectares of arable land, high rainfall and some of the lowest rates of fertiliser use globally.

Minbos will leverage its project partner and global African fertilizer expert the International Fertilizer Development Centre (IFDC), to create Small Holder fertiliser demand in parts of Angola – the key component for its offtake strategy.

More than four million Small Holder Farmers are expected to be reached by the IFDC Angola project, which will be underpinned by Minbos' fertiliser production. The Cabinda Granulation Plant will commence production at 50,000tpa with demand from the large Small Holder Farmer market expected to boost the nameplate capacity to approximately 150,000tpa. Productivity gains are predicted to cause marketable crop surpluses, encouraging additional farmer investment in fertilisers.

Directors' Report

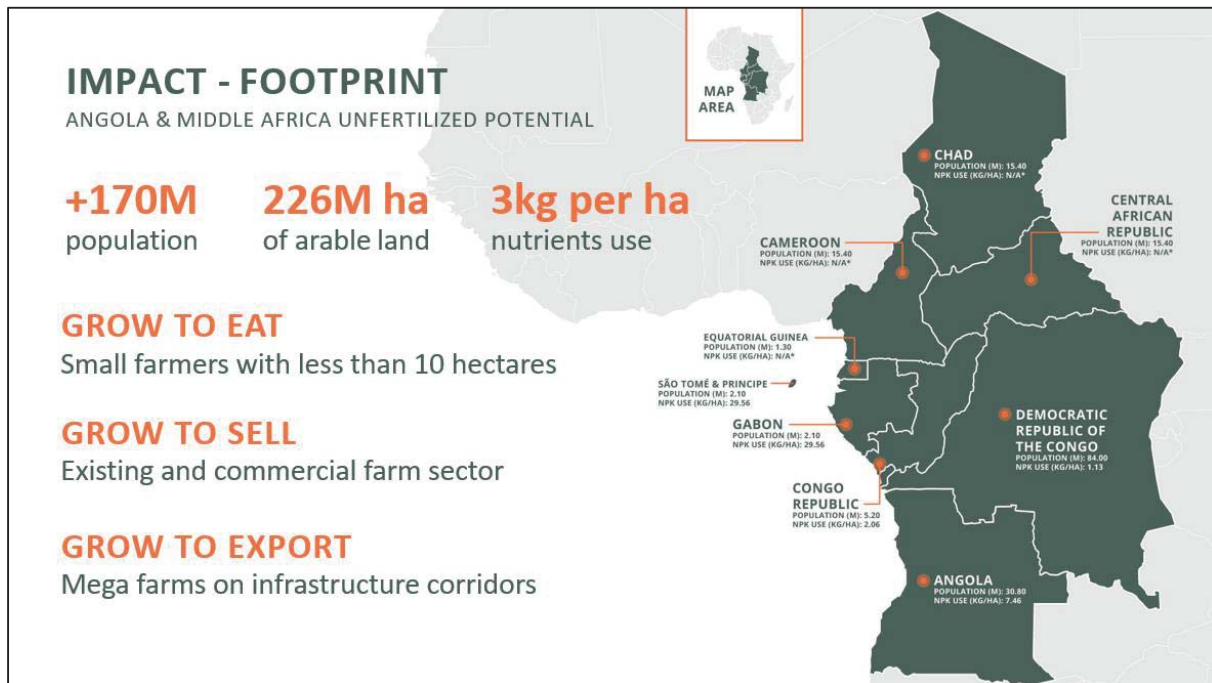


Figure 1 – Middle Africa's opportunity, highlighting the fertilizer potential for Angola and the region.

IFDC MEMORANDUM OF UNDERSTANDING

The MOU provides the platform to develop a joint proposal for a multi-year project designed to support the development of the local fertilizer market in Angola. The IFDC is an international not-for profit organisation, dedicated to scientific innovations that increase global food production, protect the environment and empower 'Small Holder Farmers'. Across Africa, the IFDC runs country-scale agricultural projects, introducing farmers to improved agricultural practices, fertilizer technologies and facilitation of market access.

IFDC will work with national and private parties to create or expand small holder fertilizer demand in select parts of Angola. Minbos production is expected to underpin the fertilizer input component to reach more than 4 million Small Holder Farmers³. The Cabinda Phosphate Project is expected to commence production at 50,000tpa⁴, however, given the large Small Holder Farmer market in Angola and the IFDC's strong record of delivering high-impact projects which boost fertilizer usage, demand is expected to exceed the nameplate capacity of 150,000tpa.

DEFINITIVE FEASIBILITY STUDY APPOINTMENTS

FEECO International

The Company signed a contract with the FEECO for the basic engineering package associated with the planned granulation plant major equipment in September. FEECO was engaged to prepare a basic engineering package for the granulation plant which will be provided to the Study Engineer to complete the site engineering and construction plan as part of the DFS. Electrical including piping and instrumentation design.

GRUPO SIMPLES

Grupo Simples was engaged to prepare and complete both an EIS and WMP based on specialist environmental and social impact assessment reports for the purpose of obtaining an Installation Environmental License required for the construction of the Cácata Mine and the Caio Granulation Plant at Porto de Caio.

Directors' Report

HCV Africa

HCV Africa was appointed to undertake Environmental and Social Impact Assessments (ESIAs) for the Caio Granulation Plant and the Căcata Mine. HCV Africa will undertake specialist baseline studies and impact assessments, including: Fauna, aquatic ecology, flora/vegetation, air quality, noise, soils and hydrology.

DRA Global

DRA Global has been engaged to deliver all necessary study management, design, engineering and estimating work required to complete the DFS design on the Caio Granulation Plant and associated infrastructure including; plant and infrastructure layout, civil structural, mechanical and piping, electrical and instrumentation, site services and connections, capital and operating costs to DFS +/- 10-15%, procurement plan, and the construction and implementation plan.

➤ **AMBATO RARE EARTHS PROJECT - MADAGASCAR**

The Ambato Rare Earth Project is located approximately 200km to the southwest of Antananarivo, in the Ambatofinandrahana Municipal area of the South Central Highlands of Madagascar. The Project comprises two permits covering 440km² and consists of seven (7) prospects; Marovoalavo, Ankazohambo, Andoharano, Sahafa, Lesada, Vohiniariana, and Sambalahy.

No significant work was undertaken on the project during the reporting period.

➤ **COMPETENT PERSONS STATEMENT**

The Competent Person with responsibility for the total Mineral Resources of this report is Mrs Kathleen Body, Pr. Sci. Nat, who is an employee of Red Bush Analytics. Mrs Body was a full-time employee of Coffey Mining at the time the original Mineral Resource estimation was completed in 2013. Mrs Body has 25 years' experience in the mining industry and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves. Kathleen Body consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

The information in the "Review of Operations" that relates to the Mineral Resources contained within the Production Target, complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and has been compiled, and assessed by Mr Ross Cheyne BEng (Hons), Mining, a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM) and Technical Director at Orelogy Mine Consulting Pty Ltd, consultants to the Company. Mr Cheyne has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Cheyne is the competent Person for the Mineral Resources contained with the Production Target and the Production Target itself and has relied on provided information and data from the Company, including but not limited to the Resource model and database. Mr Cheyne consents to the inclusion in this review of operations of matters based on his information in the form and context in which it appears.

Directors' Report

3. FINANCIAL PERFORMANCE & FINANCIAL POSITION

The financial results of the Group for the half-year ended 31 December 2020 are:

	31-Dec-20	30-Jun-20	% Change
Cash and cash equivalents (\$)	1,703,522	748,455	128%
Net assets (\$)	1,583,967	572,559	177%

	31-Dec-20	31-Dec-19	% Change
Revenue (\$)	642	16,698	(96%)
Net loss after tax (\$)	(2,201,971)	(798,366)	(176%)
Loss per share (\$)	(0.0005)	(0.0001)	(422%)

During the period the Company raised AUD \$2.34 million through a placement to sophisticated investors and consolidated the issued capital of the Company on the basis that every 20 shares were consolidated into 1 share. The consolidation was approved by shareholders at the Annual General Meeting held on 3 November 2020.

4. SUBSEQUENT EVENTS

On 27 January 2021 the Company announced that it has executed the Mineral Investment Contract ("MIC") for the Cabinda Phosphate Project located in the Cabinda Province of Angola. The execution of the MIC also formalizes engagement by Minbos with Government Ministries and the Province of Cabinda, allowing the Company to complete approvals, land and port access agreements, offtake agreements and an investment contract for the Caio Granulation Plant.

On 29 January 2021 the Company announced that it had recommenced field trials in Angola and greenhouse experiments in the USA. These field trial and experiments will expand the Company's understanding of the economic and environmental benefits of the Cabinda Blend.

On 11 February 2021 the Company announced that it will adopt a set of Environmental, Social and Governance (ESG) metrics and disclosures as released by the World Economic Forum (WEF) in Geneva, Switzerland. To ensure that Minbos can measure, and report on its ESG progress, the Company has engaged impact monitoring technology platform "Socialsuite" to streamline the outcomes measurement and ongoing ESG reporting process. The Company's goal is to demonstrate progress on its ESG scorecard, but more broadly, requires progress on a range of ESG benchmarks as set out by the WEF's ESG White Paper.

On 26 February 2021 the Company issued 88,750,000 fully paid ordinary shares at \$0.08 each to sophisticated investors to raise \$7,100,000. As part of the placement, the Company also offered sophisticated investors one free option to acquire a share (exercise price \$0.15; expiry date 2 years) for every two shares subscribed.

On 11 March 2021 the Company gave notice that a General Meeting of Shareholders will take place on 7 April 2021. The meeting was called to ratify placement shares, approve placement options, approve lead manger options, and to approve the issue of shares, options and performance rights to Directors and key management personnel.

The outbreak of the coronavirus (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond control of the Company. In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders or the COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access and the Company's ability to freely move people and equipment to and from exploration projects may cause delays or cost increases.

Directors' Report

There have not been any other significant events that have arisen since 31 December 2020 and up to the date of this report that have significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

5. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Independence Declaration by the lead auditor under Section 307C is included on page 10 to these half-year financial statements.

Signed in accordance with a resolution of the Board of Directors.



Peter Wall
Non-Executive Chairman
Perth, 12 March 2021

DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF MINBOS RESOURCES LIMITED

As lead auditor for the review of Minbos Resources Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Minbos Resources Limited and the entities it controlled during the period.



Neil Smith
Director

BDO Audit (WA) Pty Ltd
Perth, 12 March 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	31-Dec-20 \$	31-Dec-19 \$
Revenue from continuing operations		642	16,698
Administration expenses		(541,753)	(339,283)
Depreciation expense		(3,286)	(7,961)
Due diligence & exploration expenditure on the Ambato project		(11,893)	(70,987)
Exploration expenditure Cabinda project		(591,763)	(190,750)
Foreign exchange (loss) / gain		(42,249)	3,620
Personnel expenses and director fees		(234,361)	(209,703)
Share based payment expense	8	(777,308)	-
Loss from continuing operations before income tax		(2,201,971)	(798,366)
Income tax expense		-	-
Loss from continuing operations after income tax		(2,201,971)	(798,366)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		2,700	-
Other comprehensive income for the period, net of tax		2,700	-
Total comprehensive loss for the period		(2,199,271)	(798,366)
Loss for the period attributable to the owners of Minbos Resources Limited		(2,201,971)	(798,366)
Total comprehensive loss for the period attributable to the owners of Minbos Resources Limited		(2,199,271)	(798,366)
Loss per share attributable to ordinary equity holders			
- Basic loss per share	4	(0.002)	(0.003)
- Diluted loss per share	4	(0.002)	(0.003)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

	Notes	31-Dec-20	30-Jun-20
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		1,703,522	748,455
Trade and other receivables		97,954	23,425
Total current assets		1,801,476	771,880
Non-current assets			
Plant and equipment		1,097	4,383
Total non-current assets		1,097	4,383
Total assets		1,802,573	776,263
LIABILITIES			
Current liabilities			
Trade and other payables		190,979	179,097
Provisions		27,627	24,607
Total current liabilities		218,606	203,704
Total liabilities		218,606	203,704
Net assets		1,583,967	572,559
EQUITY			
Issued capital	5	42,820,213	40,567,812
Reserves	6	5,575,488	4,614,510
Accumulated losses	7	(46,811,734)	(44,609,763)
Total equity		1,583,967	572,559

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

	Issued Capital \$	Option Reserve \$	Employee Share Plan Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
At 1 July 2020	40,567,812	-	459,184	4,155,326	(44,609,763)	572,559
Comprehensive income:						
Loss for the period	-	-	-	-	(2,201,971)	(2,201,971)
Exchange differences on translation of foreign operations	-	-	-	(2,700)	-	(2,700)
Total comprehensive loss for the period	-	-	-	(2,700)	(2,201,971)	(2,204,671)
Transactions with owners in their capacity as owners:						
Issue of share capital	2,607,890	-	-	-	-	2,607,890
Capital raising costs	(355,489)	-	-	-	-	(355,489)
Share based payment expense	-	186,370	777,308	-	-	963,678
At 31 December 2020	42,820,213	186,370	1,236,492	4,152,626	(46,811,734)	1,583,967

	Issued Capital \$	Employee Share Plan Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
At 1 July 2019	40,567,812	459,184	4,155,326	(43,043,489)	2,138,833
Comprehensive income:					
Loss for the period	-	-	-	(798,366)	(798,366)
Other comprehensive loss	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(798,366)	(798,366)
At 31 December 2019	40,567,812	459,184	4,155,326	(43,841,855)	1,340,467

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

	Notes	31-Dec-20	31-Dec-19
		\$	\$
Cash flows from operating activities			
Payment to suppliers and employees		(628,680)	(553,809)
Payment for exploration and evaluation expenditure		(605,889)	(162,685)
Interest received		542	17,299
Net cash outflow from operating activities		(1,234,027)	(699,195)
Cash flows from investing activities			
Proceeds from the sale of fixed assets		2,363	-
Net cash inflow from investing activities		2,363	-
Cash flows from financing activities			
Proceeds from the issue of shares, net of costs		2,235,021	-
Net cash outflow from financing activities		2,235,021	-
Net increase / (decrease) in cash and cash equivalents		1,003,357	(699,195)
Cash and cash equivalents at the beginning of the period		748,455	2,232,905
Effect of exchange rate fluctuations on cash held		(48,290)	3,296
Cash and cash equivalents at the end of the period		1,703,522	1,537,006

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1. CORPORATE INFORMATION

Minbos Resources Limited (referred to as ‘**Minbos**’ or the ‘**Company**’ or ‘**Parent Entity**’) is a Company domiciled in Australia. The address of the Company’s registered office and principal place of business is disclosed in the Corporate Directory of this report. The consolidated financial statements of the Company as at and for the half-year ended 31 December 2020 (the ‘**Period**’) comprise the Company and its subsidiaries (together referred to as the ‘**Consolidated Entity**’ or the ‘**Group**’). The Group is primarily involved in the advancement of its Phosphate Interests (Angola) and its Ambato Rare Earth Project (Madagascar).

2. BASIS OF PREPARATION

This interim general-purpose financial report for the half-year reporting Period ended 31 December 2020 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Standard IAS 34 *Interim Financial Reporting*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position, financing and investing activities of the Company as the full financial report. Accordingly, this half-year financial report is to be read in conjunction with the annual financial statements for the year ended 30 June 2020 and considered together with any public announcements made by the Company during the Period and up to the date of this report in accordance with the continuous disclosure obligations of the ASX Listing Rules.

The half-year interim financial report of Minbos Resources Limited was authorised for issue in accordance with a resolution of the directors on 12 March 2021.

(a) Compliance with IFRS

The consolidated financial statements of the Consolidated Entity also comply with International Financial Reporting Standards (‘**IFRS**’) as issued by the International Accounting Standards Board (‘**IASB**’).

(b) Basis of measurement

The consolidated financial statements have been prepared on a going concern basis in accordance with the historical cost convention, unless otherwise stated.

3. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Board of Directors and the Chief Executive Officer.

On 27 January 2021 the Company announced that it has executed the Mineral Investment Contract (“MIC”) for the Cabinda Phosphate Project located in the Cabinda Province of Angola. As a result, the Company currently has two reportable segments, being phosphate in Angola and rare earth minerals in Madagascar. The Board considers its business operations in phosphate to be its primary reporting function. Results are analysed as a whole by the chief operating decision maker, this being the Chief Executive Officer and the Board of Directors. Consequently revenue, profit, net assets and total assets for the operating segment are reflected in this financial report.

Notes to the Consolidated Financial Statements

4. EARNINGS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share at 31 December 2020 was based on the loss attributable to ordinary shareholders of \$2,201,971 (2019: \$798,366) and a weighted average number of ordinary shares outstanding during the period ended 31 December 2020 of 975,913,057 (2019: 282,728,066) calculated as follows:

	31-Dec-20	31-Dec-19
Net loss attributable to the ordinary equity holders of the Group (\$)	(2,201,971)	(798,366)
Weighted average number of ordinary shares for basis per share (No)	975,913,057	282,728,066
Continuing operations		
- Basic and diluted loss per share (\$)	(0.002)	(0.003)

On 6 November 2020, the Company completed a share consolidation on the basis of one share for every 20 shares on issue. The 2019 weighted average share capital number and earnings per share has been adjusted from the shares on issue at that point in time to reflect the 20:1 consolidation.

(b) Diluted loss per share

Potential ordinary shares are not considered dilutive, thus diluted loss per share is the same as basic loss per share.

5. CONTRIBUTED EQUITY

	31-Dec-20		30-Jun-20	
	\$	No.	\$	No.
Ordinary shares	42,820,213	369,657,897	40,567,812	5,654,561,320
	42,820,213	369,657,897	40,567,812	5,654,561,320

ORDINARY SHARES

	Date	Quantity	Issue price	\$
Balance 30 June 2020		5,654,561,320		40,567,812
Shares issued via placement (i)	15/09/2020	848,000,000	0.0015	1,272,000
Shares issued via placement (ii)	6/11/2020	662,000,000	0.0015	993,000
Consolidation of capital on a 20 for 1 basis (iii)	13/11/2020	(6,806,333,090)	-	-
Shares issued as consideration for services (iv)	26/11/2020	11,429,667	0.03	342,890
Capital raising costs		-	-	(355,489)
Balance 31 December 2020		369,657,897		42,820,213

- (i) On 15 September 2020 the company completed a capital placement (Tranche 1) to sophisticated investors and issued 848,000,000 shares at \$0.0015 per share to raise \$1,272,000.
- (ii) On 6 November 2020 the company completed a capital placement (Tranche 2) to sophisticated investors and issued 662,000,000 shares at \$0.0015 per share to raise \$993,000.
- (iii) On 6 November 2020 the company completed a consolidation of its issued capital on the basis that every 20 shares were consolidated into 1 share. The consolidation was approved by shareholders at the Annual General Meeting held on 3 November 2020.
- (iv) On 26 November 2020 the company issued 11,429,667 shares at \$0.03 per share as consideration for the following fees:
 - 3,388,000 shares issued to Vert Capital (lead manager of the placement) as consideration for \$101,640 worth of Capital Raising Fees.
 - 6,666,667 shares to S3 Consortium Pty Ltd (Adviser Shares) as consideration for \$200,000 worth of marketing services.
 - 1,375,000 shares issued to Aesir Capital Pty Ltd as consideration for \$41,250 worth of Capital Raising Fees.

Notes to the Consolidated Financial Statements

6. RESERVES

	31-Dec-20		30-Jun-20	
	\$	No.	\$	No.
Option reserve	186,370	10,000,000	-	-
Employee share plan reserve	1,236,492	30,000,000	459,184	-
Foreign currency translation reserve	4,152,626	-	4,155,326	-
	5,575,488	40,000,000	4,614,510	-

	31-Dec-20	30-Jun-20
	\$	\$
Movement reconciliation		
Option reserve		
Balance at the beginning of the period	-	-
Equity settled share-based payment transactions (i)	186,370	-
Balance at the end of the period	186,370	-
Employee share plan reserve		
Balance at the beginning of the period	459,184	459,184
Equity settled share-based payment transactions (ii)	777,308	-
Balance at the end of the period	1,236,492	459,184
Foreign currency translation reserve		
Balance at the beginning of the period	4,155,326	4,155,326
Effect of translation of foreign currency operations to group presentation currency	(2,700)	-
Balance at the end of the period	4,152,626	4,155,326

- (i) On 18 November 2020, the Company issued 10,000,000 unlisted options to Vert Capital (lead manager of the placement) as part consideration for lead manager services, as approved by shareholders on 3 November 2020. Refer to Note 8: Share-based payments for further detail.
- (ii) On 18 November 2020, the Company issued 30,000,000 unlisted options to Directors and the CEO under the Company's incentive Option Plan as approved by shareholders on 3 November 2020. Refer to Note 8: Share-based payments for further detail.

7. ACCUMULATED LOSSES

	31-Dec-20	30-Jun-20
	\$	\$
Balance at the beginning of the period	(44,609,763)	(43,043,489)
Net loss in current period	(2,201,971)	(1,566,274)
Balance at the end of the period	(46,811,734)	(44,609,763)

Notes to the Consolidated Financial Statements

8. SHARE BASED PAYMENTS

	Options No.	Share-based payments \$
Lead Manager Options (i)	10,000,000	186,370
Employee and Director Options (ii)	30,000,000	777,308
	40,000,000	963,678

(i) During the period, 10,000,000 unlisted options were granted to Vert Capital (lead manager of the placement) as part consideration for lead manager services, as approved by shareholders on 3 November 2020. These options have been recognised as capital raising costs in Note 5: Contributed Equity.

(ii) During the period, 30,000,000 unlisted options were granted to Directors and the CEO under the Company's incentive Option Plan as approved by shareholders on 3 November 2020. These options have been recognised as a share-based payment expense in the Statement of Profit or Loss & Other Comprehensive Income.

The unlisted options were valued using Black Scholes with the following assumptions:

	(i)	(ii)
Number of options	10,000,000	30,000,000
Grant date	3-Nov-20	3-Nov-20
Grant date share price	\$0.040	\$0.040
Exercise price	\$0.05	\$0.05
Expected volatility	100%	100%
Option life	2 years	4 years
Dividend yield	0.00%	0.00%
Interest rate	0.40%	0.40%
Vesting	Immediately	Immediately

9. RELATED PARTIES

(a) Transactions with other related parties

The following transactions occurred with related parties:

	31-Dec-20 \$	30-Jun-20 \$
Legal services - Steinpreis Paganin Lawyers & Consultants (a firm in which Peter Wall is a partner)	17,440	24,336
Corporate services - Aesir Capital Pty Ltd (a Company in which Damian Black is a Director / Shareholder) (i)	38,400	-

(i) Aesir Capital Pty Ltd (an entity of which Damian Black, a former Director of Minbos, is a Director and shareholder) raised \$750,000 under the Placement and received a fee of \$37,500. Aesir Capital Pty Ltd also raised an additional \$15,000 under the placement and received a fee of \$900. The placement fees are industry standard fees and negotiated on arm's length commercial terms.

Notes to the Consolidated Financial Statements

(b) Options issued to related parties

On 18 November 2020, the Company issued the following unlisted options under the Company's incentive Option Plan as approved by shareholders on 3 November 2020 at the Company's Annual General Meeting:

- 6,500,000 unlisted options to Peter Wall (Non-Executive Chairman),
- 6,000,000 unlisted options to Damian Black (former Non-Executive Director),
- 3,500,000 unlisted options to William Oliver (former Non-Executive Director),
- 3,500,000 unlisted options to Dganit Baldar (Non-Executive Director) and
- 10,500,000 unlisted options to Lindsay Reed (CEO).

(c) Non-Executive Director Service Agreements

During the period, the Company welcomed three highly experienced Non-Executive Directors to its Board as part of its strategy to develop the Cabinda Phosphate Project, Mr Valentine Chitalu, Mr Paul McKenzie & Mr Graeme Robertson. Each Non-Executive Director's contractual arrangements are as follows:

- Appointment: 4 December 2020, until the date of the next annual general meeting of the Company, where they are eligible for election as a Director at that meeting and, if elected, will be subject to retirement by rotation under the Company's Constitution.
- Contract: \$3,000 per month (plus GST). The Director's fee payable shall be subject to annual review by the Board of the Company and approval by the shareholders of the Company (if required).
- Termination: The appointment will automatically cease in the event that a Director gives notice to the Board of their resignation as a director, or they resign by rotation and are not re-elected as a Director by the shareholders of the Company.

There are no other significant changes to the related party arrangements of the group during the half-year ended 31 December 2020.

10. COMMITMENTS

During the period the Company entered into contracts for its definitive feasibility study at its Cabinda Phosphate Project, including FEECO, Grupo Simples, HCV Africa and DRA Global. Works undertaken include preparing a basic engineering package for the granulation plant, preparation of the EIS and WMP for the Cácata Mine and Caio Granulation Plant and design of the Caio Granulation Plant and associated infrastructure. Minbos has contractual commitments at 31 December 2020 totalling USD\$490,390 and AUD\$462,130.

There are no other material commitments as at 31 December 2020.

11. DIVIDENDS

No dividends have been paid or declared since the start of the Period, and none are recommended.

12. CONTINGENCIES

There have been no material changes in contingent liabilities or contingent assets since the last annual reporting date.

Notes to the Consolidated Financial Statements

13. SUBSEQUENT EVENTS

On 27 January 2021 the Company announced that it has executed the Mineral Investment Contract (“MIC”) for the Cabinda Phosphate Project located in the Cabinda Province of Angola. The execution of the MIC also formalizes engagement by Minbos with Government Ministries and the Province of Cabinda, allowing the Company to complete approvals, land and port access agreements, offtake agreements and an investment contract for the Caio Granulation Plant.

On 29 January 2021 the Company announced that it had recommenced field trials in Angola and greenhouse experiments in the USA. These field trial and experiments will expand the Company’s understanding of the economic and environmental benefits of the Cabinda Blend.

On 11 February 2021 the Company announced that it will adopt a set of Environmental, Social and Governance (ESG) metrics and disclosures as released by the World Economic Forum (WEF) in Geneva, Switzerland. To ensure that Minbos can measure, and report on its ESG progress, the Company has engaged impact monitoring technology platform “Socialsuite” to streamline the outcomes measurement and ongoing ESG reporting process. The Company’s goal is to demonstrate progress on its ESG scorecard, but more broadly, requires progress on a range of ESG benchmarks as set out by the WEF’s ESG White Paper.

On 26 February 2021 the Company issued 88,750,000 fully paid ordinary shares at \$0.08 each to sophisticated investors to raise \$7,100,000. As part of the placement, the Company also offered investors one free option to acquire a share (exercise price \$0.15; expiry date 2 years) for every two shares subscribed.

On 11 March 2021 the Company gave notice that a General Meeting of Shareholders will take place on 7 April 2021. The meeting was called to ratify placement shares, approve placement options, approve lead manger options, and to approve the issue of shares, options and performance rights to Directors and key management personnel.

The outbreak of the coronavirus (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company’s share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company’s operations and are likely to be beyond control of the Company. In addition, the effects of COVID-19 on the Company’s Share price and global financial markets generally may also affect the Company’s ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders or the COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access and the Company’s ability to freely move people and equipment to and from exploration projects may cause delays or cost increases.

There have not been any other significant events that have arisen since 31 December 2020 and up to the date of this report that have significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

Directors' Declaration

The Directors of the Company declare that:

- (a) The financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, and:
 - (i) give a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date.
 - (ii) comply with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.
- (b) In the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:



Peter Wall
Non-Executive Chairman
Perth, 12 March 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Minbos Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Minbos Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Neil Smith', is written over a small, faint BDO logo.

Neil Smith

Director

Perth, 12 March 2021