

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 JUNE 2021

Minbos Resources Limited (ASX:MNB) ("Minbos" or "the Company") is pleased to provide an update on its activities for the June 2021 quarter. The Company's focus during the period was the advancement of the Cabinda Phosphate Project ("the Project"), located in Angola.

HIGHLIGHTS

- Definitive Feasibility Study (**DFS**) progressing with Environmental and Social Impact Assessment (**ESIA**) commenced.¹
 - IFDC farm and fertilizer market survey identifies 3 million farmers cultivating 5.5 million hectares with potential to increase fertilizer consumption by an order of magnitude.
 - Australian provisional patent application lodged for a new phosphate rock fertilizer blend, with potential to produce 100% organic phosphate fertilizer.²
 - Post quarter end, purchase was approved for two key long lead items for construction of the Cabinda Phosphate Granulation Plant. A\$1.5 million forward order deposit to be paid to FEECO International.³
 - Mr Blair Snowball appointed as Chief Financial Officer, and Mr Harry Miller appointed as Company Secretary.⁴
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DEFINITIVE FEASIBILITY STUDY

During the quarter, the Company was actively progressing its DFS on its high-grade phosphate deposit, with ESIA now underway with a team from HCV Africa on site in Cabinda to carry out baseline studies on the proposed Cácata Mine site.⁵

HCV Africa will undertake specialist baseline studies and impact assessments, including Fauna (terrestrial: herpetofauna and avifauna and mammals), Aquatic ecology, Flora/vegetation, Air quality, Noise, Soils, Hydrology, Hydrogeology.

ESIA's completed by HCV Africa will form the basis of the previously announced Environmental

¹ ASX Announcement – DFS progressing with boots on the ground for ESIA [29 April 21]

² ASX Announcement – MNB Innovation has potential for 100% Organic fertilizer [07 June 21]

³ ASX Announcement – Long lead items for FEECO built Phosphate Granulation Plant [01 July 21]

⁴ ASX Announcement – Appointment of CFO and Change of Company Secretary [15 June 21]

⁵ ASX Announcement – DFS progressing with boots on the ground for ESIA [29 April 21]

Impact Study and a Waste Management Plan to be delivered in compliance with the Mining Licence awarded to the Company.

The baseline studies are integral to completing the fully funded Cabinda Phosphate Project DFS, which is now due Q1 2022 and had been on hold due to the COVID-19 pandemic.

PHOSPHATE FERTILIZER PRICES

Phosphate fertilizer prices have more than doubled since the Company submitted its tender for the Cabinda Phosphate Project in late 2019. The Project sensitivity to fertilizer price movements is explained in the Scoping Study released by the Company on 26 August 2020. The Enhanced Phosphate Rock (**ERP**), produced for sale by the Project, includes Mono-Ammonium Phosphate (**MAP**) that equates to approximately half the product cost. Currently, the ex-port warehouse price for MAP in Brazilian ports is trading at US\$800, which is significantly more than the US\$478 used in the Scoping Study. However, as also explained in the Scoping Study, the ERP price is based on the MAP price and adjusted pro-rata by its relative agronomic effectiveness (RAE) and Phosphate content.

The Scoping Study sensitivity analysis showed the Project is most sensitive to MAP price and relatively insensitive to OPEX and CAPEX⁶. This is important because COVID stimulus measures and supply chain impacts are expected to increase OPEX and CAPEX, but the impact on project metrics should be small compared to the positive impact of the increased MAP price. Prices can move up and down but are currently higher than the high case used in the Scoping Study.

PROVISIONAL PATENT APPLICATION

An Australian provisional patent application was lodged during the quarter for a new phosphate rock fertilizer blend, with the potential to produce 100% organic phosphate fertilizer using less reactive phosphate rocks.⁷

New phosphate rock fertilizer blend promotes the early release of phosphate nutrients from phosphate rock, potentially eliminating MAP from the proposed Cabinda Phosphate granule formulation – delivering a 100% organic fertilizer blend.

Production of the new phosphate rock fertilizer blend can potentially be applied to the proposed Minbos Granulation Plant and be incorporated in the production profile from commissioning in 2022.

COMPONENTS PURCHASED FOR GRANULATION PLANT

Post quarter end, the Minbos Board formally approved the purchase of two long lead items for

⁶ASX Announcement - Cabinda Phosphate project scoping study (26 Aug 2020)

⁷ ASX Announcement – MNB Innovation has potential for 100% Organic fertilizer [07 June 21]

the Cabinda Phosphate Plant (Figure 1). A\$1.5 million forward order deposit is to be paid to the North American-based FEECO International, a fertilizer industry leader in plant engineering and manufacturing.⁸

The expedited forward order is to assist in delivering positive project outcomes, including:

- **Capitalising on rising fertilizer prices**, with the price of Monoammonium Phosphate (**MAP**) currently US\$780/t, more than US\$300 higher than the Scoping Study benchmark price, which delivered the US\$247M pre-tax NPV.
- **De-risking the project schedule**, by bringing forward FEECO's third party equipment and material orders leaving FEECO as the critical path OEM supplier.
- **Locking in equipment pricing** protects against rising CAPEX costs with the price of steel and other plant inputs rising rapidly with further price rises expected in the supply pipeline.



Figure 1 - Cabinda Phosphate Project, Granulation Plant design and site layout.

CORPORATE

The Company has appointed Mr Blair Snowball as Chief Financial Officer. Mr Snowball Chartered Accountant with more than 25 years' experience in senior roles across Resources, Technology

⁸ ASX Announcement – Long lead items for FEECO built Phosphate Granulation Plant [01 July 21]

and Big 4 Audit, whilst working in Europe, Latin America and Australia. Blair brings a strong mix of technical accounting, commercial and corporate finance experience.⁹

Minbos also appointed Mr Harry Miller as Company Secretary. Harry has qualifications in Economics, Finance and Accounting and currently acts as Company Secretary for several ASX-listed Companies.

Minbos has AU\$6.8m of cash reserves as at 30 June 2021.

SEPTEMBER 2021 QUARTER - UPCOMING ACTIVITIES

- Completion of a 14-tonne bulk sample to be shipped to the IFDC in the USA. 8 tonnes will be used to run a large-scale pilot trial which will improve our knowledge of the granulation process and refine our product strategies. The product will be used for greenhouse and field trials in the coming growing season.
- Undertake dry season environmental surveys for the mine and granulation plant locations allowing the compilation of the final environmental reports. This is currently the critical path activity for the DFS.
- Finalise DFS CAPEX and OPEX numbers for inclusion in the financing model and commence engagement with project financiers.
- Launch of the IFDC Angolan Farm and Fertilizer Productivity Program in Angola, with meetings scheduled with stakeholder ministries and agencies.

-ENDS -

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

For further information, please contact

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⁹ ASX Announcement – Appointment of CFO and Change of Company Secretary

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



Compliance Statement

With reference to previously reported Scoping Study Results, 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 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.