

MINBOS SIGNS AGREEMENT TO DELIVER NPK FERTILIZER TO ANGOLA

Minbos Resources Limited (ASX:MNB) (Minbos or the Company) and Angolan agribusiness Sociedade Agroquímica Industrial, S.A. (Sagrind) are pleased to announce they have entered into a Memorandum of Understanding (MoU).

Highlights

- Minbos and Sagrind have signed a MoU to establish a Nitrogen, Phosphate, Potassium (NPK) fertilizer blending plant and distribution business in Angola's Malanje region.
- Sagrind is an Angolan agribusiness established to supply fertilizers, herbicides, pesticides and seeds for farmers in the Malanje growing corridor.
- Minbos is an ASX-listed fertilizer developer with plan to build a nutrient supply and distribution business that stimulates agricultural production and promotes food security in Angola and the wider Economic Community of Central African States (ECOCAS) region.
- Sagrind will provide local agricultural management and knowledge, including its network, to fulfil administrative and legal aspects of the projects.
- Sagrind and Minbos share the view that Malanje is the epicentre of the development of agriculture and the agro-industrial sector in Angola and will work in partnership to pursue local and regional fertilizer market opportunities.
- The Government of Angola has allocated a 20-hectare site in Malange for the NPK plant.

The MoU reinforces Minbos' commitment to establishing a strategic foothold and capability in one of the world's most prospective growing regions. The MoU outlines the partnership of the two companies working together to evaluate and implement a NPK blending plant, establish NPK distribution channels, establishing a soil analysis laboratory and national database, and to explore and develop local Lime deposits as part of its fertilizer product mix.

Minbos has received indicative costings for a 250,000 tonne per annum blending plant, XRF soil minilab (including handheld scanners), consulting services to optimise soil and fertilizer chemistry with a tender for the blending shed to be undertaken shortly.

Known Lime occurrences are available to Sagrind, with Lime production of 10 million tonnes per annum required for the establishment of 3 million hectares of export agriculture. Minbos has commenced a desktop review of local Lime occurrences.

The primary reason to apply agricultural Lime is to correct high levels of soil acidity, the Malanje growing corridor has acidic soil profile (pH 5-5.5).

Minbos is expected to provide the scientific and technical knowledge and perform the feasibility studies. Any project partnership company that is formed shall apportion equity ownership at incorporation of 60% Minbos - 40% Sagrind. The Company anticipates that its financial contribution to the joint venture will not exceed USD \$1 million in the first 12 months.

The Malanje Corridor is home to more than 6 million hectares of arable and uncultivated land that shares the same latitude, rainfall (1-1.5 meters) and growing potential to Brazil's Cerrado region.

Brazil's Cerrado region was established in the mid-1970's and has grown to become the world's largest soy producer, growing a record-breaking 125 million metric tons on 36.9 million hectares, much of it in the southern Cerrado which has an average land value of USD\$4,000 per hectare. The global soybean market is valued at USD\$167 billion (2020), projected to exceed the global iron ore market (USD\$219.3 billion revenue in 2020) by 2025¹.

The Malanje growing corridor is considered analogous to Cerrado but is located 1,500km closer to port (the Port of Luanda is ~350km from the main growing corridor) and much closer to key Asian and European export markets.

Malanje boasts installed hydro power capacity of 3,000MW with 1,000MW remaining underutilised and is proximal to large Diamond, Copper, mines in Angola and the Western Copper Belt in the Democratic Republic of Congo and Zambia, all major users of imported Ammonium Nitrate.

While the MoU is a binding agreement, it is relatively high level and the parties will need to negotiate and agree a more full form agreement to replace the MoU in due course. Further, the MoU may be terminated by either party by giving 60 days' notice.

"The signing of this agreement with our new local partner paves the way for the Company to ramp up its plans for delivering a locally produced NPK fertilizer and associated products within the Malanje growing corridor. Our plans for the region have again been supported by the Government who has allocated us a site for a proposed NPK plant.

Minbos will continue to invest in Nutrient production and distribution businesses that are synergistic with the development of agricultural land and logistics. We will leverage the Cabinda Phosphate project into multiple funded strategic businesses that underpin the offtake and develop our Nutrient business." - **Minbos CEO, Lindsay Reed**

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¹ McKinsey & Company - Agriculture trends disrupting the food value chain (May 2020)

This announcement is authorised for release by the board of Minbos Resources Ltd.

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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 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.

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

