

MOU LODGED FOR THE ANGOLAN FERTILIZER AND FARM PRODUCTIVITY PROGRAM

HIGHLIGHTS

- **MOU for the Angolan Fertilizer and Farm Productivity Program (AFFPP) lodged with Angola's Department of Agriculture and Rural Development**
- **AFFPP targeting the supply of 30,000 - 120,000tpa of Minbos' Beneficiated Phosphate Rock Fertilizer to Angola's 'Grow to Eat' market in the first full year**
- **The Company expects Grow to Eat market to reach up to 250,000tpa by year 10 under the AFFPP program**
- **AFFPP program to underpin the marketing and growth component of the Company's upcoming Definitive Feasibility Study**
- **Minbos currently engaged with some of Angola's largest commercial farms to secure binding sales and offtake agreements**
- **Rock Phosphate prices have grown nearly ~400% from April 2020¹**

Minbos Resources Limited (ASX:MNB) ("Minbos" or "the Company") is pleased to advise that the Memorandum of Understanding (MOU) for the Angolan Fertilizer and Farm Productivity Program (AFFPP) has been lodged on behalf of the International Fertilizer Development Centre (IFDC) with Angola's Ministry of Agriculture and Rural Development.

ABOUT THE AFFPP

The Angola Fertilizer and Farm Productivity Program (AFFPP) is a partnership between the Government of Angola, IFDC and Minbos, designed to double the yields of the **'Grow to Eat'** market in Angola through the use of fertilizer and education. The **'Grow to Eat'** market comprises 3 million smallholders on 5 million hectares concentrated in Angola's Huambo - Huila growing area.

Through the AFFPP, the IFDC is initially targeting the supply of 30,000 -120,000tpa of Minbos' Beneficiated Phosphate Rock Fertilizer to farmers who sign up for the AFFPP. This represents 300 - 400kg/ha per farmer in the initial year, which then requires between 25-50kg/ha per annum thereafter for most crops under the program (currently, Angolan farmers use ~7kg/ha per annum²).

¹ World Bank Pink Sheets Commodity Report 2 August 2022

²FAOSTAT (kg/nutrients/ha)

DEFINITIVE FEASIBILITY STUDY

Importantly, the AFFPP program will underpin the marketing and growth components of the Company's upcoming Definitive Feasibility Study (DFS). The Company is currently engaged with some of Angola's largest commercial farms to secure binding sales and offtake agreements and includes field trials to evaluate the relative economic effectiveness of Cabinda Beneficiated Phosphate Fertilizer in target customer crops and soils.

The Company's decision to update its DFS and produce Beneficiated Phosphate Fertilizer is supported by the IFDC's Phosphate Rock Decision Support System (PRDSS) which allows customers to determine the suitability of beneficiated phosphate rock for direct application on crops in soil types from specific regions.

The other key driver of the Company's decision to produce Beneficiated Phosphate Rock fertilizer instead of Enhanced Phosphate Rock was the dramatic rise in global fertilizer prices. Surging natural gas and coal prices have severely disrupted nitrogen and phosphate fertilizer production with many fertilizer manufacturing facilities forced to close. The Ukrainian conflict has caused a reduction of global fertiliser supplies and tightening of global gas supplies, which have both contributed to higher fertiliser prices.

As a result, fertilizer prices have surged over the last two years. Phosphate fertilizer prices have risen from \$350 per tonne to over \$1000³ and Ammonia prices have gone from under \$200 per tonne at the end of 2020 to \$1450 in mid-2022.

In particular, water-soluble phosphate fertilizers such as Triple Superphosphate (TSP) and Monoammonium Phosphate (MAP) have seen significant pricing increases. MAP is a key component of the Company's Enhanced Phosphate Rock fertilizer, which remains a production option within the design of the Cabinda Granulation Plant.

As global TSP and MAP fertilizer prices rose the Company was approached by potential customers in Angola looking for a locally produced fertilizer alternative. The Company has been able to achieve this with relatively minor tweaks to the plant design, which has also been updated in the DFS.

BUILDING PHOSPHATE LEVELS IN ANGOLAN SOILS

Further supporting the Company's decision, the IFDC and the World Bank have advocated building soil phosphate capital in Africa, their research has helped the world understand the benefits of incorporating a large application of phosphate rock into soils in the first year of cropping.

³Goehring & Rozencajaj - the gas crisis is coming to America, May 2022.

Building phosphate levels in soils has been used successfully to develop major farming regions, including the development of new Cerrado farms in Brazil and historically in Australia through the Superphosphate Bounty Act (1941).

The Company's decision to be a primary producer of Beneficiated Phosphate Fertilizer to a local market hungry for fertilizer, combined with the Company's inhouse mining and agronomic expertise, has allowed Minbos to deliver a fertilizer product that works for local industry and the emerging small holder farmer market in Angola.

Soil Organic Carbon

Much of the 5 million hectares of the Grow to Eat area in the AFFPP has been farmed for decades with slash and burn practices to deal with crop residues and minimal (if any) applications of plant nutrition products. The combination of this management regime has caused soil fertility and organic carbon levels to become depleted, which presents an ideal opportunity for phosphate applications and SOC improvement.

As part of the AFFPP, the Company presented a comprehensive proposal for a Soil Organic Carbon (SOC) to the IFDC to allow the Company to capitalise on a new revenue stream based on the booming Carbon Credit Market.

The large application of phosphate rock in the first year means that smaller amounts are required in subsequent years, minimising soil disruption, increasing yields and delivering increased carbon being captured in the soil.

The Company believes increased fertilizer use and education will, over 20 years, see improved soil health over more than 5 million hectares and play a significant role in sequestering significant quantities of CO₂.

Commenting on the MOU, CEO Lindsay Reed:

"Broadly, the AFFPP aims to support the development of local fertilizer supply and where possible will utilise Minbos' beneficiated phosphate fertilizer to meet the Phosphate nutrient needs of Angola's Grow to Eat sector. This will double the productivity of 1.5 million smallholder farmers, increase food and nutrition security and reduce food imports.

In the next 5 years, further expansion of mining and local fertilizer production will expand Minbos' fertilizer consumption to 375,000Mt/yr and reach 3 million farmers. This creates opportunities for large-scale food processing and food exports and create job opportunities in the fertilizer industry, in agricultural production and agribusiness. "

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ASX Announcement

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

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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 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

