

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 MARCH 2024

Minbos Resources Limited (ASX:MNB) (“Minbos” or “the Company”) is pleased to provide an update on its activities for the March 2024 quarter (Q1 FY24).

The Company’s focus during the period continued to be the development of a primary phosphate and nitrogen-based fertilizer business that stimulates agricultural production and promotes food security in Angola and the broader Congo Basin.

Currently, all fertilisers in Angola are imported, costs are prohibitively expensive, application rates are low (commonly nil), and average crop yields are very low. The start of production and commercialization of the Cabinda Phosphate Fertilizer Project is keenly anticipated by farmers and the agriculture supply chain as the primary means to improve yields.

Supporting the Cabinda Phosphate Project, the Capanda Green Ammonia Project aims to capitalise on surplus renewable energy from the Capanda Hydroelectric Dam, delivering a combination of continuous power supply and a low tariff which potential partners believe is unmatched globally.

CABINDA PHOSPHATE PROJECT

Project Update

In late January, the Company announced it had taken over the management of the EPC contracts, resulting in a reduction in costs and an updated and improved design. Led by Chief Operating Officer Mr. Steve Abbott and Group Project Manager Mr. Marco Gomes, a design optimisation and process review has been completed on the Cabinda Phosphate Project, resulting in a material reduction in construction times and cost. Construction activities have been split into two stages, with Stage 1 and most of Stage 2 design optimisation now completed.

In mid-April and post reporting period, the Company updated its guidance on construction activities.

There has been a reduction in costs in line with the Company’s earlier study estimates based on improved design, improved engagement with local suppliers, and a phased program of works:

- Phase 1 (\$US5.5M): Comprising earthworks, civils and drainage. The execution contract is ready to sign, and the engineer is ready to start. Phase 1 is expected to take 5 months.
- Phase 2 (\$US18.5M): Design is substantially complete for the balance of works

including structural, mechanical, electrical and process control, and the package is being prepared for pricing and contracting. Phase 2 construction is expected to take 5 months and will commence 2 months after commencement of Phase 1.

- Phase 3 (Commissioning): Expected to take 1 month. The total construction timeframe from first work to first delivery is estimated at nine months.
- Phase 4 (Expansion): The project team have commenced investigating expansion options which may be incorporated into Phase 2 of construction. This will depend on progress at Porto do Caio deepwater port, negotiations, and test work with potential offtake customers in South Africa and the delivery timing for a larger crusher.

Financing Updates

Post reporting period, Minbos received credit committee approval from the International Development Corporation of South Africa (IDC) for a US\$14 million (~AU\$21.5 million) debt facility.

The IDC facility will cover the majority of the ~US\$24M (subject to final pricing of Phase 2 construction). The remaining US\$10M required to complete construction and commissioning is expected to be sourced from an Angola bank and/or from development focussed investors, with which discussions are currently underway.

Approval of the IDC facility has allowed the Company to access financing opportunities not previously available to it. Moreover, agricultural development in Angola has become a government-wide priority. In the recent State of the Nation address, Angolan President Joao Lourenco, spoke to the importance of the Cabinda Phosphate Project, which has directly enabled discussions with Angolan institutions.

Field Trial Updates

Since 2017, the Company has funded agronomic research at various levels (laboratory, greenhouse and field trials) through the International Fertilizer Development Center (IFDC), Plant Nutrition Science and Technology (NPCT) and the Instituto de Investigação Agronómica (Institute of Agronomic Investigation or IIA). To date the project has 28 field trials completed with beans, maize, potatoes and soybean.

There are 18 trials presently in the field for the 2023 - 2024 season with the same crops plus in addition to cassava, cowpea, peanuts, sorghum and wheat. Trial programs were scientifically designed to compare sources of P and different rates of applied P against the Control treatment which contains nil P (and which represents local farmer practice in Angola).

The sources tested are a standard water-soluble P (WSP) source, such as imported MAP or TSP, the Company's Cabinda Phosphate Rock (PR), and the Cabinda PR with additional rates of WSP (25% and 50% of the regular rate of WSP). This season is the first trial of the residual effect. Good quality PR can, over time, present higher residual effects than WSP sources of P. The residual effect means that PR unused in the first season is utilized by crops in subsequent seasons.

The PR was applied in the previous season in the field trials photos. Plant growth is relying entirely on the residual effect, whereas the WSP products have been reapplied again this season. On average, the results of last years trials show that the PR increased the yields of all crops by at least 80% versus the control, and closer to 200% versus local practice. The Relative Agronomic Effectiveness (RAE) of PR compared to standard WSP was on average 85% (65% to 100%). When applied in conjunction with low rates of WSP, the yields were the same as the WSP source by itself.

The effectiveness of a PR varies with several factors, the most important being PR reactivity, soil pH less than 6.0, crops with greater than two months duration and rainfall > 500 mm/year. The Cabinda PR has medium to high reactivity and the soil and climatic conditions in most of Angola are suitable for its use. Angola currently uses very low amounts of fertilizer (estimated approximately 120,000 tonnes per annum).

Recent inspections of industry partner field trials in Huambo by Minbos Agronomist Dr. Luis Prochnow and Chief Strategy and Marketing Officer Mr. Rob Newbold, have confirmed outstanding plant growth responses from the Company's Phosphate Fertilizer, Prosper Primeiro (Fig. 1).



Figure 1 - Field Trials in Huambo, Angola – showing control crops (unfertilized crops) vs. crops fertilized by MNB Fertilizer (Prosper Primeiro).

Capanda Green Ammonia Project

The Capanda Green Ammonia Project (“CGAP” or “Capanda”) will become an important supplier of nitrogen in the Grow to Sell sector helping commercial farmers supply the retail sector and establish food security for Angola. The Company’s longer-term plan is to support the Grow to Export sector in Angola to make agriculture the largest contributor to the Angolan economy.

Minbos is looking to structure the Capanda project partnerships to best achieve these immediate and long-term plans.

The Company’s short-term focus is on smallholder farmers, using phosphate to achieve food security. Subsequently, the zero-carbon green ammonia project will benefit smallholder and large-scale commercial farmers.

During the reporting period, the Company completed environmental baseline surveys signals completion of a major time-critical milestone for the project with three Development Finance Institutions have expressed interest in financing the CGAP.

June Quarter Planned Activities

The Cabinda phosphate project supplies a seasonal industry, and the Company has commenced discussions for a working capital facility with competing local banks.

The Angolan Government has implemented two important measures that aim to make available approximately half a billion US dollars of credit to producers primarily in and assisting in the development of the agricultural sector, being a stated key policy objective of the Government.

The first measure was prescribed by the Central Bank of Angola (BNA) under Aviso No.10 ‘Granting Credit to the Real Sector of Economy’, which requires financial institutions to grant a minimum quota of credit per year (based on the institution’s net assets) to borrowers in the sector, which explicitly includes fertilizer producers, with the cost of credit capped at 7.5% for loans and 10% for working capital facilities.

The second measure provides qualifying borrowers the ability to acquire guarantees from the Credit Guarantee Fund (FGC) to serve as security for bank loans. The cost for the guarantee is 2.5%, which is also loaned by the lender.

The Company is in the initial stages of the process to access such credit with Angolan financial institutions and, subject to suitability of commercial terms, intends to maximise use of this funding.

The Company is also exploring factoring finance with possible third-party warehouse operators. The Company has also been evaluating a number of unsolicited partnership opportunities for both the Cabinda Phosphate Project and the Capanda Green Ammonia Project.

Led by Minbos Chief Marketing Officer Rob Newbold, the Company is now fully engaged in customer acquisition with a comprehensive sales and marketing strategy targeting fertilizer sales in Angola.

In the June Quarter, the Company will progress the Capanda Green Ammonia Project, with a focus on assessing a number of potential project partnerships, with strong global interest from major entities in the Capanda Green Ammonia Project.

Tenders for engineering design, and studies for preferred technologies and engineering providers are being assessed to optimise the route to production of green ammonia for agricultural fertilisers and mining explosives.

The Company will also look to launch its Pre-Feasibility Study to further investigate the use of electrolyzers to generate green ammonia designed to produce ~250ktpa of high-density ammonia nitrate, with an option to expand if further power can be secured at economical cost.

Financial Position

As at 31 March 2024, the Company held \$1.75 million in available cash with no debt.

Expenditure on Mining Exploration Activities

In accordance with ASX Listing Rule 5.3.1, the Company advises its exploration and evaluation expenditure during the March 2024 quarter was \$20k. The quarter is the second quarter of the Cácata mine development phase. Exploration expenditure is focused on identifying new tenement areas for future.

Payments to Related Parties and their Associates

In accordance with ASX Listing Rule 5.3.5, payments to related parties of the Company and their associates during the Quarter totalled \$106k. The Company advises that this relates to Directors' fees and company management fees of service providers related to Directors.

Capital Structure

Minbos currently has 865,122,469 fully paid ordinary shares on issue and 50,250,000 unlisted options on issue at various exercise prices and expiry dates.

2024 MARCH QUARTER - ASX ANNOUNCEMENTS

This Quarterly Activities Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code").

Further details (including 2012 JORC Code reporting tables where applicable) of exploration results referred to in this Quarterly Activities Report can be found in the following announcements lodged on the ASX:

Capanda Green Ammonia Project Update	13/2/2024
Field trials continue to deliver outstanding crop results	30/1/2024
Cabinda Phosphate Project Update	29/1/2024

- ENDS -

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

For further information please contact:

Investor and Media Enquires

E: info@minbos.com

P: +61 8 6270 4610

Interest in Mining Licences

Below is a list of the Company's interest in licences, where they are situated and the percentage of interest held.

Licence Number	Type	Interest	Location
314/03/03/T.E/ANG - MIREMPET/2021	Mining Licence	85%	Angola

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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

MINBOS RESOURCES LIMITED

ABN

93 141 175 493

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(20)	(20)
(b) development	-	-
(c) production	-	-
(d) staff costs	(1,025)	(1,025)
(e) administration and corporate costs	(1,474)	(1,474)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (Non-mining projects)	(90)	(90)
1.9 Net cash from / (used in) operating activities	(2,608)	(2,608)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(379)	(379)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets (mine properties under development)	(6)	(6)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(385)	(385)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9 (a)	Other (Office Rental Lease Liability)	(17)	(17)
3.9 (b)	Proceeds from unissued equity securities	50	50
3.10	Net cash from / (used in) financing activities	33	33

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,606	4,606
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,608)	(2,608)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(385)	(385)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	33	33

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	108	108
4.6	Cash and cash equivalents at end of period	1,754	1,754

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,700	4,555
5.2	Call deposits	54	51
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,754	4,606

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	106
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
6.1 - \$99,921 paid in Director Fees; & \$6,201 (US\$4,045) paid in Company management services to Director related entity.		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	-		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,608)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(2,608)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,754
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,754
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.7
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Yes, on 18 th of April, the Company announced a capital raising of \$6.14M and on 15 th of April the Group received credit committee approval from the Industrial Development Corporation of South Africa.	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes, on the basis of the existing funding plans and the current cashflow forecasts prepared for management purposes.	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2024

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.