



# Low-Capex, High-Return Green fertilizer business

*“Africa leaders are looking for investments that return value into their local communities. Minbos has a Project with low-capex and high returns, having tailored its fertilizer business to grow and support the local agricultural economy. Good for Minbos, Good for Angola.”*  
– CEO Lindsay Reed (Crux Investors, May 2024)

1-2-1 Mining Investment, London  
May 2024

ASX:MNB



# Disclaimer

Some of the statements appearing in this announcement may be in the nature of forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which Minbos operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement. No forward-looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside Minbos' control.

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## Compliance Statement

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.

## Competent Person Statement

The Competent Person with responsibility for the total Mineral Resources of this report is Mrs Kathleen Body, Pr. Sci. Nat, who is registered as a Professional Natural Scientist with the South African Council for Natural Scientific Professions ("SACNASP"). She is an Associate Resource Geologist with SRK Consulting (UK) Limited and the Director and a Principal Consultant of Red Bush Analytics. Mrs Body was a fulltime employee of Coffey Mining at the time the original Mineral Resource estimation was completed in 2013. Mrs Body has 27 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.

Information in this announcement relating to Mineral Resources is extracted from the ASX release dated 21 November 2021. Minbos Resources Limited confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the Mineral Resource continue to apply and have not materially changed. Minbos Resources Limited confirms that the form and context in which the Competent Persons' findings are presented in this announcement have not been materially modified from the original market announcement.

The scientific and technical information in this announcement that relates to Ore Reserves estimates for the Project is based on information compiled by Mr Ross Cheyne, a Principal Consultant of Orelogy Consulting Pty Ltd. Mr Cheyne is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM).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 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Cheyne consents to the inclusion in the announcement of the matters related to the Ore Reserve estimate in the form and context in which it appears.

Information in this announcement relating to Ore Reserves is extracted from the ASX release dated 17 October 2022. Minbos Resources Limited confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the Mineral Resource continue to apply and have not materially changed. Minbos Resources Limited confirms that the form and context in which the Competent Persons' findings are presented in this announcement have not been materially modified from the original market announcement.

## 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.





# Company Overview



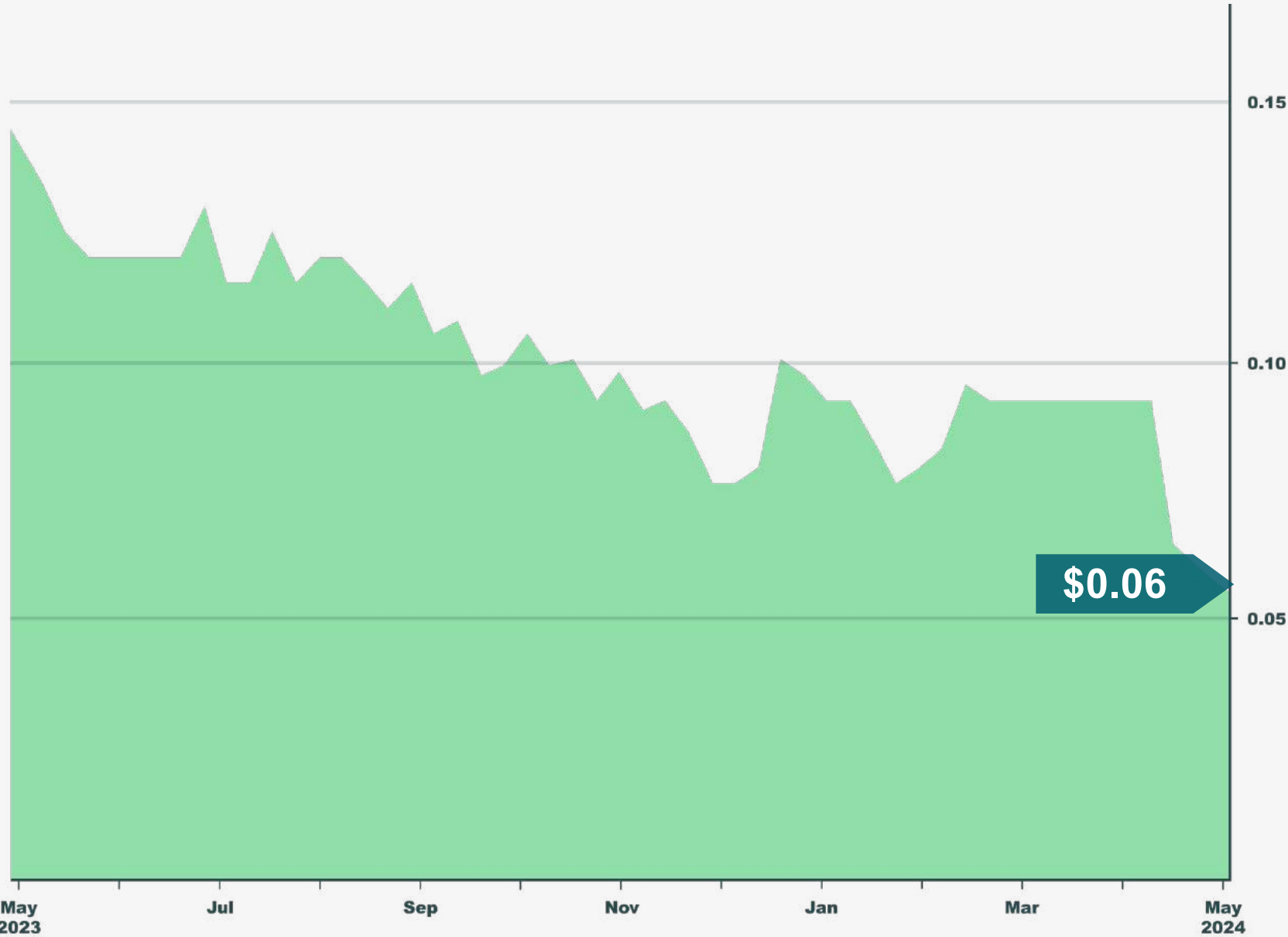
## Capital Structure

**865M**  
Shares on Issue

**\$A50M**  
Dil. MCap\*

**\$A6M**  
Cash\*

**\$A44M**  
Enterprise Value



\*26 Sep 2023

## Board & Management

<b>Lindsay Reed</b> – Managing Director	A Mining Engineer with 40 years' experience in exploration, development, operations and finance in Australia and Africa.
<b>Paul McKenzie</b> – Chairman	Agribusiness consultant with 30 years' experience advising large scale agriculture including his own 23,000-hectare holdings in WA, Director of ASX listed companies since 2006
<b>Valentine Chitalu</b> – Non-Executive Director	Co-founder and Chairman of Phatisa Group, an African-focused private equity fund with ~US600 million funds under management.
<b>Graeme Robertson</b> – Non-Executive Director	Over 40 years' experience in the resources, energy, and infrastructure sectors. Founder and Chairman Intrasia Group, major shareholder of Afrasia Bank Limited in Mauritius
<b>Frank Si</b> – Non-Executive Director	Experienced Director and Executive covering every part of the manufacturing process including plant design and project management, especially in agricultural processing

## Top Shareholders

<b>12% Hong Kong Jayson</b>	Cathode company founded by Mr Liang Feng, chairman of Shanghai Putailai one of the largest anode material companies & Mr Zeng Yuqun, chairman of CATL, global leader in lithium batteries.
<b>7% Board &amp; Ex-Board</b>	All current directors and directors all the way back to the IPO are represented on the register.
<b>5% Richardson Low Family</b>	The largest of our many private investors loyal to the opportunity and project impact.
<b>4% Green Innovation</b>	Social Impact Fund with a long history of social impact projects in Angola.



# Low-Capex, High Return Projects



## Cabinda Phosphate Fertilizer Project

- Low Capex, High IRR
- \$US16M already spent, \$US24M to complete construction, first sales 2025
- Planned low-cost expansion to double capacity
- Low execution risk with simple construction and production flowsheet

## Capanda Green Ammonia and Nitrophosphates Project

- Cheapest renewable power feedstock in the world: 1.1c/kWhr + large inland premium
- 200MW supports production of 250ktpa of Ammonium Nitrate
- New Ammonia technology solutions see BOO model with no or low CAPEX

## Export Opportunities

- Field trials underway with SARIS sugar across the border in Republic of Congo
- Caio Deepwater Port opens access to Phosphate Rock export market from 2026
- Lobito Corridor opens-up the western copper belt mines for green ammonium nitrate

**Technically de-risked project. Execution plan in place. Growth highway mapped out**



# Angolan Fertilizer Market Growth

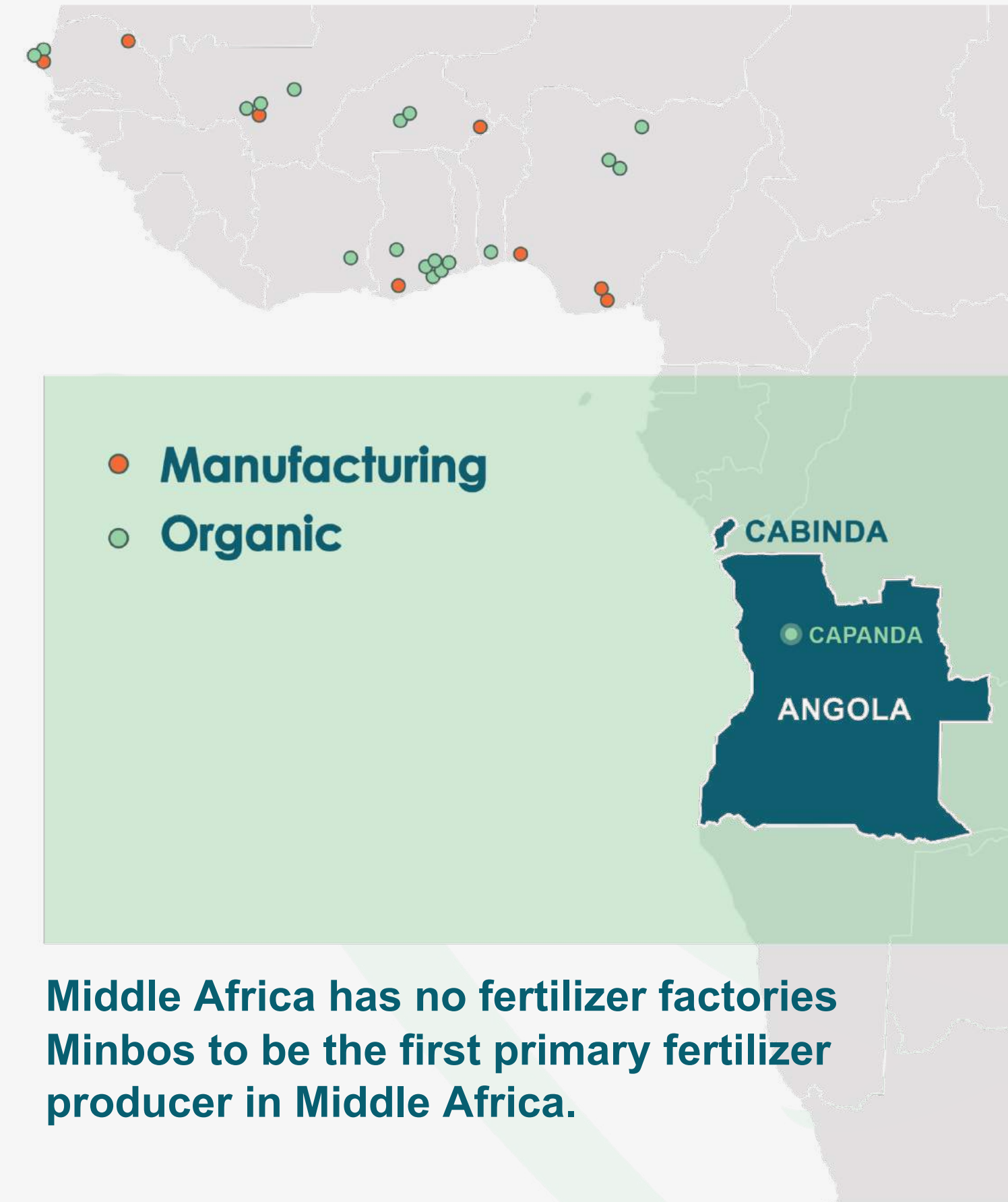


## Soil, Rain, Farmers, Transport...but no Fertilizer

**36M**   **57M ha**   **5M ha**  
Population   Arable Land   Cultivated Land

In 1970 Angola was a global agriculture powerhouse

- World's fourth largest coffee producer
- Exporter of sisal, sugarcane, banana, cotton
- Self-sufficient in all grain crops except wheat
- 1000 to 1500mm of rain per year
- Smallholder farmers are 90% of the land
- 50% of food imported
- 100% of fertilizers is imported



**Middle Africa has no fertilizer factories  
Minbos to be the first primary fertilizer  
producer in Middle Africa.**



# Angola – Lots to Love

— Spectacular, Vast, Gentle



CABINDA

ANGOLA

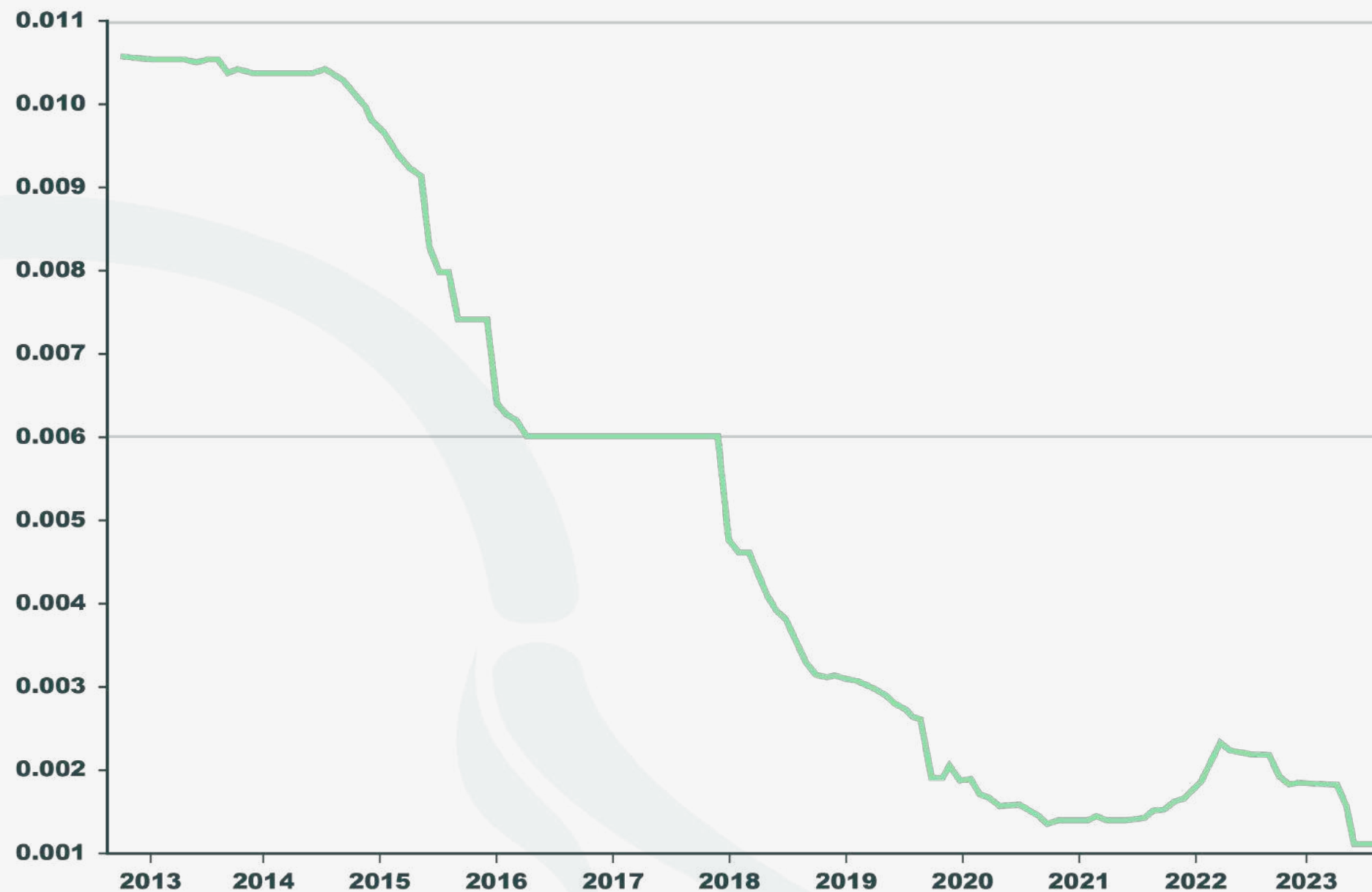


# Angola – Competitive Currency and Exploding Population Growth

— Economic conditions and policy favours local production for local markets

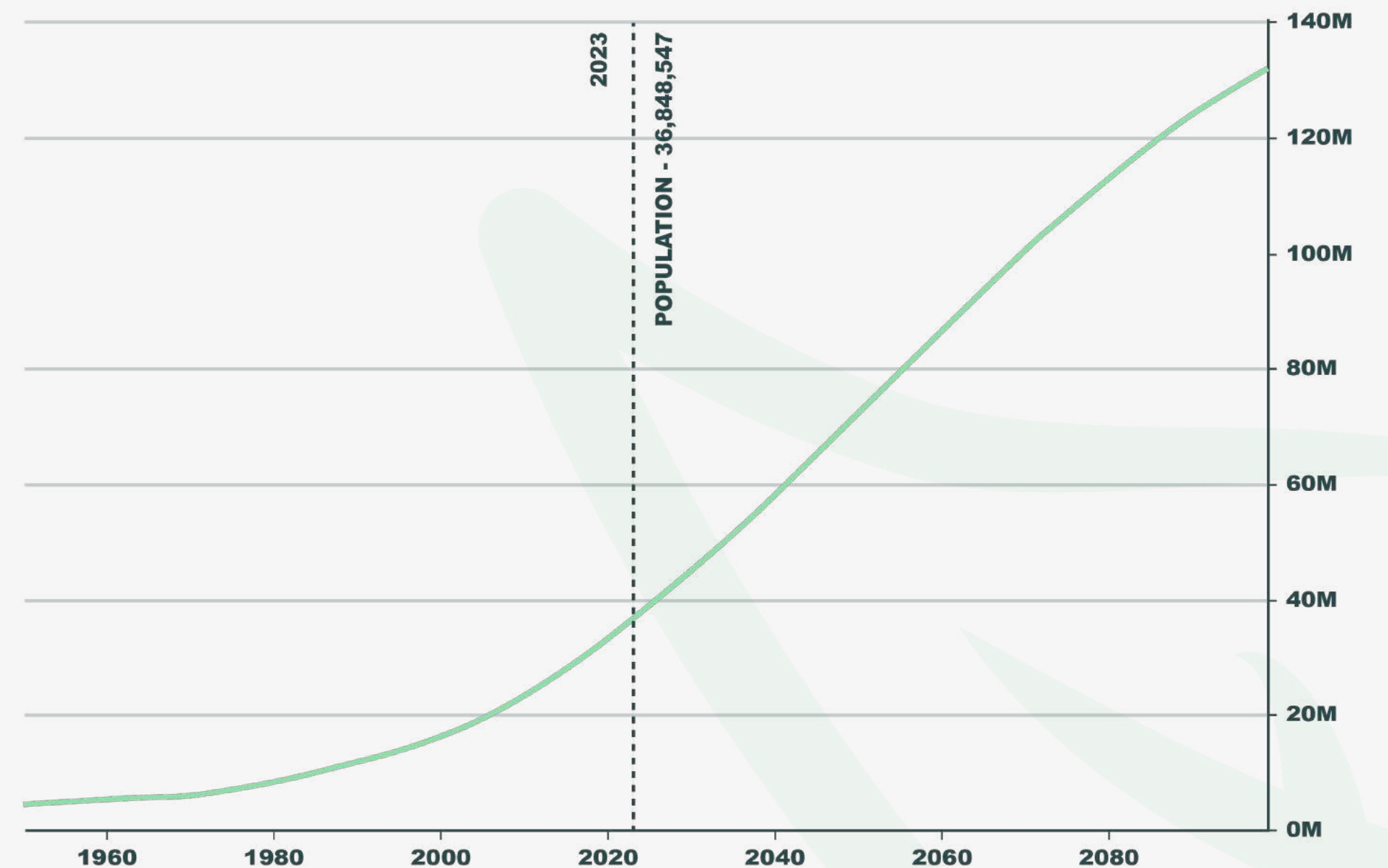


ANGOLAN KWANZA/US DOLLAR



Local production can compete with imports

ANGOLA POPULATION



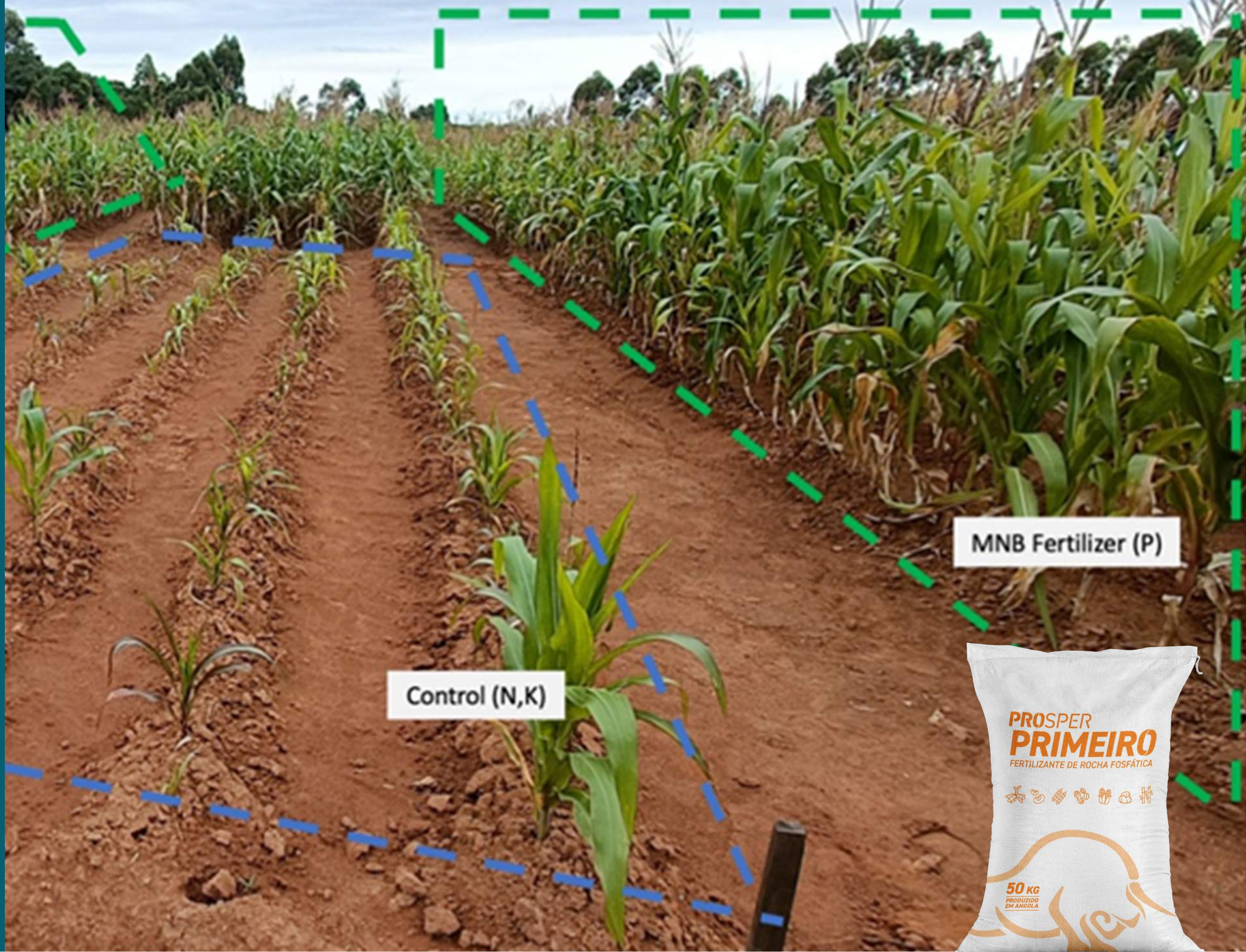
Population drives food and fertilizer demand





# Cabinda Phosphate Fertilizer Project

P





# Our Fertilizer and Angola

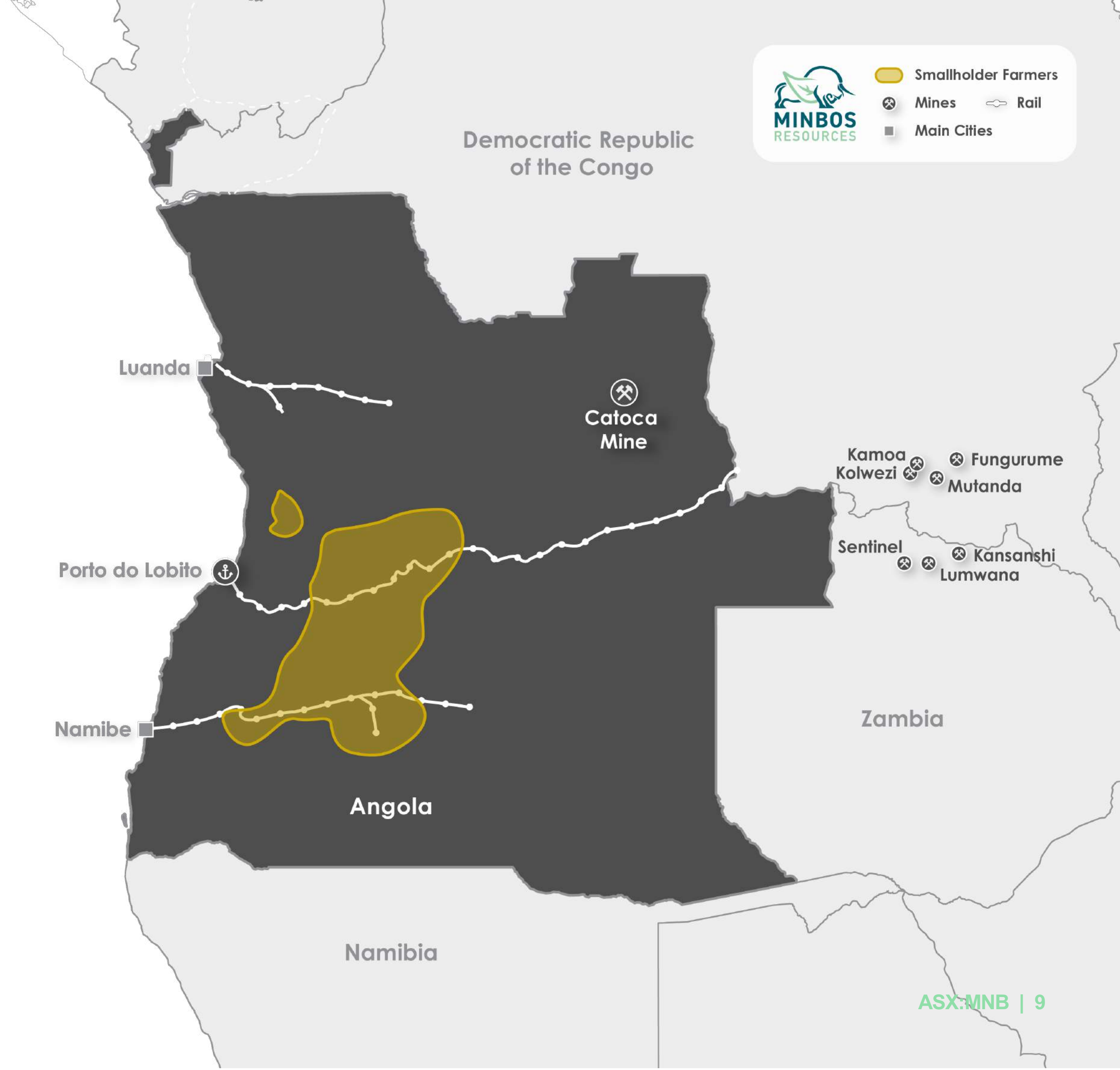
— built for local soils and crops

## CABINDA PHOSPHATE NEEDS ANGOLA

- ✓ Acid Soils
- ✓ High Rainfall

## ANGOLA NEEDS CABINDA PHOSPHATE

- ✓ Low P
- ✓ High P-Fixing
- ✓ Smallholder Farmers

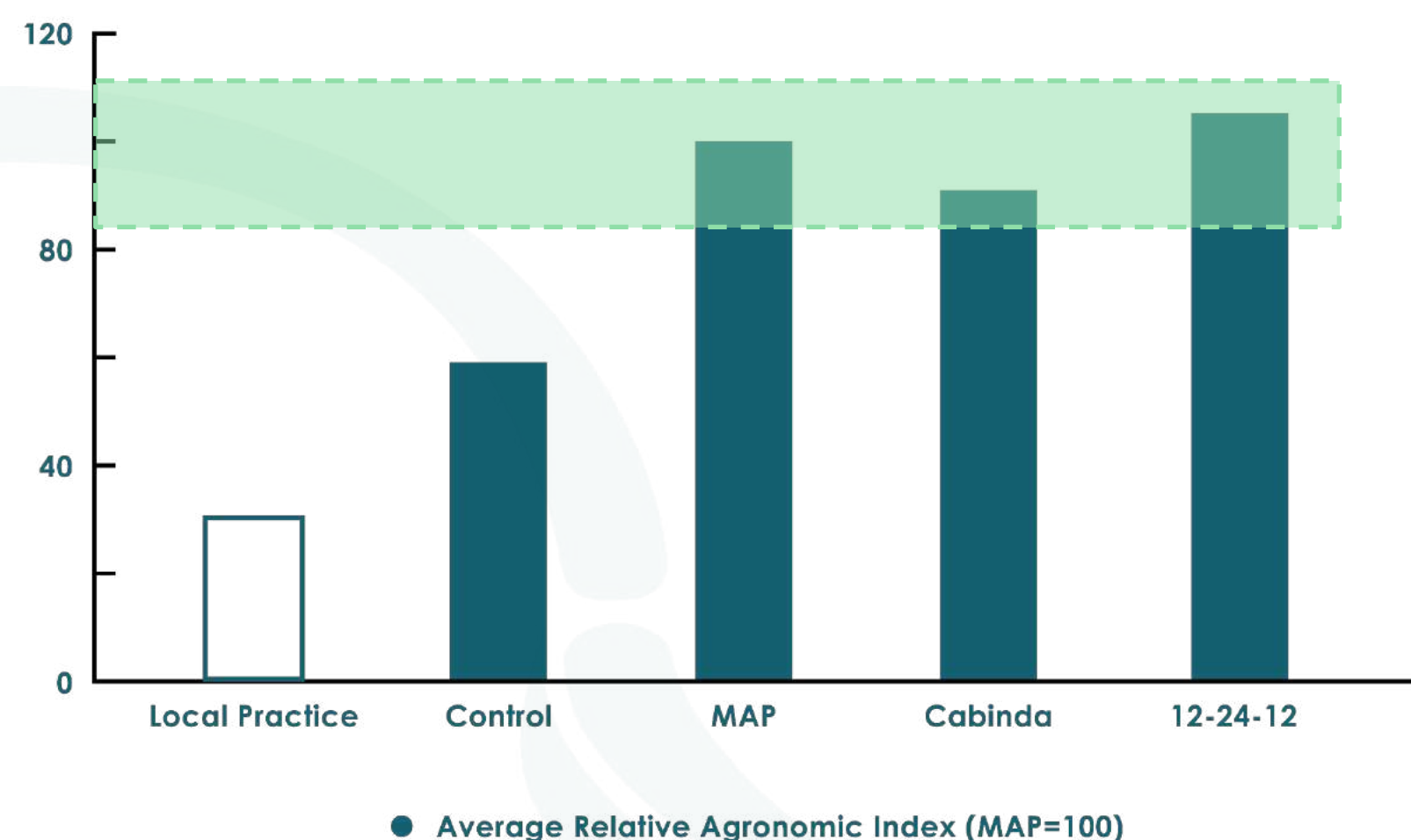




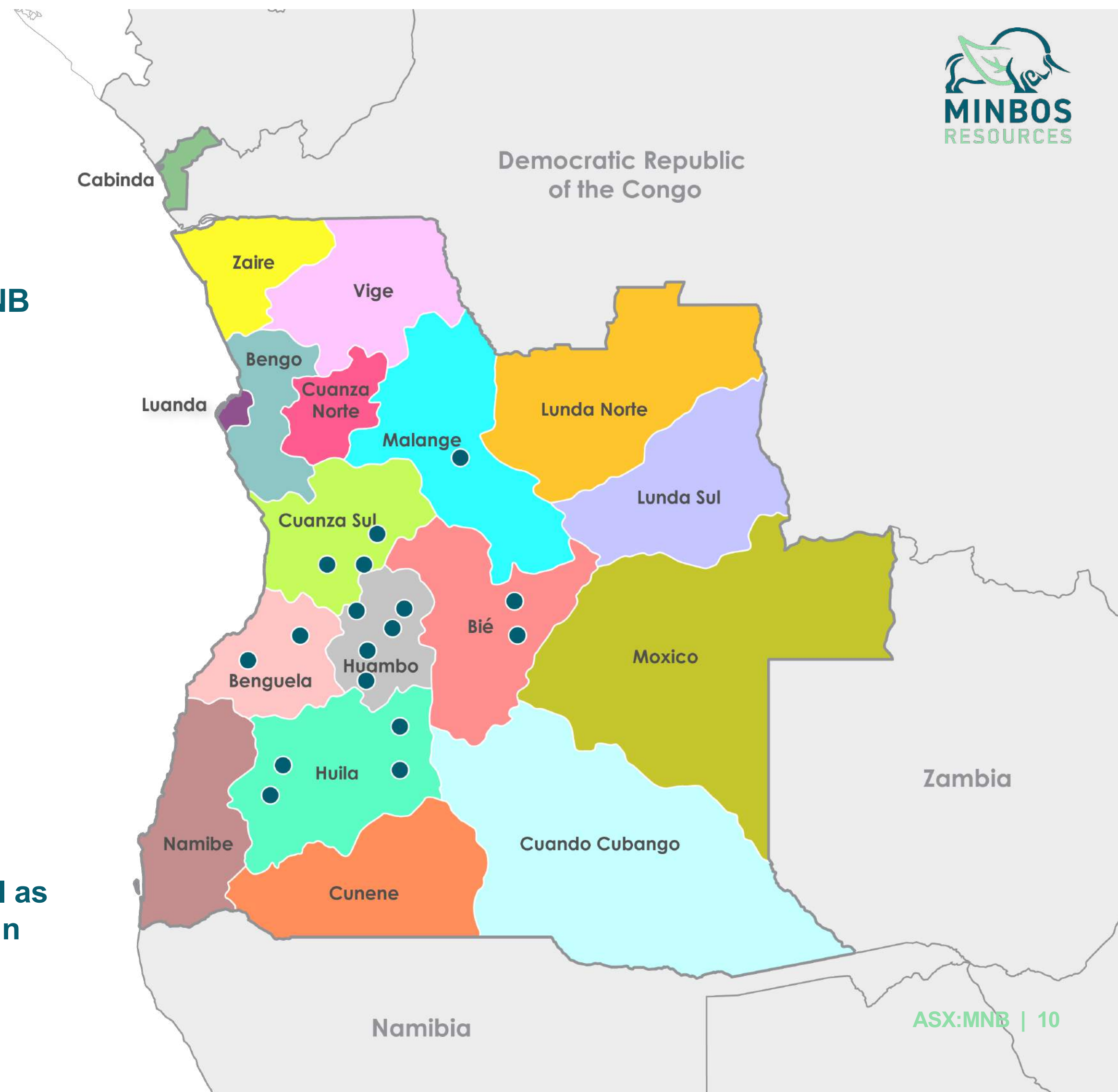
# Our Phosphate Fertilizer Works

— More field trials than any other organisation in the history of Angola

Since 2019, the Angolan Institute of Agronomic Investigation (IIA) has conducted field trials with MNB Phosphate fertilizer in six provinces



**Key Takeaway: MNB fertilizer performed almost as well as traditional NPK across all trials in the first year, better in some trials**







# Biocom Sugar Plantation

Angola's  
largest farm

Minbos Field Trial







Carrinho opens the market supplying credit for inputs including fertilizer

Chemicals

Fertilizer

Seeds

# Carrinho Offtake is Critical



Carrinho closes the market buying surplus crop for cash

Surplus Buyer

**CARRINHO**

Credit Provider

<sup>1</sup>ASX Announcement - Offtake Agreement with Angola's largest food aggregator (19<sup>th</sup> July 2023)





## Rapid Progress since MIC signed in March 2021

# Cabinda Phosphate Fertilizer Project

P





# Cabinda Phosphate

## — Soft Rock Simplicity

### High

Phosphate grade 30.1%  $P_2O_5$ <sup>1</sup>

### High

Reactivity 8.7-9.5%  $P_2O_5$ <sup>2</sup>

### Longlife

Project 20-year life<sup>3</sup>

### Easy

Mining free dig

### Easy

Beneficiation simple flowsheet

**Key Takeaway: simple mining & processing = technically de-risked project**

<sup>1</sup>Proven and Probable Ore Reserve grade – refer to Minbos ASX release dated 17 October 2022 for further information

<sup>2</sup>Cabinda phosphate rock contains ~31% total  $P_2O_5$  and 8.7 to 9.5%  $P_2O_5$  soluble in 2% citric acid – refer to Minbos ASX release dated 1st December 2022 for further information

<sup>3</sup>Based on 2022 DFS results – refer Minbos ASX release dated 17 October 2022 for further information









# 2022 DFS Financials - Cabinda Phosphate Project (Stage 1 & 2)



— Compelling DFS<sup>1</sup> including Stage 2 expansion in year 7

## Definitive Feasibility Study

Scenario	Base Price Case (85%)		
Discount Rate	NPV \$USM	IRR	PAYBACK
 (REAL) <b>10%</b>	 (POST TAX) <b>203.2</b>	 (POST TAX) <b>39%</b>	 <b>4.8yrs</b>

PHYSICALS	UNIT	RESULT
Mine Life (Base-case)	Years	20
Plant Capacity (One Plant Capacity)	ktpa	150
Average head grade	P205	30.1%
Base-case fertilizer production	ktpa	236
Base-case average annual EBITDA	US\$M	55

<sup>1</sup>ASX Announcement - DFS delivers compelling economics for Cabinda Phosphate Project (17 Oct 2022)

<sup>2</sup>ASX Announcement - Simplified flowsheet delivers significant capex reduction for phosphate fertilizer plant (23 February 2023)



# Significant improvements post DFS

— Simple flowsheet, CAPEX savings, reduced haulage, sales bought forward

## Key updates since DFS<sup>1</sup>

### 1) Stage 1 CAPEX savings<sup>2</sup>

- Simplified flowsheet has identified capital savings of ~ \$US10 million over the DFS<sup>2</sup>
- Fertilizer Plant fabricated and currently onsite in Angola
- US\$24 million left to spend to get into production

### 2) Stage 2 CAPEX savings

- CAPEX for Stage 2 expansion to double capacity on revised flow sheet has been estimated \$US1.7-3.3M (previously \$US28M in the DFS)<sup>3</sup>

### 3) New Plant site (Subantando) offers significant transport savings

- The distance from the mine to plant is reduced from 76km to 36km
- The distance from the plant to the port is reduced from 28km to 16km
- Reduced costs to hold and maintain site<sup>4</sup>

### 4) Stage 1 production capacity of 187,500tpa<sup>5</sup> (previously 150,000tpa) mostly committed under Carrinho MOU<sup>6</sup> or current negotiation

YEAR	1	2	3	4	5	6	7
DFS Sales	10kt	92kt	102kt	110kt	130kt	157kt	181kt
Post Carrinho Sales	153kt	163kt	158kt	162kt	173kt	179kt	179kt

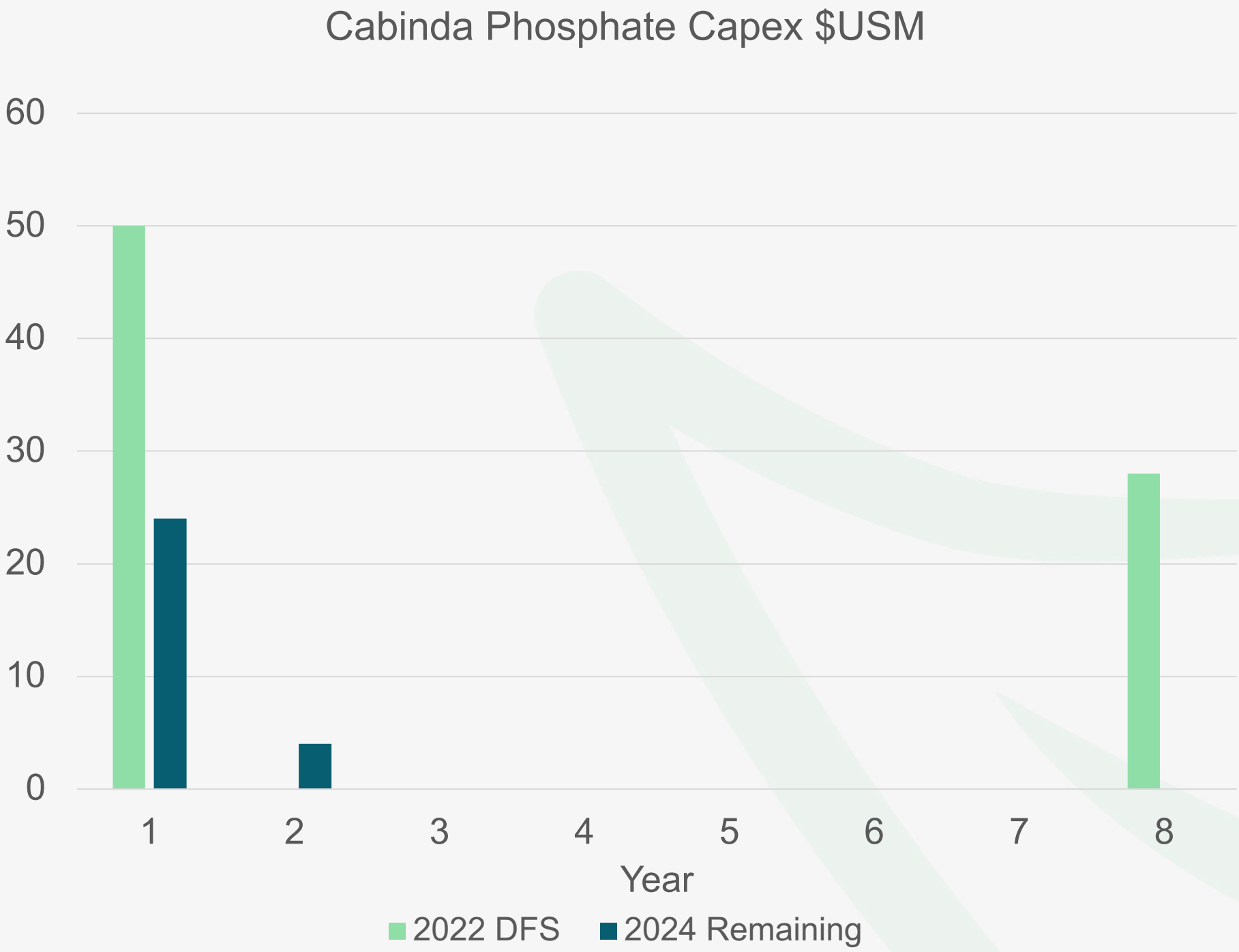
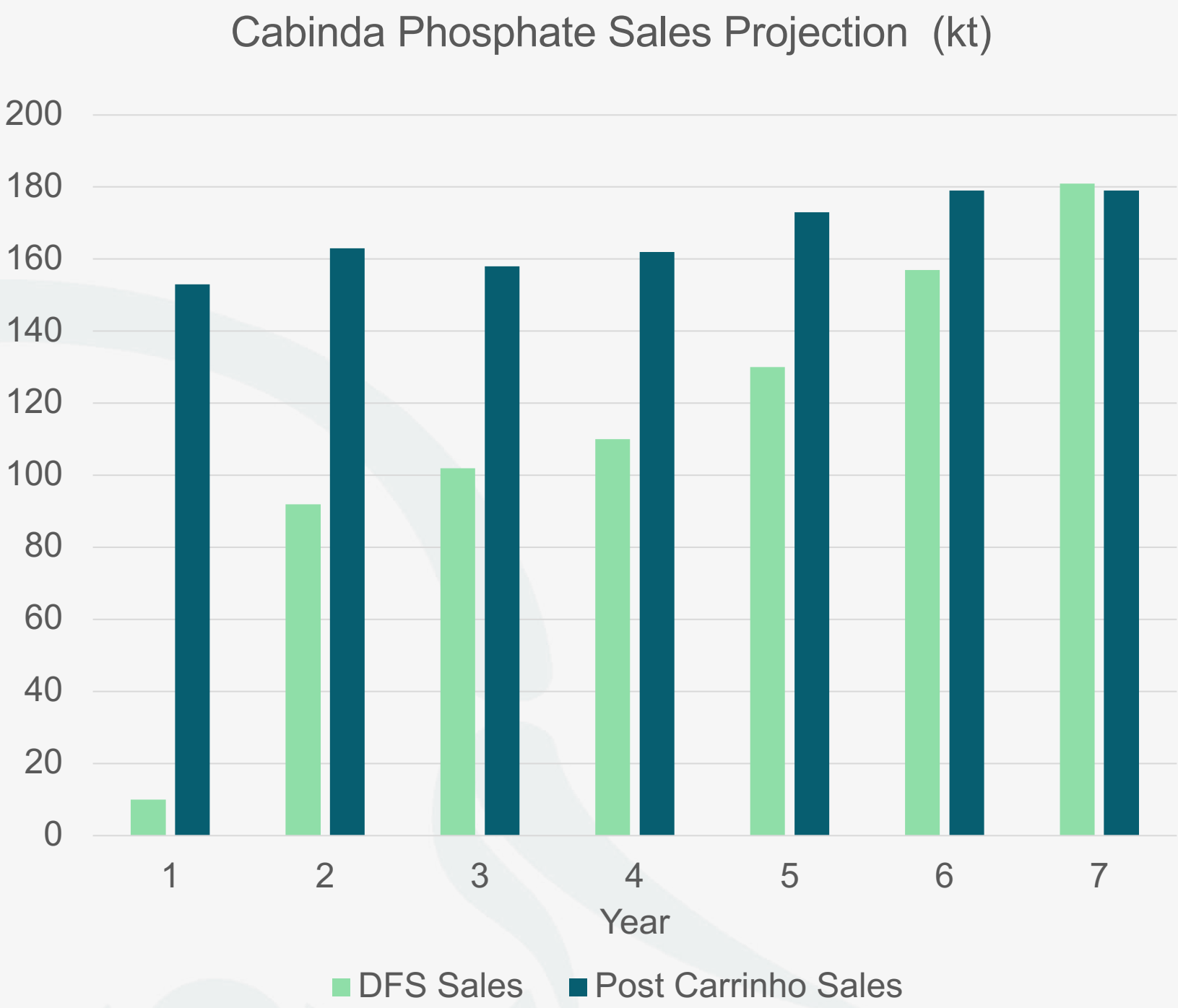
<sup>1</sup>ASX Announcement - DFS delivers compelling economics for Cabinda Phosphate Project (17 Oct 2022)  
<sup>2</sup>ASX Announcement - Simplified flowsheet delivers significant capex reduction for phosphate fertilizer plant (23 February 2023)  
<sup>3</sup>ASX Announcement - Minbos to Pursue Yellow Phosphorus Potential in Stage 2 (13 April 2023 and Amendment 17 April 2023)

<sup>4</sup>ASX Announcement - Minbos secures site for Cabinda Phosphate Plant (10<sup>th</sup> November (2022)  
<sup>5</sup>ASX Announcement – Project and Funding Update (17<sup>th</sup> October 2023 and amendment 18<sup>th</sup> October 2023)  
<sup>6</sup>ASX Announcement - Offtake Agreement with Angola’s largest food aggregator (19<sup>th</sup> July 2023)



# 2024 Parameters vs 2022 DFS

— Carrinho consumption forecasts and Simplified Flowsheet



**Key Takeaway: Low-CAPEX, Strong NPV + IRR with improving financial metrics driven by greater than anticipated offtake commitment, rare in an era of Project inflation**





## Funding Pathway

### Capex and Funding

— Compelling Stage 1 with only US\$24 million to spend to get into Production

Stage 1	\$40M	CAPEX Cabinda Stage 1
	\$16M	Already spent
	\$24M	Remaining to complete construction
	\$10M	Required for working capital
Stage 2	\$14M	IDC Project Facility (Credit Approved)
	\$5M	Equity raised in April
	\$15M	Working Capital/ Term Facility (Local banks negotiating)
	\$4M	CAPEX Cabinda Stage 2 Export
Stage 2	\$1M	Phosphate Exploration
	\$1M	Capanda Pre-Feasibility Study
	\$10M	Equity to complete construction and fund expansion





# Capanda Green Ammonia Project

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# N

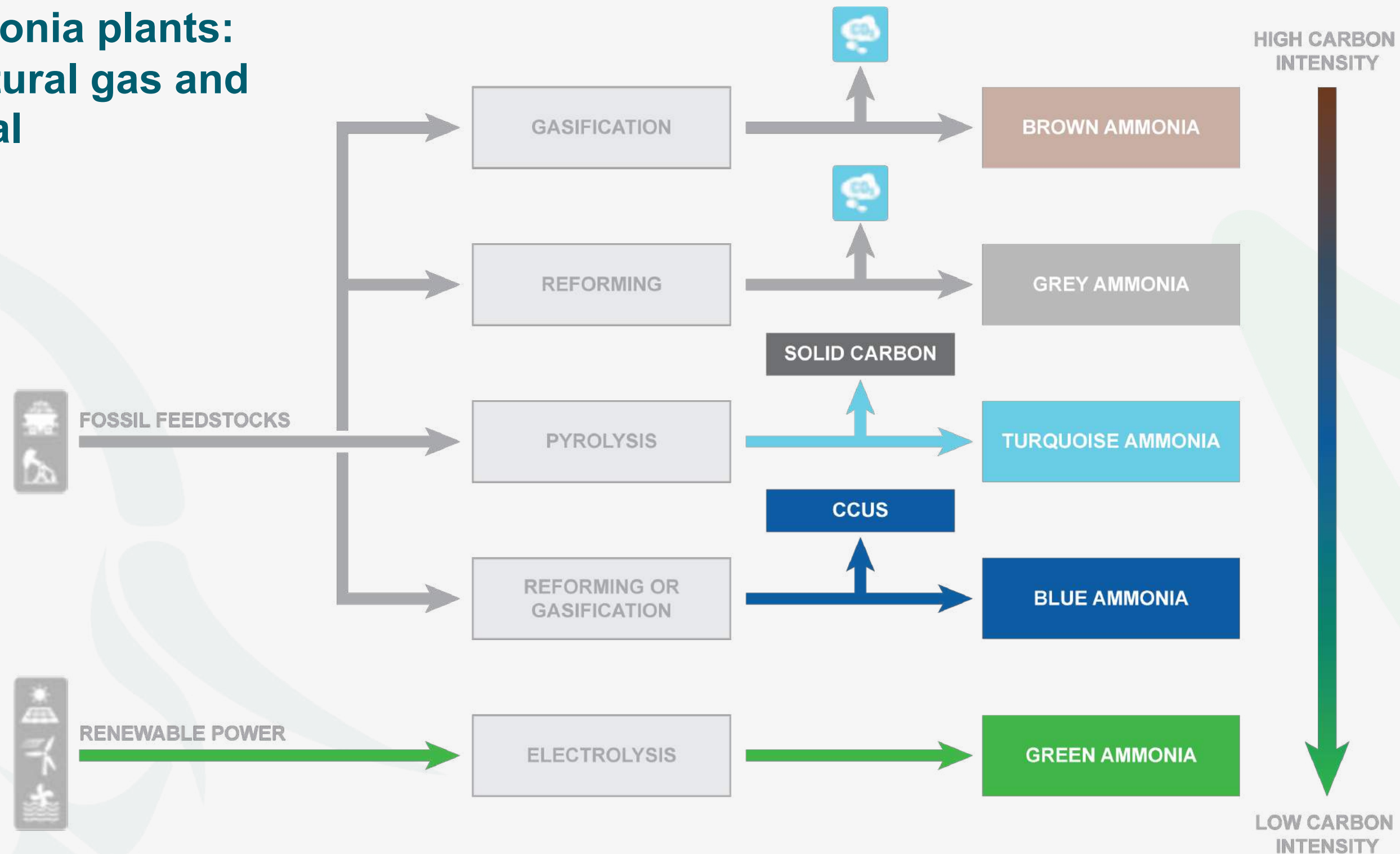




# Understanding the Ammonia landscape

— Capanda uses Renewable Hydropower, not Fossil Fuels

**Global ammonia plants:**  
72% use natural gas and  
22% use coal



## Carbon Intensity:

Ammonia production emits 0.5 gigatonnes (Gt) of carbon dioxide (CO<sub>2</sub>) annually (around 15-20% of total chemical sector emissions and 1% of global greenhouse gas emissions)

<sup>1</sup>Smil, V., "Enriching the Earth – Fritz Haber, Carl Bosch, and the Transformation of World Food Production," The MIT Press, Cambridge, MA (Dec. 2000)



# 200MW Of The Cheapest, Greenest Power Globally

— The only green Ammonia Project that makes sense

## Minbos 20-year green power concession

MOU with Angolan power authority (RNT-EP) secured 200MW of Zero- Carbon hydroelectrical power:

- Initial 100MW at US \$0.4c/kWhr for 5 years, US \$0.8c/kWhr for 20 years and subsequent 100MW at US \$1.5c/kWhr for 25 years
- Electricity price of US \$1.0c/kwh megawatt-hour makes Green Ammonia competitive with \$2.50GJ gas -based ammonia

Power concession delivers one of the most compelling green projects globally, with other advantages including:

- Long-term power security (25-year offtake) & No upfront capital costs saving billions in CAPEX and a decade of feasibility studies

## Angola's hydropower potential among the highest in Africa\*

- Top 10 Globally for new installed hydro capacity
- 2nd highest producer of hydropower in Africa

Source: The International Hydropower Association, 2021 Hydropower Status Report (June 2021)



## Success Parameters

- ✓ Availability of electricity
- ✓ Electricity price
- ✓ Local cost of fertilizer
- ✓ Proximity to market
- ✓ Economies of scale

**“One of the most promising green ammonia projects globally” Stamicarbon**



# Africa Inland Premium

— Our US\$200/t local for local advantage

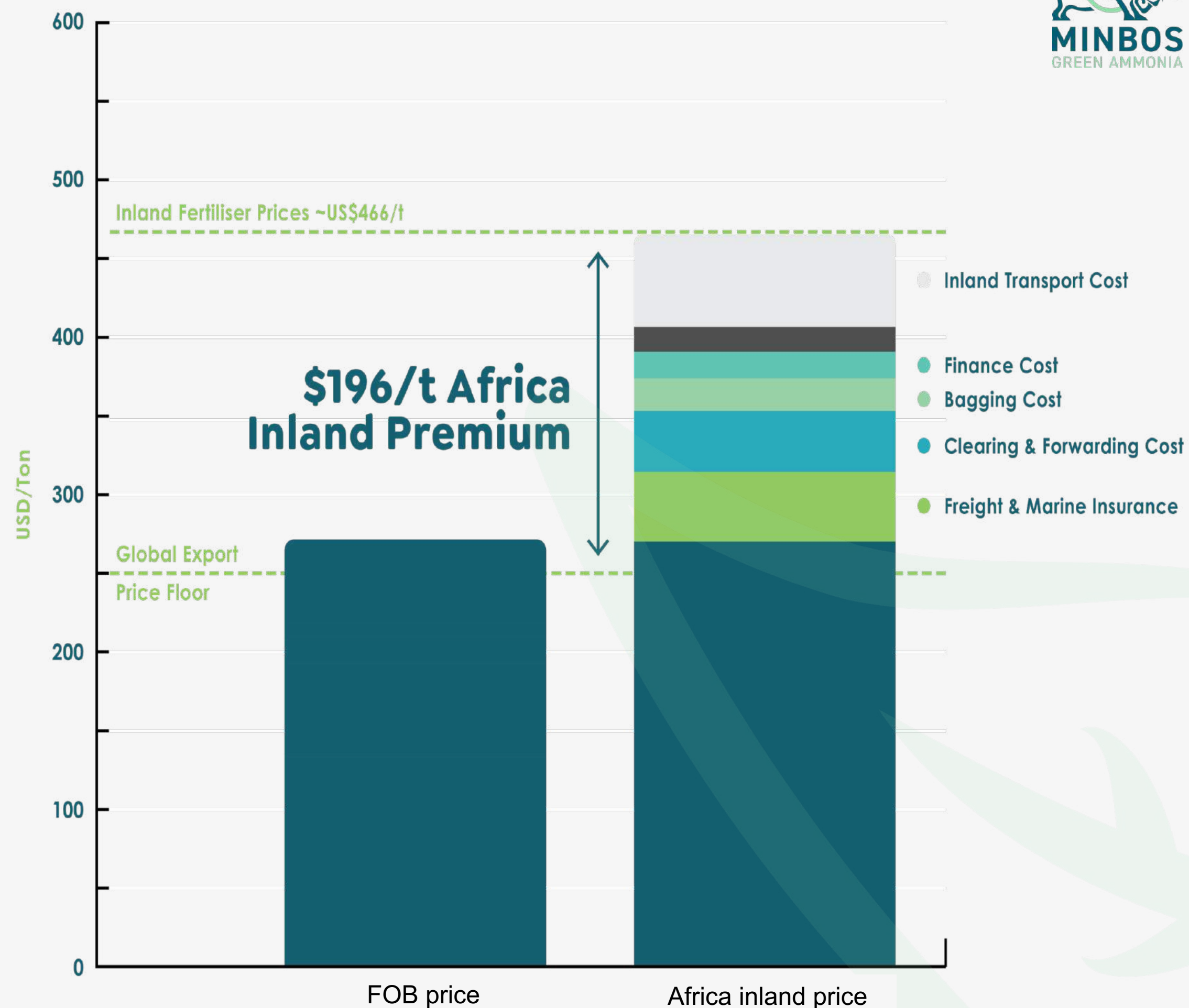
## What makes our Project Competitive

- Cheap Electricity
- High quality water
- Markets at the Factory Gate

## Africa Inland Premium\*

- Producing Ammonia and its derivative products proximal to inland markets eliminates significant delivery costs
- Capanda is located 300km closer to agricultural markets and 1000km closer to mining markets than the entry ports for competing products

Source: Stamicarbon CAN analysis derived from AFAP/IFDC







## Green Nitrogen Fertilizers & Explosives

# N

## Structuring a Minbos-Style Project

- Low-CAPEX, high returns and matching the opportunity to the market



**The Green Ammonia space is emerging quickly:** The company is engaging with multiple parties to supply Ammonia on a Build Own Operate (BOO) basis with a view to combining the Ammonia with Cabinda Phosphate to produce a range of nitrogen fertilizers and explosives for the local and regional markets





# Export Plans

# E





# Phosphate Export Plans - Porto do Caio 2026

— IDC-controlled entity interested in purchasing all the available expansion capacity

## Key Considerations

- 8.4Mt total Mineral Resource (Measured + Indicated + Inferred)<sup>1</sup>
- Dry beneficiation of a bulk sample in 2017 upgraded Cácata ore from 30.5% to 33-34% with a mass recovery of 81-88% and P<sub>2</sub>O<sub>5</sub> recovery of 86-91%<sup>3</sup>
- Porto do Caio deepwater port is scheduled for operation in 2025 and is designed to accept Panamax size vessels.
- Doubling capacity will reduce unit production costs significantly due to high fixed cost of operation.

With reference to the above statements, Minbos notes the following:

- The 2021 Cácata Mineral Resources have been classified and reported at a 19% P<sub>2</sub>O<sub>5</sub> cut-off grade on the basis of using Cácata Phosphate Rock for the production of phosphate fertilizer
- Mineral Resources are not Ore Reserves and do not have demonstrated economic viability, nor have any mining modifying factors been applied
- Minbos has yet to undertake any test work or economic evaluation to determine the viability of Cácata Phosphate Rock in the production of P<sub>4</sub>
- Resource Update for High-Grade Cabinda Phosphate Project – ASX Announcement dated 23 November 2021

<sup>1</sup>Minbos ASX release dated 23 November 2021 for further information

<sup>2</sup>Minbos ASX release dated 17 October 2022 for further information

<sup>3</sup>Minbos ASX released dated 6 February 2017 for further information

## Mineral Resource Statement Cácata Phosphate Project as of 31 October 2021

Resource Update for High-Grade Cabinda Phosphate Project – ASX Announcement dated 23 November 2021

Classification	Cut-Off Grade (P <sub>2</sub> O <sub>5</sub> )	Tonnes (Mt)	P <sub>2</sub> O <sub>5</sub> (%)	Contained P <sub>2</sub> O <sub>5</sub> (%)	Density	Ca:P <sub>2</sub> O <sub>5</sub> ratio
Measured	19.0	2.20	29.9	0.66	1.83	1.48
Indicated	19.0	4.76	29.7	1.41	1.84	1.46
Measured + Indicated	19.0	6.96	29.7	2.07	1.84	1.47
Inferred	19.0	1.45	29.5	0.43	1.58	1.46

## Cácata Phosphate Mine Ore Reserve Statement as at September 2022

DFS Delivers Compelling Economics for Cabinda Phosphate Project- ASX announcement dated 17th October 2022

Classification	Tonnes (Mt)	P <sub>2</sub> O <sub>5</sub> (%)
Proven	1.17	30.5
Probable	3.54	30.0
Total (Proven + Probable)	4.71	30.1

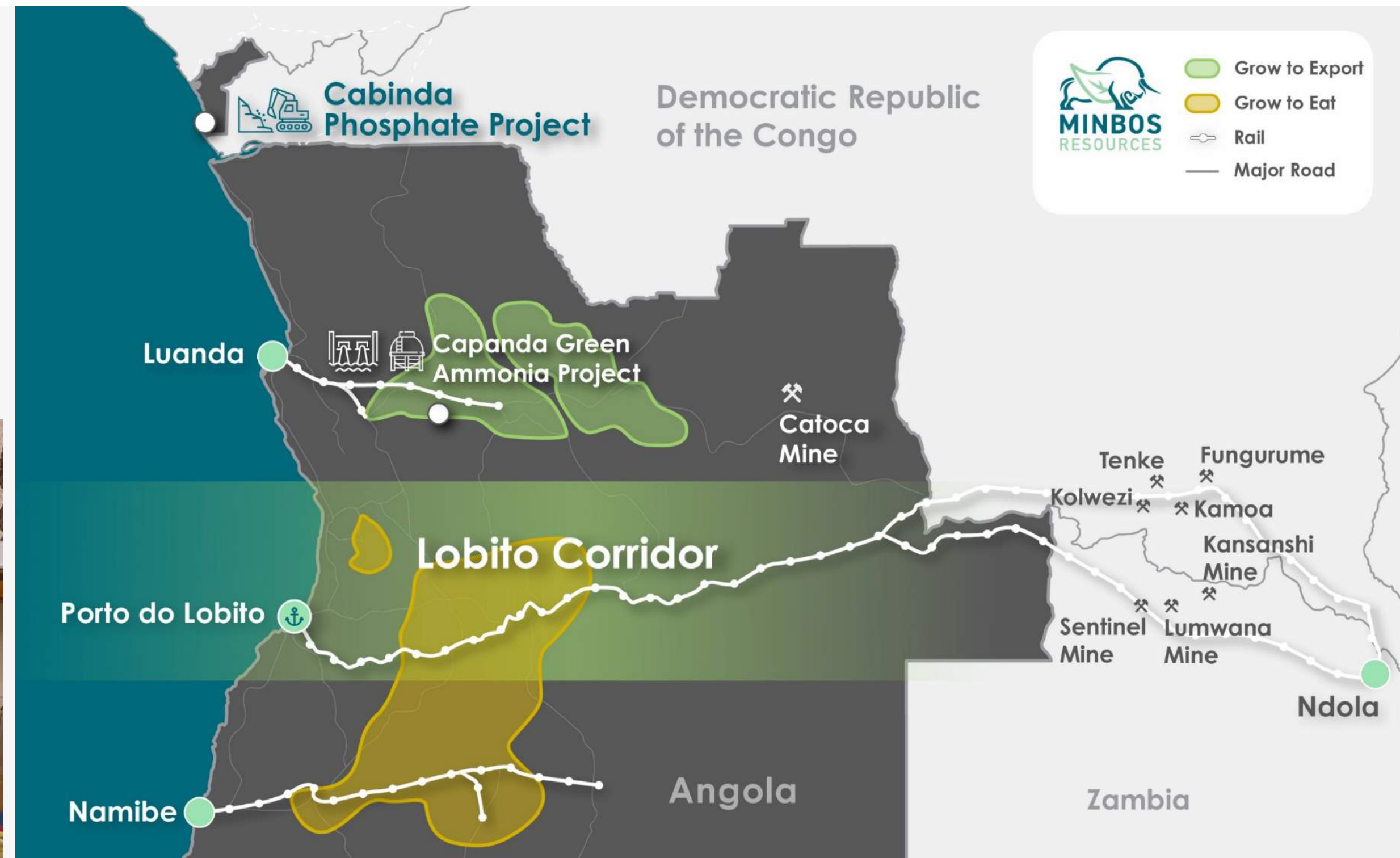


# Ammonium Nitrate for the Mining Sector

## — Lobito Corridor unlocks the de-carbonised explosives market in the Western Copper Belt



- November 2022: Trafigura, Mota-Engil and Vecturis signed a 30-year concession for the Lobito railway committing USD450M
- October 2023: The USA, EU, AFC, AfDB and the host governments of Zambia, DRC and Angola signed a funding MOU for the wider Lobito Corridor committing USD1.6B



Capanda Green Ammonia has a 1000km freight advantage to mines in the western Copperbelt consuming 200,000tpa of Ammonium Nitrate and increasing





**MINBOS**

**ANGOLA HAS LAND, WATER,  
RENEWABLE ENERGY & YOUTH**

**GROWING AN AFRICAN NUTRIENT BUSINESS**



# Risk Factors



## Risks with Operating in Angola

The Company operates out in Angola, a country that has been the subject to civil unrest in the recent past. The Company believes that although tensions have eased considerably, civil and political unrest and an outbreak of hostilities remains a risk in jurisdictions like Angola.

Historically, there has also been a relatively high level of corruption in Angola, especially in the extractive industries. This corruption often influences the awarding of contracts or the granting of licenses. Furthermore, Angola does not have laws that specifically address corruption, bribery and conflict of interest.

Other possible sovereign risks include, without limitation: changes in the terms of the relevant mining statutes and regulations; changes to royalty arrangements; changes to taxation rates and concessions; changes in the ability to enforce legal rights; and expropriation of property rights.

Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its shares.

No assurance can be given regarding the future stability in these or any other country in which the Company may have an interest.

## The Legal Environment in Angola

The Company's projects are located in Angola. Angola is considered to be a developing country and is subject to emerging legal and political systems as compared with the system in place in Australia. This could result in the following risks: political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation or in an ownership dispute; a higher degree of discretion held by various government officials or agencies; the lack of political or administrative guidance on implementing applicable rules and regulations, particularly in relation to taxation and property rights; inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or relative inexperience of the judiciary and court in matters affecting the Company.

## Changes in Government Policy

Adverse changes in government policies or legislation in Angola and other jurisdictions in which the Company may operate from time to time affecting foreign ownership of mineral interests, taxation, profit repatriation, royalties, land access, labour relations, and mining and exploration activities may affect the operations of the Company. It is possible that the current system of exploration and mine permitting in Angola may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation. In addition, there is a possibility that the Company's agreements with governments or joint venture partners may be unenforceable against such parties.

## Lack of Specific Infrastructure

The Company's projects are located in areas of Angola that generally lack some specific infrastructure. The lack of availability of this infrastructure may impact the Company's future operations and feasibility of its projects.

The Company also needs to locate required adequate supplies and obtain necessary approvals from national, provincial and regional governments, none of which can be assured.

## Workforce and labour risks

The skill base of the local labour force in Angola is extremely limited. There is a severe shortage of workers with good managerial or technical skills.

HIV/AIDS, malaria and other diseases represent a serious threat to maintaining a skilled workforce in the mining industry throughout Africa. HIV/AIDS, malaria and other diseases are a major healthcare challenge faced by the Company's operations in Angola. There can be no assurance that the Company will not lose members of its workforce, workforce man hours or incur increased medical costs which may have a material adverse effect on the Company's operations.

Also given the current high level of activity in the global mining industry, Minbos may be unable to source personnel and equipment to meets its objectives.

## Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and

equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

## Commodity Price Volatility and Exchange Rate Risks

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of phosphate rock and potential later sales of other fertilizer products, exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for fertilizer inputs, technological advancements, forward selling activities and other macro-economic factors.

## Environmental Risks

The operations and proposed activities of the Company are subject to the laws and regulations of Angola concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

## Construction Costs

In August 2020, the Company released a Scoping Study for the Cabinda Phosphate Project, which included an estimate for the construction of a Granulation Plant. The Company is currently completing a Definitive Feasibility Study that will revise this estimate. There are risks with all construction projects that material costs will rise. Additionally, it is likely that the COVID-19 (Coronavirus) pandemic will generate new and/or increased costs, such as its impact on global supply chains and on workforce, that will result in higher costs of construction.

## Green Ammonia and other new projects

The Company's proposed green ammonia project is at an early stage of development and consideration by the Company. The ability to commercialise this project (and other new ventures) is subject to the Company's completing feasibility studies, securing finance and obtaining binding agreements/approvals with local companies and government authorities in Angola. There is no guarantee that the Company will be able to adequately execute on these endeavours and, as early stage projects, they carry a considerable amount of risk.

## Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income, the Company will require further financing. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.

If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its development programmes as the case may be. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

## General Risk Factors

In addition to the above, the Company is also exposed to general risk factors that apply to nearly all ASX listed entities including share market volatility and other economics factors that are outside the Company's control.

## Speculative Investment

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether invest.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Company's shares.