

## **QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 DECEMBER 2023**

**Minbos Resources Limited (ASX:MNB) ("Minbos" or "the Company")** is pleased to provide an update on its activities for the December 2023 quarter.

The Company's focus during the period continued to be on developing a nutrient supply and distribution business that stimulates agricultural production and promotes food security in Angola and the broader Congo Basin.

### **CABINDA PHOSPHATE PROJECT**

#### **Field Trials Update**

In early October, the Company reported first seasons results from the Company's four-year phosphate fertilizer (brand name "Prosper Primeiro") field trials in Angola<sup>1</sup>.

The results confirm 40 years of studies that show high reactivity phosphate rock is suitable for direct application in soils with high acidity and low phosphorus that also receive high rainfall (Angolan soil and weather conditions) and especially effective in long duration crops.

Importantly, the average of the nine trials show no significant difference between the four phosphate treatments (Prosper Primeiro, and water soluble phosphate products TSP and MAP), all of which are statistically superior to the control plots (no fertilizer). Prosper Primeiro is the product of choice as a direct application fertilizer for reasons associated with farmer economics, plant growth responses, and local production. Prosper Primeiro is suitable for use by smallholder farmers, the Company's initial primary target market.

Other key results confirm that Cabinda phosphate rock when used as a direct application fertilizer:

- delivers similar agronomic effects to imported Water-Soluble Products (WSP) products such as TSP and MAP;
- demonstrates durable plant nutrition benefits, with improved performance in the second and third seasons without additional application (the residual effect); and
- performs best when it is broadcast and/or incorporated in the soil to maximise the exposure of the phosphate rock to naturally occurring soil acidity.

<sup>1</sup>ASX Announcement: Further Positive Field Trial Results to Underpin Offtake Agreements (3rd October 2023)

## Funding Update

In mid-October, the Company update the market that it had received an Indicative Term Sheet for a US\$14 million (debt) loan facility from the Industrial Development Corporation of South Africa Ltd (IDC)<sup>2</sup>.

The loan facility proposes a competitive interest rate and tenor, subject to a number of conditions precedent which are customary for a transaction of this nature, including due diligence with site visits scheduled for this month.

The IDC is a South African development finance institution established in 1940 to promote economic growth and industrial development to grow South Africa's industrial capabilities.

Engagement with IDC may also provide other commercial opportunities, for example potential offtake for Stage 2 production (>200,000tpa) of beneficiated phosphate rock with South African customers.

## Cabinda Fertilizer Plant Construction and Development Update

In early November, the Company announced it had terminated the Tenax Group (formerly EPC Engenharia Projeto e Consultoria Ltda) and EPX Angola Engenharia e Gerenciamento Lda which were responsible for the design and scheduling work for the Cabinda Phosphate Fertilizer Plant<sup>3</sup>.

To complete the construction of the fertilizer factory, the Company has engaged a number of design, engineering and project management companies to complete civil, structural, mechanical, piping, electrical, instrumentation design, project management and construction activities.

The Company signed a contract with António Santos Lessa & Associados, Lda (ASL) to provide a complete design package for civil, structural, mechanical, and piping. ASL will undertake a Building Information Model which will integrate all disciplines into one single model.

## CORPORATE

### Board Restructure in advance of first production

In mid-December, the Company Announced a Board restructure ahead of first production<sup>4</sup>. CEO Mr. Lindsay Reed became Managing Director.

Following the resignations of Mr. Peter Wall and Ms. Dganit Baldar as directors, Non-

<sup>2</sup>ASX Announcement: Funding and Project Update (17th October 2023)

<sup>3</sup>ASX Announcement: Cabinda Fertilizer Plant Construction and Development Update (3rd November 2023)

<sup>4</sup>ASX Announcement: Minbos restructures board and management team ahead of project construction and first production (15<sup>th</sup> December 2023)

Executive Director Mr. Paul McKenzie became Non-Executive Chairman, and Mr. Frank Si joined the Board as Non-Executive Director.

Mr. McKenzie is an experienced Agribusiness Consultant and company director. He is the founder of Agrarian Management, a leading WA agribusiness consultancy, Non-Executive Director of Kiland Limited (recently privatised, formerly ASX: KIL) and RLF AgTech Limited (ASX: RLF), and a specialist WA agriculture consultant to KPMG.

Managing Director, Mr. Lindsay Reed, has been the CEO of Minbos for the past 8 years and has been instrumental in delivering the Company the Cácata phosphate deposit and developing its fertilizer strategy through successive field trials and partnering with global fertilizer research institutes.

Mr. Frank Si is currently the Chairman of numerous subsidiaries of Shanghai Jayson and a Non-Executive Director of subsidiaries of Vitasoy International Holdings. Mr. Si brings a diverse range of experience including lithium-ion battery manufacturing, chemistry and agriculture processing with senior operational and management roles in China, Australia, USA, Singapore and the Philippines.

## **Financial Position**

As at 30 December 2023, the Company held \$4.6 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 December 2023 quarter was nil. The quarter is the second quarter of the Cácata mine development phase. Exploration of new tenement areas is planned for future and indeed some costs were incurred in the quarter but did not result in cash outflows before quarter end.

## **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 \$91k. The Company advises that this relates to Directors' fees and legal fees and company management fees of service providers related to Directors.

## **Capital Structure**

Minbos currently has 791,236,754 fully paid Ordinary shares on issue and 72,250,000 unlisted options on issue at various exercise prices and expiry dates.

## 2023 DECEMBER 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:

Tuesday, 19 December 2023	Minbos Investor Presentation - Angola Rising
Friday, 15 December 2023	Minbos Restructures Board and Management Team
Friday, 3 November 2023	Cabinda Fertilizer Plant Construction and Development Update
Tuesday, 17 October 2023	Project and Funding Update
Tuesday, 3 October 2023	Positive Field Trial Results to Underpin Offtake Agreements

**- 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](mailto: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 December 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	(113)
	(b) development	(63)	(545)
	(c) production	-	-
	(d) staff costs	(1,107)	(2,873)
	(e) administration and corporate costs	(1,680)	(4,590)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	19	94
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)	(256)	(407)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(3,087)</b>	<b>(8,434)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(1,027)	(6,217)
	(d) exploration & evaluation	-	(1,496)
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,027)</b>	<b>(7,713)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	-	3,159
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(1)
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	Other (provide details if material)	(17)	(71)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(17)</b>	<b>3,087</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	8,794	17,454
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,087)	(8,434)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,027)	(7,713)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(17)	3,087

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(57)	212
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,606</b>	<b>4,606</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	4,555	8,746
5.2	Call deposits	51	48
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,606</b>	<b>8,794</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	91
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
6.1 - \$84,783 paid in Director Fees; & \$423 paid in Legal Fees to a Director related entity; & \$6,246 paid in Company management services to Director related entity.		

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		
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.		
	-		



<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(3,087)
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)	(3,087)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,606
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,606
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.5
<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?	
	<div style="border: 1px solid black; padding: 5px; min-height: 20px;">           Answer: Yes         </div>	
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?	
	<div style="border: 1px solid black; padding: 5px; min-height: 40px;">           Answer: Yes, the Group is advanced in securing a project facility and strategic investors for the first and second quarters of 2024.         </div>	
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?	
	<div style="border: 1px solid black; padding: 5px; min-height: 40px;">           Answer: Yes, on the basis of the existing funding plans and the current cashflow forecasts prepared for management purposes.         </div>	
<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: 31 January 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.