

## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 MARCH 2021

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**Minbos Resources Limited** (ASX:MNB) ("Minbos" or "the Company") is pleased to provide an update on its activities for the March 2021 quarter. The Company's focus during the period was concurrently, the advancement of the Cabinda Phosphate Project and, the development of a nutrient supply and distribution business within Angola and the wider middle-Africa region, known collectively as the Economic Community of Central African States ("ECOCAS").

### MARCH QUARTER HIGHLIGHTS

- Execution of the Mineral Investment Contract ("MIC") for the exploration, feasibility studies to produce the phosphate rock by Minbos within the Cabinda Phosphate Project area<sup>1</sup>.
  - Receipt of exclusive Mining Licence for the mining of phosphate at the Cácata Deposit<sup>2</sup>.
  - Adoption of global standard for Environmental, Social and Governance ("ESG") reporting<sup>3</sup>.
  - Recommencement of field trials in Angola and greenhouse experiments in the USA<sup>4</sup>.
  - AU\$7.3M placement to fund its Definitive Feasibility Study ("DFS") and accelerate the Cabinda Phosphate Project initiatives<sup>5</sup>.
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### MINERAL INVESTMENT CONTRACT & MINING LICENCE

The execution of the MIC provides Minbos the right to explore and mine the phosphate rock within the Cabinda Phosphate Project concession area. The MIC formalises engagement by Minbos with Government Ministries and the Province of Cabinda, allowing the Company to complete approvals, land and port access agreements, offtake agreements and an investment contract for the Caio Granulation Plant.

Angola awards mineral rights through the execution of both a MIC and a Mining Licence issued in accordance with the Mining Code. Mining Licences are issued following the submission of a Technical, Economic and Financial Feasibility Study ("TEFFS"). Minbos submitted a TEFFS in July 2020, six months before the MIC was executed, which accelerated the issue of the Mining

<sup>1</sup> ASX Announcement – Mineral Investment Contract Executed [27 January 2021]

<sup>2</sup> ASX Announcement – Minbos receives Mining Licence for Cabinda Phosphate Project [24 March 2021]

<sup>3</sup> ASX Announcement – Minbos adopts the global standard for ESG reporting [11 February 2021]

<sup>4</sup> ASX Announcement – 2021 Agronomic Trial Season Underway [29 January 2021]

<sup>5</sup> ASX Announcement – Minbos raises \$7.3 million to progress Cabinda Project [18 February 2021]

Licence and significantly shortened the project development timeframe.

In March 2021, Angola's Ministry of Mineral Resources, Petroleum and Gas approved the Company's Mining Licence, renewable for up to 35 years, for the mining of phosphate at the C cata Deposit (Figure 1).

The exclusive mining rights have been granted over an 85km<sup>2</sup> area, including the designated project area, encompassing the C cata high-grade phosphate deposit, proposed open-pit mine, waste and ore stockpiles, and all associated infrastructure required for the mining operations.



Figure 1 – Angolan exclave of Cabinda, with the C cata Phosphate Deposit and supporting infrastructure including 50km sealed roads to the planned granulation plant.

## ENVIRONMENT, SOCIAL, GOVERNANCE (ESG)

The Company's Board has resolved to adopt the World Economic Forum ESG framework and instructed management to set up an impact measurement plan for each sustainability area which includes governance, anti-corruption practices, ethical behaviour, child labour, GHG emissions, land use, ecological sensitivity, water consumption, diversity and inclusion, pay equality and local tax payments.

To ensure that Minbos can measure, monitor, and report on its ESG progress, the Company has engaged impact monitoring technology platform “Socialsuite” to streamline the outcomes measurement and ongoing ESG reporting process.

### **FIELD TRIAL ACTIVITY**

Over the quarter, Minbos recommenced field trials in Angola and greenhouse experiments in the USA.

The first crop has been harvested in Angola and residual planted in its place, potatoes are getting ready for sowing and the progress with the new maize crop at Huambo is looking encouraging. A residual maize crop planted in last year’s bean plot is progressing well with residual bean also planted in last year’s Maize plots.

These field trials and experiments will expand the Company’s understanding of the economic and environmental benefits of the Cabinda Blend. The Company is profoundly grateful to our research partners for continuing to roll out experiments through this operationally difficult period.

Minbos, in partnership with Angola's national agricultural research and technological development institution, the Instituto de Investigação Agronómica (“IAA”), has planted 2021 field trials across four different agro-ecological zones within Angola.

The International Fertilizer Development Center (“IFDC”) is carrying out an extensive Greenhouse trial of Cabinda Blends over 2021 to test the residual performance over successive crops of Soyabean, Winter Wheat and Sorghum.

The overall goal of these research trials is to optimise the agronomic effectiveness of the Company's Cabinda Blend fertilizer specification, which has been developed for performance in acidic soils prevalent in tropical climates, including Angola.

### **DEFINITIVE FEASIBILITY STUDY (DFS)**

Minbos is currently completing a DFS on its high-grade phosphate deposit in the northern province of Cabinda. The DFS will de-risk the Company's investment in phosphate mining and fertilizer production in Angola, delivering a quality and competitively priced fertilizer product, Cabinda Blend, to national and ECOCAS markets.

The engineering component of the DFS is approximately 60% complete, the critical path activity for the completion of the DFS is base line environmental surveys.

### **COVID-19 UPDATE**

On 26 December 2020, Angola advised that it was restricting visitors from UK, South Africa and

Australia, citing the new COVID variants prevalent in UK and South Africa for cause, however, some international flights have resumed in a limited capacity.

The Company is still in the process of gaining exemptions to the restrictions, but the current situation may have an impact on development timelines as previously outlined.

## **CORPORATE**

In mid-February 2021, Minbos successfully raised AU\$7.3M via an oversubscribed placement to sophisticated investors for 91.25 million fully paid ordinary shares<sup>6</sup>.

As part of the placement, the Company also offered investors one free option to acquire a share (exercise price AU\$0.15; expiry date 2 years) for every two shares subscribed.

The Company's half year financial report was released on 12 March 2021.

Minbos has AU\$7.57 m of cash reserves as at 31 March 2021.

As set out in section 6 of the Appendix 5B, the Company made payments to related parties of the entity of AU\$53,000 in the quarter ended 31 March 2021. This was made up of AU\$44,000 paid in Director fees and AU\$9,000 paid in legal fees to a Director related entity.

## **JUNE 2021 QUARTER - UPCOMING ACTIVITIES**

Lindsay Reed, Chief Executive Officer, has left Australia for Angola to assist in progressing the DFS and the proposed Granulation Plant. The DFS is expected to be completed in H2 2021.

While in Angola, Mr Reed will be progressing a number of important projects and priorities for the Company, which includes the following:

1. Minbos is investigating the potential for zero carbon ammonia production in Angola to provide nitrogen nutrient for farming and ammonium nitrate for the mining sector. Angola is making large and concurrent infrastructure investments to take advantage of the Country's unique national resources, specifically existing natural gas production and extensive hydroelectric power generation as well as broad wind and solar potential.
2. The Company is accessing a number of opportunities to produce Nitrogen, Phosphorus, and Potassium (NPK) fertilizer blending plants which are either idle, unused or not operating near capacity. This includes a potential for greater than 200,000tpa of locally blended NPK.

<sup>6</sup> ASX release – 18 February 2021 – Minbos raises \$7.3M to progress Cabinda Project.

3. The IFDC and Minbos have jointly written to the Minister of Finance and Economics outlining the program to bring fertilizer to 4 million small landholders with the IFDC having engaged consultants at its own expense to research the market to plan the rollout. Mr Reed is expected to formalise discussions around the AFFPP while in Angola.

The Company will continue to keep the market updated on its progress.

**-ENDS -**

This announcement is authorised for release by Minbos Board.

**For further information, please contact**

**Lindsay Reed**

Chief Executive Officer

Email: [l.reed@minbos.com](mailto:l.reed@minbos.com)

Phone: +61 8 6270 4610

**ABOUT MINBOS**

Minbos Resources Limited (ASX: MNB) is an ASX-listed exploration company with a world-class phosphate ore project within the Cabinda Province of Angola. The Company is seeking to deliver its proprietary fertiliser product into a farming region which remains chronically under fertilized.

The Company presents a strong impact investment with global food security and socially responsible food production in Africa, strong ESG credentials and access to an emerging market with Brazil-style growing conditions and farm production potential (Figure 3).

For more information: [www.minbos.com](http://www.minbos.com)