

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 DECEMBER 2021

Minbos Resources Limited (ASX:MNB) (“Minbos” or “the Company”) is pleased to provide an update on its activities for the December 2021 quarter.

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

HIGHLIGHTS

Cabinda Phosphate Project

- The Company delivered an updated JORC 2012-compliant Mineral Resource Report for the Cabinda Phosphate Project¹ with a total Measured, Indicated and Inferred Mineral Resource of 8.4 million tonnes at 29.6% P₂O₅.
- Mine optimisation and mine design work is well advanced with an Ore Reserve estimate for the Cácata deposit expected in the first Quarter of 2022.
- HCV Africa and Grupos Simples have completed the EISA and EIA reports for both the Cácata Mine and Futila Granulation plant which are now being translated for submission.

Capanda Green Ammonia Project

- The Company submitted a Letter of Intent (LOI) to the Angolan Ministries of Agriculture and Fisheries, Energy and Water and Mineral Resources and Petroleum outlining a proposal to develop a Nitrogen fertilizer facility using Green Ammonia produced from hydro-electric power from the Capanda Hydroelectric Dam².
- The Ministry of Agriculture and Fisheries has confirmed to Minbos its intention to grant the Company the land necessary for establishing a Green Ammonia and Nitrogen fertilizer facility from the Capanda Hydroelectric Dam within 10km of the Capanda Hydroelectric substation.

Corporate

- Minbos raised \$6.0 million through a strongly supported Placement to new and existing sophisticated and professional investors. Of this sum, \$5.24 million was received in the Quarter and the remaining \$515,000, being the value subscribed by the Company’s

¹ ASX Announcement - Resource update for high-grade Cabinda Phosphate Project (23 November 2021)

² ASX Announcement - Minbos receives support from ministry of agriculture to deliver green ammonia to Angola (29 October 2021)

Directors, is subject to shareholder approval at the 31 January 2022 Annual General Meeting.

MARCH 2021 QUARTER PLANNED ACTIVITIES

Cabinda Phosphate Project Definitive Feasibility Study

- The Definitive Feasibility Study for the Cabinda Phosphate Project is nearing completion, with several outstanding items concluded and the final report being compiled.
- The global price for the high-grade phosphate rock continues to increase, up \$US100/t³, driven by US Government tariffs on phosphate products and the Government of China halting exports of both Nitrogen and Phosphate fertilizers.

Cabinda Phosphate Project Construction Activities

- FEECO continues fabrication of the major equipment for the granulation plant in Wisconsin USA. FEECO is re-estimating its delivery schedule to account for supply chain disruptions and omicron impacts at its own facilities. Preliminary estimates indicate a 3-month delay on shipping for some items.
- Letter of Intent with the preferred EPCM contractor is expected to be signed soon which will enable the EPCM contractor to prepare an implementation schedule. The timing is fortuitous, and the implementation schedule will accommodate the revised FEECO schedule.
- GID (Sociedade de Engenharia, Lda) is expected to complete the geotechnical investigations for the foundations of the Futila Granulation Plant during the quarter.
- The EIS and EISA reports for the Cácata Mine and Futila Granulation Plants will be translated and should be submitted this quarter.

Capanda Green Ammonia Project

- The Company is currently engaged with Angola's Ministry of Energy and Water to secure up to 200MW of hydropower from the Capanda Hydroelectric Dam.
- Globally, there is pressure to decarbonize the ammonia sector using water electrolysis by sustainable electricity to create the Hydrogen. Minbos believes securing sustainable electricity at equivalent or less than gas feedstock would represent the best green ammonia opportunity anywhere globally.

³ Indexmundi: Rock Phosphate Monthly Price - US Dollars per Metric Ton (Aug-Nov 2021)

Soil Organic Carbon potential in Angola

- 3 million Angolan smallholder farmers have depleted 5 million hectares of cropland of carbon and other nutrients by constant tillage, burning residues, and not using adequate fertilizers.
- The 5 million hectares have soils with good clay content (15-20%), low carbon content (~8g/kg) and are located in high rainfall areas >1000mm.
- Improving soil health for smallholder farmers, improves productivity, food security, and nutrition outcomes for Angola and as a result is likely to increase soil organic carbon content.
- The Company is engaging with relevant stakeholders and advisors to investigate the soil organic carbon opportunity in the context of the Angolan Food and Fertilizer Productivity Program (AFFPP).
- The Company has received a proposal for a base line soil fertility survey covering approximately 5 million hectares. The survey will primarily inform the AFFPP program but will also investigate soil organic carbon content.

For further information, please contact:

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QUARTERLY ACTIVITIES REPORT DETAILED

Capanda Green Ammonia Project

The Company submitted a Letter of Intent (LOI) to the Angolan Ministries of Agriculture and Forestry, Ministry of Energy and Water and the Ministry of Mineral Resources and Petroleum.

The LOI outlined a proposal to develop a Nitrogen fertilizer facility using Green Ammonia produced from hydroelectric power from the Capanda Hydroelectric Dam. The Capanda Hydroelectric Dam is on the Kwanza River, in Malange Province of Angola. The facility generates power from four turbines of 130 megawatts each, giving total installed capacity of 520 megawatts.

The Ministry of Agriculture and Fisheries has confirmed to Minbos its intention to grant the Company the land necessary for establishing a Green Ammonia and Nitrogen fertilizer facility in the *Pólo Agroindustrial de Capanda* (Capanda Hydroelectric Dam) with the Ministry agreeing to provide the necessary support for implementation of the project.

The proposed land allocation is within 10km of the Capanda Hydroelectric substation, where the Company plans to develop its Nitrogen fertilizer facility. It is located within trucking distance to the Malange agricultural corridor and major regional mining projects. The strategic location reduces transport and distribution costs, ensuring the projects competitive cost advantage is maintained.

Discussions with the Ministry of Energy confirmed that 100MW of hydropower is available for the project, however as part of its submission, the Company has requested up to 200MW of hydropower through a staged tariff structure to offset high fixed costs during the market development phase.

Nitrogen fertilizer from Green Ammonia represents a natural progression for Minbos to produce and distribute NPK fertilizer for Angola by adding Nitrogen (N) to Phosphate (P) from the Cabinda Phosphate Project, targeting the delivery of locally produced NPK fertilizer to one of the world's most prospective agricultural regions.

Resource Update for High-Grade Cabinda Phosphate Project

During the period, the Company announced an updated JORC 2012-compliant Mineral Resource Report (MRE) for the Cabinda Phosphate Project.

The MRE is reported within an optimised pit shell, and a cut-off grade of greater than 19% P₂O₅, which is based on metallurgical test work data to date and reflects a product specification grade of >29.5% P₂O₅.

TABLE 1: MINERAL RESOURCE STATEMENT CÁCATA PHOSPHATE PROJECT
(EFFECTIVE DATE 31 OCTOBER 2021)

Classification	Cut-off Grade (P ₂ O ₅ %)	Tonnes (Mt)	P ₂ O ₅ %	Contained P ₂ O ₅ (Mt)	Density	Ca:P ₂ O ₅ Ratio
Measured	19	2.20	29.9	0.66	1.83	1.48
Indicated	19	4.76	29.7	1.41	1.84	1.46
Measured and Indicated	19	6.96	29.7	2.07	1.84	1.47
Inferred	19	1.45	28.5	0.43	1.58	1.46

Note: Totals may not add up due to rounding.

A full list of notes and addendums to Table 1 (Mineral Resource Statement Cácata Phosphate Project) can be found in ASX Announcement - Resource Update for High-Grade Cabinda Phosphate Project (23 November 2021).

CORPORATE

During the reporting period, the Company completed a placement raising \$6.0 million Placement to new and existing sophisticated and professional investors.

The Placement comprises the issue of 60,000,000 New Shares which will occur as follows:

- 54,850,000 New Shares pursuant to the Company's placement capacity under ASX Listing Rule 7.1 ("Tranche 1"); and
- 5,150,000 New Shares (being Minbos Directors participation in the Placement) subject to shareholder approval at Minbos' Annual General Meeting scheduled for 31 January 2022 ("Tranche 2").

The Tranche 1 new shares settled on Tuesday, 21 December 2021 with all new shares ranking equally with the Company's existing shares on issue.

Argonaut Securities and CPS Capital acted as Joint Lead Managers and Bookrunners to the Placement. They were paid a cash fee of 6% of the funds raised under the Placement and were each issued 1,000,000 unlisted options at an issue price of \$0.00001 each (exercise price \$0.15 and expiry date 3 years from their date of issue).

These options have been issued under the Company's ASX Listing Rule 7.1 placement capacity.

Appendix 5B disclosures:

The Company has provided an Appendix 5B in the Quarterly Cashflow Report that is released on the same day as this Activity Report. As outlined in the Appendix 5B, during the quarter the Company spent approximately:

- \$699k on exploration and evaluation activities, predominately in relation to the DFS work.
- \$2.13 million on property, plant and equipment, predominately for the advanced order of long lead-time items for the Cabinda Phosphate Project.
- \$52k in payments were made to related parties and their associates for director fees and legal fees; and
- \$615k on administration and corporate costs.

The Company received funds of \$5.26 million, net of transaction costs, for the issue of shares upon completion of a Placement and the exercise of options.

At the end of the Quarter, the Company held cash and cash equivalents of \$6.02 million.

- ENDS -

This announcement is authorised for release by Minbos Chief Executive Officer, Lindsay Reed.

For further information, please contact

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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



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.

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 26 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.