

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 OCTOBER 2022

Minbos Resources Limited (ASX:MNB) ("Minbos" or "the Company") is pleased to provide an update on its activities for the September 2022 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

MOU lodged for the Angolan Fertilizer and Farm Productivity Program (AFFPP)

During the period, the Company advised that it had lodged a Memorandum of Understanding (MOU) for the Angolan Fertilizer and Farm Productivity Program (AFFPP) on behalf of the International Fertilizer Development Centre (IFDC) with Angola's Ministry of Agriculture and Rural Development.

The AFFPP is a partnership between the Government of Angola, IFDC and Minbos, designed to double the yields of the 'Grow to Eat' market in Angola through the use of fertilizer and education.

The 'Grow to Eat' market comprises 3 million smallholders on 5 million hectares concentrated in Angola's Huambo - Huila growing area.

Through the AFFPP, the IFDC is initially targeting the supply of 30,000 -120,000tpa of Minbos' Beneficiated Phosphate Rock Fertilizer to farmers who sign up for the AFFPP. This represents 300 - 400kg/ha per farmer in the initial year, which then requires between 25-50kg/ha per annum thereafter for most crops under the program (currently, Angolan farmers use ~7kg/ha per annum).

Minbos, in collaboration with the IFDC, has developed suitable phosphate products and nutrient strategies suited to the Angolan market. The strategies are supported by seven greenhouse trials over four seasons and more than 20 field trials in Angola over three seasons.

The key results of the trials show:

- The co-application of Water-Soluble Phosphate (WSP) with Cabinda Phosphate Rock provides an enhancement effect to the Phosphate Rock (PR) but the effect is muted in granulated form.
- Cabinda Phosphate Rock has potential as a direct application fertilizer in acid soils with a pH<5.5.

- Ground Cabinda Phosphate rock outperformed run of mine Cabinda Phosphate rock of a higher grade in greenhouse trials in suitable soil particularly at higher application rates.
- Unground Cabinda Phosphate Rock applied by banding to beans and maize showed a 83% and a 54% yield improvement compared to the control.
- Overall, the Cabinda Phosphate Rock showed Relative Agronomic Effectiveness of 90% compared to Mono-Ammonia Phosphate (MAP) across all field trials experiments from 2020-2022.
- A single application of phosphate rock provided increasing performance across a sequence of three crops.

Definitive Feasibility Study

Post reporting period, the Company released its Definitive Feasibility Study (DFS) for the Cabinda Phosphate Project. Supported by a long mine life, globally important and high-margin product and a market hungry for fertilizer, the DFS demonstrated that the Cabinda Phosphate Project has robust economics, with relatively low capex requirements, putting Minbos on a pathway to near term production¹.

Some of the key outcomes of the study were:

- 100%-ownership: Spot-Price Case Post-Tax NPV10 of US\$471 million and 66% IRR, underpinned by Base Case assumptions.
- 85%-ownership: Spot-Price Case Post-Tax NPV10 of US\$399 million and 61% IRR, underpinned by Base Case assumptions (Minbos will have an 85% ownership interest in the project, with the other 15% held by local partners).
- The current market for fertilizers has potentially been altered fundamentally by the decarbonisation of global energy markets - a trend that appeared in both energy and fertilizer markets well before the Ukraine invasion.
- 85%-ownership: Base-Case Post-Tax NPV10 of US\$203 million and 39% IRR, underpinned by the 15-year average price for bulk Triple Super Phosphate (TSP).
- Compelling low-CAPEX/high-NPV delivers a clear pathway to project financing with CAPEX of US\$48.5 million remaining and the Project only requiring further funding of US\$40.0 million, after allocation of existing cash and including working capital requirements.

¹ASX Announcement - DFS delivers Compelling Economics for Cabinda Project

- Plant capacity up to 187,500tpa in a one plant scenario, expanding to two plants in supporting a 20-year project life, which will deliver project gross revenues over US\$1.4B under the Base Case.
- Maiden Ore Reserve (JORC 2012) for the Cácata Phosphate Mine, totalling 4.72 Mt at 30.1% P₂O₅ of Proven and Probable Ore Reserves.
- High phosphate grade, favourable local soil conditions and no local competition should enable Minbos to produce a high-quality/low-cost beneficiated phosphate fertilizer using simple drum processing.

CAPANDA GREEN AMMONIA PROJECT

Green Ammonia Technical Study Underway

In mid-September, the Company kicked off its Technical Study for the Capanda Green Ammonia Project. The Technical Study is being undertaken by Stamicarbon B.V. a global leader in Green Ammonia Technology.

The initial meeting locked the basis of design to deliver ~300Ktpy of Green Ammonium Nitrate with an end product breakdown of ~50% fertilizer (CAN) and ~50% explosives grade Ammonium Nitrate, with flexibility on product mix.

The Technical Study is expected to take 6 months and will include plant design, CAPEX and OPEX evaluation and OPEX inputs, including hydroelectric consumption. The Technical Study results will form the basis for a Scoping Study to be undertaken immediately post completion of the Technical Study.

CORPORATE

Minbos completes US\$25 million placement

In mid-July, the Company announced it had received firm commitments to raise A\$25 million (before costs) through the placement of 227,272,728 fully paid ordinary shares at A\$0.11 per New Share from institutional, sophisticated and professional investors, including participation by the Minbos directors and management team. The placement was completed in early September with the settlement of the second tranche of shares.

The Placement was well supported by new domestic and international institutional investors, including a syndicate of investors led by Mr. Liang Feng, the Chairman of US \$18 Billion Shanghai Putailai New Energy, seeking exposure to Ferro Phosphate, Lithium Ferro Phosphate and largescale Green Ammonia Projects, driven by Angola's green energy infrastructure and Minbos' plans for developing one of the most prospective agriculture regions globally.

Placement Details

The Placement issue price of A\$0.11 represented an 18.5% discount to the last traded share price and a 22.1% discount to the 5-day VWAP prior to the Placement.

The Placement comprised the issue of 227,272,728 New Shares via two Tranches as set out below:

- 131,414,473 New Shares pursuant to the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A ("Tranche 1"); and
- 95,858,255 New Shares that were subject to Shareholder approval, and which was given at a General Meeting of Shareholders held in August 2022 ("Tranche 2").
- Minbos directors and management participated in the Placement for approximately \$845,000.

The placement was also supported by a Strategic Cooperation Agreement with the syndicate of cornerstone investors (being Longmarch Principal Holding Limited, HongKong Jayson Holding Co., Ltd. And Hoston Investments (Australia) Pty Ltd.) have signed a Strategic Cooperation Agreement ("SCA") to develop Ferro Phosphate, Lithium Ferro Phosphate and Large-Scale Green Ammonia Projects.

Key points of the SCA are:

Ferro Phosphate and Lithium Ferro Phosphate (LFP Projects)

- Identify, approach and secure appropriate partners, technology and service providers;
- Identify, approach and secure appropriate customer investment and offtake partners;
- Contribute to project feasibility;
- Minbos commits to long term off-take of 100,000 tonnes per annum of high-grade phosphate rock at agreed market rates. Large-Scale Green Ammonia Project (LSGA Projects).

Large-Scale Green Ammonia Project (LSGA Projects)

- Investigate the availability of up to 500MW hydropower for new large-scale Green Ammonia Projects;
- Evaluation and development of potential downstream Ammonia products;

- Complete feasibility studies on a large-scale Ammonia Project;
- Identify, approach and secure appropriate investment partners, including debt financing sufficient to fund the capital expenditure requirements to construct the production facilities;
- Assist with identifying and securing suitable land and location for the LSGA Project;
- Secure customers and offtake arrangements for the Ammonia products;
- Government relations including introductions, referrals and meetings as required for approvals, permits and licenses for the LSGA Project;
- Provide phosphate feedstock on competitive market terms under a long-term offtake agreement.

The Company believes the SCA, in conjunction with Placement funds, the non-binding debt term sheet and the financial and technical expertise of SCA and syndicate partners will materially advance the Company's plans for its Angolan Projects.

MINBOS RESOURCES - QUARTERLY ESG DISCLOSURE AND REPORTING

Financial Position

As at 31 September 2022, the Company held \$23.29 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 September 2022 quarter totalled \$2.34 million included at item 1.2(a) of the Appendix 5B.

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 \$62,547 including GST. The Company advises that this relates to Directors' fees and legal fees to a Director related entity.

Capital Structure

Minbos currently has 761,180,625 fully paid Ordinary shares on issue and 66,562,500 listed Options and 81,250,000 unlisted options on issue at various exercise prices and expiry dates.

9,000,000 of the unlisted options (MNBOPT2) have an expiry date of 26 November 2022 and an exercise price of \$0.05.

2022 SEPTEMBER 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:

Green Ammonia Technical Study Underway	20/9/2022
Africa Down Under Investor Presentation	1/9/2022
MOU Lodged for Angola Fertilizer & Farm Productivity Program	24/8/2022
Minbos Receives Firm Commitments for \$25m Placement	12/7/2022

DECEMBER 2022 QUARTER PLANNED ACTIVITIES

- Finalise location for granulation plant
- Complete a review of all agronomic trials
- Commence shipment of major equipment items from the USA
- Commence construction of permanent access to the Cacata Phosphate deposit
- Identify preferred location for the Capanda Green Ammonia plant
- Issue invitation to tender for mining and haulage contract
- Install 2022/23 field trials in Angola to test ground Cabinda Phosphate Rock and priming additives

Our commitment to ESG

Minbos is committed to building Environmental, Social, and Governance (ESG) credentials. It is measuring and reporting ESG disclosures according to the World Economic Forum (WEF) Stakeholder Capitalism Framework.

The WEF framework is a set of common metrics for sustainable value creation captured in 21 core ESG disclosures. By integrating ESG metrics into the Company's governance, business strategy, and performance management process, it is appropriately considering all pertinent business risks and opportunities.

The Company's progress towards disclosures under the four pillars of the WEF ESG framework (Governance, Planet, People, and Prosperity) is captured in the following quarterly dashboard.



Minbos Resources

ASX:MNB

Progress	
P	In progress
C	Completed
N	Not applicable

Period Comparison (Period 4 vs 6)

Governance		Period 4 (Jan to Mar 2022)		Period 6 (Jul to Sep 2022)	
Code	Description	Status	Progress (A1-A5)	Status	Progress (A1-A5)
GOVERNING PURPOSE					
GO-01-C1	Setting purpose	VERIFIED	C C C C C C	VERIFIED	C C C C C C
QUALITY OF GOVERNING BODY					
GO-02-C1	Governance body composition	REPORTED	C C C C C C	REPORTED	P C C C C P
STAKEHOLDER ENGAGEMENT					
GO-03-C1	Material issues impacting stakeholders	REPORTED	C C C C C C	VERIFIED	C C C C C C
ETHICAL BEHAVIOUR					
GO-04-C1	Anti-corruption practices	REPORTED	C C C	VERIFIED	C C C
GO-04-C2	Mechanisms to protect ethical behaviour	REPORTED	C C	VERIFIED	C C
RISK AND OPPORTUNITY OVERSIGHT					
GO-05-C1	Integrating risk and opportunity into business process	REPORTED	C C C C C C	VERIFIED	C C C C C C
Planet		Period 4 (Jan to Mar 2022)		Period 6 (Jul to Sep 2022)	
Code	Description	Status	Progress (A1-A5)	Status	Progress (A1-A5)
CLIMATE CHANGE					
PL-01-C1	GHG emissions	DRAFT	P P P	REPORTED	C N C
PL-01-C2	TCFD implementation	DRAFT		REPORTED	N N C
NATURE LOSS					
PL-02-C1	Land use and key biodiversity areas	DRAFT	C C C P P	REPORTED	C C C C C C
FRESHWATER AVAILABILITY					
PL-03-C1	Water consumption	DRAFT	C C C C C P	REPORTED	C P C C C C
People		Period 4 (Jan to Mar 2022)		Period 6 (Jul to Sep 2022)	
Code	Description	Status	Progress (A1-A5)	Status	Progress (A1-A5)
DIGNITY AND EQUALITY					
PE-01-C1	Diversity and inclusion	REPORTED	C C C C C C	REPORTED	C C C C C C
PE-01-C2	Pay equality	REPORTED	C	REPORTED	P C P C
PE-01-C3	Wage level	VERIFIED	P C	VERIFIED	P C
PE-01-C4	Child, forced or compulsory labour	REPORTED		REPORTED	P
HEALTH AND WELL-BEING					
PE-02-C1	Health and safety	REPORTED	C C	REPORTED	C C
SKILLS FOR THE FUTURE					
PE-03-C1	Training provided	DRAFT	C P	DRAFT	P P
Prosperity		Period 4 (Jan to Mar 2022)		Period 6 (Jul to Sep 2022)	
Code	Description	Status	Progress (A1-A5)	Status	Progress (A1-A5)
EMPLOYMENT AND WEALTH GENERATION					
PR-01-C1	Rate of employment	REPORTED		REPORTED	P P
PR-01-C2	Economic contribution	REPORTED	C C	VERIFIED	C C
PR-01-C3	Financial investment contribution	REPORTED	C C	VERIFIED	C C
INNOVATION OF BETTER PRODUCTS AND SERVICES					
PR-02-C1	Total R&D expenses	REPORTED	C	VERIFIED	C
COMMUNITY AND SOCIAL VITALITY					
PR-03-C1	Total tax paid	REPORTED	C	REPORTED	C

-ENDS -

For further information, please contact:

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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	100%	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 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.