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# Financial Report

For the year ended  
31 December 2023



ABN 93 141 175 493

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## Corporate Directory

### **Directors & Officers**

Mr Lindsay Reed – Managing Director  
Mr Paul McKenzie - Non-Executive Chairman  
Mr Valentine Chitalu - Non-Executive Director  
Mr Graeme Robertson - Non-Executive Director  
Mr Changbo (Frank) Si – Non-Executive Director

Mr Blair Snowball - Chief Financial Officer  
Mr Steve Abbott - Chief Operating Officer  
Mr Rob Newbold - Chief Strategy & Marketing Officer  
Mr Harry Miller - Company Secretary

### **Registered Office**

Suite 5, 254 Rokeby Road  
Subiaco WA 6008

P: +61 (08) 6219 7171  
E-mail: [info@minbos.com](mailto:info@minbos.com)  
Website: [www.minbos.com](http://www.minbos.com)

### **Principal Place of Business**

Suite 5, 254 Rokeby Road  
Subiaco WA 6008

### **Domicile and Country of Incorporation**

Australia

### **Australian Company Number**

ACN 141 175 493

### **Australian Business Number**

ABN 93 141 175 493

### **Bankers**

National Australia Bank Limited  
Perth West Business Banking Centre  
Level 14, 100 St Georges Terrace  
Perth WA 6000  
Website: [www.nab.com.au](http://www.nab.com.au)

### **Auditors**

BDO Audit (WA) Pty Ltd  
Level 9, Mia Yellagonga Tower 2  
5 Spring St  
Perth WA 6000  
Website: [www.bdo.com.au](http://www.bdo.com.au)

### **Share Registry**

Automic Group  
Level 5, 191 St Georges Terrace  
Perth WA 6000  
Website: [www.automicgroup.com.au](http://www.automicgroup.com.au)

### **Solicitors**

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000  
Website: [www.steinpag.com.au](http://www.steinpag.com.au)

### **Securities Exchange**

Australian Securities Exchange Limited (ASX)  
Home Exchange - Perth  
ASX Code - MNB (Ordinary Shares)

## Chairman's Letter

### Dear Valued Shareholders,

During 2023, the Company advanced its two flagship projects. Significant progress has been achieved on the development of the Cabinda Phosphate Project and the Capanda Green Ammonia Project. These accomplishments have been made possible by our talented and highly skilled teams in Perth and in Angola, with ongoing support from the Government of Angola, for which we are most grateful.

It is well understood at all levels of Government that broad economic and community benefits flow from local production of sufficient quantities of nutritious foods. Food security, employment and higher standards of living are built from the ground up. Phosphate is the building block of all life on Earth, and is necessary for higher crop yields, which create saleable surpluses for farmers.

Therefore, a reliable, cost-effective supply of locally produced phosphate fertiliser is the key to sustainable transformation of the Angolan agriculture sector, and the entire economy. Imported fertilisers and foods are expensive and are not available or affordable to most of the population. Locally grown crops from locally produced fertilisers also exert a favourable balance of payments effect on the national accounts and support the Angolan exchange rate.

The engineering components for the Cabinda Phosphate Plant were constructed in the USA and arrived in Angola during the year. The objective for 2024 is to complete construction of the civil works, assemble the engineering components and commission the Phosphate Plant.

In terms of sales and distribution, the Company established a strong relationship with Angola's largest food aggregator, Grupo Carrinho. In 2023, the companies signed a Memorandum of Understanding, which is a significant milestone for both. The MOU includes a fertiliser supply agreement for up to 869,000 tonnes of fertilizer over the initial 7 years of production.

Minbos' team has also engaged with local communities. In particular, at the site of the Cabinda Phosphate mine, the Company's staff carefully and respectfully completed a Resettlement Action Plan with local small-holder farmers. The RAP Project engaged extensively with national, provincial, and municipal government ministries and departments, including the Ministry of Environment, Ministry of Agriculture and Forestry, Traditional Leadership, Provincial Government, and Municipal Administrators.

The Company's research and development program made significant progress during the year. Very favourable results were produced from the first season of the four-year phosphate fertilizer field trials program. The trials were planted across Angola as part of commercial offtake arrangements and in conjunction with universities and government institutions.

The combination of our work to prepare the Project for construction, in-country support and our work with local communities has got the Company to the precipice of being middle-Africa's first primary producer of phosphate fertilizer.

In addition to Cabinda Phosphate, the Capanda Green Ammonia Project also progressed during the year with delivery of a technical study demonstrating compelling opportunities, including competitive and installed green electricity pricing, a genuinely zero-carbon project, high quality water and proximity to markets. This combination of attributes is recognised globally as essential for viable Green Ammonia Projects.

Nitrogen is the highest volume fertiliser required for plant production. However, phosphate must be applied prior to nitrogen. Therefore, the order of development of both Cabinda and Capanda are aligned with crop nutrition requirements. In addition to fertilisers, Capanda nitrogen products will also be used for explosives in the Copper Belt along the eastern Angola border. This is an existing market opportunity for which Capanda has significant proximity and freight advantages.

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## Chairman's Letter

Minbos' short-term plan is to commence Cabinda phosphate fertiliser sales to invigorate the dormant agricultural giant that is Angola, and to fast-track progress towards the Capanda green ammonia project.

In doing so, Minbos will become a major plant nutrition business and deliver compounding future benefits to Angolan farmers, their communities, the Government, and shareholders.

I thank you for your support and look forward to providing you with further information at the earliest opportunity.

Yours Faithfully,



Mr Paul McKenzie  
Non-Executive Chairman

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## Directors' Report

The Directors submit their report of the 'Consolidated Entity' or 'Group', being Minbos Resources Limited ('Minbos' or 'Company') and its Controlled entities, for the financial year ended 31 December 2023.

### 1. CHANGE IN FINANCIAL YEAR END

In the previous financial year, the Company changed its financial year end from 30 June to 31 December. The current period figures relate to twelve months from 1 January 2023 to 31 December 2023 and the comparative figures relate to the six months from 1 July 2022 to 31 December 2022. The comparative amounts disclosed in the financial report, remuneration report and related notes are not comparable as the length of the periods differ by six months. The accounting policies have been consistently applied, unless otherwise stated.

### 2. BOARD OF DIRECTORS

The Directors of the Company in office at the date of this report or at any time during the financial year are:

Directors	Position	Appointment	Resignation
Lindsay Reed	Managing Director	14/12/2023	-
Paul McKenzie	Non-Executive Chairman	14/12/2023	-
	Non-Executive Director	07/12/2020	-
Valentine Chitalu	Non-Executive Director	07/12/2020	-
Graeme Robertson	Non-Executive Director	07/12/2020	-
Changbo (Frank) Si	Non-Executive Director	14/12/2023	-
Peter Wall	Non-Executive Chairman	21/02/2014	14/12/2023
Dganit Baldar	Non-Executive Director	18/03/2016	14/12/2023

### 3. INFORMATION ON THE BOARD OF DIRECTORS

The following information is current as at the date of this report.

#### Mr Lindsay Reed

**Managing Director** (appointed 14 December 2023)

**Chief Executive Officer** (appointed 1 September 2014)

Mr Reed is an accomplished mining executive with over 30 years of experience in senior management roles in Australia and overseas.

Mr Reed has extensive experience in managing mining projects in a wide range of commodities and countries. He was previously Director and Chief Executive Officer of resource development company Aviva Corporation Limited ('Aviva') which divested its West Kenyan gold and base metals assets in late 2012 to Acacia Mining Plc (previously African Barrick Plc) for \$20m cash and a further resource milestone payment of \$10m. Mr Reed was responsible for joint venturing into the asset with Lonmin Plc and overseeing funding and exploration activities until the divestment of the asset. Mr Reed also oversaw the environmental approval of two power station projects in Australia and Botswana and attracted International heavyweights GDF Suez and AES Corporation as Joint Development Partners.

Prior to joining Aviva, Mr Reed was Corporate Development Manager at Murchison United Limited which acquired the Renison Bell Tin mine from RGC Limited. During his involvement, Murchison grew from a market capitalisation of \$5m to over \$100m.

Mr Reed is a Mining Engineer and has extensive experience in international mine development, minerals marketing and project funding.

## Directors' Report

### Mr Paul McKenzie

**Non-Executive Chairman** (appointed 14 December 2023)

**Non-Executive Director** (appointed 7 December 2020)

Mr Paul McKenzie is a professional independent agribusiness consultant in Australia. He is Non-Executive Director and former Chairman of ASX listed Kiland Ltd, Non-Executive Director of ASX listed RFL AgTech Ltd, Chairman of the Cooperative Research Centre for Honey Bee Products Ltd, and Specialist Agri Consultant WA to KPMG. Among other commercial roles, Paul was formerly Chairman of Hay Australia Pty Ltd, and the Australian Director of the SALIC Australia Pty Ltd (Saudi Agricultural and Livestock Investment Co).

Paul is the founder and Managing Partner of Agrarian Management, a leading Western Australian agriculture consultancy with offices in Geraldton, Perth, and Esperance. Paul has more than twenty-five years' experience in agribusiness, management, finance, corporate governance, and primary production, and holds degrees in Science (Agriculture) and Commerce. Paul is a Fellow of the Australian Institute of Company Directors.

Mr McKenzie was the founding Chairman of Gage Roads Brewing Co from concept in 2003 to ASX listing in December 2006 and resigned in May 2008. Paul is a past President of the Australian Association of Agricultural Consultants (WA) Inc, and a Ministerial Appointee to various agribusiness review and advisory panels.

During the past three years, Mr McKenzie held the following directorships in other ASX listed companies:

**Current:**

- Non-Executive Director of Kiland Ltd.
- Non-Executive Director of RLF AgTech Limited.

### Mr Valentine Chitalu

**Non-Executive Director** (appointed 7 December 2020)

Mr Chitalu is the co-founder and Chairman of Phatisa Group, an African-focused private equity fund with ~US\$400 million in funds under management and a well-respected track record of delivering for clients and communities. Phatisa is a proud signatory of the Principles on Responsible Investment which is implemented through a comprehensive ESG framework.

A qualified Accountant with a Masters in Economics from Cambridge University, Valentine has previously served as Chairman of the Zambia Venture Capital Fund, as a board member of Commonwealth Africa Investments, and a Director of the CDC Group Plc, the UK's premier development finance institution. Valentine was also previously Chairman of Zambian Breweries, Stanbic Zambia Ltd, and ASX listed Albidon Ltd.

Mr Chitalu is currently the Chairman of Choppies Supermarkets Ltd, MTN Ltd, Munalie Nickel Mine (Zambia), and Deputy Chairman of AgDevCo (UK) Ltd, an agribusiness focused on African investment.

During the past three years, Mr Chitalu held the following directorships in other ASX listed companies:

**Current:**

- Non-Executive Director of Alma Metals Limited (formerly African Energy Resources Ltd).

## Directors' Report

### Mr Graeme Robertson

**Non-Executive Director** (appointed 7 December 2020)

Mr Robertson is the Chairman and CEO of the Intra Asia Group of companies established from Singapore and operating from Mauritius, focussing on corporate and financial services as well as the development of growth industries on the African continent. Mr Robertson is a substantial shareholder and former Director of AfrAsia Bank Ltd, a private commercial Bank based in Mauritius which capitalises on financing and trade between Africa and Asia with more than US\$3.5 Billion of assets under management.

Graeme has significant interests in humanitarian activities, as well as his commercial interests, flowing from his degree in Sociology. He is the Chairman of the AfrAsia Foundation, providing education to the underprivileged, and is active in health improvement, poverty alleviation, and sustainability in female equality projects.

Mr Robertson has over 40 years' experience in the resource, energy, and infrastructure sectors as former Managing Director of New Hope Corporation Ltd (ASX: NHC), a director of W H Soul Pattinson & Co Pty Ltd (ASX: SOL) and the Port of Brisbane Authority. Much of his life has been spent in Indonesia where he pioneered the development of major international companies as the President Director of Adaro Indonesia, now one of the largest coal mining companies in the world, and Indonesia Bulk Terminal, a 12 Mtpa bulk port as well as advising on the development of the 1,230MW Payton Power Station, the first IPP in Indonesia.

During the past three years, Mr Robertson held the following directorships in other ASX listed companies:

**Current:**

- Non-Executive Chairman of Intra Energy Corporation Ltd (ASX: IEC).

### Mr Changbo (Frank) Si

**Non-Executive Director** (appointed 14 December 2023)

Mr Frank Si joins the Board as Non-Executive Director. Mr 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. His experience covers every part of the manufacturing process including plant design and project management. Prior to joining Shanghai Jayson, Frank spent ten years working for Vitasoy and Associated British Foods managing supply chains. Operation and construction of soybean processing facilities in China, Hong Kong, Australia and the USA.

During the past three years, Mr Frank Si has not held directorships in any other ASX listed companies.

### Mr Peter Wall

**Non-Executive Chairman** (appointed 21 February 2014, resigned 14 December 2023)

Mr Wall is a corporate lawyer and has been a Partner at Steinepreis Paganin (Perth based corporate law firm) since July 2005. Mr Wall graduated from the University of Western Australia in 1998 with a Bachelor of Laws and Bachelor of Commerce (Finance). Mr Wall has also completed a Masters of Applied Finance and Investment with FINSIA.

Mr Wall has a wide range of experience in all forms of commercial and corporate law, with a particular focus on resources (hard rock and oil/gas), technology, equity capital markets and mergers and acquisitions. He also has significant experience in dealing in Africa.

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## Directors' Report

During the past three years, Mr Wall held the following directorships in other ASX listed companies:

**Current:**

- Non-Executive Chairman of Pursuit Minerals Ltd.

**Previous:**

- Non-Executive Chairman of Hygrovest Limited (formerly MMJ Group Holdings Limited) (resigned 1 August 2023);
- Non-Executive Chairman of Red Castle Resources Limited (formerly Transcendence Technologies Limited) (resigned 28 June 2021);
- Non-Executive Chairman of Argent Minerals Ltd (resigned 5 March 2021); and
- Non-Executive Chairman of Advanced Human Imaging Ltd (formerly MyFiziq Limited) (resigned 22 January 2021).

**Ms Dganit Baldar**

**Non-Executive Director** (appointed 18 March 2016, resigned 14 December 2023)

Ms Dganit Baldar is a qualified Israeli corporate lawyer with approximately 20 years' experience in the legal profession. Ms Baldar was previously the General Counsel for Mitrelli Group, a multinational organization which initiates, executes and manages large turn-key projects in developing countries.

Ms Baldar graduated from Brunel University in London and also completed an MBA through Tel Aviv University. She has a wide range of experience in all forms of corporate and commercial law with specific expertise in complex joint ventures, mergers and acquisitions. In addition, she has expertise in dealing with Angolan law and companies.

During the past three years, Ms Baldar has not held directorships in any other ASX listed companies.

#### 4. INFORMATION ON OFFICERS OF THE COMPANY

**Mr Blair Snowball**

**Chief Financial Officer** (appointed 15 June 2021)

Mr Snowball is a member of the Institute of Chartered Accountants and has over 25 years' experience in senior roles across sectors including resources, technology and audit, whilst working in Europe, Latin America and Australia. He holds a Bachelor of Commerce from the University of Western Australia and a Graduate Diploma of Applied Finance from Kaplan Professional.

Mr Snowball spent seven years in Portuguese speaking Brazil as Finance Director of the operating gold mine of former ASX-listed Beadell Resources. During his tenure, the company completed a DFS, obtained project finance for and completed the construction of a US\$110M CIL plant, before the company successfully merged with Canadian miner Great Panther Mining.

**Steve Abbott**

**Chief Operating Officer** (appointed 1 April 2023)

Mr Abbott has joined full time and is a highly regarded mining executive with more than 30 years' experience in senior international and resource sector roles. He has proven technical and management experience at senior levels across exploration, mining, processing, metallurgy, maintenance, smelting, refining, infrastructure, approvals and stakeholder engagement.

**Rob Newbold**

**Chief Strategy & Marketing Officer** (appointed 1 September 2023)

Mr Newbold has more than 20 years of experience across the industrial, chemical and agribusiness sectors operating throughout Australia, Asia, NZ, and Europe. He was General Manager for Wengfu Australia Ltd, one of the leading suppliers of bulk fertilizer to Australia. Prior to that he held senior positions with Nufarm and Incitec Pivot. Rob will head up the Company's sales and marketing strategy in Angola.

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## Directors' Report

### Mr Harry Miller

**Contract Company Secretary** (appointed 15 June 2021)

Mr Miller has qualifications in Economics, Finance and Accounting and currently acts as Company Secretary for several ASX-listed Companies.

## 5. PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN THE NATURE OF EVENTS

Minbos Resources Limited (ASX: MNB) is an ASX-listed 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 Cabinda Phosphate Project, and its Capanda Green Ammonia Project.

The primary focus during the financial year has been on the development of the Cabinda Phosphate Project and the Capanda Green Ammonia Project.

### Board & Management Changes

On 14 December 2023 the Company announced it had restructured its Board in advance of the Company becoming the first primary fertilizer producer in Angola and in the Economic Community of Central African States.

Following the resignations of Mr Peter Wall and Ms Dganit Baldar, Mr Paul McKenzie moved from Non-Executive Director to Non-Executive Chairman and Mr Frank Si joined the Board as Non-Executive Director.

In a show of continued commitment to the Company, the current CEO, Mr Lindsay Reed moved onto the Board as Managing Director.

During the financial year, the Company also announced three key appointments to its executive team:

- Steve Abbott was appointed Chief Operating Officer.
- Rob Newbold was appointed Chief Strategy & Marketing Officer.
- Asareh Mansoori was appointed General Manager Operations.

### Capital Structure

- On 7 April 2023, 4,500,000 performance rights (Tranche 3) lapsed unexercised, as the Company did not secure project finance in relation to the Cabinda Project in Angola within 24 months from the issue date.
- On 17 April 2023, the Company issued 8,164,583 fully paid ordinary shares upon conversion of listed options at an exercise price of \$0.15 per option.
- On 1 May 2023, the Company issued 12,891,546 fully paid ordinary shares upon conversion of listed options at an exercise price of \$0.15 per option.
- 45,506,371 listed options, with an exercise price of \$0.15 per option, that were not exercised by 30 April 2023 expired unexercised during the period.

At the date of this report, the Company had 791,236,754 fully paid ordinary shares on issue and 70,250,000 unlisted options on issue at various exercise prices and expiry dates.

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## Directors' Report

### 6. DIVIDENDS

No dividend has been paid during the financial year and no dividend is recommended for the financial year.

### 7. OPERATING AND FINANCIAL REVIEW

#### Review of Financial Results & Financial Position

	12 months ended 31-Dec-23	6 months ended 31-Dec-22	Change
Financial Position / Performance	\$	\$	%
Cash and cash equivalents	4,604,979	17,465,686	(74%)
Net assets	24,366,361	35,628,075	(32%)
Other income from continuing operations	92,643	122,344	(24%)
Net loss after tax	(7,985,836)	(2,296,178)	(248%)
Loss per share	(0.010)	(0.004)	(160%)

#### REVIEW OF OPERATIONS

##### Cabinda Phosphate Project

In early January 2023, the Company announced that it had executed its Private Investment Contract with Angola's Agency for Private Investment and Promotion of Angolan Exports (Agencia de Investimento Privado e Promoção das Exportações de Angola or AIPEX), which confirmed the Company's level of investment commitment, tax incentives and local employment for the Cabinda Phosphate Project.

Securing an AIPEX Private Investment Contract is the final step for foreign entities intending to invest in Angola and is a significant achievement for the Company, formalising months of negotiations on the level of financial and non-financial investment commitment and benefits and incentives for the Cabinda Phosphate Project.

The key points of the contract are as follows:

The Company has committed to a minimum investment, in the form of loans and capital, that total US\$21.36 million.

- Part of the investment commitment is fulfilled by the importation of at least US\$7 million of equipment for construction of the phosphate fertilizer plant which will be exempt from all importation taxes and customs duties. This equipment was delivered to Angola during the financial year.
- The Project will receive a 90% reduction in Corporation Tax for the first 12 years of operations and, for the same period, have a 90% reduction in withholding tax on disbursement of dividends abroad.
- Other tax incentives include a Tax Credit for six years, equivalent to 30% of the investment, and a deferral period on the payment of taxes.

In mid-January 2023, the Company announced that its Fertilizer plant and equipment were enroute to Angola. Coincidentally, the first plant shipments had landed in Angola, with 7 x 40-foot containers already arrived in the Port of Cabinda, containing conveyer belts, twin screens and vehicles.

Equipment departing the Port of Houston included 21 x 40-foot and 2 x 20-foot containers, with the crusher, dust collectors, bin activators, crossbelt magnets, polishing screens, dust collectors, screw conveyors and conveyer belts and 9 x breakbulk pieces all enroute to Angola. Also 5 x 40-foot and 1 x 20-foot containers had left from the Port of Hong Kong and include a truck unloader.

By mid-March 2023, most of the key plant and equipment was landed in Angola and subsequently moved into a secure storage and staging area (Fig. 1).

## Directors' Report

In mid-January 2024, the Company updated the market on plant optimisation and flowsheet work completed on the Cabinda Phosphate Fertilizer Plant, which resulted in a material reduction in the forecast Capital Expenditure (CAPEX).



Figure 1 – Cabinda Phosphate Plant dryer being unloaded at the Port of Cabinda, Angola.

In June 2023, key environmental approval licences were received for construction activities at the Project. The approvals confirmed that the Project had met all environmental formalities and processes related to the installation and construction of mining and processing facilities.

As announced in late December 2022, field trial results confirmed that the Company's phosphate rock is suitable as a direct application fertilizer product in most of Angola's major growing region. The Company responded with a review of its production profile which resulted in a simplified flowsheet to produce Beneficiated Phosphate Rock (BPR) with the core plant equipment consisting of the crusher, dryer and bagging plant and identified capital cost savings of approximately US\$10 million.

Importantly, field trials demonstrated that BPR provided 90% of the yield increase vs. MonoAmmonium Phosphate (MAP) fertilizer with much higher yields delivered by BPR fertilizer vs. control (unfertilized) crops. The BPR fertilizer has been designed not only to maximise agronomic potential, but also to meet the market at an attractive price performance point for commercial and Grow to Eat farmers. The simplified flowsheet is also expected to deliver lower Operating Expenses (OPEX) due to lower energy, maintenance, and fixed cost requirements.

### Offtake Agreement with Angola's Largest Food Aggregator

In mid-July 2023, the Company announced that it has signed a binding Memorandum of Understanding (MOU) with the Grupo Carrinho, Angola's largest agro-industrial group, for the supply of Minbos phosphate fertilizer. The MOU represents a significant milestone, setting out a delivery schedule for supply of up to 869,000 tonnes of fertilizer over 7 years to 2030, which represents 66% of the Company's total stage-1 production.

Carrinho has a 1Mtpa. grain and oil processing facility in Benguela, fed by a network of silos in the Huambo and Huila Provinces. The company is backed by a Sovereign Guarantee to support the development of its facility, which is currently undergoing a US\$365M phase 3 expansion, and of the smallholder farmers, with fertilizer and training, who shall provide the inputs necessary for the facility to reach production capacity. 90% of Angolan farms are less than 2 hectares in size and Carrinho is targeting to work with 2 million smallholder farmers by 2030.

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## Directors' Report

The MOU also defines that Minbos shall deliver its phosphate fertilizer to the Port of Lobito, and for technical collaboration in field trials for both small and large-scale commercial farming.

### Completion of RAP plan for the Cácata Mine

The Company announced it had completed its Resettlement Action Plan (RAP) for the Cácata Phosphate Mine, which included 41 total farms, part of the Tanto-Zinze Commune and covering 142.4 cultivated hectares (total of 212 hectares) across the mining area (Fig. 2).



Figure 2 - Members of the Cácata RAP Team engaging with leaders of the Tanto-Zinze community regarding the RAP program and economic restoration.

RAP implementation included various steps of community and government engagement, including:

- **Effective Stakeholder Engagement:** The RAP Project has engaged extensively with national, provincial, and municipal government ministries and departments, including the Ministry of Environment, Ministry of Agriculture and Forestry, Traditional Leadership, Provincial Government, and Municipal Administrators. This collaborative effort exemplifies our commitment to adhering to regulatory requirements and fostering cooperation with relevant authorities.
- **Compliance with Regulations:** We are pleased to report that our RAP met all national regulations as well as the stringent performance standards set forth by the International Finance Corporation. These standards encompass key areas such as community engagement, environmental protection, and social responsibility. Our commitment to these standards demonstrates the Company's commitment to meeting our social licence obligations.
- **Community Involvement:** To fully understand the needs of our community and the scale of the impact, affected communities were continuously involved in the consultation process. Community input and feedback was crucial to adequately addressing their concerns and needs.
- **Long-Term Benefits:** The Cácata Phosphate Mine and downstream, the Cabinda Fertilizer Plant, will have immense community impacts with socio-economic benefits for local communities via the creation of direct and indirect jobs and the generation of revenue via royalty and taxes. Importantly, the mine provides the feedstock for the Cabinda Fertilizer Plant, with agricultural development a national government priority.

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## Directors' Report

### Launch of Fertilizer Brand

In late September the Company launched its phosphate fertilizer brand Prosper Primeiro, at an industry workshop, held on Wednesday, 13th September 2023, in Huambo, Angola.

The workshop was opened by the Vice Governor of Huambo in the presence of the King of Huambo and representatives of the Agriculture, Economy and Mining Ministries and the Director of IDA (Institute for the Development of Agriculture), representatives of FADA (Fund for the Development of Agriculture) and more than 200 delegates.



Figure 3 – Minbos Phosphate Fertilizer, Prosper Primeiro.

### Field Trials

In December, recent inspections of field trials with industry partners in Huambo (Angola) by Minbos Agronomist Dr. Luis Prochnow and Chief Strategy and Marketing Officer Mr. Rob Newbold, have confirmed outstanding plant growth responses from the Company's Phosphate Fertilizer, Prosper Primeiro. Visual grading results of trials demonstrated significant gains by crops fertilized solely with Prosper Primeiro (Fig. 4).

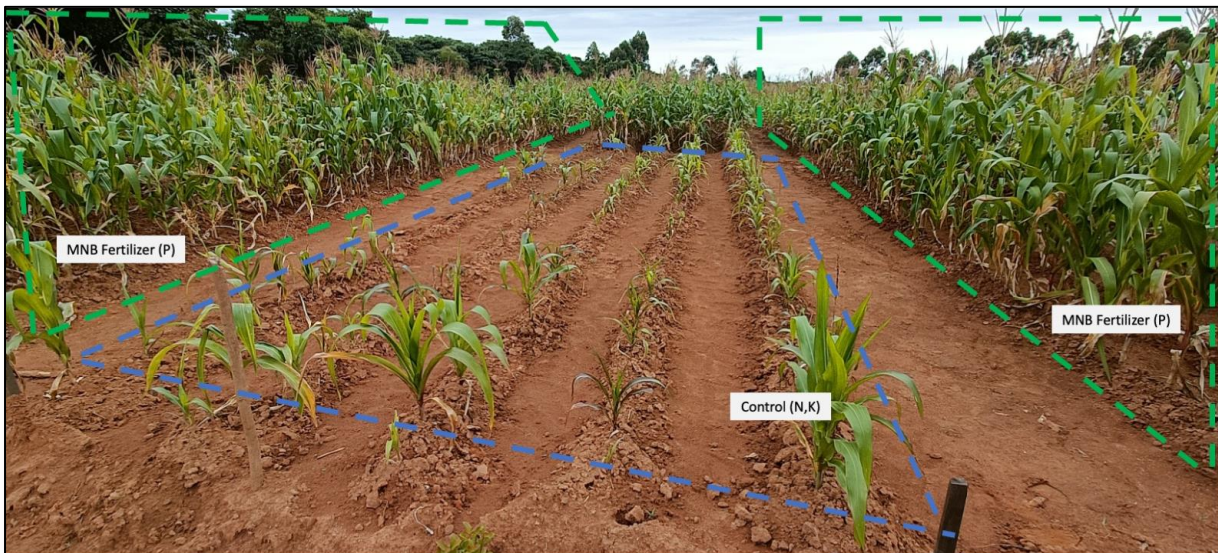


Figure 4 – Field Trials in Huambo, Angola – showing control crops (unfertilized crops) vs. crops fertilized by MNB Fertilizer (Prosper Primeiro).

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## Directors' Report

Phosphorous (P) is the basic building block of all plant cells on Earth, without P, plants cannot grow. Long-term field trials continue to demonstrate exceptional plant growth responses to Minbos Primeiro. Importantly, the Control treatment includes Nitrogen and Potassium fertilizers, which produced minimal benefit to expected yield. This highlights the importance of Phosphate to soils and crop productivity.

The beneficial features of Minbos Primeiro slow-release fertiliser are clearly evident. Especially impressive for field trial partners has been the observed “repeated effect” with crops planted in plots now in the second year after the initial application of Minbos fertiliser performing well above expectations.

Prosper Primeiro’s repeat effect demonstrates the fitness for purpose of the Company’s fertiliser. The durable, multi-year effect of Prosper Primeiro is key to driving long term yield gains in Angola, and the upgrading of soils to investment-grade arable farmland.

### Partner Nutrient Management Programs

Spearheaded by Dr. Luis Prochnow, Minbos has been conducting nutrient management seminars with key industry partners (Fig. 5), including offtake customers Group Carrinho and Biocom.



Figure 5 – Dr Luis Prochnow presenting to Carrinho agronomists on the benefits of Prosper Primeiro Fertilizer.

Industry engagement on the importance of Phosphate Fertilizers, using Prosper Primeiro in the field and the uptake of phosphate by several crops. Led by Minbos Chief Marketing Officer Rob Newbold, the Company is now fully engaged in customer acquisition with a comprehensive sales and marketing strategy targeting fertilizer sales in Angola.

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## Directors' Report



Figure 6 – Minbos Chief Strategy & Marketing Officer, Rob Newbold (third from right), and agronomist Luis Prochnow (third from left) with members of the Carrinho agronomy and farm team.

### Mineral Resource & Ore Reserve

#### Cabinda Phosphate Project Mineral Resource Statement, 31 October 2021

Class	Cut-Off Grade (P <sub>2</sub> O <sub>5</sub> %)	P <sub>2</sub> O <sub>5</sub> %	Tonnes (Mt)	Density (g/cm <sup>3</sup> )	Contained P <sub>2</sub> O <sub>5</sub> (Mt)	CAPHOS ratio
Measured	19.0	29.9	2.20	1.83	0.66	1.48
Indicated	19.0	29.7	4.76	1.84	1.41	1.46
<b>Measured and Indicated</b>	<b>19.0</b>	<b>29.7</b>	<b>6.96</b>	<b>1.84</b>	<b>2.07</b>	<b>1.47</b>
Inferred	19.0	29.5	1.45	1.85	0.43	1.46

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

Reserve Classification	kt	P <sub>2</sub> O <sub>5</sub> %
Proven	1,172.6	30.5
Probable	3,543.9	30.0
<b>Total (Proven + Probable)</b>	<b>4,716.5</b>	<b>30.1</b>
Waste	15,136.2	
Total Material	19,852.7	
Strip Ratio <sup>1</sup>	3.2	

The Company confirms that it is not aware of any new information or data that materially affects the Cacata Mineral Resources and Cacata Ore Reserves included in this annual report, and, that all material assumptions and technical parameters underpinning these estimates (ASX announcements dated 23 November 2021 and 17 October 2022) continue to apply and have not materially changed. Minbos confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from that announcement.

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## Directors' Report

### Capanda Green Ammonia Project

In early April, the Company announced the results of its much-anticipated Technical Study for the Capanda Green Ammonia Project.

The main purpose of the Study was to determine the technical feasibility of the Capanda Green Ammonia Project, including defining all the required process units, plant configuration based on the available renewable electricity and estimate the CAPEX and OPEX for the Project to a Class 5 AACE R18-97 level.

The basis of the Study was the utilization of 200MW of hydroelectric power available to Minbos under its MOU with the Angolan network operator RNT from the Capanda Hydroelectric Dam to produce Green Ammonia of which 50% would be used to produce Calcium Ammonium Nitrate fertilizer and 50% to produce Ammonium Nitrate for the mining sector.

The Study defined a carbon-free facility, avoiding the use of natural gas or any other carbon-based raw material, through the production of Green Hydrogen obtained through using water electrolysis, and nitrogen obtained from the air using an air separation unit, to produce Green Ammonia, the basis of the final products.

The Study was completed by Minbos' technology partner, Stamicarbon, the innovation and license company of the Maire Tecnimont Group S.p.A. (MT.MI). With more than 75 years' experience, having developed more than 260 urea plants, Stamicarbon is a trailblazing specialist in the Green Ammonia industry.

The Study referred to in this announcement is a Technical Feasibility of the Capanda Green Ammonia Project based on the power available under the RNT MOU to supply local agriculture users and Nitrogen/Phosphate/Potassium (NPK) blenders. It is a preliminary technical and economic study of the potential viability of the Project.

### 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.

### 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.

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 mineralization 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.

## Directors' Report

### 8. Review of Business Risks

There are specific risks associated with the activities of the Group and general risks which are largely beyond the control of the Group and the Directors. The risks identified below, or other risk factors, may have a material impact on the future financial performance of the Group and the market price of the Company's shares.

The Board reviews the risks of the Group and the action plans to address these risks on a regular basis.

#### a) 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. In addition, difficulties in commissioning and operating plant and equipment include mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, health incidents including pandemic diseases like COVID-19 (coronavirus), industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

#### b) Market demand risk

On 19 July 2023, the Company announced that it had signed a binding Memorandum of Understanding (MOU) with the Grupo Carrinho, Angola's largest agro-industrial group, for the supply of up to 869,000 tonnes of Minbos phosphate fertilizer over 7 years, representing 66% of the Company's total stage-1 production. Grupo Carrinho's ability to fulfil their commitment is dependent on the fulfilment of their own business strategies and achievement of market growth estimates. If Grupo Carrinho's demand does not reach commitments made in the MOU, there is a risk of slower penetration into the market and a longer time to generate returns for debt and equity holders.

#### c) Environmental Risks

The operations and proposed activities of the Company are subject to the environmental laws and regulations of Angola. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if 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.

#### d) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

#### e) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- i. general economic outlook;
- ii. introduction of tax reform or other new legislation;
- iii. interest rates and inflation rates;
- iv. changes in investor sentiment toward particular market sectors;
- v. the demand for, and supply of, capital; and
- vi. terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

## Directors' Report

### f) Construction cost risk

In October 2022, the Company released the Definitive Feasibility Study for its Cabinda Phosphate Project, which included estimates for the construction of a Beneficiation Plant. These estimates were again reviewed in July 2023 by the EPCM contractor. However, all construction projects have the risk of material cost rises, or construction delays that result in increased costs.

### g) Additional requirements for capital

The Company must have sufficient capital to fund the construction of a phosphate fertilizer plant for its Cabinda Phosphate Project, as well as to fund the feasibility studies for its Capanda Green Ammonia Project, along with other working capital requirements. At the reporting date, it has cash and cash equivalents of approximately \$4.6M.

Any additional equity financing will dilute shareholdings, and additional 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.

### h) Speculative investment

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

The above and below 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.

### i) Risks with Operating in Angola

The Company operates out of Angola which historically have been subject to civil unrest. The Company believes that although tension has eased, civil and political unrest and an outbreak of hostilities remains a risk in both countries.

The effect of unrest and instability on political, social or economic conditions in Angola could result in the impairment of the exploration, development and mining operations of the Company's projects.

Other possible sovereign risks include, without limitation:

- i. changes in the terms of the relevant mining statutes and regulations;
- ii. changes to royalty arrangements;
- iii. changes to taxation rates and concessions;
- iv. changes in the ability to enforce legal rights;
- v. corruption that influences the awarding of contracts or the granting of licenses; and
- vi. 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 Angola or any other country in which the Company may have an interest.

## Directors' Report

### j) 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:

- i. 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;
- ii. a higher degree of discretion held by various government officials or agencies;
- iii. the lack of political or administrative guidance on implementing applicable rules and regulations, particularly in relation to taxation and property rights;
- iv. inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
- v. relative inexperience of the judiciary and court in matters affecting the Company.

### k) Lack of Specific Infrastructure

The Company's projects are located in areas of Angola. Generally, these areas lack specific infrastructure such as:

- i. sources of third party supplied power; and
- ii. sources of third party supplied water.

The lack of availability of this infrastructure may affect mining feasibility.

### l) 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.

### m) Obtaining operational licences for the Cabinda Phosphate Project

The Company will require operational licences, post completion of installations of both the Cácata mine and the Fertilizer Plant, before it can commence delivering ore and producing fertilizer. If licences are not granted then the Company may need to complete further works for a new lodgement, which may delay the project, or may cause the project to be postponed indefinitely.

## Directors' Report

### 9. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the previous reporting period, it was determined that the Group had satisfied conditions, under the accounting standard AASB 10, for deemed control of the Angolan entity Minbos Recursos-Exploração Mineira, Lda (Minbos Lda), this being despite no entity of the Group having ownership in Minbos Lda. Accordingly, the entity was consolidated in the consolidated financial statements for the period ending 31 December 2022. On 10 March 2023 the Minbos wholly owned subsidiary, Phobos Ltd, obtained a direct 85% ownership of Minbos Lda.

During the current financial year, the Minbos wholly owned subsidiary, Phobos Ltd, acquired 85% of the shares of Angolan entity, Soul Rock-Prospecção, Exploração De Fosfato, Produção e Comercialização de Fertilizantes, Lda (Soul Rock Lda).

During the current financial year, the Group satisfied conditions under the accounting standard AASB 10, for deemed control of the Angolan entity Green Ammonia – Pesquisa, Produção e Exploração, Lda, despite no entity of the Group having direct ownership in the company. Accordingly, the entity is consolidated in the consolidated financial statements for the year ending 31 December 2023.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

### 10. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 30 January 2024, the Company announced that recent field trials with industry partners in Huambo (Angola) by Minbos Agronomist Dr Luis Prochnow and Chief Strategy and Marketing Officer Mr Rob Newbold, confirmed outstanding plant growth responses from the Company's Phosphate Fertilizer, Prosper Primeiro.

On 13 February 2024, the Company completed environmental baseline survey's (wet and dry season) and tender review for the engineering for the Capanda Green Ammonia Project (CGAP) was now underway. The CGAP aims to capitalise on surplus renewable energy from the Capanda Hydroelectric Dam, delivering a combination of continuous power supply and a low tariff which potential partners believe is unmatched globally.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

### 11. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Future developments of the Company are anticipated to include:

- Complete construction of the Phosphate Fertilizer Plant;
- Long-term fertilizer sales contracts agreed for majority of first-phase plant production; and
- Significant progress made in the Capanda Green Ammonia Project Pre-feasibility Study.

## Directors' Report

### 12. DIRECTORS' & OTHER KEY MANAGEMENT'S INTEREST IN THE COMPANY

The following table sets out each current Director's & Other KMP's relevant interest in shares, options to acquire shares of the Company or a related body corporate as at the date of this report.

	Fully Paid Ordinary Shares	Unlisted Share Options
<b>Directors</b>		
Lindsay Reed	13,850,000	10,500,000
Paul McKenzie	1,579,545	4,000,000
Valentine Chitalu	877,273	4,000,000
Graeme Robertson	3,346,591	4,000,000
Changbo (Frank) Si	-	-
<b>Sub-Total</b>	<b>19,653,409</b>	<b>22,500,000</b>
<b>Other Key Management</b>		
Blair Snowball	1,000,000	6,000,000
Steve Abbott	731,818	4,000,000
Rob Newbold	60,000	-
<b>Sub-Total</b>	<b>1,791,818</b>	<b>10,000,000</b>
<b>Total</b>	<b>21,445,227</b>	<b>32,500,000</b>

### 13. DIRECTORS' MEETINGS

The number of Directors' meetings held during the financial year and the number of meetings attended by each Director during the time the Director held office are:

Directors	Number Eligible to Attend	Number Attended
Lindsay Reed	-	-
Paul McKenzie	3	3
Valentine Chitalu	3	2
Graeme Robertson	3	3
Changbo (Frank) Si	-	-
Peter Wall	3	3
Dganit Baldar	3	3

Due to the size and scale of the Company, there is no Remuneration and Nomination Committee or Audit Committee at present. Matters typically dealt with by these Committees are, for the time being, managed by the Board. For details of the function of the Board please refer to the Corporate Governance Statement.

### 14. CORPORATE GOVERNANCE

The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council and has disclosed its level of compliance with those guidelines within the Corporate Governance Statement which is included as part of this financial report.

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## Directors' Report

### 15. ENVIRONMENTAL REGULATIONS

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that there are no current reporting requirements under the National Greenhouse and Energy Reporting Act 2007.

The Group is subject to environmental regulation in respect to its activities in Angola. The Group aims to ensure that appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The Directors of the Group are not aware of any breach of environmental legislations as they apply to the Group during the financial year ended 31 December 2023.

### 16. REMUNERATION REPORT (Audited)

This report for the financial year ended 31 December 2023 outlines the remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 ('the Act') and its regulations. This information has been audited as required by section 308(3C) of the Act. In the previous financial year, the Group changed its financial year end from 30 June to 31 December. The current period figures relate to twelve months from 1 January 2023 to 31 December 2023. The comparative amounts relate to the six months from 1 July 2022 to 31 December 2022.

The remuneration report details the remuneration arrangements for key management personnel ('KMP') who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Parent company.

For the purposes of this report, the term 'Executive' includes the Chief Executive Officer ('CEO'), now Managing Director, the Chief Operating Officer, Chief Strategy & Marketing Officer and Chief Financial Officer ('CFO'), whilst the term 'NED' refers to Non-Executive Directors only.

#### Individual KMP disclosure

Details of KMP of the Group who held office during the financial year are as follows:

Directors	Position	Appointment	Resignation
Lindsay Reed	Managing Director	14/12/2023	-
	Chief Executive Officer	01/09/2014	-
Paul McKenzie	Non-Executive Chairman	14/12/2023	-
	Non-Executive Director	07/12/2020	-
Valentine Chitalu	Non-Executive Director	07/12/2020	-
Graeme Robertson	Non-Executive Director	07/12/2020	-
Changbo (Frank) Si	Non-Executive Director	14/12/2023	-
Peter Wall	Non-Executive Chairman	21/02/2014	14/12/2023
Dganit Baldar	Non-Executive Director	18/03/2016	14/12/2023

Other KMP	Position	Appointment	Resignation
Blair Snowball	Chief Financial Officer	15/06/2021	-
Steve Abbott	Chief Operating Officer	01/04/2023	-
Rob Newbold	Chief Strategy & Marketing Officer	01/09/2023	-

There have been no other changes after the reporting date and up to the date that the financial report was authorised for issue.

## Directors' Report

The Remuneration Report is set out under the following main headings:

- A Remuneration Philosophy
- B Remuneration Governance, Structure and Approvals
- C Remuneration and Performance
- D Details of Remuneration
- E Contractual Arrangements
- F Share-based Compensation
- G Equity Instruments Issued on Exercise of Remuneration Options
- H Value of Shares to KMP
- I Voting and comments made at the Company's 2022 Annual General Meeting
- J Loans to KMP
- K Loans from KMP
- L Other transactions with KMP

### A Remuneration Philosophy

KMP have authority and responsibility for planning, directing and controlling the activities of the Group. KMP of Minbos comprise the Board of Directors, the CFO, the COO and the Chief Strategy & Marketing Officer.

The performance of the Group depends upon the quality of its KMP. To prosper the Company must attract, motivate and retain appropriately skilled Directors and Executives.

The Group's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

During the financial year, the company paid Remsmart Pty Ltd \$2,080 for an annual mining and metals remuneration subscription. This subscription provides the Company with 12-month access to data relating to general mining remuneration.

### B Remuneration Governance, Structure and Approvals

Remuneration of Directors is currently set by the Board of Directors. The Board has not established a separate Remuneration Committee at this point in the Group's development, nor has the Board engaged the services of an external remuneration consultant. It is considered that the size of the Board along with the level of activity of the Group renders this impractical. The Board is primarily responsible for:

- The over-arching executive remuneration framework;
- Operation of the incentive plans which apply to executive directors and senior executives (the executive team), including key performance indicators and performance hurdles;
- Remuneration levels of executives, and
- Non-executive director fees.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

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## Directors' Report

### ➤ Non-Executive Remuneration Structure

The remuneration of Non-Executive Directors consists of Directors' fees, payable in arrears. The Board, in accordance with the Company's Constitution and the ASX listing rules specify that the Non-Executive Directors fee pool shall be determined from time to time by a general meeting. The latest determination was at the 2010 Annual General Meeting ('AGM') held on 30 November 2010 when shareholders approved an aggregate fee pool of \$300,000 per year (in accordance with the terms and conditions set out in the Explanatory Statement that accompanied the Notice of Meeting). The Board will not seek any increase for the Non-Executive Director pool at the 31 December 2023 AGM.

Remuneration of Non-Executive Directors is based on fees approved by the Board of Directors and is set at levels to reflect market conditions and encourage the continued services of the Directors. Non-Executive Directors do not receive retirement benefits but are able to participate in share-based incentive programmes in accordance with Company policy.

The remuneration of Non-Executives is detailed in **Table 1a** and **Table 1b**, and their contractual arrangements are disclosed in "Section E – Contractual Arrangements".

### ➤ Non-Executive Remuneration Approvals

The Board, in accordance with the Company's Constitution, sets the aggregate remuneration of Non-Executive Directors, subject to shareholder approval. Within this pre-approved aggregate remuneration pool, fees paid to Non-Executive Directors are approved by the Board of Directors in the absence of the Remuneration Committee and is set at levels to reflect market conditions and encourage the continued services of the Directors.

Remuneration may also include an invitation to participate in share-based incentive programmes in accordance with Company policy.

The nature and amount of remuneration is collectively considered by the Board of Directors with reference to relevant employment conditions and fees commensurate to a company of similar size and level of activity, with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Directors.

### ➤ Executive Remuneration Structure

The nature and amount of remuneration of executives are assessed on a periodic basis with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Executives.

The main objectives sought when reviewing executive remuneration is that the Company has:

- Coherent remuneration policies and practices to attract and retain Executives;
- Executives who will create value for shareholders;
- Competitive remuneration offered benchmarked against the external market; and
- Fair and responsible rewards to Executives having regard to the performance of the Group, the performance of the Executives and the general pay environment.

The remuneration of Executives is detailed in **Table 1a** and **Table 1b**, and their contractual arrangements are disclosed in "Section E – Contractual Arrangements".

## Directors' Report

### ➤ Executive Remuneration Approvals

The Company aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and aligned with market practice. Executive contracts are reviewed annually by the Board, in the absence of a Remuneration Committee, for their approval. The process consists of a review of company, business unit and individual performance, relevant comparative remuneration internally and externally and, where appropriate, external advice independent of management.

Executive remuneration and incentive policies and practices must be aligned with the Company's vision, values and overall business objectives. Executive remuneration and incentive policies and practices must be designed to motivate management to pursue the Company's long-term growth and success and demonstrate a clear relationship between the Company's overall performance and the performance of executives.

### C Remuneration & Performance

The following table shows the gross income, losses and share price of the Group for the following financial years:

	12 months ended	6 months ended	12 months ended	12 months ended	12 months ended
	31-Dec-23	31-Dec-22	30-Jun-22	30-Jun-21	30-Jun-20
Other income (\$)	92,643	122,344	2,481,964	94,596	16,704
Net loss after tax (\$)	(7,985,836)	(2,296,178)	(804,617)	(4,160,306)	(1,566,274)
Share Price (\$)	0.097	0.099	0.135	0.065	0.001

### Relationship between Remuneration and Company Performance

Given the current phase of the Company's development the Board does not consider earnings during the current year and previous financial period when determining, and in relation to, the nature and amount of remuneration of KMP.

### Short Term Incentive Package

There were no short-term incentive-based payments made during the financial year ended 31 December 2023 (six months from 1 July 2022 to 31 December 2022: \$nil).

### Long Term Incentive Package

#### Incentive Performance Rights Plan:

On 7 April 2021, shareholders approved the Company's adoption of the employee incentive scheme titled "Incentive Performance Rights Plan" (Performance Rights Plan) and for the issue of Performance Rights under the Performance Rights Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Performance Rights Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Performance Rights Plan and the future issue of Performance Rights under the Performance Rights Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

On 7 April 2021, the Company issued 4,500,000 performance rights under its Incentive Performance Rights Plan. Their expiry date was 24 months from the issue date and the vesting condition was for the Company to secure full project finance for the Cabinda Phosphate Project before the expiry date. The vesting condition was not met, and the following performance rights lapsed:

- 1,500,000 performance rights to Peter Wall (former Non-Executive Chairman), and
- 3,000,000 performance rights to Lindsay Reed (MD).

## Directors' Report

### Options:

On 3 November 2020, shareholders approved the Company's adoption of the employee incentive scheme titled "Incentive Option Plan" (Option Plan) and for the issue of Options under that Option Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Option Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Option Plan and the future issue of Options under the Option Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

The Board considers that for each KMP who receive options, their high-calibre experience will greatly assist the Company in achieving its strategy to develop the Cabinda Phosphate Project, located in Angola.

The Board is of the opinion that the expiry date and exercise price of the options currently on issue to the Directors, other KMP and its Executives is a sufficient, long-term incentive to reward Executives in a manner which aligns the element of remuneration with the creation of shareholder wealth. Subsequently, the issue of options is not linked to performance conditions because by setting the option price at a level above the current share price at the time the options are granted, provides incentive for management to improve the Group's performance.

### D Details of Remuneration

The following tables show details of the remuneration expense recognised for the Group's KMP for the current financial year and prior financial period measured in accordance with the requirements of the accounting standards:

**Table 1a: Remuneration of KMP of the Group for the 12 months ended 31 December 2023 is set out below:**

	Short-term employee benefits			Post-employment benefits		Share-based payments	Total
	Salary & fees	Living Allowance	Other <sup>(1)</sup>	Super-annuation	Long-Service Leave	Options & rights	
31-Dec-23	\$	\$	\$	\$	\$	\$	\$
<b>Directors</b>							
Lindsay Reed <sup>(1)</sup>	266,667	-	34,892	26,867	8,119	(223,719)*	112,826
Paul McKenzie <sup>(1)</sup>	36,000	-	-	-	-	-	36,000
Valentine Chitalu	36,000	-	-	-	-	-	36,000
Graeme Robertson	36,000	-	-	-	-	-	36,000
Changbo (Frank) Si <sup>(1)</sup>	1,742	-	-	-	-	-	1,742
Peter Wall <sup>(1)</sup>	34,355	-	-	-	-	(111,859)*	(77,504)
Dganit Baldar <sup>(1)</sup>	34,000	-	-	-	-	-	34,000
<b>Sub-total</b>	<b>444,764</b>	<b>-</b>	<b>34,892</b>	<b>26,867</b>	<b>8,119</b>	<b>(335,578)</b>	<b>179,064</b>
<b>Other Key Management</b>							
Blair Snowball	295,174	-	28,166	24,839	-	35,777	383,956
Steve Abbott <sup>(2)</sup>	285,000	-	18,999	20,022	-	23,852	347,873
Rob Newbold <sup>(3)</sup>	164,838	16,217	-	-	-	-	181,055
<b>Sub-total</b>	<b>745,012</b>	<b>16,217</b>	<b>47,165</b>	<b>44,861</b>	<b>-</b>	<b>59,629</b>	<b>912,884</b>
<b>Total</b>	<b>1,189,776</b>	<b>16,217</b>	<b>82,057</b>	<b>71,728</b>	<b>8,119</b>	<b>(275,949)</b>	<b>1,091,948</b>

<sup>(1)</sup> On 14 December 2023, Mr Lindsay Reed <sup>(1)</sup> moved from CEO, onto the Board as Managing Director. Mr Peter Wall and Ms Dganit Baldar resigned as Directors. Mr Paul McKenzie moved from Non-Executive Director to Non-Executive Chairman and Mr Frank Si joined the Board as Non-Executive Director.

<sup>(2)</sup> On 1 April 2023, Mr Steve Abbott was appointed Chief Operating Officer.

<sup>(3)</sup> On 1 September 2023, Mr Rob Newbold was appointed Chief Strategy & Marketing Officer.

## Directors' Report

\* Tranche 3 performance rights expired during the financial year as the Company did not secure project finance in relation to the Cabinda Project in Angola within 24 months from the issue date. The share-based payment expense of \$387,000 in respect of Tranche 3 performance rights was therefore reversed at 31 December 2023.

**Table 1b: Remuneration of KMP of the Group for the 6 months ended 31 December 2022 is set out below:**

	Short-term employee benefits			Post-employment benefits		Share-based payments	Total \$
	Salary & fees \$	Non-monetary \$	Other <sup>(1)</sup> \$	Super-annuation \$	Long-Service Leave \$	Options & rights \$	
<b>31-Dec-22</b>							
<b>Directors</b>							
Peter Wall	18,000	-	-	-	-	55,820	<b>73,820</b>
Dganit Baldar	18,000	-	-	-	-	-	<b>18,000</b>
Valentine Chitalu	18,000	-	-	-	-	-	<b>18,000</b>
Paul McKenzie	18,000	-	-	-	-	-	<b>18,000</b>
Graeme Robertson	18,000	-	-	-	-	-	<b>18,000</b>
<b>Sub-total</b>	<b>90,000</b>	-	-	-	-	<b>55,820</b>	<b>145,820</b>
<b>Other Key Management</b>							
Lindsay Reed	125,000	-	10,416	13,125	2,274	111,641	<b>262,456</b>
Blair Snowball	130,000	-	2,166	13,975	-	35,777	<b>181,918</b>
<b>Sub-total</b>	<b>255,000</b>	-	<b>12,582</b>	<b>27,100</b>	<b>2,274</b>	<b>147,418</b>	<b>444,374</b>
<b>Total</b>	<b>345,000</b>	-	<b>12,582</b>	<b>27,100</b>	<b>2,274</b>	<b>203,238</b>	<b>590,194</b>

<sup>(1)</sup> Other amounts relate to annual leave paid out during the financial year / period and movements in annual leave entitlements.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed remuneration		At risk - STI (%)		At risk - LTI (%)	
	12 months ended	6 months ended	12 months ended	6 months ended	12 months ended	6 months ended
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
<b>Directors</b>						
Lindsay Reed	100%	56%	-	-	-	44%
Paul McKenzie	100%	100%	-	-	-	-
Valentine Chitalu	100%	100%	-	-	-	-
Graeme Robertson	100%	100%	-	-	-	-
Changbo (Frank) Si	100%	-	-	-	-	-
Peter Wall	100%	24%	-	-	-	76%
Dganit Baldar	100%	100%	-	-	-	-
<b>Other Key Management</b>						
Blair Snowball	91%	80%	-	-	9%	20%
Steve Abbott	93%	-	-	-	7%	-
Rob Newbold	100%	-	-	-	-	-

## Directors' Report

Shareholdings of KMP (Direct and Indirect Holdings) for the 12 months ended 31 December 2023 is set out below:

31-Dec-23	Balance at 1/01/23	Exercise of Options	Purchased on Market	Other <sup>(1)</sup>	Balance at 31/12/23
<b>Directors</b>					
Lindsay Reed	13,850,000	-	-	-	13,850,000
Paul McKenzie	1,579,545	-	-	-	1,579,545
Valentine Chitalu	877,273	-	-	-	877,273
Graeme Robertson	3,034,091	312,500	-	-	3,346,591
Changbo (Frank) Si	-	-	-	-	-
Peter Wall	23,944,207	625,000	-	(24,569,207)	-
Dganit Baldar	-	-	-	-	-
<b>Sub-total</b>	<b>43,285,116</b>	<b>937,500</b>		<b>(24,569,207)</b>	<b>19,653,409</b>
<b>Other Key Management</b>					
Blair Snowball	1,000,000	-	-	-	1,000,000
Steve Abbott	-	-	-	731,818	731,818
Rob Newbold	-	-	60,000	-	60,000
<b>Sub-total</b>	<b>1,000,000</b>	<b>-</b>	<b>60,000</b>	<b>731,818</b>	<b>1,791,818</b>
<b>Total</b>	<b>44,285,116</b>	<b>937,500</b>	<b>60,000</b>	<b>(23,837,389)</b>	<b>21,445,227</b>

<sup>(1)</sup> Shareholdings held at (resignation) / appointment.

Option holdings of KMP (Direct and Indirect Holdings) for the 12 months ended 31 December 2023 is set out below:

31-Dec-23	Balance at 1/01/23	Exercise of Options	Expired Options	Other <sup>(1)</sup>	Balance at 31/12/23	Options Vested & Exercisable
<b>Directors</b>						
Lindsay Reed	10,500,000	-	-	-	10,500,000	10,500,000
Paul McKenzie	4,312,500	-	(312,500)	-	4,000,000	4,000,000
Valentine Chitalu	4,000,000	-	-	-	4,000,000	4,000,000
Graeme Robertson	4,312,500	(312,500)	-	-	4,000,000	4,000,000
Changbo (Frank) Si	-	-	-	-	-	-
Peter Wall	7,125,000	(625,000)	-	(6,500,000)	-	-
Dganit Baldar	3,500,000	-	-	(3,500,000)	-	-
<b>Sub-total</b>	<b>33,750,000</b>	<b>(937,500)</b>	<b>(312,500)</b>	<b>(10,000,000)</b>	<b>22,500,000</b>	<b>22,500,000</b>
<b>Other Key Management</b>						
Blair Snowball	6,000,000	-	-	-	6,000,000	6,000,000
Steve Abbott	-	-	-	4,000,000	4,000,000	4,000,000
Rob Newbold	-	-	-	-	-	-
<b>Sub-total</b>	<b>6,000,000</b>	<b>-</b>	<b>-</b>	<b>4,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>
<b>Total</b>	<b>39,750,000</b>	<b>(937,500)</b>	<b>(312,500)</b>	<b>(6,000,000)</b>	<b>32,500,000</b>	<b>32,500,000</b>

<sup>(1)</sup> Option holdings held at (resignation) / appointment.

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## Directors' Report

Right holdings of KMP (Direct and Indirect Holdings) for the 12 months ended 31 December 2023 is set out below:

31-Dec-23	Balance at 1/01/23	Performance Rights Lapsed	Balance at 31/12/23	Vested & Exercisable
<b>Directors</b>				
Lindsay Reed	3,000,000	(3,000,000)	-	-
Paul McKenzie	-	-	-	-
Valentine Chitalu	-	-	-	-
Graeme Robertson	-	-	-	-
Changbo (Frank) Si	-	-	-	-
Peter Wall	1,500,000	(1,500,000)	-	-
Dganit Baldar	-	-	-	-
<b>Sub-total</b>	<b>4,500,000</b>	<b>(4,500,000)</b>	-	-
<b>Other Key Management</b>				
Blair Snowball	-	-	-	-
Steve Abbott	-	-	-	-
Rob Newbold	-	-	-	-
<b>Sub-total</b>	-	-	-	-
<b>Total</b>	<b>4,500,000</b>	<b>(4,500,000)</b>	-	-

### E Contractual Arrangements

#### ➤ Mr Lindsay Reed

##### **Managing Director (Appointed 14 December 2023)**

- Contract: Commenced on 14 December 2023.
- Base Salary: \$450,000 per annum (\$477,399 per annum including Superannuation).
- Term: 4-years from commencement date unless terminated in accordance with this agreement or extended by agreement between the parties.
- Termination: Either party may terminate the employment agreement with one months written notice.
- Long Term Incentive Package:
  - Mr Reed is eligible to participate in the Company's Long-Term Incentive. The LTI is an incentive scheme consisting of an offer of Company performance rights under its Incentive Options Plan.

Mr Reed is eligible to receive a total of 12,000,000 performance rights that will vest in three tranches, each of 4,000,000 performance rights over a 3-year term, subject to meeting vesting terms and conditions. As at reporting date, the Board has not set the vesting terms and conditions of the performance rights. For this reason, it is not possible to reliably estimate a value of the performance rights for disclosure in the financial statements. At the date of the contract, when the share price closed at \$0.08, the value of the performance rights was \$960,000.

##### **Formerly Chief Executive Officer (up until 14 December 2023)**

- Contract: Commenced on 1 September 2014.
- Base Salary: \$250,000 per annum (plus statutory superannuation entitlements).
- Termination: Either party may terminate the employment agreement with three months written notice.
- Performance Based Bonuses: The Company may at any time pay Mr Reed a performance based bonus over and above his salary. In determining the extent of any performance based bonus, the Company shall take into consideration the key performance indicators of Mr Reed and the Company, as the Company may set from time to time, and any other matter that it deems appropriate. Mr Reed did not receive any short term incentive remuneration during the financial year.

## Directors' Report

- Long Term Incentive Package:
  - On 3 November 2020, 10,500,000 unlisted options were granted to Mr Reed under the Company's incentive Option Plan as approved by shareholders on 3 November 2020.
  - On 7 April 2021, 9,000,000 performance rights were granted to Mr Reed under the Company's incentive Performance Rights Plan as approved by shareholders on 7 April 2021 at the Company's General Meeting.
    - 3,000,000 performance rights (Tranche 1) lapsed unexercised on 7 April 2022, as the Company did not enter into an Off-Take Agreement in relation to the Cabinda Project in Angola within 12 months of the issue date. These performance rights have now lapsed.
    - 3,000,000 performance rights (Tranche 2) were converted to ordinary shares on 20 October 2022 as the Company completed a positive Definitive Feasibility Study in relation to the Cabinda Project in Angola within 18 months from the issue date. These performance rights have vested and converted into ordinary shares.
    - 3,000,000 performance rights (Tranche 3) lapsed unexercised on 7 April 2023, as the Company did not secure project finance in relation to the Cabinda Project in Angola within 24 months from the issue date.

### ➤ **Mr Paul McKenzie**

#### **Non-Executive Chairman (Appointed 14 December 2023)**

- Contract: Commenced on 14 December 2023.
- Director's Fee: \$3,000 per month (plus GST).
- Term: See Note 2 below for details pertaining to re-appointment and termination.

#### **Formerly Non-Executive Director (up until 14 December 2023)**

- Contract: Commenced on 7 December 2020.
- Director's Fee: \$3,000 per month (plus GST). Remuneration levels of NED's are discussed further in Note 1 below.
- Term: See Note 2 below for details pertaining to re-appointment and termination.

### ➤ **Mr Valentine Chitalu – Non-Executive Director**

- Contract: Commenced on 7 December 2020.
- Director's Fee: \$3,000 per month. Remuneration levels of NED's are discussed further in Note 1 below.
- Term: See Note 2 below for details pertaining to re-appointment and termination.

### ➤ **Mr Graeme Robertson – Non-Executive Director**

- Contract: Commenced on 7 December 2020.
- Director's Fee: \$3,000 per month. Remuneration levels of NED's are discussed further in Note 1 below.
- Term: See Note 2 below for details pertaining to re-appointment and termination.

### ➤ **Mr Changbo (Frank) Si – Non-Executive Director**

- Contract: Commenced on 14 December 2023.
- Director's Fee: \$3,000 per month. Remuneration levels of NED's are discussed further in Note 1 below.
- Term: See Note 2 below for details pertaining to re-appointment and termination.

## Directors' Report

### ➤ **Mr Peter Wall**

#### **Former Non-Executive Chairman (resigned 14 December 2023)**

- Contract: Commenced on 21 February 2014.
- Director's Fee: \$3,000 per month (plus GST).
- Term: Mr Wall resigned as Non-Executive Chairman on 14 December 2023.
- Long Term Incentive Package:
  - On 7 April 2021, 4,500,000 performance rights were granted to Mr Wall under the Company's incentive Performance Rights Plan as approved by shareholders on 7 April 2021 at the Company's General Meeting.
    - 1,500,000 performance rights (Tranche 1) lapsed unexercised on 7 April 2022, as the Company did not enter into an Off-Take Agreement in relation to the Cabinda Project in Angola within 12 months of the issue date. The performance rights have now lapsed.
    - 1,500,000 performance rights (Tranche 2) were converted to ordinary shares on 20 October 2022 as the Company completed a positive Definitive Feasibility Study in relation to the Cabinda Project in Angola within 18 months from the issue date. These performance rights have vested and converted into ordinary shares.
    - 1,500,000 performance rights (Tranche 3) lapsed unexercised on 7 April 2023, as the Company did not secure project finance in relation to the Cabinda Project in Angola within 24 months from the issue date.

### ➤ **Ms Dganit Baldar**

#### **Former Non-Executive Director (resigned 14 December 2023)**

- Contract: Commenced on 18 March 2016.
- Director's Fee: \$3,000 per month. Remuneration levels of NED's are discussed further in Note 1 below.
- Term: Ms Baldar resigned as Non-Executive Director on 14 December 2023.

Note 1: Remuneration of NED's are reviewable annually by the Board and subject to shareholder approval (if applicable). The latest determination was at the 2010 AGM held on 30 November 2010 when shareholders approved an aggregate fee pool of \$300,000 per year.

Note 2: The term of each NED is open to the extent that they hold office subject to retirement by rotation, as per the Company's Constitution, at each AGM and are eligible for re-election as a Director at that meeting. Appointment shall cease automatically in the event that the Director gives written notice to the Board, or the Director is not re-elected as a Director by the shareholders of the Company. There are no entitlements to termination or notice periods.



## Directors' Report

Other KMP that have service contracts in place with the Company are as follow:

➤ **Mr Blair Snowball – Chief Financial Officer**

- Contract: Commenced on 15 March 2021.
- Base Salary: On 1 October 2021 Mr Snowball commenced full time employment with the company and was entitled to \$260,000 per annum plus superannuation. Mr Snowball's salary increased to \$300,000 per annum (\$325,292 including Superannuation), effective 1 March 2023.
- Termination: Either party may terminate the employment agreement with three months written notice.
- Long Term Incentive Package:
  - On 1 July 2021, 6,000,000 unlisted options were granted to Mr Snowball under the Company's incentive Option Plan with the following vesting conditions:
    - 3,000,000 unlisted options exercisable at \$0.10 and expiring 1 July 2025, vested 12 months from the date of acceptance, being 1 July 2022.
    - 3,000,000 unlisted options exercisable at \$0.10 and expiring 1 July 2025, vested 24 months from the date of acceptance, being 1 July 2023.
  - Mr Snowball is also eligible to participate in the Company's Long-Term Incentive. The LTI is an incentive scheme consisting of an offer of Company performance rights under its Incentive Options Plan.

Mr Snowball is eligible to receive a total of 6,000,000 performance rights that will vest in three tranches, each of 2,000,000 performance rights over a 3-year term, subject to meeting vesting terms and conditions. As at reporting date, the Board has not set the vesting terms and conditions of the performance rights. For this reason, it is not possible to reliably estimate a value of the performance rights for disclosure in the financial statements. At the date of the employment contract, when the share price closed at \$0.14, the value of the performance rights was \$840,000..

➤ **Mr Steve Abbott – Chief Operating Officer**

- Contract: Commenced on 1 April 2023.
- Prior to Mr Abbott's appointment as COO of the Company he was employed as a consultant on a daily rate of \$1,700.
- Base Salary: \$380,000 per annum (\$405,292 per annum including Superannuation).
- Termination: Either party may terminate the employment agreement with three months written notice.
- Long Term Incentive Package:
  - On 1 July 2021, 4,000,000 unlisted options were granted to Mr Abbott under the Company's incentive Option Plan with the following vesting conditions:
    - 2,000,000 unlisted options exercisable at \$0.10 and expiring 1 July 2025, vested 12 months from the date of acceptance, being 1 July 2022.
    - 2,000,000 unlisted options exercisable at \$0.10 and expiring 1 July 2025, vested 24 months from the date of acceptance, being 1 July 2023.
  - Mr Abbott is also eligible to participate in the Company's Long-Term Incentive. The LTI is an incentive scheme consisting of an offer of Company performance rights under its Incentive Options Plan.

Mr Abbott is eligible to receive a total of 6,000,000 performance rights that will vest in three tranches, each of 2,000,000 performance rights over a 3-year term, subject to meeting vesting terms and conditions. As at reporting date, the Board has not set the vesting terms and conditions of the performance rights. For this reason, it is not possible to reliably estimate a value of the performance rights for disclosure in the financial statements. At the date of the employment contract, when the share price closed at \$0.17, the value of the performance rights was \$1,020,000.

## Directors' Report

### ➤ **Mr Rob Newbold – Chief Strategy & Marketing Officer**

- Contract: Commenced on 1 September 2023.
- Completion Date: Two years from date of commencement, unless terminated in accordance with this agreement or extended by agreement between the Company and Mr Newbold.
- Base Salary: EUR 20,390 per month, plus a monthly living allowance fee of EUR 2,500.
- Termination: Either party may terminate the employment agreement with three months written notice.
- Long Term Incentive Package:
  - Mr Newbold is eligible to participate in the Company's Long-Term Incentive. The LTI is an incentive scheme consisting of an offer of Company performance rights under its Incentive Options Plan.

Mr Newbold is eligible to receive a total of 6,000,000 performance rights that will vest in three tranches, each of 2,000,000 performance rights over a 3-year term, subject to meeting vesting terms and conditions. As at reporting date, the Board has not set the vesting terms and conditions of the performance rights. For this reason, it is not possible to reliably estimate a value of the performance rights for disclosure in the financial statements. At the date of the employment contract, when the share price closed at \$0.12, the value of the performance rights was \$720,000.

### **F Share-based Compensation**

The Company rewards Directors and senior management for their performance and aligns their remuneration with the creation of shareholder wealth by issuing share options, rights and or shares. Share-based compensation is at the discretion of the Board and no individual has a contractual right to participate in any share-based plan or to receive any guaranteed benefits.

#### ➤ Options

No performance incentive-based options were issued as remuneration to Directors or other KMP during the financial year ended 31 December 2023.

#### ➤ Rights

During the financial year ended 31 December 2023, 4,500,000 performance rights (Tranche 3) lapsed unexercised on 7 April 2023, as the Company did not secure project finance in relation to the Cabinda Project in Angola within 24 months from the issue date.

- 1,500,000 performance rights to Peter Wall (former Non-Executive Chairman) lapsed, and
- 3,000,000 performance rights to Lindsay Reed (MD) lapsed.

The terms and conditions of these performance rights have been disclosed in Note 18: Share Based Payments in the Notes to the Consolidated Financial Statements.

No performance incentive-based rights were issued as remuneration to Directors or other KMP during the financial year ended 31 December 2023.

#### ➤ Shares

##### *Short and Long-term incentives*

No short or long term incentive based shares were issued as remuneration to Directors or other KMP during the financial year ended 31 December 2023.

##### **Issue of shares in lieu of services to KMP**

There were no shares issued as compensation to KMP during the financial year ended 31 December 2023.

## Directors' Report

### G Equity Instruments Issued on Exercise of Remuneration Options

On 17 April 2023, the following KMP exercised their listed options and were issued the following shares as a result:

- 625,000 shares at \$0.15 were issued to Mr Peter Wall (former Non-Executive Chairman) for \$93,750.
- 312,500 shares at \$0.15 were issued to Mr Graeme Robertson (Non-Executive Director) for \$46,875.

No other remuneration options were exercised during the financial year.

### H Value of Shares to KMP

On 17 April 2023, the following KMP exercised their listed options and were issued the following shares as a result:

- 625,000 shares at \$0.15 were issued to Mr Peter Wall (former Non-Executive Chairman) for \$93,750.
- 312,500 shares at \$0.15 were issued to Mr Graeme Robertson (Non-Executive Director) for \$46,875.

There were no other shares issued to KMP during the financial year.

### I Voting and comments made at the Company's 2022 AGM

The adoption of the Remuneration Report for the period ended 31 December 2022 was put to the shareholders of the Company at the AGM held on 31 May 2023. The resolution was passed without amendment, on a poll. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

### J Loans to KMP

There were no loans made to any KMP during the financial year ended 31 December 2023 (six months from 1 July 2022 to 31 December 2022: \$nil).

### K Loans from KMP

There were no loans from any KMP during the financial year ended 31 December 2023 (six months from 1 July 2022 to 31 December 2022: \$nil).

### L Other transactions with KMP

#### Steinepreis Paganin Lawyers & Consultants

Legal fees of \$24,988 were paid to Steinepreis Paganin Lawyers & Consultants during the 12 months to 31 December 2023 (six months from 1 July 2022 to 31 December 2022: \$39,156), of which Mr Peter Wall, former Non-Executive Chairman, is a partner.

#### Intrasia Capital Pte Ltd

Company management fees of \$62,500 (USD \$42,614) were paid to Intrasia Management (Mauritius) Ltd during the 12 months to 31 December 2023 (six months from 1 July 2022 to 31 December 2022: \$25,373 (USD \$17,155)), a Company of which Graeme Robertson is a Director. He is also Chairman and CEO at Intrasia Capital Pte Ltd, which owns 50% of Intrasia Management (Mauritius) Ltd.

There were no other transactions with KMP during the financial year ended 31 December 2023.

### End of Audited Remuneration Report

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## Directors' Report

### 17. OPTIONS

At the date of this report, the Company had 70,250,000 unlisted options that had not yet been exercised.

### 18. RIGHTS

During the financial year, 4,500,000 performance rights (Tranche 3) lapsed unexercised on 7 April 2023, as the Company did not secure project finance in relation to the Cabinda Project in Angola within 24 months from the issue date.

At the date of this report, the Company does not have any outstanding performance rights.

### 19. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

### 20. INDEMNITY AND INSURANCE OF OFFICERS

During the financial period, the Company paid a premium in respect of a contract insuring all its Directors and current and former executive officers against a liability incurred as such a Director or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

### 21. INDEMNITY AND INSURANCE OF AUDITOR

During the financial period, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

### 22. NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the group are important.

There were no non-audit services provided by the auditor, BDO Audit (WA) Pty Ltd, during the year.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independent requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

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## Directors' Report

### 23. ROUNDING OF AMOUNTS

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

### 24. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead Auditor's Independence Declaration is set out on page 37 and forms part of the Directors' Report for the financial year ended 31 December 2023.

Signed in accordance with a resolution of the Board of Directors.



Mr Paul McKenzie  
Non-Executive Chairman  
28 March 2024

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## DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF MINBOS RESOURCES LIMITED

As lead auditor of Minbos Resources Limited for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Minbos Resources Limited and the entities it controlled during the period.



**Neil Smith**

**Director**

**BDO Audit (WA) Pty Ltd**

Perth

28 March 2024

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## Corporate Governance Statement

### **CORPORATE GOVERNANCE**

The Board of Directors of Minbos is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of Minbos on behalf of the security holders by whom they are elected and to whom they are accountable. The Board continuously reviews its governance practices to ensure they remain consistent with the needs of the Company.

The Company complies with each of the recommendations set out in the Australia Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 4<sup>th</sup> Edition ("the ASX Principles"). This statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles. All of these practices unless otherwise stated, are in place.

The Company's Corporate Governance Statement and policies can be found on its website at <https://minbos.com/corporate-governance/>

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## Consolidated Statement of Profit or Loss & Other Comprehensive Income

	Notes	12 months ended 31-Dec-23 \$	6 months ended 31-Dec-22 \$
Other income	6	92,643	122,344
Administration expenses	7	(4,312,004)	(1,054,572)
Personnel expenses and director fees	7	(3,570,339)	(725,426)
Depreciation and amortisation expense		(224,492)	(41,609)
Exploration expenditure		(29,233)	-
Research and study costs		(499,927)	(106,680)
Foreign exchange gain / (loss)		341,196	(226,177)
Share based payment reversal / (expense)	19	216,320	(264,058)
<b>Loss from continuing operations before income tax</b>		<b>(7,985,836)</b>	<b>(2,296,178)</b>
Income tax (expense) / benefit	8	-	-
<b>Loss from continuing operations after income tax</b>		<b>(7,985,836)</b>	<b>(2,296,178)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(6,216,291)	(232,143)
<b>Total comprehensive loss for the year / period, net of tax</b>		<b>(14,202,127)</b>	<b>(2,528,321)</b>
<b>Loss for the year / period attributable to:</b>			
Minbos Resources Limited		(7,543,353)	(2,292,275)
Non-controlling interest	21	(442,483)	(3,903)
		<b>(7,985,836)</b>	<b>(2,296,178)</b>
<b>Total comprehensive loss for the year / period attributable to:</b>			
Minbos Resources Limited		(12,628,060)	(2,524,418)
Non-controlling interest	21	(1,574,067)	(3,903)
		<b>(14,202,127)</b>	<b>(2,528,321)</b>
<b>Loss per share attributable to ordinary equity holders</b>			
- Basic loss per share	9	(0.010)	(0.004)
- Diluted loss per share	9	(0.010)	(0.004)

The Consolidated Statement of Profit or Loss & Other Comprehensive Income is to be read in conjunction with the accompanying notes.



## Consolidated Statement of Financial Position

	Notes	31-Dec-23 \$	31-Dec-22 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	4,604,979	17,465,686
Trade and other receivables	11	1,756,515	752,055
Financial assets	12	-	946,902
<b>Total current assets</b>		<b>6,361,494</b>	<b>19,164,643</b>
<b>Non-current assets</b>			
Plant and equipment	13	12,532,019	10,181,827
Exploration and evaluation expenditure	14	-	7,322,490
Mine properties under development	15	7,332,396	-
Right-of-use assets		52,619	115,751
<b>Total non-current assets</b>		<b>19,917,034</b>	<b>17,620,068</b>
<b>Total assets</b>		<b>26,278,528</b>	<b>36,784,711</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	16	1,597,554	910,323
Provisions		256,711	121,087
Lease liabilities		57,902	67,324
<b>Total current liabilities</b>		<b>1,912,167</b>	<b>1,098,734</b>
<b>Non-Current liabilities</b>			
Lease liabilities		-	57,902
<b>Total non-current liabilities</b>		<b>-</b>	<b>57,902</b>
<b>Total liabilities</b>		<b>1,912,167</b>	<b>1,156,636</b>
<b>Net assets</b>		<b>24,366,361</b>	<b>35,628,075</b>
<b>EQUITY</b>			
Contributed equity	17	82,260,551	79,103,818
Reserves	18	2,227,627	8,395,121
Accumulated losses	20	(58,543,847)	(51,866,961)
<b>Equity attributable to the owners of Minbos Resources Ltd</b>		<b>25,944,331</b>	<b>35,631,978</b>
Non-Controlling interest	21	(1,577,970)	(3,903)
<b>Total equity</b>		<b>24,366,361</b>	<b>35,628,075</b>

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes in Equity

	Notes	Issued Capital \$	Option Reserve \$	Employee Share Plan Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Non- Controlling Interest \$	Total Equity \$
<b>At 1 January 2023</b>		<b>79,103,818</b>	<b>1,373,387</b>	<b>3,091,146</b>	<b>3,930,588</b>	<b>(51,866,961)</b>	<b>(3,903)</b>	<b>35,628,075</b>
<b>Comprehensive loss:</b>								
Loss for the year		-	-	-	-	(7,543,353)	(442,483)	(7,985,836)
Exchange differences on translation of foreign operations		-	-	-	(5,084,707)	-	(1,131,584)	(6,216,291)
<b>Total comprehensive loss for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,084,707)</b>	<b>(7,543,353)</b>	<b>(1,574,067)</b>	<b>(14,202,127)</b>
<b>Transactions with owners in their capacity as owners:</b>								
Issue of share capital	17	3,158,420	-	-	-	-	-	3,158,420
Capital raising costs	17	(1,687)	-	-	-	-	-	(1,687)
Share based payment reversal	19	-	-	(216,320)	-	-	-	(216,320)
Options expired	18	-	(866,467)	-	-	866,467	-	-
<b>At 31 December 2023</b>		<b>82,260,551</b>	<b>506,920</b>	<b>2,874,826</b>	<b>(1,154,119)</b>	<b>(58,543,847)</b>	<b>(1,577,970)</b>	<b>24,366,361</b>
	Notes	Issued Capital \$	Option Reserve \$	Employee Share Plan Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Non- Controlling Interest \$	Total Equity \$
<b>At 1 July 2022</b>		<b>54,862,697</b>	<b>973,730</b>	<b>3,214,088</b>	<b>4,162,731</b>	<b>(49,574,686)</b>	<b>-</b>	<b>13,638,560</b>
<b>Comprehensive loss:</b>								
Loss for the period		-	-	-	-	(2,292,275)	(3,903)	(2,296,178)
Exchange differences on translation of foreign operations		-	-	-	(232,143)	-	-	(232,143)
<b>Total comprehensive loss for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(232,143)</b>	<b>(2,292,275)</b>	<b>(3,903)</b>	<b>(2,528,321)</b>
<b>Transactions with owners in their capacity as owners:</b>								
Issue of share capital	17	25,799,500	-	(387,000)	-	-	-	25,412,500
Options exercised	17	450,000	-	-	-	-	-	450,000
Capital raising costs	17	(2,008,379)	399,657	-	-	-	-	(1,608,722)
Share based payment expense	19	-	-	264,058	-	-	-	264,058
<b>At 31 December 2022</b>		<b>79,103,818</b>	<b>1,373,387</b>	<b>3,091,146</b>	<b>3,930,588</b>	<b>(51,866,961)</b>	<b>(3,903)</b>	<b>35,628,075</b>

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

## Consolidated Statement of Cash Flows

	<b>12 months ended 31-Dec-23</b>	<b>6 months ended 31-Dec-22</b>
	\$	\$
<b>Cash flows from operating activities</b>		
Payment to suppliers and employees	<b>(9,083,051)</b>	(1,589,495)
Payment for exploration and evaluation expenditure	<b>(114,025)</b>	-
Payment for research and feasibility study costs	<b>(400,672)</b>	(91,680)
Interest received	<b>92,638</b>	74,504
<b>Net cash outflow from operating activities</b>	<b>(9,505,110)</b>	(1,606,671)
	10(c)	
<b>Cash flows from investing activities</b>		
Payment for plant and equipment	<b>(5,268,853)</b>	(3,353,862)
Payment for exploration and evaluation assets	<b>(1,113,536)</b>	(3,525,699)
Payment for mine properties under development	<b>(382,873)</b>	-
Payment for financial assets	-	(946,902)
<b>Net cash outflow from investing activities</b>	<b>(6,765,262)</b>	(7,826,463)
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares, net of share issue costs	<b>3,156,733</b>	23,772,653
Payment for lease liability	<b>(70,383)</b>	(35,191)
<b>Net cash inflow from financing activities</b>	<b>3,086,350</b>	23,737,462
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(13,184,022)</b>	14,304,328
<b>Cash and cash equivalents at the beginning of the year / period</b>	<b>17,465,686</b>	3,642,299
Effect of exchange rate fluctuations on cash held	<b>323,315</b>	(480,941)
<b>Cash and cash equivalents at the end of the year / period</b>	<b>4,604,979</b>	17,465,686
	10(a)	

*The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.*

## Notes to the Consolidated Financial Statements

### 1. CORPORATE INFORMATION

Minbos Resources Limited (referred to as ‘Minbos’ or the ‘Company’ or ‘Parent Entity’) is a company domiciled in Australia. The address of the Company’s registered office and principal place of business is disclosed in the Corporate Directory of this report. The consolidated financial statements of the Company at the end of, or during, twelve months ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the ‘Consolidated Entity’ or the ‘Group’). The Group is an ASX-listed 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 Cabinda Phosphate Project and its Capanda Green Ammonia Project, both in Angola.

The primary focus in the financial year has been on the development of the Cabinda Phosphate Project and the Capanda Green Ammonia Project.

### 2. BASIS OF PREPARATION

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Minbos Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial report was authorised for issue by the Directors on 28 March 2024.

#### (a) Compliance with IFRS

The consolidated financial statements of the Consolidated Entity also comply with International Financial Reporting Standards (‘IFRS’) as issued by the International Accounting Standards Board (‘IASB’).

#### (b) Basis of measurement

The consolidated financial statements have been prepared on a going concern basis in accordance with the historical cost convention, unless otherwise stated.

#### (c) Going Concern

These financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

The Group is not currently generating revenues and will not do so until after construction and commissioning of its phosphate fertilizer plant has completed. As at 31 December 2023, the Group has cash and cash equivalents of \$4,604,979, and this sum is anticipated to be materially less than the estimated capital expenditure required for completion of construction and to prepare the project for commercial production at the Group’s phosphate project in Angola and the Group’s working capital commitments over the next 12 months.

The Directors foresee that the Group must secure additional funding through a capital raising and/or debt raising, or other fund-raising activities in order to continue as a going concern. The Directors consider it is reasonable to assume that additional funds will be able to be raised as required and that the Group will continue as a going concern. As such, the financial report has been prepared on ‘a going concern’ basis. In arriving at this position, the Directors have considered the following matters:

- At the date of signing this Annual Report, the Group is waiting on the Credit Committee of the Industrial Development Corporation of South Africa to approve a USD 14M loan.

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## Notes to the Consolidated Financial Statements

- The Directors are satisfied that the Company could raise additional funds via a capital raising to fund the remaining capital expenditure for the Group's phosphate project in Angola and meet the Group's working capital commitments over the next 12 months. This is based on advanced negotiations with strategic cornerstone investors.

Notwithstanding the above, in the absence of binding commitments for a fundraising by the Company, there remains a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

### (d) Change in financial year end

In the previous financial year, the Group changed its financial year end from 30 June to 31 December. This was to align the financial year with those of Group subsidiaries that are not able to change their year end to 30 June. The current figures in the Consolidated Statement of Profit or Loss & Other Comprehensive Income and the Consolidated Statement of Cash Flows relate to twelve months from 1 January 2023 to 31 December 2023. The comparative amounts disclosed in the financial report, remuneration report and related notes are not comparable as the length of the periods differ by six months.

## 3. PRINCIPALS OF CONSOLIDATION

### (a) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Minbos Resources Limited ('Company' or 'Parent Entity') as at 31 December 2023 and the results of all subsidiaries for the financial year. Minbos Resources Limited and its subsidiaries together are referred to in this financial report as the Group or the Consolidated Entity.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss & Other Comprehensive Income and Consolidated Statement of Financial Position respectively.

## Notes to the Consolidated Financial Statements

### (b) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interest in the subsidiary. Any differences between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Minbos Resources Limited.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

## 4. ACCOUNTING POLICIES

### (a) FOREIGN CURRENCY TRANSLATION

#### *Functional and presentation currency*

These consolidated financial statements are presented in Australian dollars. The functional and presentation currency of the Company is Australian dollars (AUD). The functional currency of the subsidiaries is United States dollars (USD) and Angolan Kwanza (AOA).

#### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investments in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a net basis within other income or other expenses.

#### *Group companies*

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position,
- Income and expenses for each Statement of Profit or Loss and Other Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

## Notes to the Consolidated Financial Statements

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

### (b) Goods and Services Tax (GST)

Revenues and expenses are recognised net of the amount of GST, except where the amount of GST is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the item of expense to which it relates.

Assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability.

Cash flows are reported on a gross basis and inclusive of GST. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

### New and revised Accounting Standards and Interpretations adopted by the Group

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### (c) Other Accounting Policies

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

## 5. KEY JUDGEMENTS AND ESTIMATES

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the Group.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

### **Determination of date of reclassification to mine properties under development**

During the year, exploration and evaluation expenditure attributable to the Cabinda Phosphate Project area of interest was reclassified to mine properties under development pursuant to the making of a judgement by the Directors that the criteria to be met to make such reclassification has been met on 16 July 2023. In making that judgement, the Directors took into account the outcomes of a definitive feasibility study and the signing of an MOU with Grupo Carrinho for approximately 85% of its annual fertilizer production across eight years.

## Notes to the Consolidated Financial Statements

### **Useful lives of depreciable assets**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

### **Impairment of non-financial assets other than goodwill and other indefinite life intangible assets**

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

It is reasonably possible that the underlying commodity price assumption may change which may then impact the estimated life of mine determinant and may then require a material adjustment to the carrying value of mining plant and equipment, mining infrastructure and mining development assets. Furthermore, the expected future cash flows used to determine the value-in-use of these assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as commodity spot prices, discount rates, estimates of costs to produce reserves and future capital expenditure.

### **Share based payments**

The Group measures the cost of equity settled transactions with Directors, employees and consultants, where applicable, by reference to the fair value of the instruments at the date at which they are granted. The fair value is determined using the black-scholes, binomial or other appropriate model, taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

### **Consolidation of entity for which there is less than majority ownership**

The Group will consolidate an entity, as a subsidiary, in its consolidated financial statements where it judges it has control over the entity. In the absence of direct ownership and/or voting rights over the entity, judgement is based on indicators of having other forms of power, including power delegated to an agent or power derived from an entity's dependence on the Group company for critical services, knowledge, personnel, licences, guarantees or funding. Where there is power it is necessary to assess if decisions directing the relevant activities of the entity are made by and/or for the benefit of the Group company and to identify how the Group company has exposure, or rights, to the entity's variable returns. There is control where all three elements are judged to exist: the power, the exposure or rights to variable returns and the evidence that the power can be used to affect the returns for the Group company.

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## Notes to the Consolidated Financial Statements

### 6. OTHER INCOME

	<b>12 months ended 31-Dec-23</b>	6 months ended 31-Dec-22
	\$	\$
Interest income	92,638	74,504
Other revenue	5	47,840
	<b>92,643</b>	<b>122,344</b>

### RECOGNITION AND MEASUREMENT

#### Interest Income

Interest income is recognised when the Company gains control of the right to receive the interest payment.

All income is stated net of the amount of goods and services tax.

### 7. EXPENSES

	<b>12 months ended 31-Dec-23</b>	6 months ended 31-Dec-22
	\$	\$
<b>Administration expenses</b>		
Marketing and selling expenses	127,346	390,550
Promotion and investor relations	151,539	27,736
Compliance and regulatory	214,284	208,341
Professional and consultant fees	700,053	181,729
Travel and accommodation	1,193,039	18,938
Technology and communication	165,593	24,657
Rent and office	268,124	10,965
Insurances	540,972	120,068
Interest expense	3,059	2,390
Other administration expenses	947,995	69,198
	<b>4,312,004</b>	<b>1,054,572</b>
<b>Personnel expenses and director fees</b>		
Wages and salaries, including superannuation	3,216,476	498,302
Director fees and other benefits	190,019	102,367
Other employee expenses	163,844	124,757
	<b>3,570,339</b>	<b>725,426</b>

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## Notes to the Consolidated Financial Statements

### 8. INCOME TAX EXPENSE

#### (a) Numerical reconciliation of accounting losses to income tax expense

A reconciliation between income tax expense and the accounting loss before income tax multiplied by the entity's applicable income tax rate is as follows:

	12 months ended 31-Dec-23	6 months ended 31-Dec-22
	\$	\$
Accounting loss before income tax	(7,985,836)	(2,296,178)
At the entity's Australian statutory income tax rate of 30% (31 Dec 2022: 30%)	(2,395,751)	(688,853)
Adjusted for tax effect of the following amounts:		
Non-deductible / taxable items	196,134	60,554
Income tax benefits not brought to account	2,199,617	628,299
<b>Income tax expense / (benefit)</b>	<b>-</b>	<b>-</b>

#### (b) Deferred tax assets and liabilities not brought to account

The Company estimates that the potential deferred tax assets and liabilities carried forward but not brought to account at year end at the Australian corporate tax rate of 30% are made up as follows:

	12 months ended 31-Dec-23	6 months ended 31-Dec-22
	\$	\$
<b>On income tax account:</b>		
Carried forward tax losses	5,583,712	4,357,897
Unrecognised deferred tax assets	5,583,712	4,357,897

The Group has Australian carried forward tax losses of \$18,612,372 (tax effected at 30%, \$5,583,712) as at 31 December 2023 (\$14,526,323 (tax effected at 30%, \$4,357,897)). In view of the Group's trading position, the Directors have not included this tax benefit in the Group's Consolidated Statement of Financial Position. A tax benefit will only be recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The tax benefits of the above deferred tax assets will only be obtained if:

- The Consolidated Entity derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- The Consolidated Entity continues to comply with the conditions for deductibility imposed by law; and
- No changes in income tax legislation adversely affect the Consolidated Entity from utilising the benefits.

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## Notes to the Consolidated Financial Statements

### RECOGNITION AND MEASUREMENT

#### Current taxes

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

#### Deferred taxes

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurements also reflect the manner in which management expects to recover or settle that carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in the future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

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## Notes to the Consolidated Financial Statements

### 9. EARNINGS PER SHARE

#### (a) Basic loss per share

The calculation of basic loss per share at 31 December 2023 was based on the loss attributable to ordinary shareholders of \$7,930,472 (six month ended 31 December 2022: \$2,292,275) and a weighted average number of ordinary shares outstanding during the financial year ended 31 December 2023 of 784,569,665 (six month ended 31 December 2022: 619,860,601) calculated as follows:

	<b>12 months ended 31-Dec-23</b>	6 months ended 31-Dec-22
Net loss attributable to the ordinary equity holders of the Group (\$)	<b>(7,930,472)</b>	(2,292,275)
Weighted average number of ordinary shares for basis per share (No.)	<b>784,569,665</b>	619,860,601
<b>Continuing operations</b>		
- Basic and diluted loss per share (\$)	<b>(0.010)</b>	(0.004)

#### RECOGNITION AND MEASUREMENT

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by weighted average number of ordinary shares outstanding during the financial year, adjusted for the bonus elements in ordinary shares issued during the year.

#### (b) Diluted loss per share

Potential ordinary shares are not considered dilutive, thus diluted loss per share is the same as basic loss per share.

#### RECOGNITION AND MEASUREMENT

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

## Notes to the Consolidated Financial Statements

### 10. CASH AND CASH EQUIVALENTS

#### (a) Reconciliation to cash at the end of the financial year / period

	31-Dec-23	31-Dec-22
	\$	\$
Cash at bank and in hand	4,553,481	17,417,343
Short-term deposit	51,498	48,343
<b>Balance at the end of the financial year / period</b>	<b>4,604,979</b>	<b>17,465,686</b>

#### (b) Interest rate risk exposure

The Group's exposure to interest rate risk is discussed in Note 22: Financial Risk Management.

#### (c) Reconciliation of net cash flows from operating activities to loss for the year / period after tax

	31-Dec-23	31-Dec-22
	\$	\$
Loss for the financial year / period	(7,985,836)	(2,296,178)
<b>Adjustments for:</b>		
Advertising & marketing fees settled in shares	-	375,000
Amortisation expense	63,132	31,571
Depreciation expense	161,360	10,038
Foreign currency translation	(341,196)	226,177
Share based payment (reversal) / expense	(216,320)	264,058
<b>Change in assets and liabilities</b>		
Increase in trade and other receivables	(1,004,460)	(465,482)
(Decrease) / increase in trade and other payables	(317,414)	224,750
Increase in provisions	135,624	23,395
<b>Net cash used in operating activities</b>	<b>(9,505,110)</b>	<b>(1,606,671)</b>

#### (d) Non-cash investing and financing activities

There were no non-cash investing and financing activities during the financial year.

### RECOGNITION AND MEASUREMENT

Cash and cash equivalents comprise cash balances, short term bills and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Consolidated Statement of Cash Flows.

## Notes to the Consolidated Financial Statements

### 11. TRADE AND OTHER RECEIVABLES

	31-Dec-23	31-Dec-22
	\$	\$
Trade debtors	-	439,804
Indirect taxes receivable	80,019	56,304
Prepayments	1,545,036	249,482
Employee advances	-	6,465
Other debtors	131,460	-
<b>Balance at the end of the financial year / period</b>	<b>1,756,515</b>	<b>752,055</b>

### 12. FINANCIAL ASSETS

	31-Dec-23	31-Dec-22
	\$	\$
Financial assets	-	946,902
<b>Balance at the end of the financial year / period</b>	<b>-</b>	<b>946,902</b>

At 31 December 2022, the Group loaned funds to the Angolan entity, Soul Rock-Prospecção, Exploração De Fosfato, Produção e Comercialização de Fertilizantes, Lda (Soul Rock Lda), which at that date did not form part of the Group. The loan was made interest-free and without repayment schedule. On 23 February 2023, Soul Rock Lda became a Group controlled subsidiary.

### 13. PLANT AND EQUIPMENT

	Capital works in progress	Building & infrastructure	Furniture & fittings	IT Hardware & software	Machinery & equipment	Total
	\$	\$	\$	\$	\$	\$
<b>Year ended 31 December 2023</b>						
Opening net book amount	10,076,795	12,174	33,637	59,221	-	10,181,827
Additions from subsidiary acquisition	366,201	-	-	7,257	16,988	390,446
Additions	3,471,894	100,578	55,752	98,458	373,375	4,100,057
Depreciation from subsidiary acquisition	-	-	-	(517)	(1,062)	(1,579)
Depreciation	-	(31,286)	(12,102)	(42,332)	(75,640)	(161,360)
Foreign currency translations	(1,987,181)	4,814	1,328	(8,487)	12,154	(1,977,372)
<b>Closing net book amount</b>	<b>11,927,709</b>	<b>86,280</b>	<b>78,615</b>	<b>113,600</b>	<b>325,815</b>	<b>12,532,019</b>
<b>At 31 December 2023</b>						
Cost	11,927,709	113,860	93,051	200,933	390,363	12,725,916
Accumulated depreciation	-	(27,580)	(14,436)	(87,333)	(64,548)	(193,897)
<b>Net book amount</b>	<b>11,927,709</b>	<b>86,280</b>	<b>78,615</b>	<b>113,600</b>	<b>325,815</b>	<b>12,532,019</b>

Construction works in progress pertains to the expenditure made towards the construction of the Cabinda Phosphate Fertilizer Plant. As the asset is not yet completed and thus not yet in use, there is no depreciation charge in the financial year.

## Notes to the Consolidated Financial Statements

	Capital works in progress	Building & infrastructure	Furniture & Fittings	IT Hardware & software	Machinery & equipment	Total
	\$	\$	\$	\$	\$	\$
<b>Period ended 31 December 2022</b>						
Opening net book amount	7,145,238	12,174	32,484	33,880	-	7,224,440
Additions from subsidiary acquisition	-	-	3,230	9,715	-	12,945
Additions	2,931,557	-	-	25,977	-	2,957,534
Depreciation from subsidiary acquisition	-	-	(373)	(2,681)	-	(3,054)
Depreciation	-	(664)	(1,704)	(7,670)	-	(10,038)
<b>Closing net book amount</b>	<b>10,076,795</b>	<b>12,174</b>	<b>33,637</b>	<b>59,221</b>	<b>-</b>	<b>10,181,827</b>
<b>At 31 December 2022</b>						
Cost	10,076,795	13,282	37,299	95,218	-	10,222,594
Accumulated depreciation	-	(1,108)	(3,662)	(35,997)	-	(40,767)
<b>Net book amount</b>	<b>10,076,795</b>	<b>12,174</b>	<b>33,637</b>	<b>59,221</b>	<b>-</b>	<b>10,181,827</b>

### RECOGNITION AND MEASUREMENT

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

Building and infrastructure	3-10 years
Furniture and Fittings	3-7 years
IT hardware and software	3-7 years
Machinery and equipment	3-7 years

The Company will commence depreciating the Phosphate Granulation Plant & Truck Unloading Feeder when the items have been delivered on site and are ready for use.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

## Notes to the Consolidated Financial Statements

### 14. EXPLORATION & EVALUATION EXPENDITURE

	31-Dec-23	31-Dec-22
	\$	\$
Carrying amount of exploration and evaluation expenditure	-	7,322,490
<b>Movement reconciliation</b>		
Balance at the beginning of the financial year / period	<b>7,322,490</b>	3,981,230
Exploration expenditure during the financial year / period	<b>705,977</b>	3,341,260
Reclassify to mine properties under development (i)	<b>(8,028,467)</b>	-
<b>Balance at the end of the financial year / period</b>	<b>-</b>	<b>7,322,490</b>

- (i) During the financial year, Minbos signed an MOU with Grupo Carrinho for approximately 85% of its annual fertilizer production across eight years, which also followed the positive DFS published eight months prior. Management therefore determined that it had demonstrated the technical feasibility and commercial viability of extracting its mineral resource at the Cabinda Phosphate Project and thus decided to reclassify its exploration and evaluation asset to mine properties under development, refer note 15.

### RECOGNITION AND MEASUREMENT

Exploration and evaluation expenditure, which are intangible costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Consolidated Entity has obtained the legal rights to explore an area are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- (i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- (ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or other wise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.



## Notes to the Consolidated Financial Statements

### 15. MINE PROPERTIES UNDER DEVELOPMENT

	31-Dec-23	31-Dec-22
	\$	\$
Carrying amount of mine properties under development	7,332,396	-
<b>Movement reconciliation</b>		
Balance at the beginning of the financial year / period	-	-
Reclassified from exploration & evaluation expenditure	8,028,467	-
Additions	382,873	-
Foreign exchange translation	(1,078,944)	-
<b>Balance at the end of the financial year / period</b>	<b>7,332,396</b>	<b>-</b>

### RECOGNITION AND MEASUREMENT

#### Mine Properties under development

Mine properties under development represents the costs incurred in preparing mines for production and includes plant and equipment under construction and operating costs incurred before production commences. These costs are capitalised to the extent they are expected to be recouped through successful exploitation of the related mining leases.

Once production commences, these costs are transferred to property, plant and equipment and mine properties, as relevant, and are depreciated and amortised using the units-of-production method based on the estimated economically recoverable reserves to which they relate or are written off if the mine property is abandoned. All care and maintenance costs are expensed.

Mine properties deemed "in development" are not amortised however are assessed for impairment. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. An impairment exists when the carrying value of mine properties exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount and the impairment losses are recognised in profit or loss.

#### Significant judgements and estimates

Development activities commence after project sanctioning by the appropriate level of management. Judgement is applied by management in determining when a project is economically viable. In exercising this judgment, management is required to make certain estimates and assumptions similar to those for capitalised exploration and evaluation expenditure. Any such estimates and assumptions may change as new information becomes available. If, after having commenced the development activity, a judgement is made that a development asset is impaired, the impairment change is included in profit or loss.

The criteria to reclassify exploration and evaluation expenditure to mine properties under development for the Company was met on 16 July 2023. In making that judgement, the Directors took into account the outcomes of a definitive feasibility study and the signing of the MOU with Grupo Carrinho. Accordingly, \$8,028,467 of capitalised exploration and evaluation expenditure related to the Company's Cabinda Phosphate Project was reclassified to mine properties under development, on that date.

The exploration and evaluation asset was tested for impairment at the date of reclassification by reference to value-in-use calculations performed using a life-of-mine model of the Cabinda Project incorporating key assumptions such as market prices, mining rates, ore grades, plant processing recoveries and efficiencies, exchange rates, staffing levels and equipment operating efficiencies, among others. The formulation of these key assumptions involved the use by management of judgements as to current and expected general macro-economic conditions and expected conditions in the phosphate mining industry as well as factors specific to the

## Notes to the Consolidated Financial Statements

Cabinda Project mine such as mineral resources and reserves estimates and ore grades. Operating costs and capital expenditures are based on latest budget and life-of-mine production plans. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. Where management adjudge that it is necessary to make material changes to key assumptions employed in the life-of-mine model, then these new key assumptions are incorporated into the life-of-mine model and the resultant value-in-use valuation produced is for determining the necessity for and amount of any impairment.

The Directors did not believe that there was any necessity to impair the carrying value of that asset base at the date of reclassification.

### 16. TRADE AND OTHER PAYABLES

	<b>31-Dec-23</b>	31-Dec-22
	\$	\$
Trade creditors	<b>755,693</b>	416,667
Accruals	<b>172,010</b>	84,780
Superannuation payable	<b>40,133</b>	22,823
Payable employee tax retentions	<b>73,919</b>	54,331
Other payables	<b>555,799</b>	331,722
<b>Balance at the end of the financial year / period</b>	<b>1,597,554</b>	910,323

### RECOGNITION AND MEASUREMENT

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

For trade and other payables, the fair value is approximate to their carrying value amount, due to their short-term nature.

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## Notes to the Consolidated Financial Statements

### 17. CONTRIBUTED EQUITY

#### (a) Issued and fully paid

	31-Dec-23		31-Dec-22	
	\$	No.	\$	No.
Ordinary shares	<b>82,260,551</b>	<b>791,236,754</b>	79,103,818	770,180,625
	<b>82,260,551</b>	<b>791,236,754</b>	79,103,818	770,180,625

#### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proposed winding up of the company in proportion to the number and amount paid on the shares held.

#### (b) Movement Reconciliation

ORDINARY SHARES	Date	Quantity	Issue price	\$
<b>Balance 30 June 2022</b>		<b>525,657,897</b>		<b>54,862,697</b>
Shares issued (i)	19/07/2022	131,414,473	\$0.11	14,455,592
Shares issued (ii)	1/09/2022	95,858,255	\$0.11	10,544,408
Shares issued (iii)	1/09/2022	3,750,000	\$0.11	412,500
Performance rights converted (iv)	20/10/2022	4,500,000	-	387,000
Options converted (v)	25/11/2022	9,000,000	\$0.05	450,000
Cost of placements		-	-	(2,008,379)
<b>Balance 31 December 2022</b>		<b>770,180,625</b>		<b>79,103,818</b>
Options converted (vi)	17/04/2023	8,164,583	\$0.15	1,224,688
Options converted (vii)	1/05/2023	12,891,546	\$0.15	1,933,732
Cost of placements		-	-	(1,687)
<b>Balance 31 December 2023</b>		<b>791,236,754</b>		<b>82,260,551</b>

- (i) On 19 July 2022, the Company completed a capital placement (Tranche 1) to institutional, sophisticated and professional investors and issued 131,414,473 fully paid ordinary shares at \$0.11 per share to raise \$14,455,592.
- (ii) On 1 September 2022, the Company completed a capital placement (Tranche 2) to institutional, sophisticated and professional investors (inclusive of Minbos Directors and Management Team) and issued 95,858,255 fully paid ordinary shares at \$0.11 per share to raise \$10,544,408.
- (iii) On 1 September 2022, the Company issued 3,750,000 fully paid ordinary shares to S3 Consortium Pty Ltd (Adviser Shares) as consideration for \$412,500 worth of marketing services.
- (iv) On 20 October 2022, the Company issued 4,500,000 fully paid ordinary shares (3,000,000 to Mr Lindsay Reed & 1,500,000 to Mr Peter Wall) on the conversion of convertible performance rights.
- (v) On 25 November 2022, the Company issued 9,000,000 fully paid ordinary shares upon conversion of unlisted options expiring 26 November 2022 by shareholders at an exercise price of \$0.05 per option.
- (vi) On 17 April 2023, the Company issued 8,164,583 fully paid ordinary shares upon conversion of listed options at an exercise price of \$0.15 per option.
- (vii) On 1 May 2023, the Company issued 12,891,546 fully paid ordinary shares upon conversion of listed options at an exercise price of \$0.15 per option.

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## Notes to the Consolidated Financial Statements

### (c) Capital risk management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Given the stage of the Company's development there are no formal targets set for return on capital. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements. The net equity of the Company is equivalent to capital. Net capital is obtained through capital raisings on the Australian Securities Exchange.

### RECOGNITION AND MEASUREMENT

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

### 18. RESERVES

	31-Dec-23		31-Dec-22	
	\$	No.	\$	No.
Option reserve	506,920	8,250,000	1,373,387	28,250,000
Employee share plan reserve	2,874,826	62,000,000	3,091,146	62,000,000
Foreign currency translation reserve	(1,154,119)	-	3,930,588	-
	<b>2,227,627</b>	<b>70,250,000</b>	8,395,121	90,250,000

	31-Dec-23	31-Dec-22
	\$	\$
<b>Option reserve</b>		
<b>Movement reconciliation</b>		
<b>Balance at the beginning of the year / period</b>	<b>1,373,387</b>	973,730
Equity settled share-based payment transactions (i)	-	399,657
Options expired (ii)	(866,467)	-
<b>Balance at the end of the year / period</b>	<b>506,920</b>	1,373,387

(i) On 12 July 2022, 6,250,000 unlisted options were issued to the Lead Manager of the Company's placement, as part consideration for lead manager services, as approved by shareholders on 23 August 2022.

(ii) On 30 April 2023, 45,506,371 listed options, with an exercise price of \$0.15 per option expired unexercised.

## Notes to the Consolidated Financial Statements

	31-Dec-23	31-Dec-22
<b>Employee share plan reserve</b>	\$	\$
<b>Movement reconciliation</b>		
<b>Balance at the beginning of the year / period</b>	<b>3,091,146</b>	3,214,088
Employee & Consultant Options (i)	<b>119,258</b>	119,258
Consultant Options (ii)	-	(22,661)
Performance Rights (iii)	<b>(335,578)</b>	(219,539)
<b>Balance at the end of the year / period</b>	<b>2,874,826</b>	3,091,146

- (i) On 1 July 2021, the Company issued 20,000,000 unlisted options to Employees and Contractors under the Company's incentive Option Plan.
- (ii) On 21 December 2021, the Company issued 2,000,000 unlisted options to a Contractor under the Company's incentive Option Plan. These options lapsed on 31 December 2022 as the conditions had not been met or became incapable of being satisfied.
- (iii) On 30 April 2021, the Company issued 13,500,000 performance rights under the Company's incentive Performance Rights Plan.
- 4,500,000 performance rights (Tranche 2) were converted to ordinary shares on 20 October 2022 as the Company completed a positive Definitive Feasibility Study in relation to the Cabinda Project in Angola within 18 months from the issue date.
  - 4,500,000 performance rights (Tranche 3) expired during the financial year as the Company did not secure project finance in relation to the Cabinda Project in Angola within 24 months from the issue date.

Refer to Note 19: Share-based payments for further detail regarding the terms and conditions of the options and employee share plan reserve.

	31-Dec-23	31-Dec-22
<b>Foreign currency translation reserve</b>	\$	\$
<b>Movement reconciliation</b>		
<b>Balance at the beginning of the year / period</b>	<b>3,930,588</b>	4,162,731
Effect of translation of foreign currency operations to group presentation currency	<b>(5,084,707)</b>	10,597
<b>Balance at the end of the year / period</b>	<b>(1,154,119)</b>	3,930,588

### Nature and purpose of reserves

#### **Employee share plan reserve**

The reserve represents the value of shares and rights issued under the Group's Employee Share Plan and incentive Performance Rights Plan as approved by shareholders, that the Consolidated Entity is required to include in the consolidated financial statements. No gain or loss is recognised in the profit or loss on the purchase, sale, issue or cancellation of the Consolidated Entity's own equity instruments.

#### **Foreign currency translation reserve**

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

## Notes to the Consolidated Financial Statements

### 19. SHARE BASED PAYMENTS

	Number of Options & Rights	Share-based payments expense	Remaining Share-based payments expense
Employee / Director, Lead Manager & Placement Options (a)	70,250,000	\$119,258	-
Performance Rights (b)	-	(\$335,578)	-
	<b>70,250,000</b>	<b>(\$216,320)</b>	-

#### (a) Employee / Director, Lead Manager & Placement Options

	Grant Date	Expiry Date	Exercise Price	Balance at 1-Jan-23	Exercised / Expired	Balance at 31-Dec-23
CEO / Director Options	03/11/20	18/11/24	\$0.05	30,000,000	-	<b>30,000,000</b>
Director Options	07/04/21	30/04/25	\$0.10	12,000,000	-	<b>12,000,000</b>
Lead Manager Options (i)	07/04/21	30/04/23	\$0.15	20,000,000	(20,000,000)	-
Placement Options (ii)	07/04/21	30/04/23	\$0.15	46,562,500	(46,562,500)	-
Employee & Consultant Options	01/07/21	01/07/25	\$0.10	20,000,000	-	<b>20,000,000</b>
Lead Manager Options	21/12/21	21/12/24	\$0.15	2,000,000	-	<b>2,000,000</b>
Lead Manager Options	23/08/22	01/09/25	\$0.17	6,250,000	-	<b>6,250,000</b>
<b>Total Options</b>				<b>136,812,500</b>	<b>(66,562,500)</b>	<b>70,250,000</b>
Weighted average exercise price				<b>\$0.12</b>		<b>\$0.09</b>
The weighted average remaining contractual life of options outstanding at the end of the financial year was				<b>1.29</b>		<b>1.21</b>

- (i) On 30 April 2023, 20,000,000 listed options expired unexercised.  
(ii) During the financial year, 21,056,129 listed options were exercised at \$0.15 per option, raising a total of \$3,158,420 in issued capital. The remaining 25,506,371 listed options expired unexercised on 30 April 2023.

#### (b) Performance Rights

On 30 April 2021, the Company issued the following performance rights under the Company's incentive Performance Rights Plan as approved by shareholders on 7 April 2021 at the Company's General Meeting:

	Grant Date	Expiry Date	Balance at 1-Jan-23	Granted during the year	Expired during the year	Balance at 31-Dec-23
Tranche 1 - Peter Wall (i)	7-Apr-21	7-Apr-22	-	-	-	-
Tranche 1 - Lindsay Reed (i)	7-Apr-21	7-Apr-22	-	-	-	-
Tranche 2 - Peter Wall (ii)	7-Apr-21	7-Oct-22	-	-	-	-
Tranche 2 - Lindsay Reed (ii)	7-Apr-21	7-Oct-22	-	-	-	-
Tranche 3 - Peter Wall (iii)	7-Apr-21	7-Apr-23	1,500,000	-	(1,500,000)	-
Tranche 3 - Lindsay Reed (iii)	7-Apr-21	7-Apr-23	3,000,000	-	(3,000,000)	-

- (i) Tranche 1 performance rights expired during the 30 June 2022 financial year as the Company did not enter into an Off-Take Agreement in relation to the Cabinda Project in Angola within 12 months of the issue date. The share-based payment expense of \$387,000 in respect of Tranche 1 performance rights was therefore reversed at 30 June 2022.  
(ii) Tranche 2 performance rights converted to ordinary shares on 20 October 2022 as the Company completed a positive Definitive Feasibility Study in relation to the Cabinda Project in Angola within 18 months from the issue date.  
(iii) Tranche 3 performance rights expired during the financial year as the Company did not secure project finance in relation to the Cabinda Project in Angola within 24 months from the issue date. The share-based payment expense of \$387,000 in respect of Tranche 3 performance rights was therefore reversed at 31 December 2023.

## Notes to the Consolidated Financial Statements

	(i)	(ii)	(iii)
Number of rights	4,500,000	4,500,000	4,500,000
Grant date	7-Apr-21	7-Apr-21	7-Apr-21
Grant date share price	\$0.078	\$0.086	\$0.086
Expected volatility	100%	100%	100%
Rights life	12 Months	18 Months	24 Months
Dividend yield	0.00%	0.00%	0.00%
Interest rate	0.07%	0.07%	0.07%
Probability of achieving milestone	-*	100%**	-*
<b>Total fair Value</b>	<b>\$387,000</b>	<b>\$387,000</b>	<b>\$387,000</b>

\* Performance milestone was not achieved.

\*\* Performance milestone was achieved within the 18 months.

### 20. ACCUMULATED LOSSES

	31-Dec-23	31-Dec-22
	\$	\$
<b>Movement in accumulated losses</b>		
<b>Balance at the beginning of the financial year / period</b>	<b>(51,866,961)</b>	(49,574,686)
Net loss in current year / period	<b>(7,930,472)</b>	(2,292,275)
Options expired	<b>866,467</b>	-
<b>Balance at the end of the financial year / period</b>	<b>(58,930,966)</b>	(51,866,961)

### 21. NON-CONTROLLING INTERESTS

	31-Dec-23	31-Dec-22
	\$	\$
<b>Balance at the beginning of the financial year / period</b>	<b>(3,903)</b>	-
Share of loss for the year / period - Minbos Lda (i)	<b>(111,585)</b>	(3,903)
Share of loss for the year / period - Soul Rock Lda (ii)	<b>(330,897)</b>	-
Share of other comprehensive income	<b>(1,131,584)</b>	-
<b>Balance at the end of the financial year / period</b>	<b>(1,577,970)</b>	(3,903)

(i) The summary of financial information for Minbos Lda is set out below:

	31-Dec-23	31-Dec-22
	\$	\$
Current assets	<b>163,798</b>	33,260
Non-current assets	<b>2,824,612</b>	1,067,908
<b>Total assets</b>	<b>2,988,410</b>	1,101,168
Current liabilities	<b>79,530</b>	91,471
Non-Current liabilities	<b>5,985,581</b>	1,035,717
<b>Total liabilities</b>	<b>6,065,111</b>	1,127,188
<b>Net liabilities</b>	<b>(3,076,701)</b>	(26,020)

## Notes to the Consolidated Financial Statements

	31-Dec-23	31-Dec-22
	\$	\$
<b>Equity attributable to owners of the Parent</b>	<b>(2,615,196)</b>	<b>(22,117)</b>
<b>Non-Controlling interest</b>	<b>(461,505)</b>	<b>(3,903)</b>
Loss for the financial year / period attributable to owners of the Parent	<b>(632,318)</b>	<b>(22,117)</b>
Loss for the financial year / period attributable to NCI	<b>(111,585)</b>	<b>(3,903)</b>
<b>Loss for the financial year / period</b>	<b>(743,903)</b>	<b>(26,020)</b>

During the prior year, the Group acquired 85% of the shares in Angolan entity Minbos Recursos-Exploração Mineira, Lda (Minbos Lda).

(ii) The summary of financial information for Soul Rock Lda is set out below:

	31-Dec-23	31-Dec-22
	\$	\$
Current assets	<b>514,943</b>	-
Non-current assets	<b>9,918,266</b>	-
<b>Total assets</b>	<b>10,433,209</b>	-
Current liabilities	<b>55,903</b>	-
Non-Current liabilities	<b>7,669,702</b>	-
<b>Total liabilities</b>	<b>7,725,605</b>	-
<b>Net assets</b>	<b>2,707,604</b>	-
<b>Equity attributable to owners of the Parent</b>	<b>2,301,463</b>	-
<b>Non-Controlling interest</b>	<b>406,141</b>	-
Loss for the financial year / period attributable to owners of the Parent	<b>(1,875,084)</b>	-
Loss for the financial year / period attributable to NCI	<b>(330,897)</b>	-
<b>Loss for the financial year / period</b>	<b>(2,205,981)</b>	-

During the financial year, the Group acquired 85% of the shares in Angolan entity Soul Rock-Prospecção, Exploração De Fosfato, Produção e Comercialização de Fertilizantes, Lda (Soul Rock Lda).

## 22. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future cash flow forecasts.

Risk management is carried out by Management and overseen by the Board of Directors with assistance from suitably qualified external advisors.

The main risks arising for the Group are foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.



## Notes to the Consolidated Financial Statements

The carrying values of the Group's financial instruments are as follows:

	31-Dec-23	31-Dec-22
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	4,604,979	17,465,686
Financial assets	-	946,902
	<b>4,604,979</b>	<b>18,412,588</b>
<b>Financial liabilities</b>		
Trade and other payables	1,597,554	910,323
Lease liabilities	57,902	125,226
	<b>1,655,456</b>	<b>1,035,549</b>
<b>Net exposure</b>	<b>2,949,523</b>	<b>17,377,039</b>

### (a) Market Risk

#### (i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, the Euro and Angolan Kwanza.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	\$	\$	\$	\$
US dollars	3,695,102	1,901,424	1,014,485	5,904
EURO	124,875	35,585	-	-
Angolan Kwanza	119,337	11,572	131,488	423,193
	<b>3,939,314</b>	<b>1,948,581</b>	<b>1,145,973</b>	<b>429,097</b>

The consolidated entity had net assets denominated in foreign currencies of \$2,793,341 (assets of \$3,939,314 less liabilities of \$1,145,973 as at 31 December 2023 (2022: \$1,519,484 (assets of \$1,948,581 less liabilities of \$429,097)). Based on this exposure, had the Australian dollar weakened by 10% / strengthened by 5% (2022: weakened by 10% / strengthened by 5%) against these foreign currencies with all other variables held constant, the consolidated entity's profit before tax for the year would have been \$279,334 lower / \$139,667 higher (2022: \$151,948 lower / \$75,974 higher). The expected change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rate at each reporting date.

## Notes to the Consolidated Financial Statements

### (ii) Interest rate risk

The Group is exposed to interest rate risk due to variable interest being earned on its interest-bearing bank accounts. At the end of the reporting period, the Group had the following interest-bearing financial instruments:

	31-Dec-23		31-Dec-22	
	Weighted average interest rate	Balance \$	Weighted average interest rate	Balance \$
Cash and cash equivalents	0.29%	4,604,979	0.82%	17,465,686

#### Sensitivity

Within this analysis, consideration is given to potential renewals of existing positions and the mix of fixed and variable interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The 1% increase and 1% decrease in rates is based on reasonably expected possible changes over a financial year, using the observed range of historical rates for the preceding five-year period.

At 31 December 2023, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax losses and equity would have been affected as follows:

	Pre-tax profit/(loss) higher/(lower)	
	12 months ended	6 months ended
	31-Dec-23	31-Dec-22
	\$	\$
Judgements of reasonably possible movements:		
+ 1.0% (100 basis points)	32,235	122,260
- 1.0% (100 basis points)	(32,235)	(122,260)

The other financial instruments of the Group that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

### (b) Credit risk

Credit risk is the risk of financial loss to the Group if a counter party to a financial instrument fails to meet its contractual obligations. During the financial year credit risk has principally arisen from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments.

The carrying amount of financial assets included in the Consolidated Statement of Financial Position represents the Group's maximum exposure to credit risk in relation to those assets. The Group does not hold any credit derivatives to offset its credit exposure. The Group trades only with recognised, credit worthy third parties and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. Receivable balances are monitored on an ongoing basis with the result that the Group does not have a significant exposure to bad debts.

The Group has no significant concentrations of credit risk within the Group except for the following:

- Note 10: Cash and cash equivalents: Cash is held with the following banks at 31 December 2023:
  - National Australia Bank: \$3,256,424,
  - MauBank Ltd: \$1,154,421, and
  - Banco de Fomento Angola: \$194,134.

## Notes to the Consolidated Financial Statements

### (i) Cash

The Group's primary bankers are National Australia Bank and MauBank Ltd. The Board considers the use of these financial institutions to be sufficient in the management of credit risk with regards to these funds.

	31-Dec-23	31-Dec-22
	\$	\$
<b>Cash at bank and short-term bank deposits:</b>		
Financial institutions – Standard & Poor's rating of AA-	3,256,424	15,517,105
Financial institutions – Other	1,348,555	1,948,581
	<b>4,604,979</b>	<b>17,465,686</b>

### (ii) Trade Debtors

While the Group has policies in place to ensure that transactions with third parties have an appropriate credit history, the management of current and potential credit risk exposures is limited as far as is considered commercially appropriate. Up to the date of this report, the Board has placed no requirement for collateral on existing debtors.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

### (c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

The Directors and Management monitor the cash outflow of the Group on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

The financial liabilities the Group had at reporting date were trade payables and employee provisions incurred in the normal course of the business. Trade payables were non-interest bearing and were paid within the normal 30-60 day terms of creditor payments.

The table below reflects the respective undiscounted cash flows for financial liabilities existing at 31 December 2023.

Contractual maturities of financial liabilities	<6	>6-12	>12	Total	Carrying amount
	months	months	months	contractual cash flows	
	\$	\$	\$	\$	\$
<b>31-Dec-23</b>					
Trade and other payables	1,597,554	-	-	1,597,554	1,597,554
Lease liabilities	34,541	23,361	-	57,902	57,902
	<b>1,632,095</b>	<b>23,361</b>	-	<b>1,655,456</b>	<b>1,655,456</b>
<b>31-Dec-22</b>					
Trade and other payables	910,323	-	-	910,323	910,323
Lease liabilities	33,371	33,951	57,904	125,226	125,226
	<b>943,694</b>	<b>33,951</b>	<b>57,904</b>	<b>1,035,549</b>	<b>1,035,549</b>

## Notes to the Consolidated Financial Statements

### RECOGNITION AND MEASUREMENT

#### ***Non-derivative financial instruments***

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Consolidated Statement of Cash Flows.

#### ***Subsequent measurement***

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

#### ***Impairment***

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

#### ***Assets carried at amortised cost***

For loans and receivables, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. If a loan or held-to maturity investment has a variable interest rate, the discount rate or measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

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## Notes to the Consolidated Financial Statements

### 23. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Board of Directors, the Managing Director and the Chief Financial Officer.

The Board considers its business operations in phosphate to be its primary reporting function. Results are analysed as a whole by the chief operating decision maker, this being the Managing Director, the Chief Financial Officer and the Board of Directors. Consequently revenue, profit, net assets and total assets for the operating segment are reflected in this financial report.

### 24. PARENT ENTITY

	31-Dec-23	31-Dec-22
	\$	\$
Current Assets	3,995,681	15,738,025
Non-Current Assets	21,132,928	20,617,589
<b>Total Assets</b>	<b>25,128,609</b>	<b>36,355,614</b>
Current Liabilities	762,248	669,637
Non-Current Liabilities	-	57,902
<b>Total Liabilities</b>	<b>762,248</b>	<b>727,539</b>
<b>Net Assets</b>	<b>24,366,361</b>	<b>35,628,075</b>
Contributed equity	82,260,551	79,103,818
Reserves	3,381,746	8,627,264
Accumulated losses	(61,275,936)	(52,103,007)
<b>Total Equity</b>	<b>24,366,361</b>	<b>35,628,075</b>
	<b>12 months ended</b>	<b>6 months ended</b>
	<b>31-Dec-23</b>	<b>31-Dec-22</b>
	\$	\$
Loss for the year / period	(14,558,312)	(2,538,918)
Other comprehensive loss for the year / period	-	-
<b>Total comprehensive loss for the year / period</b>	<b>(14,558,312)</b>	<b>(2,538,918)</b>

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## Notes to the Consolidated Financial Statements

### 25. RELATED PARTIES

#### (a) Ultimate parent

The ultimate Australian parent entity within the Group is Minbos Resources Limited. It is a company limited by shares and is incorporated and domiciled in Australia. The Company owns 100% of Tunan Mining Limited and its subsidiaries. The Company also owns three private companies in Mauritius, limited by shares, as wholly owned subsidiaries, Phobos Ltd, Lobos Ltd and Verdebos Ltd.

Phobos Ltd holds 85% of the shares of Angolan entities, Soul Rock-Prospecção, Exploração De Fosfato, Produção e Comercialização de Fertilizantes, Lda (Soul Rock Lda) and Minbos Resources Exploração Mineira, Lda (Minbos Lda).

During the financial year, the Group satisfied conditions under the accounting standard AASB 10, for deemed control of the Angolan entity Green Ammonia – Pesquisa, Produção e Exploração, Lda, despite no entity of the Group having direct ownership in the company. Accordingly, the entity is consolidated in the consolidated financial statements for the period ending 31 December 2023.

#### (b) Subsidiary companies

Interests in subsidiaries are set out in Note 29: Subsidiaries and Transactions with Non-Controlling Interests.

#### (c) KMP compensation

	12 months ended 31-Dec-23	6 months ended 31-Dec-22
	\$	\$
Short-term employee benefits	1,288,050	357,582
Post-employment benefits	79,847	29,374
Equity compensation benefits	(275,949)	203,238
	<b>1,091,948</b>	<b>590,194</b>

Information regarding individual Directors and Executive compensation and some equity instruments disclosures as required by Corporations Regulation 2M.3.03 are provided in the remuneration report section of the Directors' report.

#### (d) Issue of shares in lieu of services of related parties

There were no shares issued in lieu of services of related parties during the financial year (2022: Nil).

#### (e) Transactions with other related parties

	12 months ended 31-Dec-23	6 months ended 31-Dec-22
	\$	\$
<b>Legal services - Steinepreis Paganin Lawyers &amp; Consultants</b>		
(A firm in which Peter Wall (former Non-Executive Chairman) is a partner)	<b>24,988</b>	39,156
<b>Company Management services in Mauritius - Intrasia Management (Mauritius) Limited</b>		
(A Company in which Graeme Robertson is a Director. He is also Chairman and CEO at Intrasia Capital Pte Ltd, which owns 50% of Intrasia Management (Mauritius) Ltd.)	<b>62,500</b>	25,373

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## Notes to the Consolidated Financial Statements

### 26. COMMITMENTS

#### Mining Investment Contract

In 2021, the Company executed the Mining Investment Contract (MIC) for the exploration, feasibility studies and exploitation of phosphate rock at the Cácata deposit in Cabinda. In the MIC the Company has made a commitment to the Angolan Ministry of Mineral Resources, Petroleum and Gas (MIREMPET) to spend approximately US\$3,953,000 (AUD\$5.8 million) over the term of the contract. As at the reporting date the Company has met this investment obligation. The duration of the contract is established under the Mining Code as being 35 years.

#### Private Investment Contract

On 22 December 2022, the Company's wholly owned subsidiary, Phobos Ltd, executed its Private Investment Contract with Angola's Agency for Private Investment and Promotion of Angolan Exports (Agencia de Investimento Privado e Promoção das Exportações de Angola or AIPEX), for the investment in the Angolan company, Soul Rock-Prospecção, Exploração De Fosfato, Produção e Comercialização de Fertilizantes, Lda (Soul Rock Lda), which is established for the purpose of the manufacture and distribution of phosphate fertilizer in Angola. The investment was formalised with the transfer of shares on 23 February 2023. The Private investment Contract defines the level of minimum investment required and confirms certain tax incentives and local employment requirements. Some key points of the contract as follows:

- Phobos Ltd must make a minimum investment, in the form of loans and capital, that total US\$21.36 million. As at reporting date the remaining investment required is approximately US\$13 million (AUD\$19 million).
- The Angolan entity will receive a 90% reduction in Corporation Tax for the first 12 years of operations and, for the same period, have a 90% reduction in withholding tax on disbursement of dividends abroad.
- Other tax incentives include a Tax Credit for six years, equivalent to 30% of the investment, and a deferral period on the payment of taxes.

#### Capanda Green Ammonia Studies

During the financial period Minbos entered into a Memorandum of Understanding with Rede Nacional de Transporte de Electricidade EP (RNT-EP), wherein Minbos has commitments to perform various studies for the Capanda Green Ammonia Project. These studies include a technical and financial feasibility, environmental, social and network impact studies.

#### Construction of the Cabinda Fertilizer Plant

At reporting date, the Company also has approximately \$690,000 of commitments pertaining to contracts for the construction of its Cabinda Fertilizer Plant.

There are no other material commitments as at 31 December 2023.

### 27. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Under the Mining Code of Angola, a company that mines phosphate rock has an obligation to pay a 2% royalty based on its sale value.

There are no other contingent liabilities or contingent assets as at 31 December 2023.

### 28. DIVIDENDS

No dividend has been paid during the financial year and no dividend is recommended for the financial year.

## Notes to the Consolidated Financial Statements

### 29. SUBSIDIARIES AND TRANSACTIONS WITH NON-CONTROLLING INTERESTS

As at 31 December 2023, the subsidiaries owned by Minbos Resources Limited are presented in the table below:

Name of entity	Country of incorporation	Class of shares	Ownership interest	
			31-Dec-23	31-Dec-22
<b>Parent entity</b>				
Minbos Resources Ltd	Australia	Ordinary & Preference		
<b>Subsidiaries (direct)</b>				
Tunan Mining Limited	British Virgin Isles	Ordinary	100%	100%
Phobos Limited	Mauritius	Ordinary	100%	100%
Lobos Limited	Mauritius	Ordinary	100%	100%
Verdebos Limited	Mauritius	Ordinary	100%	100%
<b>Subsidiaries (indirect)</b>				
Mongo Tando Limited	British Virgin Isles	Ordinary	50%	50%
Agrim SPRL DRC	Democratic Republic of Congo	Ordinary	100%	100%
Minbos Resources-Exploração Mineira, Lda	Republic of Angola	Ordinary	85%	85%
Soul Rock-Prospecção, Exploração De Fosfato, Produção e Comercialização de Fertilizantes, Lda	Republic of Angola	Ordinary	85%	-
Green Ammonia-Pesquisa, Produção e Exploração, Lda	Republic of Angola	Ordinary	100%	-

### 30. AUDITOR'S REMUNERATION

	12 months ended 31-Dec-23	6 months ended 31-Dec-22
	\$	\$
<b>Amounts received or due &amp; receivable by BDO Audit (WA) Pty Ltd for:</b>		
An audit or review of the financial report of the entity	53,161	36,165
<b>Total auditor remuneration</b>	<b>53,161</b>	<b>36,165</b>

### 31. EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 30 January 2024, the Company announced that recent field trials with industry partners in Huambo (Angola) by Minbos Agronomist Dr Luis Prochnow and Chief Strategy and Marketing Officer Mr Rob Newbold, confirmed outstanding plant growth responses from the Company's Phosphate Fertilizer, Prosper Primeiro.

On 13 February 2024, the Company completed environmental baseline survey's (wet and dry season) and tender review for the engineering for the Capanda Green Ammonia Project (CGAP) was now underway. The CGAP aims to capitalise on surplus renewable energy from the Capanda Hydroelectric Dam, delivering a combination of continuous power supply and a low tariff which potential partners believe is unmatched globally.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.



## Directors' Declaration

The Directors of the company declare that:

- 1 The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes, are in accordance with the Corporations Act 2001; and
  - (a) comply with Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (b) give a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its performance for the period ended on that date.
- 2 In the Directors opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- 3 The Consolidated Entity has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
- 4 The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:



Mr Paul McKenzie  
Non-Executive Chairman  
28 March 2024

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## INDEPENDENT AUDITOR'S REPORT

To the members of Minbos Resources Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Minbos Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to Note 2(c) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

### Carrying value of mine properties under development

Key audit matter	How the matter was addressed in our audit
<p>During the year, the company transitioned its Cabinda Project from the exploration state to the development phase.</p> <p>As outlined in Note 5, 14 and 15, following the decision to enter development, the company transferred exploration and evaluation assets to mine properties under development. Under AASB 6, the company was required to test the carrying value of the asset transferred for impairment.</p> <p>Further to this, the company is required to assess for impairment of indicators of mine properties under development as at 31 December 2023.</p> <p>The carrying value of the mine properties under development was determined to be a key audit matter due to the carrying value representing a significant asset for the company, the key judgments involved in undertaking the impairment test on transition and the assessment of impairment indicators as at 31 December 2023.</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Reviewing management’s basis of transfer of exploration and evaluation assets to mine properties under development;</li> <li>• Reviewing Board minutes and ASX announcements to confirm the date of transfer to mine properties under development;</li> <li>• Verifying the rights to tenure on the Cabinda Project are current;</li> <li>• Evaluating management’s impairment assessment of the asset transferred to mine properties under development in accordance with Australian Accounting Standards;</li> <li>• Evaluating management’s assessment of indicators of impairment as at 31 December 2023 under Australian Accounting Standards; and</li> <li>• Assessing the adequacy of related disclosures in Note 5, 14 and 15 of the financial report.</li> </ul>

## Other information

The directors are responsible for the other information. The other information comprises the information contained in the financial report for the year ended 31 December 2023, but does not include the financial report and our auditor’s report thereon, which we obtained prior to the date of this auditor’s report, and the annual report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

#### **Responsibilities of the directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our auditor's report.

## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 22 to 34 of the directors' report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of Minbos Resources Limited, for the year ended 31 December 2023, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd



Neil Smith

Director

Perth, 28 March 2024

## Shareholder Information

The following additional information was applicable as at 28 March 2024.

### 1. Fully paid ordinary shares

- n) There are a total of 791,236,754 ordinary fully paid shares on issue which are listed on the ASX.
- o) The number of holders of fully paid ordinary shares is 4,002.
- p) Holders of fully paid ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company.
- q) There are no preference shares on issue.

### 2. Distribution of fully paid ordinary shareholders is as follows:

Spread of Holdings	Holders	Securities	% of Issued Capital
above 0 up to and including 1,000	184	53,779	0.01%
above 1,000 up to and including 5,000	356	1,351,900	0.17%
above 5,000 up to and including 10,000	683	5,468,339	0.69%
above 10,000 up to and including 100,000	2,009	80,639,295	10.19%
above 100,000	770	703,723,441	88.94%
<b>Total</b>	<b>4,002</b>	<b>791,236,754</b>	<b>100.00%</b>

### 3. Holders of non-marketable parcels

- r) Holders of non-marketable parcels are deemed to be those who shareholding is valued at less than \$500.
- s) There are 562 shareholders who hold less than a marketable parcel of shares (assuming a share price of \$0.092).

### 4. Substantial shareholders of ordinary fully paid shares

The Substantial Shareholders of the Company are:

Rank	Holder Name	Securities	% of Issued
1	CITICORP NOMINEES PTY LIMITED	137,197,387	17.34%

### 5. Share buy-backs

There is no current on-market buy-back scheme.

### 6. Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes (at present there are none) at general meetings of shareholders or classes of shareholders:

- (a) each shareholder is entitled to vote and may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he/she has appointed a proxy, attorney or representative, is entitled to one vote per share held.

## Shareholder Information

### 7. Top 20 Shareholders of ordinary fully paid shares

The top 20 largest fully paid ordinary shareholders together held 41.73% of the securities in this class and are listed below:

Rank	Holder Name	Securities	% of Issued
1	CITICORP NOMINEES PTY LIMITED	137,197,387	17.34%
2	HOSTON INVESTMENTS (AUSTRALIA) PTY LTD	27,272,727	3.45%
3	PHEAKES PTY LTD <SENATE A/C>	15,105,486	1.91%
4	THREE BEARS MANAGEMENT PTY LTD <RICHARDSON LOW FAMILY A/C>	14,995,848	1.90%
5	BNP PARIBAS NOMS PTY LTD	14,513,044	1.83%
6	MR SCOTT BRENTON	11,987,354	1.52%
7	WILGUS INVESTMENTS PTY LTD	10,334,821	1.31%
8	YARRAANDOO PTY LTD <YARRAANDOO SUPER FUND A/C>	10,000,000	1.26%
9	MR PETER CHRISTOPHER WALL & MRS TANYA-LEE WALL <WALL FAMILY SUPER FUND A/C>	9,463,721	1.20%
10	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	9,439,235	1.19%
11	HEDGEHOG MANAGEMENT PTY LTD <RICHARDSON LOW SUPER A/C>	9,407,223	1.19%
12	HEDGEHOG MANAGEMENT PTY LTD <RICHARDSON LOW SUPERFUND A/C>	9,280,000	1.17%
13	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	8,338,510	1.05%
14	HEDGEHOG MANAGEMENT PTY LTD <THE RICHARDSON LOW S/F A/C>	7,356,368	0.93%
15	MR LINDSAY GEORGE REED <THE REED FAMILY A/C>	7,000,000	0.88%
16	MR JAMES CHAU	6,212,500	0.79%
17	MR JOHN FRANCIS IVANAC & MRS KAY IVANAC <COPPABELLA SUPER FUND A/C>	5,957,381	0.75%
18	MRS MARIA KYPRIANOU & MR CHARLIE KYPRIANOU <CHARLIE KYPRIANOU FAM A/C>	5,883,893	0.74%
19	MR JASON VAN THAO CHAU	5,216,948	0.66%
20	DVDEE PTY LTD	5,186,874	0.66%
	<b>Total</b>	<b>330,149,320</b>	<b>41.73%</b>
	<b>Total issued capital - selected security class(es)</b>	<b>791,236,754</b>	<b>100.00%</b>

### 8. Interest in Mining Licence

The Company is an exploration entity, below is a list of its interest in licences, where the licences are situated and the percentage of interest held.

Licence Number	Type	Interest	Location
314/03/03/T.E/ANG - MIREMPET/2021	Mining License	100%	Angola

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