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# Interim Financial Report

For the half-year ended 30 June 2024



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 - Joint Company Secretary  
Mrs Iveta Sceales - Joint 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**

Unit 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 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 14, QV1 Building  
250 St Georges Terrace  
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)

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## Director's Report

The Directors submit their half-year report of the 'Consolidated Entity' or 'Group', being Minbos Resources Limited ('Minbos' or the 'Company') and its Controlled entities, for the half-year ended 30 June 2024 ('Period').

### BOARD OF DIRECTORS

The following persons were directors of Minbos Resources Limited during the whole of the half year and up to the date of this report unless otherwise stated.

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

### REVIEW OF OPERATIONS

#### (a) GROUP OVERVIEW

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 Company's focus during the period continued to be on developing a nutrient supply and distribution business that stimulates agricultural production and promotes food security in Angola and the broader Congo Basin. In addition, the Company has been exploring sales to a broader export market.

#### (b) HIGHLIGHTS & SIGNIFICANT CHANGES IN STATE OF AFFAIRS

##### Key Appointments

During the period, the Company announced the appointment of its Joint Company Secretary and General Counsel:

- **Iveta Scales:** is a corporate lawyer with 18 years' legal experience. She began her career at an international law firm in London and Hong Kong, followed by several years with leading Australian law firms and advisory firms in Perth. She has been admitted to practice in Western Australia and in England. She was appointed as General Counsel of Minbos in February 2024.

##### Capital Structure

During the period, the Company completed a \$6.1 million (before costs) placement of 87,385,715 shares at an issue price of \$0.07 per share. Participants received one option to acquire a share for every placement share subscribed for and issued. Although the correct number of options was only 87,211,430, which accounted for a broker error in the placement. Each new option issued has an exercise price of \$0.07 and an expiry date that is two years from its issue date.

The placement was issued in two tranches:

- On 18 April 2024, the Company issued 73,885,715 fully paid ordinary shares at \$0.07 per share to existing and new institutional, professional and sophisticated investors, raising \$5,172,000 (before costs).
- On 3 July 2024, the Company issued 13,500,000 fully paid ordinary shares at \$0.07 per share to related and unrelated parties as approved by shareholders at the general meeting held on 18 June 2024.

## Director's Report

- On 3 July 2024, the Company also issued 98,671,430 free attaching listed options, which included options issued to joint lead managers of the placement.

At the date of this report, the Company had 878,622,469 fully paid ordinary shares on issue, 98,671,430 listed options and 70,250,000 unlisted options on issue at various exercise prices and expiry dates.

### (c) PROJECTS

#### Cabinda Phosphate Project

##### **Debt Funding and Capital Raise**

On 15 April 2024, the Company announced it had received credit committee approval from the IDC for a US\$14million (~AU\$21.5 million) debt facility.<sup>1</sup>

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

The debt term sheet included several important conditions precedent which, upon being satisfied, will put Minbos in the position of being fully funded. In early July (post reporting period), the Company provided an update on its progress with the most important conditions precedent<sup>2</sup>, which included the following:

- US\$11 million of funding: The Company has engaged with the Angolan Sovereign Fund ("FSDEA") on an equity injection for US\$10-15 million, with a view to taking a strategic stake in Minbos and demonstrating the support the Project has within Angola. On 12 August 2024 the Company announced the FSDEA had confirmed an investment of US\$10M.

In parallel, the Company is engaging with an emerging market fund as a potential co-investor. This fund has already cleared its first Investment Committee hurdle and is currently completing due diligence on Minbos.

- US\$10 million working capital facility: The IDC adjusted its condition precedent for the Company to obtain a US\$10 million working capital facility and instead requires the Company to obtain a term loan for US\$10 million. The Company is well advanced in a loan application process with Banco BAI that should go to credit committee shortly.
- Grupo Carrinho Offtake Agreement: This entails converting into an agreement the Memorandum of Understanding that was signed between the two parties and announced on 19 July 2023.
- Project Security: The project security is agreed and only finalising of legal documents and various security registrations remains for completion.

<sup>1</sup>ASX Announcement: US\$14m Loan Facility Approved & Firm Bids for Placement (15th April 2024)

<sup>2</sup>ASX Announcement: Cabinda Phosphate Fertilizer Project funding update (10th July 2024)

## Director's Report

### Construction Update

The Company resumed management control of the construction project from the EPCM contractor, EPC Engenharia e Projetos de Infraestrutura Lda. New engineering designs were completed that resulted in a reduction in capital cost and improved functionality and brought forward the expansion phase into the phase 1 build and more than double production capacity. Additionally, the new owner's team has improved engagement with local suppliers and developed supply packages, including contract negotiations for the civils works (earthworks, concrete and drainage) that is ready to sign.

### Bulk Sample and Site Establishment

In early June, the Company undertook a 250-tonne bulk sample operation, which saw significant progress and activities across various operational areas of the mining site. The focus remained on optimizing extraction processes, ensuring safety protocols, and advancing sustainability initiatives.

Site establishment started from the mobilization of the Mining Fleet composed by one excavator and one Front End Loader (Figure 1).



Figure 1 - Heavy earthmoving machinery being dropped off to the Cácata mine site, to commence work on the bulk sample.

This was initiated from the clearing of the designated excavation area, with careful consideration of waste management practices. The pit design for the bulk sample was previously made with a clear indication of the depth to be excavated for each material to be moved and allocated accordingly.

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Director's Report



Figure 2 – Cácata mine site and pit design with works being undertaken for the 250-tonne bulk sample.

**Haul Road Rehabilitation**

During the reporting period, the Company also carried out extensive haul road rehabilitation activities to ensure access and transportation safety (taking into consideration the initial status of the haul road). The existing roads were repaired and upgraded to withstand the increased traffic and heavy machinery used in mining operations.



Figure 3 – Site access roads to the Cácata mine site being re-grated and upgraded.

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## Director's Report

### Capanda Green Ammonia Project

#### Agreement with Talus Renewables Inc. for Modular Green Ammonia

During the reporting period, the Company signed a non-binding collaboration agreement with Talus Renewables Inc. ("Talus") to develop the Capanda Green Ammonia Project.

Talus offers new pathways to chemicals, fertilizers, and fuels with its green ammonia production technology. The core team at Talus possesses more than a decade of expertise in green ammonia, manufacturing, and project development having operated a prototype small-scale ammonia system since 2012. Backed by a diverse and experienced group of key advisors, Talus maintains an edge in green ammonia production technology development now and in the future.

Talus can supply modular and scalable ammonia production facilities on a Build Own Operate ("BOO") basis, with Minbos investigating the aqueous ammonia produced from zero-carbon hydropower as a standalone product and the addition of downstream processing to produce a range of nitrogen fertilizers and blasting materials for the local and regional agriculture and mining markets.

The modular approach significantly reduces capital costs for engineering design, EPCM and civil foundations enabling Talus to deliver ammonia competitively while ensuring a return on capital. Under the BOO model, Talus funds the capital costs of ammonia production in return for a long-term offtake agreement.

### FINANCIAL PERFORMANCE & FINANCIAL POSITION

The financial results of the Group for the half-year ended 30 June 2024 are:

	30-Jun-24 \$	31-Dec-23 \$	Change %
Cash and cash equivalents	3,492,790	4,604,979	(24%)
Net assets	26,982,624	24,366,361	11%

	30-Jun-24 \$	30-Jun-23 \$	Change %
Other income from continuing operations	6,284	47,079	(87%)
Net loss after tax	(5,109,196)	(2,329,413)	(119%)
Loss per share	(0.006)	(0.003)	(115%)

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## Director's Report

### SUBSEQUENT EVENTS

On 3 July 2024, the Company issued 13,500,000 fully paid ordinary shares at \$0.07 per share, being Tranche 2 placement shares to related and unrelated parties as approved by shareholders at the general meeting held on 18 June 2024.

On 3 July 2024, the Company also issued 98,671,430 free attaching listed options to each participant in the placement. Each new option has an exercise price of \$0.07 and an expiry date that is two years from its issued date.

On 12 August 2024, Fundo Soberano de Angola, the Angolan Sovereign Wealth Fund ("FSDEA") confirmed its Board's approval for a US\$10 million strategic investment in Minbos, to support the construction of the Cabinda Phosphate Fertilizer Project. FSDEA has provided Minbos with written approval of the Company's proposal, which contemplated a US\$10m investment at the greater of \$0.08 per Minbos share or the volume-weighted average price for Minbos shares for the 10 days immediately prior to execution of definitive transaction documents.

There have not been any other significant events that have arisen since 30 June 2024 and up to the date of this report that have significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Independence Declaration by the lead auditor under Section 307C is included on page 10 to these half-year financial statements.

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



Mr Paul McKenzie  
Non-Executive Chairman  
Perth, 13 September 2024

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PO Box 700 West Perth WA 6872  
Australia

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

As lead auditor for the review of Minbos Resources Limited for the half-year ended 30 June 2024, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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

**Neil Smith**  
**Director**

**BDO Audit Pty Ltd**  
Perth  
13 September 2024

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

	Notes	30-Jun-24 \$	30-Jun-23 \$
Other income		6,284	47,079
Administration expenses		(2,362,392)	(1,645,302)
Personnel expenses and director fees		(2,456,273)	(1,107,823)
Depreciation and amortisation expense		(137,240)	(82,687)
Exploration expenditure		(5,000)	(4,125)
Research and study costs		(250,709)	(54,526)
Foreign exchange gain		96,134	301,651
Share based payment reversal		-	216,320
<b>Loss from continuing operations before income tax</b>		<b>(5,109,196)</b>	<b>(2,329,413)</b>
Income tax expense		-	-
<b>Loss from continuing operations after income tax</b>		<b>(5,109,196)</b>	<b>(2,329,413)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		1,972,618	(6,486,342)
<b>Other comprehensive income for the period, net of tax</b>		<b>(3,136,578)</b>	<b>(8,815,755)</b>
<b>Loss for the period attributable to:</b>			
Minbos Resources Limited		(4,939,034)	(2,180,643)
Non-controlling interest	14	(170,162)	(148,770)
		<b>(5,109,196)</b>	<b>(2,329,413)</b>
<b>Total comprehensive loss for the period attributable to:</b>			
Minbos Resources Limited		(3,045,808)	(7,634,466)
Non-controlling interest	14	(90,770)	(1,181,289)
		<b>(3,136,578)</b>	<b>(8,815,755)</b>
<b>Loss per share attributable to ordinary equity holders</b>			
- Basic loss per share	5	(0.006)	(0.003)
- Diluted loss per share	5	(0.006)	(0.003)

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

## Consolidated Statement of Financial Position

	Notes	30-Jun-24	31-Dec-23
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		3,492,790	4,604,979
Trade and other receivables		1,057,663	1,756,515
<b>Total current assets</b>		<b>4,550,453</b>	<b>6,361,494</b>
<b>Non-current assets</b>			
Plant and equipment	6	14,247,878	12,532,019
Mine properties under development	7	7,804,947	7,332,396
Right-of-use assets		21,053	52,619
Intangible assets		22,919	-
Loans to related parties	8	2,581,656	-
<b>Total non-current assets</b>		<b>24,678,453</b>	<b>19,917,034</b>
<b>Total assets</b>		<b>29,228,906</b>	<b>26,278,528</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		1,172,248	1,597,554
Provisions		353,094	256,711
Lease liabilities		23,361	57,902
<b>Total current liabilities</b>		<b>1,548,703</b>	<b>1,912,167</b>
<b>Non-Current liabilities</b>			
Loans from related parties	8	697,579	-
<b>Total non-current liabilities</b>		<b>697,579</b>	<b>-</b>
<b>Total liabilities</b>		<b>2,246,282</b>	<b>1,912,167</b>
<b>Net assets</b>		<b>26,982,624</b>	<b>24,366,361</b>
<b>EQUITY</b>			
Issued capital	9	88,013,392	82,260,551
Reserves	10	4,081,529	2,227,627
Accumulated losses	11	(63,482,881)	(58,543,847)
Equity attributable to the owners of Minbos Resources Ltd		28,821,526	25,944,331
Non-Controlling interest	12	(1,838,902)	(1,577,970)
<b>Total equity</b>		<b>26,982,624</b>	<b>24,366,361</b>

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





## Consolidated Statement of Cash Flows

	Notes	30-Jun-24	30-Jun-23
		\$	\$
<b>Cash flows from operating activities</b>			
Payment to suppliers and employees		(4,520,725)	(2,813,608)
Payment for exploration and evaluation expenditure		(19,625)	(4,125)
Payment for research and feasibility study costs		(268,657)	(69,526)
Interest received		6,208	47,079
<b>Net cash outflow from operating activities</b>		<b>(4,802,799)</b>	<b>(2,840,180)</b>
<b>Cash flows from investing activities</b>			
Payment for plant and equipment		(1,865,450)	(4,409,190)
Payment for exploration and evaluation assets		-	(1,465,274)
Payment for mineral properties under development		(228,919)	-
Loan to related parties	8	(2,581,656)	-
<b>Net cash outflow from investing activities</b>		<b>(4,676,025)</b>	<b>(5,874,464)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of shares, net of costs		7,608,114	3,156,733
Payment for lease liability		(35,192)	(35,192)
Loans from related parties	8	697,579	-
<b>Net cash inflow from financing activities</b>		<b>8,270,501</b>	<b>3,121,541</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,208,323)</b>	<b>(5,593,103)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>4,604,979</b>	<b>17,465,686</b>
Effect of exchange rate fluctuations on cash held		96,134	266,797
<b>Cash and cash equivalents at the end of the period</b>		<b>3,492,790</b>	<b>12,139,380</b>

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

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## 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 as at and for the half-year ended 30 June 2024 (the '**Period**') 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 world-class phosphate ore project within the Cabinda Province, Angola and its Capanda Green Ammonia Project.

### 2. BASIS OF PREPARATION

This interim general-purpose financial report for the half-year reporting Period ended 30 June 2024 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The current period figures relate to the six months from 1 Jan 2024 to 30 June 2024. The comparative period figures relate to the six months from 1 July 2023 to 31 December 2023. Compliance with AASB 134 ensures compliance with International Financial Standard IAS 34 *Interim Financial Reporting*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position, financing and investing activities of the Company as the full financial report. Accordingly, this half-year financial report is to be read in conjunction with the annual financial statements for the year ended 31 December 2023 and considered together with any public announcements made by the Company during the Period and up to the date of this report in accordance with the continuous disclosure obligations of the ASX Listing Rules.

The half-year interim financial report of Minbos Resources Limited was authorised for issue in accordance with a resolution of the directors on 13 September 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 of its phosphate fertilizer plant has completed. As at 30 June 2024, the Group has cash and cash equivalents of \$3,492,790 and is approximately half that sum at the date this report is signed. This sum is materially less than the estimated capital expenditure required for completion of construction (being USD 24M for phase 1 and USD 4M for expansion phase) 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:

## Notes to the Consolidated Financial Statements

- On 12 August 2024, the Company announced the Sovereign Fund of Angolan will invest USD 10M into the Group, for which an investment agreement is near completion.
- The Group is finalising a USD 14M loan with the Industrial Development Corporation of South Africa, for which the loan approval was announced by the Company on 15 April 2024 and is subject to satisfying conditions precedent.
- The Group is seeking approval of a USD 15M loan with the Angolan bank, Banco BAI, which the Company announced on 10 July 2024.
- 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.

### 3. 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.

### 4. NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The Consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australia Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

## Notes to the Consolidated Financial Statements

### 5. EARNINGS PER SHARE

#### (a) Basic loss per share

The calculation of basic loss per share at 30 June 2024 was based on the loss attributable to ordinary shareholders of \$4,939,034 (2023: \$2,180,643) and a weighted average number of ordinary shares outstanding during the period ended 30 June 2024 of 820,872,233 (2023: 777,792,072) calculated as follows:

	<u>30-Jun-24</u>	<u>30-Jun-23</u>
Net loss attributable to the ordinary equity holders of the Group (\$)	<b>(4,939,034)</b>	(2,180,643)
Weighted average number of ordinary shares for basis per share (No)	<b>820,872,233</b>	777,792,072
<b>Continuing operations</b>		
- Basic and diluted loss per share (\$)	<b>(0.006)</b>	(0.003)

#### (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.

### 6. PLANT AND EQUIPMENT

	<u>30-Jun-24</u>	<u>31-Dec-23</u>
	\$	\$
Capital works in progress	<b>13,533,318</b>	11,927,719
Building and infrastructure	<b>116,573</b>	86,280
Furniture and fittings	<b>43,992</b>	58,937
IT hardware and software	<b>156,049</b>	133,277
Machinery and equipment	<b>397,946</b>	325,806
<b>Balance at the end of the period</b>	<b>14,247,878</b>	12,532,019

### 7. MINE PROPERTIES UNDER DEVELOPMENT

	<u>30-Jun-24</u>	<u>31-Dec-23</u>
	\$	\$
Carrying amount of mine properties under development	<b>7,804,947</b>	7,332,396
<b>Movement reconciliation</b>		
Balance at the beginning of the period	<b>7,332,396</b>	-
Reclassified from exploration & evaluation expenditure	-	8,028,467
Mineral properties under development during the period	<b>326,475</b>	382,873
Foreign exchange translation	<b>146,076</b>	(1,078,944)
<b>Balance at the end of the period</b>	<b>7,804,947</b>	7,332,396

## Notes to the Consolidated Financial Statements

### 8. LOANS TO AND FROM RELATED PARTIES

During the reporting period, Phobos Ltd (Phobos), the wholly owned subsidiary of Minbos and the parent (with a holding of 85%) of Angolan subsidiary Soul Rock Lda (Soul Rock), provided three loans each of USD 580,000 to the three minority shareholders (each holding 5%) of Soul Rock. This was to fulfil an agreement to provide financial assistance to the minority shareholders so they would not be diluted during the construction phase. During 2023 Phobos made an investment of approximately USD 7M in Soul Rock to meet its own contractual commitment for foreign investment under the Private Investment Contract, and this meant the three minority shareholders also required a contribution of USD 412,244 to the company's share capital to avoid dilution. The additional USD 167,656 that each minority shareholder borrowed from Phobos (making the sum of USD 580,000) was lent by them to Soul Rock as a shareholder loan, The terms of the shareholder loan stipulated that Soul Rock made principal repayments that matched the amount of interest (and taxes) each minority shareholder owed on its loan with Phobos.

The interest on the Phobos loan to minority shareholders is 5%p.a. All loans were provided in June 2024 and no interest was accrued as at 30 June 2024. There is no interest on the shareholder loans to Soul Rock. The minority shareholders are only required to repay principal on the Phobos Loan when they receive dividends from Soul Rock, that is, 80% of each dividend they receive from Soul Rock is paid to Phobos until the loan is fully repaid. Consequently, the loans do not have a fixed term.

#### Loans to Related Parties

	<u>30-Jun-24</u>	<u>31-Dec-23</u>
	\$	\$
Beginning of the reporting period	-	-
Loans advanced	<b>2,581,656</b>	-
Loan repayments received	-	-
Interest charged	-	-
Interest received	-	-
<b>Balance at the end of the period</b>	<b><u>2,581,656</u></b>	<u>-</u>

As at 30 June 2024 some of the funds for the shareholder loans had not completed bank transfer, so the total below in reporting currency of Australian dollars is less than the sum of three loans of USD 167,656.

#### Loans from Related Parties

	<u>30-Jun-24</u>	<u>31-Dec-23</u>
	\$	\$
Beginning of the reporting period	-	-
Loans advanced	<b>697,579</b>	-
Loan repayments received	-	-
Interest charged	-	-
Interest received	-	-
<b>Balance at the end of the period</b>	<b><u>697,579</u></b>	<u>-</u>



## Notes to the Consolidated Financial Statements

### 9. CONTRIBUTED EQUITY

	30-Jun-24		31-Dec-23	
	\$	No.	\$	No.
Ordinary shares	<b>88,013,392</b>	<b>878,622,469</b>	82,260,551	791,236,754
	<b>88,013,392</b>	<b>878,622,469</b>	82,260,551	791,236,754

#### ORDINARY SHARES

	Date	Quantity	Issue price	\$
<b>Balance 31 December 2023</b>		<b>791,236,754</b>		<b>82,260,551</b>
Shares issued (i)	18/04/2024	73,885,715	\$0.07	5,172,000
shares issued (ii)	3/07/2024	13,500,000	\$0.07	945,000
Cost of placements		-	-	(364,159)
<b>Balance 30 June 2024</b>		<b>878,622,469</b>		<b>88,013,392</b>

- (i) On 18 April 2024, the Company issued 73,885,715 fully paid ordinary shares at \$0.07 per share to existing and new institutional, professional and sophisticated investors.
- (ii) During the period, the Company received \$945,000 for 13,500,000 fully paid ordinary shares at \$0.07 per share to related and unrelated parties as approved by shareholders at the general meeting held on 18 June 2024. These shares were issued in full on 3 July 2024.

### 10. RESERVES

	30-Jun-24		31-Dec-23	
	\$	No.	\$	No.
Option reserve	<b>506,920</b>	<b>8,250,000</b>	506,920	8,250,000
Employee share plan reserve	<b>2,874,826</b>	<b>62,000,000</b>	2,874,826	62,000,000
Foreign currency translation reserve	<b>909,269</b>	-	(1,154,119)	-
	<b>4,291,015</b>	<b>70,250,000</b>	2,227,627	70,250,000

	30-Jun-24	31-Dec-23
	\$	\$
<b>Movement reconciliation</b>		
<b>Option reserve</b>		
<b>Balance at the beginning of the period</b>	<b>506,920</b>	1,373,387
Options expired	-	(866,467)
<b>Balance at the end of the period</b>	<b>506,920</b>	506,920
<b>Employee share plan reserve</b>		
<b>Balance at the beginning of the period</b>	<b>2,874,826</b>	3,091,146
Employee & Consultant Options	-	119,258
Performance Rights	-	(335,578)
<b>Balance at the end of the period</b>	<b>2,874,826</b>	2,874,826
<b>Foreign currency translation reserve</b>		
<b>Balance at the beginning of the period</b>	<b>(1,154,119)</b>	3,930,588
Effect of translation of foreign currency operations to Group presentation currency	<b>2,063,388</b>	(5,084,707)
<b>Balance at the end of the period</b>	<b>909,269</b>	(1,154,119)

## Notes to the Consolidated Financial Statements

### 11. ACCUMULATED LOSSES

	30-Jun-24	31-Dec-23
	\$	\$
<b>Balance at the beginning of the period</b>	<b>(58,543,847)</b>	(51,866,961)
Net loss in current period	<b>(4,939,034)</b>	(7,543,353)
Options expired	-	866,467
<b>Balance at the end of the period</b>	<b>(63,482,881)</b>	(58,543,847)

### 12. NON-CONTROLLING INTERESTS

	30-Jun-24	31-Dec-23
	\$	\$
<b>Balance at the beginning of the period</b>	<b>(1,577,970)</b>	(3,903)
Share of loss for the period - Minbos Lda	<b>(21,314)</b>	(111,585)
Share of loss for the period - Soul Rock Lda	<b>(148,849)</b>	(330,897)
Share of other comprehensive income	<b>(90,770)</b>	(1,131,584)
<b>Balance at the end of the period</b>	<b>(1,838,902)</b>	(1,577,970)

The non-controlling interest has a 15% equity holding in Minbos Lda & Soul Rock Lda.

### 13. RELATED PARTIES

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

The following transactions occurred with related parties:

	30-Jun-24	30-Jun-23
	\$	\$
<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>64,643</b>	38,462
<b>Consulting services - OreSAM Pty Ltd</b> (A Company in which Steve Abbott is a director)	-	96,220
<b>Legal services - Steinepreis Paganin Lawyers &amp; Consultants (Up until 14 December 2023)</b> (A firm in which Peter Wall (former Non-Executive Chairman) is a partner)	-	14,755

#### (b) Loans to and from related parties

During the reporting period loans were both given to and received from minority shareholders of the Angolan Group company Soul Rock Lda (Soul Rock). There are three minority shareholders of Soul Rock and they each received a loan of US\$ 580,000 from Soul Rock parent company, Phobos Ltd. In turn they invested US\$412,244 into Soul Rock as an equity contribution and provided Soul Rock a shareholder loan with the remaining money. The US\$ 580,000 loans were lent to the minority shareholders in June and as at 30 June 2024 those parties had made the full equity contribution but due to delays in bank transfers had only so far lent to Soul Rock the respective sums of US\$ 165,756, US\$ 148,829 and US\$149,047. Further details are provided in Note 8.

## Notes to the Consolidated Financial Statements

### 14. 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\$5.9 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\$12.6 million (AUD\$18.9 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.

#### Construction for the Cabinda Phosphate Project

The Group has two contracts with engineering firms that provided designs for the phosphate fertilizer plant and the contracts include services that will only be delivered during the period of construction and represent an approximate commitment of \$430,000. There are no other existing commitments for the construction project.

#### 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.

There are no other material commitments as at 30 June 2024.

### 15. DIVIDENDS

No dividends have been paid or declared since the start of the Period, and none are recommended.

### 16. CONTINGENCIES

The consolidated entity had no contingent liabilities or contingent assets as at 30 June 2024 and 31 December 2023.

## Notes to the Consolidated Financial Statements

### 17. SUBSEQUENT EVENTS

On 3 July 2024, the Company issued 13,500,000 fully paid ordinary shares at \$0.07 per share, being Tranche 2 placement shares to related and unrelated parties as approved by shareholders at the general meeting held on 18 June 2024.

On 3 July 2024, the Company also issued 98,671,430 free attaching listed options to each participant in the placement. Each new option has an exercise price of \$0.07 and an expiry date that is two years from its issued date.

On 12 August 2024, Fundo Soberano de Angola, the Angolan Sovereign Wealth Fund (“FSDEA”) confirmed its Board’s approval for a US\$10 million strategic investment in Minbos, to support the construction of the Cabinda Phosphate Fertilizer Project. FSDEA has provided Minbos with written approval of the Company’s proposal, which contemplated a US\$10m investment at the greater of \$0.08 per Minbos share or the volume-weighted average price for Minbos shares for the 10 days immediately prior to execution of definitive transaction documents. There have not been any other significant events that have arisen since 30 June 2024 and up to the date of this report that have significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

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## Directors' Declaration

The Directors of the Company declare that:

- (a) The financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, and:
- (i) give a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and its performance for the half-year ended on that date.
  - (ii) comply with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.
- (b) In the Director's 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.

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  
Perth, 13 September 2024

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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Minbos Resources Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Minbos Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, 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 half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

#### Material uncertainty relating to going concern

We draw attention to Note 2 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 conclusion is not modified in respect of this matter.

### Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**BDO Audit Pty Ltd**



**Neil Smith**

**Director**

Perth, 13 September 2024