

## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 DECEMBER 2020

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**Minbos Resources Limited** (ASX:MNB) ("Minbos" or "the Company") is pleased to provide an update on its activities for the December 2020 quarter. The Company's focus during the period continued to be the advancement of the Cabinda Phosphate Project, located in Angola.

### HIGHLIGHTS

- Memorandum of Understanding (MOU) executed with the International Fertilizer Development Centre (IFDC) to develop the local fertilizer market in Angola<sup>1</sup>.
- Appointment of three high-calibre Non-Executive Directors to the Board marking an important milestone in the Company's strategy to develop the Cabinda Phosphate Project<sup>2</sup>.
- Implementation of the World Economic Forum framework for Environmental, Social and Governance (ESG) matters.
- Advancement of multiple greenhouse and field trials in the US and Angola designed to test the economic and environmental advantages of the Cabinda Blend.
- DRA Global appointed to complete work for the Definitive Feasibility Study (DFS) on the design of the Caio Granulation Plant.
- Completion of 1 for 20 share consolidation and receipt of second tranche of placement following shareholder approval at the AGM in November 2020.
- Alphier Capital released a project finance teaser and engaged five interested lenders under non-disclosure agreements.

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### IFDC MEMORANDUM OF UNDERSTANDING

The MOU provides the platform to develop a joint proposal for a multi-year project designed to support the development of the local fertilizer market in Angola. The IFDC is an international not-for-profit organisation, dedicated to scientific innovations that increase global food production, protect the environment and empower 'Small Holder Farmers'. Across Africa, the IFDC runs country-scale agricultural projects, introducing farmers to improved agricultural practices, fertilizer technologies and facilitation of market access.

<sup>1</sup> ASX Announcement - MOU to Develop Fertilizer Market in Angola  
<https://www.investi.com.au/api/announcements/mnb/ed1e6d27-5fa.pdf>

<sup>2</sup> ASX Announcement - Board Appointments  
<https://www.investi.com.au/api/announcements/mnb/4646277c-8fe.pdf>

IFDC will work with national and private parties to create or expand small holder fertilizer demand in select parts of Angola. Minbos production is expected to underpin the fertilizer input component to reach more than 4 million Small Holder Farmers<sup>3</sup>. The Cabinda Phosphate Project is expected to commence production at 50,000tpa<sup>4</sup>, however, given the large Small Holder Farmer market in Angola and the IFDC's strong record of delivering high-impact projects which boost fertilizer usage, demand is expected to exceed the nameplate capacity of 150,000tpa.

## BOARD APPOINTMENTS

The Company welcomes three highly experienced Non-Executive Directors to its Board as part of its strategy to develop the Cabinda Phosphate Project. The appointments coincide with the Company accelerating work on its DFS and deepening strategic ties with Angola and its myriad of agriculture opportunities. Mr Damian Black resigned as a Non-Executive Director of the Company on 30 November 2020.

- **Mr Valentine Chitalu** is a Zambian entrepreneur specialising in Private Equity and General Investments. He is the co-founder of Phatisa Group, a Private Equity Fund Manager in Sub-Saharan Africa with ~US\$400 million in funds under management in the food and housing sectors.
- **Mr Paul McKenzie** is a professional independent agribusiness consultant in Australia. He is Chairman of ASX listed Kangaroo Island Plantation Timbers Ltd and a Director of Saudi Agricultural and Livestock Investment Co Australia.
- **Mr Graeme Robertson** was born in Australia and a pioneer and manager of world-class international mining, energy, and infrastructure operations. He now lives in Mauritius, pursuing private investments in agriculture, resources, corporate and financial services. Graeme is a substantial shareholder and former Director of AfrAsia Bank Ltd, a private commercial bank based in Mauritius with more than US\$3.5 Billion in assets.

## ENVIRONMENT, SOCIAL, GOVERNANCE

With the support of the Big Four accounting firms (Deloitte, EY, KPMG and PWC), the World Economic Forum (WEF) has released a global ESG framework to measure and disclose meaningful and relevant aspects of corporate performance on ESG matters.

The Board and Company recognised the need to formalise its commitment to Environmental, Social and Governance matters and has undertaken to implement the WEF framework for ESG measurement consisting of 21 core and 34 expanded metrics and disclosures aimed at

<sup>3</sup> World Bank Group – Creating Markets in Angola: Country Private Sector Diagnostic (ifc.org) [2019]

<sup>4</sup> ASX Announcement - Cabinda Phosphate Project Scoping Study  
<https://www.investi.com.au/api/announcements/mnb/2252c2e1-51d.pdf>

mainstreaming reporting.

In accordance with best practice ESG disclosure, the Company will keep the market updated regularly on its ESG performance and progress as it sets a new standard in measuring the sustainability and ethical impact of the Company.

## **FIELD TRIAL ACTIVITY**

### *Current Greenhouse Trials - Soybean, Residual Winter Wheat, Residual Sorghum*

This experiment is being carried out at the IFDC greenhouses in Alabama. It builds on the knowledge of all the previous experiments and, once again, is designed to compare the **Cabinda Blend** with (Mono-Ammonian Phosphate) MAP and Cabinda Phosphate Rock (CPR), but also to quantify some of the highlights from the previous experiments.

MAP and CPR are being compared to **Cabinda Blend** in both granulated and compacted form. The nutrients were applied to pots initially planted with Soybean which has been harvested. The same pots (without the addition of further nutrients) have been planted with Winter Wheat which will be harvested in June, after which the pots will be planted with further crops to test the repeater effect.

In addition to the usual comparison data for the blends versus MAP and CPR at different dose rates, this experiment will provide data on the differences between compacted and granulated form, the threshold dose of MAP required to provide the starter effect and the relative performance of the **Cabinda Blend** in the two residual crops.

In earlier trials, the **Cabinda Blend** showed better relative performance in residual crops (or subsequent crops), demonstrating the potential for economic benefit beyond the first season. The performance suggests the Phosphate (P) continues to release slowly from the CPR in contrast to Water Soluble Products which release P quickly resulting in losses to the soil.

### *Current Field Trials - Multiple Angolan Crops and Locations*

This experiment is the first designed to compare the performance of the **Cabinda Blend** with commercially available fertilizers as well as MAP and Phosphate Rock (PR). The experiment is designed by Dr Luis Prochnow and being supervised by Ms Monica Martins of the Angolan IAA.

Seven new locations will be planted to provide geospatial variation, and a total of four different crops will be tested (soybean, maize, beans and potatoes) utilising three planting times. The experiment was initially planned to include more comparisons varying lime and micronutrient doses, but COVID-19 hampered the procurement and shipping of materials, so the final scope was reduced.

In addition to the new locations, a residual crop will be planted at Chianga in the plots used for the 2019/20 field trial to test the relative performance of the **Cabinda Blend** in residual crops in a field situation.

### *Mozambique Field Trial - IFDC*

A quantity of **Cabinda Blend** has been sent to the IFDC team in Mozambique to conduct a field trial which will be planted in the coming weeks. The final experimental design is not available at the time of writing. While Mozambique is not considered a potential market for the **Cabinda Blend**, the comparative data is expected to have application in Angola and neighbouring countries.

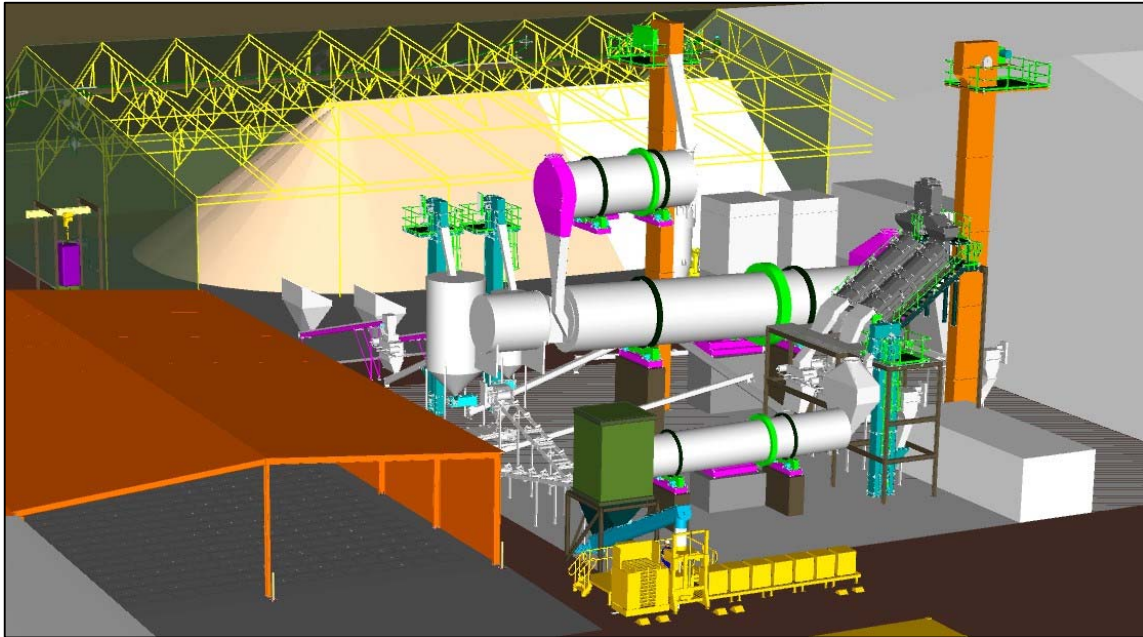
### **DEFINITIVE FEASIBILITY STUDY (DFS)**

DRA Global has been engaged to deliver all necessary study management, design, engineering and estimating work required to complete the DFS design on the Caio Granulation Plant and associated infrastructure including<sup>5</sup>:

- Plant and Infrastructure Layout
- Civil Structural, Mechanical and Piping
- Electrical & Instrumentation
- Site services and connections
- Capital and Operating Costs to DFS +/- 10-15%
- Procurement plan, and
- Construction and Implementation plan

FEECO is responsible for the system design and layout of the Caio Granulation Plant (Figures 1).

<sup>5</sup> ASX Announcement - APPOINTMENT OF DRA GLOBAL TO PROGRESS CABINDA DFS  
<https://www.investi.com.au/api/announcements/mnb/e2544171-1e0.pdf>



*Figure 1 – Granulation plant including hoppers, granulators, dryer and product bagging station.*



*Figure 2 - Caio Granulation Plant, site layout and production profile*

The Engineering Package design for the Process Package (including the process description, flowsheet design, and overall mass and energy balance) has been completed by the IFDC. The majority of the FEECO design work has been completed and DRA is finalising the site layout plans (Figure 2) with FEECO to facilitate site geotechnical investigations.

## PROJECT FINANCE

Alphier Capital released a Teaser Document for the Project Finance package during the quarter and has entered into Non-Disclosure Agreements with potential Commercial Banks and Development Finance Institutions. Know Your Client due diligence is already substantially complete with two

potential lenders.

### COVID-19 UPDATE

On the 26th of December 2020, Angola advised that it was restricting visitors from UK, South Africa and Australia, citing the new COVID variants prevalent in UK and South Africa for cause. Australia was caught up in the restriction because it reported repatriated cases of the UK variant found in repatriated persons under quarantine.

The restriction may affect key staff and consultants from freely travelling into the country to complete DFS and Government matters, while the Company is still in the process of gaining exemptions to the restrictions, the current situation may have an impact on development timelines as previously outlined.

### CORPORATE

The Annual General Meeting was held on 3<sup>rd</sup> November 2020, all Resolutions passed, including approval for the settlement of the 2<sup>nd</sup> tranche placement<sup>6</sup> (AU\$993,000)<sup>7</sup>.

In early September 2020, the Company advised that it was seeking shareholder approval to consolidate the issued capital of the Company<sup>8</sup>. The Resolution was passed at the Annual General Meeting and in November, the 20 for 1 share consolidation was completed, with the Company having 369,657,897 shares on issue at the end of the quarter<sup>7</sup>.

Minbos has AU\$1.7m of cash reserves as at 31 December 2020.

As set out in section 6 of the Appendix 5B, the Company made payments to related parties of the entity of AU\$48,300 in the quarter ended 31 December 2020. This was made up of AU\$36,000 paid in Director fees and AU\$11,400 paid in legal fees to a Director related entity and AU\$900 paid in Capital Raising Fees to a Director related entity.

### MARCH 2021 QUARTER - UPCOMING ACTIVITIES

Execution of the Mining Investment Contract is expected to be imminent, with the Company to thereafter immediately begin offtake discussions with the Government of Angola, which is expected to be facilitated through the Small Holder Farmer program, co-ordinated by the IFDC. Angola's first locally produced fertilizer product is expected to be an impact investment in the Republic's agricultural development.

<sup>6</sup> ASX Announcement - Completion of placement (Tranche 2) and Cleansing notice  
<https://www.investi.com.au/api/announcements/mnb/762b1850-b30.pdf>

<sup>7</sup> ASX Announcement - Results of Annual General Meeting  
<https://www.investi.com.au/api/announcements/mnb/0a7b8fbb-696.pdf>

<sup>8</sup> ASX Announcement - FIRM COMMITMENTS RECEIVED FOR \$2.265M SHARE PLACEMENT  
<https://www.investi.com.au/api/announcements/mnb/411c56fc-cc9.pdf>

The Company will continue to progress its DFS and design of the Caio Granulation Plant, with the DFS expected to be completed H2 2021<sup>9</sup>.

Alphier expects to identify preferred lenders to engage with during the DFS process.

**–ENDS –**

This announcement is authorised for release by Minbos Board.

**For further information, please contact**

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**ABOUT MINBOS**

Minbos Resources Limited (ASX: MNB) is an ASX-listed exploration and development company which won an international tender for the Cabinda Phosphate Project in March 2020. Minbos and its in-country partner, Soul Rock Ltda (15% carried interest), won the tender based on producing Enhanced Phosphate Rock as a substitute for fertilizers currently imported by the Angolan Government for distribution to wholesalers and farmers.

The Company's vision is to build a nutrient supply and distribution business that stimulates agricultural production and promotes food security in Angola and the broader Middle Africa region.

<sup>9</sup> ASX Announcement - Appointment of DRA Global to progress Cabinda DFS  
<https://www.investi.com.au/api/announcements/mnb/e2544171-1e0.pdf>



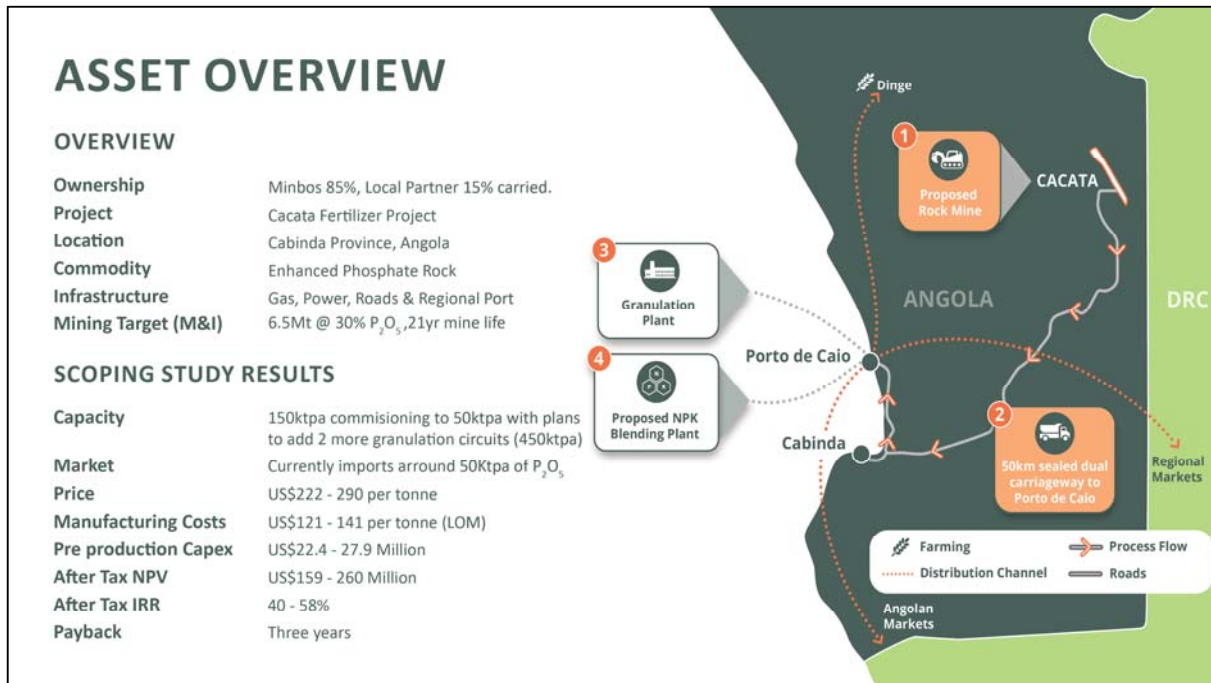


Figure 1 - Location of Cabinda Project highlighting the experience and institutional knowledge the Company has acquired over the years.