EVOLUTION CAPITAL

ASX: MNB

Minbos Resources Limited

Equity Research

7th November 2022

SPECULATIVE BUY

Share Price	$0.073
Price Target	$0.250

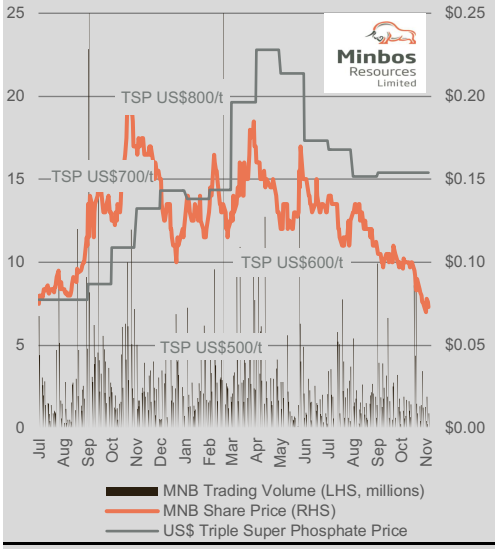
52-Week Range	$0.075 - $0.200
MNB Shares Outstanding	761.2m
Listed Options $0.15, 30 Apr 2023)	66.6
Unlisted Options ($0.05, 26 Nov 2022)	9.0m
Unlisted Options ($0.05, 18 Nov 2024)	30.0m
Unlisted Options ($0.19, 15 Dec 2024)	2.0m
Unlisted Options ($0.15, 21 Dec 2024)	2.0m
Unlisted Options ($0.10, 30 Apr 2025)	12.0m
Unlisted Options ($0.10, 1 Jul 2025)	20.0m
Unlisted Options ($0.17, 1 Sep 2025)	6.25m
Performance Rights	9.0m
Market Capitalisation	$55.6m
Cash (30 Sep 2022)	$23.3m
Enterprise Value	$32.3m

Substantial Shareholders

HongKong Jayson Holding Co Ltd	12.5%
BNP Paribas Noms Pty Ltd	4.3%
Hoston Investments (Australia) Pty Ltd	3.6%
Pheakes Pty Ltd	1.9%
Three Bears Management Pty Ltd	1.8%
Long March Principal Holding Ltd	1.8%

Board & Management:

Peter Wall	Chairman
Valentine Chitalu	Non-Executive Director
Paul McKenzie	Non-Executive Director
Graeme Robertson	Non-Executive Director
Dganit Baldar	Non-Executive Director
Lindsay Reed	Chief Executive Officer
Blair Snowball	Chief Financial Officer
Rebecca Morgan	Technical Consultant
Steve Abbott	Project Director
Chris Swallow	Corporate Development Manager



Minbos Resources Limited (ASX: MNB) is an exploration and development company, focused on the Cabinda phosphate fertiliser project (85%) in the Republic of Angola with production anticipated in 2023. The company also develops the Capanda green hydrogen-ammonia project with the support of the Government of Angola.

Compelling Financial and Environmental Characteristics

Definitive Feasibility Study (DFS): On 17th October 2022, MNB released the results of a DFS for the Cabinda phosphate project (85% MNB) in Angola. NPVs of US$203m (base case price) and US$399m (spot price) versus a low capex of US$49 million highlight the quality of the project economics.

Short Timeline to Production: First production is expected in Q4 2023, with fabrication of key major equipment from FEECO now completed.

Ideal Location: The World Bank recognises Angola as a potential agricultural powerhouse of Africa. Angola has 35 million hectares of arable land of which only 10% is currently cultivated and most of that by small holder farmers using little or no fertilizer.

Government Support: The Government of Angola with the support of development finance institutions such as the World Bank, the African Development Bank and the International Finance Corporation is targeting agriculture and specifically its 3 million smallholder farmers to diversify its economy and drive food security.

Intellectual Property: Minbos lodged an Australian provisional patent application for a new phosphate rock fertilizer blend, with the potential to produce a 100% organic phosphate fertilizer using less reactive phosphate rocks. The new phosphate rock fertilizer blend promotes the early release of phosphate nutrients from phosphate rock, potentially eliminating Monoammonium Phosphate (MAP) from the proposed Cabinda Phosphate granule formulation – delivering a 100% organic fertilizer blend.

New Cornerstone Investors: As part of the $25m placement in July 2022, Minbos and the syndicate of cornerstone investors (being Longmarch Principal Holding Limited, HongKong Jayson Holding Co., Ltd. and Hoston Investments (Australia) Pty Ltd.) have signed a Strategic Cooperation Agreement to develop Ferro Phosphate, Lithium Ferro Phosphate and Large-Scale Green Ammonia Projects.

LFP Batteries: To support the production of Lithium Iron Phosphate ($LiFePO_4$) material and batteries by its new investors, Minbos commits to long term off-take of 100,000 tonnes per annum of high-grade phosphate rock at agreed market rates.

Capanda Green Ammonia Project: Thanks to uniquely low priced hydro-electricity (average of US1.1¢/kWh over 25 years), Minbos has the opportunity to develop an ammonia plant to produce ~300,000 tpa of green ammonium nitrate with an end product breakdown of ~50% fertilizer (CAN, calcium ammonium nitrate) and ~50% explosives grade ammonium nitrate, with flexibility on product mix. A technical study has just kicked off with results expected in six months.

Cabinda Valuation: based on various beneficiated phosphate rock prices:

BPR price ~ 0.7x TSP	BPR Price	NPV 10%	50% Risked NPV	IRR
US$/t	*US$/t*	*US$m*	*US$m*	*%*
15-year average	$300	$166	$83	36%
Minbos base case	**$326**	**$203**	**$102**	**41%**
Current price	$500	$448	$224	74%

Funding: paired with the July $25 million placement, Minbos signed a non-binding term sheet with Long March to provide US$25 million of debt on commercial terms including a 5-year maturity. The total funding required for the construction of the Cabinda project is estimated at US$40 million.

MNB Valuation: assuming an additional equity capital raising of A$30 million (200 million shares @ $0.15) in FY2024 to complement the debt, we derived a valuation of $258 million of $0.25 per share. Beyond the Cabinda rock phosphate project, which currently makes the key part of our valuation, Minbos project portfolio offers multiple ways to see its overall valuation increase quite significantly over the medium to long-term.

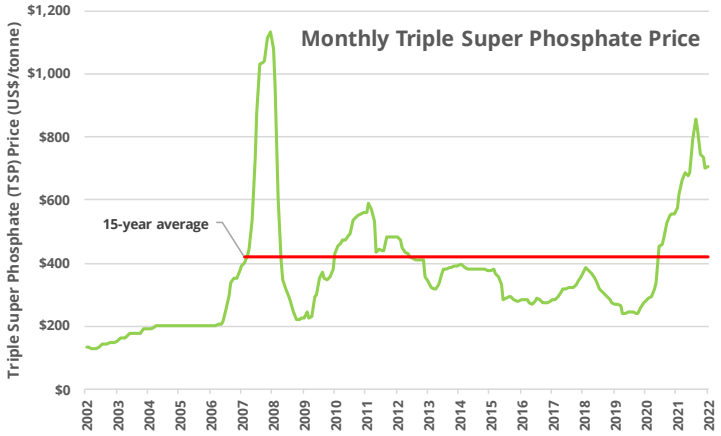
Minbos Resources Limited (ASX: MNB) Financial Summary

Key metrics

Market Information	Unit	Value
Number of Issued Shares	million	761.2
Listed Options (@ $0.15, expiry 30 Apr 2023) *	million	66.6
Unlisted Options (@ $0.05, expiry 26 Nov 2022)	million	9.0
Unlisted Options (@ $0.05, expiry 18 Nov 2024)	million	30.0
Unlisted Options (@ $0.19, expiry 15 Dec 2024) *	million	2.0
Unlisted Options (@ $0.15, expiry 21 Dec 2024)	million	2.0
Unlisted Options (@ $0.10, expiry 30 Apr 2025)	million	12.0
Unlisted Options (@ $0.10, expiry 30 Apr 2025)	million	20.0
Unlisted Options (@ $0.17, expiry 1 Sep 2025)	million	6.25
Performance Rights	million	9.0
Fully Diluted	million	918.0
Share Price	A$	0.076
12 month High-Low	A$	0.075 - 0.20
Market Capitalisation	A$m	57.8
Cash (30 Sep 2022)	A$m	23.3
Debt	A$m	0.0
Entreprise Value	A$m	34.6

* assumed to be not converted

Financing Assumptions	Unit	Value
Exercise of Options over FY2023 and FY2024	A$m	0.5
New Equity (200 million shares @ $0.15 in FY2024)	A$m	30.0
Number of Issued Shares Post Financing (fully diluted)	million	1,040.4



Source: Index Mundi

Cabinda Phosphate Project

BPR price ~ 0.7x TSP price	BPR Price	NPV @ 10%	50% Risked NPV		IRR
	US$/tonne	*US$m*	*x*	*US$m*	*%*
15 year average	$300	$166	50%	$83	36%
Minbos base case	$326	$203	50%	$102	41%
Current Price	$500	$448	50%	$224	74%

MNB Sum of the Parts Valuation	A$m	per Share
Cabinda (85% MNB, 50% Risked NPV)	$132.7	$0.13
Capanda Green Ammonia project	$60.0	$0.06
Cabinda LFP material upside	$20.0	$0.02
Cash	$23.3	$0.02
Exercise of Options over FY2024	$0.5	$0.00
New Equity	$30.0	$0.03
Corporate Costs	($8.1)	($0.01)
Base Case Valuation	$258.4	$0.25

Financial Statements

Financial Year ending 30 June

Profit & Loss (A$m)	2022A	2023F	2024F	2025F	2026F
Revenue	2.5	0.0	5.0	49.2	49.2
Operating Costs	0.0	0.0	(2.2)	(21.4)	(21.4)
Royalties	0.0	0.0	(0.1)	(1.0)	(1.0)
Overhead Costs	(3.3)	(3.3)	(3.3)	(3.4)	(3.5)
Other Income/Costs	0.0	0.0	0.0	0.0	0.0
EBITDA	**(0.8)**	**(3.3)**	**(0.6)**	**23.4**	**23.4**
Depreciation	(0.1)	0.0	0.0	(1.2)	(1.2)
Net Interest	0.0	0.0	0.0	(4.6)	(3.6)
Tax and Other	0.0	0.0	0.0	0.0	0.0
Profit	**(0.8)**	**(3.3)**	**(0.6)**	**17.6**	**18.6**

Cash Flow (A$m)	2022A	2023F	2024F	2025F	2026F
Net Profit	(0.8)	(3.3)	(0.6)	17.6	18.6
+/- Adjustments	0.1	0.0	0.0	5.8	4.8
+/- Working Capital	0.9	(1.1)	(0.8)	(6.7)	0.0
+/- Other	(2.1)	(0.2)	(0.3)	(2.2)	0.0
Cash Flow from Operations	**(2.0)**	**(4.5)**	**(1.6)**	**14.5**	**23.4**
Net Capital Expenditure	(7.0)	0.0	(83.3)	(1.1)	(1.1)
Cash Flow from Investing	**(7.0)**	**0.0**	**(83.3)**	**(1.1)**	**(1.1)**
Net proceeds from Debt	0.0	0.0	38.5	(13.1)	(13.6)
Changes in Share Capital	5.8	23.5	28.2	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	0.0
Other Financing Casfhlow	(0.0)	(0.2)	0.0	0.0	0.0
Cash Flow from Financing	**5.7**	**23.3**	**66.7**	**(13.1)**	**(13.6)**
Net Cash Change	**(3.2)**	**18.8**	**(18.3)**	**0.4**	**8.7**

Balance Sheet (A$m)	2022A	2023F	2024F	2025F	2026F
Cash	3.6	22.5	4.2	4.5	13.2
Other Current Assets	0.2	0.0	1.5	14.3	14.3
Total Current Assets	**3.8**	**22.5**	**5.6**	**18.8**	**27.5**
Property, Plant & Equipment	7.2	7.2	90.6	90.5	90.4
Exploration, Evaluation & Dev.	4.0	4.0	4.0	4.0	4.0
Non-Current Assets	0.1	0.1	0.1	0.1	0.1
Total Non-Current Assets	**11.4**	**11.4**	**94.7**	**94.6**	**94.5**
Total Assets	**15.2**	**33.8**	**100.3**	**113.4**	**122.0**
Equity	54.9	78.2	106.4	106.4	106.4
Reserves	8.4	8.4	8.4	8.4	8.4
Retained Earnings	(49.6)	(52.8)	(53.4)	(35.8)	(17.2)
Total Equity	**13.6**	**33.7**	**61.3**	**79.0**	**97.5**
Current Debt	0.0	0.0	8.5	10.0	10.0
Account Payables	1.3	0.0	0.4	4.4	4.4
Other Liabilities	0.2	0.0	0.0	0.0	0.0
Total Current Liabilities	**1.4**	**0.0**	**8.9**	**14.4**	**14.4**
Lease Liabilities	0.1	0.1	0.1	0.1	0.1
Non-current Debt	0.0	0.0	30.0	20.0	10.0
Total Non-current Liabilities	**0.1**	**0.1**	**30.1**	**20.1**	**10.1**
Total Liabilities	**1.5**	**0.1**	**39.0**	**34.5**	**24.5**
Total Equity + Liabilities	**15.2**	**33.8**	**100.3**	**113.4**	**122.0**

Profitability indicators	2022A	2023F	2024F	2025F	2026F
EBITDA margin	-	0%	-12%	48%	48%
Liquidity	**2022A**	**2023F**	**2024F**	**2025F**	**2026F**
Quick Ratio	0.1	0.0	0.1	0.9	0.9
Current Ratio	0.1	0.0	0.2	1.0	1.0
Capital structure	**2022A**	**2023F**	**2024F**	**2025F**	**2026F**
Equity ratio	3.6	2.3	1.1	0.9	0.9
Debt / Assets	0.0	0.0	0.4	0.3	0.2
Debt / EBITDA	0.0	0.0	-65.0	1.3	0.9
DSCR	n/a	n/a	0.0	1.7	1.9

Source: Evolution Capital estimates

TABLE OF CONTENTS

All dollar amounts are in Australian dollars unless otherwise specified.

1. MNB Valuation

Cabinda Project Valuation

Based on the DFS parameters, we have modelled the Cabinda project and derived the following NPV and IRR while varying the Beneficiated Phosphate Rock (BPR) price.

Table 1.1 – Cabinda Project Valuation

BPR price ~ 0.7x TSP	BPR Price	NPV @ 10%	Risk Factor	50% Risked NPV	IRR
US$/t	*US$/t*	*US$m*	*%*	*US$m*	*%*
15 year average	$300	$166	50%	$83	36%
Minbos base case	**$326**	**$203**	**50%**	**$102**	**41%**
Current Price	$500	$448	50%	$224	74%

Our base case NPV matches Minbos' base case NPV. The IRR is slightly off, 41% versus 39%.

Cabinda Project Financing

In July 2022, the Company announced it had completed a A$25m placement from a syndicate of investors that included an entity controlled by the Chairman of the world's largest battery anode producer.

Backed by the clear tailwinds for Angolan agriculture investment and requiring only a further funding US$40.0 million to complete construction and provide initial working capital.

Minbos believes it is well positioned to fully fund the Cabinda Phosphate Project into production no later than H2 2023.

The Placement funds were paired with a non-binding debt term sheet for US$25 million signed with Long March Capital. The key points of the non-binding term sheet are as follows:

- US$25m in tranches of US$5m, available for first drawdown on financial close
- Term – 5 years
- Interest Rate – competitive market interest rates to be agreed, with potential equity participation
- Use of Proceeds – Capex for Cabinda Project, mining and fertilizer plant
- Conditions – completion of due diligence by financiers, execution of definitive agreements, completion of acceptable DFS by Minbos, off-take and supply agreements to be in place and other customary conditions.

In addition, we have assumed a A$30 million equity capital raising to take place in FY2024: 200 million additional shares at a price of $0.15.

MNB Sum of the Parts Valuation

Table 1.2 summarises the sum of the parts valuation for Minbos. We used a risk factor of 50% considering the relatively low capital expenditure required and the advanced financing options in place.

Table 1.2 – MNB Sum of the Parts Valuation

Minbos Resources Ltd	A$m	Per Share
Cabinda Phosphate Project (85% MNB, 50% Risked NPV)	$132.7t	$0.13
Capanda Green Ammonia Project	$60.0	$0.06
Cabinda LFP material upside	$30.0	$0.02
Cash (30 Sep 2022)	$23.3	$0.02
Exercise of options over 2023	$0.5	$0.00
New equity (250 m shares @ $0.12 in FY2024)	$30.0	$0.03
Corporate costs	($8.1)	($0.01)
Base Case Valuation	$258.4	$0.25

Source: Evolution Capital estimates

2. MNB Strategy

The World Bank recognises Angola as a potential agricultural powerhouse of Africa. Historically Angola which was a top 10 producer of several agricultural commodities and a leader in hemp and coffee. Its agricultural sector has been decimated over the last 50 years by a disruptive end to colonial rule, a 27-year civil war and a 20-year oil boom outcompeting other sectors for capital assets.

Angola has 35 million hectares of arable land of which only 15% is currently cultivated and most of that by small holder farmers using little or no fertilizer. Yields in Angola are amongst the lowest in Africa despite suitable soils, temperate high altitude, and high rainfall.

The Government of Angola with the support of Development Finance Institutions such as the World Bank, the African Development Bank and the International Finance Corporation is targeting agriculture and specifically its 3 million smallholder farmers to diversify its economy and drive food security.

The Cabinda Phosphate Rock is a medium-low reactive rock which has been shown to be agronomically effective as a direct application product as a finely ground form to crops such as maize, beans and soybean grown in acid soils with a pH<5.5 that enjoy a high rainfall. As such it is ideally suited to the highland areas of Angola.

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

The key results of the trials show:

- The co-application of Water-Soluble Phosphate (WSP) with Cabinda Phosphate Rock provides an enhancement effect to the Phosphate Rock (PR) but the effect is muted in granulated form.
- Cabinda Phosphate Rock has potential as a direct application fertilizer in acid soils with a pH<5.5.
- Ground Cabinda Phosphate rock outperformed run of mine Cabinda Phosphate rock of a higher grade in greenhouse trials in suitable soil particularly at higher application rates.
- Unground Cabinda Phosphate Rock applied by banding to beans and maize showed a 83% and a 54% yield improvement compared to the control.
- Overall the Cabinda Phosphate Rock showed Relative Agronomic Effectiveness of 90% compared to Mono-Ammonia Phosphate (MAP) across all field trials experiments from 2020-2022.
- A single application of phosphate rock provides increasing performance across three seasons.

Minbos anticipates attention to product form and sizing, application methods and soil and crop selection will further optimize these results.

In line with historical recommendations from the World Bank and the IFDC, Minbos is pursuing a two-step nutrient strategy to build phosphorus capital in Angola soils using Cabinda Phosphate Rock.

First Year - Incorporate a large quantity of organic ground phosphate rock in the soil to establish a bank of P nutrient.

Subsequent Year - Band a specific quantity of Water-Soluble Phosphate and/or PR in the seeding furrows.

There are three key benefits to the two-step strategy.

1. Incorporation of BPR into the soil maximises its exposure to moisture and soil acidity which will optimise maximise its availability in the soil.

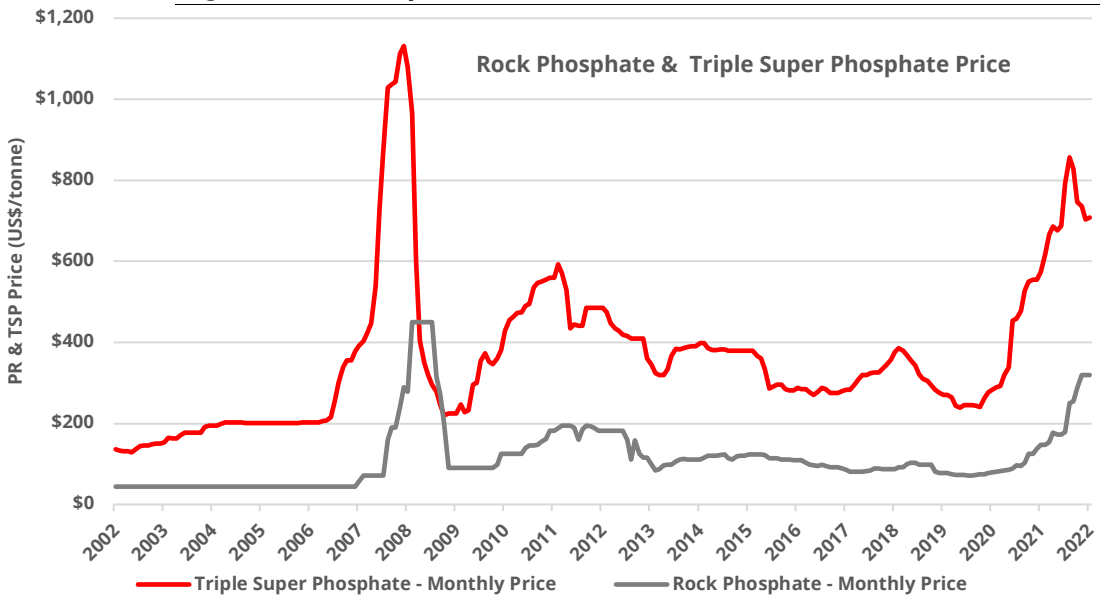
2. Reducing the quantity of WSP applied and focussing it on the seed furrow will minimise the permanent loss of P nutrient to soil retention.

3. Introduction of reduced tillage after the first year in conjunction with organic residue retention will increase the soil organic carbon and improve soil health enhancing the soils ability to buffer moisture and nutrients resulting in improved crop yields and increasing resilience to climate variability.

3. Fertilizer Market Developments

Fertilizer prices are rallying

Figure 3.1 – Phosphate Prices



Source: Index Mundi. Evolution Capital

The key drivers are the recent price rally are as follows:

- Russian fertilizer, is subject to some international sanctions and therefore only certain markets are receiving it
- China has restricted exports of phosphate-based fertilizers since late 2021 and only recently have they made limited exports. This after supplying nearly 30% of the phosphate fertilizer market in the past
- Fertilizer inventories have been drawn down
    - China and Russia account for 40% of phosphate fertilizer.
    - Reduced access to natural gas will affect ammonia production.
- Global grain and oilseed markets have tightened
- Decarbonization
    - Move from coal-fired power plants to greater use of natural gas
    - Greater demands for bio-fuels leading to higher demand for crop

Going forward, we see the increase in crop prices such as corn, soybean and wheat as a key driver in increasing fertilizer affordability and demand.

MoU with IFDC to develop and grow market

In December 2020, Minbos executed a Memorandum of Understanding (MoU) with the International Fertilizer Development Center (IFDC) to develop and grow the Grow to Eat (small holder farmer) 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 empowers smallholder farmers.

Across Africa, the IFDC runs country-scale agricultural projects, introducing farmers to improved agricultural practices, fertilizer technologies and facilitation of market access. 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 MoU will leverage the IFDC's innovative research, market expertise and strategic partners to identify sustainable solutions for soil and plant nutrition for the benefit of small holder farmers, local communities and the environment.

The key points of the MoU are as follows:

- 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.
- Angola remains one of the world's great untapped agricultural regions, with +35 million hectares of arable land, high rainfall and some of lowest rates of fertilizer use globally.
- MOU to leverage the IFDC's innovative research, market expertise and strategic partners to identify sustainable solutions for soil and plant nutrition for the benefit of Small Holder Farmers, local communities and the environment.
- IFDC to work with national and private parties to create or expand Small Holder fertilizer demand in select parts of Angola. Productivity gains are expected to yield marketable crop surpluses, encouraging further farmer investment in fertilizers.
- The IFDC recently completed an agricultural productivity program in Burundi, which saw fertilizer usage grow from 10,000tpa to nearly 50,000tpa. The program increased agricultural productivity and raised income for 865,666 farming households1.
- Minbos production expected to underpin the fertilizer input component of the IFDC Angola Project, reaching more than 4 million Small Holder Farmers.

New Minbos Fertilizer Patent

In June 2022, Minbos lodged an Australian provisional patent application for a new phosphate rock fertilizer blend, with the potential to produce a 100% organic phosphate fertilizer using less reactive phosphate rocks.

The new phosphate rock fertilizer blend promotes the early release of phosphate nutrients from phosphate rock, potentially eliminating Monoammonium Phosphate (MAP) from the proposed Cabinda Phosphate granule formulation – delivering a 100% organic fertilizer blend.

The new patent application has been filed to cover the new phosphate rock fertilizer blend following analysis of results comparing different product forms of the Cabinda Phosphate Granules in field trials in Angola and, greenhouse trials at the IFDC in the USA, and a survey of literature.

P nutrient dissolution from the new blend is expected to be predominantly controlled by plant uptake. In contrast, Water Soluble Phosphates (WSP) sometimes dissolve quicker than plant uptake resulting in excess phosphate retention in soil. Controlled release of P nutrient offers significant efficiency and environmental advantages.

Production of the new phosphate rock fertilizer blend can potentially be applied to the proposed Minbos Granulation Plant and be incorporated in the production profile from commissioning in 2022.

The new fertilizer blend covered by the patent application will be trialled during the Company's 2021/22 growing season through soil incubation tests, growth chamber trials, greenhouse, and field trials. A cost benefit analysis will be conducted after these trials.

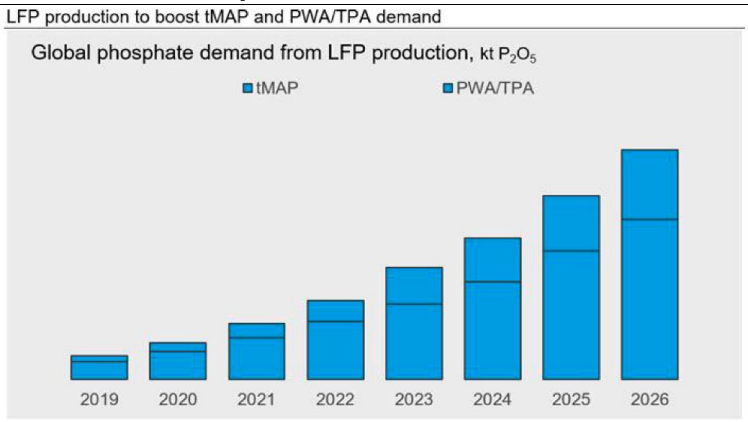
Minbos intends to apply for patent protection in major global agricultural markets to ensure the availability of organic fertilizer in Angola and the region.

4. Lithium Ferro Phosphate (LFP) Batteries Market

Lithium Ferro Phosphate (LFP) batteries are growing in popularity for electric vehicles and static storage due to:

- Low cost, effective vs surging nickel and cobalt prices
- Safe, low toxicity
- Reliable, well-defined performance, longer life cycle
- Long-term performance stability and thermal stability, no fires
- Nickel and cobalt-free – recycling friendly
- Good potential replacement for lead-acid batteries
- Leading vehicle manufacturers switching to LFP
- China is largest manufacturer of LFP batteries for global EV manufacturers
- Korean battery producers accelerating towards LFP

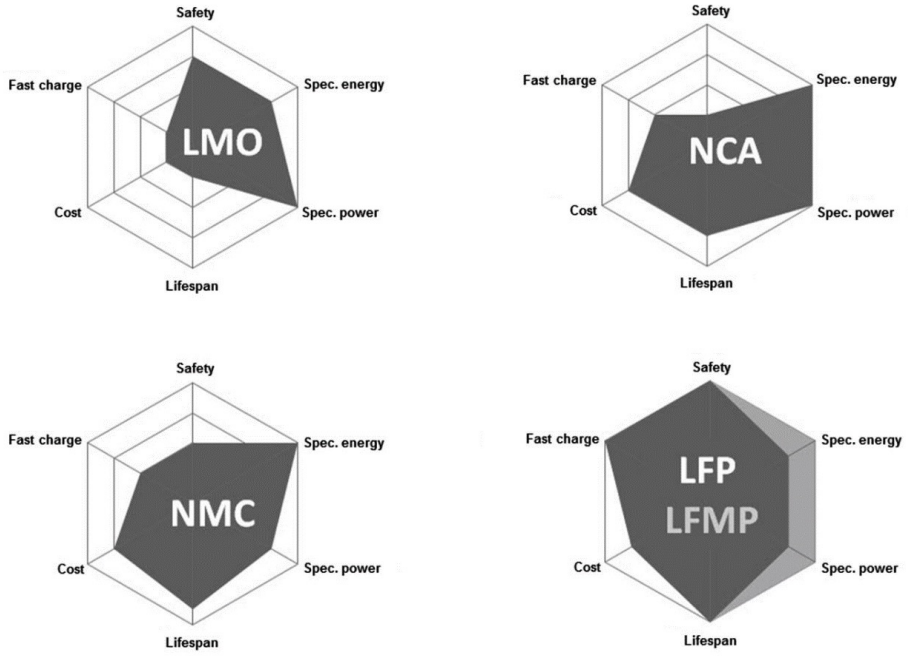
Figure 4.1 – Global Phosphate Demand from LFP Production



Source: CRU: No Y Axis scale supplied, but demand is predicted to be three-fold by 2026. tMAP is technical mono ammonium phosphate or purified phosphoric acid about 61% P_2O_5 and PWA/TPA is purified wet acid approximately 60% P_2O_5

Lithium Ferro Phosphate batteries are the fastest growing segment of the battery industry. Figure 5.2 gives the reasons why this is the case.

Figure 4.2 – Global Phosphate Demand from LFP Production



Source: Source: BCG, Spider diagram showing advantages of LFP batteries, e.g. larger grey area = better all-round performance in Safety, Energy, Power, Lifespan and fast charging compared to other batteries. LMO = Lithium Manganese Oxide, NCA = Lithium Nickel Cobalt Aluminum, NMC = Lithium Nickel Manganese Cobalt, LFMP = Lithium Iron Manganese Phosphate

Significant change in sentiment towards safer, longer life, recycle friendly Lithium Ferro Phosphate (LFP) batteries in last 6 months

- Tesla recently announced in its 2021 Q3 investor deck that it would be changing the battery in its standard range vehicles to LFP
- A number of other significant announcements also occurred in late 2021:
  - LG Chem increasing LFP production,
  - Samsung SDI expanding into LFP batteries,
  - Mercedes Benz to launch LFP vehicles in 2024,
  - BMW investment in ONE (US Company) re LFP battery development and
  - Volkswagen plans for a LFP "Unified Battery Cell" by 2023
- With electric cars growing in popularity worldwide, switching to LFP batteries can potentially reduce the cost of an electric car by 20-25%
- Electric vehicles will become cheaper than internal combustion vehicles within 3 -4 years according to Tritium, a global vehicle charging designer, developer, and operator.

We see the phosphate rock from Angola particularly well suited for the LFP market for the following reasons:

- the Cácata phosphate rock has low impurities,
- the cost of electricity is extremely low to undertake the thermal process for producing LFP so it is easier to produce a high purity product,
- Angola is relatively close to the growing European and North American battery gigafactories.
- Availability of ammonia

Table 4.1 – Cácata Phosphate Project Location

	P_2O_5	SiO_2	R_2O_3	MgO	F	Cl (ppm)	Cd (ppm)	C
Moroccan Benchmark	33%	2.4%	0.6%	0.3%	3.7%	300	17	0.2%
CACATA*	35%	4.0%	2.0%	0.2%	<4%	<100	9	0.04%
General Target Levels	>30%	<5%	<2%	<1%	<4%	<300	<5	<0.2%

Source: MNB

5. Cabinda Phosphate Project

Cabinda Phosphate Project includes the Cácata Phosphate Deposit (Mining) and the Futila Fertilizer Plant (Production), both located in Cabinda, northwest Angola.

Project Location

Figure 5.1 – Cabinda Phosphate Project Location

Source: MNB

The Cácata Phosphate Deposit is situated close to the village of Cácata, approximately 45 km north-east from Cabinda City within the Cácata Mining Licence which is approximately 74 km2 in size.

The Futila Fertilizer Plant is located in the Futila Industrial Zone (Futila), approximately 12 km from Porto de Caio. and 25 km from the Port of Cabinda and is approximately 20 ha in size. A second plant site is also currently being investigated in Zee Subantando, a suburb located along the main highway (EN201) between Cácata and Cabinda City, approximately 36 km from Cácata and 16 km from Cabinda Port.

Cabinda has an International Airport, and a small port with basic facilities which can handle small ships. This port also has a small industrial area nearby. Both the Cácata Phosphate Deposit and the Plant Site are serviced by a good road network.

Due to the existing oil and gas industry, Cabinda City has all the necessary resources including medical services, supplies, fuel, electricity, and housing available. Minbos will need to supply its own infrastructure including power and water on site at Cácata, which is not currently serviced by municipal facilities. The Futila Industrial Zone has power and water and other industrial services.

Project Structure

Minbos holds 100% interest In the Mining Investment Contract and Mining Licence for the Cácata Phosphate Deposit. It is establishing the following three company structure for the Project:

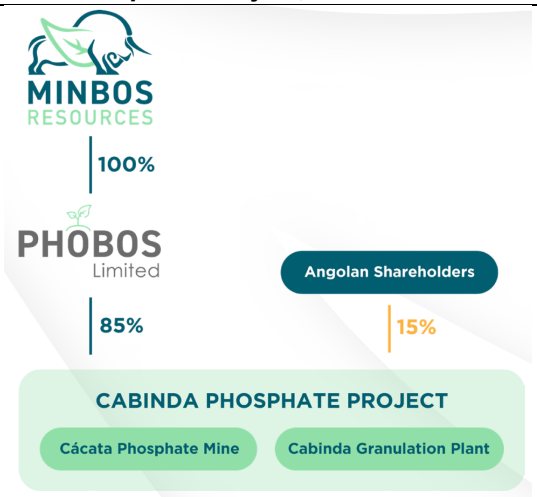
1. Angolan mining company that will operate the Cácata Phosphate Mine, and for which the investment is governed by the Angolan Mining Code and the Mining Investment Contract with MIREMPET (Ministério dos Recursos Minerais, Petróleo e Gás or the Ministry of Mineral Resources, Petroleum and Gas).

2. Angolan fertilizer production and distribution company that will operate the Cabinda Granulation Plant, and for which the investment is governed by the Private Investment Contract with AIPEX (Agencia de Investimento Privado e Promoção das Exportações de Angola or the Agency for Private Investment and Promotion of Angolan Exports)

3. Mauritian parent company of both the Angolan companies, a wholly owned subsidiary of Minbos Resources Ltd and the Special Purpose Vehicle (SPV) for the project.

The Mauritian company, Phobos Ltd, will hold an 85% ownership of the two Angolan companies. The 15% minority interest in both companies will be held by the same three strategic Angolan shareholders. Figure 1 presents the Project Structure:

Figure 5.2 – Cabinda Phosphate Project, Minbos interests and structure



Source: MNB

Cácata Phosphate Deposit

The Cácata phosphate deposit and the proposed Cabinda Granulation Plant site are located in the Cabinda Province of Angola, and together form the Cabinda Phosphate Project.

Mineralisation and Mineral Resource

Mineralisation at Cácata varies within the sedimentary layers from very high-grade gravels with coprolites, pellets, teeth, and bones to silty fine grained phosphorite low grade zones and is preserved in a narrow graben ~4.5km-long and 400m wide.

Cácata has a total Mineral Resource of 8.41Mt at 29.6% P2O5, including a Measured and Indicated Resource of 6.96Mt at 29.7% P2O5.

Table 5.1 – Cácata Mineral Resource (Oct 2021)

Class	Cut-Off Grade (P_2O_5%)	P_2O_5%	Tonnes (Mt)	Density (g/cm^3)	Contained P_2O_5% (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
Measured and Indicated	**19.0**	**29.7**	**6.96**	**1.84**	**2.07**	**1.47**
Inferred	19.0	29.5	1.45	1.85	0.43	1.46

Source: MNB

Ore Reserve

The Cácata Phosphate Mine Maiden Ore Reserve (JORC 2012) statement totals 4.72 Mt at 30.1% P2O5 of Proven and Probable Ore Reserves (Table 5.2)

Table 5.1 summarises the maiden mineral resource as announced by Alicanto on 13th July 2022.

Table 5.2 – Cácata Maiden Ore Reserve (Sep 2022)

Reserve Classification	kt	P_2O_5%
Proven	1,172.6	30.5
Probable	3,543.9	30.0
Total (Proven + Probable)	**4,716.5**	**30.1**
Waste	15,136.2	
Total Material	19,852.7	
Strip Ratio	3.2	

Source: MNB

The mine plan supporting the Ore Reserve is based on open pit mining using a conventional truck and shovel mining method.

Reserve Upside

There are Inferred Resources at Cácata along strike to the current Ore Reserve, which have the potential to be converted to the Ore Reserve through further work and thereby extend the project's mine life.

Approvals and Permitting

Mineral Investment Contract

In January 2021, the Company executed the Mineral Investment Contract (MIC) for the Cabinda Phosphate Project located in the Cabinda Province of Angola.

Officially signed by Dr André Francisco Buta Neto, National Director of Mineral Resources, and homologated by Angola's Minister of Mineral Resources and Petroleum, Mr Diamantino Azevedo, the MIC provides for exploration, feasibility studies and exploitation of the phosphate rock by Minbos within the Cabinda Phosphate Project concession area.

The execution of the MIC also formalised engagement by Minbos with Government Ministries and the Province of Cabinda, allowing the Company to complete approvals, land and port access agreements, offtake agreements and an investment contract for the Granulation Plant.

Mining Licence Granted

In March, the Company announced that it received approval for the exploitation of the Cabinda Phosphate Project, located in Angola. Angola's Ministry of Mineral Resources, Petroleum and Gas (MIREMPET) has approved the Company's Mining Licence, renewable for up to 35 years, for the mining of phosphate at the Cácata Deposit.

The exclusive mining rights have been granted over an 85km^2 area, including the designated project area, encompassing the Cácata high-grade phosphate deposit, proposed open pit mine, waste and ore stockpiles, and all associated infrastructure required for the mining operations.

Environment, Social and Governance

As part of its sustainability strategy, the Company will adopt a set of Environmental, Social and Governance (ESG) metrics and disclosures as released by the World Economic Forum (WEF) in Geneva, Switzerland9.

The context in which the Company operates has been transformed by climate impact, nature loss, and social unrest around inclusion and working conditions.

This new global environment is challenging the traditional expectations of corporations and redirecting investment capital. Global sustainable investment now tops $30 trillion, up 68% since 2014 and tenfold since 2004. Minbos is charting a course to build resilience and enhance our social licence through a greater commitment to long-term, sustainable value creation that embraces the wider demands of people and planet.

The Board of the Company has resolved to adopt the WEF ESG framework and instructed management to set up an impact measurement plan for each sustainability area which includes, but is not limited to, governance, anti-corruption practices, ethical behaviour, child labour, GHG emissions, land use, ecological sensitivity, water consumption, diversity and inclusion, pay equality and local tax payments.

To ensure that Minbos can measure, monitor, and report on its ESG progress, the Company has engaged impact monitoring technology platform "Socialsuite" to streamline the outcomes measurement and ongoing ESG reporting process. The Company's goal is to demonstrate progress on its ESG scorecard, but more broadly, requires progress on a range of ESG benchmarks as set out by the WEF's ESG White Paper.

The Company will update the market regularly on its ESG progress and seek to ensure that the Cabinda Phosphate Project remains an impact investment for shareholders and local communities.

6. Ferro Phosphate and LFP Project

Strategic Cooperation Agreement

As part of the $25m placement in July 2022, Minbos and the syndicate of cornerstone investors (being Longmarch Principal Holding Limited, HongKong Jayson Holding Co., Ltd. and Hoston Investments (Australia) Pty Ltd.) have signed a Strategic Cooperation Agreement ("SCA") to develop Ferro Phosphate, Lithium Ferro Phosphate and Large-Scale Green Ammonia Projects.

Syndicate Partners

HongKong Jayson Holding Co., Ltd. (HKJYS) (70% of placement funds) is a Hong Kong-incorporated holding company substantially held by Mr. Liang Feng, founder and chairman of Shanghai Jayson New Energy Materials. Jayson mines green energy metals (cobalt, copper and nickel, etc.) across several continents, producing cathode materials for lithium batteries.

Mr. Liang is also founder and chairman of Shanghai Putailai New Energy Technology (PTL), listed on the Shanghai Stock Exchange with a market capitalization of US$18billion, and the world's largest anode materials maker for lithium batteries.

Hoston Investments (Australia) Pty Ltd. (20% of placement funds) represents a successful Australian-Chinese entrepreneur with manufacturing businesses focused on textiles and garments, real estate development, marine technology and services.

Longmarch Principal Holding Limited (10% of placement funds) Long March Capital has originated, advised and managed several billion dollars investments of Chinese investors in the resources, infrastructure and energy sectors in Africa, Canada and Australia.

Ferro Phosphate and Lithium Ferro Phosphate LFP Projects

For those projects, the key points of the SCA are as follows:

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

7. Capanda Green Ammonia Project

Strategic Cooperation Agreement Key Points

For this project, the key points of the SCA are as follows:

- Investigate the availability of up to 500MW hydropower for new large-scale Green Ammonia Projects
- Evaluation and development of potential downstream ammonia products
- Complete feasibility studies on a large-scale ammonia project
- Identify, approach and secure appropriate investment partners, including debt financing sufficient to fund the capital expenditure requirements to construct the production facilities
- Assist with identifying and securing suitable land and location for the LSGA Project
- Secure customers and offtake arrangements for the ammonia products
- Government relations including introductions, referrals and meetings as required for approvals, permits and licenses for the LSGA Project
- Provide phosphate feedstock on competitive market terms under a long-term offtake agreement.

Recent Developments

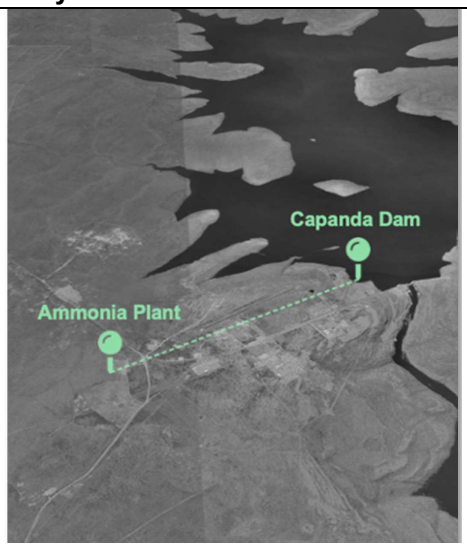
In October 2021, Minbos announced it had submitted a Letter of Intent ('LOI') to the Ministry of Agriculture and Fisheries, Ministry of Energy and Water and the Ministry of Mineral Resources and Petroleum. The LOI outlined a proposal to develop a nitrogen fertilizer facility using green ammonia produced from hydroelectric power from the Capanda Hydroelectric Dam.

The Capanda Hydroelectric Dam is a hydroelectric dam on the Kwanza River (Figure 8.1), in the Malanje Province of Angola. The facility generates power from four turbines of 130 megawatts each, giving total installed capacity of 520 megawatts.

The Ministry of Agriculture and Fisheries had confirmed to Minbos its intention to grant the company the land necessary for establishing a green ammonia and nitrogen fertilizer facility in the Pólo Agroindustrial de Capanda with the Ministry agreeing to provide the necessary support for implementation of the project. The proposed land allocation is within 10km of the Capanda Hydroelectric substation, where Minbos plans to develop its Ammonia Nitrate facility.

Capanda is located within trucking distance to the Malanje agricultural corridor and major regional mining projects. The strategic location reduces transport and distribution costs, ensuring the projects competitive cost advantage is maintained.

Figure 7.1 – Capanda Hydroelectric Dam



Source: MNB

In early May 2022, RNT-EP, Angola's electricity network operator, confirmed its support for a long-term offtake agreement with Minbos for zero-carbon hydro electrical power. RNT-EP confirmed the key commercial parameters of the power supply arrangement as follows:

- Initial 100MW at US$0.004 (0.4¢) per kilo Watt hour (kWh) for 5 years then 0.8¢/kWh for 20 years.
- Subsequent 100MW at US$0.015 (1.5¢) /kWh for 25 years.

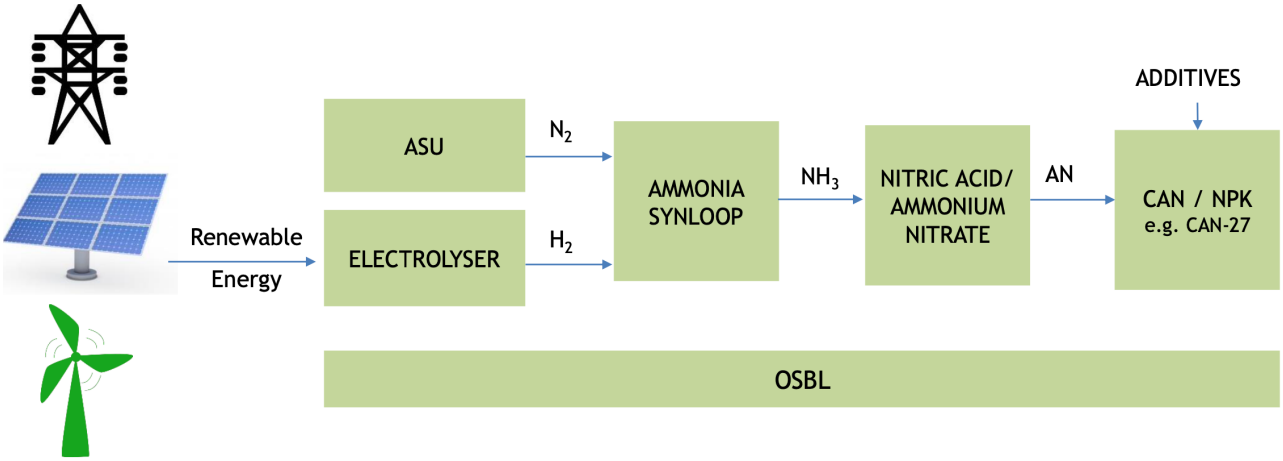
In June 2022, Minbos signed with an agreement Stamicarbon, the Green Ammonia Innovation and License Company, to conduct a 6-month Technical Study for the Capanda Green Ammonia Plant. The Technical Study is to access a mixed production profile of 300,000 tpa of green ammonium nitrate products. The study represents a natural progression of the working partnership, with Stamicarbon having provided technical input for the Minbos proposal to secure up to 200MW of green power.

Stamicarbon is the innovation and license company of Maire Tecnimont Group and a global market leader in the design and development of Green Ammonia

Plants. Minbos aims to establish Angola as the global leader in Green Ammonia production.

In September 2022, the Technical Study was kicked off. The basis of the design is set to deliver ~300,000 tpy of green ammonium nitrate with an end product breakdown of ~50% fertilizer (CAN, calcium ammonium nitrate) and ~50% explosives grade ammonium nitrate, with flexibility on product mix.

Figure 7.2 – Production of Calcium Ammonium Nitrate



Source: Maire Tecnimont

The Technical Study is expected to take six months to complete. In the meantime, we examine the cost benefit of the exceptionally low energy price agreed with RNT-EP.

Table 7.1 calculates the energy cost according to the agreement with RNT-EP.

Table 7.1 – Capanda Agreed Energy Cost

Capanda	Capacity	Tariff	Years	Consumption	Energy Cost
	MW	*US$/kWh*	*x*	*MWh*	*US$M*
Stage 1	100	$0.004	5	4,000,000	16
	100	$0.008	20	16,000,000	128
Stage 2	200	$0.015	25	40,000,000	600
			Life of Project	**60,000,000**	**744**

It either takes 10 MWh of electricity to produce one tonne of ammonia or 35 GJ of natural gas. So if the Capanda project was using gas instead of electricity it would require 210 million GJ.

Table 7.2 summarises the cost benefit of using the RNT-ET electricity deal compared to various gas prices. The RNT-EP deal should save in excess of US$1 billion in cost.

Table 7.2 – Potential Cost Benefit of RNT-EP Electricity Deal v Gas Price

Source	Gas Price	Gas Cost	(Cost) Benefit
	$/GJ	*US$M*	*US$M*
Stranded supplies	$1	$210	($534)
Historical pricing	$2	$420	($324)
Henry Hub Spot	$6	$1,260	$516
Europe TTF	$30	$6,300	$5,556
East Asia Spot LNG	$30	$6,300	$5,556
Assumption	$10	$2,100	$1,356

8. Directors & Management Team

Directors and management have substantial experience leaving the company in very capable hands.

Peter Wall, Chairman

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), equity capital markets and mergers and acquisitions. He also has significant experience in dealing in Africa.

Valentine Chitalu, Non-Executive Director

Mr Chitalu is the co-founder and Chairman of Phatisa Group, an African-focused private equity fund with ~US400 million 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 and a director of African Energy Resources Ltd (ASX: AFR).

Paul McKenzie, Non-Executive Director

Mr McKenzie is Chairman of Kangaroo Island Plantation (ASX: KPT), Chairman of Hay Australia Pty Ltd, a Director of the SALIC Australia Pty Ltd (Saudi Agricultural and Livestock Investment Co), Chairman of the Cooperative Research Centre for Honey Bee Products Ltd, and Specialist Agri Consultant WA to KPMG.

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 25-year 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.

Graeme Robertson, Non-Executive Director

Mr Robertson is the Chairman and CEO of the Intrasia Group of companies established from Singapore and operating from Mauritius, focusing 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. Currently, he is also Non-Executive Chairman of Intra Energy Corp. Ltd for mining development in Africa.

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 resources, 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.

Dganit Baldar, Non-Executive Director

Ms Dganit Baldar is a qualified Israeli corporate lawyer with approximately 20 years experience in the legal profession. Until recently, she was 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.

Lindsay Reed, Chief Executive Officer

A Mining Engineer with 40 years' experience in exploration, development, operations and corporate finance. Lindsay has worked in minerals sands, copper and tin operations obtaining a Mine Managers Certificate.

After completing an MBA he worked as a resource analyst in the Australian equity markets. Since then, he has started and managed a number of resource companies with projects in a range of commodities in Australia, Africa and Asia. Lindsay has been the Chief Executive Officer of Minbos since 2014.

Blair Snowball, Chief Financial Officer

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.

Rebecca Morgan, Technical Consultant, Resource & Mining

Rebecca Morgan is a geologist and mining engineer with over 20 years of experience in the international resource sector, working for junior exploration companies and major mining companies.

Ms Morgan has knowledge and experience in resource evaluation and project assessment in commodities. Her industry experience covers project generation, exploration, development and expansion, as well as day-to-day operational

duties whilst living and working across a number of continents including Africa, South America, and Europe.

She holds a Bachelor of Science with honours in Applied Geology from Curtin University, a Post Graduate Diploma (Mine Engineering), and a Masters in Engineering Science (Mine Planning) from Curtin University.

Steve Abbott, Project Director

Steve is a highly regarded mining executive with more than 24 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. Prior to Minbos, Steve worked as General Manager Iron Ore and Industrial Minerals for BC Iron and General Manager Business Development for Gindalbie Minerals.

Earlier in his career, Mr Abbott spent eight years at Western Mining Corporation where he held various mechanical engineer and metallurgist roles culminating in a period as smelter superintendent at Olympic Dam.

Steve holds a Bachelor of Engineering from Curtin University of Technology as well as a Post Graduate Diploma in Metallurgy and he attained an MBA from La Trobe University. He completed a diploma at Australian Institute of Company Directors.

Chris Swallow, Corporate Development Manager

Currently the CEO of BPM Minerals (ASX:BPM) and a Non-Executive Director of Lord Resources, Chris is an experienced Corporate Executive who also holds Corporate Development positions with Guinea-focused gold explorer Predictive Discovery Limited (ASX:PDI) and Minbos Resources Limited (ASX:MNB).

Chris has more than 15 years' experience across both public and private sectors including with one of Australia's largest private companies.

9. Investment Risks

MNB is exposed to a number of risks including:

- **Geological risk**: the actual characteristics of an ore deposit may differ significantly from initial interpretations.
- **Resource risk:** all resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates, which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate.
- **Commodity price risk:** the revenues MNB will derive mainly through the sale of phosphate products exposing the potential income to commodity price risk. The price of phosphate fluctuate and is affected by many factors beyond the control of MNB. Such factors include supply and demand fluctuations, technological advancements and macro-economic factors.
- **Exchange Rate risk:** The revenue MNB derives from the sale of phosphate products exposes the potential income to exchange rate risk. International prices of commodities are denominated in United States dollars, whereas most of operating costs are in Angolan Kwanzas and Australian dollars and the financial reporting currency of MNB is the Australian dollar, exposing the company to the fluctuations and volatility of the rate of exchange between the AUD, AOA and USD as determined by international markets**.**
- **Mining risk:** A reduction in mine production would result in reduced revenue.
- **Processing risks:** A reduction in plant throughput would result in reduced revenue. In all processing plants, some metal is lost rather than reporting to the valuable product. If the recovery of metal is less than forecast, then revenue will be reduced.
- **Operational cost risk:** an increase in operating costs will reduce the profitability and free cash generation of the project.

- **Management and labour risk**: an experienced and skilled management team is essential to the successful development and operation of mining projects.

Evolution Capital Pty Ltd
Level 6, 1 Castlereagh Street
Sydney, NSW 2000
Tel: +61 2 8379 2958
www.eveq.com

Disclosure & Disclaimer