

## **\$2.46M AMBATO SALE COMPLETED AS MOMENTUM BUILDS FOR GREEN HYDROGEN-AMMONIA PROJECT**

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### **Highlights**

- **Sale completed on Minbos' Ambato Rare Earths Project with the Company receiving A\$2.46M sale proceeds**
  - **Receipt of updated Formal Resolution from Angolan power authority (RNT-EP) on 200MW long term Zero Carbon hydro electrical power for Green Hydrogen-Ammonia Project confirming key commercial parameters of the proposed commercial arrangement**
  - **Significant enquiries received from potential technical, offtake and investment partners for the Green Hydrogen-Ammonia Project**
  - **Review being undertaken on ability to develop a Lithium Iron Phosphate battery business unit following initial enquiries from large global battery producers**
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**Minbos Resources Limited** (ASX:MNB) ("Minbos" or the "Company") is pleased to confirm completion of the divestment of its interests in Madagascan Rare Earths Project to ALS (Hong Kong) Limited. Proceeds of the divestment (A\$2.46M) are to be applied to complete the Definitive Feasibility Study (DFS) for the Cabinda Phosphate Project and studies for the Capanda Green Hydrogen-Ammonia Project.

The Capanda Green Hydrogen-Ammonia Project is set to become another key value driver for the Company as the Cabinda Phosphate Project proceeds towards DFS completion.

Further to the announcement on 10 May 2022, the Company can now confirm it has received an updated resolution from RNT-EP, Angolan's power network operator.

This updated resolution confirms the key commercial parameters of the power supply arrangement and is in lieu of the Memorandum of Understanding (MOU) that the Company previously expected by mid month (with the MOU now expected following an initial technical discussion process).

Key Commercial Parameters:

### **Concessional Pricing**

- **Initial 100MW at \$US0.004 (0.4c) kilowatt hour for 5 years then 0.8c kilowatt hour for 20 years.**
  - **Subsequent 100MW at \$US0.015 (1.5c) kilowatt hour for 25 years.**
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## Key Undertakings

Following receipt of the amended resolution and as part of the negotiations on the proposed MOU, the Company has undertaken to provide key milestones and studies to RNT-EP both in relation to the Green Hydrogen-Ammonia Project and, more generally, in the Angolan Fertilizer & Agricultural sector. These undertakings include:

- **Budget and first year's timetable for a market assessment study, for the proposed Green Hydrogen-Ammonia Plant.**
- **Technology and Engineering Partnership Agreement to be executed with a preferred technology partner.**
- **Transport Logistics Study to analyse the cost of transporting the materials for the Green Hydrogen-Ammonia Plant and the cost of transporting nitrogen fertilizers to the agricultural regions of Angola.**
- **Inventory of Raw Materials of Angolan secondary ingredients for nitrogen fertilizers, including Sulphur, Limestone, Dolomite, Phosphate, Potassium.**
- **Agricultural Stakeholder Consultation with nutrient users, importers, distributors and agronomists to identify the most suitable nitrogen fertilizers, climate, soil fertility, available raw materials and agricultural production forecast.**
- **Soil sampling to be carried out in conjunction with the Ministry of Agriculture and covering approximately 10 million hectares of agricultural land.**

Following the Company's announcement that it had secured in principle agreement from RNT-EP for the supply of 200MW of Zero-Carbon hydro electrical power<sup>1</sup> and the advancement of the proposed Green Hydrogen-Ammonia Project, the Company has received a number of unsolicited enquiries from potential technical, offtake and investment partners with a variety of opportunities including:

- **Recognition that surging natural gas prices are squeezing industrial sectors and the attractiveness of the concessional pricing of the Zero-Carbon Hydropower franking the Green Hydrogen-Ammonia Project opportunity.**
- **Interest in the long-term supply of Ammonium Nitrate for industrial uses (mainly drill and blast mining activities) in the Africa region.**
- **Heightened interest in the Green Hydrogen-Ammonia investment thematic and its ability to improve sustainable agricultural and food security.**

<sup>1</sup>ASX Announcement - RNT-EP affirms support for Minbos' Zero-Carbon Hydroelectric Green Hydrogen - Ammonia Project.

The Company remains focussed on progressing the opportunity and has commenced meeting with suitable technology and investment partners.

In addition to above, the Company has received initial in-bound enquiries on the ability to use phosphate from the Cabinda Phosphate Project for the production of Lithium Iron Phosphate batteries. Lithium Iron Phosphate batteries (LiFePO<sub>4</sub> or LFP) offer multiple benefits compared to lead-acid batteries and other lithium batteries. Longer life span, no maintenance, extremely safe, lightweight, improved discharge and charge efficiency, to name a few.

The quality of the phosphate proposed to be produced from the Cabinda Phosphate Project (grade and impurities) has attracted initial interest from potential global battery partners and established battery producers.

**Commenting on the above, Lindsay Reed, CEO, said:**

***“Our hard work and persistence in Angola is starting to pay dividends, with multiple potential business opportunities on the table that we believe will quickly overtake our phosphate project in relation to returns for shareholders.***

***Our positioning with the Green Hydrogen-Ammonia Project puts the Company ahead of most, if not all, other ASX listed peers giving Minbos a significant time, infrastructure spend and power pricing advantage. These advantages cannot be underestimated.”***

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This announcement is authorised for release by the Board of Minbos Resources Limited.

For further information please contact:

**Lindsay Reed**

Chief Executive Officer  
E: [l.reed@minbos.com](mailto:l.reed@minbos.com)

**Chris Swallow**

Corporate Development  
E: [c.swallow@minbos.com](mailto:c.swallow@minbos.com)  
Ph: +61 412 174 822

# Grow to eat. Grow to sell and grow to export.

Minbos is an 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



## Compliance Statement

With reference to previously reported Scoping Study Results, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

## Forward Looking Statements

Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices or potential growth of Minbos Resources Limited, are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.