

ASX ANNOUNCEMENT

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 30 JUNE 2020

The Company's focus during the reporting period continued to be on the advancement of the Cácata Phosphate Concession (also known as Cabinda Phosphate Project), located in the Province of Cabinda, Angola.

HIGHLIGHTS

- The Mining Investment Contract between the Ministry of Mineral Resources, Petroleum and Gas in Angola and the Company is substantially agreed and will enable Minbos to move directly to the exploitation phase of the contract.
- A Definitive Feasibility Study (DFS) (inclusive of an initial Scoping Study for release to ASX in the near term) for the Cabinda Phosphate Project commenced, with the engagement of Orelogy to complete a mine plan and JORC 2012 ore reserve estimate. Minbos has now received quotes for all major activities of the DFS.
- The Angolan Institute of Agronomic Investigation (IIA), harvested the Maize and Bean field trials during the quarter. Both crops responded pleasingly to the Cabinda Blend nutrient, and the Bean crop showed a response to Cabinda Phosphate Rock on its own (i.e. without any MAP blend).
- The International Fertilizer Development Center (IFDC) planted the next greenhouse trials in Alabama designed to test product refinements and investigate the enduring effect of the Cabinda Blend on subsequent crops.
- Angola announced a A\$750 million expenditure program in June to accelerate agriculture and fisheries in country with the aim of achieving food and nutrition security. This expenditure funds will aim to increase the availability of seeds, fertilizers and agricultural equipment for local requirements.

ACTIVITIES

- CEO Lindsay Reed updated shareholders on progress with the Cabinda Phosphate Project and the Company's vision to build a nutrient supply and distribution business that stimulates agricultural production and promotes food security in Angola and the broader Congo Basin, key updates included¹:

¹ ASX Announcement: Letter to Shareholders
<http://www.investi.com.au/api/announcements/mnb/dc0e6db7-2dd.pdf>

- » The plan to mine Phosphate Rock from the Cácata Deposit and transport it to the Porto de Caio, where the Company intends to build and operate a granulation plant to produce Enhanced Phosphate Rock granules (Phosphate Rock + MAP).
 - » Plans for the Enhanced Phosphate Rock granules to become P nutrient feed stock to blend with imported Nitrogen (N) and Potassium (K) granules in NPK blending plants to exact specifications suited to Angolan crops and soils.
 - » Forward project planning, including; completion of a DFS, upgrading of resources and reserves, in-country field trials, IFDC Greenhouse trials, granulation plant engineering and design, permitting and approvals, appointment of construction debt advisor and other key project dates.
- In late May, the Company announced that it had begun work on the DFS with the appointment of Orelogy Consulting Pty Ltd. Orelogy is engaged to produce an ore reserve report, designed to generate a robust mining strategy that maximises project value and efficiency. Key items to be completed include:
 - » An updated JORC 2012 Ore Reserve Estimate.
 - » Mine schedule and stockpile design.
 - » Mine infrastructure design.
 - » Cost modelling (OPEX and CAPEX).
 - Orelogy has issued a Request for Budget Pricing for mining and road transport to six mining contractors, including four local contractors. The budget pricings will be used to finalise the Ore Reserve Estimate and refine the project financing model. Orelogy will review the proposals and compile a short list of contractors that will be invited to tender for the final mining and/or road transport contract later this year.
 - The Company has now received quotes for all the major DFS activities, including
 - » Process Flowsheet, mass and energy balance;
 - » Basic Engineering of the Granulation Plant;
 - » Site Engineering Design;
 - » IFC Standard ESIA for phosphate mine and granulation plant;
 - » Angolan EIA for phosphate mine and granulation plant; and
 - » Mine plan and Ore Reserves.

- In mid-June, the International Fertiliser Development Center (IFDC) was engaged to undertake new Greenhouse Trials with a view to enhancing the value-in-use of the Cabinda Blend product². These Greenhouse Trials have been designed to deliver three key nutrient enhancements:
 - » The enduring effect of the Cabinda Blend on second and third crops after a single initial application as observed in the last greenhouse trial.
 - » Confirm the maximum content of Phosphate Rock versus expensive MAP in the Cabinda Blend for productive use in simulated Angolan conditions.
 - » Evaluate the advantage of granules versus compacted tablets and provide valuable data for further field trials in Angola in the coming season.



- The IIA harvested, dried and weighed the Maize and Bean field trials in Huambo, Angola. The Cabinda Blend showed a response in both crops and Cácata Phosphate Rock surprisingly showed a response on its own (i.e. without MAP) in the Bean crop. Dr Luís Prochnow of NPCT Brasil will produce a final technical report on the data which will be used to formulate the protocol for field trials in the coming season to test Cabinda Blend against commercially available fertilizers.
- During the quarter, the Angolan Minister for Mineral Resources, Petroleum and Gas, (MIREMPET) formally initiated the process for the execution of the Mining Investment Contract (MIC) between MIREMPET and Minbos, as stipulated by the Mining Code and contemplated under the Public Tender.

² ASX Announcement: MINBOS TARGETS IMPROVED PROJECT ECONOMICS WITH FURTHER GREENHOUSE TRIALS TO OPTIMISE PRODUCT VALUE-IN-USE
<http://www.investi.com.au/api/announcements/mnb/675f3ad6-40b.pdf>

- » The standard MIC will be amended to allow Minbos to move directly to the exploitation phase without first completing the three year prospecting/exploration phase.
 - » Minbos submitted a Technical Economic and Financial Study to MIREMPET as required to move to the exploitation phase.
 - » The parties have agreed all the material terms of the MIC and it is slated for execution in the September quarter.
- Angola announced a 300 billion Kwanza (A\$750 million) plan on 25 June to accelerate agriculture and fisheries in the country and speed up progress towards food and nutrition security and avoid dependence on imported food products. A specific objective of the plan is to promote the production of fertilizers. President Lourenço reiterated in July the commitment of the Angolan Government to diversify the economy with greater focus on agriculture, agro-industry and agro-business. According to the President, the objective is make agriculture, agro-industry and agribusiness become large contributors to gross domestic product.
 - At the end of the quarter, Angola which had registered only 178 COVID cases and 13 deaths and had commenced easing restrictions. Since then, cases and deaths have tripled and stronger lockdown controls to minimize transmission have been reintroduced. At this time, COVID is preventing the commencement of dry season environmental baseline studies at Cúcata for the approvals process. The Company has conducted baseline studies in the past and will seek to submit the historical studies if seasonal access is not possible before the end of the dry season.

SEPTEMBER QUARTER – EXPECTED WORK PROGRAMS

- A Scoping Study based on the Orelogy mine schedule will be prepared and used to guide the DFS consultants, provide project indicative metrics to project financiers, support offtake discussions with the Angolan Government and inform investors of our plans. It is proposed that results of the Scoping Study will be released to ASX during August 2020.
- The Company will engage its preferred contractors and consultants for the major DFS activities and revise its DFS schedule and budget accordingly.
- Field Trials for the next growing season in Angola are being planned in collaboration with NPCT, IFDC and the IIA to compare the Cabinda Blend to commercially available fertilizers.
- The Company is moving quickly to realise the potential of the Cabinda Phosphate Project, moving rapidly to produce first supply of nutrients in late-2021/early-2022.

- The Ambato Rare Earth project is currently on hold as field access is not possible. The Company has earned its option to purchase 90% of holding company Tana Minerals, and is exploring options to extract value from its interest.
 - An overview of the Ambato geology funded by the World Bank in 2013, noted that the mineralization of the Ankazohambo REE Deposit was similar to the Mountain Pass deposit in California. The authors hypothesised that the chemistry of a carbonate rock rich in REE suggested the presence of carbonatites. ³
 - CSA completed a data review and geological mapping of the Ankazohambo REE earth deposit in 2019 and identified poorly exposed carbonatite and other alkaline intrusions coincident with a 1400m long undrilled radiometric and REE soil anomaly previously identified by Minbos. The size and nature of the carbonatite body at Ankazohambo is unknown at this time.
 - The Mountain Pass bastnaesite mine in California is the largest known rare earth deposit in the USA. A carbonatite body called the Sulphide Queen carbonatite forms the core of the Mountain Pass igneous complex and hosts the bulk of the REE mineral resources in the district. The Sulphide Queen carbonatite has an overall length of 730m and an average width of 120m. ⁴
 - The owners of the Mountain Pass mine announced plans this month to list on the New York Stock Exchange with an enterprise value of US\$1 billion.

MINBOS ANNOUNCEMENTS

Quarterly Activities Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (“2012 JORC Code”).

Further details (including 2012 JORC Code reporting tables where applicable) of exploration results referred to in this Quarterly Activities Report can be found in the following announcements lodged on the ASX:

18-Jun-20	Minbos Targets Improved Project Economics
27-May-20	Cabinda Project DFS underway with key appointment

³ Rasoamalala et al, 2013 Geology of bastnaesite and monazite deposits in the Ambatofinandrahana area, central part of Maqadagascar: An Overview

⁴ USGS 2010, The Principal Rare Earth Elements Deposits of the United States – a Summary of Domestic Deposits and a Global Perspective

20-May-20	London 121 Presentation
19-May-20	Letter to Shareholders

CORPORATE

- The Company currently has 5.654 billion shares on issue with no unlisted options or performance rights.
- At the end of the quarter the Company had cash on hand of \$0.749 million
- As set out in section 6 of the Appendix 5B, the Company made payments to related parties of the entity of A\$36,000 in the quarter ending 30 June 2020. This amount was made up of A\$36,000 paid in Director fees.

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

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ABOUT MINBOS

Minbos Resources Limited (ASX: MNB) is an ASX-listed exploration and development company with interests in phosphate ore within the Cabinda Province of Angola and Rare Earth Elements in Madagascar. The Company's strategy is to specifically target the exploration and development of low cost mineral projects.

For more information: www.minbos.com

Forward Looking Statements

This ASX release may include forward-looking statements. These forward-looking statements, particularly those regarding possible or assumed future performance, costs, dividends, production levels or rates, prices, resources, reserves 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.

THE CABINDA PHOSPHATE PROJECT

Located in the Cabinda Province of northeast Angola (Figure 1), the Company’s strategy has been to specifically target development of low cost phosphate projects. 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 Congo Basin.

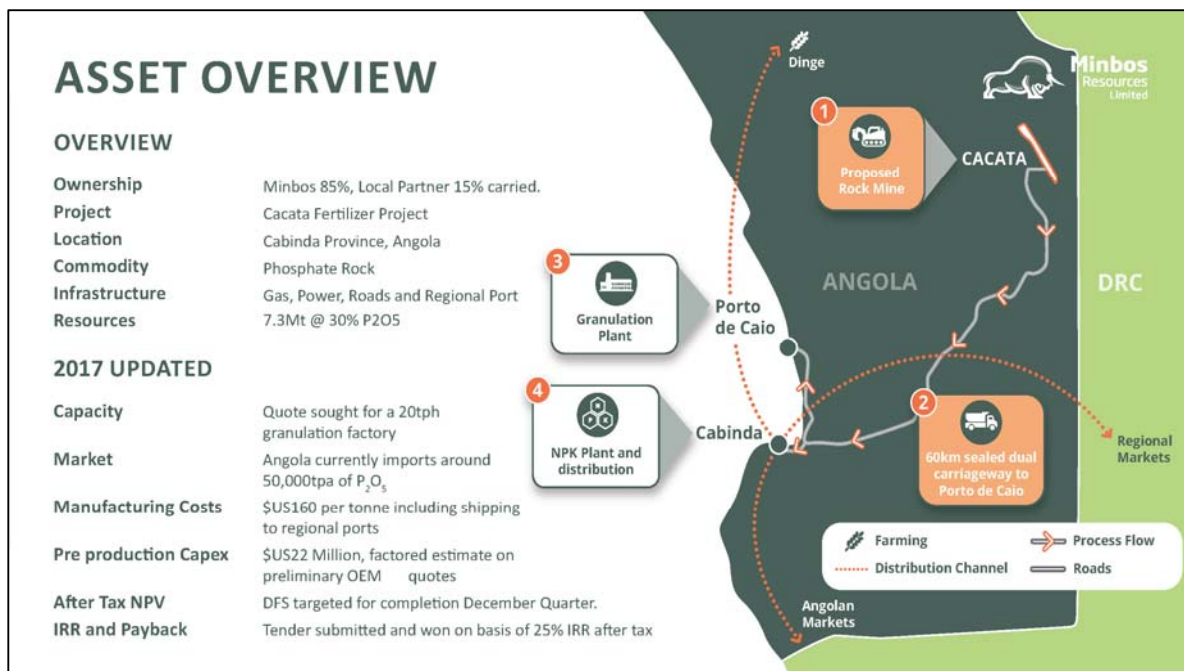


Figure 1 – Location of the of the C acata Phosphate Concession, overlain with Company plans to build a nutrient manufacturing and supply business.

Project Drivers

Agriculture is the main source of income for 90% of the 9.6 million Angolans living in rural areas with 44% of Angola’s 30.8 million population employed in agriculture. Angola has 35 million hectares of arable land (size of France) with only 8% currently tilled for farming. Currently, 100% of all nutrients (NPK) are imported.

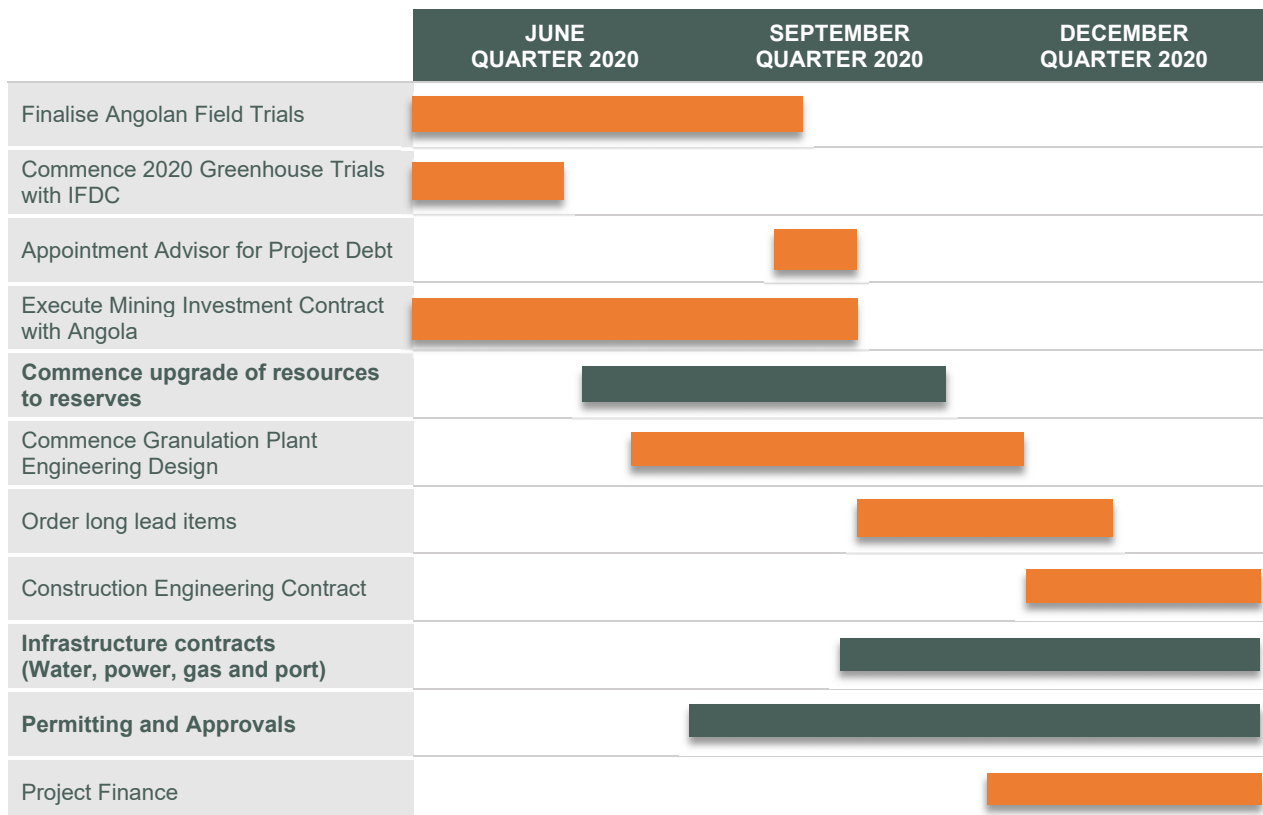
Importantly, international fertilizer companies have recognized the incredible growth and population trajectory of Africa, with multi-billion-dollar fertilizer investments:

- » 2017 - Indorama invests US\$1.5 billion in a fertilizer plant in Nigeria.
- » 2016 - OCP invests US\$3.7 billion in a fertilizer plant in Ethiopia.
- » 2016 - Toyota Tsusho commissioned a new large-scale (150,000 tonnes per year) fertilizer blending plant in Kenya to service Kenya and Tanzania.

In further good news the Government of Angola has announced 300 billion Kwanza (circa AUD \$750 million), to accelerate agricultural and fishing production over the next 2 years.

Angola plans to double its agricultural output from two million tons of cereals, to almost four million tons and with fertilizer consumption on the African continent projected to reach 13.6 million tonnes by 2030 compared to 7.6 million tonnes currently, the Company is aggressively targeting first supply of nutrients for Angola in 2021/22.

Cabinda Project Forward Plan:



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