

2021 Annual Report



Minbos
Resources
Limited

ABN 93 141 175 493

For the Financial Year
Ended 30 June 2021



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Corporate Directory

DIRECTORS

Mr Peter Wall - Non-Executive Chairman
Ms Dganit Baldar - Non-Executive Director
Mr Valentine Chitalu - Non-Executive Director
Mr Paul McKenzie - Non-Executive Director
Mr Graeme Robertson - Non-Executive Director
Mr Lindsay Reed - Chief Executive Officer
Mr Blair Snowball - Chief Financial Officer
Mr Harry Miller - Company Secretary

REGISTERED OFFICE

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Subiaco, WA 6008
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F: +61 (08) 6270 4614
E-mail: info@minbos.com
Website: www.minbos.com

PRINCIPAL PLACE OF BUSINESS

Suite 1, 245 Churchill Avenue
Subiaco, WA 6008
PO Box 162
Subiaco, WA 6904

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
West Perth Business Banking Centre
Level 1, 1238 Hay Street
West Perth, WA 6005
Website: www.nab.com.au

AUDITORS

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco, WA 6008
Website: www.bdo.com.au

SHARE REGISTRY

Automatic Registry Services
Level 2, 267 St Georges Terrace
Perth, WA 6000
Website: www.automic.com.au

SOLICITORS

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan street
Perth, WA 6000
Website: www.steinpag.com.au

SECURITIES EXCHANGE

Australian Securities Exchange Limited (ASX)
Home Exchange - Perth
ASX Code - MNB (Ordinary Shares)

Chairman's Letter

To our shareholders,

When I sit down to write this letter and reflect on the year that's passed, I am constantly reminded of the awesome impact our team is having in Angola. Faced with the challenge of the COVID-19 global health crisis, their navigation of the travel disruptions and numerous project delays has been nothing short of remarkable.

In the span of a year, we have delivered a Scoping Study, undertaken a Definitive Feasibility Study and received our Mining License for the Cabinda Phosphate Project. These are important steps in growing a high impact, sustainable nutrient business and puts the Company in good stead to be in production in late 2022.

Working with our new Project Partners, the International Fertilizer Development Center, we have opened up a dialogue with the Government of Angola for an offtake program to deliver our fertilizer to Angola's 3 million smallholder farmers. Food demand from Angola and middle Africa is exploding with growing populations currently being met by imported food product. Local primary agriculture is our opportunity in the Grow to Eat, Grow to Sell and Grow to Export markets.

Our purpose, strategy and responsibility to the local communities we operate are all interconnected, the Company is committed to measuring, monitoring and reporting on its ESG progress, engaging an impact monitoring technology platform to streamline the outcomes measurement and ongoing ESG reporting process.

Investing in our business isn't only about developing a fertilizer product and solutions to enhancing our operations. Just as important is putting time, money and effort into our culture and our people and I am very proud to be Chairman of a Company that is investing in not only our Perth-based team, but also building a local in-country team in our newly minted office in Luanda.

By nature, I focus on what lies ahead and the Company's focus is firmly on the next 12-18 months as we look not only to deliver our Phosphate Fertilizer, but to expand into a Primary Producer of NPK products through our NPK for Angola Strategy.

The Company's opportunities are numerous, chief among our near-term plans is capitalising on Angola's world-leading hydropower infrastructure to deliver a truly green ammonia product.

There are also significant opportunities in bulk fertilizer blending, handling and distribution as well as significant interest in operating a million-hectare tract of the world's most prospective farmland.

Our Company's future lies in our connection to a country, which has embraced our vision to integrate ourselves into their communities and be a part of a rising tide that lifts all boats.

Our best days are ahead of us, and I am excited to see what the next 12 months has in store for the Company.

None of this would be possible without the efforts of Chief Executive Officer Lindsay Reed who has driven much of the innovation and design of the Cabinda Project and Partnerships. His boundless energy and enthusiasm for the Project is the reason why the Project has progressed in leaps in bounds. He has had to endure a significant time overseas away from his family to pursue many of the opportunities Minbos has been able to execute. I thank Lindsay for his efforts.

I would also like to make special mention of our in-country attaché, Mr Camache Caturichi who has worked tirelessly to assist Lindsay in progressing the Project.

Finally, I would like to thank the Government and people of Angola, for awarding us custodianship of the Cabinda Project, which the Company strongly believes has the potential to both change Angola and add significant value for Minbos Shareholders.

As Chairman, it gives me great pleasure to present the 2021 Annual Report for Minbos Resources Limited, I thank you for your support throughout financial year 2021 and hope that our progress during the forthcoming year will continue to add value to your investment in Minbos.

I would also like to thank my fellow board members and management for all their efforts and success during the past year.

Yours Sincerely,



Mr Peter Wall
Non-Executive Chairman



“

By nature, I focus on what lies ahead and the Company's focus is firmly on the next 12-18 months as we look not only to deliver our Phosphate Fertilizer, but to expand into a Primary Producer of NPK products through our NPK for Angola Strategy.

Director's Report

The Directors submit their report of the 'Consolidated Entity' or 'Group', being Minbos Resources Limited ('Minbos' or 'Company') and its Controlled entities, for the financial year ended 30 June 2021.

BOARD OF DIRECTORS

The Directors of the Company in office at the date of this report or at any time during the financial year are:

| Directors | Position | Appointment | Resignation |
|--------------------------|------------------------|-------------|-------------|
| Peter Wall | Non-Executive Chairman | 21/02/2014 | - |
| Dganit Baldar | Non-Executive Director | 18/03/2016 | - |
| Valentine Chitalu | Non-Executive Director | 07/12/2020 | - |
| Paul McKenzie | Non-Executive Director | 07/12/2020 | - |
| Graeme Robertson | Non-Executive Director | 07/12/2020 | - |
| Damian Black | Non-Executive Director | 21/02/2014 | 30/11/2020 |
| William Oliver | Non-Executive Director | 02/09/2013 | 07/12/2020 |

INFORMATION ON THE BOARD OF DIRECTORS

The following information is current as at the date of this report.

Mr Peter Wall

Non-Executive Chairman (appointed 21 February 2014)

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

During the past three years, Mr Wall held the following directorships in other ASX listed companies:

Current:

- Non-Executive Chairman of MMJ Group Holdings Ltd; and
- Non-Executive Chairman of Pursuit Minerals Ltd.

Previous:

- Non-Executive Chairman of MyFiziq Limited (22 January 2021);
- Non-Executive Chairman of Argent Minerals Ltd (28 June 2021);
- Non-Executive Chairman of Transcendence Technologies Limited (resigned 28 June 2021);
- Non-Executive Chairman of Mandrake Resources Limited (formerly Bronson Group Ltd) (resigned 5 August 2019); and
- Non-Executive Chairman of Sky and Space Global Ltd (resigned 3 December 2018).

Ms Dganit Baldar

Non-Executive Director (appointed 18 March 2016)

Ms Dganit Baldar is a qualified Israeli corporate lawyer with approximately 20 years' experience in the legal profession. Ms Baldar was previously 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.

During the past three years, Ms Baldar has not held directorships in any other ASX listed companies.

Mr Valentine Chitalu

Non-Executive Director
(appointed 7 December 2020)

Mr Chitalu is the co-founder and Chairman of Phatisa Group, an African-focused private equity fund with ~US\$400 million in 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.

During the past three years, Mr Chitalu held the following directorships in other ASX listed companies:

Current:

- Non-Executive Director of African Energy Resources Ltd.

Mr Paul McKenzie

Non-Executive Director (appointed 7 December 2020)

Mr Paul McKenzie is a professional independent agribusiness consultant in Australia. He is Non-Executive Director and former Chairman of ASX listed Kangaroo Island Plantation Timbers Ltd, 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 twenty-five years' 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.

During the past three years, Mr McKenzie held the following directorships in other ASX listed companies:

Current:

- Non-Executive Director of Kangaroo Island Plantation Timbers Ltd.

Mr Graeme Robertson

Non-Executive Director (appointed 7 December 2020)

Mr Robertson is the Chairman and CEO of the Intra Asia Group of companies established from Singapore and operating from Mauritius, focussing 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 Non-Executive Chairman of ASX listed Intra Energy Corporation Ltd (ASX: IEC) 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 resource, 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.

During the past three years, Mr Robertson has not held directorships in any other ASX listed companies.

Mr Damian Black

Non-Executive Director (appointed 21 February 2014 – resigned 30 November 2020)

Mr Black is Founder/Director at Aesir Capital, a Sydney based boutique investment bank. Prior to founding Aesir, he worked as a director at Asia Principal Capital – Corporate Finance. Mr Black has over 10 years' experience in corporate finance and investment banking having commenced with Tolhurst Limited in 2006.

Mr Black graduated from Curtin University with a Bachelor of Science in Physiotherapy in 1999 and also completed a Graduate Diploma in Applied Finance and Investment at FINSIA in 2005.

Mr Black is experienced in structuring corporate transactions, focusing primarily on the technology and natural resources sectors, and is currently engaged in a corporate advisory role with a number of private and ASX listed companies.

During the past three years, Mr Black held the following directorships in other ASX listed companies:

Previous:

- Non-Executive Director of HomeStay Care Limited (formerly Antilles Oil and Gas NL) (resigned 3 December 2019).

Mr William (Bill) Oliver

Non-Executive Director (appointed 2 September 2013 - resigned 7 December 2020)

Mr Oliver is a geologist with 20 years of experience in the international resources industry working for both major and junior companies. He has substantial experience in the design and evaluation of resource definition programmes as well as co-ordinating all levels of feasibility studies. He has direct experience with bulk commodities in various roles including large scale resource definition for Rio Tinto Iron Ore.

Mr Oliver has spent recent years evaluating and assessing several projects across Africa including being responsible for the identification, acquisition and development into production of the Konongo Gold Project while being the Managing Director of Signature Metals, and the acquisition of projects for Celsius Resources and Tando Resources. He is also fluent in Portuguese having lived and worked in Portugal while managing exploration across a range of commodities for Iberian Resources.

Mr Oliver holds an honours degree in Geology from the University of Western Australia as well as a Post-Graduate Diploma in Finance and Investment from FINSIA.

During the past three years, Mr Oliver held the following directorships in other ASX listed companies:

Current:

- Non-Executive Chairman of Celsius Coal Limited.

Previous:

- Managing Director of Vanadium Resources Ltd (resigned 18 December 2020);
- Executive Director of Aldoro Resources Limited (resigned 20 November 2019); and
- Non-Executive Director of Vulcan Energy Resources Limited (resigned 19 November 2019).

INFORMATION ON OFFICERS OF THE COMPANY

Mr Lindsay Reed

Chief Executive Officer (appointed 1 September 2014)

Mr Reed is an accomplished mining executive with over 30 years of experience in senior management roles in Australia and overseas.

Mr Reed has extensive experience in managing mining projects in a wide range of commodities and countries. He was previously Director and Chief Executive Officer of resource development company Aviva Corporation Limited ('Aviva') which divested its West Kenyan gold and base metals assets in late 2012 to Acacia Mining Plc (previously African Barrick Plc) for \$20m cash and a further resource milestone payment of \$10m. Mr Reed was responsible for joint venturing into the asset with Lonmin Plc and overseeing funding and exploration activities until the divestment of the asset. Mr Reed also oversaw the environmental approval of two power station projects in Australia and Botswana and attracted International heavyweights GDF Suez and AES Corporation as Joint Development Partners.

Prior to joining Aviva, Mr Reed was Corporate Development Manager at Murchison United Limited which acquired the Renison Bell Tin mine from RGC Limited. During his involvement Murchison grew from a market capitalisation of \$5m to over \$100m.

Mr Reed is a Mining Engineer and has extensive experience in international mine development, minerals marketing and project funding.

Mr Blair Snowball

Chief Financial Officer (appointed 15 June 2021)

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 (NYSE:GPL).

Mr Harry Miller

Contract Company Secretary (appointed 15 June 2021)

Mr Miller has qualifications in Economics, Finance and Accounting and currently acts as Company Secretary for several ASX-listed Companies.

Ms Ashley Lim

Contract Company Secretary

(appointed 5 October 2018 - resigned 15 June 2021)

Ms Lim is an accountant with over 10 years' experience in the resources and education industry in Australia and Singapore. Ms Lim has assisted clients with ASX and ASIC compliance, secretarial and accounting service to a number of listed and unlisted companies.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN THE NATURE OF EVENTS

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 phosphate ore project within the Cabinda Province, Angola.

Whilst the primary focus in the financial year has been on the development of the Cabinda Phosphate Project, the Company continues to hold its interest in the Ambato Rare Earth Project in Madagascar.

Board & Management Changes

On 7 December 2020, the Company welcomed three highly experienced Non-Executive Directors to its Board as part of its strategy to develop the Cabinda Phosphate Project, Mr Valentine Chitalu, Mr Paul McKenzie and Mr Graeme Robertson. On the 30 November 2020 Mr Damian Black resigned as Non-Executive Director of the Company and on 7 December 2020 Mr Bill Oliver also resigned as Non-Executive Director of the Company.

On 15 June 2021, the Company appointed Blair Snowball as Chief Financial Officer. The Company also appointed Harry Miller as Company Secretary as Ashley Lim resigned from her position as Company Secretary.

Capital Structure

On 15 September 2020 the company completed a capital placement (Tranche 1) to sophisticated investors and issued 848,000,000 shares at \$0.0015 per share to raise \$1,272,000.

On 6 November 2020 the company completed a capital placement (Tranche 2) to sophisticated investors and issued 662,000,000 shares at \$0.0015 per share to raise \$993,000.

On 13 November 2020 the company completed a consolidation of its issued capital on the basis that every 20 shares were consolidated into 1 share. The consolidation was approved by shareholders at the Annual General Meeting held on 3 November 2020.

On 18 November 2020 the Company issued the following unlisted options under the Company's incentive Option Plan as approved by shareholders on 3 November 2020 at the Company's Annual General Meeting:

- 6,500,000 unlisted options to Peter Wall (Non-Executive Chairman),
- 6,000,000 unlisted options to Damian Black (former Non-Executive Director),
- 3,500,000 unlisted options to William Oliver (former Non-Executive Director),
- 3,500,000 unlisted options to Dganit Baldar (Non-Executive Director) and
- 10,500,000 unlisted options to Lindsay Reed (CEO).

On 18 November 2020, the Company issued 10,000,000 unlisted options to Vert Capital (lead manager of the placement) as part consideration for lead manager services, as approved by shareholders on 3 November 2020.

- On 26 November 2020, the company issued 11,429,667 shares at \$0.03 per share as consideration for the following fees:
- 3,388,000 shares issued to Vert Capital (lead manager of the placement) as consideration for \$101,640 worth of Capital Raising Fees.
- 6,666,667 shares to S3 Consortium Pty Ltd (Adviser Shares) as consideration for \$200,000 worth of marketing services.
- 1,375,000 shares issued to Aesir Capital Pty Ltd as consideration for \$41,250 worth of Capital Raising Fees.

On 26 February 2021, the company completed a capital placement to sophisticated investors and issued 88,750,000 shares at \$0.08 per share to raise \$7,100,000. As part of the placement the Company also offered investors one free option to acquire a share (exercise price \$0.15; expiry date 2 years) for every two-shares subscribed. On 30 April 2021 the Company issued 44,375,000 placement options as approved by shareholders on 7 April 2021 at the Company's General Meeting.

On 30 April 2021, the company completed a capital placement to Directors and issued 2,500,000 shares at \$0.08 per share to raise \$200,000. As part of the placement, the Company offered the Directors one free option to acquire a share (exercise price \$0.15; expiry date 2 years) for every two-shares subscribed. The

Company issued the following placement shares and options to Directors, as approved by shareholders on 7 April 2021 at the Company's General Meeting:

- 1,250,000 placement shares and 625,000 placement options to Peter Wall (Non-Executive Chairman),
- 625,000 placement shares and 312,500 placement options to Paul McKenzie (Non-Executive Director), &
- 625,000 placement shares and 312,500 placement options to Graeme Robertson (Non-Executive Director).

On 30 April 2021, the company issued 3,125,000 shares at \$0.08 per share in lieu of \$250,000 worth of marketing services to S3 Consortium Pty Ltd (S3 Consortium). As part of the placement, the Company offered S3 Consortium one free option to acquire a share (exercise price \$0.15; expiry date 2 years) for every two-shares subscribed. As a result, the Company issued 1,562,500 advisor options to S3 Consortium, as approved by shareholders on 7 April 2021 at the Company's General Meeting.

On 30 April 2021, the Company issued 20,000,000 options to CPS Capital Group Pty Ltd (CPS Group), as part consideration for lead manager services in relation to the placement. The options were issued to CPS Group on the same terms as the placement options at an issue price of \$0.0001 each, as approved by shareholders on 7 April 2021 at the Company's General Meeting.

On 30 April 2021, the Company issued the following unlisted options under the Company's incentive Option Plan as approved by shareholders on 7 April 2021 at the Company's General Meeting:

- 4,000,000 unlisted options to Valentine Chitalu (Non-Executive Director),
- 4,000,000 unlisted options to Paul McKenzie (Non-Executive Director), and
- 4,000,000 unlisted options to Graeme Robertson (Non-Executive Director).

On 30 April 2021, the Company issued the following performance rights under the Company's incentive Performance Rights Plan as approved by shareholders on 7 April 2021 at the Company's General Meeting:

- 4,500,000 performance rights to Peter Wall (Non-Executive Chairman), and
- 9,000,000 performance rights to Lindsay Reed (CEO).
- As of 30 June 2021, the Company had 464,032,897 ordinary shares, 52,000,000 unlisted options, 67,187,500 listed options and 13,500,000 performance rights.

DIVIDENDS

No dividend has been paid during the financial year and no dividend is recommended for the financial year.

OPERATING AND FINANCIAL REVIEW

Review of Financial Results & Financial Position

The loss for the Group, after providing for income tax, amounted to \$4,160,306 (30 June 2020: \$1,566,274). Cash and cash equivalents at the end of the year were \$6,830,973 (30 June 2020: \$748,455). Net Assets for the company increased from \$572,559 (30 June 2020) to \$7,554,403 at 30 June 2021.



CABINDA PHOSPHATE PROJECT - ANGOLA

Scoping Study

In August 2020, the Company released the results of the Scoping Study for the Cabinda Phosphate Project, demonstrating the project is technically and financially robust¹.

Based on the 2013 Cácata Mineral Resource of 27Mt at 17.7% P₂O₅, including 15.2Mt at 24.5% P₂O₅ in the Measured and Indicated categories², an open pit mine production target of 6.5Mt at 30.2% P₂O₅ was selected from pit optimization studies.

The project level Scoping Study provides estimates for 100% of the project. Minbos will hold an 85% interest in the project and will carry an in-country partner with 15% interest. The Scoping Study demonstrates the potential for robust returns for the Project.

The Project is based on an initial nameplate capacity of 150,000tpa of enhanced Phosphate Rock, but is scheduled to commence production at 50,000tpa. The plant is forecast to expand in two stages adding a second and third granulation circuit to reach a name plate capacity of 450,000tpa after 8 years.

| Scoping Study Outcomes | Low | High |
|--|--------------------|---------|
| EBITDA LoM (US\$M) | \$747 | \$1,101 |
| Pre-tax NPV ₁₀ (US\$M) | \$191 | \$308 |
| Pre-tax IRR (%) | 41% | 59% |
| After-tax NPV ₁₀ US\$M) | \$159 | \$260M |
| After -tax IRR (%) | 40% | 58% |
| Pre-production Capex (US\$M) | \$27.9 | \$22.4 |
| Average Selling Price (US\$/t) | \$222 | \$290 |
| Cash Operating Costs LoM ^a (US\$/t) | \$121 ^b | \$141 |
| Payback period (years) | | 3 |
| Life of Mine (years) | | 21 |
| Average Annual Production (ktpa) | | 368 |

Notes:

a. Cash operating costs include all mining, transport, granulation, shipping, government royalties, site administration and raw material purchase costs.

b. The low case contemplates a lower MAP price which decreases revenues, but because MAP comprises approximately 50% of the operating costs it also decreases the operating costs in the low case. The reverse is reflected in the high case.

¹ASX Announcement - Cabinda Phosphate Project Scoping Study (26 August 2021)

²ASX Announcement - Additional Information on Resource Upgrade for the Cabinda Licenses in Angola (5 December 2013)

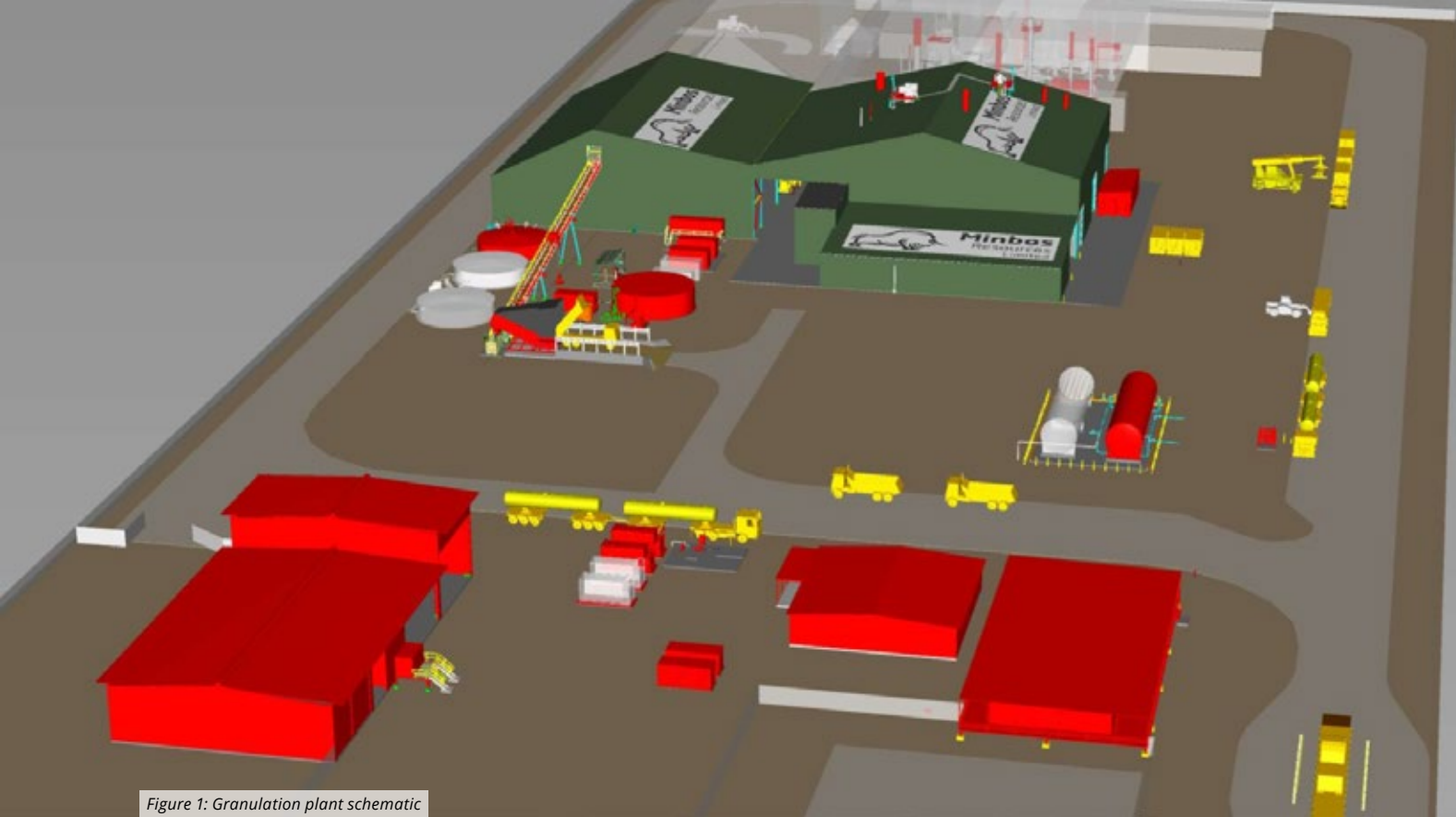


Figure 1: Granulation plant schematic

Definitive Feasibility Study

Following the positive Scoping Study results, the Company immediately commenced a Definitive Feasibility Study (DFS) on the Cabinda Phosphate Project. A number of high-quality consultants were appointed for key components of the DFS.

FEECO – In September, the Company appointed FEECO, an industry-leading detailed plant engineer and manufacturer for the basic engineering package associated with the planned granulation plant major equipment³. The FEECO Engineering Package built on the process package undertaken by the International Fertilizer Development Center (IFDC) including the process description, flowsheet design, and overall mass and energy balance.

Grupo Simples – Also in September, the Company appointed Grupo Simples to conduct an Environmental Impact Study (EIS) and a Waste Management Plan (WMP) for the Cacata Mine and the Granulation Plant⁴ based on specialist environmental and social impact assessment (ESIA) reports.

Grupo Simples has provided specialist environmental consultancy services in Angola since 2005. The submission of the EIS to the Ministry of Culture Tourism and Environment will allow the Company to obtain the respective Installation Environmental License required for construction of the Cacata Mine and the Granulation Plant.

The WMP constitutes a legal requirement applicable to obtaining the above Installation Environmental Licence and therefore sits within the scope of works to be completed by Grupo Simples.

³ASX Announcement – DFS FEECO granulation plant engineering underway (01 September 2020)

⁴ASX Announcement – Appointment of Grupo Simples for Cabinda Phosphate Project (23 September 2020)

HCV Africa - Environmental Consulting and Advisory Services Group HCV Africa were appointed to undertake Environmental and Social Impact Assessments for the Granulation Plant and the Cácata Mine⁵.

HCV Africa provides international-standard environmental and social services, biodiversity assessments, environmental impact assessments, environmental auditing, implementation, and advisory services through highly qualified specialists all of whom have extensive experience working in Africa.

In April, HCV Africa commenced field work, undertaking baseline studies and impact assessments, including fauna (terrestrial: herpetofauna and avifauna and mammals), aquatic ecology, flora/vegetation, air quality, noise, soils, hydrology and hydrogeology.

DRA Global - The Company appointed DRA Global (DRA) to provide engineering and design services for the Cabinda Phosphate Project DFS⁶.

DRA offers clients complete solutions, from concept to commissioning. Its team of highly qualified professionals in Perth and Africa, together with strategic partners, provides world-class services from pre-feasibility planning and assessment through design, project management and construction supervision.

DRA were engaged to deliver all necessary study management, design, engineering and estimating work required to complete the DFS design on the Granulation Plant and associated infrastructure including:

- 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

Approvals and Permitting

Mineral Investment Contract

In January, the Company executed the Mineral Investment Contract (MIC) for the Cabinda Phosphate Project located in the Cabinda Province of Angola⁷.

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 Angola⁸. 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 85km² 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

⁵ASX Announcement - HCV Africa appointed to complete ESIA for Cabinda Project - 25 September 2020)

⁶ASX Announcement - Appointment of DRA Global to complete ESIA for Cabinda Project (05 October 2020)

⁷ASX Announcement - Mineral Investment Contract Executed (27 January 2021)

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.

Fertilizer Market Developments

MoU with IFDC to develop and grow market

Minbos has identified three key markets for its Phosphate products (Figure 2). A 'Grow to Eat' market, which is expected to reach 200,000 tonnes in 1-5 years, promoting fertilizer self-sufficiency, food security and employment for smallholder farmers. A 'Grow to Sell' market, which for the commercial farming sector, is expected to grow to 400,000t in 5-10 years, supported by the establishment of agricultural service sector in seeds, chemicals, insurance, transport, laboratories. A 'Grow to Export' market, which has the potential of more than 650,000t over the next decade, with the development of an export agriculture sector boosted through the availability of low cost fertilizer, reducing Angola's reliance on imported food and increasing foreign exchange reserves¹⁰.

In December, the Company executed a Memorandum of Understanding (MoU) with the International Fertilizer Development Center (IFDC) to develop and grow the Grow to Eat (smallholder 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 smallholder farmers, local communities and the environment.



Figure 2: Development corridors for product sales

⁸ASX Announcement - Minbos receives Mining Licence for Cabinda Phosphate Project (24 March 2021)

⁹World Economic Forum, White Paper: Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation [22 September 2020]

¹⁰International Fertilizer Development Center, Angola Fertilizer and Farm Productivity Program Presentation, Luanda (5 August 2021)

New Minbos Fertilizer Patent

In June, 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 rocks¹¹.

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 trials¹².

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

Fertilizer Pricing Update

In February, the Company provided an update on phosphate market conditions, with the sharp increase in the global phosphate fertilizer price having a potentially positive economic impact on the Company's Cabinda Phosphate Project.

The commonly reported reference price for WSP fertilizers is 'DAP FOB Tampa' (Diammonium Phosphate free on board Tampa, USA).

- **December 2019** - DAP FOB Tampa at US\$248 per tonne as Minbos submitted its winning tender for the Cabinda Phosphate Project.
- **August 2020** - The price increased to US\$328 per tonne as Minbos published the Scoping Study for the Cabinda Phosphate Project.
- **February 2021** - DAP reached US\$497 per tonne in the first week of February 2021, a doubling of prices since Minbos submitted its successful tender.
- **September 2021** - DAP reached \$660 per tonne, a doubling of the price since Minbos completed its scoping study.

DAP prices were expected to increase after a long period of depressed prices due to production capacity additions, the USA-China trade war and reduced plantings in the USA due to adverse weather events. The increase has been accelerated by counter veiling duties imposed by the USA on other major producers, supply chain disruptions due to COVID and a sharp uptick in many agricultural commodities.

The Company may produce an Enhanced Phosphate Rock (EPR) product that blends phosphate rock with a portion of monoammonium phosphate (MAP), and MAP historically correlates with the price of DAP. Therefore, as the price of DAP/MAP increases, this will increase the product cost but also the gross product margin. Likewise, as the price of DAP/MAP decreases, so to will the product cost and margin.

¹¹MNB Innovation has potential for 100% Organic fertilizer (07 June 2021)

¹²ASX Announcement - Phosphate pricing update and proposed securities (10 February 2021)

Post Reporting Period Events

Post the end of the reporting period, the Company announced several important updates for the Cabinda Phosphate Project:

- **July 2021** – Long lead items for the granulation plant: The Company approved the purchase of two major long-lead components for the granulation plant.
- **August 2021** – Minbos secures location for Granulation Plant: The Company announced that it had been awarded a 20ha commercial site in the Futila Industrial Zone (Futila), just 12km to the Port of Cabinda and 25km to the Port of Caio, delivering barge and shipping access to key agricultural growing zones in Angola and the region (Figure 3).
- **August 2021** - Showcase Confirms Importance of Minbos Fertilizer Project: The Company held a high-level stakeholder information session held in Luanda, Angola’s Capital, in partnership with the IFDC, with the assistance of the Ministry of Agriculture¹³. The Company’s Cabinda Phosphate Project was affirmed as a Project of National Importance to Angola and the wider ECCAS Region.

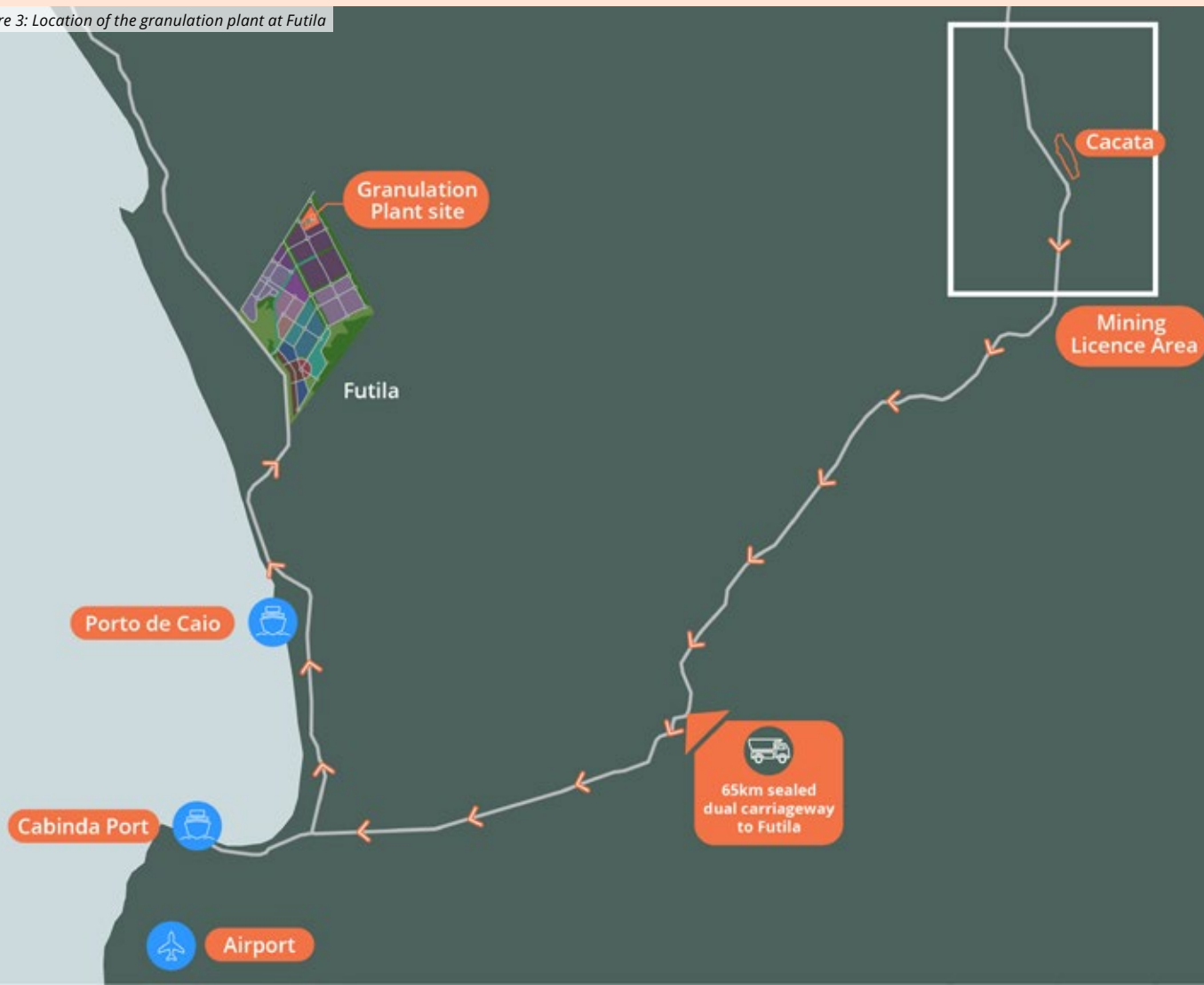
- **August 2021** - Completion of dry season environmental survey: HCV Africa completed a dry season environmental survey for the C acata Deposit and the Futila Granulation Plant. The dry season survey complements the wet season survey completed in May this year, with both surveys critical for completion of Environmental and Social Impact Assessments (ESIAs)¹⁴. The surveys underpin preliminary impact assessment, mitigation measures, monitoring requirements and a review of QA/QC.
- **September 2021** – Africa Downunder Presentation: The Company provided a presentation to the Africa Down Under conference in Perth¹⁵. As part of the presentation, the Company outlined its strategy and discussions with the Angolan Government with regards to the production of green ammonia.

¹³ASX Announcement - Showcase Confirms Importance of Minbos Fertilizer Project (18 August 2021)

¹⁴ASX Announcement - Completion of dry season environmental survey (18 August 2021)

¹⁵ASX Announcement - Investor Presentation - Africa Down Under 2021 (01 September 2021)

Figure 3: Location of the granulation plant at Futila



AMBATO RARE EARTHS PROJECT - MADAGASCAR

The Ambato Rare Earth Project is located approximately 200km to the southwest of Antananarivo, in the Ambatofinandrahana Municipal area of the South-Central Highlands of Madagascar. The Ankazohambo prospect lies within a broad NNW – SSE trending synclinorium of Proterozoic age dolomitic limestones of the Itremo Formation, and roughly 2.5 km to the South of the Pan African age Vohimavo Granite.

Exploration activities undertaken to date includes mineralogical testwork, soil sampling, structural field mapping, airborne geophysics, augering, and drilling^{16 17 18 19 20}, which has returned high-grade Rare Earth Element (REE) results (of up to 16.5% TREO18) contained predominantly in Bastnaesite¹⁷. Bastnaesite is typically low in Uranium and Thorium, and one of

only three (3) REE minerals (bastnaesite, monazite, and zirconite), along with ionic clays in China, that have been commercially processed. Bastnaesite mineralisation is clearly visible in outcrops at Ambato, with mineralogical tests on grab samples from the Ankazohambo prospect indicating that 90% of the contained rare earth mineralisation consists of bastnaesite.

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.

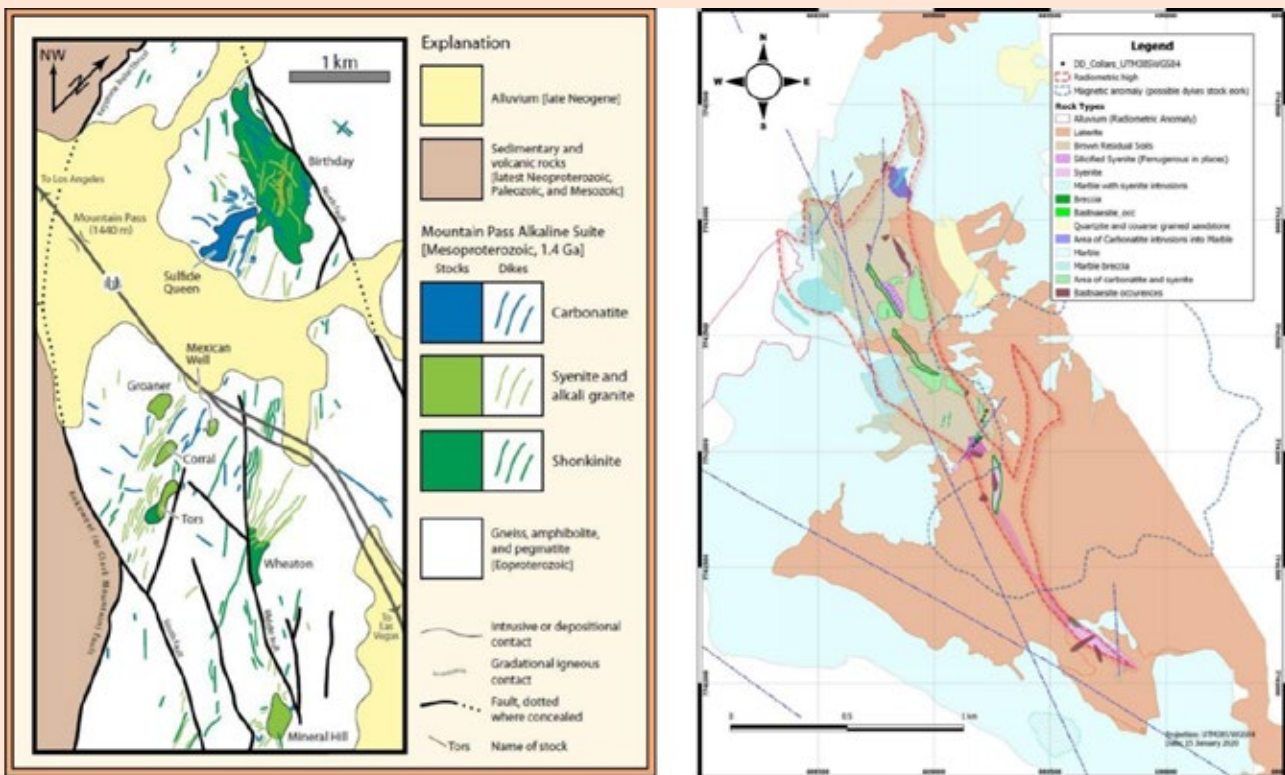


Figure 4 – Generalised geologic map of the Mountain Pass District (Left) with interpreted geological map of the Ankazohambo deposit (Right)

¹⁶ASX Announcement – Encouraging Mineralogy Results at Ambato (4 May 2018)

¹⁷ASX Announcement – Drilling at Ambato Complete (18 October 2018)

¹⁸ASX Announcement – Airborne Geophysics Survey Complete (4 December 2018)

¹⁹ASX Announcement – Ambato Soil Sampling Results (1 July 2019)

²⁰ASX Announcement – New Auger Results Confirm 2km Long Zone of Rear Earth Anomalies (3 October 2019)



Competent Person's Statements

Competent Person's Statement for the Cabinda Phosphate Project

The Competent Person with responsibility for the total Mineral Resources of this report is Mrs Kathleen Body, Pr. Sci. Nat, who is registered as a Professional Natural Scientist with the South African Council for Natural Scientific Professions ("SACNASP"). She is the Director and a Principal Consultant of Red Bush Analytics. Mrs Body was a full-time employee of Coffey Mining at the time the original Mineral Resource estimation was completed in 2013. Mrs Body has 25 years' experience in the mining industry and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves. Kathleen Body consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

The information in the "Review of Operations" that relates to the Mineral Resources contained within the Production Target, complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and has been compiled, and assessed by Ross Cheyne BEng (Hons), Mining, a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM) and Technical Director at Orelogy Mine Consulting Pty Ltd, consultants to the Company. Mr Cheyne has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Cheyne is the competent Person for the Mineral Resources contained with the Production Target and the Production Target itself and has relied on provided information and data from the Company, including but not limited to the Resource model and database. Mr Cheyne consents to the inclusion in this review of operations of matters based on his information in the form and context in which it appears.

Competent Person's Statement for the Ambato Rare Earths Project

The information in this Report that relates to Exploration Results and Data Quality is based on, and fairly represents, information and supporting documentation prepared by Rebecca Morgan, who is a member of the Australian Institute of Geoscientists. Miss Morgan is an employee of Minbos. Miss Morgan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity she is undertaking to qualify as a competent person as defined in the 2012 Edition of the 'Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves'. Miss Morgan consents to the inclusion in this Report of the matters based on her information in the form and context in which it appears.

Review of Business Risks

There are specific risks associated with the activities of the Group and general risks which are largely beyond the control of the Group and the Directors. The risks identified below, or other risk factors, may have a material impact on the future financial performance of the Group and the market price of the Company's shares.

The Board reviews the risks of the Group and the action plans to address these risks on a regular basis.

a) Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining. In addition, difficulties in commissioning and operating plant and equipment include mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, health incidents including pandemic diseases like COVID-19 (coronavirus), industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

b) Market Demand Risk

On 11 December 2020 the Company announced a Memorandum of Understanding (MoU) with the International Fertilizer Development Center (IFDC) to develop a program, in conjunction with the Angolan government, to provide fertilizer to smallholder farmers. The IFDC has released market studies indicating the smallholder farmer market could reach 200,000t within 1-5 years²¹. If this program fails to eventuate in a binding offtake agreement for the Company, there is a risk of slower penetration into the market and a longer time to generate returns for debt and equity holders.

c) Environmental Risks

The operations and proposed activities of the Company are subject to the environmental laws and regulations of Angola and Madagascar. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

d) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

e) Market Conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- i. general economic outlook;
- ii. introduction of tax reform or other new legislation;
- iii. interest rates and inflation rates;
- iv. changes in investor sentiment toward particular market sectors;
- v. the demand for, and supply of, capital; and
- vi. terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

f) Construction Cost Risk

In August 2020 the Company released a Scoping Study²² for the Cabinda Phosphate Project, which included an estimate of \$27.9M for the construction of a Granulation Plant. The Company is currently completing a Definitive Feasibility Study that will revise this estimate. There are risks with all construction projects that material costs will rise. Additionally, it is likely that the COVID-19 (Coronavirus) pandemic will generate new and/or increased costs, such as its impact on global supply chains and on workforce, that will result in higher costs of construction.

g) Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income, the Company will require further financing. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its development programmes as the case may be. There is no guarantee that

²¹ International Fertilizer Development Center, Angola Fertilizer and Farm Productivity Program Presentation, Luanda (5 August 2021)

²² ASX Announcement - Cabinda Phosphate Project Scoping Study (26 August 2021)

the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

h) Speculative Investment

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether invest.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Company's shares.

i) Risks with Operating in Angola and Madagascar

The Company operates out of Angola and Madagascar which historically have been subject to civil unrest. The Company believes that although tension has eased, civil and political unrest and an outbreak of hostilities remains a risk in both countries.

The effect of unrest and instability on political, social or economic conditions in Angola or Madagascar could result in the impairment of the exploration, development and mining operations of the Company's projects.

Other possible sovereign risks include, without limitation:

- i. changes in the terms of the relevant mining statutes and regulations;
- ii. changes to royalty arrangements;
- iii. changes to taxation rates and concessions;
- iv. changes in the ability to enforce legal rights;
- v. corruption that influences the awarding of contracts or the granting of licenses; and
- vi. expropriation of property rights.

Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its Shares.

No assurance can be given regarding the future stability in Angola, Madagascar or any other country in which the Company may have an interest.

j) The Legal Environment in Angola and Madagascar

The Company's projects are located in Angola and Madagascar. Angola and Madagascar are considered to be developing countries and are subject to emerging legal and political systems as compared with the system in place in Australia. This could result in the following risks:

- i. political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation or in an ownership dispute;
- ii. a higher degree of discretion held by various government officials or agencies;
- iii. the lack of political or administrative guidance on implementing applicable rules and regulations, particularly in relation to taxation and property rights;
- iv. inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
- v. relative inexperience of the judiciary and court in matters affecting the Company.

k) Lack of Specific Infrastructure

The Company's projects are located in areas of Angola and Madagascar. Generally, these areas lack specific infrastructure such as:

- i. sources of third party supplied power; and
- ii. sources of third party supplied water.

The lack of availability of this infrastructure may affect mining feasibility.

l) Workforce and Labour risks

The skill base of the local labour force in Angola and Madagascar is extremely limited. There is a severe shortage of workers with good managerial or technical skills.

HIV/AIDS, malaria and other diseases represent a serious threat to maintaining a skilled workforce in the mining industry throughout Africa. HIV/AIDS, malaria and other diseases are a major healthcare challenge faced by the Company's operations in Angola and Madagascar. There can be no assurance that the Company will not lose members of its workforce, workforce man hours or incur increased medical costs which may have a material adverse effect on the Company's operations.

m) Renewal of Permits in Madagascar

As announced on 29 March 2018, the Company entered into an option agreement to acquire a 90% interest in MRE Mining (Mauritius) Limited who owns two exploration permits in central Madagascar. The agreement is conditional on the renewal of the exploration permits.

The renewal of the terms of each exploration permit is at the discretion of the relevant government authority and currently the mining authority in Madagascar is not renewing permits. Renewals could be subject to a number of specific legislative conditions. The inability to meet these conditions could affect the standing of a permit or restrict its ability to be renewed.

If a permit is not renewed, the Company may suffer by the loss of opportunity to develop and discover mineral resources on those permits.

n) Obtaining Environmental Permits for the Cabinda Phosphate Project

The Company will require two environmental permits before it can proceed with its Cabinda Phosphate Project (the project): one for the mining activity and the other for constructing and operating the granulation plant. The Company is currently completing necessary environmental studies as part of its Definitive Feasibility Study for the project and expects to lodge final documents for both environmental permits towards the end of 2021. If permits are not granted then the Company may need to complete further works for a new lodgement, which may delay the project, or may cause the project to be postponed indefinitely.

7. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 20 July 2020 the Company incorporated a private company in Mauritius, limited by shares, as a wholly owned subsidiary called Phobos Ltd.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

8. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 1 July 2021 the Company approved the purchase of two major long-lead components for the granulation plant. The decision to order the major components of the Granulation Plant before completion of the DFS is based on Board's confidence that the DFS will confirm the Project's viability.

On 5 July 2021 the Company issued 20,000,000 unlisted options to employees and consultants under the employee Incentive Option Plan that was adopted at the Annual General Meeting dated 3 November 2020.

On 19 July 2021 the Company completed another key condition of its Mineral Investment Contract, with markers installed, outlining the Cabinda Phosphate Licence. Marking of the licence is a key project formality, allowing the Company to complete site preparation works and further exploration.

On 12 August 2021 the Company secured a commercial site for its Phosphate Granulation Plant, located in Angola. 20ha of commercial property secured at the Futila Industrial Zone, just 12km to the Port of Caio and 25km to the Port of Cabinda, delivering barge and shipping access to key agriculture growing zones in Angola.

On 26 August 2021 the Company completed the dry season environmental survey, for the Cabinda Phosphate Project, enabling HCV Africa to complete the Environmental and Social Impact Assessments (EISA) reports by the end of this year. The EISA reports are critical path activities and form the basis of the Environmental Study and Waste Management Plan, to be completed by Grupo Simples.

On 13 September 2021 the Company completed a 14-tonne bulk sample, targeting Phosphate Rock material from the high-grade zone (+29% P2O5). The bulk samples are currently enroute to the International Fertilizer Development Center (IFDC) headquarters in Muscle Shoals, Alabama, for blend and granulation optimisation, field, and greenhouse trials.

On 27 September the Company announced that it had signed a Memorandum of Understanding (MoU) with Angolan agribusiness Sociedade Agroquímica Industrial, S.A. (Sangrid) to conduct feasibility studies on the establishment of a Nitrogen, Phosphate, Potassium (NPK) fertilizer blending plant and distribution business in Angola's Malanje region. Any company that is formed as an outcome of the feasibility work performed under the MoU shall apportion equity ownership at incorporation of 60% Minbos and 40% Sangrid.

9. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Future developments of the Company are anticipated to include:

- Eight tonnes of the bulk sample shipped to the IFDC shall be used to run a large-scale pilot trial which will improve the Company's knowledge of the granulation process and refine product strategies. The product will be used for greenhouse and field trials in the coming growing season.
- Undertake dry season environmental surveys for the mine and granulation plant locations allowing the compilation of the final environmental reports. This is currently the critical path activity for the Definitive Feasibility Study (DFS).
- Finalise the DFS capital and operational expenditure numbers for inclusion in the project financial model and commence engagement with project financiers.
- Launch of the IFDC Angolan Farm and Fertilizer Productivity Program in Angola, with meetings scheduled with stakeholder ministries and agencies.

The impact of Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the Company up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australia Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

10. DIRECTORS' INTEREST IN THE COMPANY

The following table sets out each current Director's relevant interest in shares and options to acquire shares of the Company or a related body corporate as at the date of this report.

| Directors | Fully Paid Ordinary Shares | Unlisted Share Options | Listed Share Options | Performance Rights |
|----------------------------------|----------------------------|------------------------|----------------------|--------------------|
| Mr Peter Wall | 15,807,843 | 6,500,000 | 625,000 | 4,500,000 |
| Ms Dganit Baldar | - | 3,500,000 | - | - |
| Mr Valentine Chitalu | 500,000 | 4,000,000 | - | - |
| Mr Paul McKenzie | 625,000 | 4,000,000 | 312,500 | - |
| Mr Graeme Robertson | 625,000 | 4,000,000 | 312,500 | - |
| Mr Damian Black ⁽¹⁾ | 9,709,117 | 6,000,000 | - | - |
| Mr William Oliver ⁽¹⁾ | 1,422,800 | 3,500,000 | - | - |
| Total | 28,689,760 | 31,500,000 | 1,250,000 | 4,500,000 |

(1) Fully paid ordinary shares and unlisted share options held at date of resignation.

11. DIRECTORS' MEETINGS

The number of Directors' meetings held during the financial year and the number of meetings attended by each Director during the time the Director held office are:

| Directors | Number Eligible to Attend | Number Attended |
|----------------------|---------------------------|-----------------|
| Mr Peter Wall | 3 | 3 |
| Ms Dganit Baldar | 3 | 3 |
| Mr Valentine Chitalu | 3 | 3 |
| Mr Paul McKenzie | 3 | 3 |
| Mr Graeme Robertson | 3 | 3 |
| Mr Damian Black | - | - |
| Mr William Oliver | - | - |

Due to the size and scale of the Company, there is no Remuneration and Nomination Committee or Audit Committee at present. Matters typically dealt with by these Committees are, for the time being, managed by the Board. For details of the function of the Board please refer to the Corporate Governance Statement.

12. CORPORATE GOVERNANCE

Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council and has disclosed its level of compliance with those guidelines within the Corporate Governance Statement which is included as part of this annual report.

13. ENVIRONMENTAL REGULATIONS

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that there are no current reporting requirements under the National Greenhouse and Energy Reporting Act 2007.

The Group is subject to environmental regulation in respect to its activities in Angola and Madagascar. The Group aims to ensure that appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The Directors of the Group are not aware of any breach of environmental legislations as they apply to the Group during the year.

14. REMUNERATION REPORT (Audited)

This report for the year ended 30 June 2021 outlines the remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 ('the Act') and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel ('KMP') who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Parent company.

For the purposes of this report, the term 'Executive' includes the Chief Executive Officer ('CEO') and Chief Financial Officer ('CFO'), whilst the term 'NED' refers to Non-Executive Directors only.

Individual KMP disclosure

Details of KMP of the Group who held office during the year are as follows:

| Directors | Position | Appointment | Resignation |
|-------------------|------------------------|-------------|-------------|
| Peter Wall | Non-Executive Chairman | 21/02/2014 | - |
| Dganit Baldar | Non-Executive Director | 18/03/2016 | - |
| Valentine Chitalu | Non-Executive Director | 07/12/2020 | - |
| Paul McKenzie | Non-Executive Director | 07/12/2020 | - |
| Graeme Robertson | Non-Executive Director | 07/12/2020 | - |
| Damian Black | Non-Executive Director | 21/02/2014 | 30/11/2020 |
| William Oliver | Non-Executive Director | 02/09/2013 | 07/12/2020 |

| Other KMP | Position | Appointment | Resignation |
|----------------|-------------------------|-------------|-------------|
| Lindsay Reed | Chief Executive Officer | 01/09/2014 | - |
| Blair Snowball | Chief Financial Officer | 15/06/2021 | - |

There have been no other changes after the reporting date and up to the date that the financial report was authorised for issue.

The Remuneration Report is set out under the following main headings:

- A Remuneration Philosophy
- B Remuneration Governance, Structure and Approvals
- C Remuneration and Performance
- D Details of Remuneration
- E Contractual Arrangements
- F Share-based Compensation
- G Equity Instruments Issued on Exercise of Remuneration Options
- H Value of Shares to KMP
- I Voting and comments made at the Company's 2020 Annual General Meeting
- J Loans to KMP
- K Loans from KMP
- L Other transactions with KMP

A Remuneration Philosophy

KMP have authority and responsibility for planning, directing and controlling the activities of the Group. KMP of Minbos comprise the Board of Directors, the CEO and the CFO.

The performance of the Group depends upon the quality of its KMP. To prosper the Company must attract, motivate and retain appropriately skilled Directors and Executives.

The Group's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

No remuneration consultants were employed during the financial year.

B Remuneration Governance, Structure and Approvals

Remuneration of Directors is currently set by the Board of Directors. The Board has not established a separate Remuneration Committee at this point in the Group's development, nor has the Board engaged the services of an external remuneration consultant. It is considered that the size of the Board along with the level of activity of the Group renders this impractical. The Board is primarily responsible for:

- The over-arching executive remuneration framework;
- Operation of the incentive plans which apply to executive directors and senior executives (the executive team), including key performance indicators and performance hurdles;
- Remuneration levels of executives, and
- Non-executive director fees.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

➤ Non-Executive Remuneration Structure

The remuneration of Non-Executive Directors consists of Directors' fees, payable in arrears. The Board, in accordance with the Company's Constitution and the ASX listing rules specify that the Non-Executive Directors fee pool shall be determined from time to time by a general meeting. The latest determination was at the 2010 Annual General Meeting ('AGM') held on 30 November 2010 when shareholders approved an aggregate fee pool of \$300,000 per year (in accordance with the terms and conditions set out in the Explanatory Statement that accompanied the Notice of Meeting). The Board will not seek any increase for the Non-Executive Director pool at the 2021 AGM.

Remuneration of Non-Executive Directors is based on fees approved by the Board of Directors and is set at levels to reflect market conditions and encourage the continued services of the Directors. Non-Executive Directors do not receive retirement benefits but are able to participate in share-based incentive programmes in accordance with Company policy.

The remuneration of Non-Executives is detailed in **Table 1a** and **Table 1b**, and their contractual arrangements are disclosed in "Section E – Contractual Arrangements".

➤ Non-Executive Remuneration Approvals

The Board, in accordance with the Company's Constitution, sets the aggregate remuneration of Non-Executive Directors, subject to shareholder approval. Within this pre-approved aggregate remuneration pool, fees paid to Non-Executive Directors are approved by the Board of Directors in the absence of the Remuneration Committee and is set at levels to reflect market conditions and encourage the continued services of the Directors.

Remuneration may also include an invitation to participate in share-based incentive programmes in accordance with Company policy.

The nature and amount of remuneration is collectively considered by the Board of Directors with reference to relevant employment conditions and fees commensurate to a company of similar size and level of activity, with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Directors.

➤ Executive Remuneration Structure

The nature and amount of remuneration of executives are assessed on a periodic basis with the overall objective of ensuring maximum stakeholder benefit from the retention of a high performing Executives.

The main objectives sought when reviewing executive remuneration is that the Company has:

- Coherent remuneration policies and practices to attract and retain Executives;
- Executives who will create value for shareholders;
- Competitive remuneration offered benchmarked against the external market; and
- Fair and responsible rewards to Executives having regard to the performance of the Group, the performance of the Executives and the general pay environment.

The remuneration of Executives is detailed in **Table 1a** and **Table 1b**, and their contractual arrangements are disclosed in "Section E – Contractual Arrangements".

➤ Executive Remuneration Approvals

The Company aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and aligned with market practice. Executive contracts are reviewed annually by the Board, in the absence of a Remuneration Committee, for their approval. The process consists of a review of company, business unit and individual performance, relevant comparative remuneration internally and externally and, where appropriate, external advice independent of management.

Executive remuneration and incentive policies and practices must be aligned with the Company's vision, values and overall business objectives. Executive remuneration and incentive policies and practices must be designed to motivate management to pursue the Company's long-term growth and success and demonstrate a clear relationship between the Company's overall performance and the performance of executives.

C Remuneration & Performance

The following table shows the gross income, losses and share price of the Group as at 30 June for the last five financial years:

| | 30-Jun-21 | 30-Jun-20 | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 |
|-------------------------|-------------|-------------|-------------|--------------|-------------|
| Income (\$) | 94,596 | 16,704 | 56,284 | 30,759 | 59,805 |
| Net loss after tax (\$) | (4,160,306) | (1,566,274) | (1,715,313) | (17,624,018) | (2,202,012) |
| Share Price (\$) | 0.065 | 0.001 | 0.001 | 0.003 | 0.005 |

Relationship between Remuneration and Company Performance

Given the current phase of the Company's development the Board does not consider earnings during the current and previous financial years when determining, and in relation to, the nature and amount of remuneration of KMP.

Short Term Incentive Package

There were no short-term incentive-based payments made during the financial year (2020: \$nil).

Long Term Incentive Package

Incentive Performance Rights Plan:

On 7 April 2021 shareholders approved the Company's adoption of the employee incentive scheme titled "Incentive Performance Rights Plan" (Performance Rights Plan) and for the issue of Performance Rights under the Performance Rights Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Performance Rights Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Performance Rights Plan and the future issue of Performance Rights under the Performance Rights Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

On 30 April 2021, the Company issued the following performance rights under the Company's incentive Performance Rights Plan as approved by shareholders on 7 April 2021 at the Company's General Meeting:

- 4,500,000 performance rights to Peter Wall (Non-Executive Chairman), and
- 9,000,000 performance rights to Lindsay Reed (CEO).

The terms and conditions of the performance rights are summarised below:

| Recipient | Number | Performance Milestone Condition | Expiry Date |
|--------------|-----------|---|----------------------------------|
| Lindsay Reed | 3,000,000 | The Company entering into an Off-Take Agreement in relation to the Cabinda Project in Angola | 12 months from the date of issue |
| | 3,000,000 | Completion of a positive Definitive Feasibility Study by the Company in relation to the Cabinda Project in Angola | 18 months from the date of issue |
| | 3,000,000 | The Company securing project finance in relation to Cabinda Project in Angola | 24 months from the date of issue |
| Peter Wall | 1,500,000 | The Company entering into an Off-Take Agreement in relation to the Cabinda Project in Angola | 12 months from the date of issue |
| | 1,500,000 | Completion of a positive Definitive Feasibility Study by the Company in relation to the Cabinda Project in Angola | 18 months from the date of issue |
| | 1,500,000 | The Company securing project finance in relation to Cabinda Project in Angola | 24 months from the date of issue |

Options:

On 3 November 2020 shareholders approved the Company's adoption of the employee incentive scheme titled "Incentive Option Plan" (Option Plan) and for the issue of Options under that Option Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Option Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Option Plan and the future issue of Options under the Option Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

The Board considers that for each KMP who receive options, their high-calibre experience will greatly assist the Company in achieving its strategy to develop the Cabinda Phosphate Project, located in Angola.

The Board is of the opinion that the expiry date and exercise price of the options currently on issue to the Directors, other KMP and its Executives is a sufficient, long-term incentive to reward Executives in a manner which aligns the element of remuneration with the creation of shareholder wealth. Subsequently, the issue of options is not linked to performance conditions because by setting the option price at a level above the current share price at the time the options are granted, provides incentive for management to improve the Group's performance.

On 18 November 2020 the Company issued the following unlisted options under the Company's incentive Option Plan as approved by shareholders on 3 November 2020 at the Company's Annual General Meeting:

- 6,500,000 unlisted options to Peter Wall (Non-Executive Chairman),
- 6,000,000 unlisted options to Damian Black (former Non-Executive Director),
- 3,500,000 unlisted options to William Oliver (former Non-Executive Director),
- 3,500,000 unlisted options to Dganit Baldar (Non-Executive Director) and
- 10,500,000 unlisted options to Lindsay Reed (CEO).

On 30 April 2021, the Company issued the following unlisted options under the Company's incentive Option Plan as approved by shareholders on 7 April 2021 at the Company's General Meeting:

- 4,000,000 unlisted options to Valentine Chitalu (Non-Executive Director),
- 4,000,000 unlisted options to Paul McKenzie (Non-Executive Director) and
- 4,000,000 unlisted options to Graeme Robertson (Non-Executive Director).

D Details of Remuneration

During the financial year ended 30 June 2021 and 30 June 2020 KMP received short-term employee benefits, post-employment benefits, share-based payments and employee benefits expenses.

Table 1a: Remuneration of KMP of the Group for the year ended 30 June 2021 is set out below:

| 30-Jun-21 | Short-term employee benefits | | | Post-employment benefits | Share-based payments | Total |
|----------------------------------|------------------------------|--------------------|----------------------------|--------------------------|------------------------|------------------|
| | Salary & fees \$ | Non-monetary \$ | Other ⁽⁴⁾ \$ | Super-annuation \$ | Options & rights \$ | |
| Directors | | | | | | |
| Peter Wall | 36,000 | - | - | - | 232,722 | 268,722 |
| Dganit Baldar | 36,000 | - | - | - | 90,686 | 126,686 |
| Valentine Chitalu ⁽¹⁾ | 20,419 | - | - | - | 228,089 | 248,508 |
| Paul McKenzie ⁽¹⁾ | 20,419 | - | - | - | 228,089 | 248,508 |
| Graeme Robertson ⁽¹⁾ | 20,419 | - | - | - | 228,089 | 248,508 |
| Damian Black ⁽²⁾ | 15,000 | - | - | - | 155,462 | 170,462 |
| William Oliver ⁽²⁾ | 15,677 | - | - | - | 90,686 | 106,363 |
| Sub-total | 163,935 | - | - | - | 1,253,823 | 1,417,759 |
| Other Key Management | | | | | | |
| Lindsay Reed | 250,000 | - | 8,333 | 23,750 | 400,668 | 682,751 |
| Blair Snowball ⁽³⁾ | 10,250 | - | - | 1,025 | - | 11,275 |
| Sub-total | 260,250 | - | 8,333 | 24,775 | 358,575 | 694,026 |
| Total | 424,185 | - | 8,333 | 24,775 | 1,654,491 | 2,111,784 |

⁽¹⁾ Mr Chitalu, Mr McKenzie and Mr Robertson were appointed Non-Executive Directors on 7 December 2020.

⁽²⁾ Mr Black and Mr Oliver resigned as Non-Executive Directors on 30 November 2020 and 7 December 2020 respectively.

⁽³⁾ Mr Snowball commenced working for the Company on 15 March 2021 and was appointed Chief Financial Officer on 15 June 2021.

⁽⁴⁾ Other amounts relate to annual leave paid out during the financial year and movements in annual leave entitlements.

Table 1b: Remuneration of KMP of the Group for the year ended 30 June 2020 is set out below:

| 30-Jun-20 | Short-term employee benefits | | | Post-employment benefits | Share-based payments | Total \$ |
|-----------------------------|------------------------------|-----------------|-------------------------|--------------------------|----------------------|----------------|
| | Salary & fees \$ | Non-monetary \$ | Other ⁽¹⁾ \$ | Super-annuation \$ | Options & rights \$ | |
| Directors | | | | | | |
| Peter Wall | 36,000 | - | - | - | - | 36,000 |
| Damian Black | 36,000 | - | - | - | - | 36,000 |
| William Oliver | 36,000 | - | - | - | - | 36,000 |
| Dganit Baldar | 36,000 | - | - | - | - | 36,000 |
| Sub-total | 144,000 | - | - | - | - | 144,000 |
| Other Key Management | | | | | | |
| Lindsay Reed | 253,255 | - | 6,163 | 22,451 | - | 281,869 |
| Sub-total | 253,255 | - | 6,163 | 22,451 | - | 281,869 |
| Total | 397,255 | - | 6,163 | 22,451 | - | 425,869 |

⁽¹⁾ Other amounts relate to annual leave paid out during the financial year and movements in annual leave entitlements.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

| Name | Fixed remuneration | | At risk - STI (%) | | At risk - LTI (%) | |
|-----------------------------|--------------------|------|-------------------|------|-------------------|------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Directors | | | | | | |
| Peter Wall | 13% | 100% | - | - | 87% | - |
| Dganit Baldar | 28% | 100% | - | - | 72% | - |
| Valentine Chitalu | 8% | - | - | - | 92% | - |
| Paul McKenzie | 8% | - | - | - | 92% | - |
| Graeme Robertson | 8% | - | - | - | 92% | - |
| Damian Black | 9% | 100% | - | - | 91% | - |
| William Oliver | 15% | 100% | - | - | 85% | - |
| Other Key Management | | | | | | |
| Lindsay Reed | 41% | 100% | - | - | 59% | - |
| Blair Snowball | 100% | - | - | - | - | - |

Shareholdings of KMP (Direct and Indirect Holdings) for the year ended 30 June 2021 is set out below:

| 30-Jun-21 | Balance at 1/07/2020 | Participated in placement | Consolidation | Net change other | Balance at 30/06/2021 |
|----------------------------------|----------------------|---------------------------|----------------------|------------------|-----------------------|
| Directors | | | | | |
| Peter Wall | 224,490,192 | 67,916,667 | (276,599,016) | - | 15,807,843 |
| Dganit Baldar | - | - | - | - | - |
| Valentine Chitalu ⁽¹⁾ | - | - | - | 500,000 | 500,000 |
| Paul McKenzie | - | 625,000 | - | - | 625,000 |
| Graeme Robertson | - | 625,000 | - | - | 625,000 |
| Damian Black ⁽²⁾ | 194,182,332 | - | (184,473,215) | - | 9,709,117 |
| William Oliver ⁽²⁾ | 18,456,000 | 10,000,000 | (27,033,200) | - | 1,422,800 |
| Sub-total | 437,128,524 | 79,166,667 | (488,105,431) | 500,000 | 28,689,760 |
| Other Key Management | | | | | |
| Lindsay Reed | 217,000,000 | - | (206,150,000) | - | 10,850,000 |
| Blair Snowball | - | - | - | - | - |
| Sub-total | 217,000,000 | - | (206,150,000) | - | 10,850,000 |
| Total | 654,128,524 | 79,166,667 | (694,255,431) | 500,000 | 39,539,760 |

⁽¹⁾ Shares held at date of appointment.

⁽²⁾ Shares held at date of resignation.

Option holdings of KMP (Direct and Indirect Holdings) for the year ended 30 June 2021 is set out below:

| 30-Jun-21 | Balance at 1/07/2020 | Participated in placement | Granted as remuneration | Net change other | Balance at 30/06/2021 |
|-------------------------------|----------------------|---------------------------|-------------------------|------------------|-----------------------|
| Directors | | | | | |
| Peter Wall | - | 625,000 | 6,500,000 | - | 7,125,000 |
| Dganit Baldar | - | - | 3,500,000 | - | 3,500,000 |
| Valentine Chitalu | - | - | 4,000,000 | - | 4,000,000 |
| Paul McKenzie | - | 312,500 | 4,000,000 | - | 4,312,500 |
| Graeme Robertson | - | 312,500 | 4,000,000 | - | 4,312,500 |
| Damian Black ⁽¹⁾ | - | - | 6,000,000 | - | 6,000,000 |
| William Oliver ⁽¹⁾ | - | - | 3,500,000 | - | 3,500,000 |
| Sub-total | - | 1,250,000 | 31,500,000 | - | 32,750,000 |
| Other Key Management | | | | | |
| Lindsay Reed | - | - | 10,500,000 | - | 10,500,000 |
| Blair Snowball | - | - | - | - | - |
| Sub-total | - | - | 10,500,000 | - | 10,500,000 |
| Total | - | 1,250,000 | 42,000,000 | - | 43,250,000 |

⁽¹⁾ Shares held at date of resignation.

Right holdings of KMP (Direct and Indirect Holdings) for the year ended 30 June 2021 is set out below:

| 30-Jun-21 | Balance at 1/07/2020 | Granted as remuneration | Participated in Placement | Net change other | Balance at 30/06/2021 |
|-----------------------------|----------------------|-------------------------|---------------------------|------------------|-----------------------|
| Directors | | | | | |
| Peter Wall | - | 4,500,000 | - | - | 4,500,000 |
| Dganit Baldar | - | - | - | - | - |
| Valentine Chitalu | - | - | - | - | - |
| Paul McKenzie | - | - | - | - | - |
| Graeme Robertson | - | - | - | - | - |
| Damian Black | - | - | - | - | - |
| William Oliver | - | - | - | - | - |
| Sub-total | - | 4,500,000 | - | - | 4,500,000 |
| Other Key Management | | | | | |
| Lindsay Reed | - | 9,000,000 | - | - | 9,000,000 |
| Blair Snowball | - | - | - | - | - |
| Sub-total | - | 9,000,000 | - | - | 9,000,000 |
| Total | - | 13,500,000 | - | - | 13,500,000 |

E Contractual Arrangements

➤ Mr Peter Wall – Non-Executive Chairman

- Contract: Commenced on 21 February 2014.
- Director's Fee: \$3,000 per month (plus GST). Remuneration levels of Non-Executive Directors ('NED's') are discussed further in Note 1 below.
- Term: See Note 2 below for details pertaining to re-appointment and termination.

➤ Ms Dganit Baldar – Non-Executive Director

- Contract: Commenced on 18 March 2016.
- Director's Fee: \$3,000 per month. Remuneration levels of NED's are discussed further in Note 1 below.
- Term: See Note 2 below for details pertaining to re-appointment and termination.

➤ Mr Valentine Chitalu – Non-Executive Director

- Contract: Commenced on 7 December 2020.
- Director's Fee: \$3,000 per month. Remuneration levels of NED's are discussed further in Note 1 below.
- Term: See Note 2 below for details pertaining to re-appointment and termination.

➤ Mr Paul McKenzie – Non-Executive Director

- Contract: Commenced on 7 December 2020.
- Director's Fee: \$3,000 per month (plus GST). Remuneration levels of NED's are discussed further in Note 1 below.
- Term: See Note 2 below for details pertaining to re-appointment and termination.

➤ Mr Graeme Robertson – Non-Executive Director

- Contract: Commenced on 7 December 2020.
- Director's Fee: \$3,000 per month. Remuneration levels of NED's are discussed further in Note 1 below.
- Term: See Note 2 below for details pertaining to re-appointment and termination.

➤ **Mr Damian Black – Non-Executive Director**

- Contract: Commenced on 21 February 2014. Resigned 30 November 2020.
- Director's Fee: \$3,000 per month (plus GST).
- Term: See Note 2 below for details pertaining to re-appointment and termination.

➤ **Mr William Oliver – Non-Executive Director**

- Contract: Commenced on 2 September 2013. Resigned 7 December 2020.
- Director's Fee: \$3,000 per month (plus GST). Remuneration levels of NED's are discussed further in Note 1 below.
- Term: See Note 2 below for details pertaining to re-appointment and termination.

Note 1: Remuneration of NED's are reviewable annually by the Board and subject to shareholder approval (if applicable). The latest determination was at the 2010 AGM held on 30 November 2010 when shareholders approved an aggregate fee pool of \$300,000 per year.

Note 2: The term of each NED is open to the extent that they hold office subject to retirement by rotation, as per the Company's Constitution, at each AGM and are eligible for re-election as a Director at that meeting. Appointment shall cease automatically in the event that the Director gives written notice to the Board, or the Director is not re-elected as a Director by the shareholders of the Company. There are no entitlements to termination or notice periods.

Other KMP that have service contracts in place with the Company are as follow:

➤ **Mr Lindsay Reed – Chief Executive Officer**

- Contract: Commenced on 1 September 2014.
- Base Salary: From 1 August 2018 to 31 August 2019 Mr Reed was employed as a part time employee, for a minimum two days per week, at a daily rate of \$1,200 per day (plus statutory superannuation entitlements). From 1 September 2019 Mr Reed's employment changed to full-time and he was paid \$250,000 per annum (plus statutory superannuation entitlements).
- Termination: Either party may terminate the employment agreement with three months written notice.
- Performance Based Bonuses: The Company may at any time pay Mr Reed a performance based bonus over and above his salary. In determining the extent of any performance based bonus, the Company shall take into consideration the key performance indicators of Mr Reed and the Company, as the Company may set from time to time, and any other matter that it deems appropriate. Mr Reed did not receive any short term incentive remuneration during the financial year.
- Long Term Incentive Package:
 - On 3 November 2020, 10,500,000 unlisted options were granted to Mr Reed under the Company's incentive Option Plan as approved by shareholders on 3 November 2020.
 - On 7 April 2021, 9,000,000 performance rights were granted to Mr Reed under the Company's incentive Performance Rights Plan as approved by shareholders on 7 April 2021 at the Company's General Meeting.

➤ **Mr Blair Snowball – Chief Financial Officer**

- Contract: Commenced on 15 March 2015.
- Base Salary: Mr Snowball has commenced employment as a part-time employee, for a minimum two days per week, at a daily rate of \$1,000 per day (plus statutory superannuation entitlements).
- Termination: Either party may terminate the employment agreement with three months written notice.
- Performance Based Bonuses: The Company may at any time pay Mr Snowball a performance based bonus over and above his salary. In determining the extent of any performance based bonus, the Company shall take into consideration the key performance indicators of Mr Snowball and the Company, as the Company may set from time to time, and any other matter that it deems appropriate. Mr Snowball did not receive any short term incentive remuneration during the financial year.

F Share-based Compensation

The Company rewards Directors and senior management for their performance and aligns their remuneration with the creation of shareholder wealth by issuing share options, rights and or shares. Share-based compensation is at the discretion of the Board and no individual has a contractual right to participate in any share-based plan or to receive any guaranteed benefits.

➤ Options

On 18 November 2020, the Company issued the following unlisted options under the Company's incentive Option Plan as approved by shareholders on 3 November 2020 at the Company's Annual General Meeting:

- 6,500,000 unlisted options to Peter Wall (Non-Executive Chairman),
- 6,000,000 unlisted options to Damian Black (former Non-Executive Director),
- 3,500,000 unlisted options to William Oliver (former Non-Executive Director),
- 3,500,000 unlisted options to Dganit Baldar (Non-Executive Director) and
- 10,500,000 unlisted options to Lindsay Reed (CEO).

On 30 April 2021, the Company issued the following unlisted options under the Company's incentive Option Plan as approved by shareholders on 30 April 2021 at the Company's General Meeting:

- 4,000,000 unlisted options to Valentine Chitalu (Non-Executive Director),
- 4,000,000 unlisted options to Paul McKenzie (Non-Executive Director) and
- 4,000,000 unlisted options to Graeme Robertson (Non-Executive Director).

The unlisted options above were valued using Black Scholes and the inputs have been disclosed in Note 18: Share Based Payments in the Notes to the Consolidated Financial Statements.

No other performance incentive-based options were issued as remuneration to Directors or other KMP during the current financial year.

➤ Rights

On 30 April 2021, the Company issued the following performance rights under the Company's incentive Performance Rights Plan as approved by shareholders on 7 April 2021 at the Company's General Meeting:

- 4,500,000 performance rights to Peter Wall (Non-Executive Chairman), and
- 9,000,000 performance rights to Lindsay Reed (CEO).

The terms and conditions of these performance rights have been disclosed in Note 18: Share Based Payments in the Notes to the Consolidated Financial Statements.

No other performance incentive-based rights were issued as remuneration to Directors or other KMP during the current financial year.

➤ Shares

Short and Long-term incentives

No short or long term incentive based shares were issued as remuneration to Directors or other KMP during the current financial year.

Issue of shares in lieu of services to KMP

There were no shares issued as compensation to KMP during the year ended 30 June 2021.

G Equity Instruments Issued on Exercise of Remuneration Options

No remuneration options were exercised during the year ended 30 June 2021.

H Value of Shares to KMP

During the financial year the following Director's participated in the Company's placements and were issued the following shares as a result:

- On 6 November 2020, 66,666,667 Tranche 2 shares at \$0.0015 (pre-consolidation) were issued to Mr Peter Wall (Non-Executive Chairman) for \$100,000.
- On 6 November 2020, 10,000,000 Tranche 2 shares at \$0.0015 (pre-consolidation) were issued to Mr William Oliver (former Non-Executive Director) for \$15,000.
- On 30 April 2021, 1,250,000 shares at \$0.08 were issued to Mr Peter Wall (Non-Executive Chairman) for \$100,000.
- On 30 April 2021, 625,000 shares at \$0.08 were issued to Mr Paul McKenzie (Non-Executive Director) for \$50,000.
- On 30 April 2021, 625,000 shares at \$0.08 were issued to Mr Graeme Robertson (Non-Executive Director) for \$50,000.

All equity raisings to KMP were approved by shareholders at shareholder meetings.

There were no other shares issued to KMP during the year ended 30 June 2021.

I Voting and comments made at the Company's 2020 AGM

The adoption of the Remuneration Report for the financial year ended 30 June 2020 was put to the shareholders of the Company at the AGM held on 3 November 2020. The resolution was passed without amendment, on a poll. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

J Loans to KMP

There were no loans made to any KMP during the year ended 30 June 2021 (2020: \$nil).

K Loans from KMP

There were no loans from any KMP during the year ended 30 June 2021 (2020: \$nil).

L Other transactions with KMP

Legal fees paid to Steinepreis Paganin Lawyers & Consultants

Legal fees of \$51,406 were paid to Steinepreis Paganin Lawyers & Consultants during the financial year (2020: \$24,336), of which Mr Peter Wall, Chairman, is a partner.

Corporate fees paid to Aesir Capital Pty Ltd

Aesir Capital Pty Ltd (an entity of which Damian Black, a former Director of Minbos, is a Director and shareholder) raised \$750,000 under the Placement and received a fee of \$37,500. Aesir Capital Pty Ltd also raised an additional \$15,000 under the Placement and received a fee of \$900. The placement fees are industry standard fees and negotiated on arm's length commercial terms.

Company Management Services in Mauritius - Intrasia Capital Pte Ltd

Company management fees of \$38,182 (USD \$28,705) were paid to Intrasia Capital Pte Ltd (a Company in which Graeme Robertson is Chairman and CEO).

There were no other transactions with KMP during the financial year ended 30 June 2021.

End of Audited Remuneration Report

15. OPTIONS

At the date of this report, the Company had 52,000,000 unlisted options and 67,187,500 listed options that had not yet been exercised.

No person entitled to exercise these options had or has any right by virtue of the option to participate in any share issue of any other body corporate. There were no shares issued on the exercise of any options during the financial year.

16. RIGHTS

At the date of this report, the Company had 13,500,000 performance rights with performance milestone conditions that have not yet been met.

17. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

18. INDEMNITY AND INSURANCE OF OFFICERS

During the financial year, the Company paid a premium in respect of a contract insuring all its Directors and current and former executive officers against a liability incurred as such a Director or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

19. INDEMNITY AND INSURANCE OF AUDITOR

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

20. NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the group are important.

There were no non-audit services provided by the auditor (BDO Audit (WA) Pty Ltd) during the year.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independent requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

21. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead Auditor's Independence Declaration is set out on page 37 and forms part of the Directors' Report for the financial year ended 30 June 2021.

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



Mr Peter Wall
Non-Executive Chairman
29 September 2021



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Australia

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

As lead auditor of Minbos Resources Limited for the year ended 30 June 2021, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

A handwritten signature in black ink, appearing to read 'Neil Smith', with a stylized flourish extending to the right.

Neil Smith
Director

BDO Audit (WA) Pty Ltd
Perth, 29 September 2021

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

CORPORATE GOVERNANCE

The Board of Directors of Minbos is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of Minbos on behalf of the security holders by whom they are elected and to whom they are accountable.

This Corporate Governance Statement sets out the Company's current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Principles and Recommendations). The Principles and Recommendations are not mandatory. The Statement below discloses the extent to which the Company has followed the Principles and Recommendations, furthermore, the Board of the Company currently has in place a Corporate Governance Plan which is located on the Company's website at <https://minbos.com/corporate-governance/>

| PRINCIPLES AND RECOMMENDATIONS | |
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| 1. | <i>Lay solid foundations for management and oversight</i> |
| 1.1 | a. the respective roles and responsibilities of its board and management; and b. those matters expressly reserved to the board and those delegated to management. |
| | <p>The Board of Directors guide and monitor the business affairs of the Company on behalf of Security holders and have formally adopted a corporate governance plan, including a Board Charter and a delegation of authority framework, which is designed to encourage Directors to focus their attention on accountability, risk management and ethical conduct. The corporate governance plan is available on the Company's website https://minbos.com/corporate-governance/.</p> <p>The roles and responsibilities of the Board include:</p> <ul style="list-style-type: none"> • appointment of the Chairman, Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination; • assessing the performance of the Chief Executive Officer and other senior executives; • driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance; • reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance; • approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestments; • approving and monitoring the business plan, budget and the adequacy and integrity of financial and other reporting; • approving the annual, half yearly and any other significant announcements; • approving significant changes to the organisational structure; • approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with ASX Listing Rules); • ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making; • recommending to security holders the appointment and/or removal of the external auditor; • meeting with the external auditor, at their request, without management being present; • determining the size and composition of the Board; • reporting to security holders, stakeholders and the investment community on the performance of the Board; and • approving the entity's remuneration framework. |

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| | <p>The roles and responsibilities of management include:</p> <ul style="list-style-type: none"> • develop and recommend internal control and accountability systems; • develop, implement and maintain systems, corporate strategy and performance objectives; • implement and maintain systems of risk management, internal compliance and controls, codes of conduct, legal compliance and any other regulatory compliance to meet statutory deadlines; • monitor employee performance and manage appropriate human resources; • prepare required financial reports, tax lodgements, budgets and other financial reports; • monitor company performance against budget; • protect the assets of the Company, including through insurance and prepare Board recommendations on acquisitions and divestment of assets; and • undertake best endeavours to add value to the Company in a professional, ethical and accountable manner. |
| 1.2 | <p>a. undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>b. provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p> |
| | <p>The Company undertakes appropriate checks before appointing a new Director or executive. These include checks about the person's character, experience, and education, any criminal record or bankruptcy record.</p> <p>The Company provides all required material information to security holders to assist them in their decision to elect or re-elect a Director. The information provided includes:</p> <ul style="list-style-type: none"> • biographical details; including relevant qualifications and skills; • details of any other material directorships; • any material adverse information revealed by background checks; • positions or interest that might impact independent judgement; • if the candidate is an Independent Director; and • term of the office currently served by the Director. |
| 1.3 | <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment</p> |
| | <p>All Directors and senior executives are appointed through a written agreement that sets out their duties, rights and responsibilities.</p> <p>Directors Deed of Appointments include the following matters:</p> <ul style="list-style-type: none"> • time commitment required; • requirement to disclose Director interests and any other matters that might influence Directors independence; • indemnity and insurance arrangements; • rights to seek independent professional advice; • access to company secretary and corporate records; and • remuneration. |
| 1.4 | <p>The company secretary of a listed entity should be accountable directly to the board, through the chair on all matters to do with the proper functioning of the board.</p> |
| | <p>The Board Charter provides that the Company Secretary is accountable to the Board through the Chairman and that each Director is able to communicate directly with the Company Secretary.</p> |

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| | <p>The Company Secretary is responsible for:</p> <ul style="list-style-type: none"> • advising the Board on Corporate Governance matters; • managing the Company Secretarial function; • ensuring compliance with regulatory requirements; • to facilitate the induction of new Directors and Board policies and procedures; and • organize Board and Shareholder meetings, taking minutes and communicating with the ASX. |
| <p>1.5</p> | <p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity’s progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined “senior executive” for these purposes); or</p> <p>(B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p> |
| | <p>The Company has a diversity policy in place which forms part of Minbos’ Corporate Governance Plan. The Company recognises the benefits arising from board diversity, and is committed to providing a diverse workplace that embraces and promotes diversity.</p> <p>Minbos Resources Limited is an equal opportunity employer and welcomes people from different backgrounds. Full details of the Company’s diversity policy that is included in the corporate governance plan can be found on the Company website www.minbos.com.</p> <p>The Company has one female Director and three male Directors. The Company intends to appoint additional female Directors and managers should a vacancy arise, and appropriately qualified and experienced individuals are available.</p> <p>The Company is not a “relevant employer” under the Workplace Gender Equality Act, as it is not a non-public sector employer with 100 or more employees in Australia.</p> |
| <p>1.6</p> | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p> |
| | <p>The Board Charter that forms part of the Corporate Governance plan requires that an annual performance evaluation be undertaken by the Board to ensure that the responsibilities of the Board are discharged in an appropriate manner. The performance review includes a comparison of the performance of the Board with the requirements of the Board Charter, critically reviewing the mix of the Board, and amending the Board Charter as appropriate. The performance review is led by the Chairman that is a Non-Executive Director.</p> <p>The performance of the Board will be reviewed and evaluated internally during the period.</p> |

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| 1.7 | <p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. |
| | <p>During the financial year, the senior manager of the Company, excluding Directors, was Lindsay Reed (CEO).</p> <p>The evaluation of the performance of the senior management is assessed annually by the Board in conjunction with the CEO and in accordance with the terms and conditions of the service agreements entered into by the Company with these individual managers.</p> <p>The performance of senior management will be reviewed and evaluated internally during the period.</p> |
| 2. <i>Structure the Board to be effective and add value</i> | |
| 2.1 | <p>The board of a listed entity should:</p> <ul style="list-style-type: none"> (a) have a nomination committee which: <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively. |
| | <p>The Company is currently not of a relevant size that requires the formation of a separate Nomination Committee.</p> <p>The Board has developed a nomination committee charter and the matters typically dealt with by such a committee are dealt with by the Board of Directors. The charter is included in the Company's corporate governance plan which is available on the Company's website https://minbos.com/corporate-governance/.</p> <p>The Company does not comply with ASX Principle 2.1 as the majority of the Board is not independent and the Board performs the role of the committee. The Company intends to seek out and appoint additional independent Directors to the Board when the size and scale of the Company justify and warrant their inclusion, for the time being the Company maintains a mix of Directors from different backgrounds with complementary skills and experience.</p> <p>When a board vacancy becomes available, the Board will consider the existing mix of skills of the existing Board and define the skill set that will be sought in candidates to fill the vacancy. Directors will review a range of suitable candidates and may obtain the services of a reputable recruitment agent to assist with candidate selection. The most appropriate candidate will be appointed to the role until the Director is elected by members at the next annual general meeting of the Company.</p> |

2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.

The table below shows the skills and experience the Board considers to be important for the company and the amount of Board members that have the relevant skills and experience:

| EXPERIENCE, SKILLS AND ATTRIBUTES | BOARD |
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| Total Directors | 5 |
| EXPERIENCE | |
| Resources industry experience Experience in exploration phase of mining industry, specifically phosphate | 5 |
| Board level experience Board member of other listed entities (last 3 years) | 4 |
| Geographic experience Africa | 3 |
| Capital market experience | 3 |
| Feasibility studies and Project development | 3 |
| SKILLS AND ATTRIBUTES | |
| Strategic | 5 |
| Risk and Compliance | 4 |
| Mergers and Acquisitions | 3 |
| Legal, corporate finance and tax | 4 |

2.3 A listed entity should disclose:

- the names of the directors considered by the board to be independent directors;**
- if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and**
- the length of service of each director.**

In making this assessment, the Board considers all relevant facts and circumstances. Relationships that the Board will take into consideration when assessing independence are whether a Director:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- is employed, or has previously been employed in an executive capacity by the Company or another Company member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- has within the last three years been a principal of a material professional advisor or a material consultant to the Company or another Company member, or an employee materially associated with the service provided;
- is a material supplier or customer of the Company or other Company member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
- has a material contractual relationship with the Company or another Company member other than as a Director.

All Five Directors are Non-Executive Directors and Valentine Chitalu, Paul McKenzie, and Graeme Robertson are considered to be independent Directors. They were all appointed directors in December 2020.

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| 2.4 | A majority of the board of the company should be independent directors. |
| | <p>The Company currently maintains a mix of Directors from different backgrounds with complementary skills and experience and is aware of the importance of having a Board with a majority of its Directors being independent. All Five Directors are Non-Executive Directors and Valentine Chitalu, Paul McKenzie, and Graeme Robertson are considered to be independent Directors. They were all appointed directors in December 2020.</p> <p>Mr Peter Wall was a substantial security holder until May 2016. In addition, Mr Wall is a partner at Steinepreis Paganin Lawyers and Consultants that provides legal services to the Company.</p> <p>Ms Dganit Baldar was appointed as a Director following substantial security holder Green Services Innovations Ltd exercising their right to appoint a Director to the Board.</p> |
| 2.5 | The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity. |
| | <p>Mr Lindsay Reed is the CEO of Minbos and Mr Peter Wall is the Chairman. Mr Wall is not an independent director. The Company intends to seek out and appoint an independent chairman in the future as operations expand; however, the Company believes that the current Board structure is best suited to enable the Company to deliver Shareholder value at present.</p> |
| 2.6 | A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively. |
| | <p>All new Directors are appointed through a written agreement that sets out their duties, rights and responsibilities. The Company Secretary through the Board is responsible for the program to induct new Directors.</p> <p>The Board encourages directors to continue their education and maintain the skills required to discharge their duties by providing professional development opportunities.</p> <p>The Board, Board Committees or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairman. A copy of any such advice received is made available to all members of the Board.</p> |
| 3. | Instil a culture of acting lawfully, ethically and responsibly |
| 3.1 | A listed entity should articulate and disclose its values. |
| | <p>The Board is bound by the Company's values that is included in the Company's corporate governance plan which is available on the Company's website https://minbos.com/corporate-governance/</p> |
| 3.2 | A listed entity should: |
| | <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.</p> |
| | <p>The Board is bound by the Company's Corporate Code of Conduct that is included in the Company's corporate governance plan which is available on the Company's website https://minbos.com/corporate-governance/. The Board understands the obligations for ethical and responsible decision making. All Directors, senior executives and employees are expected to:</p> <ul style="list-style-type: none"> a) comply with the law; b) act in the best interests of the Company; c) be responsible and accountable for their actions; d) observe the ethical principles of honesty and fairness, including prompt disclosure of potential conflicts; and e) respect the rights of employees and create a safe and non-discriminatory workplace. |

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| 3.3 | <p>A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p> |
| | <p>The Board is bound by the Company's Whistleblower policy that is included in the Company's corporate governance plan which is available on the Company's website https://minbos.com/corporate-governance/</p> |
| 3.4 | <p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or committee of the board is informed of any material breaches of that policy.</p> |
| | <p>The Board is bound by the Company's Antibribery and Corruption policy that is included in the Company's corporate governance plan which is available on the Company's website https://minbos.com/corporate-governance/</p> |
| 4. | <i>Safeguard the integrity of corporate reports</i> |
| 4.1 | <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> |
| | <p>The Company is not of a size at the moment that requires having a separate audit committee and there are not a sufficient number of independent Directors to form a separate committee.</p> <p>Matters typically dealt with the Audit Committee are currently dealt with by the Board of Directors.</p> <p>The Company does not comply with ASX Principle 4.1 as the majority of the Board is not independent and the Board performs the role of the committee. The Company intends to seek out and appoint additional independent Directors to the Board when the size and scale of the Company justify and warrant their inclusion, for the time being the Company maintains a mix of Directors from different backgrounds with complementary skills and experience.</p> <p>The Board has adopted a formal audit committee charter, as disclosed in the Corporate Governance Plan available on the Company's website https://minbos.com/corporate-governance/.</p> |

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| 4.2 | <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively</p> |
| | <p>A written declaration has been provided by the Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the Corporations Act to the Board in regards to the preparation of financial reports.</p> <p>The declaration confirms that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> |
| 4.3 | <p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p> |
| | <p>The Company has a process where the reports are prepared by an accountant, reviewed by the Company Secretary and CEO before the Board approves the release to the ASX.</p> |
| 5. | <p><i>Make timely and balanced disclosure</i></p> |
| 5.1 | <p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p> |
| | <p>The Company has a continuous disclosure policy that is included in the charter is included in the Company's corporate governance plan which is available on the Company's website https://minbos.com/corporate-governance/.</p> <p>The Company is committed to ensuring that security holders and the market are provided with full and timely information. The Company has a continuous disclosure program in place designed to ensure the compliance with ASX Listing Rule disclosure and to ensure accountability at a senior executive level for compliance and factual presentation of the Company's financial position.</p> <p>The Non-Executive Chairman and the Company Secretary are responsible for co-ordinating the disclosure requirements. To ensure appropriate procedure all directors, officers and employees of the Company coordinate disclosures through the Non-Executive Chairman and the Company Secretary, including: (a) Media releases; (b) Analyst briefings and presentations; and (c) The release of reports and operational results.</p> |
| 5.2 | <p>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p> |
| | <p>Any announcement is drafted by the appropriate department then reviewed by the CEO and Company Secretary before board approval. The announcement is then released to ASX.</p> |
| 5.3 | <p>A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p> |
| | <p>All investor presentations are released to ASX ahead of meetings.</p> |

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| 6. | Respect the rights of security holders |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. |
| | Information can be found on the Company's website www.minbos.com |
| 6.2 | A listed entity should have an investor relations program that facilitates effective two-way communication with investors. |
| | <p>The Company has a shareholder communication strategy that is included in the Company's corporate governance plan which is available on the Company's website https://minbos.com/corporate-governance/.</p> <p>Pursuant to Principle 6, the Company's objective is to ensure effective communication with its security holders at all times and that security holders are informed of all major developments affecting the Company's website. The Company's website has a dedicated Investors & Media section which publishes all important Company information and relevant announcements made to the market.</p> <p>Security holders are encouraged to attend and participate at general meetings and are given the opportunity to ask questions at the meetings.</p> <p>All ASX announcements including annual, quarterly half yearly reports, and Notice of Meetings are placed on the Company's website. The lead engagement partner of the Company's auditor BDO attends the Annual General Meeting and answer questions from security holders about the conduct of the audit and the preparation and content of the auditor's report.</p> <p>The Company has made available the relevant contact details (via the website) for security holders to make their enquires and have also included contact details of the share registry in the Corporate Directory section.</p> |
| 6.3 | A listed entity should disclose how it facilitates and encourages participation at meetings of security holders. |
| | <p>The Company is committed to provide security holders with the opportunity to participate in all general meetings and annual general meetings.</p> <p>At any general meeting or annual general meeting, the Chairman allows a reasonable opportunity for security holders to ask questions or make comments on the management of the company and about the audit to the lead engagement partner of the company's auditors</p> <p>Security holders are also encouraged to submit questions before meetings. These questions will be distributed before the meeting and the Board, management or the auditor will respond to these questions at the meeting.</p> |
| 6.4 | A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands. |
| | With the 4 th Edition of Corporate Governance Principles and Recommendations, all resolutions dealing with ASX Listing Rules issues will be decided based on a poll. |
| 6.5 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. |
| | All Shareholders are offered electronic communications. |

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| 7. | Recognise and manage risk |
| 7.1 | <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> |
| | <p>The Company is not currently of a size that requires having a separate risk committee and there are not a sufficient number of independent Directors to form a separate committee.</p> <p>Matters typically dealt with the Risk Committee are currently dealt with by the Board of Directors. As the majority of the Board is not independent and the Board performs the role of the committee. Though the Company intends to seek out and appoint additional independent Directors to the Board when the size and scale of the Company justify and warrant their inclusion, for the time being the Company maintains a mix of Directors from different backgrounds with complementary skills and experience.</p> <p>The Board has adopted a formal audit and risk committee charter as disclosed in the Corporate Governance Plan available on the Company's website.</p> <p>The Company has a risk management framework in place that is reviewed on an annual basis by the Board. The Company also has adequate policies in relation to risk management, compliance, and internal control systems. The Company's policies have a risk matrix which is reviewed regularly and ensures that strategic, operational, legal, reputational, and financial risks are identified, assessed effectively, efficiently managed and monitored to enable achievement of the Company's business objectives.</p> |
| 7.2 | <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p> |
| | <p>The Company manages the implementation of the risk management and internal control system to manage the Company's material business risks, and report to it on whether those risks are being managed effectively. Under the audit and risk management charter, a review is carried out annually.</p> |
| 7.3 | <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p> |
| | <p>The Company is not of a size at the moment that requires a separate internal audit function. The Company has a risk management framework and audit and risk committee charter in place that is reviewed by the Board on an annual basis and amended as required. The Company also has adequate policies in relation to risk management, compliance and internal control systems. The Company's has a risk register in place which is reviewed regularly and ensures that strategic, operational, legal, reputational and financial risks are identified, assessed effectively, efficiently managed and monitored to enable achievement of the Company's business objectives.</p> |

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| 7.4 | <p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p> |
| | <p>The Company is an ASX listed exploration company focussed on rock phosphate and rare earth elements. Due to the nature of its business the company is exposed to economic, environmental, and social sustainability risks.</p> <p>The Company has a risk management framework in place and a risk register and policies to ensure compliance and sufficient internal control systems. The risk register is reviewed and assessed on a regular basis and embedded in the culture and practices of the company. Risk treatment plans are in place to identify how risk identified will be mitigated.</p> |
| 8. | <p>Remunerate fairly and responsibly</p> |
| 8.1 | <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> |
| | <p>The Board has not established a remuneration committee at this point in the Company's development. It is considered that the size of the Board along with the level of activity of the Company and the number of Independent Directors renders this impractical. The full Board considers in detail all matters for which the Directors are responsible.</p> <p>The remuneration philosophy, structure and approvals process are explained in detail in Section 11 of the audited Remuneration Report contained within the Directors' Report.</p> |
| 8.2 | <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p> |
| | <p>The Board has adopted a formal charter of a remuneration committee, as disclosed in the Corporate Governance Plan available on the Company's website. https://minbos.com/corporate-governance/</p> <p>The policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of Executive Directors and other senior executives is explained in Section 11 of the audited Remuneration Report contained within the Directors' Report.</p> |
| 8.3 | <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p> |
| | <p>In terms of the Company's security trading policy all persons offered equity-based remuneration or incentives by the Company are prohibited from entering into transactions in associated products which limit economic risk of participating in unvested entitlements under equity-based remuneration schemes.</p> |

Consolidated Statement of Profit or Loss & Other Comprehensive Income

| | Notes | 30-Jun-21 \$ | 30-Jun-20 \$ |
|--|-------|--------------------|--------------------|
| Other income from continuing operations | 6 | 94,596 | 16,704 |
| Administration expenses | 7 | (1,180,913) | (657,284) |
| Depreciation expense | | (4,302) | (13,951) |
| Due diligence & exploration expenditure on the Ambato project | 8 | (20,436) | (97,582) |
| Exploration & evaluation expenditure Cabinda project | | (710,639) | (388,247) |
| Foreign exchange (loss) / gain | | (35,628) | 3,555 |
| Loss on disposal of plant and equipment | | - | (525) |
| Personnel expenses and director fees | 7 | (648,493) | (428,944) |
| Share based payment expense | 18 | (1,654,491) | - |
| Loss from continuing operations before income tax | | (4,160,306) | (1,566,274) |
| Income tax (expense) / benefit | 9 | - | - |
| Loss from continuing operations after income tax | | (4,160,306) | (1,566,274) |
| Other comprehensive income | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| Exchange differences on translation of foreign operations | | (3,192) | - |
| Other comprehensive income for the year, net of tax | | (3,192) | - |
| Total comprehensive loss for the year | | (4,163,498) | (1,566,274) |
| Loss for the year is attributable to the owners of Minbos Resources Limited | | | |
| | | (4,160,306) | (1,566,274) |
| Total comprehensive loss for the year is attributable to the owners of Minbos Resources Limited | | | |
| | | (4,163,498) | (1,566,274) |
| Loss per share attributable to ordinary equity holders | | | |
| - Basic loss per share | 10 | (0.011) | (0.006) |
| - Diluted loss per share | 10 | (0.011) | (0.006) |

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

Consolidated Statement of Financial Position

| | Notes | 30-Jun-21 | 30-Jun-20 |
|--|-------|------------------|----------------|
| | | \$ | \$ |
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 11 | 6,830,973 | 748,455 |
| Trade and other receivables | 12 | 64,949 | 23,425 |
| Total current assets | | 6,895,922 | 771,880 |
| Non-current assets | | | |
| Plant and equipment | | 5,638 | 4,383 |
| Exploration and evaluation expenditure | 13 | 965,895 | - |
| Total non-current assets | | 971,533 | 4,383 |
| Total assets | | 7,867,455 | 776,263 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 14 | 272,994 | 179,097 |
| Provisions | 15 | 40,058 | 24,607 |
| Total current liabilities | | 313,052 | 203,704 |
| Total liabilities | | 313,052 | 203,704 |
| Net assets | | 7,554,403 | 572,559 |
| EQUITY | | | |
| Issued capital | 16 | 49,192,196 | 40,567,812 |
| Reserves | 17 | 7,132,276 | 4,614,510 |
| Accumulated losses | 19 | (48,770,069) | (44,609,763) |
| Total equity | | 7,554,403 | 572,559 |

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

Consolidated Statement of Change in Equity

| | Issued Capital \$ | Option Reserve \$ | Employee Share Plan Reserve \$ | Foreign Currency Translation Reserve \$ | Accumulated Losses \$ | Total Equity \$ |
|--|-------------------------|-------------------------|--|---|-----------------------------|-----------------------|
| At 1 July 2020 | 40,567,812 | - | 459,184 | 4,155,326 | (44,609,763) | 572,559 |
| Comprehensive loss: | | | | | | |
| Loss for the year | - | - | - | - | (4,160,306) | (4,160,306) |
| Exchange differences on translation of foreign operations | - | - | - | (3,192) | - | (3,192) |
| Total comprehensive loss for the year | - | - | - | (3,192) | (4,160,306) | (4,163,498) |
| Transactions with owners in their capacity as owners: | | | | | | |
| Issue of share capital | 10,157,890 | - | - | - | - | 10,157,890 |
| Capital raising costs | (1,533,506) | - | - | - | - | (1,533,506) |
| Share based payment expense | - | 866,467 | 1,654,491 | - | - | 2,520,958 |
| At 30 June 2021 | 49,192,196 | 866,467 | 2,113,675 | 4,152,134 | (48,770,069) | 7,554,403 |

| | Issued Capital \$ | Employee Share Plan Reserve \$ | Foreign Currency Translation Reserve \$ | Accumulated Losses \$ | Total Equity \$ |
|--|-------------------------|--|---|-----------------------------|-----------------------|
| At 1 July 2019 | 40,567,812 | 459,184 | 4,155,326 | (43,043,489) | 2,138,833 |
| Comprehensive loss: | | | | | |
| Loss for the year | - | - | - | (1,566,274) | (1,566,274) |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive loss for the year | - | - | - | (1,566,274) | (1,566,274) |
| At 30 June 2020 | 40,567,812 | 459,184 | 4,155,326 | (44,609,763) | 572,559 |

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

| | 30-Jun-21 | 30-Jun-20 |
|---|--------------------------|--------------------|
| | \$ | \$ |
| Cash flows from operating activities | | |
| Payment to suppliers and employees | (1,213,968) | (1,060,521) |
| Payment for exploration and evaluation expenditure | (812,180) | (447,796) |
| Interest received | 1,860 | 20,211 |
| Net cash outflow from operating activities | 11(c) (2,024,288) | (1,488,106) |
| Cash flows from investing activities | | |
| Payment for plant and equipment | (5,557) | - |
| Proceeds from the sale of fixed assets | 2,363 | - |
| Payments for exploration and evaluation assets | (857,988) | - |
| Net cash outflow from investing activities | (861,182) | - |
| Cash flows from financing activities | | |
| Proceeds from the issue of shares and payment for issue costs | 9,010,460 | - |
| Net cash outflow from financing activities | 9,010,460 | - |
| Net increase / (decrease) in cash and cash equivalents | 6,124,990 | (1,488,106) |
| Cash and cash equivalents at the beginning of the year | 748,455 | 2,232,905 |
| Effect of exchange rate fluctuations on cash held | (42,472) | 3,656 |
| Cash and cash equivalents at the end of the year | 11(a) 6,830,973 | 748,455 |

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

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 the Annual Report. The consolidated financial statements of the Company as at and for the year ended 30 June 2021 comprise the Company and its subsidiaries (together referred to as the '**Consolidated Entity**' or the '**Group**'). The Group is primarily involved in phosphate exploration in Africa and rare earth elements in Madagascar.

2. BASIS OF PREPARATION

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Minbos Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial report was authorised for issue by the Directors on 28 September 2021.

(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 the 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.

For the year ended 30 June 2021 the group recorded a loss of \$4,160,306, net cash outflows from operating activities of \$2,024,288 and had net working capital of \$6,582,870. Furthermore, the Consolidated Entity has not generated revenues from operations during the year. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The ability of the entity to continue as a going concern is dependent on securing additional funding through capital raising or other fund-raising activities to continue its operational activities in the next 12 months. The Directors consider that additional working capital will be able to be raised as required and that the Group will continue as a going concern and 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:

- The Company has committed to purchasing two long lead items for the construction of the Phosphate Granulation Plant. The decision to order the major components of the Granulation Plant before completion of the DFS is based on Board's confidence that the DFS will confirm the Project's viability. Minbos has a contractual commitment with Feeco for the Granulation Plant at 30 June 2021 totalling USD\$6,446,500.
- The Directors are satisfied that the Company could raise additional funds via a capital raising to meet the commitments of the Granulation Plant and the Company's working capital commitments over the next 12 months.

Should the entity 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. PRINCIPALS OF CONSOLIDATION

(a) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Minbos Resources Limited ('Company' or 'Parent Entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Minbos Resources Limited and its subsidiaries together are referred to in this financial report as the Group or the Consolidated Entity.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss & Other Comprehensive Income and Consolidated Statement of Financial Position respectively.

(b) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interest in the subsidiary. Any differences between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Minbos Resources Limited.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

4. ACCOUNTING POLICIES

(a) FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

These consolidated financial statements are presented in Australian dollars. The functional and presentation currency of the Company is Australian dollars (AUD). The functional currency of the subsidiaries is United States dollars (USD).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investments in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a net basis within other income or other expenses.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position,
- Income and expenses for each Statement of Profit or Loss and Other Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(b) Goods and Services Tax (GST)

Revenues and expenses are recognised net of the amount of GST, except where the amount of GST is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the item of expense to which it relates.

Assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability.

Cash flows are reported on a gross basis and inclusive of GST. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(c) New and revised Accounting Standards and Interpretations adopted by the Group

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(d) Other Accounting Policies

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

5. KEY JUDGEMENTS AND ESTIMATES

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the Group.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Exploration and evaluation expenditure

Cabinda Project: The Company incurred exploration and evaluation expenditure on the Cabinda project of \$1,676,534 (2020: \$388,247), of which \$710,639 was reclassified through the profit or loss up until January 2021 as the Company had not until that point been granted the mining licence over the project concession area. However, the Company executed a Mineral Investment Contract ('MIC') for the Cabinda Phosphate Project in January 2021, and from that date the Company has capitalised \$965,895 to the Statement of Financial Position as exploration and evaluation expenditure. The MIC was 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.

Share based payments

The Group measures the cost of equity settled transactions with Directors, employees and consultants, where applicable, by reference to the fair value of the instruments at the date at which they are granted. The fair value is determined using the black-scholes, binomial or other appropriate model, taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Coronavirus (COVID-19) Pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, these does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Notes to the Consolidated Financial Statements

6. OTHER INCOME FROM CONTINUING OPERATIONS

| | 30-Jun-21 | 30-Jun-20 |
|----------------------|---------------|---------------|
| | \$ | \$ |
| Other income | | |
| Interest income | 1,860 | 16,704 |
| ATO COVID-19 subsidy | 90,636 | - |
| Other revenue | 2,100 | - |
| | <u>94,596</u> | <u>16,704</u> |

RECOGNITION AND MEASUREMENT

Interest Income

Interest income is recognised when the Company gains control of the right to receive the interest payment.

All income is stated net of the amount of goods and services tax.

7. EXPENSES

| | 30-Jun-21 | 30-Jun-20 |
|--|------------------|----------------|
| | \$ | \$ |
| Administration expenses | | |
| Advertising and marketing expenses | 505,259 | 53,114 |
| Compliance and regulatory expenses | 283,947 | 150,093 |
| Computer expenses | 13,595 | 9,946 |
| Consulting and corporate expenses | 181,335 | 134,179 |
| Insurance expense | 34,725 | 28,268 |
| Legal expenses | 50,542 | 27,599 |
| Provision for doubtful debts | 1,500 | - |
| Rent expense | 25,874 | 45,300 |
| Seminar and conference expenses | 20,390 | 56,939 |
| Travel and accommodation expenses | 730 | 103,648 |
| Other administration expenses | 63,016 | 48,198 |
| | <u>1,180,913</u> | <u>657,284</u> |
| Personnel expenses and director fees | | |
| Wages and salaries, including superannuation | 479,858 | 281,869 |
| Director fees and other benefits | 165,475 | 144,000 |
| Other employee expenses | 3,160 | 3,075 |
| | <u>648,493</u> | <u>428,944</u> |

Notes to the Consolidated Financial Statements

8. DUE DILIGENCE & EXPLORATION EXPENDITURE ON THE AMBATO PROJECT

| | 30-Jun-21 | 30-Jun-20 |
|---|---------------|-----------|
| | \$ | \$ |
| Due diligence & exploration expenditure on the Ambato project (i) | 20,436 | 97,582 |
| | 20,436 | 97,582 |

(i) Exploration expenditure in relation to the Ambato Project has not been capitalised on the Statement of Financial Position at 30 June 2021 as Minbos has only entered into an option with Tana Minerals Ltd (Tana) whereby Minbos can acquire 90% of the shares in MRE Mining (Mauritius) Limited (MRE). MRE's sole asset is a wholly owned subsidiary in Madagascar which holds the exploration permits for the Ambato Project. During the 2019 financial year, Minbos gave notice to Tana that it would extend the Exclusivity Period by making a cash payment of \$25,000.

The acquisition of MRE is conditional upon Minbos obtaining all the required regulatory and shareholder approvals, completing due diligence on the project and the renewal of the exploration permits.

Renewals of exploration licenses by the Bureau de Cadastre Minier de Madagascar have not received ministerial approval for several years. It is expected the recently concluded National Assembly elections and the appointment of a new Ministry will reinstate this process.

9. INCOME TAX EXPENSE

(a) Numerical reconciliation of accounting losses to income tax expense

A reconciliation between income tax expense and the accounting loss before income tax multiplied by the entity's applicable income tax rate is as follows:

| | 30-Jun-21 | 30-Jun-20 |
|---|--------------------|-------------|
| | \$ | \$ |
| Accounting loss before income tax | (4,160,306) | (1,566,274) |
| At the entity's Australian statutory income tax rate of 30% (2020: 30%) | (1,248,092) | (469,882) |
| Adjusted for tax effect of the following amounts: | | |
| Non-deductible / taxable items | 258,574 | 190,573 |
| Income tax benefits not brought to account | 989,518 | 279,309 |
| Income tax expense / (benefit) | - | - |

(b) Deferred tax assets and liabilities not brought to account

The directors estimate that the potential deferred tax assets and liabilities carried forward but not brought to account at year end at the Australian corporate tax rate of 30% are made up as follows:

| | 30-Jun-21 | 30-Jun-20 |
|----------------------------------|------------------|-----------|
| | \$ | \$ |
| On income tax account: | | |
| Carried forward tax losses | 3,802,985 | 3,660,354 |
| Unrecognised deferred tax assets | 3,802,985 | 3,660,354 |

Notes to the Consolidated Financial Statements

The Group has Australian carried forward tax losses of \$12,676,616 (tax effected at 30%, \$3,802,985) as at 30 June 2021 (2020: \$12,201,181 (tax effected at 30%, \$3,660,354)). In view of the Group's trading position, the Directors have not included this tax benefit in the Group's Consolidated Statement of Financial Position. A tax benefit will only be recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The tax benefits of the above deferred tax assets will only be obtained if:

- (a) The Consolidated Entity derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- (b) The Consolidated Entity continues to comply with the conditions for deductibility imposed by law; and
- (c) No changes in income tax legislation adversely affect the Consolidated Entity from utilising the benefits.

RECOGNITION AND MEASUREMENT

Current taxes

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred taxes

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurements also reflect the manner in which management expects to recover or settle that carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in the future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Notes to the Consolidated Financial Statements

10. EARNINGS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share at 30 June 2021 was based on the loss attributable to ordinary shareholders of \$4,160,306 (2020: \$1,566,274) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2021 of 375,439,663 (2020: 282,728,066) calculated as follows:

| | 30-Jun-21 | 30-Jun-20 |
|--|--------------------|-------------|
| Net loss attributable to the ordinary equity holders of the Group (\$) | (4,160,306) | (1,566,274) |
| Weighted average number of ordinary shares for basis per share (No) | 375,439,663 | 282,728,066 |
| Continuing operations | | |
| - Basic and diluted loss per share (\$) | (0.011) | (0.006) |

RECOGNITION AND MEASUREMENT

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by weighted average number of ordinary shares outstanding during the financial year, adjusted for the bonus elements in ordinary shares issued during the year.

(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.

RECOGNITION AND MEASUREMENT

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

11. CASH AND CASH EQUIVALENTS

(a) Reconciliation to cash at the end of the year

| | 30-Jun-21 | 30-Jun-20 |
|--------------------------|------------------|-----------|
| | \$ | \$ |
| Cash at bank and in hand | 6,810,973 | 728,455 |
| Short-term deposit | 20,000 | 20,000 |
| | 6,830,973 | 748,455 |

(b) Interest rate risk exposure

The Group's exposure to interest rate risk is discussed in Note 20: Financial Risk Management.

Notes to the Consolidated Financial Statements

(c) Reconciliation of net cash flows from operating activities to loss for the year after tax

| | 30-Jun-21 | 30-Jun-20 |
|--|--------------------|-------------|
| | \$ | \$ |
| Loss for the financial year | (4,160,306) | (1,566,274) |
| Adjustments for: | | |
| Depreciation expense | 4,302 | 13,951 |
| Foreign currency translation | 35,628 | (3,555) |
| Loss on disposal of plant and equipment | - | 525 |
| Share based payment expense | 1,654,491 | - |
| Advertising & marketing fees settled in shares | 450,000 | - |
| Change in assets and liabilities | | |
| (Increase) / decrease in trade and other receivables | (16,965) | (2,127) |
| (Decrease) / increase in trade and other payables | (6,889) | 63,211 |
| Increase in provisions | 15,451 | 6,163 |
| Net cash used in operating activities | (2,024,288) | (1,488,106) |

(d) Non-cash financing and investing activities

On 26 November 2020, the company issued 11,429,667 shares at \$0.03 per share as consideration for the following fees / services:

- 3,388,000 shares issued to Vert Capital (lead manager of the placement) as consideration for \$101,640 worth of Capital Raising Fees.
- 6,666,667 shares to S3 Consortium Pty Ltd (Adviser Shares) as consideration for \$200,000 worth of marketing services.
- 1,375,000 shares issued to Aesir Capital Pty Ltd as consideration for \$41,250 worth of Capital Raising Fees.

On 30 April 2021, the company issued 3,125,000 shares at \$0.08 per share to S3 Consortium Pty Ltd (Adviser Shares) as consideration for \$250,000 worth of marketing services.

RECOGNITION AND MEASUREMENT

Cash and cash equivalents comprise cash balances, short term bills and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Consolidated Statement of Cash Flows.

12. TRADE AND OTHER RECEIVABLES

| | 30-Jun-21 | 30-Jun-20 |
|---------------------------|---------------|-----------|
| | \$ | \$ |
| Trade receivables | - | 2,599 |
| Other receivables | - | 1,500 |
| Indirect taxes receivable | 35,652 | 9,593 |
| Prepayments | 29,297 | 9,733 |
| | 64,949 | 23,425 |

Notes to the Consolidated Financial Statements

13. EXPLORATION & EVALUATION EXPENDITURE

| | 30-Jun-21 | 30-Jun-20 |
|---|----------------|-----------|
| | \$ | \$ |
| Carrying amount of exploration and evaluation expenditure | 965,895 | - |
| Movement reconciliation | | |
| Balance at the beginning of the financial year | - | - |
| Exploration expenditure during the financial year | 965,895 | - |
| Balance at the end of the financial year | 965,895 | - |

The Company incurred exploration and evaluation expenditure on the Cabinda project of \$1,676,534 (2020: \$388,247), of which \$710,639 was reclassified through the profit or loss up until January 2021 as the Company had not until that point been granted the mining licence over the project concession area. However, the Company executed a Mineral Investment Contract ('MIC') for the Cabinda Phosphate Project in January 2021, and from that date the Company has capitalised \$965,895 to the Statement of Financial Position as exploration and evaluation expenditure. The MIC was 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.

RECOGNITION AND MEASUREMENT

Exploration and evaluation expenditure, which are intangible costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Consolidated Entity has obtained the legal rights to explore an area are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- (i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- (ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or other wise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if one or more of the following facts and circumstances exist:

- (i) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed.
- (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- (iv) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full, from successful development or by sale.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mineral property and development assets within plant and equipment.

Notes to the Consolidated Financial Statements

14. TRADE AND OTHER PAYABLES

| | 30-Jun-21 | 30-Jun-20 |
|------------------------|------------------|-----------|
| | \$ | \$ |
| Trade creditors | 175,470 | 62,303 |
| Accruals | 71,375 | 103,304 |
| Superannuation payable | 11,875 | 5,938 |
| PAYG payable | 14,274 | 7,552 |
| | 272,994 | 179,097 |

RECOGNITION AND MEASUREMENT

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

For trade and other payables, the fair value is approximate to their carrying value amount, due to their short-term nature.

15. PROVISIONS

| | 30-Jun-21 | 30-Jun-20 |
|----------------------------|------------------|-----------|
| | \$ | \$ |
| Provision for annual leave | 40,058 | 24,607 |
| | 40,058 | 24,607 |

RECOGNITION AND MEASUREMENT

Provisions are recognised when:

- the Company has a present obligation (legal or constructive) as a result of a past event;
- it is probably that resources will be expended to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Employee Benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

A provision is recognised in the Consolidated Statement of Financial Position when the Consolidated Entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

Notes to the Consolidated Financial Statements

16. CONTRIBUTED EQUITY

(a) Issued and fully paid

| | 30-Jun-21 | | 30-Jun-20 | |
|-----------------|-------------------|--------------------|------------|---------------|
| | \$ | No. | \$ | No. |
| Ordinary shares | 49,192,196 | 464,032,897 | 40,567,812 | 5,654,561,320 |
| | 49,192,196 | 464,032,897 | 40,567,812 | 5,654,561,320 |

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proposed winding up of the company in proportion to the number and amount paid on the shares held.

(b) Movement Reconciliation

| ORDINARY SHARES | Date | Quantity | Issue price | \$ |
|--|------------|--------------------|-------------|-------------------|
| Balance 30 June 2020 | | 5,654,561,320 | | 40,567,812 |
| Shares issued (i) | 15/09/2020 | 848,000,000 | \$0.0015 | 1,272,000 |
| Shares issued (ii) | 6/11/2020 | 662,000,000 | \$0.0015 | 993,000 |
| Consolidation of capital on a 20 for 1 basis (iii) | 13/11/2020 | (6,806,333,090) | - | - |
| Shares issued (iv) | 26/11/2020 | 11,429,667 | \$0.03 | 342,890 |
| Shares issued (v) | 26/02/2021 | 88,750,000 | \$0.08 | 7,100,000 |
| Shares issued (vi) | 30/04/2021 | 5,625,000 | \$0.08 | 450,000 |
| Cost of placements | | - | - | (1,533,506) |
| Balance 30 June 2021 | | 464,032,897 | | 49,192,196 |

- (i) On 15 September 2020, the company completed a capital placement (Tranche 1) to sophisticated investors and issued 848,000,000 shares at \$0.0015 per share to raise \$1,272,000.
- (ii) On 6 November 2020, the company completed a capital placement (Tranche 2) to sophisticated investors and issued 662,000,000 shares at \$0.0015 per share to raise \$993,000.
- (iii) On 6 November 2020, the company completed a consolidation of its issued capital on the basis that every 20 shares were consolidated into 1 share. The consolidation was approved by shareholders at the Annual General Meeting held on 3 November 2020.
- (iv) On 26 November 2020, the company issued 11,429,667 shares at \$0.03 per share as consideration for the following fees:
- 3,388,000 shares issued to Vert Capital (lead manager of the placement) as consideration for \$101,640 worth of Capital Raising Fees.
 - 6,666,667 shares to S3 Consortium Pty Ltd (Adviser Shares) as consideration for \$200,000 worth of marketing services.
 - 1,375,000 shares issued to Aesir Capital Pty Ltd as consideration for \$41,250 worth of Capital Raising Fees.
- (v) On 26 February 2021 the company completed a capital placement to sophisticated investors and issued 88,750,000 shares at \$0.08 per share to raise \$7,100,000. As part of the placement the Company also offered investors one free option to acquire a share (exercise price \$0.15; expiry date 2 years) for every two shares subscribed.
- (vi) On 30 April 2021, the company issued 5,625,000 shares at \$0.08 per share as follows:
- 2,500,000 shares to Directors to raise \$200,000.
 - 3,125,000 shares to S3 Consortium Pty Ltd (Adviser Shares) as consideration for \$250,000 worth of marketing services.

Notes to the Consolidated Financial Statements

(c) Capital risk management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Given the stage of the Company's development there are no formal targets set for return on capital. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements. The net equity of the Company is equivalent to capital. Net capital is obtained through capital raisings on the Australian Securities Exchange.

RECOGNITION AND MEASUREMENT

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

17. RESERVES

| | 30-Jun-21 | | 30-Jun-20 | |
|--------------------------------------|------------------|-------------------|-----------|-----|
| | \$ | No. | \$ | No. |
| Option reserve | 866,467 | 30,000,000 | - | - |
| Employee share plan reserve | 2,113,675 | 55,500,000 | 459,184 | - |
| Foreign currency translation reserve | 4,152,134 | - | 4,155,326 | - |
| | 7,132,276 | 85,500,000 | 4,614,510 | - |

| | 30-Jun-21 | 30-Jun-20 |
|---|------------------|-----------|
| | \$ | \$ |
| Movement reconciliation | | |
| Option reserve | | |
| Balance at the beginning of the financial year | - | - |
| Equity settled share-based payment transactions (i) | 866,467 | - |
| Balance at the end of the financial year | 866,467 | - |
| Employee share plan reserve | | |
| Balance at the beginning of the financial year | 459,184 | 459,184 |
| Equity settled share-based payment transactions (ii) | 1,654,491 | - |
| Balance at the end of the financial year | 2,113,675 | 459,184 |
| Foreign currency translation reserve | | |
| Balance at the beginning of the financial year | 4,155,326 | 4,155,326 |
| Effect of translation of foreign currency operations to group presentation currency | (3,192) | - |
| Balance at the end of the financial year | 4,152,134 | 4,155,326 |

Notes to the Consolidated Financial Statements

(i) Option Reserve:

- \$186,370 - On 18 November 2020, the Company issued 10,000,000 unlisted options to Vert Capital (lead manager of the placement) as part consideration for lead manager services, as approved by shareholders on 3 November 2020.
- \$680,097 - On 30 April 2021, the Company issued 20,000,000 unlisted options to CPS Capital Group Pty Ltd (lead manager of the placement) as part consideration for lead manager services, as approved by shareholders on 7 April 2021.

Refer to Note 18: Share-based payments for further detail regarding the terms and conditions of the Option Reserve.

(ii) Employee share plan reserve:

- \$777,308 - On 18 November 2020, the Company issued 30,000,000 unlisted options to Directors and the CEO under the Company's incentive Option Plan as approved by shareholders on 3 November 2020.
- \$684,267 - On 30 April 2021, the Company issued 12,000,000 unlisted options to Directors under the Company's incentive Option Plan as approved by shareholders on 7 April 2021.
- \$192,916 - On 30 April 2021, the Company issued 13,500,000 performance rights under the Company's incentive Performance Rights Plan as approved by shareholders on 7 April 2021 at the Company's General Meeting.

Refer to Note 18: Share-based payments for further detail regarding the terms and conditions of the employee share plan reserve.

Nature and purpose of reserves

Employee share plan reserve

The reserve represents the value of shares and rights issued under the Group's Employee Share Plan and incentive Performance Rights Plan as approved by shareholders, that the Consolidated Entity is required to include in the consolidated financial statements. No gain or loss is recognised in the profit or loss on the purchase, sale, issue or cancellation of the Consolidated Entity's own equity instruments.

Foreign currency translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

Notes to the Consolidated Financial Statements

18. SHARE BASED PAYMENTS

| | Number of Options & Rights | Share-based payments expense | Remaining Share-based payments expense |
|---|----------------------------|------------------------------|--|
| Employee / Director, Lead Manager & Placement Options (a) | 119,187,500 | \$1,461,575 | - |
| Performance Rights (b) | 13,500,000 | \$192,916 | \$968,084 |
| | 132,687,500 | \$1,654,491 | \$968,084 |

(a) Employee / Director, Lead Manager & Placement Options

Details of options issued during the financial year are set out below:

| | Grant Date | Expiry Date | Exercise Price | Balance at 1-Jul-20 | Granted during the year | Exercised during the year | Balance at 30-Jun-21 |
|-----------------------------|------------|-------------|----------------|---------------------|-------------------------|---------------------------|----------------------|
| Lead Manager Options (i) | 3/11/20 | 3/11/22 | \$0.05 | - | 10,000,000 | - | 10,000,000 |
| CEO / Director Options (ii) | 3/11/20 | 3/11/22 | \$0.05 | - | 30,000,000 | - | 30,000,000 |
| Director Options (iii) | 7/4/21 | 30/4/25 | \$0.10 | - | 12,000,000 | - | 12,000,000 |
| Lead Manager Options (iv) | 7/4/21 | 30/4/23 | \$0.15 | - | 20,000,000 | - | 20,000,000 |
| Placement Options (v) | 7/4/21 | 30/4/25 | \$0.15 | - | 47,187,500 | - | 47,187,500 |
| Total Options | | | | - | 119,187,500 | - | 119,187,500 |

| | (i) | (ii) | (iii) | (iv) | (v) |
|-------------------------|------------------|------------------|------------------|------------------|-------------|
| Number of options | 10,000,000 | 30,000,000 | 12,000,000 | 20,000,000 | 47,187,500 |
| Grant date | 3-Nov-20 | 3-Nov-20 | 7-Apr-21 | 7-Apr-21 | 7-Apr-21 |
| Grant date share price | \$0.040 | \$0.040 | \$0.086 | \$0.086 | \$0.086 |
| Exercise price | \$0.05 | \$0.05 | \$0.10 | \$0.15 | \$0.15 |
| Expected volatility | 100% | 100% | 100% | 100% | 100% |
| Option life | 2 years | 4 years | 4 years | 2 years | 2 years |
| Dividend yield | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Interest rate | 0.40% | 0.40% | 0.07% | 0.07% | 0.07% |
| Vesting | Immediately | Immediately | Immediately | Immediately | Immediately |
| Total fair Value | \$186,370 | \$777,308 | \$684,267 | \$680,097 | - |

- (i) On 18 November 2020, 10,000,000 unlisted options were granted to Vert Capital (lead manager of the placement) as part consideration for lead manager services, as approved by shareholders on 3 November 2020. These options have been valued using Black Scholes and have been recognised as capital raising costs in Note 16: Contributed Equity.
- (ii) On 18 November 2020, 30,000,000 unlisted options were granted to Directors and the CEO under the Company's incentive Option Plan as approved by shareholders on 3 November 2020. These options have been valued using Black Scholes and have been recognised as a share-based payment expense in the Statement of Profit or Loss & Other Comprehensive Income.
- (iii) On 30 April 2021, 12,000,000 unlisted options were issued to Directors under the Company's incentive Option Plan as approved by shareholders on 7 April 2021. These options have been valued using Black Scholes and have been recognised as a share-based payment expense in the Statement of Profit or Loss & Other Comprehensive Income.
- (iv) On 30 April 2021, 20,000,000 unlisted options were issued to CPS Capital Group Pty Ltd (lead manager of the placement) as part consideration for lead manager services, as approved by shareholders on 7 April 2021. These options have valued using Black Scholes and have been recognised as capital raising costs in Note 16: Contributed Equity.
- (v) On 30 April 2021, 44,375,000 free attaching options were issued to sophisticated and professional investors who participated in the placement on the basis of one placement option for every two placement shares subscribed under the placement, as approved by shareholders on 7 April 2021. These options have nil value. The remaining 1,562,500 options were issued to S3 Consortium Pty Ltd in lieu of a cash payment for services to be provided, these options were not valued as the value of the service could not be determined.

Notes to the Consolidated Financial Statements

(b) Performance Rights

Details of the performance rights issued during the financial year are set out below:

| | (i) | (ii) | (iii) |
|------------------------------------|------------------|------------------|------------------|
| Number of rights | 4,500,000 | 4,500,000 | 4,500,000 |
| Grant date | 30-Apr-21 | 7-Apr-21 | 7-Apr-21 |
| Grant date share price | \$0.078 | \$0.086 | \$0.086 |
| Expected volatility | 100% | 100% | 100% |
| Rights life | 12 Months | 18 Months | 24 Months |
| Dividend yield | 0.00% | 0.00% | 0.00% |
| Interest rate | 0.07% | 0.07% | 0.07% |
| Probability of achieving milestone | 100% | 100% | 100% |
| Total fair Value | \$387,000 | \$387,000 | \$387,000 |

On 30 April 2021, the Company issued the following performance rights under the Company's incentive Performance Rights Plan as approved by shareholders on 7 April 2021 at the Company's General Meeting:

- 4,500,000 performance rights to Peter Wall (Non-Executive Chairman), and
- 9,000,000 performance rights to Lindsay Reed (CEO).

The terms and conditions of the performance rights are summarised below:

| Recipient | | Number | Performance Milestone Condition | Expiry Date |
|--------------|-------|-----------|---|----------------------------------|
| Lindsay Reed | (i) | 3,000,000 | The Company entering into an Off-Take Agreement in relation to the Cabinda Project in Angola | 12 months from the date of issue |
| | (ii) | 3,000,000 | Completion of a positive Definitive Feasibility Study by the Company in relation to the Cabinda Project in Angola | 18 months from the date of issue |
| | (iii) | 3,000,000 | The Company securing project finance in relation to Cabinda Project in Angola | 24 months from the date of issue |
| Peter Wall | (i) | 1,500,000 | The Company entering into an Off-Take Agreement in relation to the Cabinda Project in Angola | 12 months from the date of issue |
| | (ii) | 1,500,000 | Completion of a positive Definitive Feasibility Study by the Company in relation to the Cabinda Project in Angola | 18 months from the date of issue |
| | (iii) | 1,500,000 | The Company securing project finance in relation to Cabinda Project in Angola | 24 months from the date of issue |

19. ACCUMULATED LOSSES

| | 30-Jun-21 | 30-Jun-20 |
|---|---------------------|--------------|
| | \$ | \$ |
| Movement in accumulated losses | | |
| Balance at the beginning of the financial year | (44,609,763) | (43,043,489) |
| Net loss in current year | (4,160,306) | (1,566,274) |
| Balance at the end of the financial year | (48,770,069) | (44,609,763) |

Notes to the Consolidated Financial Statements

20. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future cash flow forecasts.

Risk management is carried out by Management and overseen by the Board of Directors with assistance from suitably qualified external advisors.

The main risks arising for the Group are foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The carrying values of the Group's financial instruments are as follows:

| | 30-Jun-21 | 30-Jun-20 |
|------------------------------|------------------|-----------|
| | \$ | \$ |
| Financial assets | | |
| Cash and cash equivalents | 6,830,973 | 748,455 |
| | 6,830,973 | 748,455 |
| Financial liabilities | | |
| Trade and other payables | 272,994 | 179,097 |
| | 272,994 | 179,097 |
| Net exposure | 6,557,979 | 569,358 |

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency.

(ii) Interest rate risk

The Group is exposed to interest rate risk due to variable interest being earned on its interest-bearing bank accounts. At the end of the reporting period, the Group had the following interest-bearing financial instruments:

| | 30-Jun-21 | | 30-Jun-20 | |
|---------------------------|-----------------------------------|---------------|-----------------------------------|---------------|
| | Weighted average interest rate | Balance \$ | Weighted average interest rate | Balance \$ |
| Cash and cash equivalents | 0.05% | 6,830,973 | 0.22% | 748,455 |

Sensitivity

Within this analysis, consideration is given to potential renewals of existing positions and the mix of fixed and variable interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The 1% increase and 1% decrease in rates is based on reasonably expected possible changes over a financial year, using the observed range of historical rates for the preceding five-year period.

Notes to the Consolidated Financial Statements

At 30 June 2021, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax losses and equity would have been affected as follows:

| | Post tax profit higher/(lower) | | Other comprehensive higher/(lower) | |
|--|-----------------------------------|-----------|---------------------------------------|-----------|
| | 30-Jun-21 | 30-Jun-20 | 30-Jun-21 | 30-Jun-20 |
| | \$ | \$ | \$ | \$ |
| Judgements of reasonably possible movements: | | | | |
| + 1.0% (100 basis points) | 47,817 | 5,239 | - | - |
| - 1.0% (100 basis points) | (47,817) | (5,239) | - | - |

The other financial instruments of the Group that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a counter party to a financial instrument fails to meet its contractual obligations. During the year credit risk has principally arisen from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments.

The carrying amount of financial assets included in the Consolidated Statement of Financial Position represents the Group's maximum exposure to credit risk in relation to those assets. The Group does not hold any credit derivatives to offset its credit exposure. The Group trades only with recognised, credit worthy third parties and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. Receivable balances are monitored on an ongoing basis with the result that the Group does not have a significant exposure to bad debts.

The Group has no significant concentrations of credit risk within the Group except for the following:

- Note 11: Cash and cash equivalents: Cash held with National Australia Bank and Bankwest.

(i) Cash

The Group's primary bankers are National Australia Bank and Bankwest. The Board considers the use of these financial institutions, which have a rating of AA- from Standards and Poor's, respectively, to be sufficient in the management of credit risk with regards to these funds.

| | 30-Jun-21 | 30-Jun-20 |
|--|------------------|----------------|
| | \$ | \$ |
| Cash at bank and short-term bank deposits: | | |
| Financial institutions - Standard & Poor's rating of AA- | 6,823,880 | 748,378 |
| Financial institutions - Other | 7,093 | 77 |
| | 6,830,973 | 748,455 |

(ii) Trade Debtors

While the Group has policies in place to ensure that transactions with third parties have an appropriate credit history, the management of current and potential credit risk exposures is limited as far as is considered commercially appropriate. Up to the date of this report, the Board has placed no requirement for collateral on existing debtors.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Notes to the Consolidated Financial Statements

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

The Directors and Management monitor the cash outflow of the Group on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

The financial liabilities the Group had at reporting date were trade payables and employee provisions incurred in the normal course of the business. Trade payables were non-interest bearing and were paid within the normal 30-60 day terms of creditor payments.

The table below reflects the respective undiscounted cash flows for financial liabilities existing at 30 June 2021.

| Contractual maturities of financial liabilities | <6 | >6-12 | >12 | Total | Carrying amount |
|---|----------------|--------|--------|------------------------|-----------------|
| | months | months | months | contractual cash flows | |
| | \$ | \$ | \$ | \$ | \$ |
| 30-Jun-21 | | | | | |
| Trade and other payables | 272,994 | - | - | 272,994 | 272,994 |
| | 272,994 | - | - | 272,994 | 272,994 |
| 30-Jun-20 | | | | | |
| Trade and other payables | 179,097 | - | - | 179,097 | 179,097 |
| | 179,097 | - | - | 179,097 | 179,097 |

RECOGNITION AND MEASUREMENT

Non-derivative financial instruments

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Consolidated Statement of Cash Flows.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Notes to the Consolidated Financial Statements

Assets carried at amortised cost

For loans and receivables, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. If a loan or held-to maturity investment has a variable interest rate, the discount rate or measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

21. 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 Chief Executive Officer and the Chief Financial Officer.

The Company currently has two reportable segments, being phosphate in Angola and rare earth minerals in Madagascar. The Board considers its business operations in phosphate to be its primary reporting function and deems the rare earth minerals in Madagascar as not material to the Company. Results are analysed as a whole by the chief operating decision maker, this being the Chief Executive Officer, 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.

22. PARENT ENTITY

| | 30-Jun-21 | 30-Jun-20 |
|--|---------------------|--------------|
| | \$ | \$ |
| Current Assets | 6,874,929 | 771,803 |
| Non-Current Assets | 992,526 | 4,383 |
| Total Assets | 7,867,455 | 776,186 |
| Current Liabilities | 313,052 | 203,704 |
| Total Liabilities | 313,052 | 203,704 |
| Net Assets | 7,554,403 | 572,482 |
| Contributed equity | 49,192,196 | 40,567,812 |
| Reserves | 7,135,469 | 4,614,510 |
| Accumulated losses | (48,773,262) | (44,609,840) |
| Total Equity | 7,554,403 | 572,482 |
| Loss for the year | (4,163,422) | (1,566,279) |
| Other comprehensive loss for the year | - | - |
| Total comprehensive loss for the year | (4,163,422) | (1,566,279) |

Notes to the Consolidated Financial Statements

23. RELATED PARTIES

(a) Ultimate parent

The ultimate Australian parent entity within the Group is Minbos Resources Limited. It is a company limited by shares and is incorporated and domiciled in Australia. In the 2011 financial year the Company acquired 100% of Tunan Mining Limited and its subsidiaries. On 20 July 2020 the Company incorporated a private company in Mauritius, limited by shares, as a wholly owned subsidiary called Phobos Ltd.

(b) Subsidiary companies

Interests in subsidiaries are set out in Note 27: Subsidiaries and Transactions with Non-Controlling Interests.

(c) KMP compensation

| | 30-Jun-21 | 30-Jun-20 |
|------------------------------|------------------|----------------|
| | \$ | \$ |
| Short-term employee benefits | 432,518 | 403,418 |
| Post-employment benefits | 24,775 | 22,451 |
| Equity compensation benefits | 1,654,491 | - |
| | 2,111,784 | 425,869 |

Information regarding individual Directors and Executive compensation and some equity instruments disclosures as required by Corporations Regulation 2M.3.03 are provided in the remuneration report section of the Directors' report.

(d) Issue of shares in lieu of services of related parties

There were no shares issued in lieu of services of related parties during the financial year (2020: Nil).

(e) Transactions with other related parties

| | 30-Jun-21 | 30-Jun-20 |
|---|---------------|---------------|
| | \$ | \$ |
| Legal services - Steinepreis Paganin Lawyers & Consultants (i) (a firm in which Peter Wall is a partner) | 51,406 | 24,336 |
| Corporate services - Aesir Capital Pty Ltd (ii) (a Company in which Damian Black, a former Director of Minbos, is a Director and shareholder) | 38,400 | - |
| Company Management Services in Mauritius - Intrasia Capital Pte Ltd (iii) (a Company in which Graeme Robertson is Chairman and CEO) | 38,182 | - |

(i) Legal fees paid to Steinepreis Paganin Lawyers & Consultants

Legal fees of \$51,406 were paid to Steinepreis Paganin Lawyers & Consultants during the financial year (2020: \$24,336), of which Mr Peter Wall, Chairman, is a partner.

(ii) Corporate fees paid to Aesir Capital Pty Ltd

Aesir Capital Pty Ltd (an entity of which Damian Black, a former Director of Minbos, is a Director and shareholder) raised \$750,000 under the Placement and received a fee of \$37,500. Aesir Capital Pty Ltd also raised an additional \$15,000 under the Placement and received a fee of \$900. The placement fees are industry standard fees and negotiated on arm's length commercial terms.

(iii) Company Management Services in Mauritius - Intrasia Management (Mauritius) Limited

Company management fees of \$38,182 (USD \$28,705) were paid to Intrasia Management (Mauritius) Limited (a Company in which Graeme Robertson is a Director).

Notes to the Consolidated Financial Statements

24. COMMITMENTS

Definitive feasibility study at its Cabinda Phosphate Project

During the financial year the Company entered into contracts for its definitive feasibility study at its Cabinda Phosphate Project, including FEECO, Grupo Simples, HCV Africa and DRA Global. Works undertaken include preparing a basic engineering package for the granulation plant, preparation of the EIS and WMP for the C acata Mine and Granulation Plant and design of the Granulation Plant and associated infrastructure. Minbos has contractual commitments at 30 June 2021 totalling USD\$314,876 and AUD\$33,293.

Phosphate Granulation Plant at its Cabinda Phosphate Project

During the financial year the Company formally approved the purchase of two long lead items for the construction of the Phosphate Granulation Plant. The decision to order the major components of the Granulation Plant before completion of the DFS is based on Board's confidence that the DFS will confirm the Project's viability. Minbos has a contractual commitment with Feeco for the Granulation Plant at 30 June 2021 totalling USD\$6,446,500.

Mining Investment Contract

In January 2021 the Company executed the Mining Investment Contract (MIC) for the exploration, feasibility studies and exploitation of phosphate rock at the C acata 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 USD3,953,000 over the term of the contract. The duration of the contract is established under the Mining Code as being 35 years.

25. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets as at 30 June 2021.

26. DIVIDENDS

No dividend has been paid during the financial year and no dividend is recommended for the financial year.

27. SUBSIDIARIES AND TRANSACTIONS WITH NON-CONTROLLING INTERESTS

As at 30 June 2021, the subsidiaries owned by Minbos Resources Limited are presented in the table below:

| Name of entity | Country of incorporation | Class of shares | Ownership interest | |
|---|------------------------------|-------------------------|--------------------|------------|
| | | | 30/06/2021 | 30/06/2020 |
| <u>Parent entity</u> | | | | |
| Minbos Resources Ltd (i) | Australia | Ordinary and Preference | | |
| <u>Subsidiary (direct)</u> | | | | |
| Tunan Mining Limited (ii) | British Virgin Isles (BVI) | Ordinary | 100% | 100% |
| Phobos Limited (iii) | Mauritius | Ordinary | 100% | - |
| <u>Subsidiaries (indirect – direct subsidiaries of Tunan Mining Limited)</u> | | | | |
| Mongo Tando Limited | British Virgin Isles (BVI) | Ordinary | 50% | 50% |
| Agrim SPRL DRC (iv) | Democratic Republic of Congo | Ordinary | 100% | 100% |

- (i) Minbos is an Australian registered public listed company on the ASX which undertakes the corporate activities for the Group.
- (ii) Tunan Mining Limited is a holding company, incorporated in the British Virgin Isles.
- (iii) Phobos Limited is a private company, limited by shares, and incorporated in Mauritius on 20 July 2020.
- (iv) Agrim SPRL is a company incorporated in the Democratic Republic of Congo.

28. AUDITOR'S REMUNERATION

| | 30-Jun-21 | 30-Jun-20 |
|--|---------------|---------------|
| | \$ | \$ |
| Amounts received or due & receivable by BDO Audit (WA) Pty Ltd for: | | |
| An audit or review of the financial report of the entity | 36,414 | 35,816 |
| Total auditor remuneration | 36,414 | 35,816 |

29. EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 1 July 2021 the Company approved the purchase of two major long-lead components for the granulation plant. The decision to order the major components of the Granulation Plant before completion of the DFS is based on Board's confidence that the DFS will confirm the Project's viability.

On 5 July 2021 the Company issued 20,000,000 unlisted options to employees and consultants under the Employee Incentive Option Plan that was adopted at the Annual General Meeting dated 3 November 2020.

On 19 July 2021 the Company completed another key condition of its Mineral Investment Contract, with markers installed, outlining the Cabinda Phosphate Licence. Marking of the licence is a key project formality, allowing the Company to complete site preparation works and further exploration.

On 12 August 2021 the Company secured a commercial site for its Phosphate Granulation Plant, located in Angola. 20ha of commercial property secured at the Futila Industrial Zone (Futila), just 12km to the Port of Caio and 25km to the Port of Cabinda, delivering barge and shipping access to key agriculture growing zones in Angola.

On 26 August 2021 the Company completed the dry season environmental survey, for the Cabinda Phosphate Project, enabling HCV Africa to complete the EISA reports by the end of this year. The EISA reports are critical path activities and form the basis of the Environmental Study and Waste Management Plan, to be completed by Grupo Simples.

On 13 September 2021 the Company completed a 14-tonne bulk sample, targeting Phosphate Rock material from the high-grade zone (+29% P₂O₅). The bulk samples are currently enroute to the International Fertilizer Development Center (IFDC) headquarters in Muscle Shoals Alabama for blend and granulation optimisation, field, and greenhouse trials.

On 27 September the Company announced that it had signed a Memorandum of Understanding (MoU) with Angolan agribusiness Sociedade Agroquímica Industrial, S.A. (Sangrid) to conduct feasibility studies on the establishment of a Nitrogen, Phosphate, Potassium (NPK) fertilizer blending plant and distribution business in Angola's Malanje region. Any company that is formed as an outcome of the feasibility work performed under the MoU shall apportion equity ownership at incorporation of 60% Minbos and 40% Sangrid.

The impact of Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the Company up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australia Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

Directors' Declaration

The Directors of the company declare that:

- 1 The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes, are in accordance with the Corporations Act 2001; and
 - (a) comply with Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and of its performance for the year ended on that date.
- 2 In the Directors 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.
- 3 The Consolidated Entity has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
- 4 The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:



Mr Peter Wall
Non-Executive Chairman
29 September 2021



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INDEPENDENT AUDITOR'S REPORT

To the members of Minbos Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the 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 2021, 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 year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.



Material uncertainty related to going concern

We draw attention to Note 2(c) 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 opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting for Exploration and Evaluation Assets

| <i>Key audit matter</i> | <i>How the matter was addressed in our audit</i> |
|--|---|
| <p>At 30 June 2021 the Group held a significant carrying value of Exploration and Evaluation Assets as disclosed in Note 13.</p> <p>As the carrying value of the Exploration and Evaluation Asset represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount.</p> <p>In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources (AASB 6), the recoverability of exploration and evaluation expenditure requires significant judgment by management in determining whether there are any facts or circumstances that exist to suggest that the carrying amount of this asset may exceed its recoverable amount.</p> <p>As a result, this is considered a key audit matter.</p> | <p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining a schedule of the area of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Verifying, on a sample basis, evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria of AASB 6; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 13 to the financial report. |



Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 24 to 34 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Minbos Resources Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Neil Smith', is written over a small, faint BDO logo.

Neil Smith

Director

Perth, 29 September 2021

The following additional information was applicable as at 20 September 2021.

1. Fully paid ordinary shares

- There are a total of 464,032,897 ordinary fully paid shares on issue which are listed on the ASX.
- The number of holders of fully paid ordinary shares is 3,292.
- Holders of fully paid ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company.
- There are no preference shares on issue.

2. Distribution of fully paid ordinary shareholders is as follows:

| Spread of Holdings | Holders | Securities | % of Issued Capital |
|-------------------------|--------------|--------------------|---------------------|
| 1 - 1,000 | 161 | 53,926 | 0.01% |
| 1,001 - 5,000 | 231 | 868,407 | 0.19% |
| 5,001 - 10,000 | 604 | 4,821,052 | 1.04% |
| 10,001 - 100,000 | 1,761 | 67,103,383 | 14.46% |
| 100,001 - 9,999,999,999 | 535 | 391,186,129 | 84.30% |
| Total | 3,292 | 464,032,897 | 100.00% |

3. Holders of non-marketable parcels

Holders of non-marketable parcels are deemed to be those who shareholding is valued at less than \$500.

There are 241 shareholders who hold less than a marketable parcel of shares, amounting to 0.05% of issued capital.

4. Substantial shareholders of ordinary fully paid shares

The Substantial Shareholders of the Company are:

| Rank | Holder Name | Securities | % of Issued |
|------|--|------------|-------------|
| 1 | BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C> | 73,782,986 | 15.90 |

5. Share buy-backs

There is no current on-market buy-back scheme.

6. Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes (at present there are none) at general meetings of shareholders or classes of shareholders:

- each shareholder is entitled to vote and may vote in person or by proxy, attorney or representative;
- on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he/she has appointed a proxy, attorney or representative, is entitled to one vote per share held.

7. Top 20 Shareholders of ordinary fully paid shares

The top 20 largest fully paid ordinary shareholders together held 42.43% of the securities in this class and are listed below:

| Rank | Holder Name | Securities | % of Issued |
|------|--|--------------------|---------------|
| 1 | BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C> | 73,782,986 | 15.90% |
| 2 | CITICORP NOMINEES PTY LIMITED | 11,669,366 | 2.51% |
| 3 | SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C> | 10,750,000 | 2.32% |
| 4 | MRS ELEANOR JEAN REEVES <ELANWI A/C> | 8,951,154 | 1.93% |
| 5 | MR PETER CHRISTOPHER WALL & MRS TANYA-LEE WALL <WALL FAMILY SUPER FUND A/C> | 8,242,130 | 1.78% |
| 6 | BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP> | 8,032,491 | 1.73% |
| 7 | PHEAKES PTY LTD <SENATE A/C> | 7,565,713 | 1.63% |
| 8 | S3 CONSORTIUM HOLDINGS PTY LTD <NEXTINVESTORS DOT COM A/C> | 6,600,667 | 1.42% |
| 9 | WILGUS INVESTMENTS PTY LTD | 6,334,821 | 1.37% |
| 10 | MR MATTHEW NORMAN BULL | 5,949,249 | 1.28% |
| 11 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 5,788,897 | 1.25% |
| 12 | MRS MARIA KYPRIANOU & MR CHARLIE KYPRIANOU <CHARLIE KYPRIANOU FAM A/C> | 5,507,698 | 1.19% |
| 13 | MR LINDSAY REED & MRS JENNIE REED <REED SUPER FUND A/C> | 5,000,000 | 1.08% |
| 14 | ZAV40 INVESTMENTS PTY LTD | 4,570,000 | 0.98% |
| 15 | MR NEIL BURTON & MRS DEBORAH FAYE BURTON | 4,500,000 | 0.97% |
| 16 | ANDROLYN PTY LTD <A & C HECTOR SUPER FUND A/C> | 4,200,000 | 0.91% |
| 17 | CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C> | 4,019,765 | 0.87% |
| 18 | BRIJOHN NOMINEES PTY LTD <NELSONIO A/C> | 4,000,000 | 0.86% |
| 18 | MR LINDSAY GEORGE REED <THE REED FAMILY A/C> | 4,000,000 | 0.86% |
| 19 | CELTIC CAPITAL PTE LTD <INVESTMENT 1 A/C> | 3,768,750 | 0.81% |
| 20 | THREE BEARS MANAGEMENT PTY LTD <RICHARDSON LOW FAMILY A/C> | 3,643,409 | 0.79% |
| | Total | 196,877,096 | 42.43% |

8. Listed Options

There are a total of 67,187,500 listed options, exercisable at \$0.15, expiring on 30 April 2023.

Shareholder Information

9. Top 20 Option holders of listed Options

The top 20 largest option holders together held 68.75% of the securities in this class and are listed below:

| Rank | Holder Name | Securities | % of Issued |
|------|--|-------------------|---------------|
| 1 | CELTIC CAPITAL PTY LTD <INCOME A/C> | 10,016,738 | 14.91% |
| 2 | SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C> | 8,000,000 | 11.91% |
| 3 | VURE MEDICAL SERVICES PTY LTD <VURE FAMILY A/C> | 3,109,900 | 4.63% |
| 4 | CPS CAPITAL NO 4 PTY LTD | 3,000,000 | 4.47% |
| 5 | MR NEIL WELSH | 2,000,000 | 2.98% |
| 5 | MR DENNIS FRANCIS CURRAN & MR TROY FRANCIS CURRAN <DENNIS CURRAN S/F A/C> | 2,000,000 | 2.98% |
| 6 | CELTIC CAPITAL PTE LTD <INVESTMENT 1 A/C> | 1,884,375 | 2.80% |
| 7 | S3 CONSORTIUM HOLDINGS PTY LTD <NEXTINVESTORS DOT COM A/C> | 1,562,500 | 2.33% |
| 7 | J P MORGAN NOMINEES AUSTRALIA PTY LIMITED | 1,562,500 | 2.33% |
| 8 | GREAT SOUTHERN FLOUR MILLS PTY LTD | 1,250,000 | 1.86% |
| 8 | MR EDWARD LEWIS KUSWANTO | 1,250,000 | 1.86% |
| 9 | WILGUS INVESTMENTS PTY LTD | 1,125,000 | 1.67% |
| 10 | HALIFAX LIMITED | 1,000,000 | 1.49% |
| 11 | MR CALLUM PETER SMITH | 900,000 | 1.34% |
| 12 | MR GRAHAM ALAN ROBINSON & MR MICHAEL JOHN ROBINSON <ROBINSON PENSION FUND A/C> | 800,000 | 1.19% |
| 13 | MR MARK WILLIAM WILLIAMS & MRS KATRINA ANN WILLIAMS <MARKAT SUPERFUND A/C> | 762,500 | 1.13% |
| 14 | MR MARK WILLIAM WILLIAMS & MRS KATRINA ANN WILLIAMS | 650,000 | 0.97% |
| 15 | CITICORP NOMINEES PTY LIMITED | 625,000 | 0.93% |
| 15 | BRIANT NOMINEES PTY LTD <BRIANT SUPER FUND A/C> | 625,000 | 0.93% |
| 15 | LANTECH DEVELOPMENTS PTY LTD <DAC FAMILY A/C> | 625,000 | 0.93% |
| 15 | SABRELINE PTY LTD <JPR INVESTMENT A/C> | 625,000 | 0.93% |
| 16 | CHANDRA DE BOER PTY LTD <CHANDRA & DE BOER S/F A/C> | 570,000 | 0.85% |
| 17 | BRENNAN SUPER (WA) PTY LTD <THE BRENNAN SUPER FUND A/C> | 500,000 | 0.74% |
| 17 | JAKORY PTY LTD <DEMPSEY SUPER FUND A/C> | 500,000 | 0.74% |
| 18 | MRS JIANLAN LOU & MR GUANGYI SHOU | 456,874 | 0.68% |
| 19 | RILAR PTY LTD <RILAR SF A/C> | 400,000 | 0.60% |
| 20 | VIPER RAY PTY LTD | 390,625 | 0.58% |
| | Total | 46,191,012 | 68.75% |

10. Interest in Mining Licence

The Company is an exploration entity, below is a list of its interest in licences, where the licences are situated and the percentage of interest held.

| Licence Number | Type | Interest | Location |
|-----------------------------------|-------------------------------------|-------------|------------|
| 314/03/03/T.E/ANG - MIREMPET/2021 | Mining License | 100% | Angola |
| No. 10868 (awaiting renewal) | Exploration (Option to Purchase) | Earning 90% | Madagascar |
| No. 12013 (awaiting renewal) | Exploration (Option to Purchase) | Earning 90% | Madagascar |



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