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2022 Annual Report

ABN 93 141 175 493

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Corporate Directory

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Directors & Officers

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

Unit 5, 254 Rokeby Road
Subiaco WA 6008

P: +61 (08) 6219 7171
E-mail: info@minbos.com
Website: www.minbos.com

Principal Place of Business

Unit 5, 254 Rokeby Road
Subiaco WA 6008

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 Limited
Perth West Business Banking Centre
Level 14, 100 St Georges Terrace
Perth WA 6000
Website: www.nab.com.au

Auditors

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring St
Perth WA 6000
Website: www.bdo.com.au

Share Registry

Automic Group
Level 5, 191 St Georges Terrace
Perth WA 6000
Website: www.automicgroup.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

Letter to our stakeholders,

The past year has been extraordinary, with the volatility in global energy markets triggering price spikes for multiple commodities, especially fertilizers. The conflict in Ukraine has led to even further increasing energy prices and security-of-supply concerns.

But this trend isn't recent, fertilizer prices have been rising steadily since 2020, reaching extremely high levels in late 2021. According to the Agricultural Marketing Service, farmers paid an average \$487 per tonne for fertilizers in 2020, increasing to \$746 per tonne by July 2021. The price continued to grow, reaching over \$1,000 per tonne in October 2021, with ammonia being the second-most-widely produced commodity chemical globally, the disruption has been profound.

Most ammonia globally is produced from natural gas (72%) and with gas representing 80-90% of the variable costs in fertilizer production, we don't see a change to the current fertilizer/gas price paradigm. As a result, some of Europe's largest fertilizer producers have closed ammonia plants citing natural gas and carbon prices making ammonia production uneconomical. This closing down of plants has resulted in a global fertilizer shortage, putting pressure on food supplies as a cost-of-living crisis intensifies.

Minbos considers a partial solution to avoiding the current issues in the ammonia market is for new fertilizer plants to be located in countries with abundant available and very cheap (continuous) renewable electricity supply. In this regard, Minbos is quietly developing one of the most exciting and cost-competitive Green Ammonia Projects globally. Utilising Angola's hydropower capacity, we are positioning the Capanda Green Ammonia Project to be at the forefront of the energy transition.

Key to Capanda's success is the concessional hydroelectric power price Minbos has negotiated with RNT-EP, Angola's electricity network operator. Delivering a weighted average cost of power of US \$0.011/kwh, our power concession is 90% cheaper than Australian power grid pricing and more than 55% cheaper than the long-term natural gas price.

An electric input price below US \$0.05/kwh is generally required for green ammonia to be competitive with fossil-based ammonia. With Capanda, the Company has achieved what might

be considered the holy grail of green projects, true cost parity with fossil fuels. Importantly, hydropower is the single renewable energy source globally that is capable of delivering installed zero-carbon and baseload green energy. No country has come close to generating 100% of its energy through renewables without hydropower in the energy mix.

With no upfront capital costs for the renewable energy, long-term power secured (25-year offtake) (subject to continuing to achieve conditions agreed with the electricity network operator in Angola) and price stability (no risk of increased costs associated with potential carbon pricing regimes), Capanda represents one of the most compelling green ammonia projects globally. The Company is now working hard on the initial technical study with Stamicarbon, our Green Ammonia technical partner, to access a mixed production profile of 300kmtpa of Green Ammonium Nitrate Products.

The development of Capanda comes as the Company continues to move towards first production at our flagship fertilizer project in Cabinda. The Cabinda Phosphate Project is now charging towards construction, with our freight forwarder currently arranging shipping of long-lead items, EPCM contractors being appointed, key staff being employed, and the Definitive Feasibility Study near completion. Our project team has a big twelve months ahead to progress two of the most important projects in Africa, tied to the global energy transition and the need for Angola to achieve food security.

With a growing population and rising incomes, the Company firmly believes the 21st century will be the African century and our projects are perfectly positioned to be part of the development of Angola and the wider African continent.

Yours Sincerely



Mr Peter Wall
Non-Executive Chairman



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Directors' 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 2022.

1. 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	-

2. 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 Hygrovest Limited (formerly MMJ Group Holdings Limited); and
- Non-Executive Chairman of Pursuit Minerals Ltd.

Previous:

- Non-Executive Chairman of Transcendence Technologies Limited (resigned 28 June 2021);
- Non-Executive Chairman of Argent Minerals Ltd (resigned 5 March 2021);
- Non-Executive Chairman of Advanced Human Imaging Ltd (formerly MyFiziq Limited) (resigned 22 January 2021); and
- Non-Executive Chairman of Mandrake Resources Limited (resigned 5 August 2019).

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.

Directors' Report

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 Intrasia 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.

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.

Directors' Report

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 held the following directorships in other ASX listed companies:

Current:

- Non-Executive Chairman of Intra Energy Corporation Ltd (ASX: IEC).

3. 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.

Directors' Report

4. 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 Cabinda Phosphate Project, and its Capanda Green Ammonia Project.

The primary focus in the financial year has been on the development of the Capanda Green Ammonia Project and the Cabinda Phosphate Project.

During the financial year, the Company divested itself of the Ambato Rare Earth Project, located in Madagascar.

Board & Management Changes

There were no Board and Management changes during the financial year.

Capital Structure

During the financial year, the Company completed a \$6 million placement of 60 million fully paid ordinary shares at \$0.10 per New Share to a range of sophisticated and professional investors, including participation by the Minbos Directors and Management team.

The Placement comprised the issue of 60,000,000 New Shares issued in two tranches at \$0.10 per share:

- 54,850,000 New Shares issued under the Company's placement capacity (ASX Listing Rule 7.1); &
- 5,150,000 New Shares (being Minbos Directors participation in the Placement) subject to shareholder approval at Minbos' Annual General Meeting which was held on 31st January 2022, with all resolutions approved by shareholders.

As of 30 June 2022, the Company had 525,657,897 ordinary shares, 75,000,000 unlisted options, 66,562,500 listed options and 9,000,000 performance rights.

On 12 July 2022, the Company completed a \$25 million placement, cornerstoned to \$15 million by a syndicate of investors, including an entity controlled by the Chairman of the World's largest Battery Anode Producer. Minbos directors and management participated in the Placement for approximately \$845,000.

The Placement comprised the issue of 227,272,728 New Shares issued in two tranches at \$0.11 per share:

- 131,414,473 New Shares issued under the Company's placement capacity (ASX Listing Rule 7.1 and 7.1A); &
- 95,858,255 New Shares subject to shareholder approval at Minbos' General Meeting which was held on 23rd August 2022, with all resolutions approved by shareholders.

5. DIVIDENDS

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

6. OPERATING AND FINANCIAL REVIEW

Review of Financial Results & Financial Position

Financial Performance / Position	30-Jun-22 \$	30-Jun-21 \$	Change %
Cash and cash equivalents	3,642,299	6,830,973	(47%)
Net assets	13,638,560	7,554,403	81%
Other income from continuing operations	2,481,964	94,596	2524%
Net loss after tax	(804,617)	(4,160,306)	81%
Loss per share	(0.002)	(0.011)	82%

Directors' Report

REVIEW OF OPERATIONS

Capanda Green Ammonia Project

In October 2021, the Company announced it had submitted a Letter of Intent ('LOI') to the Ministry of Agriculture and Fisheries, Ministry of Energy and Water and the Ministry of Mineral Resources and Petroleum¹. The LOI outlined a proposal to develop a Nitrogen fertilizer facility using Green Ammonia produced from hydroelectric power from the Capanda Hydroelectric Dam.

The Capanda Hydroelectric Dam is a hydroelectric dam on the Kwanza River (Fig.1), in the Malanje Province of Angola. The facility generates power from four turbines of 130 megawatts each, giving total installed capacity of 520 megawatts.

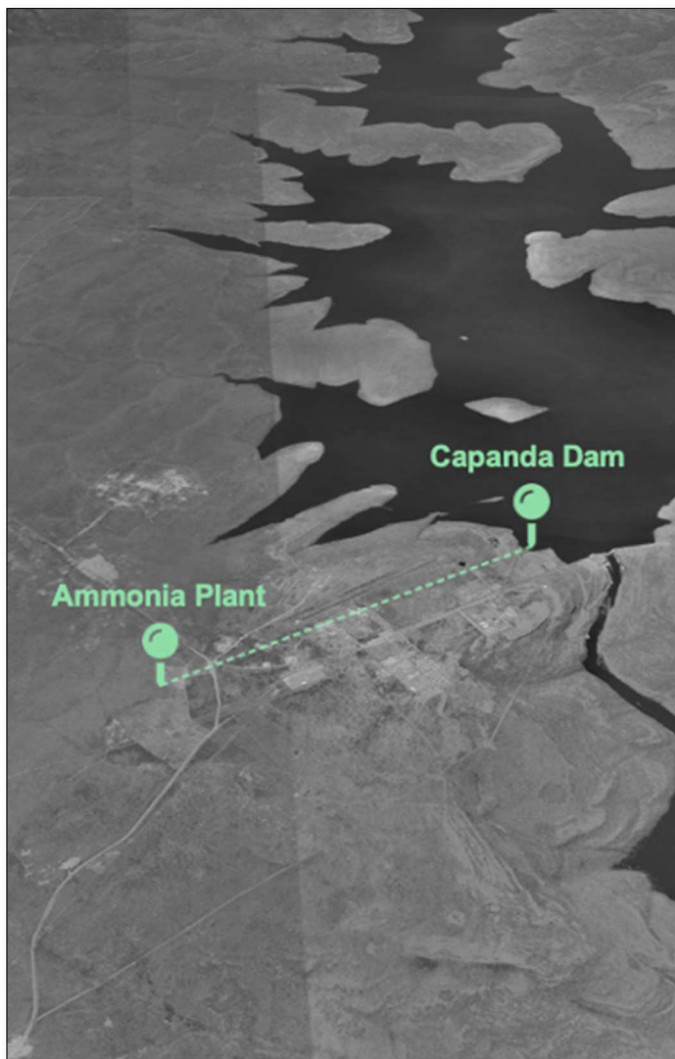


Figure 1 – Capanda Dam, close to the proposed site of the Capanda Green Ammonia Plant.

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

¹ASX Announcement - Minbos Receives Support From Angolan Govt For Green Ammonia (29th October 2021)

Directors' Report

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

In early May, RNT-EP, Angola's electricity network operator, confirmed its support for a long-term offtake agreement with Minbos for Zero-Carbon hydro electrical power².

The Company received a resolution from RNT-EP, Angolan's power network operator confirming the key commercial parameters of the power supply arrangement with the key Commercial Parameters including:

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

As part of the negotiations on the proposed Memorandum of Understanding (MOU) with RNT-EP, the Company undertook to provide key milestones and studies to RNT-EP both in relation to the Green Ammonia Project and, more generally, in the Angolan Fertilizer & Agricultural sector.

These undertakings include:

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

In June 2022³, the Company signed with an agreement Stamicarbon, the Green Ammonia Innovation and License Company, to conduct a 6-month Technical Study for the Capanda Green Ammonia Plant. The Technical Study is to access a mixed production profile of 300kmtpa of Green Ammonium Nitrate Products. The study represents a natural progression of the working partnership, with Stamicarbon having provided technical input for the Minbos proposal to secure up to 200MW of Green Power.

Stamicarbon is the innovation and license company of Maire Tecnimont Group and a global market leader in the design and development of Green Ammonia Plants. Backed by the Company's average power price of US 1.1c/kWhr and supported by Stamicarbon, Minbos aims to establish Angola as the global leader in Green Ammonia production.

²ASX Announcement - RNT-EP affirms support for Green Hydrogen & Ammonia Projecta (10th May 2021), and ASX Announcement - \$2.46m Ambato sale completed as momentum builds for green hydrogen-ammonia project (25th May 2022)

³ASX Announcement - Technology Partner MOU Signed with Stamicarbon (30th June 2022)

Directors' Report

Cabinda Phosphate Project

In June 2021, the Company placed a US\$6.5 million order to North American-based FEECO International⁴ for the main CAPEX component of its Cabinda Phosphate Granulation Plant. The timing of the order was important to lock in equipment pricing in the face of rising cost of steel and other plant inputs.



Figure 2 - Phosphate fertilizer plant dryer drum, ready to be shipped from FEECO headquarters USA.

In late August 2021, the Environmental Consultant HCV Africa completed a dry season environmental survey for the Cácata Deposit and the Fútila Granulation Plan⁵. The dry season survey complements the wet season survey completed in May 2021, both surveys are critical for completion of Environmental and Social Impact Assessments (ESIAs). Surveys underpin preliminary impact assessment, mitigation measures, monitoring requirements and a review of QA/QC.

In late November 2021, the Company announced an updated Mineral Resource Estimate (MRE) for the Cabinda Phosphate Project⁶. The update was prepared by SRK Consulting (UK) Limited (SRK) to account for a revised geological interpretation and addressed the revised beneficiation process and final product specifications.

⁴ASX Announcement - Long lead items for FEECO built Phosphate Granulation Plant (1st July 2021)

⁵ASX Announcement - Completion of dry season environmental survey (26th August 2021)

⁶ASX announcement - Resource Update for High-Grade Cabinda Phosphate Project dated 23 November 2021

Directors' Report

Grades were interpolated using Ordinary Kriging within a series of domains (reflective of the stratigraphic and chemical units) identified within the overall graben structure. The Cácata Mineral Resource statement has been classified in accordance with the guidelines of JORC 2012. Classification was based on the geological continuity of the mineralised seams, the quality and quantity of exploration data supporting the estimates and the geostatistical confidence in the tonnage and grade estimates relative to the proposed extraction and processing methods.

The Cácata Mineral Resource is reported within an optimised pit shell, and a cut-off grade of greater than 19% P₂O₅, which is based on mineral processing test work data to date and reflects a product specification grade of >29.5% P₂O₅.

TABLE 1: MINERAL RESOURCE STATEMENT CÁCATÁ PHOSPHATE PROJECT (EFFECTIVE DATE 31 OCTOBER 2021)

Classification	Cut-off Grade (P ₂ O ₅ %)	Tonnes (Mt)	P ₂ O ₅ %	Contained P ₂ O ₅ (Mt)	Density	Ca: P ₂ O ₅ Ratio
Measured	19.0	2.20	29.9	0.66	1.83	1.48
Indicated	19.0	4.76	29.7	1.41	1.84	1.46
Measured and Indicated	19.0	6.96	29.7	2.07	1.84	1.47
Inferred	19.0	1.45	29.5	0.43	1.85	1.46

Note: Totals may not add up due to rounding.

In reporting the Mineral Resource Statement, SRK made note of the following:

- The Mineral Resources are reported on an in-situ basis for the individual phosphate seams, where the Mineral Resources are based on a cut-off grade of greater than 19% P₂O₅ which is based on the metallurgical test work data provided by Minbos, which reflects a product specification grade of greater than 29.5% P₂O₅.
- A pit optimisation exercise was completed using a re-blocked mining model, with an additional 5% ore loss factor incorporated.
- A product selling price of USD457.7/tonne for Cácata Enhanced Phosphate Rock has been applied, based on a MAP landed in Port Caio of USD700/t (52 P₂O₅ %), a blend of 25% MAP in the final product on a contained P₂O₅ basis, and a Relative Agronomic Effectiveness ("RAE") of 85%. This results in a Cácata Blended Product price of 383.9 USD/t.
- SRK considers there to be reasonable prospects for eventual economic extraction based on the pit optimisation exercise as well as consideration of the process flowsheet/requirements to deliver a saleable product.
- Mineral Resources have been reported on an inclusive basis, are not Ore Reserves and do not have demonstrated economic viability, nor have any mining modifying factors been applied.
- The reported Mineral Resources have an effective date of 31 October 2021. The Competent Person for the declaration of Mineral Resources is Kathleen Body (SACNASP, Pr.Sci.Nat) number 400071/07, an associate of SRK. The Mineral Resource estimate was reviewed by a team of consultants from SRK.
- Tonnages are reported in metric units, grades in percent (%). Tonnages and grades are rounded appropriately. Rounding, as required by reporting guidelines, may result in apparent summation differences between tonnes, grade and contained metal content. Where these occur, SRK does not consider these to be material.

Directors' Report

At the request of Minbos, SRK also evaluated the potential for the Cácata Project to produce a direct application phosphate fertiliser and review the associated studies and data available for this potential product route, in support of satisfying Reasonable Prospects for Eventual Economic Extraction (“RPEEE”) under the Mineral Resource reporting criteria.

SRK’s review established that although preliminary in nature, with a degree of benchmarking required, that there is sufficient evidence to support the condition of RPEEE for the for the Cácata Project to produce a direct application phosphate fertiliser. SRK also reviewed the outputs of the updated pit optimisation exercise and established that there has been no material difference to the reported quantities and grades presented in the 2021 Mineral Resource statement, and therefore does not propose any adjustments to be necessary to accommodate this alternative product route.

The Cabinda Phosphate Fertilizer Plant (Fig. 3) was designed with flexibility to produce a number of different fertilizer products with an initial production capacity of 150,000tpa and the capability to expand up to 450,000tpa. In April this year, the Company announced that it decided to include a new plant configuration to capture the current market opportunities with major supply interruption to the global fertilizer market and a strong local demand for Beneficiated Phosphate Rock (BPR).

An external review of the flowsheet by the IFDC concluded that the current plant is capable of producing beneficiated phosphate rock-based products with minor modifications. Subsequently, a pilot trial was carried out and the mass and energy balances were derived which are incorporated into the design.

FEECO International is finalising fabrication of core plant components with shipping imminent.



Figure 3 - Cabinda Phosphate Fertilizer, located at the Futila Industrial Zone.

Directors' Report

On 20 September 2022, the Company announced that as part of the Cabinda Phosphate Definitive Study (DFS), the Company has been presented with a new opportunity for the location of the phosphate granulation plant. The alternative site is located in Zona Económica Especial de Subantando (Subantando), the special economic zone is situated along the main highway (EN201) between Cácata and Cabinda City, approximately 36km from Cácata and 16km from Cabinda Port. The Subantando is superior to the originally identified Fútila Industrial Zone for the following reasons:

- Reduced truck traffic through the city of Cabinda;
- Reduced distance for ore haulage from Cácata to the Plant;
- Reduced distance for product delivery from the plant to the Port of Cabinda; and
- Reduced costs to secure the land rights and maintain the site.

Forward Looking Statements

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

Competent Person Statement

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 an Associate Resource Geologist with SRK Consulting (UK) Limited and the Director and a Principal Consultant of Red Bush Analytics. Mrs Body was a fulltime employee of Coffey Mining at the time the original Mineral Resource estimation was completed in 2013. Mrs Body has 26 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.

Directors' Report

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 24 August 2022, the Company advised that the Memorandum of Understanding (MOU) for the Angolan Fertilizer and Farm Productivity Program (AFFPP) has been lodged on behalf of the International Fertilizer Development Centre (IFDC) with Angola's Ministry of Agriculture and Rural Development. Through the AFFPP, the IFDC is initially targeting the supply of 30,000-120,000tpa of Minbos Beneficiated Phosphate Rock Fertilizer to farmers who sign up the AFFPP. This represents 300 – 400kg/ha per farmer in the initial year, which then requires between 25-50kg/ha per annum thereafter for most crops under the program (currently, Angolan farmers use ~ 7kg/ha per annum⁷).

If this program fails to eventuate into 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. 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.

⁷ FAOSTAT (kg/nutrients/ha)

Directors' Report

f) Construction cost risk

In August 2020, the Company released a Scoping Study⁸ 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

On 12 July 2022, the Company announced it had completed a \$25 million placement, cornerstoned to \$15 million by a syndicate of investors. The Company also announced that it had signed a high-level US\$25 million Non-Binding Debt Term Sheet with Long March Capital for arrangement of a debt facility. These funds will be used for:

- CAPEX for the Cabinda Phosphate Project, with construction anticipated to be underway Q3 2022;
- Technical Studies for Capanda Green Ammonia Project;
- Developing a world-class management team capable of delivering some of the most exciting green energy projects globally.

Further capital requirements may be required, depending on the Company's ability to generate income. Any additional equity financing will dilute shareholdings, and additional 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 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 to 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

The Company operates out of Angola 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 could result in the impairment of the exploration, development and mining operations of the Company's projects.

Other possible sovereign risks include, without limitation:

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

⁸ ASX Announcement - Cabinda Phosphate Project Scoping Study (26 August 2021)

Directors' Report

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 or any other country in which the Company may have an interest.

j) The Legal Environment in Angola

The Company's projects are located in Angola. Angola is considered to be a developing country and is 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. 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 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. 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) Obtaining environmental permits for the Cabinda Phosphate Project

The Company will require two environmental construction permits before it can proceed with its Cabinda Phosphate Project: one for the mining activity and the other for the plant. Upon commissioning of the mine and plant the company will apply for an operating licence at both facilities. The Company is currently completing necessary environmental studies as part of its Definitive Feasibility Study for the project. 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

During the financial year the Company completed the divestment of its interest in the Madagascar Rare Earths Project to ALS (Hong Hong) Limited ('ALS'). ALS provided Minbos consideration of \$2,480,000 to waive its Option Right over Tana Investments.

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

Directors' Report

8. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 12 July 2022, the Company announced it had completed a \$25 million placement, cornerstoned to \$15 million by a syndicate of investors, including an entity controlled by the Chairman of the World's largest Battery Anode Producer.

The Placement comprised the issue of 227,272,728 New Shares issued in two tranches at \$0.11 per share:

- 131,414,473 New Shares issued under the Company's placement capacity (ASX Listing Rule 7.1 and 7.1A); &
- 95,858,255 New Shares subject to shareholder approval at Minbos' Annual General Meeting which was held on 23rd August 2022, with all resolutions approved by shareholders.

Minbos directors and management participated in the Placement for approximately \$845,000.

On 12 July 2022, the Company also announced that it had signed a high-level US\$25 million Non-Binding Debt Term Sheet with Long March Capital for arrangement of a debt facility. Key points of the Non-Binding Term Sheet are as follows:

- US\$25 million in tranches of US\$5 million, available for first drawdown on financial close;
- Term – 5 years;
- Interest Rate – Competitive market interest rates to be agreed, with potential equity participation;
- Use of Proceeds – CAPEX for Cabinda Phosphate Project, mining and fertilizer plant;
- Conditions – Completion of due diligence by financiers, execution of definitive agreements, completion of acceptable DFS by Minbos, off-take and supply agreements to be in place and other customary conditions;
- Debt to backstop Cabinda Phosphate Project, with DFS to be delivered and construction expected to begin Q3 2022.

On 24 August 2022, the Company lodged the Memorandum of Understanding (MOU) for the Angolan Fertilizer and Farm Productivity Program (AFFPP) on behalf of the International Fertilizer Development Center (IFDC), with Angola's Ministry of Agriculture and Rural Development.

On 20 September 2022, the Company announced that a Technical Study of the Capanda Green Ammonia Project was underway and was supported by the strong interest in its green explosive grade Ammonium Nitrate, the Company has been investigating pairing further renewable energy with its existing hydroelectric feedstock. The Company is evaluating the potential for a further 400MW of solar and/or wind energy.

On 20 September 2022, the Company announced that as part of the Cabinda Phosphate Definitive Study (DFS), the Company has been presented with a new opportunity for the location of the phosphate granulation plant. The alternative site is located in Zona Económica Especial de Subantando (Subantando), the special economic zone is situated along the main highway (EN201) between Cúcata and Cabinda City, approximately 36km from Cúcata and 16km from Cabinda Port. The Subantando is superior to the originally identified Fútila Industrial Zone for the following reasons:

- Reduced truck traffic through the city of Cabinda;
- Reduced distance for ore haulage from Cúcata to the Plant;
- Reduced distance for product delivery from the plant to the Port of Cabinda; and
- Reduced costs to secure the land rights and maintain the site.

The impact of Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the Company up to 30 June 2022, 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 2022 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' Report

9. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Future developments of the Company are anticipated to include:

- Completion of the Cabinda Phosphate Project Definitive Feasibility Study (DFS).
- Completion of the Capanda Green Ammonia Project Technical Study.
- Construction of the Cabinda Phosphate Granulation Plant.
- First production from the Cabinda Phosphate Project.
- Launch of the IFDC Angolan Farm and Fertilizer Productivity Program in Angola, with meetings scheduled with stakeholder ministries and agencies.

10. DIRECTORS' & OTHER KEY MANAGEMENT'S INTEREST IN THE COMPANY

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

	Fully Paid Ordinary Shares	Unlisted Share Options	Listed Share Options	Performance Rights
Directors				
Mr Peter Wall	22,444,207	6,500,000	625,000	3,000,000
Ms Dganit Baldar	-	3,500,000	-	-
Mr Valentine Chitalu	877,273	4,000,000	-	-
Mr Paul McKenzie	1,579,545	4,000,000	312,500	-
Mr Graeme Robertson	3,034,091	4,000,000	312,500	-
Sub-Total	27,935,116	22,000,000	1,250,000	3,000,000
Other Key Management				
Mr Lindsay Reed	10,850,000	10,500,000	-	6,000,000
Mr Blair Snowball	1,000,000	6,000,000	-	-
Sub-Total	11,850,000	16,500,000	-	6,000,000
Total	39,785,116	38,500,000	1,250,000	9,000,000

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	2
Mr Valentine Chitalu	3	3
Mr Paul McKenzie	3	3
Mr Graeme Robertson	3	2

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.

Directors' Report

12. CORPORATE GOVERNANCE

The 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. 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 2022 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	-
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.

Directors' Report

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 2021 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 2022 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.

Directors' Report

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-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Other income (\$)	2,481,964	94,596	16,704	56,284	30,759
Net loss after tax (\$)	(804,617)	(4,160,306)	(1,566,274)	(1,715,313)	(17,624,018)
Share Price (\$)	0.135	0.065	0.001	0.001	0.003

Directors' Report

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 (2021: \$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).

During the current financial year, 4,500,000 performance rights (Tranche 1) expired as the Company did not enter into an Off-Take Agreement in relation to the Cabinda Project in Angola within 12 months of the issue date.

- 1,500,000 performance rights to Peter Wall (Non-Executive Chairman) expired, and
- 3,000,000 performance rights to Lindsay Reed (CEO) expired.

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

Recipient	Number	Performance Milestone Condition	Expiry Date
Lindsay Reed	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	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

Directors' Report

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 1 July 2021, the Company issued Blair Snowball (Chief Financial Officer) 6,000,000 unlisted options with the following vesting conditions:

- 3,000,000 unlisted options exercisable at \$0.10 and expiring 1 July 2025 vesting 12 months from the date of acceptance, being 1 July 2022.
- 3,000,000 unlisted options exercisable at \$0.10 and expiring 1 July 2025 vesting 24 months from the date of acceptance, being 1 July 2023.

D Details of Remuneration

During the financial year ended 30 June 2022 and 30 June 2021 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 2022 is set out below:

	Short-term employee benefits			Post-employment benefits		Share-based payments	Total \$
	Salary & fees \$	Non-monetary \$	Other ⁽¹⁾ \$	Super-annuation \$	Long-Service Leave \$	Options & rights \$	
30-Jun-22							
Directors							
Peter Wall	36,000	-	-	-	-	120,734	156,734
Dganit Baldar	36,000	-	-	-	-	-	36,000
Valentine Chitalu	36,000	-	-	-	-	-	36,000
Paul McKenzie	36,000	-	-	-	-	-	36,000
Graeme Robertson	36,000	-	-	-	-	-	36,000
Sub-total	180,000	-	-	-	-	120,734	300,734
Other Key Management							
Lindsay Reed	262,821	-	(2,083)	25,000	35,329	241,467	562,534
Blair Snowball	273,300	-	18,417	18,475	-	214,665	524,857
Sub-total	536,121	-	16,334	43,475	35,329	456,132	1,087,391
Total	716,121	-	16,334	43,475	35,329	576,866	1,388,125

Directors' Report

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

	Short-term employee benefits			Post-employment benefits		Share-based payments	Total
	Salary & fees	Non-monetary	Other ⁽¹⁾	Super-annuation	Long-Service Leave	Options & rights	
30-Jun-21	\$	\$	\$	\$	\$	\$	\$
Directors							
Peter Wall	36,000	-	-	-	-	232,722	268,722
Dganit Baldar	36,000	-	-	-	-	90,686	126,686
Valentine Chitalu ⁽²⁾	20,419	-	-	-	-	228,089	248,508
Paul McKenzie ⁽²⁾	20,419	-	-	-	-	228,089	248,508
Graeme Robertson ⁽²⁾	20,419	-	-	-	-	228,089	248,508
Damian Black ⁽³⁾	15,000	-	-	-	-	155,462	170,462
William Oliver ⁽³⁾	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 ⁽⁴⁾	10,250	-	-	1,025	-	-	11,275
Sub-total	260,250	-	8,333	24,775	-	400,668	694,026
Total	424,185	-	8,333	24,775	-	1,654,491	2,111,784

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

⁽²⁾ Mr Chitalu, Mr McKenzie and Mr Robertson were appointed Non-Executive Directors on 7 December 2020.

⁽³⁾ Mr Black and Mr Oliver resigned as Non-Executive Directors on 30 November 2020 and 7 December 2020 respectively.

⁽⁴⁾ Mr Snowball commenced working for the Company on 15 March 2021 and was appointed Chief Financial Officer on 15 June 2021.

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 (%)	
	2022	2021	2022	2021	2022	2021
Directors						
Peter Wall	23%	13%	-	-	77%	87%
Dganit Baldar	100%	28%	-	-	-	72%
Valentine Chitalu	100%	8%	-	-	-	92%
Paul McKenzie	100%	8%	-	-	-	92%
Graeme Robertson	100%	8%	-	-	-	92%
Damian Black	-	9%	-	-	-	91%
William Oliver	-	15%	-	-	-	85%
Other Key Management						
Lindsay Reed	56%	41%	-	-	44%	59%
Blair Snowball	59%	100%	-	-	41%	-

Directors' Report

Shareholdings of KMP (Direct and Indirect Holdings) for the year ended 30 June 2022 is set out below:

30-Jun-22	Balance at 1/07/2021	Participated in placement	Net change other	Balance at 30/06/2022
Directors				
Peter Wall	15,807,843	3,000,000	-	18,807,843
Dganit Baldar	-	-	-	-
Valentine Chitalu	500,000	150,000	-	650,000
Paul McKenzie	625,000	500,000	-	1,125,000
Graeme Robertson	625,000	1,500,000	-	2,125,000
Sub-total	17,557,843	5,150,000	-	22,707,843
Other Key Management				
Lindsay Reed	10,850,000	-	-	10,850,000
Blair Snowball	-	600,000	-	600,000
Sub-total	10,850,000	600,000	-	11,450,000
Total	28,407,843	5,750,000	-	34,157,843

Option holdings of KMP (Direct and Indirect Holdings) for the year ended 30 June 2022 is set out below:

30-Jun-22	Balance at 1/07/2021	Granted as remuneration	Balance at 30/06/2022	Vested & Exercisable 30/6/2022
Directors				
Peter Wall	7,125,000	-	7,125,000	7,125,000
Dganit Baldar	3,500,000	-	3,500,000	3,500,000
Valentine Chitalu	4,000,000	-	4,000,000	4,000,000
Paul McKenzie	4,312,500	-	4,312,500	4,312,500
Graeme Robertson	4,312,500	-	4,312,500	4,312,500
Sub-total	23,250,000	-	23,250,000	23,250,000
Other Key Management				
Lindsay Reed	10,500,000	-	10,500,000	10,500,000
Blair Snowball	-	6,000,000	6,000,000	-
Sub-total	10,500,000	6,000,000	16,500,000	10,500,000
Total	33,750,000	6,000,000	39,750,000	33,750,000

Right holdings of KMP (Direct and Indirect Holdings) for the year ended 30 June 2022 is set out below:

30-Jun-22	Balance at 1/07/2021	Expired	Balance at 30/06/2022	Vested & Exercisable 30/6/2022
Directors				
Peter Wall	4,500,000	(1,500,000)	3,000,000	-
Dganit Baldar	-	-	-	-
Valentine Chitalu	-	-	-	-
Paul McKenzie	-	-	-	-
Graeme Robertson	-	-	-	-
Sub-total	4,500,000	(1,500,000)	3,000,000	-
Other Key Management				
Lindsay Reed	9,000,000	(3,000,000)	6,000,000	-
Blair Snowball	-	-	-	-
Sub-total	9,000,000	(3,000,000)	6,000,000	-
Total	13,500,000	(4,500,000)	9,000,000	-

Directors' Report

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.

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: \$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.

Directors' Report

- 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. During the current financial year, 3,000,000 performance rights (Tranche 1) expired as the Company did not enter into an Off-Take Agreement in relation to the Cabinda Project in Angola within 12 months of the issue date.

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

- Contract: Commenced on 15 March 2021.
- Base Salary: From 15 March 2021 to 30 September 2021, Mr Snowball was employed 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). On 1 October 2021 Mr Snowball commenced full time employment with the company and is entitled to \$260,000 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 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.
- Long Term Incentive Package:
 - On 1 July 2021, 6,000,000 unlisted options were granted to Mr Snowball under the Company's incentive Option Plan with the following vesting conditions:
 - 3,000,000 unlisted options exercisable at \$0.10 and expiring 1 July 2025 vesting 12 months from the date of acceptance, being 1 July 2022.
 - 3,000,000 unlisted options exercisable at \$0.10 and expiring 1 July 2025 vesting 24 months from the date of acceptance, being 1 July 2023.

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 1 July 2021, the Company issued Blair Snowball (Chief Financial Officer) 6,000,000 unlisted options with the following vesting conditions:

- 3,000,000 unlisted options exercisable at \$0.10 and expiring 1 July 2025 vesting 12 months from the date of acceptance, being 1 July 2025.
- 3,000,000 unlisted options exercisable at \$0.10 and expiring 1 July 2025 vesting 24 months from the date of acceptance, being 1 July 2025.

The unlisted options above were valued at \$286,220 using Black Scholes, the inputs have been disclosed in Note 20: 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.

Directors' Report

➤ **Rights**

During the financial year, 4,500,000 performance rights (Tranche 1) expired as the Company did not enter into an Off-Take Agreement in relation to the Cabinda Project in Angola within 12 months of the issue date.

- 1,500,000 performance rights to Peter Wall (Non-Executive Chairman) expired, and
- 3,000,000 performance rights to Lindsay Reed (CEO) expired.

The terms and conditions of these performance rights have been disclosed in Note 20: 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 2022.

G Equity Instruments Issued on Exercise of Remuneration Options

No remuneration options were exercised during the year ended 30 June 2022.

H Value of Shares to KMP

On 15 December 2021, the following KMP participated in the Company's placement (Tranche 1) and were issued the following shares as a result:

- 600,000 shares at \$0.10 were issued to Mr Blair Snowball (Chief Financial Officer) for \$60,000.

On 11 February 2022, the following Directors participated in the Company's placement (Tranche 2) and were issued the following shares as a result:

- 3,000,000 shares at \$0.10 were issued to Mr Peter Wall (Non-Executive Chairman) for \$300,000.
- 150,000 shares at \$0.10 were issued to Mr Valentine Chitalu (Non-Executive Director) for \$15,000.
- 500,000 shares at \$0.10 were issued to Mr Paul McKenzie (Non-Executive Director) for \$50,000.
- 1,500,000 shares at \$0.10 were issued to Mr Graeme Robertson (Non-Executive Director) for \$150,000.

All shares issued to the Directors were approved by shareholder approval at the Company's Annual General Meeting held on 31 January 2022.

There were no other shares issued to KMP during the financial year.

I Voting and comments made at the Company's 2021 AGM

The adoption of the Remuneration Report for the financial year ended 30 June 2021 was put to the shareholders of the Company at the AGM held on 31 January 2022. 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 2022 (2021: \$nil).

Directors' Report

K Loans from KMP

There were no loans from any KMP during the year ended 30 June 2022 (2021: \$nil).

L Other transactions with KMP

Legal fees paid to Steinepreis Paganin Lawyers & Consultants

Legal fees of \$36,367 were paid to Steinepreis Paganin Lawyers & Consultants during the financial year (2021: \$51,406), of which Mr Peter Wall, Chairman, is a partner.

Company Management Services in Mauritius - Intrasia Capital Pte Ltd

Company management fees of \$43,019 (USD \$30,210) were paid to Intrasia Management (Mauritius) Ltd during the financial year (2021: \$38,182 (USD \$28,705)), a Company of which Graeme Robertson is a Director. He is also Chairman and CEO at Intrasia Capital Pte Ltd, which owns 50% of Intrasia Management (Mauritius) Ltd.

There were no other transactions with KMP during the financial year ended 30 June 2022.

End of Audited Remuneration Report

15. OPTIONS

On 7 October 2021, the Company issued 1,000,000 fully paid ordinary shares upon conversion of unlisted options expiring 26 November 2022 by shareholders at an exercise price of \$0.05 per option.

On 3 December 2021, the Company issued 625,000 fully paid ordinary shares upon conversion of listed options expiring 30 April 2023 by shareholders at an exercise price of \$0.15 per option.

On 1 September 2022, the Company issued 6,250,000 unlisted options in part consideration for lead manager services provided by Evolution in relation to the placement. The unlisted options have an exercise price of \$0.17 per option and expire three years from their date of issue, being 1 September 2025.

At the date of this report, the Company had 81,250,000 unlisted options and 66,562,500 listed options that had not yet been exercised.

16. RIGHTS

At the date of this report, the Company had 9,000,000 performance rights with performance milestone conditions that have not yet been met.

During the financial year, 4,500,000 performance rights (Tranche 1) expired as the Company did not enter into an Off-Take Agreement in relation to the Cabinda Project in Angola within 12 months of the issue date.

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.

Directors' Report

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 31 and forms part of the Directors' Report for the financial year ended 30 June 2022.

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



Mr Peter Wall
Non-Executive Chairman
30 September 2022

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 2022, 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.



Neil Smith
Director

BDO Audit (WA) Pty Ltd
Perth
30 September 2022

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Corporate Governance Statement

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. The Board continuously reviews its governance practices to ensure they remain consistent with the needs of the Company.

The Company complies with each of the recommendations set out in the Australia Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition ("the ASX Principles"). This statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles. All of these practices unless otherwise stated, are in place.

The Company's Corporate Governance Statement and policies can be found on its website at <https://minbos.com/corporate-governance/>

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Consolidated Statement of Profit or Loss & Other Comprehensive Income

	Notes	30-Jun-22 \$	30-Jun-21 \$
Other income	6	2,481,964	94,596
Administration expenses	7	(1,217,954)	(1,180,913)
Amortisation expense		(42,089)	-
Depreciation expense		(10,250)	(4,302)
Due diligence & exploration expenditure on the Ambato project		(36,083)	(20,436)
Exploration expenditure Cabinda project		-	(710,639)
Foreign exchange gain / (loss)		64,971	(35,628)
Loss on disposal of plant and equipment		(1,029)	-
Personnel expenses and director fees	7	(943,734)	(648,493)
Share based payment expense	20	(1,100,413)	(1,654,491)
Loss from continuing operations before income tax		(804,617)	(4,160,306)
Income tax (expense) / benefit	8	-	-
Loss from continuing operations after income tax		(804,617)	(4,160,306)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		10,597	(3,192)
Other comprehensive income for the year, net of tax		10,597	(3,192)
Total comprehensive loss for the year		(794,020)	(4,163,498)
Loss for the year is attributable to the owners of Minbos Resources Limited		(804,617)	(4,160,306)
Total comprehensive loss for the year is attributable to the owners of Minbos Resources Limited		(794,020)	(4,163,498)
Loss per share attributable to ordinary equity holders			
- Basic loss per share	9	(0.002)	(0.011)
- Diluted loss per share	9	(0.002)	(0.011)

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-22 \$	30-Jun-21 \$
ASSETS			
Current assets			
Cash and cash equivalents	10	3,642,299	6,830,973
Trade and other receivables	11	180,448	64,949
Total current assets		3,822,747	6,895,922
Non-current assets			
Plant and equipment	12	7,224,441	5,638
Exploration and evaluation expenditure	13	3,981,230	965,895
Right-of-use assets	14	147,322	-
Total non-current assets		11,352,993	971,533
Total assets		15,175,740	7,867,455
LIABILITIES			
Current liabilities			
Trade and other payables	15	1,281,461	272,994
Provisions	16	97,692	40,058
Lease liabilities	17	66,173	-
Total current liabilities		1,445,326	313,052
Non-Current liabilities			
Lease liabilities	17	91,854	-
Total non-current liabilities		91,854	-
Total liabilities		1,537,180	313,052
Net assets		13,638,560	7,554,403
EQUITY			
Issued capital	18	54,862,697	49,192,196
Reserves	19	8,350,549	7,132,276
Accumulated losses	21	(49,574,686)	(48,770,069)
Total equity		13,638,560	7,554,403

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

Consolidated Statement of Changes in Equity

	Issued Capital \$	Option Reserve \$	Employee Share Plan Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
At 1 July 2021	49,192,196	866,467	2,113,675	4,152,134	(48,770,069)	7,554,403
Comprehensive loss:						
Loss for the year	-	-	-	-	(804,617)	(804,617)
Exchange differences on translation of foreign operations	-	-	-	10,597	-	10,597
Total comprehensive loss for the year	-	-	-	10,597	(804,617)	(794,020)
Transactions with owners in their capacity as owners:						
Issue of share capital	6,000,000	-	-	-	-	6,000,000
Options exercised	143,750	-	-	-	-	143,750
Capital raising costs	(473,249)	107,263	-	-	-	(365,986)
Share based payment expense	-	-	1,100,413	-	-	1,100,413
At 30 June 2022	54,862,697	973,730	3,214,088	4,162,731	(49,574,686)	13,638,560
	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

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

Consolidated Statement of Cash Flows

	30-Jun-22	30-Jun-21
	\$	\$
Cash flows from operating activities		
Payment to suppliers and employees	(1,956,343)	(1,213,968)
Payment for exploration and evaluation expenditure	(36,083)	(812,180)
Interest received	1,944	1,860
Net cash outflow from operating activities	10(c) (1,990,482)	(2,024,288)
Cash flows from investing activities		
Payment for plant and equipment	(6,744,668)	(5,557)
Payments for exploration and evaluation assets	(2,728,268)	(857,988)
Proceeds from the sale of Ambato Project	2,480,000	-
Proceeds from the sale of fixed assets	-	2,363
Net cash outflow from investing activities	(6,992,936)	(861,182)
Cash flows from financing activities		
Proceeds from the issue of shares and payment for issue costs	5,777,764	9,010,460
Payment for lease liability	(35,409)	-
Net cash inflow from financing activities	5,742,355	9,010,460
Net (decrease) / increase in cash and cash equivalents	(3,241,063)	6,124,990
Cash and cash equivalents at the beginning of the year	6,830,973	748,455
Effect of exchange rate fluctuations on cash held	52,389	(42,472)
Cash and cash equivalents at the end of the year	10(a) 3,642,299	6,830,973

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

Notes to the Consolidated Financial Statements

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 2022 comprise the Company and its subsidiaries (together referred to as the '**Consolidated Entity**' or the '**Group**'). The Group 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 and its Capanda Green Ammonia Project.

The primary focus in the financial year has been on the development of the Capanda Green Ammonia Project and the Cabinda Phosphate Project.

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 30 September 2022.

(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

Following the capital raising in July / August 2022 (disclosed in the Directors Report Note 8: Matters subsequent to the end of the financial year) whereby the Group has successfully raised \$25 million, the Group has sufficient funding to fund operations over the next 12 months and has prepared the financial report on a going concern basis.

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 2022 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.

Notes to the Consolidated Financial Statements

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.

Notes to the Consolidated Financial Statements

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.

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.

(c) 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 judgements 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:

Notes to the Consolidated Financial Statements

Exploration and evaluation expenditure

Cabinda Phosphate Project: The Company incurred exploration and evaluation expenditure on the Cabinda Phosphate Project of \$3,981,230 (2021: \$965,895). The Company executed a Mineral Investment Contract ('MIC') for the Cabinda Phosphate Project in January 2021, and from that date the Company has capitalised exploration and evaluation expenditure to the Statement of Financial Position. 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.

6. OTHER INCOME

	30-Jun-22	30-Jun-21
	\$	\$
Interest income	1,944	1,860
ATO COVID-19 subsidy	-	90,636
Sale of Ambato Rare Earths Project (i)	2,480,000	-
Other revenue	20	2,100
	2,481,964	94,596

- (i) During the financial year the Company completed the divestment of its interest in its Madagascar Rare Earths Project to ALS (Hong Hong) Limited ('ALS'). ALS provided Minbos consideration of \$2,480,000 for the waiver of the Option Right over Tana Investments.

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.

Notes to the Consolidated Financial Statements

7. EXPENSES

	30-Jun-22	30-Jun-21
	\$	\$
Administration expenses		
Advertising and marketing expenses	53,290	505,259
Compliance and regulatory expenses	254,987	283,947
Computer expenses	39,803	13,595
Consulting and corporate expenses	343,769	181,335
Insurance expense	186,230	34,725
Interest expense	4,025	-
Legal expenses	84,060	50,542
Provision for doubtful debts	-	1,500
Rent expense	9,019	25,874
Seminar and conference expenses	33,989	20,390
Travel and accommodation expenses	80,388	730
Other administration expenses	128,394	63,016
	1,217,954	1,180,913
Personnel expenses and director fees		
Wages and salaries, including superannuation	759,618	479,858
Director fees and other benefits (i)	183,387	165,475
Other employee expenses	729	3,160
	943,734	648,493

(i) This balance does not include Director share-based payments, as this is recorded separately in Note 20: share-based payments.

8. 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-22	30-Jun-21
	\$	\$
Accounting loss before income tax	(804,617)	(4,160,306)
At the entity's Australian statutory income tax rate of 30% (2021: 30%)	(241,385)	(1,248,092)
Adjusted for tax effect of the following amounts:		
Non-deductible / taxable items	175,948	258,574
Income tax benefits not brought to account	65,437	989,518
Income tax expense / (benefit)	-	-

Notes to the Consolidated Financial Statements

(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-22	30-Jun-21
	\$	\$
On income tax account:		
Carried forward tax losses	3,611,248	3,802,985
Unrecognised deferred tax assets	<u>3,611,248</u>	<u>3,802,985</u>

The Group has Australian carried forward tax losses of \$12,037,494 (tax effected at 30%, \$3,611,248) as at 30 June 2022 (2021: \$12,676,616 (tax effected at 30%, \$3,802,985)). 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:

- The Consolidated Entity derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- The Consolidated Entity continues to comply with the conditions for deductibility imposed by law; and
- 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.

Notes to the Consolidated Financial Statements

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.

9. EARNINGS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share at 30 June 2022 was based on the loss attributable to ordinary shareholders of \$804,617 (2021: \$4,160,306) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2022 of 495,646,938 (2021: 375,439,663) calculated as follows:

	<u>30-Jun-22</u>	<u>30-Jun-21</u>
Net loss attributable to the ordinary equity holders of the Group (\$)	(804,617)	(4,160,306)
Weighted average number of ordinary shares for basis per share (No)	495,646,938	375,439,663
Continuing operations		
- Basic and diluted loss per share (\$)	<u>(0.002)</u>	<u>(0.011)</u>

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.

Notes to the Consolidated Financial Statements

10. CASH AND CASH EQUIVALENTS

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

	30-Jun-22	30-Jun-21
	\$	\$
Cash at bank and in hand	3,593,956	6,810,973
Short-term deposit	48,343	20,000
Balance at the end of the financial year	3,642,299	6,830,973

(b) Interest rate risk exposure

The Group's exposure to interest rate risk is discussed in Note 22: Financial Risk Management.

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

	30-Jun-22	30-Jun-21
	\$	\$
Loss for the financial year	(804,617)	(4,160,306)
Adjustments for:		
Advertising & marketing fees settled in shares	-	450,000
Amortisation expense	42,089	-
Depreciation expense	10,250	4,302
Foreign currency translation	(64,971)	35,628
Proceeds from the sale of Ambato Project	(2,480,000)	-
Share based payment expense	1,100,413	1,654,491
Change in assets and liabilities		
Increase in trade and other receivables	(115,499)	(16,965)
Increase / (decrease) in trade and other payables	264,219	(6,889)
Increase in provisions	57,634	15,451
Net cash used in operating activities	(1,990,482)	(2,024,288)

(d) Non-cash financing and investing activities

During the financial year the Company leased a building for its office which is under agreement, expiring October 2024. As a result, a right-of-use asset of \$147,322 was recognised at the commencement date of the lease.

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.

Notes to the Consolidated Financial Statements

11. TRADE AND OTHER RECEIVABLES

	30-Jun-22	30-Jun-21
	\$	\$
Indirect taxes receivable	48,597	35,652
Prepayments	131,851	29,297
Balance at the end of the financial year	180,448	64,949

12. PLANT AND EQUIPMENT

	30-Jun-22	30-Jun-21
	\$	\$
Deposit for Phosphate Granulation Plant & Truck Unloading Feeder (i)	7,145,238	-
Office equipment	45,322	-
Computer equipment	33,881	5,638
Balance at the end of the financial year	7,224,441	5,638

(i) Phosphate Granulation Plant & Truck Unloading Feeder at the Cabinda Phosphate Project

In the previous financial year, the Company had 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 was based on Board's confidence that the DFS will confirm the Project's viability.

The Company has committed to a Phosphate Granulation Plant from FEECO International costing USD\$6,556,459. As at 30 June 2022 the Company has been invoiced USD\$4,961,054 (and paid USD\$4,676,941) for deposits in relation to the Granulation Plant, leaving an outstanding balance of USD\$1,311,292.

The Company has committed to the design, manufacture and supply of the Truck Feeder Package for the Cabinda Phosphate Project from Aumund Asia (H.K) Limited costing EUR 304,370. As at 30 June 2022 the Company has been invoiced EUR 182,622 for deposits in relation to the Truck Feeder Package, leaving an outstanding balance of EUR 121,748.

RECOGNITION AND MEASUREMENT

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

Leasehold improvements	3-10 years
Plant and equipment	3-7 years

The Company will commence depreciating the Phosphate Granulation Plant & Truck Unloading Feeder when the items have been delivered on site and are ready for use.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Notes to the Consolidated Financial Statements

13. EXPLORATION & EVALUATION EXPENDITURE

	30-Jun-22	30-Jun-21
	\$	\$
Carrying amount of exploration and evaluation expenditure	3,981,230	965,895
Movement reconciliation		
Balance at the beginning of the financial year	965,895	-
Exploration expenditure during the financial year	3,015,335	965,895
Balance at the end of the financial year	3,981,230	965,895

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. RIGHT OF USE ASSETS

	30-Jun-22	30-Jun-21
	\$	\$
Office building - right-of-use	189,411	-
Less: Accumulated depreciation	(42,089)	-
Balance at the end of the financial year	147,322	-

The Group leases a building for its office which is under agreement, expiring October 2024.

Recognition and Measurement

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

15. TRADE AND OTHER PAYABLES

	30-Jun-22	30-Jun-21
	\$	\$
Trade creditors	745,721	175,470
Accruals	465,120	71,375
Superannuation payable	11,500	11,875
PAYG payable	59,120	14,274
Balance at the end of the financial year	1,281,461	272,994

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.

Notes to the Consolidated Financial Statements

16. PROVISIONS

	30-Jun-22	30-Jun-21
	\$	\$
Provision for annual leave	62,363	40,058
Provision for long service leave	35,329	-
Balance at the end of the financial year	97,692	40,058

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.

17. LEASE LIABILITY

	30-Jun-22	30-Jun-21
	\$	\$
Current liability		
Lease Liability	66,173	-
Balance at the end of the financial year	66,173	-

	30-Jun-22	30-Jun-21
	\$	\$
Non-Current liability		
Lease Liability	91,854	-
Balance at the end of the financial year	91,854	-

Recognition and Measurement

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Notes to the Consolidated Financial Statements

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

18. CONTRIBUTED EQUITY

(b) Issued and fully paid

	30-Jun-22		30-Jun-21	
	\$	No.	\$	No.
Ordinary shares	54,862,697	525,657,897	49,192,196	464,032,897
	54,862,697	525,657,897	49,192,196	464,032,897

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.

(c) 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
Options converted (vii)	7/10/2021	1,000,000	\$0.05	50,000
Options converted (viii)	3/12/2021	625,000	\$0.15	93,750
Shares issued (ix)	22/12/2021	54,850,000	\$0.10	5,485,000
Shares issued (x)	10/02/2022	5,150,000	\$0.10	515,000
Cost of placements		-	-	(473,249)
Balance 30 June 2022		525,657,897		54,862,697

- (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.

Notes to the Consolidated Financial Statements

- (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.
- (vii) On 7 October 2021, the Company issued 1,000,000 fully paid ordinary shares upon conversion of unlisted options expiring 26 November 2022 by shareholders at an exercise price of \$0.05 per option.
- (viii) On 3 December 2021, the Company issued 625,000 fully paid ordinary shares upon conversion of listed options expiring 30 April 2023 by shareholders at an exercise price of \$0.15 per option.
- (ix) On 22 December 2021, the Company completed a capital placement (Tranche 1) to sophisticated and professional investors and issued 54,850,000 fully paid ordinary shares at \$0.10 per share to raise \$5,485,000.
- (x) On 10 February 2022, the Company completed a capital placement (Tranche 2) to the Company Directors and issued 5,150,000 fully paid ordinary shares at \$0.10 per share to raise \$515,000.

(d) 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.

Notes to the Consolidated Financial Statements

19. RESERVES

	30-Jun-22		30-Jun-21	
	\$	No.	\$	No.
Option reserve	973,730	31,000,000	866,467	30,000,000
Employee share plan reserve	3,214,088	64,000,000	2,113,675	55,500,000
Foreign currency translation reserve	4,162,731	-	4,152,134	-
	8,350,549	95,000,000	7,132,276	85,500,000

	30-Jun-22	30-Jun-21
	\$	\$
Movement reconciliation		
Option reserve		
Balance at the beginning of the financial year	866,467	-
Equity settled share-based payment transactions (i)	107,263	866,467
Balance at the end of the financial year	973,730	866,467
Employee share plan reserve		
Balance at the beginning of the financial year	2,113,675	459,184
Equity settled share-based payment transactions (ii)	1,100,413	1,654,491
Balance at the end of the financial year	3,214,088	2,113,675
Foreign currency translation reserve		
Balance at the beginning of the financial year	4,152,134	4,155,326
Effect of translation of foreign currency operations to group presentation currency	10,597	(3,192)
Balance at the end of the financial year	4,162,731	4,152,134

(i) Option Reserve:

- 2022 Financial Year: \$107,263 - On 21 December 2021, 1,000,000 unlisted options were issued to each of Argonaut Securities and CPS Capital Group Pty Ltd (Joint Lead Managers of the placement) as part consideration for lead manager services, as approved by shareholders on 31 January 2022.
- 2021 Financial Year: \$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.
- 2021 Financial Year: \$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 20: Share-based payments for further detail regarding the terms and conditions of the Option Reserve.

(ii) Employee share plan reserve:

- 2022 Financial Year: \$715,550 - On 1 July 2021, the Company issued 20,000,000 unlisted options to Employees and Contractors under the Company's incentive Option Plan.
- 2022 Financial Year: \$22,661 - On 21 December 2021, the Company issued 2,000,000 unlisted options to a Contractor under the Company's incentive Option Plan.
- 2022 Financial Year: \$362,202 - 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.

Notes to the Consolidated Financial Statements

- 2021 Financial Year: \$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.
- 2021 Financial Year: \$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.
- 2021 Financial Year: \$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 20: 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.

20. SHARE BASED PAYMENTS

	Number of Options & Rights	Share-based payments expense	Remaining Share-based payments expense
Employee / Director, Lead Manager & Placement Options (a)	141,562,500	\$738,212	\$341,930
Performance Rights (b)	9,000,000	\$362,201	\$218,883
	150,562,500	\$1,100,413	\$560,813

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

Details of options issued are set out below:

	Grant Date	Expiry Date	Exercise Price	Balance at 1-Jul-21	Granted during the year	Exercised during the year	Balance at 30-Jun-22
Lead Manager Options (i)	3/11/20	3/11/22	\$0.05	10,000,000	-	(1,000,000)	9,000,000
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	-	(625,000)	46,562,500
Employee & Consultant Options (vi)	1/07/21	1/07/25	\$0.10	-	20,000,000	-	20,000,000
Consultant Options (vii)	15/12/21	15/12/24	\$0.19	-	2,000,000	-	2,000,000
Lead Manager Options (viii)	21/12/21	21/12/24	\$0.15	-	2,000,000	-	2,000,000
Total Options				119,187,500	24,000,000	(1,625,000)	141,562,500
Weighted average exercise price				\$0.11			\$0.11
The weighted average remaining contractual life of options outstanding at the end of the financial year was				2.39			1.66

Notes to the Consolidated Financial Statements

	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)
Options	10,000,000	30,000,000	12,000,000	20,000,000	47,187,500	20,000,000	2,000,000	2,000,000
Grant date	3-Nov-20	3-Nov-20	7-Apr-21	7-Apr-21	7-Apr-21	1-Jul-21	15-Dec-21	21-Dec-21
Share price	\$0.040	\$0.040	\$0.086	\$0.086	\$0.086	\$0.075	\$0.12	\$0.10
Exercise price	\$0.05	\$0.05	\$0.10	\$0.15	\$0.15	\$0.10	\$0.19	\$0.15
Volatility	100%	100%	100%	100%	100%	100%	100%	100%
Option life	2 years	4 years	4 years	2 years	2 years	4 years	3 years	3 years
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest rate	0.40%	0.40%	0.07%	0.07%	0.07%	0.04%	0.53%	0.53%
Vesting	Immediately	Immediately	Immediately	Immediately	Immediately	10m - 12 Mths 10m - 24 Mths	Non-Market Conditions*	Immediately
Total fair Value	\$186,370	\$777,308	\$684,267	\$680,097	-	\$954,066	\$126,075	\$107,263

- (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 18: 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 18: 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.
- (vi) On 1 July 2021, 20,000,000 unlisted options were issued to employees and consultants under the Company's incentive Option Plan. 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.
- (vii) On 15 December 2021, 2,000,000 unlisted options were issued to a consultant with the following vesting conditions:
- 600,000 Options vesting on completion of the Project and where the project had less than two incidences of Long-Term Injuries and less than ten incidences of Medium-Term Injuries.
 - 800,000 Options vesting on completion of the Project and where the project is completed on schedule.
 - 600,000 Options vesting on completion of the Project and where the project is completed on budget.
- (viii) On 21 December 2021, 1,000,000 unlisted options were issued to each of Argonaut Securities and CPS Capital Group Pty Ltd (Joint Lead Managers of the placement) as part consideration for lead manager services, as approved by shareholders on 31 January 2022. These options have valued using Black Scholes and have been recognised as capital raising costs in Note 18: Contributed Equity.

Notes to the Consolidated Financial Statements

(b) Performance 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:

	Grant Date	Expiry Date	Balance at the start of the year	Granted during the year	Expired during the year	Balance at the end of the year
Tranche 1 - Peter Wall (i)	7-Apr-21	7-Apr-22	1,500,000	-	(1,500,000)	-
Tranche 1 - Lindsay Reed (i)	7-Apr-21	7-Apr-22	3,000,000	-	(3,000,000)	-
Tranche 2 - Peter Wall (ii)	7-Apr-21	7-Oct-22	1,500,000	-	-	1,500,000
Tranche 2 - Lindsay Reed (ii)	7-Apr-21	7-Oct-22	3,000,000	-	-	3,000,000
Tranche 3 - Peter Wall (iii)	7-Apr-21	7-Apr-23	1,500,000	-	-	1,500,000
Tranche 3 - Lindsay Reed (iii)	7-Apr-21	7-Apr-23	3,000,000	-	-	3,000,000

- (i) Tranche 1 performance rights expired during the financial year as the Company did not enter into an Off-Take Agreement in relation to the Cabinda Project in Angola within 12 months of the issue date. The share-based payment expense of \$387,000 in respect of Tranche 1 performance rights was therefore reversed at 30 June 2022.
- (ii) Tranche 2 performance rights will be granted is the Company completes a positive Definitive Feasibility Study in relation to the Cabinda Project in Angola with 18 months of the issue date.
- (iii) Tranche 3 performance rights will be granted if the Company secured project finance in relation to the Cabinda Project in Angola within 24 months from the issue date.

	(i)	(ii)	(iii)
Number of rights	4,500,000	4,500,000	4,500,000
Grant date	7-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%
Total fair Value	\$387,000	\$387,000	\$387,000

** Performance milestone was not achieved within the 12 months.

21. ACCUMULATED LOSSES

	30-Jun-22	30-Jun-21
	\$	\$
Movement in accumulated losses		
Balance at the beginning of the financial year	(48,770,069)	(44,609,763)
Net loss in current year	(804,617)	(4,160,306)
Balance at the end of the financial year	(49,574,686)	(48,770,069)

Notes to the Consolidated Financial Statements

22. 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-22	30-Jun-21
	\$	\$
Financial assets		
Cash and cash equivalents	3,642,299	6,830,973
	3,642,299	6,830,973
Financial liabilities		
Trade and other payables	1,281,461	272,994
Lease liabilities	158,027	-
	1,439,488	272,994
Net exposure	2,202,811	6,557,979

(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-22		30-Jun-21	
	Weighted average interest rate	Balance \$	Weighted average interest rate	Balance \$
Cash and cash equivalents	0.19%	3,642,299	0.05%	6,830,973

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 2022, 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-22	30-Jun-21	30-Jun-22	30-Jun-21
	\$	\$	\$	\$
Judgements of reasonably possible movements:				
+ 1.0% (100 basis points)	25,496	47,817	-	-
- 1.0% (100 basis points)	(25,496)	(47,817)	-	-

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 10: Cash and cash equivalents: Cash held with National Australia Bank.

(i) Cash

The Group's primary bankers are National Australia Bank and MAUBank Ltd. 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-22	30-Jun-21
	\$	\$
Cash at bank and short-term bank deposits:		
Financial institutions - Standard & Poor's rating of AA-	3,181,431	6,823,880
Financial institutions - Other	460,868	7,093
	3,642,299	6,830,973

(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 2022.

Contractual maturities of financial liabilities	<6 months \$	>6-12 months \$	>12 months \$	Total contractual cash flows \$	Carrying amount \$
30-Jun-22					
Trade and other payables	1,281,461	-	-	1,281,461	1,281,461
Lease liabilities	32,802	33,371	91,854	158,027	158,027
	1,314,263	33,371	91,854	1,439,488	1,439,488
30-Jun-21					
Trade and other payables	272,994	-	-	272,994	272,994
	272,994	-	-	272,994	272,994

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.

23. 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.

During the financial year the Company completed the divestment of its interest in its Madagascar Rare Earths Project to ALS (Hong Hong) Limited. Proceeds from the divestment were used to allow the Company to complete the Definitive Feasibility Study for the Cabinda Phosphate Project and studies for the Capanda Green Hydrogen-Ammonia Project.

The Board considers its business operations in phosphate to be its primary reporting function. 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.

24. PARENT ENTITY

	30-Jun-22	30-Jun-21
	\$	\$
Current Assets	3,339,355	6,874,929
Non-Current Assets	11,836,385	992,526
Total Assets	15,175,740	7,867,455
Current Liabilities	1,445,326	313,052
Non-Current Liabilities	91,854	-
Total Liabilities	1,537,180	313,052
Net Assets	13,638,560	7,554,403
Contributed equity	54,862,697	49,192,196
Reserves	8,339,952	7,135,469
Accumulated losses	(49,564,089)	(48,773,262)
Total Equity	13,638,560	7,554,403
Loss for the year	(819,362)	(4,163,422)
Other comprehensive loss for the year	-	-
Total comprehensive loss for the year	(819,362)	(4,163,422)

Notes to the Consolidated Financial Statements

25. 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. On 3 February 2022 the Company incorporated an additional private company in Mauritius, limited by shares, as a wholly owned subsidiary called Lobos Ltd.

(b) Subsidiary companies

Interests in subsidiaries are set out in Note 29: Subsidiaries and Transactions with Non-Controlling Interests.

(c) KMP compensation

	30-Jun-22	30-Jun-21
	\$	\$
Short-term employee benefits	732,455	432,518
Post-employment benefits	78,804	24,775
Equity compensation benefits	576,866	1,654,491
	1,388,125	2,111,784

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 (2021: Nil).

(e) Transactions with other related parties

	30-Jun-22	30-Jun-21
	\$	\$
Legal services - Steinepreis Paganin Lawyers & Consultants (A firm in which Peter Wall is a partner)	36,367	51,406
Company Management Services in Mauritius - Intrasia Management (Mauritius) Limited (A Company in which Graeme Robertson is a Director. He is also Chairman and CEO at Intrasia Capital Pte Ltd, which owns 50% of Intrasia Management (Mauritius) Ltd.)	43,019	38,182
Corporate services - Aesir Capital Pty Ltd (iii) (A Company in which Damian Black, a former Director of Minbos, is a Director and shareholder)	-	38,400

Notes to the Consolidated Financial Statements

26. COMMITMENTS

Definitive feasibility study at its Cabinda Phosphate Project

In the previous financial year, the Company entered into contracts for its definitive feasibility study at its Cabinda Phosphate Project, including FEECO, Grupo Simples, HCV Africa, DRA Global and AMMG Oil & Gas Services. Works undertaken include preparing a basic engineering package for the granulation plant, preparation of the EIS and WMP for the Cácata Mine and Granulation Plant and design of the Granulation Plant and associated infrastructure. Minbos has contractual commitments at 30 June 2022 totalling USD\$155,509 and AUD\$201,283.

Phosphate Granulation Plant & Truck Unloading Feeder at the Cabinda Phosphate Project

In the previous financial year, the Company had 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.

The Company has committed to a Phosphate Granulation Plant from FEECO International costing USD\$6,556,459. As at 30 June 2022 the Company has been invoiced USD\$4,961,054 (and paid USD\$4,676,941) for deposits in relation to the Granulation Plant, leaving an outstanding balance of USD\$1,311,292.

The Company has committed to the design, manufacture and supply of the Truck Feeder Package for the Cabinda Phosphate Project from Aumund Asia (H.K) Limited costing EUR 304,370. As at 30 June 2022 the Company has been invoiced EUR 182,622 for deposits in relation to the Truck Feeder Package, leaving an outstanding balance of EUR 121,748.

Engineering & Design of the Cabinda Phosphate Project

In February 2022, the Company entered into a Limited Notice To Proceed (LNTP) agreement with EPC Engenharia e Projetos de Infraestrutura Ltda (EPC) to further develop engineering and design for the Cabinda Phosphate Plant for the feasibility and to advance the project. Upon completion of a positive DFS, it is expected that EPC will enter into a contract for the full EPCM works of the Cabinda Phosphate Project. The LNTP was originally set for works limited to a value of USD\$500,000. In July 2022, the LNTP was extended in time and to a value of USD\$800,000. At 30 June 2022 the Company has been invoiced and had paid USD\$183,413 for deposits in relation to the LNTP Agreement, leaving an outstanding balance of USD\$616,587.

Mining Investment Contract

In the previous financial year, the Company executed the Mining Investment Contract (MIC) for the exploration, feasibility studies and exploitation of phosphate rock at the Cácata 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.

There are no other material commitments as at 30 June 2022.

27. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets as at 30 June 2022.

28. DIVIDENDS

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

Notes to the Consolidated Financial Statements

29. SUBSIDIARIES AND TRANSACTIONS WITH NON-CONTROLLING INTERESTS

As at 30 June 2022, the subsidiaries owned by Minbos Resources Limited are presented in the table below:

Name of entity	Country of incorporation	Class of shares	Ownership interest	
			30/06/2022	30/06/2021
Parent entity				
Minbos Resources Ltd (i)	Australia	Ordinary and Preference		
Subsidiary (direct)				
Tunan Mining Limited (ii)	British Virgin Isles (BVI)	Ordinary	100%	100%
Phobos Limited (iii)	Mauritius	Ordinary	100%	100%
Lobos Limited (iv)	Mauritius	Ordinary	100%	-
Subsidiaries (indirect – direct subsidiaries of Tunan Mining Limited)				
Mongo Tando Limited	British Virgin Isles (BVI)	Ordinary	50%	50%
Agrim SPRL DRC (v)	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) Lobos Limited is a private company, limited by shares, and incorporated in Mauritius on 3 February 2022.
- (v) Agrim SPRL is a company incorporated in the Democratic Republic of Congo.

30. AUDITOR'S REMUNERATION

	30-Jun-22	30-Jun-21
	\$	\$
Amounts received or due & receivable by BDO Audit (WA) Pty Ltd for:		
An audit or review of the financial report of the entity	50,047	36,414
Total auditor remuneration	50,047	36,414

31. EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 12 July 2022, the Company announced it had completed a \$25 million placement, cornerstoned to \$15 million by a syndicate of investors, including an entity controlled by the Chairman of the World's largest Battery Anode Producer.

The Placement comprised the issue of 227,272,728 New Shares issued in two tranches at \$0.11 per share:

- 131,414,473 New Shares issued under the Company's placement capacity (ASX Listing Rule 7.1 and 7.1A); &
- 95,858,255 New Shares subject to shareholder approval at Minbos' General Meeting which was held on 23rd August 2022, with all resolutions approved by shareholders.

Minbos directors and management participated in the Placement for approximately \$845,000.

Notes to the Consolidated Financial Statements

On 12 July 2022, the Company also announced that it had signed a high-level US\$25 million Non-Binding Debt Term Sheet with Long March Capital for arrangement of a debt facility. Key points of the Non-Binding Term Sheet are as follows:

- US\$25 million in tranches of US\$5 million, available for first drawdown on financial close;
- Term – 5 years;
- Interest Rate – Competitive market interest rates to be agreed, with potential equity participation;
- Use of Proceeds – CAPEX for Cabinda Phosphate Project, mining and fertilizer plant;
- Conditions – Completion of due diligence by financiers, execution of definitive agreements, completion of acceptable DFS by Minbos, off-take and supply agreements to be in place and other customary conditions;
- Debt to backstop Cabinda Phosphate Project, with DFS to be delivered and construction expected to begin Q3 2022.

On 24th August 2022, the Company lodged the Memorandum of Understanding (MOU) for the Angolan Fertilizer and Farm Productivity Program (AFFPP) on behalf of the International Fertilizer Development Center (IFDC), with Angola's Ministry of Agriculture and Rural Development.

On 20 September 2022, the Company announced that a Technical Study of the Capanda Green Ammonia Project was underway and was supported by the strong interest in its green explosive grade Ammonium Nitrate, the Company has been investigating pairing further renewable energy with its existing hydroelectric feedstock. The Company is evaluating the potential for a further 400MW of solar and/or wind energy.

On 20 September 2022, the Company announced that as part of the Cabinda Phosphate Definitive Study (DFS), the Company has been presented with a new opportunity for the location of the phosphate granulation plant. The alternative site is located in Zona Económica Especial de Subantando (Subantando), the special economic zone is situated along the main highway (EN201) between Cúcata and Cabinda City, approximately 36km from Cúcata and 16km from Cabinda Port. The Subantando is superior to the originally identified Fútila Industrial Zone for the following reasons:

- Reduced truck traffic through the city of Cabinda;
- Reduced distance for ore haulage from Cúcata to the Plant;
- Reduced distance for product delivery from the plant to the Port of Cabinda; and
- Reduced costs to secure the land rights and maintain the site.

The impact of Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the Company up to 30 June 2022, 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 2022 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 2022 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
30 September 2022

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 2022, 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 2022 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.

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.

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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 2022 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 2022, 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.

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Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 29 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Minbos Resources Limited, for the year ended 30 June 2022, 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 be 'Neil Smith', is written over a small, faint BDO logo.

Neil Smith

Director

Perth

30 September 2022

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Shareholder Information

The following additional information was applicable as at 21 September 2022.

1. Fully paid ordinary shares

- There are a total of 756,680,625 ordinary fully paid shares on issue which are listed on the ASX.
- The number of holders of fully paid ordinary shares is 4,139.
- 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
above 0 up to and including 1,000	172	56,190	0.01%
above 1,000 up to and including 5,000	372	1,407,883	0.19%
above 5,000 up to and including 10,000	688	5,422,974	0.72%
above 10,000 up to and including 100,000	2,106	84,110,867	11.12%
above 100,000	801	665,682,711	87.96%
Total	4,139	756,680,625	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 446 shareholders who hold less than a marketable parcel of shares, amounting to 0.13% 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	HONGKONG JAYSON HOLDING CO LTD	95,454,545	12.61%

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.

Shareholder Information

7. Top 20 Shareholders of ordinary fully paid shares

The top 20 largest fully paid ordinary shareholders together held 41.39% of the securities in this class and are listed below:

Rank	Holder Name	Securities	% of Issued
1	HONGKONG JAYSON HOLDING CO LTD	95,454,545	12.61%
2	BNP PARIBAS NOMS PTY LTD <DRP>	32,562,398	4.30%
3	HOSTON INVESTMENTS (AUSTRALIA) PTY LTD	27,272,727	3.60%
4	CITICORP NOMINEES PTY LIMITED	14,335,774	1.89%
5	THREE BEARS MANAGEMENT PTY LTD <RICHARDSON LOW FAMILY A/C>	13,795,074	1.82%
6	LONG MARCH PRINCIPAL HOLDING LIMITED	13,636,363	1.80%
7	PHEAKES PTY LTD <SENATE A/C>	13,292,986	1.76%
8	WILGUS INVESTMENTS PTY LTD	10,334,821	1.37%
9	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	10,000,000	1.32%
9	YARRAANDOO PTY LTD <YARRAANDOO SUPER FUND A/C>	10,000,000	1.32%
10	HEDGEHOG MANAGEMENT PTY LTD <RICHARDSON LOW SUPERFUND A/C>	9,280,000	1.23%
11	MR PETER CHRISTOPHER WALL & MRS TANYA-LEE WALL <WALL FAMILY SUPER FUND A/C>	9,151,221	1.21%
12	MRS MARIA KYPRIANOU & MR CHARLIE KYPRIANOU <CHARLIE KYPRIANOU FAM A/C>	8,072,534	1.07%
13	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	6,729,280	0.89%
14	MR SCOTT BRENTON	6,218,000	0.82%
15	MR NEIL BURTON & MRS DEBORAH FAYE BURTON	5,000,000	0.66%
15	MR LINDSAY REED & MRS JENNIE REED <REED SUPER FUND A/C>	5,000,000	0.66%
16	MRS ELEANOR JEAN REEVES <ELANWI A/C>	4,951,154	0.65%
17	S3 CONSORTIUM HOLDINGS PTY LTD <NEXTINVESTORS DOT COM A/C>	4,895,000	0.65%
18	MR JAMES CHAU	4,525,000	0.60%
19	MRS PLOUSIA SOULA EVANGELOU	4,360,000	0.58%
20	MR GAVIN THOMAS	4,299,995	0.57%
	Total	313,166,872	41.39%
	Total issued capital - selected security class(es)	756,680,625	100.00%

8. Listed Options

There are a total of 66,562,500 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 69.01% of the securities in this class and are listed below:

Rank	Holder Name	Securities	% of Issued
1	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	8,877,117	13.34%
2	THREE BEARS MANAGEMENT PTY LTD <RICHARDSON LOW FAMILY A/C>	8,037,113	12.07%
3	VURE MEDICAL SERVICES PTY LTD <VURE FAMILY A/C>	5,265,821	7.91%
4	MR CALLUM PETER SMITH	4,635,455	6.96%
5	CELTIC CAPITAL PTY LTD <INCOME A/C>	2,159,281	3.24%
6	MRS MARIA KYPRIANOU & MR CHARLIE KYPRIANOU <THE KYPRIANOU S/FUND A/C>	1,660,750	2.50%
7	MR MAURICE EDWARD TURNER & MRS MARGARET DAWN TURNER	1,650,000	2.48%
8	MR DENNIS FRANCIS CURRAN & MR TROY FRANCIS CURRAN <DENNIS CURRAN S/F A/C>	1,600,000	2.40%
9	MRS MARIA KYPRIANOU & MR CHARLIE KYPRIANOU <CHARLIE KYPRIANOU FAM A/C>	1,591,875	2.39%
10	S3 CONSORTIUM HOLDINGS PTY LTD <NEXTINVESTORS DOT COM A/C>	1,562,500	2.35%
11	WILGUS INVESTMENTS PTY LTD	1,125,000	1.69%
12	HEDGEHOG MANAGEMENT PTY LTD <THE RICHARDSON LOW S/F A/C>	1,035,076	1.56%
13	CHANDRA DE BOER PTY LTD <CHANDRA & DE BOER S/F A/C>	1,034,500	1.55%
14	MR NEIL WELSH	1,000,000	1.50%
15	MR SHANFU HUANG	994,788	1.49%
16	MR SIMON FINTAN O'KEEFFE & MRS BELINDA JANE FRANKHAM	809,075	1.22%
17	MR MARK WILLIAM WILLIAMS & MRS KATRINA ANN WILLIAMS <MARKAT SUPERFUND A/C>	780,521	1.17%
18	MRS VIRGINIA LEA LONSDALE	745,875	1.12%
19	MR MARK WILLIAM WILLIAMS & MRS KATRINA ANN WILLIAMS	717,231	1.08%
20	MR PAUL ADRIAN VOLICH	650,000	0.98%
	Total	45,931,978	69.01%
	Total issued capital - selected security class(es)	66,562,500	100.00%

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

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Unit 5, 254 Rokeby Road
Subiaco WA 6008

minbos.com
ASX:MNB