

28 July 2016

ASX Code: MNB

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ASX ANNOUNCEMENT/MEDIA RELEASE

QUARTERLY ACTIVITIES REPORT-30 JUNE 2016

Minbos Resources Limited (**Minbos or the Company**) is pleased to present its quarterly report for the period ended 30 June 2016.

HIGHLIGHTS:

- **Appointment of Ausenco to deliver the BFS for the Cabinda Project-** Ausenco was selected due to its relevant and recent experience in rock phosphate processing in West Africa. Ausenco will complete the work in conjunction with G Mining Services Inc., who will provide the geological and mining studies, and Golder Associates who is responsible for the geotechnical and hydrogeological studies.
- **Cacata bulk sampling completed-** Samples consist of representative material from two locations in the Cacata deposit. The samples were selected from areas to provide both representative direct shipping grade and “scrub and screen” material.
- **Capital placement of \$3.4 million finalized-** The placement consisted of the issue of 680 million fully paid ordinary shares at \$0.005 and 385 million unlisted options at \$0.01 per option.

PLANNED ACTIVITIES FOR CABINDA PROJECT QUARTER 3 2016:

- **Progress the testing of the bulk samples-** The outcome of the bulk sample testing is expected to be finalized in the December quarter and will optimise the flowsheets for the production scenarios on the Cabinda Project.
- **Port logistics evaluation-** These studies will determine the optimal route to take product from the Cabinda Project to the Port.
- **Trade Off Studies-** Based on the bulk sample test Ausenco will review the process engineering, geotech and hydrogeological options for each alternative as well as preliminary mining studies and product transportation studies.
- **Award the Environmental and Social Impact Assessment(ESIA) contract-** The EISA contract for the BFS of the Cabinda Project is expected to be awarded in early August.

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CABINDA PROJECT BFS

Minbos commenced work on the Cabinda Project BFS during the quarter with joint venture partner Petril Projects Ltd (**Petрил**). The bulk sampling on the Cacata deposit was completed in June. Samples consisting of areas representing direct shipping grade and “scrub and screen” material has been sent to Equipment Suppliers and Mintek respectively for testing.

A contract to deliver the BFS has been awarded to Ausenco. The BFS scope has been divided into two stages. Stage 1 will see the completion of a Trade-Off study to select the beneficiation route that will optimise the whole of resource outcome for the Cacata deposit. The Trade-Off study will compare the following 800,000tpa production scenarios:

- 5 years of drying and sizing followed by 10 years of scrub screen and flotation; and
- 10 years of scrub and screen followed by 5 years of scrub screen and flotation.

The timing and cost to complete the BFS will be determined upon the completion of Stage 1, when the preferred production scenario has been selected. Stage 2 of the BFS will provide a +/- 15% estimate for capital and operating costs for the Cabinda Project based on the process routes selected by the JV partners at the end of Trade-Off study. The scope of work will include geology, mining, beneficiation, infrastructure and services, product transportation and storage and port handling and ship loading.

Minbos paid for all of the BFS funding required of the quarter totalling cash calls of US\$500,000. The Company provided joint venture partner Petрил with a short term loan for their 50% share of the cash calls. Petрил repaid this loan of US\$250,000 and interest on 14 July 2016. Following the award of the contract to Ausenco another cash call was issued for the September quarter to the amount of US\$800,000 (Minbos 50% share US\$400,000).

APPOINTMENT OF AUSENCO TO DELIVER THE BFS

Ausenco was selected for its recent and relevant experience in rock phosphate processing in West Africa. Competitive proposals were sought from a number of Tier 1 engineering groups.

Ausenco has bid in conjunction with G Mining Services Inc., who will complete the geological and mining studies, and Golder Associates who will be responsible for the geotechnical and hydrogeological studies. Ausenco has nominated Mr John Riordan as Project Manager. John is an accomplished Process Engineer including extensive experience dealing in Africa. John is now based in Perth but spent several years working in Israel with members of the Cabinda Project technical team.

CACATA BULK SAMPLING COMPLETED

Twenty tonnes of representative material has been obtained from two locations in the Cacata deposit which were chosen based on the Cacata Mineral Resource (as presented in the ASX announcement dated 13 April 2015 and 17 June 2016). The first sample of eight tonnes was taken from an area representative of the “scrub and screen material” within the resource which is defined by having a P₂O₅ grade >24% and has been freighted to Mintek for testwork.

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The second sample of twelve tonnes was taken from an area where the Mineral Resource indicates “direct shipping grade” (**DSO**) material is present (defined by having P₂O₅ grade > 30%) and has been air freighted to the equipment suppliers in the US.

The samples were taken from the central and southern parts of the deposit which allow relatively easy access to the centre of the deposit at around 7m depth. The testing will optimise the flowsheets for each option and provide product samples for potential customers in the last quarter of 2016.

CAPITAL PLACEMENT

Minbos completed a capital placement of 680 million fully paid ordinary shares at \$0.005 in May following shareholder approval of Tranche 2 to raise \$3.4million before cost. As part of the placement the company also issued 385 million unlisted options at \$0.01, expiring on 30 December 2016.

CORPORATE

EQUITY

The Company currently has 2.073 billion shares on issue and 696.6 million unlisted options.

CASH

At 30 June 2016, the Company had consolidated cash reserves of \$1.609million

INTEREST IN MINING LICENCES

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
12908	Exploration	49%	Democratic Republic of Congo
12910	Exploration	49%	Democratic Republic of Congo
12911	Exploration	49%	Democratic Republic of Congo
014/04/09/T.P/ANG.MG M.2015	Exploration	50%	Cabinda Province, Angola
015/01/10/T.P/ANG.MG M.2015	Exploration	50%	Cabinda Province, Angola
E08/2335	Exploration	100%	Carnarvon Shire, Western Australia
E08/2336	Exploration	100%	Carnarvon Shire, Western Australia

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COMPETENT PERSONS STATEMENT

The information in this report has been reviewed and approved for release by Ms Kathleen Body, Pr.Sci.Nat, who has 20 years' experience in mineral exploration and mineral resource estimation. Ms Body is a Principal Consultant and Director of Red Bush Geoservices (Pty) Ltd and contracted to Minbos. Ms Body is registered with the South African Council for Natural Scientific Professions (SACNASP) as a Professional Natural Scientist.

She has sufficient experience in relation to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined by the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code 2012 Edition). Ms Body has consented to inclusion of this information in the form and context in which it appears.

ENDS

For further information, please contact:

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About Minbos

Minbos Resources Limited (**ASX: MNB**) is an ASX-listed exploration and development company focused on phosphate ore within the Cabinda Province of Angola. Through its subsidiaries and joint ventures, the Company is exploring approximately 200,000ha of highly prospective ground hosting phosphate ore.

Minbos is focussing on the development of the high grade Cacata deposit that forms part of the Cabinda Project whilst growing its current resource base in incremental stages on the remaining deposits in Angola.

The Company's strategy is to specifically target the exploration and development of low cost fertiliser-based commodities in order to tap into the growing global demand for fertilisers. Phosphate is an essential component in certain agricultural fertilisers, with the market supported by the increasing global demand for food and bio-fuel products. For more information, visit www.minbos.com

Appendix 5B

Rule 5.5

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

MINBOS RESOURCES LIMITED

ABN

93 141 175 493

Quarter ended ("current quarter")

30 June 2016

Consolidated Statement of Cash Flows

	Current Quarter 30-Jun-16	Year to Date "12 Months"
	\$A'000	\$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation ⁽¹⁾	(480)	(801)
(b) development	-	-
(c) production	-	-
(d) administration	(451)	(835)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(928)	(1,632)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(1)	(1)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	8
1.10 Loan to Joint Venture Partner Petril Projects Ltd ⁽²⁾	(347)	(347)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net Investing Cash Flows	(348)	(340)
1.13 Total operating and investing cash flows	(1,276)	(1,972)

Consolidated Statement of Cash Flows Continued	Current Quarter	Year to Date
	30-Jun-16	"12 Months"
	\$A'000	\$A'000
Cash flows related to financing activities		
1.14 Proceeds from issues of shares & options (net of issue costs)	2,054	3,387
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	-	-
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Other (Loan to associate)	-	-
Net Financing Cash Flows	2,054	3,387
Net increase in cash held		
1.20 Cash at beginning of quarter/year to date	830	193
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at end of quarter	1,608	1,608

- (1) In total, \$330,000 (US\$250,000) of the exploration expenditure relates to Minbos paying its 50% share of a cash call for the Cabinda Project BFS.
- (2) During the quarter, Minbos provided a short term loan of US\$250,000 to joint venture partner Petril Projects Ltd ('Petril') for their share of the cash call. Petril repaid this loan with 10% interest on 14 July 2016.

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current Quarter
		\$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	121
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

1.23 - \$46,355 paid in Director Fees, \$60,801 paid under the Sofosa Service Agreement to a Director related entity and \$13,561 paid in legal fees to a Director related entity.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	N/A	N/A
3.2 Credit standby arrangements	N/A	N/A

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	650
4.2 Development	-
4.3 Production	-
4.4 Administration	250
Total	900

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	857	829
5.2 Deposits at call	751	1
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,608	830

Changes in interests in mining tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	N/A	N/A	N/A	N/A
6.2 Interests in mining tenements acquired or increased	N/A	N/A	N/A	N/A

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference +securities (<i>description</i>)	-	-	-	-
Changes during quarter				
7.2 (a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	2,073,547,651	2,073,547,651	-	-
7.4 Changes during quarter				
(a) Increases through issues	429,322,770	429,322,770	\$ 0.005	100%
(b) Exercise of options	-	-	-	-
(c) Decreases through return of capital, buy-backs	-	-	-	-
(d) Increase pursuant to underwriting of options	-	-	-	-
7.5 +Convertible securities - Performance rights	237,829,976	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options (<i>description and conversion factor</i>)			Exercise price	Expiry date
Director Options; no vesting period	88,333,333	-	\$0.01	30/12/2016
Consultancy Options; no vesting period	30,000,000	-	\$0.01	30/12/2016
Conversion of Convertible note; no vesting period	100,000,000	-	\$0.01	30/12/2016
Conversion of Convertible note; no vesting period	83,333,332	-	\$0.01	30/12/2016
Consideration for Convertible Security; no vesting period	10,000,000	-	\$0.01	30/12/2016
Unlisted Options issued on 17 May 2016; no vesting period	<u>384,958,009</u>	-	\$0.01	30/12/2016
	696,624,674			
7.8 Issued during quarter				
Unlisted Options issued on 17 May 2016; no vesting period	384,958,009	-	\$0.01	30/12/2016
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures (<i>totals only</i>)	-	-	-	-
7.12 Unsecured notes (<i>totals only</i>)	-	-	-	-

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: _____
Company Secretary

Date: 28 July 2016

Print name: STEF WEBER

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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