

QUARTERLY ACTIVITIES REPORT – 31 DECEMBER 2013

ABN: 93 141 175 493
ASX Code: MNB

Minbos Resources Limited (“Minbos” or the “Company”) is pleased to present its quarterly report for the period ended 31 December 2013.

Highlights during the quarter

- **Cabinda Resource Upgrade** – an increase in total resource tonnes to 391.3Mt, an increase of 28.7% over the full Cabinda Resources reported in December 2011.
- **Performance Milestone for the Cabinda Project is confirmed** – The final technical report for the Cabinda Project confirms the Resource exceeds the Performance Milestone for 25 million Vendor Shares to be released from voluntary escrow.
- **Minbos actively engages with JV partner to divest its assets in the Democratic Republic of Congo (DRC)**
- **Secured Convertible Note Funding** – financing arrangements with a group of sophisticated investors to provide up to \$800,000 in secured funding through the issue of convertible notes. Existing convertible notes totalling \$700,000 are secured over the Company’s assets.

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Company Snapshot
Directors and Management
S. Sullivan (Exec. Chair)
D. Reeves (Non-Exec)
D. Catulich (Non-Exec)
W. Oliver (Non-Exec)

Exploration Areas
Angola (Cabinda Province)
Phosphates – Cabinda Project

Democratic Republic of Congo
Phosphates – Kanzi Project

Australia
Carnarvon Shire

Securities on Issue
257,148,938 Ord. Shares (quoted)
93,083,333 Options (unlisted)

Cash on hand
A\$81,095 (31 December 2013)

CABINDA PROJECT

During the period the JV continued to seek the renewal of the exploration licence in Angola prior to the commencement of the DFS. This process is proceeding under the new mining code and the process of aligning to this code, along with internal bureaucracy changes within the Ministry of Mining and Geology have caused some delays. It is Minbos’ understanding that the Cacata renewal is the most advanced in the pipeline at present.

The Angolan Government and the JV have at all times proceeded on the basis of the licences being valid and the tenure secure beyond the exploration licence expiry date of 20 January 2013. The JV has taken the position of not committing substantial funds to the progression of the planned Definitive Feasibility Study (DFS) until these licences are formally renewed.

During the quarter, the Company announced its latest resource upgrade for the Cabinda Project in Angola and an increase in total resource tonnes to 391.3Mt, an increase of 28.7% over the full Cabinda Resources reported in December 2011.

- Cacata - A Measured Resource of 5Mt at 23% P₂O₅ has been defined. An additional 10.2Mt at 25.3% P₂O₅ has been classified as Indicated and 11.8Mt at 8.8% P₂O₅ as Inferred.

- Mongo Tando - has been upgraded to an Indicated Resource of 24.8Mt at 11.5% P₂O₅ and Inferred Resource of 184.0Mt at 8.0% P₂O₅.
- Chivovo - 4 diamond drill holes for a total of 97.6m were drilled which has resulted in an upgrade to an Indicated Resource of 6.5Mt at 24.3% P₂O₅.

Please refer to the Company's ASX announcements on 16 October 2013 and 5 December 2013 for more information on the Cabinda Resources.

KANZI PHOSPHATE PROJECT

Minbos served a First Right of Refusal notice on its JV partner Allamanda Trading SPRL (Allamanda) on 11 September 2013.

Since that time Minbos has been actively engaging with Allamanda to agree on terms for the sale of its interests in the Kanzi Project. Allamanda has expressed interest in acquiring Minbos' interests or assets in the project. Allamanda does not believe Minbos has the right to sell to third parties.

Negotiations are progressing slower than Minbos would have anticipated, however both parties are committed to concluding the process as soon as possible.

Since entering into negotiations it has been reported in African Resources Media that the DRC Government has reached agreement with a third party to proceed with the construction of a small fertiliser plant in the DRC and that it intends for this plant to be fed in whole or part by product from the Kanzi Project.

The DRC Government have responded to Minbos' queries and asserted that no contracts have been committed to regarding the licences with this entity. Minbos asserts that it has the contractual rights to the licences and will progress negotiations with Allamanda to allow an orderly exit for Minbos and the future development of the project by other parties.

Minbos, through its 100% owned subsidiary Agrim SPRL, entered into a JV with Allamanda in August 2012 to explore and develop the Kanzi Phosphate project in the Western DRC region which is contained within three active exploration licences. It also has exclusive options to six other tenements in the DRC. Minbos currently holds a 49% economic interest in the project.

To date the Company has completed a Scoping Study which has confirmed very positive economic returns and has delineated an Indicated Resource of 58.5Mt at 14.2% P₂O₅.

AUSTRALIAN PHOSPHATE TENEMENTS

During the previous quarter the Company acquired approximately 10 km² of ground in the Carnarvon Shire of Western Australia. The Company will commence exploration activities in the 1st quarter of 2014.

CONVERTIBLE NOTE FACILITY

During the quarter, Minbos extended its financing arrangements with a group of sophisticated investors (“New Noteholders”) to provide up to \$800,000 in secured funding through the issue of convertible notes. The fundraising from the New Noteholders is managed and arranged by CPS Capital Group.

An amount of \$250,000 was advanced to the Company during September 2013, with a further \$250,000 advanced in October 2013. The convertible note funding provides the Company with working capital as it works on future capital raising activities.

The Company announced on 13 January 2014 a fully underwritten renounceable pro rata rights issue of three shares for every seven fully paid ordinary shares at 5pm (WST) on 21 January 2014 to shareholders with a registered address in Australia or New Zealand, to raise approximately \$1.1 million, before costs.

The Company has finalised provision of general security and variations to the repayment dates and structure of the following existing convertible note facilities:

- (i) convertible note facility agreement under which Mr David Reeves has provided the Company with \$250,000 to assist with its working capital requirements (the “Reeves Facility”);
- (ii) convertible note facility agreement under which Mr James Carter has provided the Company with \$250,000 to assist with its working capital requirements (the “Carter Facility”); and
- (iii) a convertible note facility agreement under which Lind Partners LLC has provided the Company with \$300,000 to assist with its working capital requirements (the “Lind Facility”) The outstanding amount of this facility is currently \$200,000 with \$100,000 of the facility being converted into 17.5 million of the Company’s shares at Lind’s election during October and December 2013.

The New Facility, Reeves Facility, Carter Facility and Lind Facility are secured under a general security deed granting security over all the Company’s present and after acquired property (“General Security Deed”).

STRATEGIC PARTNER PROCESS

Minbos continues to engage potential strategic partners. At current share prices, focus is on project level transactions. The Board continues to pursue all funding options.

CORPORATE

Cash

At the end of December 2013, the Company had consolidated cash reserves of A\$81,095. The \$800,000 convertible note facility provided by sophisticated investors was drawn down during in the quarter by \$250,000 totalling \$500,000 in funds received.

Securities

During the quarter, the Company issued the following shares and options

- 17.5 million shares were issued to Lind upon conversion of \$100,000 convertible security;
- 14 million options expired unexercised; and
- 5 million options were issued to Mr Bill Oliver as approved by shareholders at the Company's AGM held 25 November 2013;

ACTIVITIES EXPECTED FOR 1ST QUARTER OF 2014

Cabinda Projects – Angola

- Renewal of Prospection Titles under the new Mining Code, Law 31/11, to facilitate the progression of the DFS.

Kanzi Project – DRC

- Progress and complete negotiations for the sale of Minbos' interests in the DRC
- Minbos will not be committing any further significant expenditure to Kanzi.

Phosphate tenements – Western Australian

- Commencement of geological mapping, geochemical sampling and desktop based evaluation to meet licence conditions.

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
12908	Exploration	49%	Democratic Republic of Congo
12910	Exploration	49%	Democratic Republic of Congo
12911	Exploration	49%	Democratic Republic of Congo
0006/06/01L.P./ GOV.ANG.MGM/2010*	Exploration	50%	Cabinda Province, Angola
E08/2335	Exploration	100%	Carnarvon Shire, Western Australia
E08/2336	Exploration	100%	Carnarvon Shire, Western Australia

*Licence expired 20 January 2013 and is awaiting renewal

No licences were acquired or disposed of during the quarter.

– ENDS –

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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 and the adjoining areas of the far western DRC. Through its subsidiaries and joint ventures, the Company is exploring over 400,000ha of highly prospective ground hosting phosphate ore.

Minbos is focussing on the development of the high grade Cacata project in Cabinda 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