

QUARTERLY ACTIVITIES REPORT – 31 MARCH 2014

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 March 2014.

Highlights during the quarter

- **Board Changes** – Appointed to the Board are Mr Peter Wall, Non-Executive Chairman and Mr Damian Black, Executive Director following the resignation of Scott Sullivan and David Reeves.
- **Convertible Note Conversion** – a group of sophisticated investors converted \$250,000 in convertible notes to 83,333,333 shares and 83,333,333 unlisted options. Existing convertible notes totalling \$1,250,000 are secured over the Company’s assets.
- **Lind Convertible Security assigned** – Minbos executes a Settlement Deed with the Australian Special Opportunity Fund, LP (Lind) and assigns a \$200,000 convertible security to a group of sophisticated investors.

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Company Snapshot
Directors and Management
P.Wall (Non-Exec. Chair)
D. Black (Exec)
D. Catulich (Non-Exec)
W. Oliver (Non-Exec)

Exploration Areas
Angola (Cabinda Province)
Phosphates – Cabina Project

Democratic Republic of Congo
Phosphates – Kanzi Project

Australia
Carnarvon Shire

Securities on Issue
279,648,938 Ord. Shares (quoted)
93,083,333 Options (unlisted)

Cash on hand
A\$96,861 (31 March 2014)

BOARD CHANGES

During the quarter, the Board welcomed Mr Peter Wall as Non-Executive Chairman and Mr Damian Black as Executive Director of the Company. Mr Wall and Mr Black were appointed following the resignation of Managing Director and Executive Chairman, Mr Scott Sullivan and Non-Executive Director, Mr David Reeves on 21 February 2014.

The Board thanks Mr Sullivan & Mr Reeves for their dedication and commitment to the Company in challenging circumstances and wishes them well in future endeavours.

Mr Peter Wall is a corporate lawyer and has been a Partner at Steinepreis Paganin (a 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 (formerly the Securities Institute of Australia).

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

Mr Damian Black is an Associate Director (Corporate) at CPS Capital Group and has been employed in corporate finance and stockbroking since 2006, having previously worked at Tolhurst Ltd.



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

Mr Black is experienced in structuring corporate transactions, focusing on junior resources/oil and gas and has also worked in an ongoing corporate advisory role with several ASX listed companies in the last 5 years, having guided many of them through the IPO/listing process.

Mr Wall and Mr Black are entitled to receive Directors fees of \$3,000 per month however all Directors have elected not to receive Directors fees in an effort to preserve the Company's cash reserves.

CABINDA PROJECT

With recent changes to the Minbos board completed, the Joint Venutre (JV) has re-engaged with the Ministry of Mining and Geology to seek the renewal of the exploration licence in Angola. This process is proceeding under the new mining code, involves several new procedures and the process of aligning to this new code has caused some delays. It is Minbos' understanding that the JV has now completed all the pre-requisites required under the new code and that the renewal of the licence is expected in the next 2-4 weeks.

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. However, the JV is poised to immediately recommence activity on the DFS as soon as they are receipt of the renewed exploration licence

CONVERTIBLE NOTES

During the previous quarter, the convertible note facility provided by sophisticated investors was increased to \$800,000. Minbos received \$150,000 for working capital purposes during the March 2014 quarter and the facility is currently utilised to its maximum. On 17 January 2014, convertible note holders elected to convert \$250,000 of the facility at \$0.003 for the issue of 83,333,333 shares and 83,333,333 unlisted options, reducing the convertible note facility to \$550,000.

During the quarter, the Company executed a Settlement Deed with Lind Partners LLC, the manager of the Australian Special Opportunities Fund LP (together, "Lind") in relation to the existing convertible security under the Share Purchase and Convertible Security Agreement announced 8 March 2013 (Agreement). The Company paid Lind \$200,000, by assigning the convertible security to a group of sophisticated investors, and issued 10 million shares in April

2014, as consideration for the Settlement Deed and obtained releases in relation to the Agreement.

Pursuant to the convertible security assignment (Assignment), security holders have undertaken not to convert in accordance with the Agreement for which the security holders will receive 10 million unlisted options and a fee of 10% of the face value of the convertible security. The security holders may elect to be repaid the face value of the convertible security and the 10% fee from funds raised in a new capital raising or may subscribe for securities in the Company on the same terms and price as the securities offered in a capital raising.

Minbos has a convertible security and convertible notes totalling \$1,250,000, which are secured over the Company's assets.

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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 March 2014, the Company had consolidated cash reserves of A\$96,861. The \$800,000 convertible note facility provided by sophisticated investors was drawn down during the quarter by \$150,000 totalling \$800,000 in funds received.

Securities

During the quarter, the Company issued 83,333,333 shares and options to Convertible Note Holders upon conversion of \$250,000 convertible notes.

During the quarter the Company undertook a pro-rata renounceable rights issue for 3 fully paid ordinary shares for every 7 shares held, at an issue price of \$0.01 per share with a free attaching option, seeking to raise \$1.1 million (Offer). Despite the offer being fully underwritten by Bethesda Investment Corp and Copper Mining Venture, LDA (Underwriters), the Company became aware that the Underwriters were not able to secure their own financing to fulfil their obligations and, as a result, the Company cancelled the Offer and returned the application funds.

ACTIVITIES EXPECTED FOR 2ND 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

- 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.

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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