

## QUARTERLY ACTIVITIES REPORT – 30 JUNE 2013

ASX Code: MNB

Minbos Resources Limited (“Minbos” or the “Company”) is pleased to present its quarterly report for the period ended 30 June 2013.

PERTH OFFICE  
Level 1, 278 Stirling Highway  
Claremont WA 6010  
Australia  
T: +61 8 9476 4500  
E: [info@minbos.com](mailto:info@minbos.com)  
W: [www.minbos.com](http://www.minbos.com)

### Highlights during the quarter

- **Indicated Resource Defined At Kanzi Phosphate Project** - Maiden JORC Inferred Resource of 46Mt @ 17.2% P<sub>2</sub>O<sub>5</sub> (as announced on 25 October 2011) now upgraded to Indicated Resource of 58.5Mt @ 14.2% P<sub>2</sub>O<sub>5</sub> in accordance with the JORC Guidelines
- **Definitive Feasibility Study for a nominal 300Kt Kanzi Project is being considered** to facilitate a quicker path to production, market and cash flow.
- **Minbos Reaches Performance Milestone** – 10 million Class C Performance Shares converted to 10 million fully paid ordinary shares following the successful delineation of an Indicated Resource of greater than 25 million tonnes at an average in situ grade of greater than 12.5% P<sub>2</sub>O<sub>5</sub>

SOUTH AFRICAN OFFICE  
Ground Floor, Unit 1,  
Ferndale Mews  
15 Dover Street  
Randburg,  
Johannesburg 2194

**Company Snapshot**  
**Directors and Management**  
P. Richards (Non-Exec. Chair)  
Scott Sullivan (MD)  
D. Reeves (Non-Exec)  
D. Catulich (Non-Exec)  
J Carter (CFO)

**Exploration Areas**  
Angola (Cabinda Province)  
Phosphates – Cabinda Project  
Democratic Republic of Congo  
Phosphates – Kanzi Project

### KANZI PHOSPHATE PROJECT

Minbos announced that in a resource report issued by Coffey Mining (Pty) Ltd (Coffey), the resource in the Southern Section of the Kanzi Project in the Democratic Republic of the Congo (DRC) has been upgraded from the previously announced (25 October 2011) Inferred Resource of 46Mt @ 17.2% P<sub>2</sub>O<sub>5</sub> to an Indicated Resource of 58.5Mt at 14.2% P<sub>2</sub>O<sub>5</sub>, in accordance with the JORC Guidelines.

This is a 27% increase in tonnage and 5% increase in contained P<sub>2</sub>O<sub>5</sub> for the Southern Section of the Kanzi Project in the DRC.

Resource upgrade work for the northern area of the Kanzi deposit, accounts for the difference to the last reported resource of 66Mt (6 August 2012), is ongoing and an updated total Resource statement will be announced once the outstanding assays are completed.

The Resource was estimated from a subset of the Aircore drilling samples processed by Minbos in 2012. The Mineral Resource has been delineated. Domain 1 consists of two horizons of phosphate material, a high grade bottom layer and low grade top layer. Domain 2 consists of one horizon of phosphate material, a high grade bottom layer.

The Resources were calculated at a cut off grade of 5% P<sub>2</sub>O<sub>5</sub>. For further information refer to the ASX Announcement dated 17<sup>th</sup> April 2013.

#### Securities on Issue

154,315,605 Ord. Shares (quoted)  
18,750,000 Options (unlisted)

#### Cash on hand

A\$53,685 (30 June 2013)



The Summary Indicated Resource statement for the Kanzi Project Southern Section is detailed in Table 1 below.

Indicated Mineral Resource									
Domain	Layer	Tonnes (Mt)	P <sub>2</sub> O <sub>5</sub> (%)	CaO (%)	Fe <sub>2</sub> O <sub>3</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	MgO (%)	SiO <sub>2</sub> (%)	CaO/P <sub>2</sub> O <sub>5</sub>
1	Top Layer	9.5	8.3	11.5	3.3	8.7	2.8	51.6	1.38
1	Bottom Layer	31.2	14.9	20.7	2.4	5.5	1.3	45.4	1.39
2	Bottom Layer	17.8	16.1	20.8	2.5	5.4	0.8	45.6	1.30
<b>Total</b>		<b>58.5</b>	<b>14.2</b>	<b>19.2</b>	<b>2.6</b>	<b>6.0</b>	<b>1.4</b>	<b>46.5</b>	<b>1.36</b>

Table 1: Indicated Mineral Resource Summary for Kanzi

### Definitive Feasibility Study for a nominal 300Kt Kanzi Project is being considered

Minbos has undertaken initial studies in the form of a Phase 1 logistics study to assess whether a smaller Kanzi Project with significantly reduced capital is feasible and desirable to facilitate a quicker path to production, market and cash flow. This will provide cash flow for organic growth and to pursue the regions high exploration potential.

The study examined, in particular, the path for getting Kanzi's concentrate product to market. This work has identified the likely route being barging on the Congo river which is approximately 6km from the project and trans shipping of the concentrate. Phase 2 of the study is scheduled to commence in Q3 and will firm up capital and logistics solutions.

A Definitive Feasibility Study for this reduced scale project is expected to be complete by the end of 2013.

### Kanzi Shareholding

Minbos previously announced that its shareholding in the DRC tenements was reduced to a 49% economic interest from the 65% it was understood to have. Minbos continues to engage it's JV partner Allamanda on this issue with the aim to create a better funding structure, however at this stage Minbos will proceed on the basis that it's economic interest remains at 49%.

### CLASS 'C' PERFORMANCE SHARES

Under the Binding Heads of Agreement (HOA) dated 15 April 2010, Minbos agreed to purchase 100% of the share capital of Tunan Mining Limited (the holder of the Project licences) (Tunan) of which part of the consideration paid to the original Vendors was the issue of 10,000,000



Class B Performance Shares (Performance Shares). These were to convert into fully paid ordinary shares upon the successful delineation of a JORC compliant Indicated Resource of greater than 25 million tonnes at an average in situ grade of greater than 12.5% P2O5 within the area covered by the licences specified in the HOA within 24 months of the issue of these shares (Milestone). At the Company's AGM held on 19 November 2012, shareholders approved the establishment of Class C Performance Shares to replace the lapsing Class B Performance Shares and extended the expiry date of the Milestone to 18 April 2013.

The Company has received technical documentation from Coffey that has confirmed the Milestone had been met.

During the quarter, the Class C Performance Shares were converted to 10,000,000 fully paid ordinary shares.

### **STRATEGIC PARTNER PROCESS**

Minbos continues to engage potential strategic partners directly. A data room has been maintained and multiple interested investors have been granted access to this dataroom for due diligence purposes. At current share prices, focus is on project level transactions and potential off-take agreements. The board continues to pursue all funding options.

### **CORPORATE**

#### **Company Secretary**

During the quarter Mrs Tanya Woolley resigned from her role as Company Secretary due to other commitments. Mr James Carter and Ms Paige Exley replace Mrs Woolley as joint Company Secretary.

#### **Cash**

At the end of June 2013, the Company had consolidated cash reserves of A\$53,685. The \$500,000 convertible note provided by management was drawn down during in the quarter by \$250,000. In July a further \$250,000 was drawn from the facility.

### **ACTIVITIES EXPECTED FOR 3RD QUARTER OF 2013**

#### **Kanzi Project – DRC**

- Completion of preliminary Environmental Impact Assessment (EIA)
- Transfer of Research Titles from JV partner Allamanda into the JV vehicle Phosphalux sprl
- Proceed with application for Mining Licence
- Commencement of Bankable Feasibility Study (“BFS”) activities – Beneficiation testwork, Logistics study and environmental work



### **Cabinda Projects – Angola**

- Cabinda (Cacata) resource estimate update
- Renewal of Prospection Titles under the new Mining Code, Law 31/11. This will facilitate the progression of the BFS.
- Commencement of a BFS on Cacata starting with dry season bulk sampling

### **Competent Persons Statement**

*The Resource information in this report has been reviewed and approved for release by Ms Kathleen Body, Pr.Sci.Nat, who has over 18 years' experience in mineral exploration and mineral resource estimation. Ms Body is a Principal Consultant and full-time employee of Coffey Mining (South Africa) (Pty) Ltd and contracted to Minbos. 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 –**

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### **For further information please contact:**

Scott Sullivan  
Managing Director  
scott@minbos.com  
(+61) 8 9476 4500

**For media enquiries contact:**  
David Ikin – Professional Public Relations  
email: david.ikin@ppr.com.au  
(+61) 8 9388 0944

### **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 and the high grade Kanzi project in the far western DRC whilst growing its current resource base in incremental stages on the remaining deposits in both areas.

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](http://www.minbos.com)

