

QUARTERLY ACTIVITIES REPORT – 30 SEPTEMBER 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 30 September 2013.

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Highlights during the quarter

- **Secured Convertible Note Funding** - financing arrangements with a group of sophisticated investors to provide \$500,000 in secured funding through the issue of convertible notes. Existing convertible notes totalling \$750,000 also provided with security over the Company’s assets.
- **Minbos signals its intention to divest its assets in the Democratic Republic of Congo (DRC)** – Kanzi Project joint venture partner Allamanda offered first right of refusal and notified of the Company’s intention to divest the Kanzi Project.
- **Acquisition of Phosphate tenements in Western Australia** – Minbos acquired two tenements in the Carnarvon Shire for cash consideration of \$5,000 and share consideration of 2 million shares with a deemed value of \$28,000.
- **Board Changes** - Mr Peter Richards resigned as Non-Executive Chairman and Scott Sullivan was appointed interim Executive Chairman. Additionally Mr Bill Oliver was appointed to the Board as Non-Executive Director.

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 – Cabina Project

Democratic Republic of Congo
Phosphates – Kanzi Project

Securities on Issue
161,315,605 Ord. Shares (quoted)
4,750,000 Options (unlisted)

Cash on hand
A\$114,353 (30 September 2013)

CONVERTIBLE NOTE FACILITY

During the quarter, Minbos established financing arrangements with a group of sophisticated investors (“New Noteholders”) to provide \$500,000 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, with a further \$250,000 advanced subsequent to the end of the quarter, in October. The \$500,000 convertible note funding provides the Company with working capital as it works on longer term funding solutions.

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

- 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 \$250,000 with \$50,000 of the facility being converted into 5 million of the Company’s shares at Lind’s election on 2 October 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”).

KANZI PHOSPHATE PROJECT

Minbos has taken the first steps in the sale process, serving First Right of Refusal on its joint venture (“JV”) partner Allamanda Trading Ltd, as set out in the articles of the JV company Phosphalux SPRL. Allamanda has recently responded to the First Right of Refusal. The Company is currently reviewing this communication and taking advice on the issues raised, but it does not believe that they affect the Company’s rights under the JV agreement. A formal response will be presented to Allamanda and discussion continued to advance this process.

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 a JORC compliant Indicated Resource of 58.5Mt at 14.2% P₂O₅.

If Allamanda does not take up its First Right of Refusal, then Minbos is entitled under the statutes, to sell its economic interest to a third party.

CABINDA PROJECT

Minbos will focus on the development of its outstanding Angolan phosphate assets after announcing its intention to divest its assets in the DRC. During the period the JV has been seeking the renewal of the exploration licence in Angola prior to the commencement of the BFS. This process is proceeding under the new mining code, but internal bureaucracy changes with the Department of Geology have caused some delays.

AUSTRALIAN PHOSPHATE TENEMENTS

During the period the Company acquired approximately 10 km² of ground in the Carnarvon Shire of Western Australia for cash consideration of \$5,000 and share consideration of 2 million shares with a deemed value of \$28,000. The Company will commence exploration activities in the 4th quarter of 2013.

STRATEGIC PARTNER PROCESS

Minbos continues to engage potential strategic partners directly. At current share prices, focus is on project level transactions and potential off-take agreements. The board continues to pursue all funding options.

CORPORATE

Board Changes

During August 2013, Mr Peter Richards resigned as Non-Executive Chairman and Scott Sullivan was appointed Executive Chairman. Mr Richards was the founding Chairman of Minbos when it listed on the ASX in October 2010 and his leadership oversaw the acquisition of assets in the Democratic Republic of the Congo (DRC) and Angola. The Board expresses its gratitude for his service as Chairman and his service to shareholders as a Director of the Company.

The Board welcomed Mr William Oliver on 2 September 2013 to the Board as Non-Executive Director. Mr Oliver is a geologist with over 14 years of experience in the international resources industry working for both major and junior companies. He has substantial experience in the design and evaluation of resource definition programmes as well as co-ordinating all levels of feasibility studies. He has direct experience with bulk commodities having led large scale resource definition projects for Rio Tinto Iron Ore and in his role as a director of Celsius Coal Ltd

Company Secretary

During August 2013, Mr James Carter resigned from his role as Chief Financial Officer and Company Secretary due to other commitments. The Board thanks Mr Carter for his support and contribution to the Company in the execution of his dual role. Ms Paige Exley will continue as sole Company Secretary.

Cash

At the end of September 2013, the Company had consolidated cash reserves of A\$114,353. The \$500,000 convertible note facility provided by sophisticated investors was drawn down during in the quarter by \$250,000. In October 2013, a further \$250,000 was drawn from the facility.

ACTIVITIES EXPECTED FOR 4TH QUARTER OF 2013

Cabinda Projects – Angola

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

Kanzi Project – DRC

- Determine Allamanda's intention in the First Right of Refusal.
- Continue identifying potential external parties to acquire Minbos' JV interest.
- 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.

– 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