

QUARTERLY ACTIVITIES REPORT – 31 MARCH 2013

ASX Code: MNB

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Highlights during the quarter

- **A\$5.5 Million Finance Facilities Secured** - A\$500,000 convertible note provided by Minbos management, A\$300,000 convertible security and up to A\$4.675 million share purchase facility over 24 months with The Australian Special Opportunities Fund, LP.
- **Strategic Partner Tender Process** – There is continued interest from potential strategic partners.

Phosphate Projects

Minbos will continue to focus on developing the Kanzi project in the Democratic Republic of the Congo (DRC) and the Cacata project in Angola, both of which have a clear path to production and compelling economics. Kanzi has a project NPV of US\$626M (pre-tax at 10% discount) and an IRR of 58%; while Cacata has a project NPV of US\$311M (pre-tax at 10% discount) and an IRR of 40.2%, both on a 100% basis.

Finance Facilities

Convertible Note Provided by Management A\$0.5 million

Under a funding arrangement, David Reeves (Minbos Non-Executive Director) and James Carter (Minbos Chief Financial Officer) have agreed to provide the Company with \$500,000 combined under a convertible note facility upon completion. The conversion price of each convertible note will be at a premium of 50% to the 20 day volume weighted average price (VWAP) of Minbos shares prior to the date of execution of the facility agreement. Interest is payable at a rate of 12% per annum with principal repayment or conversion in 9 months from the date of first drawdown. At the end of the quarter the \$500,000 Convertible Note facility was undrawn.

Share Purchase Facility up to A\$4.975 million

During the quarter, Minbos completed financing arrangements with Lind Partners, LLC, the manager of the Australian Special Opportunities Fund, LP (together, "Lind"), for a \$300,000 convertible security and \$75,000 as a prepayment for ordinary shares in Minbos. Lind will

further invest from \$75,000 to \$200,000 in monthly subscriptions, subject to conditions, over the next two years, to a maximum of \$4,975,000.

For more information on the financing facilities please refer to the Company's ASX announcement dated 8 March 2013. (ASX Code: MNB)

Strategic Partner Process

The strategic partner process is progressing with continued interest from potential strategic partners, particularly from major downstream fertiliser producers and trading companies across Asia and Europe. Site visits have now been completed by two parties.. Expressions of interest have been received from potential strategic partners to provide funding to complete delineation drilling and bankable feasibility studies (BFS).

A strategic partner support will enable Minbos to advance its Angolan and DRC phosphate rock projects towards development and to provide long term phosphate offtake agreements for its projects.

Kanzi Joint Venture

The Kanzi Joint Venture entity, Phosphalux SPRL ("Phosphalux JV"), was incorporated with a 65% interest being held by Minbos through its wholly owned subsidiary Agrim SPRL ("Agrim") and the remaining 35% interest held by Allamanda. Minbos was presented with a side agreement by Allamanda that was purportedly entered into concurrently with the signing of the original JV agreement by Agrim, without the knowledge or consent of the Board of Directors of the Company, which seeks to apportion Minbos a 49% interest in the economic benefit of the licences which form the Kanzi project, with a 51% economic interest held by Allamanda.

Minbos has obtained preliminary legal advice in relation to the validity of this side agreement because it was executed without proper authority from the board of Minbos. The advice has confirmed that the side agreement is open to legal challenge.

Minbos is however, as a priority, actively engaging with Allamanda to resolve this issue in a positive manner.

Potash Licence

Minbos advised during the quarter that following due diligence, it has discontinued further investigation of its Dinge Potash Licence program to focus the Company's future activities and resources on the development of its phosphate assets.

Director Resignation

During the quarter Mr John Ciganek resigned from his role as Non-Executive Director due to other commitments. The Board thanks Mr Ciganek for his contribution in the Company's listing on the ASX and his role in the Strategic Partner Process.

Cash

At the end of March 2013, the Company had consolidated cash reserves of A\$392,628. The \$500,000 convertible note provided by management is yet to be drawn.

ACTIVITIES EXPECTED FOR 2ND QUARTER OF 2013

Kanzi Project – DRC

- Sampling and Assay program to upgrade inferred resources to indicated resources.
- Completion of Environmental Impact Assessment (EIA)
- Application for Mining Licence
- Commencement of BFS activities – Beneficiation testwork, Logistics study and environmental work

Cabinda Project – Angola (Cacata and Chivovo)

- Cacata resource estimate update
- Commencement of a BFS on Cacata

– 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 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