MINBOS RESOURCES LIMITED
AND CONTROLLED ENTITIES

ABN 93 141 175 493

Interim Financial Report
for the half year ended
31 December 2010

Contents

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Minbos Resources Limited (**MNB**) and the entities it controlled at the end of, or during, the half year ended 31 December 2010.

Directors

The following persons were directors of Minbos Resources Limited during the whole of the half year and up to the date of this report.

Peter Richards	Executive Chairman	
Faldi Ismail	Non Executive Director	
John Ciganek	Non Executive Director	
Domingoes Catulichi	Non Executive Director	Appointed 20 July 2010
David Reeves	Non Executive Director	Appointed 20 July 2010

Review of Operations

The loss after tax for the half year ended 31 December 2010 attributed to the members of the Group was $1,781,274. The loss for the half year ended 31 December 2010 was mainly attributable to the review and evaluation of projects of interest to the Group.

On 27 August 2010, the Group lodged a prospectus with ASIC for an offer of up to 30,000,000 Shares at an issue price of $0.20 each to raise up to $6,000,000, with oversubscriptions of up to a further 10,000,000 shares at an issue price of $0.20 each to raise up to a further $2,000,000 may be accepted.

From this prospectus, the Group raised $8,000,000 from the allotment of 40,000,000 shares at an issue price of $0.20 each.

In accordance with the Notice of Meeting dated 7 May 2010, the Company completed the purchase of Tunan Mining on 13 October 2010 with the issue of 15,000,000 ordinary shares, 25,000,000 Class A shares, and 10,000,000 Class B shares. The acquisition of Tunan Mining and controlled entities was conditional on Minbos Resources undertaking at least a $6 million equity raising to fund exploration and feasibility of the Projects.

Tunan Mining is an exploration and development group with a significant position in a potentially world class undeveloped phosphate project in Angola and some additional permits pending approval in the Democratic Republic of Congo (DRC) (collectively, the "Projects"). This acquisition provided Minbos Resources with a 50% equity interest in this world class Angolan phosphate undeveloped project including:

- a significant exploration target of P2O5;
- minimum infrastructure requirement to reach road and port infrastructure; and
- location proximate to ocean ports provide major operating cost advantage over some international competitors.

Tunan Mining's exploration licenses, in Angola (granted) and Western DRC (granted and under application), cover a series of phosphate rock prospects.

Directors Report (continued)

Tunan Mining through its subsidiaries holds:

- Cabinda Phosphate Project – 50% interest in the Cabinda Phosphate Project which holds one granted prospecting license in Angola. The project contains a significant exploration target of P2O5 which was based on historical exploration activities during 1969 to 1983.
- DRC Phosphate Project – 100% interest in the DRC Phosphate Project which holds one granted prospecting license and seven license applications in the DRC.

These licenses and applications cover a combined area of 4,126km2.

In accordance with the Notice of Meeting dated 18 June 2010, the Company issued 6,000,000 Broker Options, 4,000,000 Class "A" Director Options, 2,000,000 Class "B" Director Options and 2,000,000 Class "C" Director Options.

On 14 October 2010, ASX released an announcement that the Company had been admitted to the official list of the ASX and that official quotation of the Company's securities would commence on Monday, 18 October 2010.

Since that time, Minbos has made considerable progress in the review of both the Cabinda and DRC projects, including:

- The aircore drill rig that Minbos mobilised from Wallis Drilling in Australia arrived in Angola and drilling activities commenced during November on the Cabinda Phosphate project

- 1st Phase drilling was completed on 2 priority project areas within the Cabinda Phosphate project area, being Mongo Tando and Ueca

- A sample preparation facility was installed and operating at Cabinda project office

- The 1st batch of samples from Mongo Tando were received from Setpoint in January with results confirming historical data that increases the confidence in the stated exploration target of 333mt to 538mt with historic grades of 10 to 20% P_2O_5.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 19.

Signed in accordance with a resolution of the directors

On behalf of the Directors

Peter Richards
Director

Perth, 15 March 2011

Consolidated Statement of Comprehensive Income
For the Half-Year Ended 31 December 2010

	Half-Year	
	31 Dec 2010 $	31 Dec 2009 $
Revenue from continuing operations	261,034	-
Exploration and evaluation	(220,416)	-
Accounting and auditing fees	(64,799)	-
Consulting fees	(285,258)	-
Legal fees	(151,263)	-
Office expenses	(56,714)	-
Corporate expenses	(134,249)	-
Director fees	(476,043)	-
Share of net loss from associate	(511,007)	-
Other expenses	(19,718)	-
Loss from continuing operations before income tax	(1,658,434)	-
Income tax expense	-	-
Loss from continuing operations after income tax	(1,658,434)	-
Other comprehensive income		
Foreign currency translation	(122,840)	-
Other comprehensive loss for the half-year, net of tax	(122,840)	-
Total comprehensive loss for the half-year	(1,781,274)	-
Loss for the half year is attributable to the owners of Minbos Resources	(1,781,274)	-
		-
Total comprehensive loss for the half-year is attributable to the owners of Minbos Resources	(1,781,274)	-
Basic loss per share attributable to ordinary equity holders (cents)	(2.61)	-

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes

Consolidated Statement of Financial Position
As at 31 December 2010

	Note	31 December 2010 $	30 June 2010 $
ASSETS			
Current assets			
Cash and cash equivalents		5,979,866	825,272
Trade and other receivables		1,196,740	202,688
Total current assets		**7,176,606**	**1,027,960**
Non-current assets			
Property, plant and equipment		144,403	-
Investments in associates	7	9,930,480	-
Exploration & evaluation expenditure	3	4,176,595	-
Total non-current assets		**14,251,478**	**-**
Total Assets		**21,428,084**	**1,027,960**
LIABILITIES			
Current liabilities			
Trade and other payables		10,264	109,565
Other liabilities		-	26,400
Total current liabilities		**10,264**	**135,965**
Non-Current liabilities			
Deferred tax liabilities		4,385,424	-
Total Non-Current liabilities		**4,385,424**	**-**
Total Liabilities		**4,395,688**	**135,965**
Net assets		**17,032,396**	**891,995**
EQUITY			
Contributed Equity	4	18,358,750	962,300
Reserves		402,385	-
Accumulated losses		(1,728,739)	(70,305)
Total equity		**17,032,396**	**891,995**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated Statement of Changes in Equity
For the Half-Year Ended 31 December 2010

	Contributed Equity $	Accumulated Losses $	Foreign Currency Reserve $	Share Based Payment Reserve $	Total Equity $
Balance at 17.12.2009	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	-	-
Transactions with owners in their capacity as owners					
Shares issued during the half year, net of transaction costs	70,000	-	-	-	70,000
Share-based compensation	-	-	-	-	-
Balance at 31.12.2009	70,000	-	-	-	70,000
Balance at 1.7.2010	962,300	(70,305)		-	891,995
Total comprehensive income for the half-year	-	(1,658,434)	(122,840)	-	(1,781,274)
Transactions with owners in their capacity as owners					
Shares issued during the half year, net of transaction costs	17,396,450	-	-	-	17,396,450
Share-based compensation	-	-	-	525,225	525,225
Balance at 31.12.2010	18,358,750	(1,728,739)	(122,840)	525,225	17,032,396

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated Statement of Cash Flows
For the Half-Year Ended 31 December 2010

	Half-Year 2010 $	Half-Year 2009 $
Cash flows from to operating activities		
Cash receipts from customers	151,800	-
Payments to suppliers and employees	(1,378,739)	-
Interest received	51,920	-
Net cash outflows from operating activities	(1,175,019)	-
Cash flows from investing activities		
Payments for exploration and evaluation	(995,228)	-
Payment for purchase of subsidiary, net of cash acquired	62,811	
Payment for plant & equipment	(137,633)	-
Net cash outflows from investing activities	(1,070,050)	-
Cash flows from financing activities		
Proceeds from the issue of shares	7,486,450	70,000
Net cash outflows from financing activities	7,486,450	70,000
Net cash increase in cash and cash equivalents	5,241,381	70,000
Cash and cash equivalents at the beginning of half year	825,272	-
Net foreign exchange differences	(86,787)	-
Cash and cash equivalents at the end of half year	5,979,866	70,000

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of Minbos Resources Limited (the Company) for the half-year ended 31 December 2010 were authorised for issue in accordance with a resolution of the directors on 16 March 2011.

Minbos Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Directors report.

Basis of Preparation

These general purpose financial statements for the half-year reporting period ended 31 December 2010 have been prepared in accordance with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Act 2001.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2010 and any public announcements made by Minbos Resources Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The half-year financial statements have been prepared on an accruals basis and are based on historical costs.

The accounting policies and methods of computation adopted in the preparation of the half-year financial statements are consistent with those adopted and disclosed in the annual financial statements for the financial year ended 30 June 2010 except as follows:

(a) Business Combinations

The acquisition method of accounting is used to account for all business combinations. Consideration is measured at the fair value of the assets transferred, liabilities incurred and equity interests issued by the Company on acquisition date. Consideration also includes the acquisition date fair values of any contingent consideration arrangements, any pre-existing equity interests in the acquiree and share-based payment awards of the acquiree that are required to be replaced in a business combination. The acquisition date is the date on which the Company obtains control of the acquiree. Where equity instruments are issued as part of the consideration, the value of the equity instruments is their published market price at the acquisition date unless, in rare circumstances it can be demonstrated that the published price at acquisition date is not fair value and that other evidence and valuation methods provide a more reliable measure of fair value.

NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2010 (continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in business combinations are, with limited exceptions, initially measured at their fair values at acquisition date. Goodwill represents the excess of the consideration transferred and the amount of the non-controlling interest in the acquiree over fair value of the identifiable net assets acquired. If the consideration and non-controlling interest of the acquiree is less than the fair value of the net identifiable assets acquired, the difference is recognised in profit or loss as a bargain purchase price, but only after a reassessment of the identification and measurement of the net assets acquired.

For each business combination, the Company measures non-controlling interests at either fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed when incurred. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Where settlement of any part of the cash consideration is deferred, the amounts payable in future are discounted to present value at the date of exchange using the entity's incremental borrowing rate as the discount rate.

(b) Investments and other financial assets

Classification
The Group classifies all of its financial assets as loans and receivables. Management determines the classification of its investments at initial recognition.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. They are recognised initially at fair value.

Subsequent measurement
Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Impairment
The Group assesses at each balance date whether there is objective evidence that a financial asset or Group of financial assets is impaired.

If there is evidence of impairment for any of the Group’s financial assets carried at amortised cost, the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset’s original effective interest rate. The loss is recognised in the profit or loss.

(c) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, is

NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2010 (continued)

compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(d) Exploration and evaluation costs

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs are written off to the extent that they will not be recoverable in the future.

(e) Foreign Currency Translation

Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in AUD, which is Minbos Resources Limited's functional and presentation currency.

Transactions and balances
Transactions in foreign currency are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at balance date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Financial statements of foreign operations
The assets and liabilities of foreign operations are translated to Australian dollars at foreign exchange rates ruling at the statement of financial position date. The revenues and expenses of foreign operations are translated to Australian dollars at rates approximating to the foreign rates of exchange ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised directly in a separate component of equity.

NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2010 (continued)

(f) Share-based Payment Transactions

The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the black-scholes model, taking into account the terms and conditions upon which the options were granted.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that expected to best based on the non-market vesting conditions. It recognises the impact of revision to original estimates, if any, in profit and loss, with a corresponding adjustment to equity.

(g) Basis of consolidation

Subsidiaries
Subsidiaries are entities controlled by the Company. The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the Consolidated Entity, being Minbos Resources Limited ("Company" or "Parent Entity") and its subsidiaries as defined in AASB 127: *Consolidated and Separate Financial Statements*. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Group obtains control and until such time as the Group ceases to control such entity. Acquisitions of entities are accounted for using the acquisition method of accounting.

In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profit and losses resulting from intra-group transactions are eliminated in full.

Non-controlling interests' in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income and statement of financial position respectively. Total comprehensive income is attributable to the owners of Minbos Resources Limited and non-controlling interests even if this results in the non-controlling interests having a debit balance.

Associates

Associates are all entities over which the group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in

NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2010 (continued)

other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's profit or loss, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Transactions eliminated on consolidation
All intra-group balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

(h) Accounting estimates and judgements

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial statements.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Determination of fair values on exploration and evaluation assets and investments in associates acquired in business combinations
On initial recognition, the assets and liabilities of the acquired business are included in the Statement of Financial Position at their fair values. In measuring fair value of exploration projects, management considers generally accepted valuation methodologies and comparable transactions in determining the fair value. Due to the subjective nature of valuation with respect to exploration projects with limited exploration results, management have determined the price paid to be indicative of its fair value due to the competitive process in which these projects were acquired.

Recoverability of capitalised exploration and evaluation expenditure
The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2010 (continued)

Valuation of share based payment transactions

The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model, taking into account the terms and conditions upon which the options were granted.

2. SEGMENT INFORMATION

The Group engages in one business activity from which it earns revenues, being the exploration and development of Phosphate Ore in Angola and the DRC, and its results are analysed as a whole by the chief operating decision maker, this being the Board of Directors. Consequently revenue, profit and net assets for the operating segment are the amounts reflected in the half year review report.

3. EXPLORATION & EVALUATION EXPENDITURE

	31 December 2010	30 June 2010
Acquisition during the period (note 6)	4,176,595	-
Deferred exploration costs carried forward	4,176,595	-

In October 2010 the Company completed the purchase of Tunan Mining Limited BVI. The exploration expenditure capitalised this half year is a result of the fair value attributed to tenements acquired as part of the business combination (inclusive of deferred tax liability uplift).

NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2010 (continued)

4. EQUITY SECURITIES ISSUED

	31 December 2010 #	31 December 2010 $	31 December 2009 #	31 December 2009 $
Ordinary Shares				
Issued and fully paid	68,250,000	18,448,750	7,000,000	70,000

Ordinary Shares

	No.	$	No.	$
At the beginning of reporting period	13,250,000	962,300	-	-
Shares issued during the period				
- Ordinary shares issued on 17-12-09 on incorporation	-	-	7,000,000	70,000
- Ordinary shares issued pursuant to prospectus	40,000,000	8,000,000	-	-
- Ordinary shares issued pursuant to the purchase of Tunan Mining	15,000,000	3,000,000	-	-
- Payment of capital raising costs	-	(603,550)	-	-
Balance	68,250,000	11,358,750	7,000,000	70,000

Ordinary shares entitle the holder to participate in dividends and the proposed winding up of the company in proportion to the number and amount paid on the share hold.

Performance Shares

	No.	$	No.	$
At the beginning of reporting period	-	-	-	-
Shares issued during the period				
- Class A performance shares, issued 13 October 2010	25,000,000	5,000,000	-	-
- Class B performance shares, issued 13 October 2010	10,000,000	2,000,000	-	-
Balance	35,000,000	7,000,000	-	-

The Class A Performance Shares shall convert to Ordinary Shares upon the delineation of a JORC compliant resource at the Cabinda project at least 250mt of greater than 12.5% P_2O_5 within 18 months.

The Class B Performance Shares shall convert to Ordinary Shares upon the delineation of a JORC compliant "indicated" resource in the DRC with greater than 25mt of greater than 12.5% P_2O_5 within 24 months.

NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2010 (continued)

5. SHARE BASED PAYMENTS

Directors and Key Executive's Options – Incentive Options

Set out below are summaries of the options granted:

	Number of options	Value per option (cents)
Exercisable at 20 cents, on or before 13 October 2013.	4,000,000	8.78
Exercisable at 30 cents, on or before 13 October 2013, vesting on 13 October 2011.	2,000,000	7.33
Exercisable at 50 cents, on or before 13 October 2013, vesting on 13 October 2011.	2,000,000	5.54

The price was calculated by using Black Scholes Pricing Model applying the following inputs:

	31 December 2010
Life of the option (years)	3
Share price at grant date (cents)	16
Expected share price volatility	90%
Risk free interest rate	5.00%

Total value of the options above is $608,480, which is being expensed over the vesting periods to the profit and loss account as Director fees.

Broker Options

In accordance with the notice of meeting dated 18 June 2010, the Company issued 6,000,000 Broker options, exercisable at 50 cents on or before 13 October 2013, vesting on 13 October 2012. The valuation of the Broker options have been determined based upon the valuation of the services provided. As part of the process management has made an estimate of the fair value of these services provided based upon known commercial rates.

Total value of the options above is $90,000. These have been recognised in equity as equity raising costs.

6. BUSINESS COMBINATION

On 13 October 2010, in accordance with the Notice of Meeting dated 7 May 2010, the Company completed the purchase of 100% of Tunan Mining Ltd BVI and its controlled entities with the issue of 15,000,000 ordinary shares, 25,000,000 Class A shares, and 10,000,000 Class B shares.

At 31 December 2010, the Tunan Mining Group acquisition has been accounted for provisionally as Minbos Resources Limited management are still in the process of obtaining independent valuations for the assets acquired and liabilities assumed.

NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2010 (continued)

6. BUSINESS COMBINATION (continued)

Potential tax implications will not be assessed until such time as fair values have been finalised.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Purchase consideration comprises:	**$**
Equity instruments issued **	3,000,000
Contingent consideration ***	7,000,000
Total purchase consideration	**10,000,000**

** The equity portion of the purchase consideration comprises 15 million ordinary shares in Minbos Resources Limited at $0.20 per share.

*** The equity portion of the contingent consideration comprises 35 million performance shares in Minbos Resources Limited at $0.20 per share. The terms of the performance shares are discussed in Note 5.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value
	$
Cash and cash equivalents	62,811
Exploration and evaluation expenditure	4,176,595
Investment in associate	10,441,487
Trade and other receivables	323,999
Property, plant and equipment	6,771
Trade and other payables	(626,239)
Deferred tax liabilities	(4,385,424)
Net identifiable assets acquired	**10,000,000**

As disclosed above, certain fair value amounts have been provisionally determined at 31 December 2010.

Acquisition related costs are included within administration costs in the statement of comprehensive income.

The acquired business contributed revenues of $209,113 and net loss of $839,466 to the group for the period 13 October 2010 to 31 December 2011.

NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2010 (continued)

7. INVESTMENTS IN ASSOCIATES

As part of the acquisition of Tunan Mining Limited Minbos acquired a 50% interest in Mongo Tando Limited BVI, a company incorporated in the British Virgin Isles. By virtue of holding less than 50% of the voting rights the entity has been accounted for as an investment in an associate.

Movements in carrying amounts

	31 December 2010	30 June 2010
Carrying amount brought forward	-	-
Share of fair value increment on purchase of Tunan Mining	10,441,487	-
Share of loss in associate	(511,007)	
Carrying amount at the end of the period	9,930,480	-

8. RELATED PARTY TRANSACTIONS

Share based payments have been made to key executives during the period as disclosed in note 5. Further directors fees of $40,818 were paid during the period.

At 31 December 2010, the group had loaned Mongo Tando BVI, an associate of the group, the amount of $1,052,831 to fund ongoing exploration expenditure. At 31 December 2010 this balance is included within Trade and Other Receivables.

9. EVENTS OCCURING AFTER BALANCE SHEET DATE

There has not been any significant events subsequent to 31 December 2010 and prior to the date of this report, that has arisen since the end of the half-year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

10. COMMITMENTS

There are the following commitments contracted for at the reporting date but not recognised as liabilities:

	31 December 2010	30 June 2010
Exploration Commitments		
Not longer than 1 year	$1,000,000	-
Longer than 1 year and not longer than 5 years	$500,000	-
Longer than 5 years	$500,000	
	$2,000,000	-

The above commitments relate to the minimum exploration spend on the Cabinda project. There is no minimum commitment in relation to the DRC project.

NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2010 (continued)

11. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There have been no material changes in contingent liabilities or contingent assets since the last annual reporting date.

12. DIVIDENDS

No dividends have been declared or paid since the start of the financial period, and none are recommended.

DIRECTORS' DECLARATION
31 December 2010

In the directors' opinion:

a) the financial statements and notes set out on pages 3 to 17 are in accordance with the *Corporations Act 2001,* including:

(i) complying with AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and

b) there are reasonable grounds to believe that Minbos Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

On behalf of the Directors

Peter Richards
Director

Perth, 15 March 2011

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38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

15 March 2011

The Board of Directors
Minbos Resources Limited
21 Teddington Road
BURSWOOD WA 6100

Dear Sirs

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF MINBOS RESOURCES LIMITED

As lead auditor of Minbos Resources Limited for the half year ended 31 December 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- any applicable code of professional conduct in relation to the review.

This declaration is in respect of Minbos Resources Limited and the entities it controlled during the period.

Phillip Murdoch
Director

BDO

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF MINBOS RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Minbos Resources Limited, which comprises the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Minbos Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Minbos Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Minbos Resources Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch
Director

Signed in Perth, Western Australia
Dated this 15th day of March 2011.