

27 October 2016

ASX Code: MNB

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ASX ANNOUNCEMENT/MEDIA RELEASE

QUARTERLY ACTIVITIES REPORT-30 SEPTEMBER 2016

Minbos Resources Limited (**Minbos or the Company**) is pleased to present its quarterly report for the period ended 30 September 2016.

HIGHLIGHTS:

- **Bulk Sample Testwork on track for completion in December Quarter.** Early results indicate very positive outcomes for the Dry Beneficiation route, with recoveries and grades exceeding expectations.
- **Prime Resources engaged to complete Environmental and Social Impact Assessment(ESIA).** Prime Resources completed the Environmental and Social Baseline Report for the Cabinda Project's desktop study in 2012. They have also been involved in numerous environmental projects in Southern Africa including rock phosphate projects.
- **Construction of Porto de Caio in Cabinda is proceeding rapidly.** Construction of the dry areas of the port is well underway including a large industrial area. Three dredges are scheduled to commence development of the quay and channels.
- **Appointment of Ausenco to deliver the BFS for the Cabinda Project.** Ausenco has relevant and recent experience in rock phosphate processing in West Africa. They will complete the work in conjunction with G Mining Services Inc., who will provide the geological and mining studies, and Golder Associates who is responsible for the geotechnical and hydrogeological studies.
- **Manager Geology and Business Development appointed.** Rebecca Morgan is a qualified geologist and mining engineer with 15 years' experience in the mining industry. She has extensive knowledge in dealing in West Africa across several commodities and speaks Portuguese.

PLANNED ACTIVITIES FOR CABINDA PROJECT -DECEMBER 2016 QUARTER:

Stage 1 of the BFS is on schedule to complete the selection of the preferred beneficiation route and shipping logistics by February next year to feed into Stage 2 of the BFS. Critical path activities for Stage 2 of the BFS are also underway including, ESIA, hydrological and geotechnical studies.

Beneficiation Testwork and Process Design

The BFS scope was divided into two stages. Stage 1 is the completion a Trade-Off study to select the beneficiation route that will optimise the whole of resource outcome for the Cacata deposit. The Trade-Off study will compare the following 800,000tpa production scenarios:

- 5 years of drying and sizing followed by 10 years of scrub screen and flotation,
- 10 years of scrub and screen followed by 5 years of scrub screen and flotation.

Two 6 tonne bulk samples for the drying and sizing testwork have been air freighted to two equipment suppliers in the USA, and a 10 tonne bulk sample has been freighted to Mintek in South Africa for scrub and screen pilot plant testwork. The testwork will optimise the flowsheets for each option and provide product samples for potential customers in the last quarter of 2016.

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Preliminary feedback from both dry and wet beneficiation testwork is encouraging. The dry beneficiation is exceeding expectations in simplicity, recovery and product grade, which will impact capital and operating costs quite significantly. The process design input on the wet beneficiation route is indicating a simplified flowsheet, which will also reduce capital and operating costs. It is anticipated that both the dry and wet beneficiation testwork will be completed in November.

Port logistics evaluation

Ausenco have completed an evaluation of Porto de Caio and concluded that a rotating container system offers the most economic and flexible solution for Cacata. In the December quarter, an appraisal will be undertaken by the JV partners to decide whether the existing port at Pointe Noire should be considered as a short term shipping solution based on the likely delivery dates of Cacata and Porto de Caio in Cabinda. The rotating container system will be suited to both ports and can be easily relocated if required.

Geotechnical

Engineers from Golder Associates have completed test pits on potential tailings dam locations as well as the preferred beneficiation site location. The geotechnical conditions for the pit walls are not considered by Minbos to be an issue as the open pit will be both wide and shallow and the impact of pit wall angle should have minimal impact on the economics of the project.

Hydrogeology

Site investigations by Hydrogeologists from Golder Associates have confirmed that the orebody will require initial dewatering but that it is unlikely any substantial aquifers feed into the porous sands of the Cacata orebody. Therefore, suggesting that recharge will not be significant, and maintenance of water levels should be relatively straight-forward.

A Lidar survey will be completed in the coming months to provide detailed RL data for the mine and infrastructure locations and also to establish the drainage patterns of the nearby rivers.

Geology and Mine Planning

The initial feedback session with GMining (the BFS mining consultant) will take place in late October 2016 to discuss the beneficiation testwork results, as well as mine dilution and ore loss factors. Mine scheduling is to be undertaken using the existing May 2013 Cacata Mineral Resource Estimate to determine the quantity of scheduled tonnes for both the dry and wet beneficiation routes before a shift to a flotation circuit is required. These results will feed into the beneficiation Trade-Off study.

In addition, GMining will make recommendations for an infill drill program planned at Cacata for 2017. The drill method, drill spacing, analytical density and metallurgical composites will be planned to optimise the performance of the chosen beneficiation route.

Flora and Fauna

Prime Resources have completed a field visit and encountered less flora and fauna than expected from the initial Desktop Study surveys. This is mostly attributed to an expansion of small scale Kasava agriculture in the area. Prime Resources will be responsible for the drainage studies completed on the back of the Lidar survey.

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CABINDA PROJECT BFS COST AND SCHEDULE

Cash calls issued and paid during the quarter amounted to USD 800,000 (Minbos 50% share USD 400,000). Total cash calls for the BFS up to date is USD 1,300,000.

The final budget and schedule for the BFS will be determined at the completion of the Trade-Off Study in February 2017.

PRIME RESOURCES TO COMPLETE ESIA FOR CABINDA PROJECT BFS

Prime Resources is a South African based group of consulting environmental scientists and engineers that was established in 2003. The group has completed an array of projects in Southern Africa including rock phosphate and other projects in Angola.

Prime Resources completed the Environmental and Social Baseline Report for the Cabinda Desktop Study in 2012 and will build on the knowledge and data compiled in that study to complete the ESIA. The study will be completed in accordance with the Equator Principles which have been formally adopted by 70% of financial institutions covering international Project Finance debt in emerging markets. Prime Resources will coordinate with Ausenco (BFS Engineer) to deliver a seamless document for Angolan Approvals and Project Financiers.

During the Trade-Off Study Prime Resources will focus on baseline data gathering and will then refine its study in line with the selected beneficiation route

APPOINTMENT OF AUSENCO TO DELIVER THE BFS

Ausenco was selected for its recent and relevant experience in rock phosphate processing in West Africa. Competitive proposals were sought from a number of Tier 1 engineering groups.

Ausenco has bid in conjunction with G Mining Services Inc., who will complete the geological and mining studies, and Golder Associates who will be responsible for the geotechnical and hydrogeological studies. Ausenco has nominated Mr John Riordan as Project Manager. John is an accomplished Process Engineer including extensive experience dealing in Africa. John is now based in Perth but spent several years working in Israel with members of the Cabinda Project technical team.

MANAGER GEOLOGY AND BUSINESS DEVELOPMENT APPOINTED

Rebecca Morgan is a qualified geologist and mining engineer with 15 years' experience in the mining industry. She has extensive knowledge in dealing in West Africa across several commodities and speaks Portuguese.

The key responsibilities of the role will be to:

- Ensure the best possible geological input into the current Bankable Feasibility Study
- Develop the corporate mineral asset knowledgebase to serve customer requirements, and
- Evaluate complimentary phosphate assets in West Africa.

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CORPORATE

EQUITY

The Company currently has 2,073 billion shares on issue and 696,6 million unlisted options.

CASH

At 30 September 2016, the Company had consolidated cash reserves of \$1,024million

INTEREST IN MINING LICENCES

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
014/04/09/T.P/ANG.MG M.2015	Exploration	50%	Cabinda Province, Angola
015/01/10/T.P/ANG.MG M.2015	Exploration	50%	Cabinda Province, Angola
E08/2335	Exploration	100%	Carnarvon Shire, Western Australia
E08/2336	Exploration	100%	Carnarvon Shire, Western Australia

ENDS

For further information, please contact:

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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. Through its subsidiaries and joint ventures, the Company is exploring approximately 200,000ha of highly prospective ground hosting phosphate ore.

Minbos is focussing on the development of the high grade Cacata deposit that forms part of the Cabinda Project 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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

MINBOS RESOURCES LIMITED

ABN

93 141 175 493

Quarter ended ("current quarter")

30 September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation ⁽¹⁾	(607)	(607)
(b) development	-	-
(c) production	-	-
(d) staff costs (including director fees)	(157)	(157)
(e) administration and corporate costs	(158)	(158)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	13	13
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(909)	(909)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities ⁽²⁾	325	325
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	325	325

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,608	1,608
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(909)	(909)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	325	325
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,024	1,024

Mining exploration entity and oil and gas exploration entity quarterly report

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	75	857
5.2 Call deposits	949	751
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,024	1,608

- (1) In total, \$537,000 (US\$400,000) of the exploration expenditure relates to Minbos paying its 50% share of a cash call for the Cabinda Project BFS.
- (2) During the previous quarter, Minbos provided a short term loan of US\$250,000 to joint venture partner Petril Projects Ltd ('Petril') for their share of the cash call. Petril repaid this loan during the current period with 10% interest.

6. Payments to directors of the entity and their associates

	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	70
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

6.1 - \$27,000 paid in Director Fees, \$39,495 paid under the Sofosa Services Agreement to a Director related entity and \$3,067 paid in legal fees to a Director related entity.

7. Payments to related entities of the entity and their associates

	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

-

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

-

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	400
9.2 Development	-
9.3 Production	-
9.4 Staff costs	108
9.5 Administration and corporate costs	120
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	628

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
Company secretary

Date: 27 October 2016

Print name: Stef Weber

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.