

28 April 2017

ASX Code: MNB

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ASX ANNOUNCEMENT

QUARTERLY ACTIVITIES REPORT – 31 MARCH 2017

Minbos Resources Limited (**Minbos or the Company**) is pleased to present its quarterly report for the period ended 31 March 2017.

HIGHLIGHTS:

- **Appointment of General Manager Marketing and Sales** - Mr Erwin has an in-depth knowledge and understanding of the global phosphates industry with more than 30 years' global experience in phosphate sales and trading.
- **BFS Update** – Ausenco has concluded that both Dry and Wet beneficiation are technically viable solutions. Dry beneficiation has an upfront US\$25M capital advantage offset by an additional 3-5 years of mine life using Wet beneficiation. The flowsheets are complementary and it will be simple to add a wet circuit to take advantage of the lower upfront capex and longer mine life.
- **Cacata Mine Optimisation Studies** – This showed that an infill drill program will allow more specific search parameters and geological domaining which is expected to increase the high grade (>30% P2O5) proportion of the existing resource.
- **Market study** – CRU Consulting concluded the beneficiated rock phosphate will have an in-use value of 100-110% of the Moroccan benchmark rock phosphate.

LOWLIGHTS:

- **Merger with Angolan JV Partner** – has progressed at a frustratingly slow pace. A binding share sale agreement is almost finalised however a notice of meeting to approve the merger is unlikely to be issued before late May or early June.
- **BFS Assumptions** – Ausenco identified that the economic assumptions imposed by the Mongo Tando Project Management Team for energy and port charges are between 50% and 300% higher than global benchmarks and make absolute economic evaluations pointless.
- **Project Management** – The Project Manager's contract has been terminated and new management will be engaged when the Merger is completed.

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CACATA BFS UPDATE

Phase 1 of the Bankable Feasibility Study has been completed. The primary objective was to evaluate alternative beneficiation methods. Ausenco has concluded that process guarantees can be provided for Dry and Wet Beneficiation. The key comparatives between the two routes were identified as:

- Dry Beneficiation has a U\$25M upfront capex advantage because a wet tailings circuit and tailings disposal facility are not required.
- Wet Beneficiation has a 3-5 year mine life advantage because it can treat lower grade ores.
- Dry Beneficiation produces a higher grade product at a higher recovery because it is treating better grade ores.
- Operating costs for both routes were similar.

Mine Optimisation Studies showed that infill drilling will allow the search parameters and geological domaining of the resource model to be improved as a result it is expected the proportion of higher grade (>30% P2O5) ore estimated within the existing resource envelope will increase.

Process Flowsheet Development concluded that the Dry and Wet Beneficiation flow sheets are complementary. Both Dry and Wet require a Grizzly Sizer block at the front end and a Product Drying block at the back end. A Dry Beneficiation plant can easily be designed to allow the subsequent inclusion of a Wet Scrubbing and Screening block between the ore feed and product blocks.

In light of these positive outcomes from Mine Optimisation and Flowsheet Development, Phase 2 of the BFS will be designed to capture the upfront capex advantages of Dry Beneficiation and the longer mine life benefits of Wet Beneficiation.

Ausenco based the Trade Off Study operating costs on assumptions provided by the Project Manager for energy and port charges that are respectively 50% and 300% higher than global benchmarks. The operating cost estimates were further impacted by the Project Manager imposing feed moisture contents 50% higher than the testwork results. These issues will be addressed in Phase 2.

PLANNED ACTIVITIES FOR CABINDA PROJECT - JUNE 2017 QUARTER

Planning is underway for Phase 2 of the BFS. Major work programs will commence once the Merger has been completed.

MERGER WITH ANGOLAN JV PARTNER

The Merger with Angolan JV Partner, Petril has taken much longer than anticipated. The binding Share Sale Agreement is almost finalised. Once signed this will allow a Notice of Meeting to be lodged for shareholder approval of the Merger.

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APPOINTMENT OF MIKE ERWIN AS GENERAL MANAGER MARKETING AND SALES

Mr Erwin who commenced on 1 February 2017 has an in-depth knowledge and understanding of the global phosphate industry. He has more than 30 years' experience in global senior management roles in Australia, New Zealand, USA and the Middle East. Previous positions include General Manager Business Development and Marketing for Minemakers (now Avenir) and General Manager for fertilizer trading companies in the Middle East.

Mike was an owner and CEO of a marketing and logistics agent for international fertilizer commodity companies, including the largest global marketer of bulk sulfuric acid to the fertilizer and mining industries, and a West African Rock Phosphate producer. His experience will be invaluable as Minbos commence engagement with target customers with a view to procuring sales agreements to underpin financing later this year

The key responsibilities of Mr Erwin's role will be:

- Management of initial product sample program with key customers.
- Securing letters of intent/MOU's and offtake contracts from global rock phosphate buyers and managing of shipping and agency agreements.
- Develop Minbos' marketing strategy for its projects in Africa.

CORPORATE

EQUITY

The Company currently has 2.458 billion shares on issue and no unlisted options.

CASH

At 31 March 2017, the Company had consolidated cash reserves of \$3.6 million.

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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
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 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 over 200,000ha of highly prospective ground hosting phosphate bearing sediments. Minbos is currently focussing on the development of the high grade Cacata deposit that forms part of the Cabinda Project

On completion of the merger with Petril Phosphates Ltd (**Petril**) Minbos will have three 3 phosphates projects in Angola. In addition to holding 100% of the Cabinda Project, the Company will also add to its portfolio the Lucunga and Pedro de Feitico projects in the Zaire Province of Northern Angola.

The Company's strategy is to specifically target the exploration and development of low cost fertiliser-based commodities 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")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(270)	(1,063)
(b) development	-	-
(c) production	-	-
(d) staff costs (including director fees)	(199)	(502)
(e) administration and corporate costs	(147)	(474)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	25	43
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (Merger Costs)	(101)	(137)
1.9 Net cash used in operating activities	(692)	(2,133)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(18)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	-	325
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash (used in)/from investing activities	(1)	307

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	3,850
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	(12)	(12)
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 (used in)/from financing activities	(12)	3,838

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,325	1,608
4.2	Net cash used in operating activities (item 1.9 above)	(692)	(2,133)
4.3	Net cash used in investing activities (item 2.6 above)	(1)	307
4.4	Net cash (used in) / from financing activities (item 3.10 above)	(12)	3,838
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,620	3,620

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	13	96
5.2 Call deposits	3,607	4,229
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)	3,620	4,325

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	150
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 - \$33,000 paid in Director Fees, \$79,853 paid under the Sofosa Services Agreement to a Director related entity and \$37,113 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	600
9.2 Development	-
9.3 Production	-
9.4 Staff costs	210
9.5 Administration and corporate costs	100
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	910

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	12908(DRC*) 12910(DRC*) 12911(DRC*)	Mining exploration tenements that lapsed 3 February 2017	49% 49% 49%	- - -
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

*-Means Democratic Republic of Congo

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: 28 April 2017

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.