Annual Report

For the year ended 30 June 2014

Minbos Resources Limited

ABN 93 141 175 493

Contents

Corporate Directory

Directors & Officers
Mr Damian Black - Executive Director
Mr Peter Wall - Non-Executive Chairman
Mr Domingos Catulichi - Non-Executive Director
Mr William Oliver - Non-Executive Director

Mr Lindsay Reed - Chief Executive Officer
Ms Paige Exley - Company Secretary

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Domicile and Country of Incorporation
Australia

Australian Company Number
ACN 141 175 493

Australian Business Number
ABN 93 141 175 493

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Securities Exchange
Australian Securities Exchange Limited (ASX)
Home Exchange - Perth
ASX Code - MNB (Ordinary Shares)

Chairman's Address

Dear Shareholders,

On behalf of the Directors, I am pleased to present to you the Annual Report for Minbos Resources Limited ("**Minbos**" or "**the Company**") for the year ended 30 June 2014.

The financial year ended 30 June 2014 has been a challenging year for many exploration and mining companies who rely on capital raising through debt or equity funding to continue their exploration and development activities. The equity investment market has contracted significantly and even quality projects, which I firmly believe ours are, have not been guaranteed funding. As a result, Minbos' share price has declined steadily to disappointingly low levels and I know our shareholder base has been concerned at this trend.

I wish to assure shareholders that a prime focus of the Board during the year has been sourcing suitable funding through debt and equity offers to meet the immediate needs of our flagship phosphate project in Angola.

The past 18 months has been a period of significant change and re-generation for the Company in many ways. The business has been strengthened through a restructuring of both our operational capability and Board and executive capability.

During the year, the Company welcomed Mr Bill Oliver, Mr Damian Black and myself to the Board of Minbos. Mr Peter Richards, Mr Scott Sullivan and Mr David Reeves resigned from the Board during the year and we extend thanks to them for taking the operations to this point. The Company has also recently welcomed Mr Lindsay Reed to the role of Chief Executive Officer, whose strong African experience will substantially boost the Company's expertise and capability. We will continue to seek to strengthen the Board as we move forward, ensuring we have the right team in place to oversee the development of the phosphate assets.

The previous 12 months has also seen a heightened focus on cost reduction initiatives, to reduce our fixed cost base whilst the projects are in feasibility stage. This includes a reduction in our African employee base by 75%, a reduction in our Australian and African office costs, and the rationalisation of our logistics functions. We have also improved our governance throughout all levels of the Company. As a result of these measures, I believe we are now in the best possible shape to move forward with our exciting projects.

We will continue to attempt to divest our non-core interest in Kanzi Project located in the Democratic Republic of the Congo (DRC). Some progress has been made in this regard, but it is a slow moving and difficult process.

The Cabinda project in Angola is awaiting the renewal of its Exploration Permits before proceeding with the bankable feasibility study (BFS). The Government of Angola is processing the renewal under the country's new mining code, with this process taking longer than initially anticipated. However, the project is well placed and we expect the renewal process to conclude within the short term with funding being finalised thereafter to move the project forward to BFS.

We look forward to an exciting year ahead. I thank our loyal staff for their dedication throughout the last year and I thank you, our shareholders, on behalf of the Board for your support and continued belief in the Company.

Yours sincerely,

Mr Peter Wall
Non-Executive Chairman

Review of Operations

1. GROUP OVERVIEW

Minbos Resources Limited ("Minbos" or "the Company") was incorporated on 17 December 2009 and listed on the Australian Securities Exchange ("ASX") on 18 October 2010 (ASX code: MNB). Minbos is a company limited by shares that is incorporated and domiciled in Australia. The information presented in this section is applicable to the year ended 30 June 2014 and up until the date of this report being lodged with the ASX.

Minbos is an exploration and development company with its focus on phosphate bearing deposits within the Cabinda Province ("Cabinda") of Angola, the adjoining areas of the far western Democratic Republic of the Congo ("DRC") and minor tenement holdings in Australia. Through its subsidiaries and joint ventures, the Company is developing the high grade Cacata project, seeking to divest its Kanzi project and continuing to explore over 400,000 ha of highly prospective ground hosting phosphate bearing deposits.

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, in tandem with growing pressure on food producers to improve the productivity of existing arable land.

(a) Highlights

The highlights during the financial year include:

Board appointments – Minbos appointed a new Non-Executive Chairman, Mr Peter Wall, a new Executive Director, Damian Black, and a new Non-Executive Director, William Oliver.

Capital Raising – Minbos secured a convertible note facility for up to $800,000 managed and arranged by CPS Capital Group. In June 2014, Minbos made an offer for a renounceable pro-rata entitlement issue to shareholders of two shares for each share held at $0.003 per share ("Rights Issue") and following the end of the financial year, successfully raised $1.6 million pursuant to the Rights Issue and Rights Issue shortfall.

Future asset divestment – Minbos signalled its intention to divest its assets in the DRC. To date, the Group has completed a Scoping Study which has confirmed positive potential economic returns and has delineated an Indicated Resource of 58.5Mt at 14.2% P_2O_5, in accordance with JORC guidelines. First Rights of Refusal have been offered to its joint venture partner, Allamanda Trading SPRL. Allamanda have not formally responded on their rights of first refusal but have indicated they are interested in acquiring Minbos' assets and had engaged in early discussions but no material progress has been made to date.

Tenement acquisition – Minbos acquired two mining tenements in the Carnarvon Shire of Western Australia which are prospective for phosphate.

Cabinda resource upgrade – Minbos reported an overall tonnage increase of 87.2Mt which is an increase of 28.7% of the total resources for the Cabinda Project, with contained Phosphate increase of 4.1% overall. Refer below to Table 1 for more information on the Group's resources.

Performance milestone confirmed – Minbos received the Final Coffey report in relation to the Cabinda resources which confirmed a resource tonnage of 391.3 million tonnes at an average grade of 9.2% which exceeded the conversion factor required for the release of 25,000,000 ordinary shares to the vendors of the Cabinda project, which were voluntarily escrowed pending the final resource results.

Since listing, Minbos has moved from an exploration company to a company that has a key project in development stage plus a substantial resource. This work confirms that Minbos is on track to achieving its goal of becoming a low capex and opex phosphate rock producer and exporter.

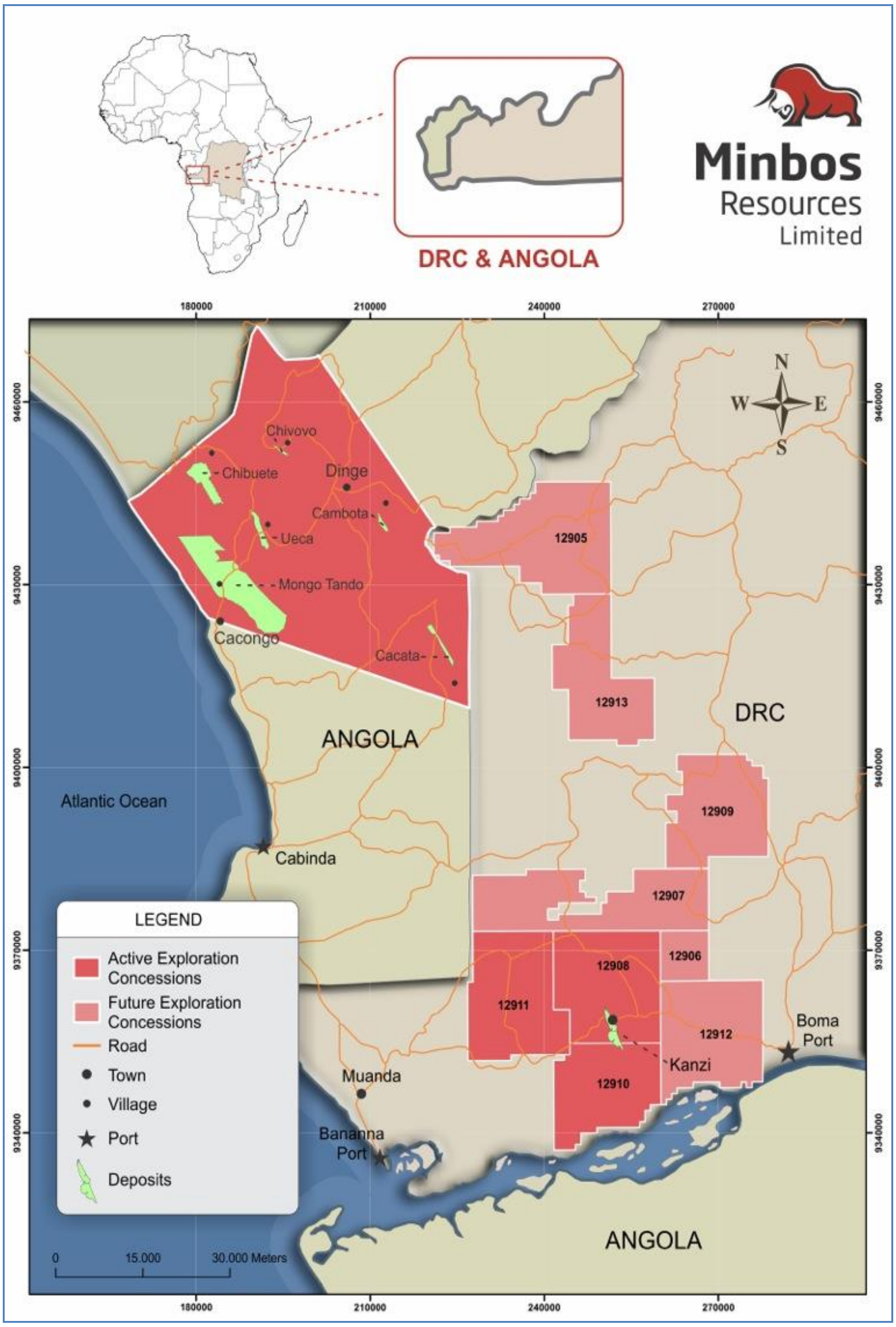
Review of Operations

Projects

Minbos holds a significant concession area of circa 400,000 ha in the Congo Basin running from Cabinda, Angola to Western DRC. The key projects in Africa include, as shown in **Figure 1**:

- Cabinda Phosphate (50% interest) - Includes Cacata, Mongo Tando, Chibuete, Chivovo and Ueca deposits with historical and/or current exploration data.
- Western DRC Phosphate (49% interest) - An interest in the Kanzi deposit which has both historical and current exploration data and an option on the Fundu-Nzobe deposits which has historical exploration data.
- Western Australia Phosphate (100% interest) – Two mining tenements prospective for phosphate.

Figure 1: Phosphate Projects



Review of Operations

(b) Resources

Minbos has delineated a substantial resource of 449.8Mt @ 9.8% P_2O_5. Within this resource, two high grade projects have been identified at the Cacata and Chivovo Deposits. A summary of JORC resources is shown in **Table 1**.

Table 1: JORC Resources

Deposit	Category	Tonnes (Mt)	Grade (% P_2O_5)	Cut-Off (% P_2O_5)
Cabinda, Angola				
Cacata	Measured	5.0	23.0	5.0
	Indicated	10.2	25.3	5.0
	Inferred	11.8	8.8	5.0
Mongo Tando	Indicated	24.8	11.5	5.0
	Inferred	184.0	8.0	5.0
Chivovo	Indicated	6.5	20.5	5.0
Chibuete	Inferred	149.0	8.3	5.0
Total		**391.3**	**9.2**	**5.0**
Kanzi, DRC				
Kanzi	Indicated	58.5	14.2	5.0
Grand Total		**449.8**	**9.9**	**5.0**

2. CABINDA PROJECT

(a) History and Ownership

The Cabinda licence area covers an area of approximately 200,000 ha and all the known and historically explored phosphate Prospects in Cabinda, Angola.

Historical work was completed by Companhia de Fosfatos de Angola ("COFAN") during the period 1969 to 1973 and then during the early 1980's by Energo from Bulgaria. The work included over 45,000 metres of drilling, which identified six deposits within the licence area and preliminary beneficiation test work.

The Cabinda exploration permit (006/06/01/L.P./GOV.ANG.MGM/2010) is held by joint venture company, Mongo Tando Lda ("MTL"). MTL is owned (via local subsidiaries) 50% by Minbos and 50% by Petril Projects Ltd. The Cabinda exploration permit validly expired 20 January 2013 and the joint venture has sought renewal of the permit with the Angola Government, which is processing the licence renewal under the new Angolan Mining Code. As at the date of this report the license has not been renewed. The Board has no reason to believe that the licence will not be granted nor that the licence approval process is not progressing. However, there is a risk that the renewal could take additional time or may not be renewed resulting in Minbos not being able to realise the investment at amounts stated in this report.

The Cabinda licence area contains six exploration projects: Mongo Tando, Chibuete, Ueca, Cacata, Chivovo and Cambota (as shown in **Figure 2** below). The most advanced of these projects is the high grade Cacata Project.

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Minbos has classified the Projects within Cabinda into two distinct categories:

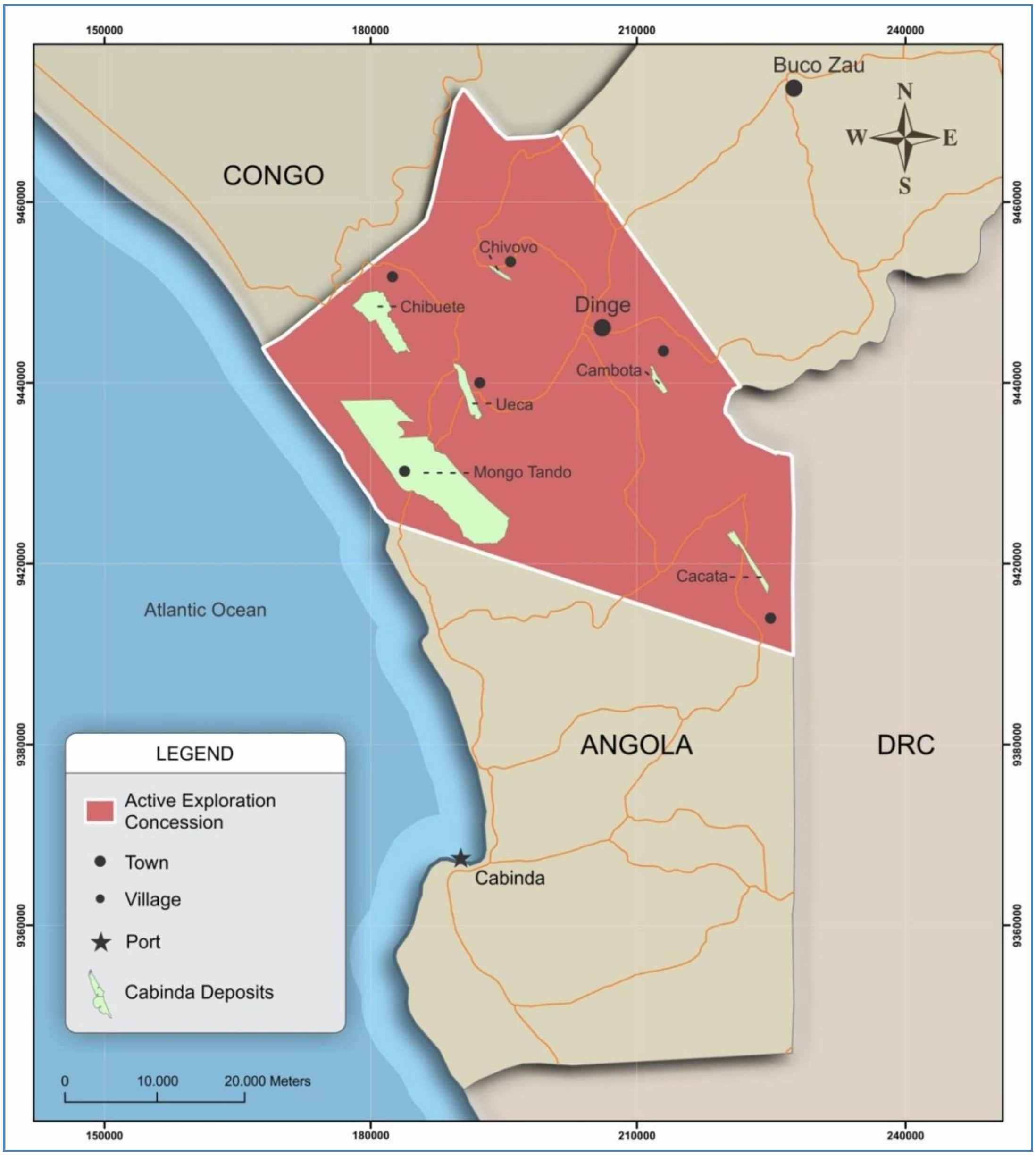
- ***Eastern Limb Deposits***

Cacata, Chivovo and Cambota make up the Eastern Limb deposits. These deposits are smaller than those of the Western Limb but contain substantial tonnages above 20% P_2O_5. The Cacata Project is the focus of the exploration activities and is now at the Definitive Feasibility Study phase.

- ***Western Limb Deposits***

Mongo Tando, Chibuete and Ueca make up the Western Limb deposits. These deposits are characterised by large tonnage and make up the bulk of the current overall resource estimate.

Figure 2: Map of Cabinda Exploration Permit



Review of Operations

Cacata deposit

The Cacata deposit lays on the Eastern most boundary of the exploration permit in Cabinda and currently has a Measured Mineral Resource at 5.0Mt @ 23% P_2O_5 and an Indicated Mineral Resource at 10.2Mt @ 25.3% P_2O_5. The high grade nature of the deposit and its excellent location (close proximity to infrastructure and the coast) meant that it became the focus of a near term development project for Minbos.

Cacata Scoping Study

During 2012, the joint venture company, Mongo Tando Limited, completed a scoping study to assess the economics of developing a standalone phosphate rock export operation to produce 0.8Mtpa of phosphate rock concentrate over a 10 year life of mine ("LOM").

The scoping study delivered the following positive results[1]:

- Operating costs of USD $57.23 per tonne free-on-board ("fob") of phosphate rock;
- Capital cost estimate of USD $157m, based on owner operated mining, road haulage and ship loading;
- Strong opportunity to further reduce capital and operating costs during the Bankable Feasibility Study (BFS);
- IRR of 40.2 % (pre-tax); and
- NPV of USD $311m (pre-tax) at a 10% discount rate based on the prevailing Rock Phosphate price at the time of preparing the scoping study of US $180 per tonne.

General

The scoping study is based on the JORC high grade Indicated Mineral Resource announced in April 2012 of the Central and Northern sections of the Cacata deposits and demonstrates the robust nature of the Cacata high grade project.

Mining

Coffey Mining ("**Coffey**") was commissioned to conduct an evaluation of the viability of mining the high grade portion of the Cacata deposit. The Coffey report concluded that using a truck and shovel approach the high grade portion of Cacata could be mined at a 1.2 million tonnes per annum ("**Mtpa**") of Run of Mine ("**ROM**") at a strip ratio of 1.74:1 (waste to ROM) and a ROM bench height of 3.7m.

The economical evaluation was based on the mining equipment being purchased and operated by the owner and a conservative allowance for availability and utilization. Coffey have also made allowances for replacement capital during the 10 year LOM.

Coffey have derived costs from first principles and their experience in West Africa mining projects that:
- the initial Capex would be USD $9.5m and
- the average mining cost of USD $5.72/t phosphate rock produced.

Processing

DRA Minerals Projects ("DRA") was commissioned to conduct a technical and financial evaluation of the viability of processing the high grade portion of Cacata. The basis for the evaluation was a mineral processing test work campaign carried out by Mintek Laboratories ("Mintek") on a sample supplied by MTL from the recent PQ diamond drilling campaign.

[1] Amounts quoted are for 100% of the Project. Minbos currently owns 50% of the project, with the remaining 50% held by Petril Projects Ltd.

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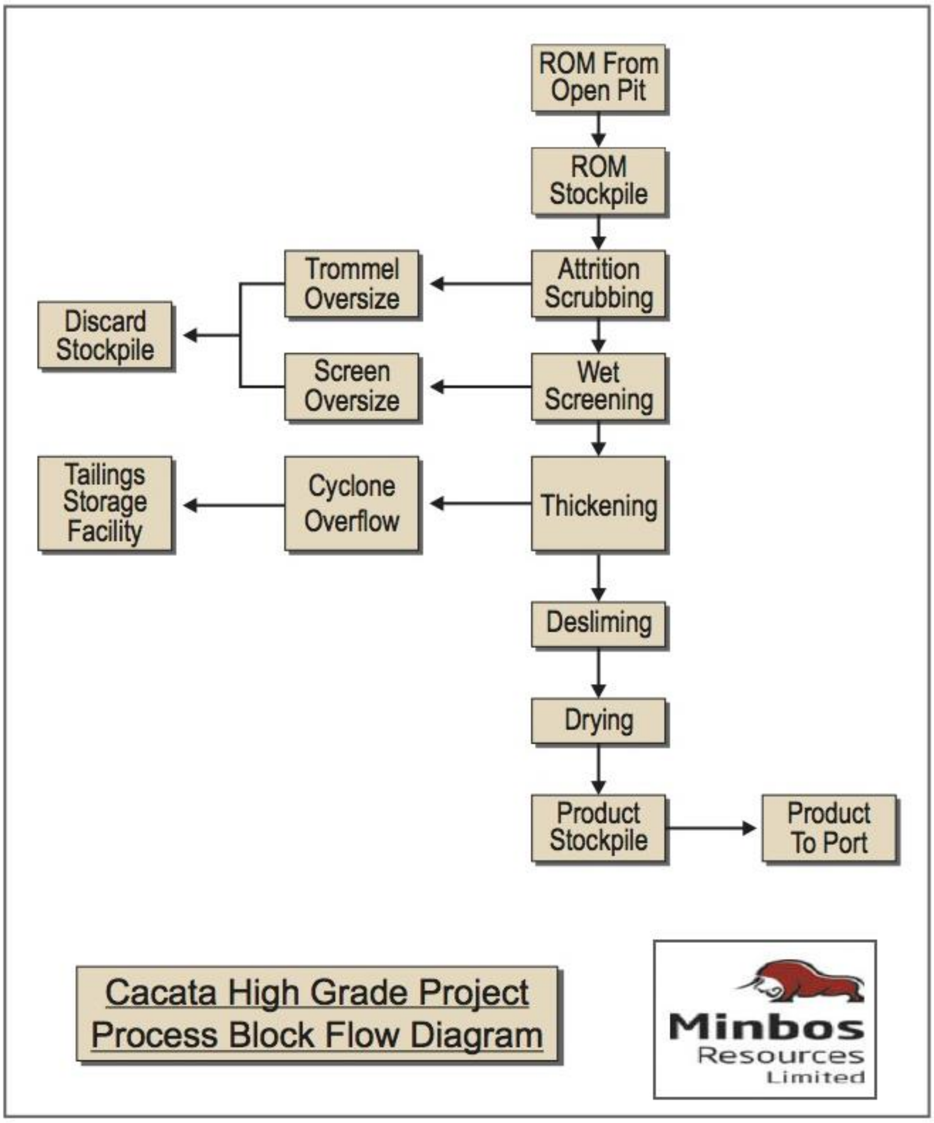
The processing route is a basic washing and selective screening operation which by its nature is a low energy consumer and operator friendly. The processing route as shown in **Figure 3** is as follows:

- the ROM is passed through an attrition scrubber to remove lumps and clay agglomerates;
- the attrition scrubber discharges over a desliming screen;
- the screen undersize (-2.36mm) is further deslimed and the oversize (+2.36mm) is discarded;
- the - 2,36mm + 106 micron phosphate rock is de-watered in a vacuum belt filter and then passed through a rotary drier to produce a 2 - 3% moisture content phosphate; and
- the concentrate grade is expected, based on the Mintek test work, to be relatively high grade i.e., above the Moroccan benchmark grade of 32 - 33% P_2O_5.

Figure 3: Process Flow Diagram



DRA have derived costs based on their internal data base and experience in African mining projects that:

- the capex would be USD $54.8m; and
- the operating cost would be USD $25.12/t of phosphate rock recovered.

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Tailings Storage Facility

SRK Consulting ("**SRK**") was commissioned to conduct a technical and financial evaluation of establishing a 1.0mtpa tailings storage facility ("**TSF**"). SRK derived costs based on their internal data base and experience in African mining projects which indicate that:

- the capex would be USD $6.8m; and
- the operating cost would be USD $0.50/t of phosphate rock recovered.

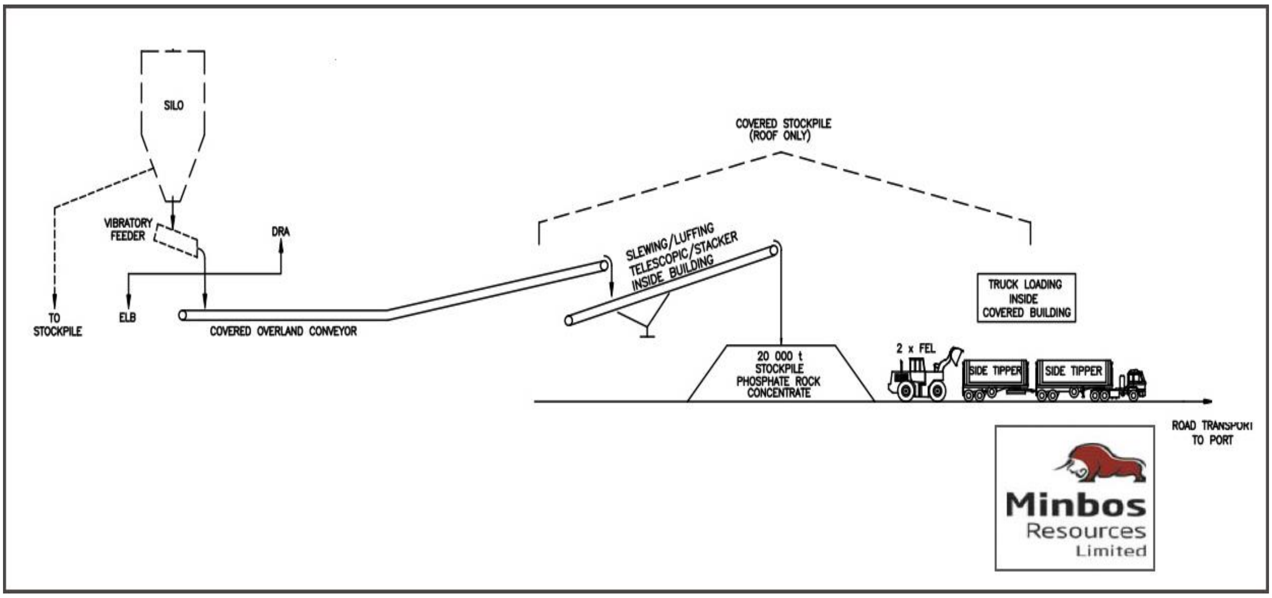
Phosphate Rock Transport and Ship Loading

Ports of Africa ("**POA**") was commissioned to conduct a technical and economic evaluation of the viability of the logistics of transport by road and ship loading of 1.0mtpa of phosphate rock from the Cacata processing plant to a new ship loading site located 7km from the town of Cacongo.

As part of the Scoping Study, POA carried out a data collection exercise, made a site visit to review potential port sites and assessed existing infrastructure. Based on this and their experience in Africa POA proposed that:

- a 20kt phosphate rock covered bulk storage and truck loading facility will be required at the processing plant site, as shown in **Figure 4**;

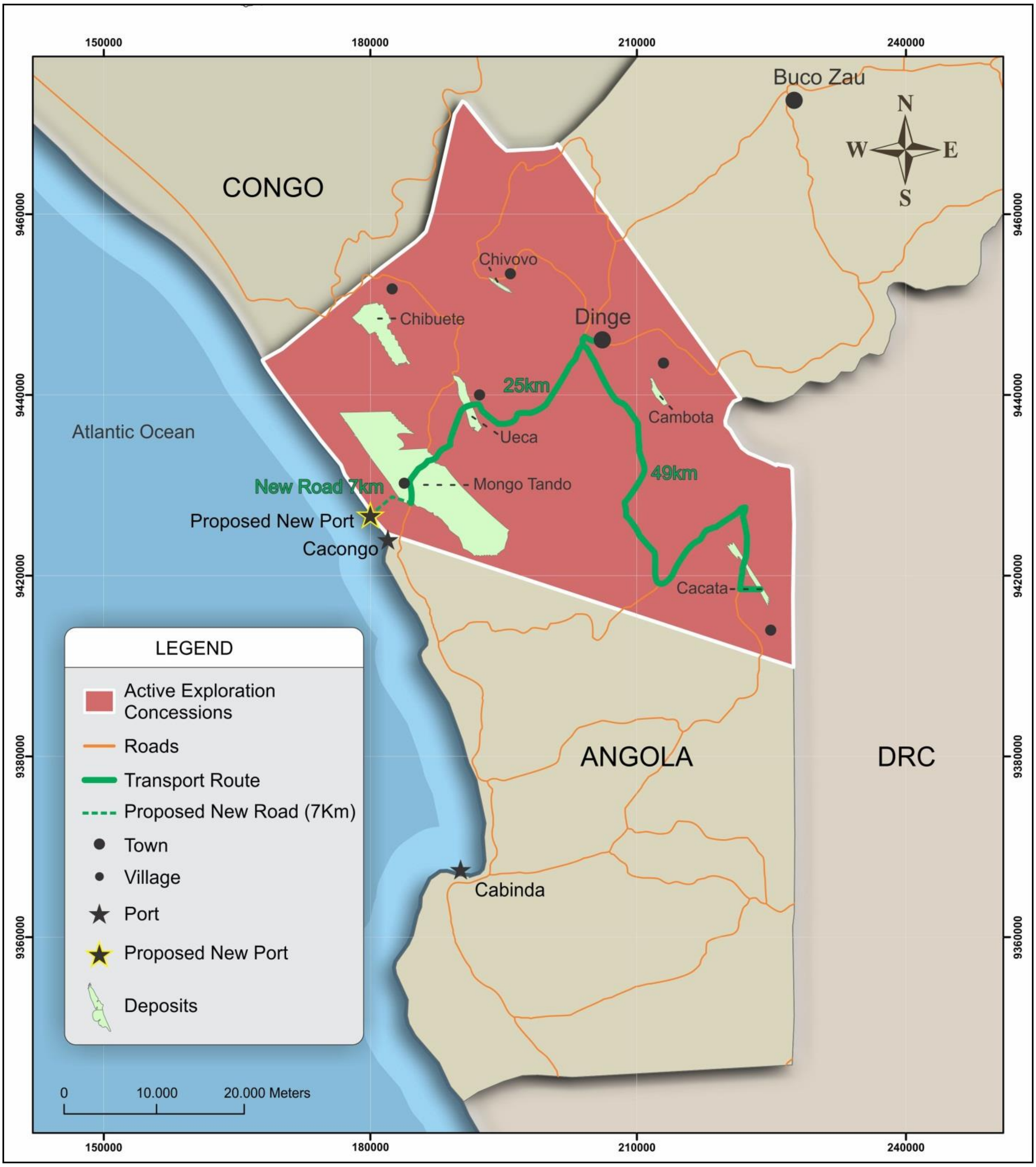
Figure 4: Bulk Storage & Bulk Loading Facility



- the phosphate rock product will be transported on existing tarred roads to a new port site just north of the coastal port town of Cacongo, 90km from the Cacata deposit, (as shown in **Figure 5**); and

Review of Operations

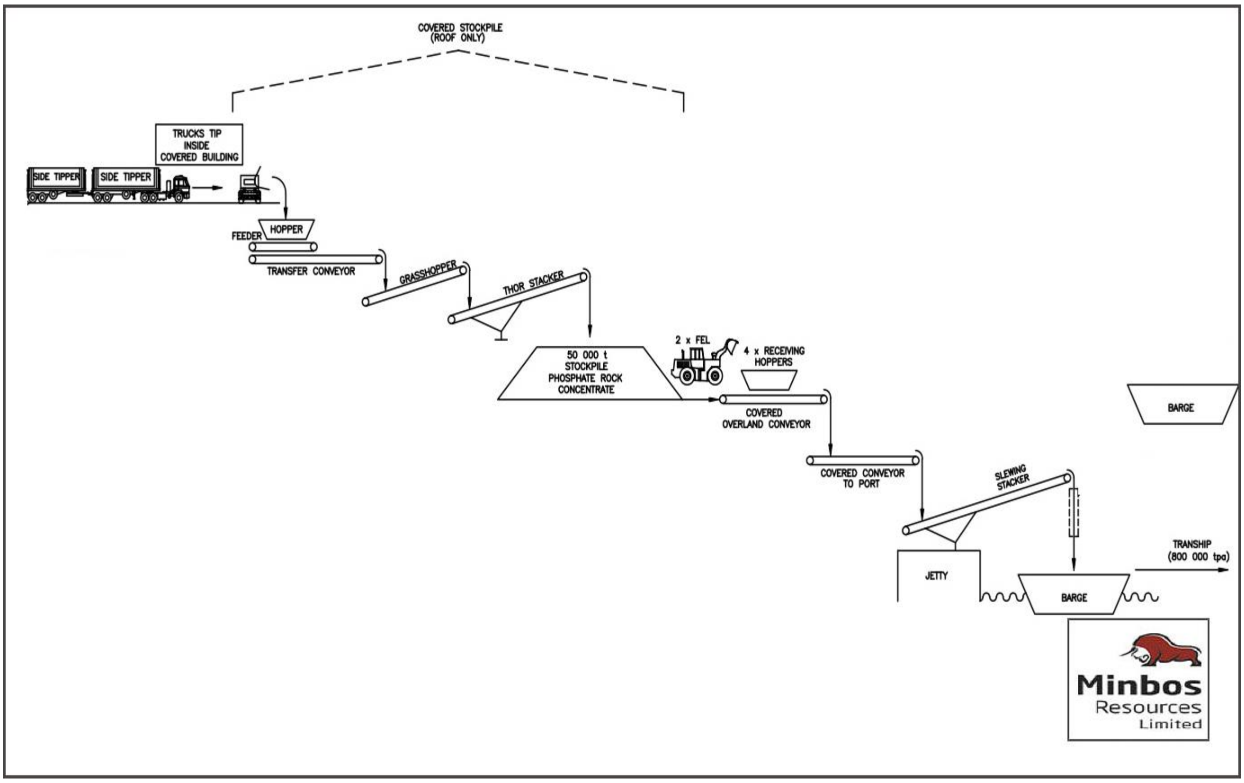
Figure 5: Transport Route from Cacata High Grade Project to New Loading Site Change Map



- at the new port site a 50kt covered bulk storage and loading facility to load low draught 5,000t barges will be required and these barges will load bulk vessels (e.g. Panamax) anchored offshore (as shown in **Figure 6**).

Review of Operations

Figure 6: Bulk Storage and Barge Loading PFD



POA has derived costs from their internal database of projects and experience in African mining projects which indicated that:

- the capex would be USD \$22.5m for the construction of the product handling, storage and loading equipment at the Cacata mine site and the purchase of road trucks;
- the capex would be USD \$57.5m for the construction of the new port area loading equipment and the purchase of marine fleet;
- the operating cost would be USD \$13.63/t for road transport of phosphate rock from Cacata mine site to new port area; and
- the operating cost would be USD \$3.25/t for ship loading of phosphate rock.

Infrastructure

The following infrastructure has been allowed for in the capex:

- offices;
- power generation (5 mw) by diesel generators;
- 7km of new tarred road and internal haul roads;
- water reticulation;
- housing recreation and messing facilities;
- workshops for mining, processing, phosphate rock, transport and ship loading;
- security and fencing;
- fire fighting;
- change houses;
- sewerage disposal;
- communications and IT; and
- fuel storage.

Review of Operations

Capital Cost

The total capital cost has been estimated at USD $157.1m (including EPCM and contingency) as detailed below in **Table 2**:

Table 2: Capital Costs

Description	Cost USD $m
Mining	$9.5
Processing Plant	$54.8
Tailings Storage Facility	$6.8
Product Storage & Transport (Land)	$22.5
Product Storage & Loading (Sea)	$57.5
Owners Costs	$6.0
Total	**$157.1**

The capital cost estimate includes the purchase of the mining fleet and the road haulage fleet; this could be reduced by approximately USD $18m utilising a contract mining and road haulage fleet approach. A further possible capital cost saving could be achieved by outsourcing the Marine operation and taking advantage of a deep water port proposed by the Angolan Government at Caio in Cabinda less than 100km by road from the Cacata deposit; this will be investigated in the BFS.

Operating Costs

The cash operating cost has been estimated at USD $57.22/t FOB Cabinda of phosphate rock as follows, as shown in **Table 3**:

Table 3: Operating Costs

Description	Cost USD $/t
Mining	$5.72
Processing Plant	$25.12
Tailings Storage Facility	$0.50
Product Transport (Land)	$13.63
Product Loading (Sea)	$3.25
General and Administration	$9.00
Total	**$57.22**

The operating cost is based on owner operator road transport derived from first principles. From an initial estimate by a transport contractor, a saving is expected in utilising the contractor approach and this will be investigated during the BFS.

The operating cost is based on diesel on site power generation. A 35Mw power station is currently being constructed in Cabinda. During the BFS this option will be investigated as it could also provide an operating cost savings.

Review of Operations

Marketing and Product Pricing

At the target production rate of 0.8mtpa of phosphate rock product, the Cacata project will have a 10 year LOM. Current market analysis shows that this product will be in demand and readily absorbed by the market. Our base case analysis has assumed a selling price of USD $180/t[2] FOB Cabinda as follows:

- CRU has developed a model for estimating the likely pricing of a new phosphate rock product entering the market which has taken into consideration the phosphate rock grade, chemical characteristics and CRU's knowledge of actual phosphate rock contract provisions.
- This analysis has determined that the Cacata phosphate rock is likely to trade at an approximately 9% premium to the Moroccan benchmark price which has had an average price in 2012 of USD $193.90 per tonne and is currently trading at US$110 a significant premium to the forecast cash cost of $US 57 per tonne.

The scoping study demonstrates the robust nature of the Cacata high grade project, resulting in the immediate commencement of a BFS.

Beneficiation Testwork

During the 2013 financial year, the Company received positive results from beneficiation testwork on diamond drill core. The objective of the testwork program was to determine the cut-off grade for Cacata deposit which distinguished between material which can be upgraded by scrubbing only and that which requires milling and floatation to upgrade.

For the purposes of the scoping study, an assumption was made that the cut-off grade would be 26% P_2O_5 for “scrubable” material at a recovery of 77%.

Following the completion of the testwork, in summary, the conclusions are that:

- The material grading +23% P_2O_5 can be upgraded by wet screening and scrubbing thus potentially increasing the quantity of ‘scrubable’ material at Cacata and thereby affording the options to either increase the life of the project the mine with a basic low cost, non-flotation processing circuit, or allow the throughput and production to be increased.
- The phosphate material grading 16% to 23% P_2O_5 is upgradable by milling and floatation to +33% P_2O_5.

Phosphoric Acid Test Work

During the 2013 financial year the Company engaged leading global fertilizer company Yara to undertake test work to characterise the quality of phosphoric acid and DAP produced from Cacata Phosphate rock.

The test work demonstrated that:

- The Cacata phosphate can be successfully processed in the dehydrate phosphoric acid route. The Phosphate rock provided excellent process performance.
- The level of Cadmium is similar to that found in other commercial rocks.
- Filtration properties of the phosphoric acid slurry were excellent.
- Water soluable losses were low, enabling a total P_2O_5 efficiency in excess of 96% to be achieved, which is at the high end of the normal commercial range.
- Concentration of the weak acid to commercial merchant grade 50% P_2O_5 product was achieved.
- DAP production has high values for both N and P_2O_5 in excess of the internationally accepted standard for DAP 18:46:0

[2] Source: CRU Strategies. Cacata Scoping Study, date Jan 2012

Review of Operations

Outlook

It is expected that this project will allow Minbos to establish credibility in the global phosphate rock market and thereafter, with a robust cash flow, provide options for the development of additional projects.

The Company's confidence in the robustness of the project economics has already led the partners to commence work on several long lead items of the BFS such as diamond drilling to upgrade mineral resource estimates and environmental work at the mine and port sites.

(b) Chivovo deposit

The Chivovo Project lies within the same mineralised structure as Cacata and is in close proximity to Cacata. The high grade nature of its deposit will allow it to be assessed as a potential input into the BFS Cacata Project.

The project currently has an Indicated resource estimate of 6.5Mt @ 20.5% P_2O_5.

(c) Cambota deposit

Cambota is the third deposit identified in the Eastern Limb. Initial drill results confirm the potential high grade nature of the deposit and confirm the Company's understanding that the Eastern Limb is host to smaller but high grade deposits. Additional drilling will be carried out to further test the potential of Cambota.

(d) Future Exploration

The Cacata and Chivovo deposits are located 40km along strike from each other. Both deposits lie within what Minbos describes as an Eastern Limb geological structure and appears to host discrete, high grade deposits.

Project geologists have identified the geochemical 'signature' for Cacata and Chivovo and plan to explore the area between the two deposits during the next dry season. Importantly, the Cambota deposit has already been identified (almost half way between Cacata and Chivovo).

Review of Operations

3. DRC PROJECT OVERVIEW

(a) History and Ownership

The DRC project exploration licences and applications cover an area of approximately 200,000 hectares and host the previously drilled Kanzi and Fundu-Nzobe prospects. Historical work included approximately 4,000 metres of drilling and some initial beneficiation test-work.

The DRC phosphate prospects lie contiguous to the eastern portion of Minbos' licences in Cabinda, are a direct extension of the Cabinda prospects and local occurrences of phosphate continue across DRC towards the Congo River.

In August 2012, the Company announced the signing of a Joint Venture agreement ("JV") with Allamanda Trading Limited ("Allamanda") for the exploration and development of the Kanzi project and surrounding exploration areas in the western DRC. The JV company, Phosphalux SPRL ("Phosphalux"), is a special purpose DRC registered company, which undertakes the exploration activities across the Kanzi mining permit and several exploration licences, held by Allamanda. Minbos, through its 100% owned subsidiary Agrim SPRL ("Agrim"), holds a 49% interest in the Kanzi Project with a 51% economic interest held by Allamanda.

The licences held by Allamanda and their work status are summarised in **Table 4** and illustrated in **Figure 7** below.

Table 4 – DRC licences and their work status

Concession No.	Type	Area Carres	Status	Location
12908	Exploration	382	Active	South - Covers Kanzi Deposit
12910	Exploration	302	Active	South - Covers Kanzi Deposit
12911	Exploration	375	Active	South - Kanzi Adjacent
12905	Exploration	441	Exclusive Option	North - Covers Fundu Nzobe
12906	Exploration	81	Exclusive Option	South - Kanzi Adjacent
12907	Exploration	410	Exclusive Option	South - Kanzi Adjacent
12909	Exploration	327	Exclusive Option	North – Fundu Nzobe extension
12912	Exploration	376	Exclusive Option	South - Kanzi Adjacent
12913	Exploration	322	Exclusive Option	North - Fundu Nzobe Adjacent

(b) Kanzi Deposit

During the 2013 financial year, the Company announced a further upgrade in the resource from Inferred to an Indicated Mineral Resource of 58.5Mt @ 14.2% P_2O_5. Details are provided in **Table 5** below.

Table 5 - Kanzi Project – Total Inferred Resource Estimate

Kanzi Project – Total Indicated Resource		
Sample Cut-off grade (P_2O_5)	Total Tonnes (Million)	Average P_2O_5 grade (%)
5%	58.5	14.2%

Review of Operations

Divestment of DRC Asset

Minbos served a First Right of Refusal notice on its JV partner Allamanda Trading SPRL (Allamanda) on 11 September 2013.

Since that time, Minbos has attempted to actively engage with Allamanda to agree on terms for the sale of its interests in the Kanzi Project. Allamanda has expressed interest in acquiring Minbos' interests or assets in the project and does not believe Minbos has the right to sell to third parties.

Since entering into negotiations with Allamanda, it has been reported in African Resources Media that the DRC Government has reached agreement with a third party to proceed with the construction of a small fertiliser plant in the DRC and that it intends for this plant to be fed in whole or part by product from the Kanzi Project.

The DRC Government has responded to Minbos' queries and asserted that no contracts have been committed to regarding the licences with this entity. Minbos asserts that it has the contractual rights to the licences and will progress negotiations with Allamanda to allow an orderly exit for Minbos and the future development of the project by other parties

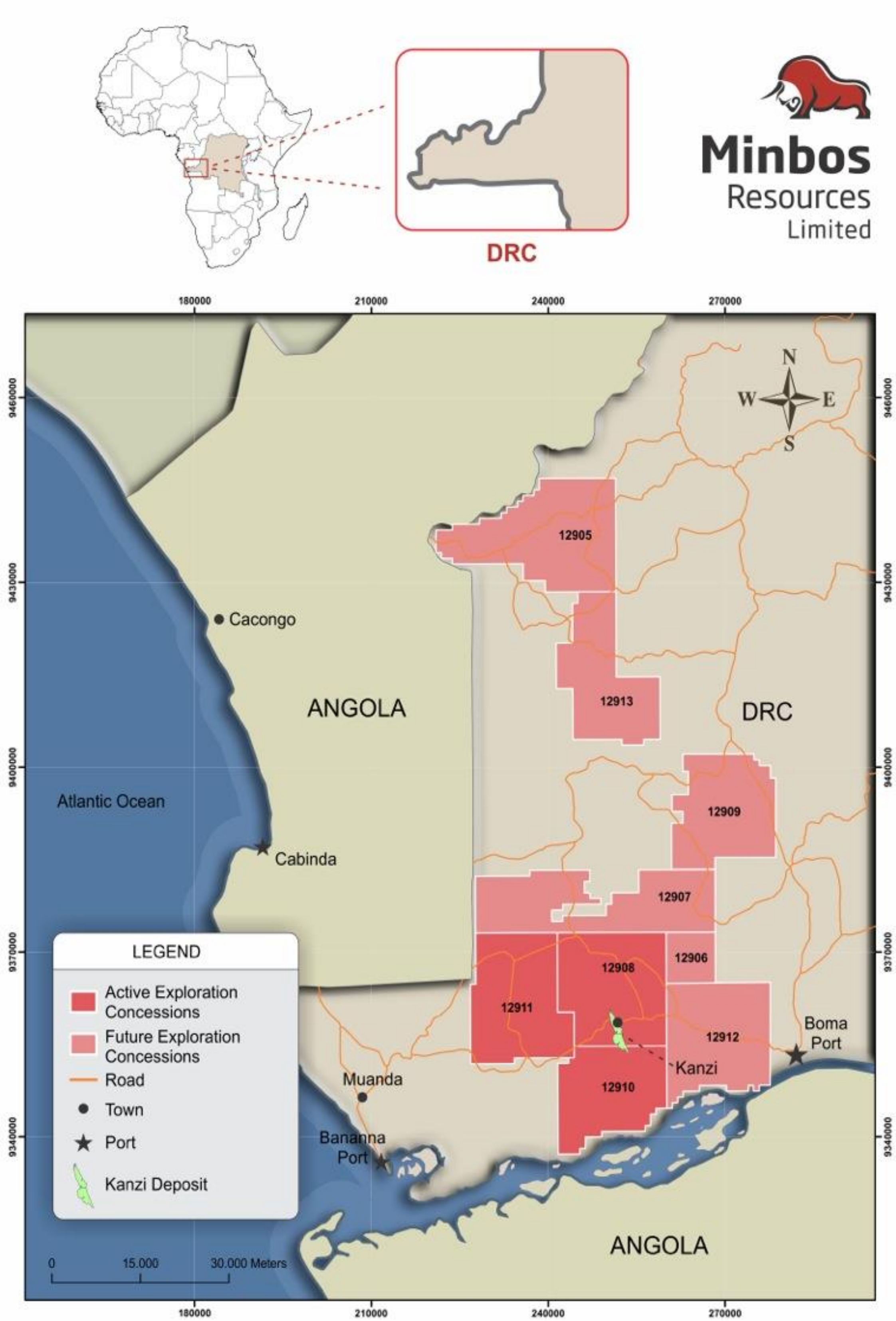
While Allamanda initially engaged with Minbos in negotiations to acquire Minbos' assets, there has been very little communication in recent times. Minbos will continue to monitor this situation and use its best efforts to derive some value for its shareholders.

Competent Person's Statement
Ms Kathleen Body

The information in this report that relates to mineral resources has been reviewed and approved for release by Ms Kathleen Body, Pr.Sci.Nat, who has over 18 years of experience in mineral exploration and mineral resource estimation. Ms Body is a Principal Consultant and full-time employee of Coffey Mining (South Africa) (Pty) Ltd and contracted to MINBOS. She has sufficient experience in relation to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined by the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code 2012 Edition). Ms Body has consented to inclusion of this information in the form and context in which it appears.

Review of Operations

Figure 7 – DRC Licences



Directors' Report

The Directors submit their report of the "Consolidated Entity" or "Group", being Minbos Resources Limited ("Minbos" or "the Company") and its Controlled entities, for the financial year ended 30 June 2014.

1. INFORMATION ON THE BOARD OF DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are as follows:

Mr Damian Black
Executive Director (appointed 21 February 2014)

Mr Damian Black is an Associate Director (Corporate) at CPS Capital Group and has been employed in corporate finance and stockbroking since 2006, having previously worked at Tolhurst Ltd. Mr Black graduated from Curtin University in 1999 with a Bachelor of Science in Physiotherapy and also completed a Graduate Diploma in Applied Finance and Investment at FINSIA in 2005.

Mr Black is experienced in structuring corporate transactions, focusing on junior resources / oil and gas companies and has also worked in an ongoing corporate advisory role with several ASX listed companies in the last 5 year, having guided many of them through the IPO/listing process.

During the past three years, Mr Black held the following directorships in other ASX listed companies:

- Non-Executive Director of Antilles Oil and Gas NL (formerly Advance Energy Limited) (current).

Mr Peter Wall
Non-Executive Chairman (appointed 21 February 2014)

Mr Wall is a corporate lawyer and has been a Partner at Steinepreis Paganin (Perth based corporate law firm) since July 2005. Mr Wall graduated from the University of Western Australia in 1998 with a Bachelor of Laws and Bachelor of Commerce (Finance). Mr Wall has also completed a Masters of Applied Finance and Investment with FINSIA.

Mr Wall has a wide range of experience in all forms of commercial and corporate law, with a particular focus on resources (hard rock and oil/gas), equity capital markets and mergers and acquisitions. He also has significant experience in dealing in Africa.

During the past three years, Mr Wall held the following directorships in other ASX listed companies:

- Non-Executive Chairman of Galicia Energy Corporation Limited (formerly Cossack Energy Ltd (current),
- Non-Executive Chairman of Discovery Resources Ltd (resigned 8 November 2013),
- Non-Executive Director of NSL Consolidated Limited (resigned December 2012).

Mr Domingos Catulichi
Non-Executive Director (appointed 20 July 2010)

Mr Catulichi is a mining industry professional and a qualified diamond evaluator. He has over 13 years of experience in the exploration and mining industry in Angola. Mr Catulichi has been directly involved with several alluvial and kimberlite diamond projects in Angola, many of which are now owned and operated by listed entities. Mr Catulichi holds various business interests in Angola including hotels, transportation, general trading and mining.

During the past three years, Mr Catulichi has not held directorships in any other ASX listed companies.

Directors' Report

Mr William (Bill) Oliver
Non-Executive Director (appointed 2 September 2013)
BSc (Hons), GDipAppFin (FINSA), MAIG, MAusIMM

Mr Oliver is a geologist with over 15 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.

Mr Oliver has spent recent years evaluating and assessing several projects across Africa including being responsible for the identification, acquisition and development into production of the Konongo Gold Project while Managing Director of Signature Metals Ltd. He is also fluent in Portuguese having lived and worked in Portugal while managing exploration across a range of commodities for Iberian Resources.

Mr Oliver holds an honours degree in Geology from the University of Western Australia as well as a post-graduate diploma in finance and investment from FINSIA. He is also Non-Executive Director of Celsius Coal Ltd and Chief Operating Officer of Orion Gold NL.

During the past three years, Mr Oliver held the following directorships in other ASX listed companies:

- Technical Director of Orion Gold NL (current),
- Non-Executive Director of Celsius Coal Limited (current), and
- Non-Executive Director of Signature Metals Limited (resigned 2 October 2012).

Mr Scott Sullivan
Managing Director (appointed 2 November 2012, resigned 21 February 2014)
Executive Chairman (appointed 6 August 2013, resigned 21 February 2014)
BE Mining Eng, MBA, MAusIMM, GACID

Mr Sullivan brings over 25 years of diversified mining experience to Minbos, across multiple commodities and projects domestically and internationally. His experience spans strategic planning in mines and smelters; feasibilities; commissioning; mine expansion and restructuring; mine, port and rail infrastructure; project management; sustainability and government. Prior to joining Minbos, Mr Sullivan held the position of President of NSW Energy Coal with BHP Billiton.

During the past three years, Mr Sullivan has not held directorships in any other ASX listed companies.

Mr David Reeves
Non-Executive Director (appointed 20 July 2010, resigned 21 February 2014)
BSc (Min Eng), F Fin, MAusIMM, MSAIMM

Mr Reeves holds a first class honours degree in mining engineering from the University of New South Wales, a graduate diploma in applied finance and investment from the FINSIA, and a Western Australian first class mine managers certificate of competency.

Mr Reeves has been involved with mining precious, base and industrial minerals throughout his 20 year career. He has spent the last 14 years operating in mining companies in Southern Africa.

During the past three years Mr Reeves held the following directorships in other listed companies:

- Managing Director of Ferrex Plc a UK listed Company (current),
- Non-Executive Director of Southern Crown Resources Limited (resigned 19 March 2012).

Directors' Report

Mr Peter Richards
Executive Chairman (appointed 16 June 2010, resigned 1 November 2012)
Non-Executive Chairman (appointed 1 November 2012, resigned 6 August 2013)
B.Com

Mr Richards is an internationally experienced business executive with a proven track record in the mining services industry. His experience totals 30 years with companies such as British Petroleum (including its mining arm Seltrust Holdings), Wesfarmers, and Dyno Nobel which have provided him with a unique understanding of the global resources and mining services industries.

Mr Richards has had significant exposure to the investment, broking and analyst community and has international experience with a diversity of cultures.

Mr Richards was most recently CEO of the ASX-listed Dyno Nobel Limited and prior to this was based in Salt Lake City, USA, where he was the President of Dyno Nobel North America. Following the takeover of Dyno Nobel in 2008, Peter became a Non-Executive Director of Bradken Limited and currently holds this position.

During the past three years, Mr Richards held the following directorships in other ASX listed companies:
- Non-Executive Director of Bradken Limited (current),
- Non-Executive Director of NSL Consolidated Limited (current),
- Non-Executive Director of Emeco Holdings Limited (current),
- Non-Executive Director of Sedgman Limited (current),
- Managing Director of Norfolk Group Limited (resigned 31 July 2013),
- Non-Executive Chairman of Kangaroo Resources Limited (resigned 1 May 2013).

2. INFORMATION ON OFFICERS OF THE COMPANY

Ms Paige Exley
Company Secretary (appointed 18 April 2013)
B.Com, AGIA

Ms Exley's qualifications include a Bachelor of Commerce, with a double major in Accounting and Business Law from Curtin University in Perth; and a Post-Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia. Ms Exley has over 14 years of experience in financial and management accounting roles with ASX listed companies and more recently has held company secretarial roles for ASX listed and unlisted companies.

Mr Lindsay Reed
Chief Executive Officer (appointed 1 September 2014)
BE (Mining), MBA, MAusIMM, MAICD

Mr Reed is an accomplished mining executive with over 30 years of experience in senior management roles in Australia and overseas.

Mr Reed has extensive experience in managing mining projects in a wide range of commodities and countries. He was previously Director and Chief Executive Officer of resource development company Aviva Corporation Limited (Aviva) which divested its West Kenyan gold and base metals assets in late 2012 to African Barrick Plc for $20m cash and a further resource milestone payment of $10m. Mr Reed was responsible for Joint Venturing into the asset with Lonmin Plc and overseeing funding and exploration activities until the divestment of the asset. Mr Reed also oversaw the environmental approval of two power station projects in Australia and Botswana and attracted International heavyweights GDF Suez and AES Corporation as Joint Development Partners.

Directors' Report

Prior to joining Aviva, Mr Reed was Corporate Development Manager at Murchison United Limited which acquired the Renison Bell Tin mine from RGC Limited. During his involvement Murchison grew from a market capitalisation of $5m to over $100m.

Mr Reed is a Mining Engineer and has extensive experience in international mine development, minerals marketing and project funding.

Mr James Carter
Chief Financial Officer (appointed 1 November 2012, resigned 30 August 2013)
Joint Company Secretary (appointed 18 April 2013, resigned 30 August 2013)
B.Bus, CPA, Grad.Dip Corporate Governance

Mr Carter is a CPA and Chartered Secretary with 17 years of experience in the mining industry. He was previously CFO of Straits Resources, a diversified metals group listed on the ASX. Prior to this, Mr Carter was CFO and Company Secretary of SGX listed Sakari Resources and was integral to its listing and development as a 10 million tonne per annum coal producer in Indonesia. His experience spans numerous equity and debt capital market raisings, mergers/ acquisitions work and corporate governance experience.

3. PRINCIPAL ACTIVITIES

Minbos Resources Limited is an exploration company focused on the development of phosphate bearing ore within the Cabinda Province of Angola and the adjoining areas of the far western DRC.

4. DIRECTORS' SHAREHOLDINGS

The following table sets out each current Director's relevant interest in shares and rights or options to acquire shares of the Company or a related body corporate as at the date of this report.

Directors	Appointment Date	Fully Paid Ordinary Shares	Unlisted Share Options
Mr Damian Black (a)	21 February 2014	63,326,166	41,500,000
Mr Peter Wall (b)	21 February 2014	46,305,096	25,000,000
Mr Domingos Catulichi (c)	20 July 2010	17,640,000	-
Mr William Oliver (d)	2 September 2013	153,000	5,000,000
Total		**127,424,262**	**71,500,000**

(a) Of the ordinary shares held by Mr Black, 31,047,000 were acquired prior to his appointment as Executive Director, 3,750,000 were acquired in satisfaction of interest payable on convertible notes and the remaining 28,529,166 were acquired pursuant to the pro-rata renounceable entitlements offer. Of the unlisted options held by Mr Black, 28,000,000 were acquired prior to his appointment as Executive Director, the remaining 13,500,000 were acquired as consideration for corporate advisory services.
(b) Of the ordinary shares held by Mr Wall, 30,113,430 were acquired prior to his appointment as Non-Executive Chairman, 3,750,000 were acquired in satisfaction of interest payable on convertible notes and the remaining 12,441,666 were acquired pursuant to the pro-rata renounceable entitlements offer. The 25,000,000 unlisted options were also acquired prior to Mr Wall's appointment as Non-Executive Chairman.
(c) Of the ordinary shares held by Mr Catulichi, 17,640,000 were vendor shares issued as part of the Tunan Acquisition.
(d) Of the ordinary shares held by Mr Oliver, 51,000 were acquired prior to his appointment as Non-Executive Director, the remaining 102,000 were acquired pursuant to the pro-rata renounceable entitlements offer. The 5,000,000 unlisted options were acquired as remuneration, to provide a performance linked incentive component to Mr Oliver's remuneration.

Directors' Report

5. DIRECTORS' MEETINGS

The number of Directors' meetings held during the financial year and the number of meetings attended by each Director during the time the Director held office are:

Directors	Appointment / Resignation Date	Number Eligible to Attend	Number Attended
Mr Damian Black	Appointed 21 February 2014	3	3
Mr Peter Wall	Appointed 21 February 2014	3	3
Mr Domingos Catulichi	Appointed 20 July 2010	14	-
Mr William Oliver	Appointed 2 September 2013	11	11
Mr Scott Sullivan	Appointed 2 November 2012, Resigned 21 February 2014	11	11
Mr David Reeves	Appointed 20 July 2010, Resigned 21 February 2014	11	11
Mr Peter Richards	Appointed 16 June 2010, Resigned 6 August 2013	1	1

Due to the size and scale of the Company, there is no Remuneration and Nomination Committee or Audit Committee at present. Matters typically dealt with by these Committees are, for the time being, reverted to the Board. For details of the function of the Board please refer to the Corporate Governance Statement.

6. CORPORATE GOVERNANCE

The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and has disclosed its level of compliance with those guidelines within the Corporate Governance Statement which is included as part of this financial report.

7. OPERATING AND FINANCIAL REVIEW

A Operations

Minbos is a phosphate exploration company operating in Angola, Australia and the Democratic Republic of the Congo (DRC) to acquire, explore, evaluate and exploit phosphate deposits, and explore prospective tenements for other minerals.

The Group creates value for shareholders, through exploration activities which develop and quantify phosphate assets. Once an asset has been developed and quantified within the framework of the JORC guidelines the Company may elect to move to production, to extract and refine ore which is then sold as a primary product.

The Group is actively exploring and developing its Cabinda Project in Angola and is actively engaging with Allamanda to agree on terms for the sale of its interests in the Kanzi Project.

B Financial Performance & Financial Position

The financial results of the Group for the year ended 30 June 2014 are:

	30-Jun-14	30-Jun-13	% Change
Cash and cash equivalents ($)	**30,727**	53,685	(43%)
Net assets ($)	**9,339,092**	10,966,451	(15%)
Revenue ($)	**2,333**	19,413	(88%)
Net loss after tax ($)	**(2,680,271)**	(6,026,830)	(56%)
Loss per share ($)	**(0.013)**	(0.05)	(74%)
Dividend ($)	**-**	-	-

Directors' Report

Financial Performance

The financial result for the year ended 30 June 2014 is a net loss after tax of $2,680,271 (2013: $6,026,830), as per the table above.

The Group is creating value for shareholders by asset development through its exploration expenditure and currently has no revenue generating operations. Revenue is generated from interest income from funds held on deposit.

During the year, administration expenses decreased by 62% and personnel expenses decreased 38% on the prior year. This was largely due to significant cost cutting within the African and Australian operations. Additionally the Company incurred costs of $126,328 (2013: $2,966,304) due to the impairment of the exploration and evaluation expenditure, associated with the Kanzi Project as the Kanzi Joint Venture licences are still held in Allamanda and have not been transferred to the Joint Venture entity. Finance costs increased significantly to $1,046,442 or 308% (2013: $256,440) due to the Company sourcing additional working capital from debt in the form of convertible notes which attract fees and interest rather than from equity. This change in funding source is due to the downturn in the equity markets during the financial year.

Financial Position

The Group's main activity during the year was the investment of Cash in the Company's African Projects, $451,979. The Group's net assets decreased by 14%, largely due to the increase in borrowings, including derivative financial liabilities, from $550,000 in the prior year to $1,250,000 at 30 June 2014.

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

During the year the Group incurred a net loss for the year of $2,680,271 and incurred net cash outflows from operating and investing activities of $857,742. At 30 June 2014 the Group had a net working capital deficiency of $1,901,185 (30 June 2013: $576,926).

The ability of the Consolidated Entity to continue as a going concern is dependent on the Consolidated Entity being able to renew its Cabinda exploration permit and raise additional funds as required to fund ongoing exploration commitments, for working capital and to repay potential liabilities that may arise under the convertible notes.

On 3 September 2014, the Company announced the successful placement of the rights issue shortfall of 447,119,610 fully paid ordinary shares issued at $0.003 per share to raise approximately $1,341,359. The funds will be applied to the repayment of debt and general working capital for the Company.

The Directors believe that the Group will continue as a going concern. As a result the financial report has been prepared on a going concern basis. No adjustments have been made relating to the recoverability of assets and classification of liabilities that might be necessary should the Group not continue as a going concern.

C Business Strategies and Prospects for future financial years

The Group actively evaluates the prospects of each project as results from each exploration programme become available, these results are available via the ASX platform for shareholders information. The Group then assesses the continued exploration expenditure and further asset development. The Group will continue the evaluation of its mineral projects in the future and undertake generative work to identify and acquire new resource projects.

Directors' Report

There are specific risks associated with the activities of the Group and general risks which are largely beyond the control of the Group and the Directors. The risks identified below, or other risk factors, may have a material impact on the future financial performance of the Group and the market price of the Company's shares.

a) Risk relating to renewal of Cabinda Exploration Licence

In order to undertake exploration activities on the Cabinda Project, a valid Exploration Licence is required. The existing Licence to the Cabinda Project, held by a subsidiary of the Company's Joint Venture, Mongo Tando, Lda expired in the previous financial year. The Joint Venture has submitted the application for renewal of the Cabinda Project Licence and at the date of this report the Licence has not been renewed. As a result there is a risk that the Licence could take additional time to be renewed or may not be renewed and the exploration expenditure relating to the Cabinda Project may be impaired.

b) Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

c) Environmental Risks

The operations and proposed activities of the Company are subject to the laws and regulations of Angola, Australia and the DRC concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

d) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

e) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

i. general economic outlook;
ii. introduction of tax reform or other new legislation;
iii. interest rates and inflation rates;
iv. changes in investor sentiment toward particular market sectors;
v. the demand for, and supply of, capital; and
vi. terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Directors' Report

f) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income, the Company will require further financing. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

g) Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Company's shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether invest.

8. DIVIDENDS

No dividend has been paid during the financial year and no dividend is recommended for the financial year.

9. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

On 8 July 2013, at the Company's General Meeting, shareholders approved David Reeves convertible note facility of up to $250,000.

On 6 August 2013, the Company announced the resignation of Peter Richards as Non-Executive Chairman and the appointment of Scott Sullivan as the interim Executive Chairman.

During August 2013, the Company completed financing arrangements with a group of sophisticated investors to provide $250,000 in secured funding through the issue of convertible notes. During the financial year the convertible note facility was increased to $800,000. The Company received the $675,000 in convertible note funding during the financial year, which was used to provide the Company with working capital as it worked on longer term funding solutions.

On 2 September 2013, the Company announced the resignation of James Carter as Chief Financial Officer and joint Company Secretary and the appointment of William Oliver as Non-Executive Director.

On 11 September 2013, the Company announced that it had issued 2,000,000 fully paid ordinary shares as consideration for the acquisition of two phosphate tenements in Western Australia.

On 2 October 2013, the Company issued 5,000,000 shares at $0.01 to the Australian Special Opportunity Fund, LP upon conversion of $50,000 of a convertible security.

On 13 October 2013, 14,000,000 unlisted options expired unexercised.

On 25 November 2013, at the Company's Annual General Meeting, shareholders approved the issue of 5,000,000 options exercisable at 1 cent expiry 30 December 2016 to Mr William Oliver.

On 13 December 2013, the Company issued 12,500,000 shares at $0.004 to the Australian Special Opportunity Fund, LP upon conversion of $50,000 of a convertible security.

Directors' Report

On 13 January 2014, the Company announced a renounceable entitlement offer of three (3) shares for every seven (7) shares held by shareholders at the record date, 21 January 2014 at an issue price of $0.01 per share to raise up to $1,102,067, together with one free attaching option for every share subscribed.

On 17 January 2014, the Company issued 83,333,333 shares at $0.003 per share and 83,333,333 unlisted options exercisable at $0.01 each, expiring 30 December 2016, on conversion of $250,000 of an $800,000 convertible note facility pursuant to Convertible Note Trust Deed dated 27 August 2013.

On 17 February 2014, the Company announced the cancellation of its pro-rata renounceable rights issue (Entitlement Offer). Despite the Entitlement Offer being fully underwritten by Bethesda Investment Corp and Copper Mining Venture, LDA (underwriters), the underwriters were not able to secure their own financing to fulfil their obligations therefore the Company refunded all application funds received in relation to the Entitlement Offer.

On 21 February 2014, the Company appointed Mr Damian Black as Executive Director and Mr Peter Wall as Non-Executive Chairman following the resignation of Mr Scott Sullivan as Managing Director and Non-Executive Director, Mr David Reeves.

On 11 March 2014, the Company executed a settlement deed with Lind Partners LLC, the manager of the Australian Special Opportunity Fund LP, (together "Lind") in relation to the existing convertible security under the Share Purchase and Convertible Security Agreement, announced 8 March 2013 ("Principal Agreement"). The key terms of the settlement deed are that Minbos must repay or assign the current liability of the convertible security of $200,000 and to issue 10,000,000 shares, subject to shareholder approval, in satisfaction of the convertible security and to obtain certain releases under the Principal Agreement.

On 18 March 2014, the Principal Agreement was assigned to a group of sophisticated investors who agreed to accept repayment of the $200,000 convertible security, subject to future capital raising of at least $1.5 million. For which the sophisticated investors will receive consideration of $20,000 in lieu of interest and 10 million unlisted options exercisable at 1 cent, expiring 30 December 2016.

On 15 April 2014 the Company issued 10,000,000 shares at nil consideration, as consideration pursuant to the Settlement Deed dated 11 March 2014 with Lind. These shares have been valued using the market price of the Company's shares at the date of issue, refer Note 21 (b).

On 5 May 2014, the Company changed its registered office and principle place of business to 278 Barker Road Subiaco WA 6008.

On 11 June 2014, the Company announced a renounceable entitlement offer of two (2) shares for every one (1) share held by shareholders at the record date, 18 June 2014 at an issue price of $0.003 per share to raise up to $1,752,894 (before costs).

10. EVENTS SINCE THE END OF THE FINANCIAL YEAR

On 28 July 2014, the Company announced the closure of its entitlement offer after receiving applications to subscribe for 104,786,468 new shares from eligible shareholders under the Offer to raise approximately $314,359.

On 25 August 2014, the Company issued 100,000,000 shares at $0.003 and 100,000,000 options exercisable at $0.01 per share, expiry 30 December 2016, on conversion of $300,000 of an $800,000 convertible note facility pursuant to convertible note trust deed dated 27 August 2013.

On 1 September 2014, the Company announced the appointment of highly experienced mining company executive Mr Lindsay Reed as Chief Executive Officer (CEO) of the Company.

Directors' Report

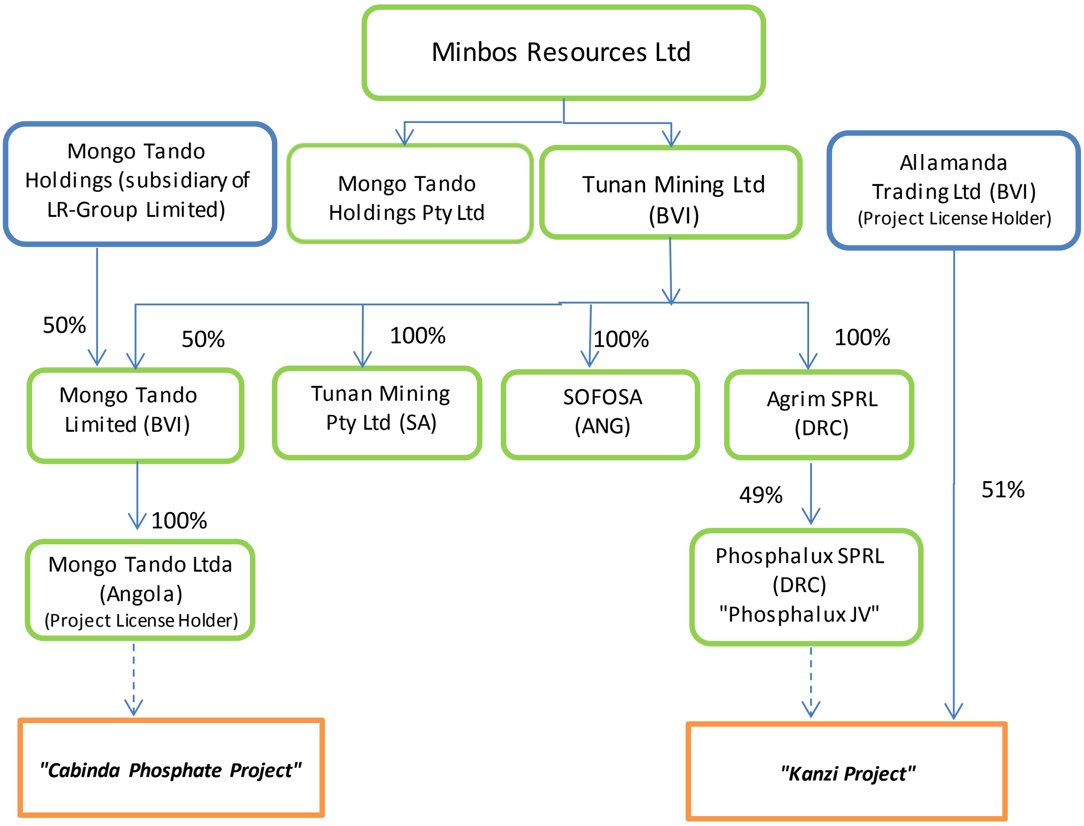
On 3 September 2014, the Company announced the successful placement of the rights issue shortfall of 447,119,610 fully paid ordinary shares issued at $0.003 per share to raise approximately $1,341,359. The funds will be applied to the repayment of debt and general working capital for the Company.

On 8 September 2014, the Company announced that it had repaid the principal of $250,000 of the Carter convertible note facility and that the obligations of the Company are extinguished.

The Directors are not aware of any other matters or circumstances at the date of the report, other than those referred to in this report or the financial statements or notes thereto, that have significantly affected or may significantly affect the operations, the results of operations or the state of affairs of the Company in subsequent financial years.

11. CORPORATE STRUCTURE

Minbos Resources Limited is a Company limited by shares that is incorporated and domiciled in Australia. The Company is listed on the Australian Securities Exchange (ASX) under ASX code MNB and whose shares are publicly traded on the Australian Securities Exchange Limited. An overview of the ownership structure for Minbos Resources Limited is shown below:



KEY:

DRC	Incorporated in the Democratic Republic of Congo.
ANG	Incorporated in Angola.
BVI	Incorporated in the British Virgin Isles.
SA	Incorporated in South Africa.
	Refers to the Project area and its licences
	Refers to Minbos Resources Limited and its Controlled entities.
	Refers to third-parties that have part ownership with Minbos or one of its controlled entities in a joint venture company that holds the project licence/s.

Directors' Report

12. REMUNERATION REPORT (Audited)

This report for the year ended 30 June 2014 outlines the remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Parent company.

For the purposes of this report, the term 'Executive' includes the Managing Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Executive Directors, senior executives and general managers of the Group, whilst the term 'NED' refers to Non-Executive Directors only.

Individual key management personnel disclosure

Details of KMP of the Group who held office during the year are as follows:

Directors	Position	Appointment	Resignation
Damian Black	Executive Director	21/02/2014	-
Peter Wall	Non-Executive Chairman	21/02/2014	-
Domingos Catulichi	Non-Executive Director	20/07/2010	-
William Oliver	Non-Executive Director	2/09/2013	-
Scott Sullivan	Managing Director Executive Chairman	2/11/2012 6/08/2013	21/02/2014 21/02/2014
Peter Richards	Non-Executive Chairman	1/11/2012	6/08/2013
David Reeves	Non-Executive Director	20/07/2010	21/02/2014

Other Key Management Personnel	Position	Appointment	Resignation
Lindsay Reed	Chief Executive Officer	1/09/2014	-
James Carter	Chief Financial Officer Joint Company Secretary	1/11/2012 18/04/2013	30/08/2013 30/08/2013

There have been no other changes after reporting date and up to the date that the financial report was authorised for issue.

The Remuneration Report is set out under the following main headings:

A Remuneration Philosophy
B Remuneration Governance, Structure and Approvals
C Remuneration and Performance
D Details of Remuneration
E Contractual Arrangements
F Share-based Compensation
G Equity Instruments Issued on Exercise of Remuneration Options
H Value of Options to Key Management Personnel
I Value of Shares to Key Management Personnel
J Voting and comments made at the Company's 2013 Annual General Meeting
K Loans to key management personnel
L Loans from key management personnel
M Other transactions with key management personnel

Directors' Report

A Remuneration Philosophy

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel of Minbos comprise the Board of Directors, the Chief Financial Officer (resigned 30 August 2013) and the Chief Executive Officer (appointed 1 September 2014).

The performance of the Group depends upon the quality of its key management personnel. To prosper the Company must attract, motivate and retain appropriately skilled Directors and Executives.

The Group's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

No remuneration consultants were employed during the financial year.

B Remuneration Governance, Structure and Approvals

Remuneration of Directors is currently set by the Board of Directors. The Board has not established a separate Remuneration Committee at this point in the Group's development, nor has the Board engaged the services of an external remuneration consultant. It is considered that the size of the Board along with the level of activity of the Group renders this impractical. The Board is primarily responsible for:

- The over-arching executive remuneration framework;
- Operation of the incentive plans which apply to executive directors and senior executives (the executive team), including key performance indicators and performance hurdles;
- Remuneration levels of executives, and
- Non-executive director fees.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

➢ Non-Executive Remuneration Structure

The remuneration of Non-Executive Directors consists of Directors' fees, payable in arrears. From May 2013 the Board agreed to defer all Non-Executive Director fees and accrue them for the purpose of this report. The Board, in accordance with the Company's Constitution and the ASX listing rules specify that the Non-Executive Directors fee pool shall be determined from time to time by a general meeting. The latest determination was at the 2010 Annual General Meeting (AGM) held on 30 November 2010 when shareholders approved an aggregate fee pool of $300,000 per year (in accordance with the terms and conditions set out in the Explanatory Statement that accompanied the Notice of Meeting). The Board will not seek any increase for the Non-Executive Director pool at the 2014 Annual General Meeting.

Remuneration of Non-Executive Directors is based on fees approved by the Board of Directors and is set at levels to reflect market conditions and encourage the continued services of the Directors. Non-Executive Directors do not receive retirement benefits but are able to participate in share-based incentive programmes in accordance with Company policy.

The remuneration of Non-Executives is detailed in **Table 1,** and their contractual arrangements are disclosed in "Section E – Contractual Arrangements".

Directors' Report

➢ **Non-Executive Remuneration Approvals**

The Board, in accordance with the Company's Constitution, sets the aggregate remuneration of Non-Executive Directors, subject to shareholder approval. Within this pre-approved aggregate remuneration pool, fees paid to Non-Executive Directors are approved by the Board of Directors in the absence of the Remuneration Committee and is set at levels to reflect market conditions and encourage the continued services of the Directors. Remuneration may also include an invitation to participate in share-based incentive programmes in accordance with Company policy.

The nature and amount of remuneration is collectively considered by the Board of Directors with reference to relevant employment conditions and fees commensurate to a company of similar size and level of activity, with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Directors.

➢ **Executive Remuneration Structure**

The nature and amount of remuneration of executives are assessed on a periodic basis with the overall objective of ensuring maximum stakeholder benefit from the retention of a high performing Executives.

The main objectives sought when reviewing executive remuneration is that the Company has:

- Coherent remuneration policies and practices to attract and retain executives;
- Executives who will create value for shareholders;
- Competitive remuneration offered benchmarked against the external market; and
- Fair and responsible rewards to Executives having regard to the performance of the Group, the performance of the Executives and the general pay environment.

The remuneration of Executives is detailed in **Table 1,** and their contractual arrangements are disclosed in "Section E – Contractual Arrangements".

➢ **Executive Remuneration Approvals**

The Company aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and aligned with market practice. Executive contracts are reviewed annually by the Board, in the absence of a Remuneration Committee, for their approval. The process consists of a review of company, business unit and individual performance, relevant comparative remuneration internally and externally and, where appropriate, external advice independent of management.

Executive remuneration and incentive policies and practices must be aligned with the Company's vision, values and overall business objectives. Executive remuneration and incentive policies and practices must be designed to motivate management to pursue the Company's long term growth and success and demonstrate a clear relationship between the Company's overall performance and the performance of executives.

C Remuneration & Performance

The following table shows the gross revenue and losses and share price of the Group at the end of each respective financial year:

	30-Jun-14	30-Jun-13	30-Jun-12	30-Jun-11	30-Jun-10
Revenue ($)	2,333	19,413	93,572	116,043	14,221
Net loss after tax ($)	(2,680,271)	(6,026,830)	(7,919,244)	(2,481,251)	(70,305)
Share Price ($)	0.002	0.02	0.18	0.36	

Directors' Report

Short Term Incentive Package
In the previous financial year the Board appointed Mr Sullivan as Managing Director and offered him a short term incentive package as part of his Executive Services Agreement. Mr Sullivan was eligible for a short term incentive package of up to 30% of his salary, payable in cash or shares, or a combination of both, as agreed between the Company and the Executives. This short term incentive package was based upon consideration of key performance indicators of Mr Sullivan, which the Company was able to set from time to time. Mr Sullivan resigned as Managing Director on 21 February 2014 and did not receive any short term incentive remuneration during the financial year.

There were no short term incentive based payments made during the financial year (2013: nil).

Long Term Incentive Package
Remuneration Plan:
In the previous financial year the Board implemented an employee share plan to deliver remuneration in the form of equity in Minbos Resources Limited which, under the Minbos Board's discretion, may be awarded from time to time. The employee share plan was approved at the Company's General Meeting on 14 March 2013 and the purpose was to:

- Support employee retention;
- Enhance employee involvement and focus; and
- Increase wealth distribution among the employees.

On 1 September 2014, the Company employed Lindsay Reed as Chief Executive Officer and agreed to allow Mr Reed to participate in its existing employee share plan (approved on 14 March 2013, at the General Meeting of the Company) on the following terms:

(a) As soon as practicable, the Company will issue to the Executive 37,000,000 shares at an issue price of $0.003 per share;
(b) The initial shares will be subscribed for using a limited recourse loan made available by the Company to the Executive in accordance with the terms of the employee share plan;
(c) The vesting conditions for the initial shares will be agreed to the Board prior to the date of issue of the initial shares, but will include:
    a. A minimum period of service with the Company;
    b. Share price milestone; and
    c. Project development milestones; and
(d) The number of shares issued to the Executive under the employee share plan will be reviewed on an annual basis by the Company.

On 14 March 2013, at the General Meeting of the Company, shareholders approved the issue of 6,000,000 shares to Mr Sullivan under the employee share plan. The shares have been issued at $0.04 per share with a total value of $240,000 and will be held in trust by the trustee of the Minbos employee share plan until the vesting conditions are satisfied. For further details regarding the vesting conditions refer to Note 26: Employee Share Plan Reserve.

In the previous financial year the Board also approved and issued 2,000,000 shares to Mr Carter under the employee share plan. These shares have been issued at $0.04 per share with a total value of $80,000 and were held in trust by the trustee of the Minbos employee share plan until the vesting conditions were satisfied. For further details regarding the vesting conditions refer to Note 26: Employee Share Plan Reserve.

Directors' Report

Options:

The Board feels that the expiry date and exercise price of the options currently on issue to the Directors, other Key Management Personnel and its Executives is a sufficient, long term incentive to reward Executives in a manner which aligns the element of remuneration with the creation of shareholder wealth. Subsequently, the issue of options are not linked to performance conditions because by setting the option price at a level above the current share price at the time the options are granted, provides incentive for management to improve the Group's performance.

Currently, 222,483,333 options are on issue, of which 5,000,000 have been issued to Key Management Personnel.

During the 2014 financial year the Company issued 5,000,000 unlisted options to William Oliver (Non-Executive Director) to provide a performance incentive component in the remuneration package to motive, reward and further align the Director's interest with that of the shareholders. During the financial year there were no shares issued upon exercise of options. Subsequent to 30 June 2014, no options have been exercised nor did any options lapse. When exercisable, each option is convertible into one ordinary share of the Company.

Table 2 provides details on the value of options vested and **Table 3** provides details of options granted to Key Management Personnel.

D Details of Remuneration

During the financial year ended 30 June 2014 and 30 June 2013, Key Management Personnel received short-term employee benefits, post-employment benefits, share-based payments and employee benefits expenses.

Table 1a: Remuneration of Key Management Personnel of the Group for the year ended 30 June 2014 is set out below:

	Short-term employee benefits				Post-employment benefits	Share-based payments	Employee benefits expense	
30-Jun-14	**Salary & fees $**	**bonus $**	**Non-monetary $**	**Other $**	**Super-annuation $**	**Options & rights $**	**Shares $**	**Total $**
Directors								
Damian Black (i)	12,750	-	-	-	-	-	-	**12,750**
Peter Wall (ii)	12,750	-	-	-	-	-	-	**12,750**
Domingos Catulichi	-	-	-	-	-	-	-	**-**
William Oliver (iii)	30,000	-	-	-	-	29,886	-	**59,886**
Scott Sullivan (iv)	200,000	-	-	2,905	18,500	-	122,891	**344,296**
David Reeves (v)	23,250	-	-	29,836	-	-	-	**53,086**
Peter Richards (vi)	5,000	-	-	-	-	-	-	**5,000**
Sub-total	**283,750**	**-**	**-**	**32,741**	**18,500**	**29,886**	**122,891**	**487,768**
Other Key Management								
James Carter (vii)	20,000	-	-	33,986	-	-	19,220	**73,206**
Sub-total	**20,000**	**-**	**-**	**33,986**	**-**	**-**	**19,220**	**73,206**
Total	**303,750**	**-**	**-**	**66,727**	**18,500**	**29,886**	**142,111**	**560,974**

(i) Mr Black's Director Fees of $12,750 were outstanding and a payable at 30 June 2014.
(ii) Mr Wall's Director Fees of $12,750 were outstanding and a payable at 30 June 2014.
(iii) Mr Oliver's Director Fees of $30,000 were outstanding and a payable at 30 June 2014.

Directors' Report

(iv) Mr Sullivan received $130,664 in salary & fees and $12,086 in superannuation during the financial year. The remainder of his entitlements, which include $69,336 in salary & fees and $6,414 in superannuation has been deferred, but accrued for the purpose of this report. During the financial year Mr Sullivan also received $2,905 in interest, a result of late payment of his outstanding entitlements.
(v) Mr Reeves' Director Fees of $23,250 were outstanding and a payable at 30 June 2014. During the financial year Mr Reeves' also received $29,836 in interest on his convertible note, of which $5,014 was outstanding and a payable at 30 June 2014.
(vi) Mr Richard's Director Fees of $5,000 were outstanding and a payable at 30 June 2014.
(vii) Mr Carter's consulting fees of $20,000 were outstanding and a payable at 30 June 2014. During the financial year Mr Carter also received $33,986 in interest on his convertible note, of which $3,082 was outstanding and a payable at 30 June 2014.

Table 1b: Remuneration of Key Management Personnel of the Group for the year ended 30 June 2013 is set out below:

	Short-term employee benefits				Post-employment benefits	Share-based payments	Employee benefits expense	
30-Jun-13	Salary & fees $	bonus $	Non-monetary $	Other (viii) $	Super-annuation $	Options & rights $	Shares $	Total $
Directors								
Scott Sullivan (i)	200,000	-	-	20,364	18,000	-	153,109	**391,473**
Peter Richards (ii)	73,333	-	-	-	-	7,958	-	**81,291**
David Reeves (iii)	46,000	-	-	-	-	-	-	**46,000**
Domingos Catulichi (iv)	24,000	-	-	-	-	-	-	**24,000**
John Ciganek (v)	30,500	-	-	-	-	-	-	**30,500**
Sub-total	**373,833**	**-**	**-**	**20,364**	**18,000**	**7,958**	**153,109**	**573,264**
Other Key Management								
James Carter (vi)	100,000	-	-	-	-	-	44,780	**144,780**
Robert McCrae (vii)	95,314	-	-	-	-	7,958	-	**103,272**
Sub-total	**195,314**	**-**	**-**	**-**	**-**	**7,958**	**44,780**	**248,052**
Total	**569,147**	**-**	**-**	**20,364**	**18,000**	**15,916**	**197,889**	**821,316**

(i) Mr Sullivan was appointed Managing Director on 2 November 2012 and received $175,000 in salary & fees and $13,500 in superannuation during the financial year. The remainder of his entitlements, which include $25,000 in salary & fees and $3,500 in superannuation has been deferred, but accrued for the purpose of this report.
(ii) Mr Richards received $63,333 in salary & fees during the financial year and chose to defer the remainder of his entitlements totaling $10,000, which has been accrued for the purpose of this report.
(iii) Mr Reeves received $40,000 in salary & fees during the financial year and chose to defer the remainder of his entitlements totaling $6,000, which has been accrued for the purpose of this report.
(iv) Mr Catulichi received $20,000 in salary & fees during the financial year and chose to defer the remainder of his entitlements totaling $4,000, which has been accrued for the purpose of this report.
(v) Mr Ciganek resigned as Non-Executive Director on 15 March 2013.
(vi) Mr Carter was appointed CFO on 1 November 2012 and received $90,000 in salary & fees during the financial year and chose to defer the remainder of his entitlements totaling $10,000, which has been accrued for the purpose of this report.
(vii) Mr McCrae resigned as CEO on 6 December 2012.
(viii) Prior to Mr Sullivan's appointment as Managing Director, he was appointed as a consultant to the Company, at a daily rate of $1,600 per calendar day worked (exclusive of GST) and received a total of $20,364.

Directors' Report

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

	Fixed remuneration		At risk - STI (%)		At risk - LTI (%)	
Name	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Directors						
Damian Black	100%	-	-	-	-	-
Peter Wall	100%	-	-	-	-	-
Domingos Catulichi	-	-	-	-	-	-
William Oliver	50%	-	50%	-	-	-
Scott Sullivan	64%	61%	-	-	36%	39%
David Reeves	100%	100%	-	-	-	-
Peter Richards	100%	90%	-	10%	-	-
John Ciganek	-	100%	-	-	-	-
Other Key Management						
James Carter	74%	69%	-	-	26%	31%
Robert McCrae	-	92%	-	8%	-	-

Shareholdings of Key Management Personnel

30-Jun-14	Balance at 1/07/2013	Granted as remuneration	On exercise of options	Net change other	Balance at 30/06/2014
Directors					
Damian Black	-	-	-	34,797,000	34,797,000
Peter Wall	-	-	-	33,863,430	33,863,430
Domingos Catulichi	17,640,000	-	-	-	17,640,000
William Oliver	-	-	-	51,000	51,000
Scott Sullivan (i)	6,000,000	-	-	(6,000,000)	-
David Reeves (i)	12,603,367	-	-	(12,603,367)	-
Peter Richards (i)	1,192,786	-	-	(1,192,786)	-
	37,436,153	**-**	**-**	**48,915,277**	**86,351,430**
Other Key Management					
James Carter (i)	2,000,000	-	-	(2,000,000)	-
	39,436,153	**-**	**-**	**46,915,277**	**86,351,430**

(i) Mr Sullivan (Managing Director) and Mr Reeves (Non-Executive Director) resigned on 21 February 2014. Mr Richards (Non-Executive Chairman) resigned on 6 August 2013. Mr Carter (Chief Financial Officer) resigned 30 August 2013.

Directors' Report

Option holdings of Key Management Personnel

30-Jun-14	Balance at 1/07/2013	Granted as compensation	Exercised	Other changes	Balance at 30/06/2014	Vested & exercisable	Vested but not exercisable	Unvested
Directors								
Damian Black	-	-	-	41,500,000	41,500,000	41,500,000	-	-
Peter Wall	-	-	-	25,000,000	25,000,000	25,000,000	-	-
Domingos Catulichi	500,000	-	-	(500,000)	-	-	-	-
William Oliver	-	5,000,000	-	-	5,000,000	5,000,000	-	-
Scott Sullivan (i)	-	-	-	-	-	-	-	-
David Reeves (i)	500,000	-	-	(500,000)	-	-	-	-
Peter Richards (i)	3,000,000	-	-	(3,000,000)	-	-	-	-
	4,000,000	**5,000,000**	**-**	**62,500,000**	**71,500,000**	**71,500,000**	**-**	**-**
Other Key Management								
James Carter (i)	-	-	-	-	-	-	-	-
	4,000,000	**5,000,000**	**-**	**62,500,000**	**71,500,000**	**71,500,000**	**-**	**-**

(i) Mr Sullivan (Managing Director) and Mr Reeves (Non-Executive Director) resigned on 21 February 2014. Mr Richards (Non-Executive Chairman) resigned on 6 August 2013. Mr Carter (Chief Financial Officer) resigned 30 August 2013.

Directors' Report

E Contractual Arrangements

- **Mr Damian Black – *Executive Director***
  - Contract date: 21 February 2014. Remuneration commenced from 21 February 2014.
  - Director's Fee: $3,000 per month (plus GST).
  - Term: See Note 2 below for details pertaining to re-appointment and termination.

- **Mr Peter Wall – Non-Executive Chairman**
  - Contract date: 21 February 2014. Remuneration commenced from 21 February 2014.
  - Director's Fee: $3,000 per month (plus GST). Remuneration levels of NED's are discussed further in Note 1 below.
  - Term: See Note 2 below for details pertaining to re-appointment and termination.

- **Mr Domingos Catulichi – Non-Executive Director**
  - Contract date: 20 July 2010. Remuneration commenced from October 2010.
  - Director's Fee: From July 2012 Mr Catulichi received $2,000 per month (excluding GST) which was reduced to nil in May 2013. Remuneration levels of NED's are discussed further in Note 1 below.
  - Term: See Note 2 below for details pertaining to re-appointment and termination.
  - Prior to listing on the ASX, Mr Catulichi received 500,000 Directors Options which expired on 13 October 2013.

- **Mr William Oliver – Non-Executive Director**
  - Contract date: 2 September 2013. Remuneration commenced from September 2013.
  - Director's Fee: $3,000 per month (plus GST). Remuneration levels of NED's are discussed further in Note 1 below.
  - Term: See Note 2 below for details pertaining to re-appointment and termination.

- **Mr Scott Sullivan – *Managing Director***
  - Contract date: 2 November 2012. Remuneration commenced from 1 November 2012.
  - Resignation date: 21 February 2014.
  - Base Salary: $300,000 per annum (plus 9% superannuation). Remuneration is reviewed annually by the Board in accordance with the policy of the Company, provided that the salary will not be reduced without the Executive's written consent.
  - Term: Mr Sullivan's contract will continue until the agreement is validly terminated.
  - Termination: The Company or Mr Sullivan may terminate the contract by giving three months written notice. In the event of termination, the Company may elect to pay the equivalent of three month's fee and terminate the engagement immediately. In the event of breach or criminal activity termination is effective immediately without payment other than the fee accrued to the date of termination.
  - Short Term Incentive Package: Mr Sullivan was eligible for a short term incentive package of up to 30% of his salary, payable in cash or shares, or a combination of both, as agreed between the Company and the Executives. This short term incentive package is based upon consideration of key performance indicators of Mr Sullivan, which the Company may set from time to time. Mr Sullivan did not receive any short term incentive remuneration during the financial year (2013FY: Nil).
  - Long Term Incentive Package: In March 2013 Mr Sullivan received 6,000,000 shares in the capital of the Company under the employee share plan. The shares are held in trust by the trustee of the Minbos employee share plan until the vesting conditions are satisfied. For further details regarding the vesting conditions refer to Note 26: Employee Share Plan Reserve.

Directors' Report

- Furthermore, the Company and Mr Sullivan agree to negotiate in good faith a Long Term Incentive Package that will apply following 3 years of continuous employment with the Company (to be negotiated within 3 months prior to completion of 3 years of service on terms consistent with industry standards).

➢ **Mr David Reeves – *Non-Executive Director***

- Contract date: 20 July 2010. Remuneration commenced from October 2010.
- Resignation date: 21 February 2014.
- Director's Fee: $3,000 per month (plus GST). Remuneration levels of NED's are discussed further in Note 1 below.
- Term: See Note 2 below for details pertaining to re-appointment and termination.
- Prior to listing on the ASX, Mr Reeves received 500,000 Directors Options which expired on 13 October 2013.

➢ **Mr Peter Richards – Non-Executive Chairman (formerly Executive Chairman)**

Contract as Executive Chairman

- Contract date: 16 June 2010.
- Resignation date: 1 November 2012.
- Director's Fee: $8,333.33 per month (plus GST).
- Term: Mr Richard's contract was valid for a period of two years from contract date however, extension of term may be agreed upon by mutual written agreement.
- Termination: The Company or the individual may terminate the contract by giving three months written notice. In the event of termination, the Company may elect to pay the equivalent of three month's fee and terminate the engagement immediately. In the event of breach or criminal activity termination is effectively immediately without payment other than the fee accrued to the date of termination.
- Prior to listing on the ASX, Mr Richards received 3,000,000 Directors Options which expired on 13 October 2013.

Contract as Non-Executive Chairman

- Contract date: 1 November 2012.
- Resignation date: 6 August 2013.
- Director's Fee: $5,000 per month (plus GST).
- Term: Mr Richard's will hold office as Non-Executive Chairman until the date of the next annual general meeting of the Company where he will retire by rotation. Mr Richard's is eligible for election as a Director at that meeting and, if elected, will be subject to retirement by rotation under the Company's constitution.
- Termination: Mr Richard's appointment will automatically cease in the event that he gives notice to the Board of his resignation as a Director, or if he resigns by rotation and is not re-elected as a Director by the shareholders of the Company. Moreover, Mr Richards' appointment will be terminated immediately if, for any reason, he becomes disqualified or prohibited by law from being or acting as a director or from being involved in the management of a Company.

Note 1: Remuneration of Non-Executive Directors (NED) are reviewable annually by the Board and subject to shareholder approval (if applicable). The latest determination was at the 2010 Annual General Meeting (AGM) held on 30 November 2010 when shareholders approved an aggregate fee pool of $300,000 per year (in accordance with the terms and conditions set out in the Explanatory Statement that accompanied the Notice of Meeting). The Board will not seek any increase for the NED pool at the 2014 Annual General Meeting.

Directors' Report

Note 2: The term of each Non-Executive Director is open to the extent that they hold office subject to retirement by rotation, as per the Company's Constitution, at each annual general meeting and are eligible for re-election as a Director at that meeting. Appointment shall cease automatically in the event that the Director gives written notice to the Board, or the Director is not re-elected as a Director by the shareholders of the Company. There are no entitlements to termination or notice periods.

Other Key Management Personnel that have service contracts in place with the Company are as follow:

- **Mr Lindsay Reed – *Chief Executive Officer***
  - Contract date: 1 September 2014. Remuneration commenced from 1 September 2014.
  - Base Salary: $250,000 per annum (plus statutory superannuation entitlements).
  - Termination: Either party may terminate the employment agreement with three months written notice.
  - Performance Based Bonuses: The Company may at any time pay Mr Reed a performance based bonus over and above his salary. In determining the extent of any performance based bonus, the Company shall take into consideration the key performance indicators of Mr Reed and the Company, as the Company may set from time to time, and any other matter that it deems appropriate.
  - Long Term Incentive Package: Mr Reed or his nominees will be entitled to shares under the existing Employee Share Loan Plan for fully ordinary shares up to 2.5% of the fully diluted capital. Upon commencement he will be granted 37 million shares at a cost of 0.3 cents per share, which shall vest based on performance milestones to be agreed with the Board.

- **Mr James Carter – *Chief Financial Officer***
  - Contract date: 1 November 2012. Remuneration commenced from 1 November 2012.
  - Resignation date: 30 August 2013.
  - Consulting fee: $10,000 per month (plus GST).
  - Remuneration will be reviewed regularly by the Managing Director in accordance with the policy of the Company for the review of salaries of fees paid to consultants and negotiated with the consultant, both parties acting reasonably and with final approval of the Board.
  - Term: Mr Carter is engaged by the Company on a part time basis for a period of six months following the commencement date and this is subject to extension on a quarterly renewal basis by mutual agreement in writing between Mr Carter and the Managing Director.
  - The Company or Mr Carter may terminate the contract by giving one month's written notice. In the event of termination, the Company may elect to pay the equivalent of one month's fee and terminate the engagement immediately. In the event of breach or criminal activity termination is effective immediately without payment other than the fee accrued to the date of termination.
  - Long Term Incentive Package: In March 2013 Mr Carter received 2,000,000 shares in the capital of the Company under the employee share plan. The shares are held in trust by the trustee of the Minbos employee share plan until the vesting conditions are satisfied. For further details regarding the vesting conditions refer to Note 26: Employee Share Plan Reserve.

F Share-based Compensation

The Company rewards Directors for their performance and aligns their remuneration with the creation of shareholder wealth by issuing share options and or shares. Share-based compensation is at the discretion of the Board and no individual has a contractual right to participate in any share-based plan or to receive any guaranteed benefits.

Directors' Report

- **Options**

During the 2014 financial year the Company issued 5,000,000 unlisted options to William Oliver (Non-Executive Director) to provide a performance incentive component in the remuneration package to motive, reward and further align the Director's interest with that of the shareholders.

During the 2014 financial year 14,600,000 options expired and no shares were issued upon exercise of options.

At the date of this report, the unissued ordinary shares of Minbos under option carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company.

- **Shares**

Long-term incentives
In the 2013 financial year Mr Sullivan and Mr Carter were both eligible to participate in a long term incentive package for the issue of securities (shares, performance rights or options, or a combination of any) in the capital of the Company.

Employee Share Plan – Scott Sullivan
On 14 March 2013, at the general meeting of the Company, shareholders approved the issue of 6,000,000 shares to Mr Sullivan under the employee share plan. The shares have been issued at $0.04 per share with a total value of $240,000 and were held in trust by the trustee of the Minbos employee share plan until the vesting conditions were satisfied.

Mr Sullivan's remuneration is subject to the following vesting conditions:
(i) 2,000,000 shares shall vest when the Company's share price equals the higher of:
  - at the 6 day Volume Weighted Average Price (VWAP) of the Company's share price calculated 3 days before and 3 days after the General Meeting where shareholders approved Minbos Resources Limited Employee Limited Share Plan; or
  - $0.14; and
  - The vesting period is assumed at 14 March 2013 as no vesting date is specified, (Tranche One) and no service conditions were attached to Tranche One;

(ii) 2,000,000 shares to vest one year from Commencement Date, being 1 November 2013 (Vesting Period 1) and when the Company's share price equals or exceeds a vesting price of Tranche One plus 50% increase during the period from Commencement Date (Tranche Two) (if Tranche One Shares vest at $0.14, Tranche Two shares will vest at $0.21);

(iii) 2,000,000 shares to vest two years from Commencement Date, being 1 November 2014 (Vesting Period 2) and when the Company's share price equals or exceeds a vesting price of Tranche One plus 100% increase during the period from Commencement Date (Tranche Three) (if Tranche One Shares vest at $0.14, Tranche Three shares will vest at $0.28); and

On 21 February 2014, Scott Sullivan resigned as Managing Director of the Company and agreed to forfeit his interest in 6,000,000 shares under the employee share plan, which were held in trust until the vesting conditions were satisfied.

In prior year the Group adopted a Hybrid Option Pricing Model to value the shares, as there were various vesting conditions, dependent on certain market conditions being achieved. For further detail regarding the model inputs, refer to Note 26: Employee Share Plan Reserve.

Directors' Report

Employee Share Plan – James Carter
In the previous financial year the Board approved the issue of 2,000,000 shares to Mr Carter under the employee share plan. These shares have been issued at $0.04 per share with a total value of $80,000 and will be held in trust by the trustee of the Minbos employee share plan until the vesting conditions are satisfied.

Mr Carter's remuneration is subject to the following vesting conditions;
(i) 1,000,000 shares shall vest when the Company's share price equals the higher of:
- at the 6 day Volume Weighted Average Price (VWAP) of the Company's share price calculated 3 days before and 3 days after the General Meeting where shareholders approved Minbos Resources Limited Employee Limited Share Plan; or
- $0.14; and
- The vesting period is assumed at 15 April 2013 as no vesting date is specified, (Tranche One) and no service conditions were attached to Tranche One;

(ii) 1,000,000 LTI Shares to vest one year from Commencement Date, being 1 November 2013 (Vesting Period 1) and when the Company's share price at any time equals or exceeds a vesting price of Tranche One plus 50% increase during the period from Commencement Date (Tranche Two) (if Tranche One Shares vest at $0.14, Tranche Two shares will vest at $0.21); and

On 30 August 2013, James Carter resigned as Chief Financial Officer of the Company, his shares therefore vested immediately, in accordance with Mr Carter's executive services agreement.

In prior year the Group adopted a Hybrid Option Pricing Model to value the shares, as there were various vesting conditions, dependent on certain market conditions being achieved. For further detail regarding the model inputs, refer to Note 26: Employee Share Plan Reserve.

There were no other shares issued as compensation to Key Management Personnel during the financial year nor as at the date of signing this report.

G Equity Instruments Issued on Exercise of Remuneration Options
No shares were issued during the financial year to Directors or Key Management Personnel as a result of exercising remuneration options.

Director options that were granted to William Oliver (Non-Executive Director) during the financial year ended 30 June 2014, vested immediately.

Refer to Table 2 and 3 below for further detail.

H Value of Options to Key Management Personnel

Table 2: Value of options granted yet to vest
At 30 June 2014 all options held by Key Management Personnel have vested, with Director Options (issued to William Oliver) vesting immediately.

Key Management Personnel	Year Granted	Vested %	Forfeited %	Financial years in which options vest	Maximum total value of options yet to vest
William Oliver	2014	100%	-	30-Jun-14	-

Directors' Report

Table 3: The value of options to Key Management Personnel for the 2014 financial year are set out below:

Key Management Personnel	Granted Options	Grant Date	Issue Date	Exercise price per Option	Expiry Date	Vesting Date	Fair value per Option	Total value of Options	Share-Based Payments During the year	Share-Based Payments Not yet recognised	First Exercise Date	Last Exercise Date	Vested Number of Options	% Options Vested
William Oliver	5,000,000	25-Nov-13	25-Nov-13	$ 0.01	30-Dec-16	25-Nov-13	$ 0.006	$ 29,886	$ 29,886	$ -	25-Nov-13	30-Dec-16	5,000,000	100%
								$ 29,886	**$ 29,886**	**$ -**				

I Value of Shares to Key Management Personnel

Key Management Personnel	Class of Shares	Granted Shares	Grant Date	Issue Date	Exercise price per Share	Expiry Date	Vesting Date	Fair value per Share	Total value of Share	Employee Benefits Expense During the year	Employee Benefits Expense Not yet recognised	Vested Number of Shares	% Shares Vested
Scott Sullivan (i)	Employee Share Plan	2,000,000	14-Mar-13	14-Mar-13	$ 0.14	01-Nov-22	14-Mar-13	$ 0.047	$ 94,000	$ -	$ -	2,000,000	100%
Scott Sullivan (i)	Employee Share Plan	2,000,000	14-Mar-13	14-Mar-13	$ 0.21	01-Nov-22	01-Nov-13	$ 0.046	$ 92,000	$ 49,172	$ -	2,000,000	100%
Scott Sullivan (i)	Employee Share Plan	2,000,000	14-Mar-13	14-Mar-13	$ 0.28	01-Nov-22	01-Nov-14	$ 0.045	$ 90,000	$ 73,719	$ -	2,000,000	100%
James Carter (ii)	Employee Share Plan	1,000,000	15-Apr-13	15-Apr-13	$ 0.14	01-Nov-22	15-Apr-13	$ 0.033	$ 33,000	$ -	$ -	1,000,000	100%
James Carter (ii)	Employee Share Plan	1,000,000	15-Apr-13	15-Apr-13	$ 0.21	01-Nov-22	01-Nov-13	$ 0.031	$ 31,000	$ 19,220	$ -	1,000,000	100%
									$ 340,000	**$ 142,111**	**$ -**		

(i) Mr Sullivan forfeited his shares upon resignation and the shares are held in trust to be allocated to future employees of the Company.

(ii) Shares have been released from escrow as Mr Carter resigned from the Company during the financial year. The termination conditions have therefore been met at the reporting date, in accordance with the terms of the offer of shares.

Directors' Report

J Voting and comments made at the Company's 2013 Annual General Meeting

The adoption of the Remuneration Report for the financial year ended 30 June 2013 was put to the shareholders of the Company at the Annual General Meeting (AGM) held 25 November 2013. The Company received more than 88.3% of vote, of those shareholders who exercised their right to vote, in favour of the remuneration report for the 2013 financial year. The resolution was passed without amendment, on a show of hands. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

K Loans to key management personnel

There were no loans made to any key management personnel during the year ended 30 June 2014.

L Loans from key management personnel

Convertible Note - Management

On 2 April 2013 Minbos signed convertible note deeds with David Reeves (former Non-Executive Director) and James Carter (former Chief Financial Officer and joint Company Secretary) who provided the Company with $250,000 each. The conversion price of the convertible note is $0.063 which is 150% of the 20 day volume weighted average price (VWAP) of Minbos shares at the date of execution of the facility agreement. Interest is payable at a rate of 12% per annum (15% from December 2013 for James Carter), payable monthly in arrears, with principal repayment or conversion in 9 months from the date of first drawdown.

The conversion of the convertible note issued to David Reeves was approved by Shareholders at the Company's General Meeting held on 8 July 2013.

Under these convertible notes, David Reeves and James Carter received interest totalling $29,836 and $33,986 respectively, during the year. The initial investment of $500,000 plus interest of $8,096 was outstanding at 30 June 2014. Subsequent to year end however, James Carter's initial investment of $250,000 and all outstanding interest was repaid by the Company.

In the 2014 financial year all current outstanding convertible note holders became secured convertible note holders pursuant to the execution of a general security deed with the Company.

Convertible Note – Sophisticated Investors

During the year the Company signed a capital raising/corporate mandate with CPS Capital Group Pty Ltd ('CPS'), a Company, of which Damian Black (Executive Director) is an employee and Associate Director. CPS is a related party by virtue of it acting in concert with Mr Black. On 21 August 2013 the Company announced it had established a $250,000 secured convertible note facility managed by CPS, which was extended up to $800,000 during the year.

Mr Peter Wall and Mr Damian Black became convertible note holders under that facility through their associated entities for the amount of $150,000 each, prior to their appointment as Directors. At 30 June 2014 Mr Wall and Mr Black held convertible notes in the amount of $75,000 each.

Mr David Reeves also participated in the convertible note facility through an associated entity and held notes for the amount of $50,000 following shareholder approval granted at the general meeting held 14 April 2014. At 30 June 2014 Mr Reeves held convertible notes in the amount of $50,000.

For the key terms of the convertible note refer to Note 18(c).

Under these convertible notes, CPS received $66,000 in establishment fees during year, of which $33,000 was outstanding at 30 June 2014.

Directors' Report

On the 17 January 2014, $250,000 of the initial investment was converted into 83,333,333 shares and 83,333,333 options, leaving an outstanding investment at 30 June 2014 of $550,000. Subsequent to year end a further $300,000 was converted into 100,000,000 shares and 100,000,000 options.

On 15 April 2014 the Company issued 12,500,000 shares, in satisfaction of interest payable on Tranche 1 Convertible Notes in the amount of $37,500 and on 7 May 2014 the Company issued a further 12,500,000 shares, in satisfaction of interest payable on Tranche 2 Convertible Notes in the amount of $37,500. At 30 June 2014 interest on Tranche 3 Convertible Notes was outstanding and payable on conversion of the convertible notes.

M Other transactions with key management personnel

Capital raising/corporate advisory mandate - CPS Capital Group Pty Ltd ('CPS')

On 10 December 2013 the Company signed a capital raising/corporate advisory mandate with CPS Capital Group Pty Ltd ('CPS'), a Company which Damian Black (Executive Director) is an Employee. In accordance with the mandate, CPS agreed to provide the Company with a convertible note facility of $800,000 (refer below for further detail) and act as manager to the offer of a renounceable rights issue. The following fees are outlined in the mandate:

- CPS will receive an establishment fee of 6.6% inclusive of GST on funds raised for the Company via the convertible note issues;
- CPS will receive a 6% management fee for the final amount raised under the rights issue;
- CPS will receive a corporate advisory/public relations fee of $5,500 per month inclusive of GST payable monthly in arrears, for a period of 12 months from the date of the agreement; &
- CPS will also receive a placement fee of 6% on any future capital raised through investors for a period of 12 months.

Under the corporate mandate, CPS received the following fees during the financial year:

- $66,000 in establishment fees, of which $33,000 was outstanding at 30 June 2014.
- $30,000 in corporate advisory fees, of which $30,000 was outstanding at 30 June 2014.
- 30,000,000 unlisted options as consideration for corporate advisory services, valued at $84,690 using Black-Scholes option pricing model.

Legal Services

During the financial year the Company used Steinepreis Paganin Lawyers & Consultants for legal services, a firm which Peter Wall (Non-Executive Chairman) is a partner. During the year the Company incurred fees from Steinepreis Paganin Lawyers & Consultants of $151,140 of which $92,609 was outstanding at 30 June 2014.

Office Rent

During the financial year the Company paid Worldwide Mining Ltd rent up until November 2013, for its office on Level 1/278 Stirling Hwy. The office was sub-leased from Worldwide Mining Ltd which is owned 100% by a company, Geopacific, of which Mr Carter (former Chief Financial Officer) owns approximately 5.5%. The total amount paid to Worldwide Mining Ltd during the financial year was $11,150.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There are no other transactions with key management personnel during the financial year ended 30 June 2014.

End of Audited Remuneration Report

Directors' Report

13. OPTIONS

At the date of this report, the unissued ordinary shares of Minbos under option are as follows:

Class	Date of Expiry	Exercise Price	Number Under Option
Consultant Options	30-Dec-14	$0.25	3,000,000
Commencement Options	08-Mar-16	$0.0937	1,150,000
Director Options	30-Dec-16	$0.01	5,000,000
Conversion of CPS convertible security	30-Dec-16	$0.01	83,333,333
Consideration for corporate services	30-Dec-16	$0.01	30,000,000
Conversion of CPS convertible security	30-Dec-16	$0.01	100,000,000
			222,483,333

No person entitled to exercise these options had or has any right by virtue of the option to participate in any share issue of any other body corporate. There were no shares issued on the exercise of any options during the financial year.

14. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

15. INDEMNIFYING OFFICERS

During the financial year, the Company paid a premium in respect of a contract insuring all its Directors and current and former executive officers against a liability incurred as such a Director or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company against a liability incurred as such an officer or auditor.

16. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

As disclosed in the Quarterly Activities Reports for the three months ended 30 June 2014 (lodged 31 July 2014 on the ASX Company Announcements Platform), the likely developments of the Company are anticipated to be as follows:

Cabinda Projects - Angola

- Renewal of Prospection Titles under the new Mining Code, Law 31/11, to facilitate the progression of the DFS.

Kanzi Project - DRC

- Progress and complete negotiations for the sale of Minbos' interests in the DRC.
- Minbos will not be committing any further significant expenditure to Kanzi.

Phosphate tenements – Western Australia

- Geological mapping, geochemical sampling and desktop based evaluation to meet licence conditions.

For further information on the abovementioned likely developments and expected results of operation refer to the Review of Operations section disclosed within this Annual Report.

Directors' Report

As any further information on the likely developments of the Company eventuate, this information will be made available to the market in accordance with its continuous disclosure obligations under the ASX Listing Rules.

17. ENVIRONMENTAL REGULATIONS

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that there are no current reporting requirements under the National Greenhouse and Energy Reporting Act 2007.

The Group is subject to environmental regulation in respect to its activities in Angola, Australia and the DRC. The Group aims to ensure that appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The Directors of the Group are not aware of any breach of environmental legislations as they apply to the Group during the year.

18. NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the group are important.

Details of the amounts pair or payable to the auditor (BDO Audit (WA) Pty Ltd) for non-audit services provided during the year are set out below.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independent requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

	30-Jun-14	30-Jun-13
Non-Audit Services	**$**	$
Remuneration for other services		
BDO Corporate Tax (WA) Pty Ltd - Taxation services	**980**	9,430
BDO Corporate Finance (WA) Pty Ltd - Other professional services	**3,060**	6,650
Total Non-Audit Services	**4,040**	16,080

19. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead Auditor's Independence Declaration is set out on page 47 and forms part of the Directors' Report for the financial year ended 30 June 2014.

Signed in accordance with a resolution of the Board of Directors.

Mr Peter Wall
Non-Executive Chairman
30 September 2014

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

As lead auditor of Minbos Resources Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Phillip Murdoch
Director

BDO Audit (WA) Pty Ltd

Perth, 30 September 2014

Corporate Governance Statement

CORPORATE GOVERNANCE

The Board of Directors of Minbos Resources Limited (the "Company" or "Minbos") is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of Minbos on behalf of the shareholders by whom they are elected and to whom they are accountable.

This Corporate Governance Statement sets out the Company's current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Principles and Recommendations). The Principles and Recommendations are not mandatory. The Statement below discloses the extent to which the Company has followed the Principles and Recommendations, furthermore, the Board of the Company currently has in place a Corporate Governance Plan which is located on the Company's website at www.minbos.com.

PRINCIPLES AND RECOMMENDATIONS	
1.	***Lay solid foundations for management and oversight***
1.1	**Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.**
	The Board of Directors guide and monitor the business affairs of the Company on behalf of Shareholders and have formally adopted a corporate governance plan, including a Board Charter, which is designed to encourage Directors to focus their attention on accountability, risk management and ethical conduct. The corporate governance plan available on the Company's website www.minbos.com The roles and responsibilities of the Board include: • appointment of the Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination; • driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance; • reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance; • approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures; • approving and monitoring the budget and the adequacy and integrity of financial and other reporting; • approving the annual, half yearly and quarterly accounts; • approving significant changes to the organisational structure; • approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with ASX Listing Rules); • ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making; • recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the ASX Listing Rules); and • meeting with the external auditor, at their request, without management being present.

Corporate Governance Statement

1.	***Lay solid foundations for management and oversight***
	The roles and responsibilities of management include: • Develop and recommend internal control and accountability systems; • Implement and maintain systems, corporate strategy and performance objectives; • Implement and maintain systems of risk management, internal compliance and controls, codes of conduct, legal compliance and any other regulatory compliance to meet statutory deadlines; • Monitor employee performance and manage appropriate human resources; • Prepare required financial reports, tax lodgements, budgets and other financial reports; • Monitor company performance against budget; • Protect the assets of the Company and prepare Board recommendations on acquisitions and divestment of assets; and • Undertake best endeavours to add value to the Company in a professional, ethical and accountable manner.
1.2	**Companies should disclose the process for evaluating the performance of senior executives.**
	During the financial year, the senior executives of the Company, who were not Directors, were the Chief Financial Officer ("CFO") and the Company Secretary. The evaluation of the performance of the CFO is assessed annually (or on an as needed basis) by the Board and in accordance with the terms and conditions of the service agreement entered into by the Company with Stillwater Consulting Pty Ltd for the provision of the CFO services. The performance of the CFO was not assessed during the year as the CFO provided services for two months of the financial year and resigned on 30 August 2013. The CFO position is currently vacant. The evaluation of the performance of the Company Secretary is assessed annually (or on an as needed basis) by the Board and in accordance with the terms and conditions of the consulting agreement entered into by the Company with Eventide Consulting for the provision of company secretarial and financial reporting services. The performance of the Company Secretary was assessed during the year.
1.3	**Companies should provide the information indicated in the *Guide to reporting on Principle 1*.**
	There have been no departures from the ASX's Principles and Recommendations 1.1 and 1.2. Information has been provided above and further referenced within this annual report and/or to the Company's Corporate Governance Policy (which is available on the Company's website).

2.	***Structure the board to add value***
2.1	**A majority of the board should be independent directors.**
	The Company recognises that independent Directors are important in assuring shareholders that the Board is properly fulfilling its role and is diligent in holding senior management accountable for its performance. Directors of Minbos Resources Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

Corporate Governance Statement

2.	*Structure the board to add value*
2.1	**A majority of the board should be independent directors.**
	In making this assessment, the Board considers all relevant facts and circumstances. Relationships that the Board will take into consideration when assessing independence are whether a Director: • is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company; • is employed, or has previously been employed in an executive capacity by the Company or another Company member, and there has not been a period of at least three years between ceasing such employment and serving on the Board; • has within the last three years been a principal of a material professional advisor or a material consultant to the Company or another Company member, or an employee materially associated with the service provided; • is a material supplier or customer of the Company or other Company member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or • has a material contractual relationship with the Company or another Company member other than as a Director. Currently Messrs Wall, Black and Catulichi were or are substantial shareholders holding more than 5% of the shares in the Company, therefore deeming them to be not independent. Mr Oliver is a Non-Executive Director and is considered to be independent. The Company currently maintains a mix of Directors from different backgrounds with complementary skills and experience, however, is aware of the importance of having a Board with a majority of its directors being independent. In the future, the Company intends to seek out and appoint independent directors to the Board when additional directors are required in order to meet the ASX recommendation of maintaining a majority of independent Non-Executive Directors. During the period: Mr Catulichi is a Non-Executive Director and was not deemed to be independent during the period as he was a substantial shareholder of the Company until July 2014. Mr Reeves was a Non-Executive Director and was not deemed to be independent during the period as he was a substantial shareholder of the Company. Mr Reeves resigned on 21 February 2014. Mr Sullivan was not deemed to be independent during the period as he was an Executive Director of the Company. Mr Sullivan resigned on 21 February 2014. Mr Richards was not deemed to be independent during the period as he was an Executive Director of the Company for 4 months in the prior year. Mr Richards was subsequently appointed Non-Executive Director of the Company however is not considered to be independent for a period of 3 years following the ceasing of the Executive role. Mr Richards resigned on 6 August 2014. Mr Oliver is a Non-Executive Director and is considered to be independent. Mr Wall is the Non-Executive Chairman however is not deemed to be independent during the period as he was a substantial shareholder of the Company. Mr Black is not deemed to be independent as he is an Executive Director of the Company.

Corporate Governance Statement

2.	***Structure the board to add value***
2.2	**The chair should be an independent director.**
	During the period, the role of Chairman was performed by Non-Executive Directors and the Managing Director who were not considered independent due to substantial shareholdings or their due to their previous executive roles. The Company intends to seek out and appoint an independent chairman in the future as operations expand; however, due to the current composition of the Board and the current scale of the Company's operations it may not be appropriate to appoint an independent chairman for some time.
2.3	**The roles of chair and chief executive officer should not be exercised by the same individual.**
	The role of Chief Executive Officer was performed by Mr Scott Sullivan as Managing Director until his resignation. For seven months of the year, the role of Chief Executive Officer and Chairman was being fulfilled by the same individual. Following the resignation of Mr Sullivan in February 2014, Mr Peter Wall was appointed Non-Executive Chairman and Mr Damian Black was also appointed Executive Director therefore the same individual was not performing both roles from February 2014. In September 2014 the Company appointed Mr Lindsay Reed as Chief Executive Officer.
2.4	**The board should establish a nomination committee.**
	The Company is currently not of a relevant size that requires the formation of a separate Nomination Committee and there are not a sufficient number of independent directors to form a separate committee. Therefore, the Board has developed a nomination committee charter and the matters typically dealt with by such a committee are dealt with by the Board of Directors. The charter is available on the Company's website www.minbos.com When a board vacancy becomes available, the Board will consider the existing mix of skills of the existing Board and define the skill set that will be sought in candidates to fill the vacancy. Directors will review a range of suitable candidates and may obtain the services of a reputable recruitment agent to assist with candidate selection. The most appropriate candidate will be appointed to the role until the director is elected by members at the next annual general meeting of the Company.
2.5	**Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.**
	The Board has a process for performance evaluation to ensure that the responsibilities of the Board are discharged in an appropriate manner. The performance of the Board will be reviewed annually by the Chair; and the performance of the Chair will be reviewed annually by the rest of the Board. Directors whose performance is consistently unsatisfactory may be asked to retire. The performance of the Board has been reviewed and evaluated internally during the period.
2.6	**Companies should provide the information indicated in the *Guide to reporting on Principle 2*.**
	The Company has provided details of each director, their skills, and experience in Section 1 of the Directors' Report. The Board, Board Committees or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairman. A copy of any such advice received is made available to all members of the Board. Explanations of the Company's compliance with; and departures from, the ASX's Principles and Recommendations 2.1 through to 2.5 have been detailed in the sections above.

Corporate Governance Statement

3.	**Promote ethical and responsible decision-making**
3.1	**Companies should establish a code of conduct and disclose the code or a summary of the code.**
	The Board is bound by the Company's Board Charter and Code of Conduct (as disclosed in the Company's Corporate Governance Plan). The Board understands the obligations for ethical and responsible decision making. All Directors and Officers are expected to: a) comply with the law; b) act in the best interests of the Company; c) be responsible and accountable for their actions; and observe the ethical principles of honesty and fairness, including prompt disclosure of potential conflicts.
3.2	**Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.**
	The Company adopted a diversity policy on the 1 July 2011 as part of their Corporate Governance Plan. The Company recognises the benefits arising from board diversity, and is committed to providing a diverse workplace that embraces and promotes diversity. Minbos Resources Limited is an equal opportunity employer and welcomes people from different backgrounds. Full details of the Company's diversity policy can be found on the Company website www.minbos.com
3.3	**Companies should disclose in each annual report the measureable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress in achieving them.**
	The Company intends to appoint at least one female director to the Board should a vacancy arise and an appropriately qualified individual is available. The Company intends to target a proportion of at least 33% representation of women across the whole organisation, where possible. This target may be restricted by the small number of employees currently employed by the Company.
3.4	**Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.**
	The Company has no female directors and four male directors. The proportion of women on the Board is 0%. The current management is comprised of Mr Lindsay Reed as Chief Executive Officer and the position of Company Secretary is currently fulfilled by Ms Paige Exley, who is engaged by the Board through consultancy company, Eventide Consulting. Therefore the proportion of women in senior executive positions is 50%. The proportion of women employees in the whole organisation is 33%.
3.5	**Companies should provide the information indicated in the *Guide to reporting on Principle 3*.**
	Explanations of the Company's compliance with, and departures from, the ASX's Principles and Recommendations 3.1 through to 3.4 have been detailed in the sections above.

Corporate Governance Statement

4.	***Safeguard integrity in financial reporting***
4.1	**The board should establish an audit committee.**
	The Company is not of a size at the moment that requires having a separate audit committee and there are not a sufficient number of independent directors to form a separate committee. However, matters typically dealt with by such a committee are dealt with by the Board of Directors.
4.2	**The audit committee should be structured so that it:** • **consists only of Non-Executive Directors** • **consists of a majority of independent directors** • **is chaired by an independent chair, who is not chair of the board** • **has at least three members.**
	Matters typically dealt with the Audit Committee are currently dealt with the Board of Directors. The Company does not comply with ASX Principle 4.2 as the majority of the Board is not independent and the Board performs the role of the committee. Though the Company intends to seek out and appoint additional independent directors to the Board when the size and scale of the Company justify and warrant their inclusion, for the time being the Company maintains a mix of Directors from different backgrounds with complementary skills and experience.
4.3	**The audit committee should have a formal charter.**
	The Board has adopted a formal charter of an audit committee and code of conduct, as disclosed in the Corporate Governance Plan available on the Company's website.
4.4	**Companies should provide the information indicated in the *Guide to reporting on Principle 4*.**
	The Board meets to consider, review and approve the Company's financial reports at least twice per year. Explanations of the Company's compliance with, and departures from, the ASX's Principles and Recommendations 4.1 through to 4.3 have been detailed in the sections above.

5.	***Make timely and balanced disclosure***
5.1	**Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.**
	The Company is committed to ensuring that shareholders and the market are provided with full and timely information. The Company has a continuous disclosure program in place designed to ensure the compliance with ASX Listing Rule disclosure and to ensure accountability at a senior executive level for compliance and factual presentation of the Company's financial position. The Company Secretary has been nominated as the person responsible for communicating with ASX on behalf of the Company. This role includes liaising with the directors and senior management to ensure all necessary compliance with disclosure requirements has been met
5.2	**Companies should provide the information indicated in *Guide to Reporting on Principle 5.***
	Explanations of the Company's compliance with, and departures from, the ASX's Principle and Recommendation 5.1 have been detailed in the section above.

Corporate Governance Statement

6.	***Respect the rights of shareholders***
6.1	**Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.**
	Pursuant to Principle 6, the Company's objective is to ensure effective communication with its shareholders at all time. Given the size of the Company, all communication with shareholders is currently reverted to the Board and its Company Secretary. The Company's website has a dedicated News & Media section which publishes all important Company information and relevant announcements made to the market. Shareholders are encouraged to attend and participate at general meetings and are given the opportunity to ask questions at the meetings.
6.2	**Companies should provide the information indicated in the *Guide to reporting on Principle 6*.**
	Explanations of the Company's compliance with, and departures from, the ASX's Principle and Recommendation 6.1 have been detailed in the section above.

7.	***Recognise and manage risk***
7.1	**Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.**
	The Company has adequate policies in relation to risk management, compliance and internal control systems. The Company's policies are designed to ensure strategic, operational, legal, reputational and financial risks are identified, assessed effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.
7.2	**The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.**
	The Board is responsible for driving risk management in the Company. The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management are recurring items for deliberation at Board Meetings.
7.3	**The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.**
	A written declaration has been provided by the Executive Director and Company Secretary acting in the capacity as the Chief Finance Officer in accordance with section 295A of the Corporations Act to the Board in regards to the preparation of financial reports.
7.4	**Companies should provide the information indicated in *Guide to Reporting on Principle 7.***
	Explanations of the Company's compliance with, and departures from, the ASX's Principles and Recommendations 7.1 through to 7.3 have been detailed in the sections above. Full details of the Company's risk management policy can be found on the Company's website.

Corporate Governance Statement

8.	*Remunerate fairly and responsibly*
8.1	**The Board should establish a remuneration committee.**
	The Board has not established a remuneration committee at this point in the Company's development. It is considered that the size of the Board along with the level of activity of the Company and the number of independent directors renders this impractical. The full Board considers in detail all of the matters for which the directors are responsible. The remuneration philosophy, structure and approvals process is explained in detail in Section 12 of the audited Remuneration Report contained within the Directors' Report.
8.2	**The remuneration committee should be structured so that it:** • **consists of a majority of independent directors** • **is chaired by an independent director, who is not the chair of the Board** • **has at least three members**
	The Board has not established a remuneration committee and the Board considers in detail all of the matters for which the directors are responsible. The Company does not comply with ASX Principle 8.2 as the majority of the Board is not independent and the Board performs the role of the committee. The Board is comprised of four members and the Non-Executive Chairman performs the duties of the Chair for all matters that would be in the scope of a committee. The Board has adopted a formal charter of a remuneration committee, as disclosed in the Corporate Governance Plan available on the Company's website. www.minbos.com Though the Company intends to seek out and appoint additional independent directors to the Board when the size and scale of the Company justify and warrant their inclusion, for the time being the Company maintains a mix of Directors from different backgrounds with complementary skills and experience.
8.3	**Companies should clearly distinguish the structure of Non-Executive Directors' remuneration from that of Executive Directors and Senior Executives.**
	The Company clearly distinguishes the policy and structure of Executive and Non-Executive Directors' remuneration and has been explained in detail in Section 12 of the audited Remuneration Report contained within the Directors' Report. The Company does not currently provide any retirement benefits or superannuation to Non-Executive Directors.
8.4	**Companies should provide the information indicated in the *Guide to reporting on Principle 8*.**
	It is the Company's policy that all persons offered equity-based remuneration or incentives by the Company are prohibited from entering into transactions in associated products which limit economic risk of participating in unvested entitlements under equity-based remuneration schemes. The Company has provided an explanation of any departures from best practice recommendations 8.1 to 8.3 (if any) in sections 8.1 to 8.3 above.

Consolidated Statement of Profit or Loss & Other Comprehensive Income

	Notes	30-Jun-14	30-Jun-13
		$	$
Revenue from continuing operations	6	2,333	19,413
Administration expenses	7	(716,324)	(1,906,038)
Finance costs	7	(1,046,442)	(256,440)
Foreign exchange loss		(346)	(4,963)
Impairment of exploration and evaluation expenditure	14	(126,328)	(2,966,304)
Loss from sale of plant and equipment		(19,031)	-
Personnel expenses	7	(526,255)	(816,806)
Share-based payments	25(b)	(114,576)	(60,321)
Share of net loss from associate	13	(133,302)	(35,371)
Loss from continuing operations before income tax		(2,680,271)	(6,026,830)
Income tax expense	8(a)	-	-
Loss from continuing operations after income tax		(2,680,271)	(6,026,830)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(372,138)	1,504,077
Other comprehensive loss for the year, net of tax		(372,138)	1,504,077
Total comprehensive loss for the year		(3,052,409)	(4,522,753)
Loss for the year is attributable to the owners of Minbos Resources Limited		(2,680,271)	(6,026,830)
Total comprehensive loss for the year is attributable to the owners of Minbos Resources Limited		(3,052,409)	(4,522,753)
Loss per share attributable to ordinary equity holders			
- Basic loss per share	9	(0.013)	(0.05)
- Diluted loss per share	9	(0.013)	(0.05)

The Consolidated Statement of Profit or Loss & Other Comprehensive Income is to be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

	Notes	30-Jun-14	30-Jun-13
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	10	**30,727**	53,685
Trade and other receivables	11	**13,653**	123,765
Total current assets		**44,380**	177,450
Non-current assets			
Plant and equipment	12	**44,456**	136,226
Investment in associate	13	**10,645,238**	11,128,980
Exploration and evaluation expenditure	14	**49,575**	-
Other financial assets	15	**4,436,645**	4,213,808
Total non-current assets		**15,175,914**	15,479,014
Total assets		**15,220,294**	15,656,464
LIABILITIES			
Current liabilities			
Trade and other payables	16	**586,963**	187,298
Provisions	17	**28,602**	17,078
Borrowings	18	**1,250,000**	318,119
Derivative financial liabilities	19	**-**	231,881
Share placement liability	20	**80,000**	-
Total current liabilities		**1,945,565**	754,376
Non-current liabilities			
Deferred tax liabilities	8(b)	**3,935,637**	3,935,637
Total non-current liabilities		**3,935,637**	3,935,637
Total liabilities		**5,881,202**	4,690,013
Net assets		**9,339,092**	10,966,451
EQUITY			
Issued capital	21	**26,172,620**	25,440,555
Reserves	22	**3,003,347**	2,682,500
Accumulated losses	23	**(19,836,875)**	(17,156,604)
Total equity		**9,339,092**	10,966,451

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

	Issued Capital $	Share-based Payment Reserve $	Employee Share Plan Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
At 1 July 2013	**25,440,555**	**1,269,657**	**197,889**	**1,214,954**	**(17,156,604)**	**10,966,451**
Comprehensive income:						
Loss for the year	-	-	-	-	**(2,680,271)**	**(2,680,271)**
Other comprehensive loss	-	-	-	**(372,138)**	-	**(372,138)**
Total comprehensive loss for the year	-	-	-	**(372,138)**	**(2,680,271)**	**(3,052,409)**
Transactions with owners in their capacity as owners:						
Issue of share capital	**748,083**	-	-	-	-	**748,083**
Capital raising costs	**(16,018)**	-	-	-	-	**(16,018)**
Share-based payments	-	**550,874**	-	-	-	**550,874**
Employee benefits expense	-	-	**142,111**	-	-	**142,111**
At 30 June 2014	**26,172,620**	**1,820,531**	**340,000**	**842,816**	**(19,836,875)**	**9,339,092**

	Issued Capital $	Share-based Payment Reserve $	Employee Share Plan Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
As 1 July 2012	22,907,859	1,170,882	-	(289,123)	(11,129,774)	12,659,844
Comprehensive income:						
Loss for the year	-	-	-	-	(6,026,830)	(6,026,830)
Other comprehensive income	-	-	-	1,504,077	-	1,504,077
Total comprehensive loss for the year	-	-	-	1,504,077	(6,026,830)	(4,522,753)
Transactions with owners in their capacity as owners:						
Issue of share capital	2,690,477	-	-	-	-	2,690,477
Capital raising costs	(157,781)	-	-	-	-	(157,781)
Share-based payments	-	98,775	-	-	-	98,775
Employee benefits expense	-	-	197,889	-	-	197,889
At 30 June 2013	25,440,555	1,269,657	197,889	1,214,954	(17,156,604)	10,966,451

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

		30-Jun-14	30-Jun-13
		$	$
Cash flows from operating activities			
Payment to suppliers and employees		**(675,544)**	(2,117,006)
Interest received		**2,333**	19,413
Interest paid		**(61,631)**	(912)
Net cash outflow from operating activities	**10(c)**	**(734,842)**	(2,098,505)
Cash flows from investing activities			
Proceeds from the sale of plant and equipment		**41,841**	-
Payment for plant and equipment		**-**	(32,999)
Payment for exploration and evaluation expenditure		**(164,741)**	(2,351,466)
Net cash outflow from investing activities		**(122,900)**	(2,384,465)
Cash flows from financing activities			
Proceeds from unissued shares, net of costs	**20**	**80,000**	-
Proceeds from the issue of shares, net of costs		**(11,131)**	1,703,779
Loan to associate		**(213,259)**	(64,046)
Proceeds from convertible note facility, net of costs		**999,613**	535,000
Net cash inflow from financing activities		**855,223**	2,174,733
Net decrease in cash and cash equivalents		**(2,519)**	(2,308,237)
Cash and cash equivalents at the beginning of the year		**53,685**	2,081,985
Effect of exchange rate fluctuations on cash held		**(20,439)**	279,937
Cash and cash equivalents at the end of the year	**10(a)**	**30,727**	53,685

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1. REPORTING ENTITY

Minbos Resources Limited (referred to as 'Minbos' or the 'Company' or Parent Entity') is a company domiciled in Australia. The address of the Company's registered office and principal place of business is disclosed in the Corporate Directory of the annual report. The consolidated financial statements of the Company as at and for the year ended 30 June 2014 comprise the Company and its subsidiaries (together referred to as the 'Consolidated Entity' or the 'Group'). The Group is primarily involved in phosphate exploration in Africa.

2. BASIS OF PREPARATION

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Minbos Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial report was authorised for issue by the Directors on 30 September 2014.

(a) Compliance with IFRS

The consolidated financial statements of the Consolidated Entity also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(b) New and amended standards adopted by the Group

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 10 Consolidated Financial Statements
The consolidated entity has applied AASB 10 from 1 July 2013, which has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights that give it the current ability to direct the activities that significantly affect the investee's returns. The consolidated entity not only has to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes.

AASB 11 Joint Arrangements
The consolidated entity has applied AASB 11 from 1 July 2013. The standard defines which entities qualify as joint arrangements and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets are accounted for using the equity method. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities, will account for its share of the assets, liabilities, revenues and expenses separately under the appropriate classifications.

Notes to the Consolidated Financial Statements

AASB 12 Disclosure of Interests in Other Entities
The consolidated entity has applied AASB 12 from 1 July 2013. The standard contains the entire disclosure requirement associated with other entities, being subsidiaries, associates, joint arrangements (joint operations and joint ventures) and unconsolidated structured entities. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation - Special Purpose Entities'.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13
The consolidated entity has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)
The consolidated entity has applied AASB 119 and its consequential amendments from 1 July 2013. The standard eliminates the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The standard also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

AASB 127 Separate Financial Statements (Revised), AASB 128 Investments in Associates and Joint Ventures (Reissued) and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards
The consolidated entity has applied AASB 127, AASB 128 and AASB 2011-7 from 1 July 2013. AASB 127 and AASB 128 have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12 and AASB 2011-7 makes numerous consequential changes to a range of Australian Accounting Standards and Interpretations. AASB 128 has also been amended to include the application of the equity method to investments in joint ventures.

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2013 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(c) Early adoption of standards

The Group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2013.

(d) Going concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

During the year the Group incurred a net loss for the year of $2,680,271 and incurred net cash outflows from operating and investing activities of $857,742. At 30 June 2014 the Group had a net working capital deficiency of $1,901,185 (30 June 2013: $576,926) and had to extend the payment terms with its creditors to ensure the Company did not breach its obligations.

Notes to the Consolidated Financial Statements

The ability of the Consolidated Entity to continue as a going concern is dependent on the Consolidated Entity being able to renew its Cabinda exploration permit and raise additional funds as required to fund ongoing exploration commitments, for working capital and to repay potential liabilities that may arise under the convertible notes.

On 3 September 2014, the Company announced the successful placement of the rights issue shortfall of 447,119,610 fully paid ordinary shares issued at $0.003 per share to raise approximately $1,341,359. The funds will be applied to the repayment of debt and general working capital for the Company.

The Directors believe that the Group will continue as a going concern. As a result the financial report has been prepared on a going concern basis. No adjustments have been made relating to the recoverability of assets and classification of liabilities that might be necessary should the Group not continue as a going concern.

(e) Critical accounting estimates and judgments

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the Group.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

(i) Note 8: Income Tax Expense - The Group is subject to income taxes in Australia, Angola and Democratic Republic of Congo. Significant judgement is required when determining the Group's provision for income taxes. The Group estimates its tax liabilities based on the Group's understanding of the tax law. No tax liabilities are recognised in 2014 (2013: nil) for the group.

(ii) Note 14: Exploration and evaluation expenditure - The Group's accounting policy for exploration and evaluation is set out in note 3(k). If, after having capitalised expenditure under this policy, the Directors conclude that the Group is unlikely to recover the expenditure by future exploration or sale, then the relevant capitalised amount will be written off to the Statement of Profit and Loss and Other Comprehensive Income. At 30 June 2014, Allamanda continued to hold the Kanzi Joint Venture licences, accordingly the Group has impaired the exploration expenditure incurred during the financial year until the licences are transferred to the Joint Venture entity.

The Cabinda exploration permit validly expired 20 January 2013 and the joint venture has sought renewal of the permit with the Angola Government, which is processing the licence renewal under the new Angolan Mining Code. As at the date of this report the license has not been renewed. The Board has no reason to believe that the licence will not be granted nor that the licence approval process is not progressing. However, there is a risk that the renewal could take additional time or may not be renewed resulting in Minbos not being able to realise the investment at amounts stated in this report.

Notes to the Consolidated Financial Statements

(iii) Note 19: Derivative Financial Liabilities – The collateral shares and the embedded derivative option component of the convertible note with Lind is classified as a derivative financial liability. The fair value of the convertible note derivative has been determined by computing the fair value of the Collateral Shares and the Convertible Security which were issued to Lind during the period. To determine the average 3 daily VWAP of Minbos as at maturity, the Company has used a Monte Carlo simulation. This simulation also takes into account the exercise price, the term of the security, the Company's share price at reporting period, the expected volatility of the underlying share price and the risk-free interest rate (based on government bonds). The expected volatility is based upon two year historical volatility adjusted for abnormal spikes in the Company's share price.

(iv) Note 25: Share-based payments - The Group measures the cost of equity settled share based payments at fair value at the grant date using the Black-Scholes option pricing model, the Binomial option pricing model and/or the Monte Carlo option pricing model, taking into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Minbos Resources Limited ("Company" or "Parent Entity") as at 30 June 2014 and the results of all subsidiaries for the year then ended. Minbos Resources Limited and its subsidiaries together are referred to in this financial report as the Group or the Consolidated Entity.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss & Other Comprehensive Income and Consolidated Statement of Financial Position respectively.

(ii) Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associates. Dividends received or receivable from associates reduce the carrying amount of the investment.

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

Notes to the Consolidated Financial Statements

(iii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interest in the subsidiary. Any differences between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Minbos Resources Limited.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Board of Directors.

(c) Foreign currency translation

(i) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars. The functional and presentation currency of the Company is Australian dollars. The functional currency of the subsidiaries are United States dollars (USD) and South African Rand (ZAR).

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investments in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a net basis within other income or other expenses.

Notes to the Consolidated Financial Statements

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position,
- Income and expenses for each Statement of Profit or Loss and Other Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(d) Revenue recognition

The Group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

(i) Interest income

Interest income is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as it accrues, using the effective interest method.

(e) Income tax

The income tax expense for the financial year is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are recognised for all temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax losses, at the tax rates expected to apply when the assets are recovered or liabilities settled based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary difference and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax base of investments in subsidiaries, associated and interests in joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Notes to the Consolidated Financial Statements

Current and deferred tax balances relating to amounts recognised directly in other comprehensive income are also recognised directly in other comprehensive income.

(f) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, short term bills and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Consolidated Statement of Cash Flows.

(h) Trade and other receivables

Trade and other receivables are recorded at amounts due less any allowance for doubtful debts. Trade and other receivables are generally due for settlement within 30 days.

(i) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Consolidated Statement of Cash Flows.

(ii) Subsequent measurement

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

Details on how the fair value of financial instruments is determined are disclosed in Note 4: Financial Risk Management.

Notes to the Consolidated Financial Statements

(iii) Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost it considered an indicator that the assets are impaired.

(iv) Assets carried at amortised cost

For loans and receivables, the amount of 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 been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. If a loan or held-to maturity investment has a variable interest rate, the discount rate or measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(j) Plant and equipment

(i) Owned assets

Items of plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a work condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components).

(ii) Subsequent costs

The Group recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as an expense as incurred.

Notes to the Consolidated Financial Statements

(iii) Depreciation

Depreciation is charged to the Consolidated Statement of Profit or Loss and Other Comprehensive Income using a straight line method over the estimated useful lives of each part of an item of plant and equipment.

The estimated useful lives in the current and comparative periods are as follows:

- Computer equipment: 3 years
- Vehicles: 5 years
- Office equipment: 6 to 10 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

(k) Exploration and evaluation expenditure

Exploration and evaluation expenditure, which are intangible costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Consolidated Entity has obtained the legal rights to explore an area are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

(i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or

(ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or other wise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mineral property and development assets within plant and equipment.

(l) Other financial assets

The Group classifies its other financial assets in the following categories: loans and receivables. The classification depends on the purpose for which the other financial assets were acquired. Management determines the classification of its other financial assets at initial recognition and re-evaluates this designation at each reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets.

Investments in subsidiaries are carried at cost, net of any impairment losses in the Parent entity's financial statements.

Notes to the Consolidated Financial Statements

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) Borrowings Costs

Borrowing costs are recognised as an expense when incurred.

(o) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised costs using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised.

Convertible note liability and derivative

Convertible note issued by the Company comprise a convertible note that can be converted to ordinary shares at the option of the holder and a convertible note derivative whose fair value changes with the Company's underlying share price.

The liability component of a convertible note is recognised initially at fair value of a similar liability that does not have an equity conversion option. The embedded derivative component is firstly recognised at fair value and the liability component is calculated as the difference between the financial instruments as a whole and the value of the derivative at inception. Any directly attributable transaction costs are allocated to the convertible note liability and convertible note derivative in proportion to their initial carrying amounts. The fair value of the derivative portion has been valued using a valuation technique including inputs that include reference to similar instruments and options pricing models. Subsequent to initial recognition, the liability component of the convertible note is measured at amortised cost using the effective interest method. The convertible note derivative is measured at fair value through profit or loss.

The convertible note liability and derivatives are removed from the Consolidate Statement of Financial Position when the obligations specified in the contract are discharged. This can occur upon the option holder exercising their option or the option period lapses requiring the Company to discharge the obligation. Both the convertible note liability and derivative are classified as current liability as the option holder has the right to convert at any time.

Certain convertible notes issued by the Group which includes embedded derivatives (holder's option to convert to variable number of shares) are recognised as financial liabilities at fair value through profit or loss. On initial recognition, the fair value of the convertible note will equate to the proceeds received and subsequently the liability is measured at fair value at each reporting period until settlement the fair value movements are recorded in the profit and loss at cost.

(p) Provisions

A provision is recognised in the Consolidated Statement of Financial Position when the Consolidated Entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

Notes to the Consolidated Financial Statements

(i) Site restoration

In accordance with the Consolidated Entity's environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land is recognised when the land is contaminated.

The provision is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, based on current legal requirements and technology. Future restoration costs are reviewed annually and any changes are reflected in the present value of the restoration provision at the end of the reporting period.

The amount of the provision for future restoration costs is capitalised and is depreciated over the useful life of the mineral reserve. The unwinding of the effect of discounting on the provision is recognised as a finance cost.

(q) Employee benefits

(i) Share-based payments

The share option programme allows the Consolidated Entity employees and consultants to acquire shares of the Company. The fair value of options granted is recognised as an employee or consultant 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 a Black-Scholes option-pricing model and Binomial option pricing model, taking into account the terms and conditions upon which the options were granted including market conditions attached to the grant. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

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 are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(ii) Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Consolidated Entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

(r) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

Notes to the Consolidated Financial Statements

(s) Dividends

Dividends are recognised as a liability in the year in which they are paid and appropriately authorised.

(t) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by weighted average number of ordinary shares outstanding during the financial year, adjusted for the bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(u) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

(v) New Accounting Standards and Interpretations not yet mandatory or early adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

The Group does not anticipate that there will be a material effect on the financial statements from the adoption of these standards.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 ‘Financial Instruments’, and the relevant amending standards	1 January 2017	30 June 2018
AASB 1031 ‘Materiality’ (2013)	1 January 2014	30 June 2015
AASB 2012-3 “Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities’	1 January 2014	30 June 2015
AASB 2013-3 “Amendments to AASB 135 – Recoverable Amount Disclosures for Non-Financial Assets’	1 January 2014	30 June 2015
AASB 2013-5 “Amendments to Australian Accounting Standards – Investment Entities’	1 January 2014	30 June 2015
AASB 2013-9 “Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments’	1 January 2014	30 June 2015

Notes to the Consolidated Financial Statements

4. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future cash flow forecasts.

Risk management is carried out by the Board of Directors with assistance from suitably qualified external advisors.

The main risks arising for the Group are foreign exchange risk, price risk, interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The carrying values of the Group's financial instruments are as follows:

	30-Jun-14	30-Jun-13
	$	$
Financial assets		
Cash & cash equivalents	**30,727**	53,685
Trade & other receivables	**13,653**	123,765
Other financial assets	**4,436,645**	4,213,808
	4,481,025	4,391,258
Financial liabilities		
Trade & other payables	**586,963**	187,298
Borrowings	**1,250,000**	318,119
Derivative financial instrument	**-**	231,881
	1,836,963	737,298
Net exposure	**2,644,062**	3,653,960

(a) Market Risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency.

Notes to the Consolidated Financial Statements

(ii) Price risk
The Group is exposed to equity securities price risk on its financial liabilities.

The Group has no policy for mitigating potential adversities associated with its own equity price risk given its dependence on market fluctuations.

As at the end of the reporting period, the Group had the following equity price risk profile in relation to its financial liabilities:

	30-Jun-14	30-Jun-13
	$	$
Convertible note derivative	-	(231,881)

Sensitivity
The Group is exposed to equity price risk on its derivative as the exercise price on the derivative moves in equal proportions with any movement of the Company's share price. The Directors however believe that any change to its convertible note derivative will not have a material impact on the profit or loss of the Group.

(iii) Interest rate risk
The Group is exposed to interest rate risk due to variable interest being earned on its interest-bearing bank accounts. At the end of the reporting period, the Group had the following interest-bearing financial instruments:

	30-Jun-14		30-Jun-13	
	Weighted average interest rate	**Balance $**	Weighted average interest rate	Balance $
Cash & cash equivalents	**0.22%**	**30,727**	2.54%	53,685

Sensitivity
Within this analysis, consideration is given to potential renewals of existing positions and the mix of fixed and variable interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The 3% increase and 1% decrease in rates is based on reasonably expected possible changes over a financial year, using the observed range of historical rates for the preceding five year period with an emphasis on rates observed during recent years of global financial crisis.

At 30 June 2014, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax losses and equity would have been affected as follows:

	Post tax profit higher/(lower)		**Other comprehensive higher/(lower)**	
	30-Jun-14	30-Jun-13	**30-Jun-14**	30-Jun-13
	$	$	**$**	$
Judgements of reasonably possible movements:				
+ 3.0% (300 basis points)	**645**	1,127	-	-
- 1.0% (100 basis points)	**(215)**	(376)	-	-

The other financial instruments of the Group that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

Notes to the Consolidated Financial Statements

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a counter party to a financial instrument fails to meet its contractual obligations. During the year credit risk has principally arisen from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments.

The carrying amount of financial assets included in the Consolidated Statement of Financial Position represents the Group's maximum exposure to credit risk in relation to those assets. The Group does not hold any credit derivatives to offset its credit exposure. The Group trades only with recognised, credit worthy third parties and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. Receivable balances are monitored on an ongoing basis with the result that the Group does not have a significant exposure to bad debts.

The Group has no significant concentrations of credit risk within the Group except for the following:

- Financial asset (unsecured interest-free loan) with Mongo Tando Limited of $4,436,645 at 30 June 2014,
- Cash held with National Australia Bank, and
- Various receivables with mostly recognised third parties.

(i) Cash

The Group's primary banker is National Australia Bank and Standard Bank of South Africa. The Board considers the use of these financial institutions, which has a rating of AA- and BBB from Standards and Poor's, respectively, to be sufficient in the management of credit risk with regards to these funds.

Cash at bank and short-term bank deposits:

	30-Jun-14	30-Jun-13
	$	$
Standard & Poors rating		
AA-	**20,998**	39,344
BBB	**9,729**	14,341
	30,727	53,685

(ii) Trade Debtors

While the Group has policies in place to ensure that transactions with third parties have an appropriate credit history, the management of current and potential credit risk exposures is limited as far as is considered commercially appropriate. Up to the date of this report, the Board has placed no requirement for collateral on existing debtors.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

The Directors monitor the cash-burn rate of the Group on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

Notes to the Consolidated Financial Statements

The financial liabilities the Group had at reporting date were trade payables incurred in the normal course of the business, borrowings and derivative financial instruments related to the convertible note. Trade payables were non-interest bearing and were deducted within the normal 30-60 day terms of creditor payments. Under the Convertible Notes from Management, being David Reeves (former Non-Executive Director) and James Carter (former Chief Financial Officer and Joint Company Secretary) interest is payable at a rate of 12% per annum (15% from December 2013 for James Carter), payable monthly in arrears. Refer Note 18(b) for further detail.

The table below reflects the respective undiscounted cash flows for financial liabilities existing at 30 June 2014.

Contractual maturities of financial liabilities	**<6 months $**	**>6-12 months $**	**>12 months $**	**Total contractual cash flows $**	**Carrying amount $**
30-Jun-14					
Trade & other payables	586,963	-	-	586,963	586,963
Borrowings	1,291,493	-	-	1,291,493	1,291,493
	1,878,456	**-**	**-**	**1,878,456**	**1,878,456**
30-Jun-13					
Trade & other payables	187,298	-	-	187,298	187,298
Borrowings	565,123	-	-	565,123	565,123
	752,421	**-**	**-**	**752,421**	**752,421**

(d) Fair value estimation

(i) Cash & cash equivalent

The carrying amount is fair value, due to the liquid nature of these assets.

(ii) Other receivables

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature.

(iii) Convertible note liability

The convertible note liability is recorded either at fair value or amortised cost using the effective interest rate method.

(iv) Convertible note derivative

The convertible note derivative is recorded at its fair value.

(v) Fair value measurement hierarchy

AASB 13 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) Level 1 – the instrument has quoted prices (unadjusted) in active markets for identical assets and liabilities;

(b) Level 2 – a valuation technique is used using inputs other than quoted priced within Level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices); or

(c) Level 3 – a valuation technique is sued using inputs that are not based on observable market data (unobservable inputs).

Notes to the Consolidated Financial Statements

The table below classifies financial instruments recognised in the consolidated Statement of Financial Position according to the fair value measurement hierarchy stipulated in AASB 7 Financial Instruments: Disclosures.

Year ended 30 June 2014	Level 1 $	Level 2 $	Level 3 $	Total $
Financial liabilities				
Borrowings	-	(550,000)	-	**(550,000)**
Derivative financial instrument	-	-	-	**-**
	-	**(550,000)**	**-**	**(550,000)**

Year ended 30 June 2013	Level 1 $	Level 2 $	Level 3 $	Total $
Financial liabilities				
Derivative financial instrument	-	(231,881)	-	**(231,881)**
	-	**(231,881)**	**-**	**(231,881)**

Valuation techniques used to derive level 2 and level 3 fair values

The fair value of financial instruments traded in active markets is based upon quoted market prices at the end of the reporting period.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group makes a number of assumptions based upon observable market data existing at each reporting period.

For current borrowings, the fair value approximates the carrying value amount, as the impact of discounting is not significant.

The convertible notes carried at fair value through profit and loss is calculated based on the number of shares to be issued at conversion price of $0.003 per share and the share price of the group at balance sheet date. They are classified under Level 2 of the fair value hierarchy as the significant inputs to the valuation is based on observable share price of the Company. Options issued on conversion of the notes are valued using the black scholes model which takes into account the share price, conversion price and volatility of the Company's share price at the date of issue.

The Group does not have any level 3 assets or liabilities.

5. SEGMENT INFORMATION

The Group operates only in one reportable segment being predominately in the area of phosphate mineral exploration in the DRC and Angola, within Africa. The Board considers its business operations in phosphate mineral exploration to be its primary reporting function. Results are analysed as a whole by the chief operating decision maker, this being the Board of Directors. Consequently revenue, profit, net assets and total assets for the operating segment are reflected in this financial report.

Notes to the Consolidated Financial Statements

6. REVENUE FROM CONTINUING OPERATIONS

	30-Jun-14	30-Jun-13
	$	$
Other revenue		
Interest revenue	**2,333**	19,413
	2,333	19,413

7. EXPENSES

	30-Jun-14	30-Jun-13
	$	$
Personnel expenses		
Wages & salaries, including superannuation	**104,394**	225,945
Director fees and other benefits	**279,750**	373,835
Employee share plan expense	**142,111**	197,889
Other employee expenses	**-**	19,137
	526,255	816,806
Administration expenses		
Advertising & marketing expenses	**39,085**	131,331
Consulting & corporate expenses	**379,982**	693,993
Compliance & regulatory expenses	**88,944**	168,888
Depreciation expense	**29,096**	56,000
Provision for doubtful debts	**22,575**	188,376
Rent expense	**35,241**	153,055
Travel & accommodation expenses	**45,806**	226,140
Other administration expenses	**75,595**	288,255
	716,324	1,906,038
Finance costs		
Fair value movement on convertible notes at fair value through profit and loss	**669,631**	220,017
Establishment fees on convertible notes	**78,500**	12,500
Interest expense on convertible notes	**205,202**	3,288
Other	**93,109**	20,635
	1,046,442	**256,440**

Notes to the Consolidated Financial Statements

8. INCOME TAX EXPENSE

(a) Numerical reconciliation of accounting losses to income tax expense	30-Jun-14	30-Jun-13
	$	$
A reconciliation between income tax expense and the accounting loss before income tax multiplied by the entity's applicable income tax rate is as follows:		
Accounting loss before income tax	**(2,680,271)**	(6,026,830)
At the entity's Australian statutory income tax rate of 30% (2013: 30%)	**(711,502)**	(656,635)
At the entity's Angolan statutory income tax rate of 40% (2013: 40%)	**-**	(25,359)
At the entity's DRC statutory income tax rate of 30% (2013: 30%)	**(25,953)**	(237,441)
At the entity's South African statutory income tax rate of 28% (2013: 28%)	**(30,101)**	(115,404)
Adjusted for tax effect of the following amounts:		
Non-deductible / taxable items	**468,389**	572,963
Non-taxable / deductible items	**(67,518)**	(66,556)
Prior year adjustment	**(96,000)**	21,347
Income tax benefits not brought to account	**462,685**	507,085
Income tax expense / (benefit)	**-**	-

(b) Recognised deferred tax assets and liabilities	30-Jun-14	30-Jun-13
	$	$
Deferred tax liabilities		
Investment in associate		
Opening balance	**3,935,637**	3,935,637
Recognised on business combination	-	-
Charges / (credited) to income	-	-
Closing balance	**3,935,637**	3,935,637
Total deferred tax liability recognised	**3,935,637**	3,935,637

(c) Deferred tax assets and liabilities not brought to account	30-Jun-14	30-Jun-13
	$	$
The directors estimate that the potential deferred tax assets and liabilities carried forward but not brought to account at year end at the Australian corporate tax rate of 30% are made up as follows:		
On income tax account:		
Carried forward tax losses	**1,608,262**	1,171,077
Deductible temporary differences	**74,538**	49,039
Unrecognised deferred tax assets	**1,682,800**	1,220,116

Notes to the Consolidated Financial Statements

The Group has Australian carried forward tax losses of $5,360,872 (tax effected at 30%, $1,608,262) as at 30 June 2014 (2013: $3,903,589 (tax effected at 30%, $1,171,077)). In view of the Group's trading position, the Directors have not included this tax benefit in the Group's Consolidated Statement of Financial Position. A tax benefit will only be recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The tax benefits of the above deferred tax assets will only be obtained if:

(a) The Consolidated Entity derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
(b) The Consolidated Entity continues to comply with the conditions for deductibility imposed by law; and
(c) No changes in income tax legislation adversely affect the Consolidated Entity from utilising the benefits.

9. EARNINGS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share at 30 June 2014 was based on the loss attributable to ordinary shareholders of $2,680,271 (2013: $6,026,830) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2014 of 210,958,463 (2013: 126,604,880) calculated as follows:

	30-Jun-14	30-Jun-13
Net loss attributable to the ordinary equity holders of the Group ($)	**(2,680,271)**	(6,026,830)
Weighted average number of ordinary shares for basis per share (No)	**210,958,463**	126,604,880
Continuing operations		
- Basic loss per share ($)	**(0.013)**	(0.05)

(b) Diluted loss per share

Potential ordinary shares are not considered dilutive, thus diluted loss per share is the same as basic loss per share.

Notes to the Consolidated Financial Statements

10. CASH AND CASH EQUIVALENTS

(a) Reconciliation to cash at the end of the year

	30-Jun-14	30-Jun-13
	$	$
Cash at bank and in hand	**29,727**	20,572
Short-term deposit	**1,000**	33,113
	30,727	53,685

(b) Interest rate risk exposure

The Group's exposure to interest rate risk is discussed in Note 4: Financial Risk Management.

(c) Reconciliation of net cash flows from operating activities

	30-Jun-14	30-Jun-13
	$	$
Loss for the financial year	**(2,680,271)**	(6,026,830)
Adjustments for:		
Depreciation expense	**29,096**	56,000
Employee benefits expense	**142,111**	197,889
Finance costs	**984,811**	220,017
Foreign currency translation	**346**	4,963
Impairment of exploration and evaluation expenditure	**126,328**	2,966,304
Loss from sale of plant and equipment	**19,031**	31,572
Share-based payments	**114,576**	60,321
Share of net loss from associate	**133,302**	35,371
Change in assets and liabilities		
(Increase)/decrease in trade and other receivables	**58,259**	255,318
Increase/(decrease) in trade and other payables	**325,848**	94,900
Increase/(decrease) in provisions	**11,721**	5,670
Net cash used in operating activities	**(734,842)**	(2,098,505)

(d) Non-cash financing and investing activities

	30-Jun-14	30-Jun-13
	$	$
Consideration for tenement acquisition (refer note 21)	**28,000**	-
Conversion of convertible notes (refer note 21)	**1,019,631**	-
Consideration shares pursuant to settlement deed (refer note 21)	**33,000**	-
Consideration for interest	**103,750**	-

Notes to the Consolidated Financial Statements

11. TRADE AND OTHER RECEIVABLES

	30-Jun-14	30-Jun-13
	$	$
Trade receivables	**-**	111
Other receivables (a)	**3,000**	25,500
Taxes receivable	**10,192**	22,622
Prepayments (b)	**-**	58,515
Deposits	**461**	17,017
	13,653	123,765

(a) Other receivables
On 5 December 2012 Minbos signed a binding loan agreement with Robert McCrae (former Chief Executive Officer) to repay his outstanding loan by 31 May 2013 and provide Minbos with security over 1,500,000 of the Company's shares for the outstanding loan. At 30 June 2014 the loan had not been repaid, the Company therefore made a provision against the unrecoverable portion of the loan in the amount of $22,500 (2013: $157,348). The outstanding balance at 30 June 2014 was $3,000 being the value of the 1,500,000 Minbos shares held as security at 30 June 2014.

(b) Prepayments
In the prior year, $51,853 related to the Lind financing agreement, refer Note 18: Borrowings.

(c) Impaired receivables and receivables past due
At reporting date the Company impaired $22,500 of Other Receivables (2013: $166,089) as they were not considered recoverable. No other current receivables are impaired or past due but not impaired.

(d) Risk exposure
Information about the Group's exposure to credit risk, foreign exchange and interest rate risk is provided in Note 4: Financial Risk Management.

12. PLANT & EQUIPMENT

	Motor Vehicle $	Computer Equipment $	Furniture & Fittings $	Other Fixed Assets $	Total $
<u>**Year ended 30 June 2014**</u>					
Opening net book amount	107,733	1,789	1,156	25,548	**136,226**
Additions	-	-	-	-	**-**
Disposals	(60,872)	-	-	-	**(60,872)**
Foreign exchange translation	(990)	(134)	(100)	(578)	**(1,802)**
Depreciation charge	(22,036)	(755)	(204)	(6,102)	**(29,096)**
Closing net book amount	**23,835**	**900**	**852**	**18,869**	**44,456**
<u>**At 30 June 2014**</u>					
Cost	73,229	2,158	1,434	29,738	**106,559**
Accumulated depreciation	(49,394)	(1,258)	(582)	(10,869)	**(62,103)**
Net book amount	**23,835**	**900**	**852**	**18,869**	**44,456**

Notes to the Consolidated Financial Statements

	Motor Vehicle $	Computer Equipment $	Furniture & Fittings $	Other Fixed Assets $	Total $
Year ended 30 June 2013					
Opening net book amount	145,816	14,011	23,102	-	**182,929**
Additions	-	2,384	-	30,615	**32,999**
Disposals	(7,451)	(6,800)	(17,321)	-	**(31,572)**
Foreign exchange translation	10,291	(974)	(896)	(551)	**7,870**
Depreciation charge	(40,923)	(6,832)	(3,729)	(4,516)	**(56,000)**
Closing net book amount	**107,733**	**1,789**	**1,156**	**25,548**	**136,226**
At 30 June 2013					
Cost	213,156	2,384	1,584	30,615	**247,739**
Accumulated depreciation	(105,423)	(595)	(428)	(5,067)	**(111,513)**
Net book amount	**107,733**	**1,789**	**1,156**	**25,548**	**136,226**

13. INVESTMENT IN ASSOCIATE

As part of the acquisition of Tunan Mining Limited ("Tunan Mining"), Minbos (through Tunan Mining) acquired a 50% interest in Mongo Tando Limited ("MTL"), a company incorporated in the British Virgin Isles. Under the joint venture arrangement, ownership of MTL is in equal shares however, the voting rights attached to those shares is not equal. Tunan Mining holds 49.99% of the voting rights and it is by virtue of holding less than 50% that MTL is accounted for as an investment in an associate. The functional currency of MTL is USD.

The Cabinda exploration permit (006/06/01/L.P./GOV.ANG.MGM/2010) is held by joint venture company, Mongo Tando Lda ("MTL"). MTL is owned (via local subsidiaries) 50% by Minbos and 50% by Petril Projects Ltd ("Joint Venture"). The Cabinda exploration permit validly expired 20 January 2013 and the Joint Venture has sought renewal of the permit with the Angola Government, which is processing the licence renewal under the new Angolan Mining Code. As at the date of this report the license has not been renewed. The Board has no reason to believe that the permit will not be granted nor that the permit approval process is not progressing. However, there is a risk that the renewal could take additional time or may not be renewed resulting in Minbos not being able to realise the investment at amounts stated in this report.

(a) Movements in carrying amounts

	30-Jun-14 $	30-Jun-13 $
Carrying amount of the investment in associate	**10,645,238**	11,128,980
Movement reconciliation		
Balance at the beginning of the financial year	**11,128,980**	9,955,522
Exchange differences	**(350,440)**	1,208,829
Share of net loss in associate	**(133,302)**	(35,371)
Balance at the end of the financial year	**10,645,238**	11,128,980

Notes to the Consolidated Financial Statements

(b) Statement of Financial Position of the associate

	30-Jun-14	30-Jun-13
ASSETS	**$**	$
Current assets		
Cash and cash equivalents	**215,632**	128,697
Total current assets	**215,632**	128,697
Non-current assets		
Plant and equipment	**-**	3,936
Exploration and evaluation expenditure	**7,270,504**	7,334,073
Total non-current assets	**7,270,504**	7,338,009
Total assets	**7,486,136**	7,466,706
LIABILITIES		
Current liabilities		
Trade and other payables	**342,298**	310,396
Borrowings	**9,585,341**	9,400,990
Total current liabilities	**9,927,639**	9,711,386
Total liabilities	**9,927,639**	9,711,386
Net liabilities	**(2,441,503)**	(2,244,680)
EQUITY		
Issued capital	**106**	109
Accumulated losses	**(2,441,609)**	(2,244,789)
Total equity	**(2,441,503)**	(2,244,680)
Minbos share of total equity (50%)	**(1,220,752)**	(1,122,340)
Add fair value uplift on acquisition date	**11,865,990**	12,251,320
Carrying amount of the investment in associate	**10,645,238**	11,128,980

(c) Statement of Profit or Loss & Other Comprehensive Income

	30-Jun-14	30-Jun-13
	$	$
Revenue from continuing operations	**-**	5,482
Administration expenses	**(266,231)**	(74,905)
Finance costs	**(372)**	(1,319)
Loss from continuing operations before income tax	**(266,603)**	(70,742)
Income tax expense	**-**	-
Loss from continuing operations after income tax	**(266,603)**	(70,742)

Notes to the Consolidated Financial Statements

(d) Summarised financial information of associates

The Group's share of the results of its principal associate and its aggregated assets and liabilities are as follows:

		Ownership interest	Assets	Liabilities	Revenue	Profit/(Loss)
		%	$	$	$	$
Mongo Tando Limited	**30-Jun-14**	**50%**	**3,743,068**	**(4,963,819)**	**-**	**(133,302)**
Mongo Tando Limited	30-Jun-13	50%	3,733,353	(4,855,693)	-	(35,371)

(e) Contingent liabilities of the associate

There are no contingent liabilities of the associate for which the Company is severally liable.

14. EXPLORATION AND EVALUATION EXPENDITURE

	30-Jun-14	30-Jun-13
	$	$
Carrying amount of exploration and evaluation expenditure	**49,575**	-
Movement reconciliation		
Balance at the beginning of the financial year	-	-
Acquisition (i)	**33,628**	891,419
Additions	**142,275**	2,074,885
Foreign exchange translation	**-**	-
Impairment of exploration and evaluation expenditure (ii)	**(126,328)**	(2,966,304)
Balance at the end of the financial year	**49,575**	-

(i) On 1 August 2012 the Company announced the signing of a Joint Venture agreement with Allamanda Trading SPRL ("Allamanda") for the exploration and development of the Kanzi project and surrounding exploration areas in the western Democratic Republic of Congo ("DRC"). In order to earn a 65% interest in the joint venture entity, Phosphalux SPRL, Minbos has provided initial funding of USD$600,000 for the incorporation of Phosphalux SPRL. Minbos has issued 2,600,000 shares and paid a fee of USD$162,500 to consultants who facilitated the agreement.

(ii) During February 2013, 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.

The Company 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. The Directors are considering the Company's options in relation to any damages, if any, owed to it in relation to this matter and believe it has accurately reflected the impact of this matter in the financial statements. Minbos is actively engaging with Allamanda to resolve this issue in a positive manner.

At 30 June 2014, Allamanda continued to hold the Kanzi Joint Venture licences, accordingly the Group has impaired the exploration expenditure incurred during the financial year until the licences are transferred to the Joint Venture entity.

Notes to the Consolidated Financial Statements

15. OTHER FINANCIAL ASSETS

	30-Jun-14	30-Jun-13
	$	$
Loan to Mongo Tando Limited	**4,436,645**	4,213,808
	4,436,645	4,213,808

The loans to Mongo Tando Limited (the "Associate") are unsecured interest-free loans for the purpose of obtaining the required working capital for the establishment and ongoing operation of the Project in Angola. LR Group, the ultimate 50% holder in the Associate, along with Minbos' ultimate 50% holding in the Associate, each contribute in equal portions loans receivable.

At 30 June 2014 the Company's exploration permit held by Mongo Tando Limited had not been renewed, refer Note 13 Investment in Associate. The Board has no reason to believe that the permit will not be granted nor that the permit approval process is not progressing. However, there is a risk that the renewal could take additional time or may not be renewed resulting in Minbos not being able to realise the loan at amounts stated in this report.

16. TRADE AND OTHER PAYABLES

	30-Jun-14	30-Jun-13
	$	$
Trade creditors (i)	**388,290**	103,179
Other creditors	**1,389**	2,957
Accruals (ii)	**197,284**	67,647
Taxes payable	**-**	13,515
	586,963	187,298

Trade and other payables are non-interest bearing liabilities stated at cost and settled within 30 days. Information about the Group's exposure to foreign currency risk is provided in Note 4: Financial Risk Management.

(i) Of this outstanding balance, $106,425 relates to Director Fees. For the 2013 financial year, $32,600 of the outstanding balance related to Director Fees.

(ii) Of this outstanding balance for the 2014 financial year, $103,000 relates to the former Managing Director's salary, $3,000 relates to Non-Executive Director Fees and $8,096 relates to interest on Convertible Notes owed to Key Management Personnel. For the 2013 financial year, $27,250 of the outstanding balance relates to the former Managing Director's salary.

For trade and other payables the fair value is approximate to their carrying value amount, due to their short term nature.

17. PROVISIONS

	30-Jun-14	30-Jun-13
	$	$
Provision for annual leave	**28,602**	17,078
	28,602	17,078

Notes to the Consolidated Financial Statements

18. BORROWINGS

	30-Jun-14	30-Jun-13
	$	$
Convertible note - Lind facility (held at amortised cost) (a)	**200,000**	68,119
Convertible note - Management (held at amortised cost) (b)	**500,000**	250,000
Convertible note - Sophisticated investors (held at fair value) (c)	**550,000**	-
	1,250,000	318,119

This note provides information about the contractual items of the Group's interest-bearing borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, see note 4.

(a) Convertible notes – Lind Facility

On 7 March 2013, the Company entered into a funding agreement with Lind Partners, LLC, the manager of the Australian Special Opportunity Fund, LP (together "Lind"). The facility was for an initial $300,000 convertible security and $75,000 as a prepayment for ordinary shares in Minbos. In accordance with the funding agreement, Lind would then invest a further $50,000 to $200,000 in monthly subscriptions ("Tranche Shares") for a maximum facility of $4,975,000.

On execution and in accordance with the funding agreement, the Company issued the following securities to Lind:

- 2,227,722 shares at $0.0606 in satisfaction of Commencement Fee of $135,000,
- 1,000,000 Collateral Shares to be held as security for funds advanced in monthly tranches. These shares may be purchased in future to satisfy tranche funding repayments, and
- 1,150,000 options, exercise price $0.0937, expiry 8 March 2016. Refer Note 25 Share-based Payments, for the model inputs used under the Black-Scholes option pricing model.

On 14 March 2013, the Company received $375,000 from Lind, being $300,000 for the Convertible Security and $75,000 being Tranche 1 of funds advanced under the Tranche Shares.

- In April 2013, the Company converted Tranche 1 funds into 2,586,207 shares at $0.035 per share.
- In October 2013, the Company converted $50,000 of the $300,000 convertible security into 5,000,000 shares at $0.01 per share.
- In December 2013, the Company converted an additional $50,000 of the remaining $250,000 convertible security into 12,500,000 shares at $0.004 per share.

On 16 April 2013, the Company received $75,000 from Lind, being Tranche 2 of funds advanced under the Tranche Shares. In May 2013, the Company converted Tranche 2 into 5,000,000 shares at $0.015 per share.

On 16 May 2013, the Company received $50,000 from Lind, being Tranche 3 funds advanced under the Tranche Shares. In June 2013 the Company decided to repay Tranche 3 and agreed to terminate the funding agreement. In accordance with the funding agreement, the Company had the option to repay in cash, at 105% of tranche amounts, rather than issue tranche shares when the purchase price is less than the floor price, being $0.045 and may elect to terminate the funding agreement.

On 11 March 2014, the Company executed a settlement deed with Lind Partners LLC, the manager of the Australian Special Opportunity Fund LP, (together "Lind") in relation to the existing convertible security under the Share Purchase and Convertible Security Agreement, announced 8 March 2013 ("Principal Agreement"). The key terms of the settlement deed are that Minbos must repay or assign the current liability of the convertible security of $200,000 and to issue 10,000,000 shares, subject to shareholder approval, in satisfaction of the convertible security and to obtain certain releases under the Principal Agreement.

Notes to the Consolidated Financial Statements

On 18 March 2014, the Principal Agreement was assigned to a group of sophisticated investors who agreed to accept repayment of the $200,000 convertible security, subject to future capital raising of at least $1.5 million. For which the sophisticated investors will receive consideration of $20,000 in lieu of interest and 10 million unlisted options exercisable at 1 cent, expiring 30 December 2016.

On 15 April 2014 the Company issued 10,000,000 shares at nil consideration, as consideration pursuant to the Settlement Deed dated 11 March 2014 with Lind. These shares have been valued using the market price of the Company's shares at the date of issue, refer Note 21 (b).

Key terms of the Agreement

(i) Convertible securities

The Convertible Security with Lind may be converted into fully paid ordinary shares of the Company at any time at the discretion of Lind in the period from 5 July 2013 to 7 March 2015. Conversion shares are calculated based on conversion amount divided by conversion price being 91% of average 3 consecutive days VWAP during 20 days immediately prior to the relevant conversion notice. Conversion occurs by Lind providing a conversion notice of no less than one business day prior notice during that period or occurs automatically at 7 March 2015 at a 5 day VWAP before the last day of the term. As Lind can request conversion with not less than one business days' notice, the convertible security is treated as a current liability.

There is no interest payable on the convertible securities and no cash payment obligation by the Company.

(ii) Advances/prepayment for shares

The number of tranche shares issued was determined by the tranche amount, divided by purchase price. Lind could elect the purchase price to be either 91% of the average 3 consecutive days VWAP during 20 days prior to issuance of shares or 130% of average daily VWAP during 20 days prior to issuance of shares being $0.0937. The election for 130% was only available for 1 tranche.

(iii) Collateral shares

At the end of the 24 month term or if the agreement is terminated, any outstanding collateral shares at expiry/termination are to be paid back in cash, based on 91% of average 3 day daily VWAP during 20 days prior to payment date or at 90% of fair market value at date of payment if the company shares were suspended or ceased to be listed on the ASX.

Collateral shares are not restricted, Lind can sell, assign or mortgage the shares to satisfy undischarged obligation.

(iv) Convertible security assignment

On 18 March 2014, the Convertible Security Agreement announced 8 March 2013 was assigned to a group of sophisticated investors who agreed to vary the terms and accept repayment of the $200,000 convertible security, subject to a future capital raising of at least $1.5 million. For which the sophisticated investors will receive consideration of $20,000 in lieu of interest and 10 million unlisted options exercisable at 1 cent, expiring 30 December 2016.

Notes to the Consolidated Financial Statements

(b) Convertible note - Management
On 2 April 2013 Minbos signed convertible note deeds with David Reeves (former Non-Executive Director) and James Carter (former Chief Financial Officer and joint Company Secretary) who provided the Company with $250,000 each. The conversion price of the convertible note is $0.063 which is 150% of the 20 day volume weighted average price (VWAP) of Minbos shares at the date of execution of the facility agreement. Interest is payable at a rate of 12% per annum (15% from December 2013 for James Carter), payable monthly in arrears, with principal repayment or conversion in 9 months from the date of first drawdown.

The conversion of the convertible note issued to David Reeves was approved by Shareholders at the Company's General Meeting held on 8 July 2013.

Under these convertible notes, David Reeves and James Carter received interest totalling $29,836 and $33,986 respectively, during the year. The initial investment of $500,000 plus interest of $8,096 was outstanding at 30 June 2014. Subsequent to year end however, James Carter's initial investment of $250,000 and all outstanding interest was repaid by the Company.

In the 2014 financial year all current outstanding convertible note holders became secured convertible note holders pursuant to the execution of a general security deed with the Company.

(c) Convertible note – Sophisticated investors
During the 2014 financial year the Company signed a capital raising/corporate mandate dated 4 July 2013 between the Company and CPS Capital Group Pty Ltd ('CPS') and a convertible note trust deed dated 27 August 2013 (together the Convertible Note Facility). On 10 December 2013 the Company amended its capital raising/corporate mandate with CPS, whereby the issue of the convertible notes will raise a total of up to $800,000 (before costs) in three tranches.

Tranche 1:
Facility: $250,000 (the Company received the funds during the year, which converted into 83,333,333 shares and 83,333,333 options on 17 January 2014). For valuation of the unlisted options, refer below.
Interest: Payable at 15% at the maturity date, which converted to 12,500,000 shares on 15 April 2014.
Maturity date: The first to occur, the date of conversion or 5 months from the date the convertible notes are issued.
Automatic conversion: If prior to the maturity date the company has raised at least $2 million pursuant to a subsequent rights issue or placement, the Notes will automatically convert.
Conversion price: (i) $0.01 per share, if the Angolan phosphate licences are renewed within 3 months of the notes being issued.
(ii) $0.003 per share, if the Angolan phosphate licences are not renewed within 3 months of the notes being issued.
Options: The shares will have a 1:1 free attaching call option with an exercise price of 1 cent and an expiry of 30 December 2016.
Event of default: If prior to maturity date, the Company is unable to raise a minimum of $2 million (before costs) in a rights issue or placement.
Default interest: 15% per annum payable monthly in arrears, from the date of closure of the rights issue, if less than $2 million is raised.

Valuation of unlisted options:
On 17 January 2014, the Company issued 83,333,333 unlisted options on conversion of Tranche 1. The Company has internally measured the fair value of the options granted by adopting a Black-Scholes option pricing model. The model inputs are shown in the table below:

Notes to the Consolidated Financial Statements

Black & Scholes Option Pricing Model	
Date of Grant	17/01/2014
Date of Expiry	30/12/2016
Strike (Exercise) Price	$0.01
Underlying Share Price (at date of issue)	$0.0058
Risk Free Interest Rate (at date of issue)	3.04%
Volatility (up to date of issue)	120%
Years to Expiry	2.95
Number of options granted	83,333,333
Dividend Yield	0%
Black & Scholes Valuation	$0.0052
Total Fair Value of Options	$436,298

The options above vest immediately and the conversion of the note to shares and options (per above) resulted in a fair value loss of $669,631 recognised in the profit and loss.

<u>Tranche 2:</u>
Facility: $250,000 (the Company received the funds during the year, of which $75,000 was converted into 25,000,000 shares and 25,000,000 options on 25 August 2014).
Interest: Payable at 15% at the maturity date, which converted to 12,500,000 shares on 7 May 2014.

The key terms of Tranche 2 are the same as Tranche 1, refer above.

<u>Tranche 3:</u>
Facility: $300,000 (the Company received the funds during the year, of which $225,000 was converted into 75,000,000 shares and 75,000,000 options on 25 August 2014).
Interest: 15% per annum.
Maturity date: The first to occur, the date of conversion or 5 months from the date the convertible notes are issued.
Automatic conversion: If prior to maturity date, the Company has raised a minimum of $1 million (before costs) in a rights issue or placement and Mongo Tando has been granted a new licence (or part there-of) that a minimum, covers the area of the Cacata Deposit, note holders will automatically convert into fully paid ordinary shares at the conversion rate.
Conversion price: (i) $0.01 per share, if the Angolan phosphate licences are renewed within 3 months of the notes being issued.
(ii) $0.003 per share, if the Angolan phosphate licences are not renewed within 3 months of the notes being issued.
Options: The shares will have a 1:1 free attaching call option with an exercise price of 1 cent and an expiry of 30 December 2016.
Event of default: If prior to maturity date, the Company is unable to raise a minimum of $1 million (before costs) in a rights issue or placement and Mongo Tando has not been granted a new licence (or part there-of) that a minimum, covers the area of the Cacata Deposit.
Default interest: 15% per annum payable monthly in arrears, from the date of closure of the rights issue, if less than $2 million is raised.
During the financial year all current outstanding convertible note holders became secured convertible note holders pursuant to the execution of a general security deed with the Company.

Notes to the Consolidated Financial Statements

19. DERIVATIVE FINANCIAL LIABILITIES

Pursuant to accounting standards, the collateral shares and the embedded derivative option component of the convertible note with Lind is classified as a derivative financial liability (refer to account policy note 3(p)). The value of the derivative fluctuates with the Company's underlying share price and is re-valued at each reporting date.

	30-Jun-14	30-Jun-13
	$	$
Derivative Liabilities	-	231,881
	-	231,881

During March 2014, the Lind Security agreement was assigned to a group of sophisticated investors who agreed to accept repayment of the convertible security, subject to future capital raising, for which they receive $20,000 and 10,000,000 unlisted options exercisable at 1 cent, therefore extinguishing the existing financial liability which arose due to the original conversion terms of the convertible security.

20. SHARE PLACEMENT LIABILITY

	30-Jun-14	30-Jun-13
	$	$
Share placement liability	**80,000**	-
	80,000	-

During the 2014 financial year the Company received funds in advance in relation to its pro rata renounceable entitlement offer, which closed on 23 July 2014. The funds received remain a liability at 30 June 2014 as the shares were issued subsequent to year end.

21. CONTRIBUTED EQUITY

(a) Issued and fully paid

	30-Jun-14		30-Jun-13	
	$	**No.**	$	No.
Ordinary shares	**26,172,620**	**292,148,938**	25,440,555	154,315,605
	26,172,620	**292,148,938**	25,440,555	154,315,605

Ordinary shares

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.

Effective 1 July 1998 the Corporations legislation in place abolished the concepts of authorised capital and par share values. Accordingly, the Company does not have authorised capital or par value in respect of its issued shares.

Notes to the Consolidated Financial Statements

(b) Movement Reconciliation

ORDINARY SHARES	Date	Quantity	Issue price	$
Balance 30 June 2012		110,676,250		20,907,859
Issue of shares to inter alliance (i)	17/08/2012	2,600,000	0.2300	598,000
Placement - Tranche 1 (ii)	16/11/2012	6,275,718	0.1400	878,601
Placement - Tranche 2 (ii)	19/11/2012	5,949,708	0.1400	832,959
Share raising costs	-	-	-	(147,315)
Placement - Commencement Fee Shares (iii)	7/03/2013	2,227,722	0.0606	135,000
Placement - Collateral Shares (iii)	7/03/2013	1,000,000	0.0454	45,400
Share Purchase Placement - Tranche 1 (iii)	11/04/2013	2,586,207	0.0350	90,517
Employee Share Plan - Scott Sullivan (iv)	11/04/2013	6,000,000	-	-
Employee Share Plan - James Carter (iv)	15/04/2013	2,000,000	-	-
Performance C Shares (v)	17/04/2013	10,000,000	0.2000	2,000,000
Share Purchase Placement - Tranche 2 (iii)	14/05/2013	5,000,000	0.0220	110,000
Issue of equity costs	-	-	-	(10,466)
Balance 30 June 2013		154,315,605		25,440,555
Consideration for tenement acquisition (vi)	**10/09/2013**	**2,000,000**	**0.014**	**28,000**
Conversion of Lind convertible security (iii)	**2/10/2013**	**5,000,000**	**0.010**	**50,000**
Conversion of Lind convertible security (iii)	**13/12/2013**	**12,500,000**	**0.004**	**50,000**
Conversion of CPS convertible security (vii)	**17/01/2014**	**83,333,333**	**0.0058**	**483,333**
Issue of shares in satisfaction of interest (vii)	**15/04/2014**	**12,500,000**	**0.0033**	**41,250**
Consideration pursuant to settlement Deed (iii	**15/04/2014**	**10,000,000**	**0.0033**	**33,000**
Issue of shares in satisfaction of interest (vii)	**7/05/2014**	**12,500,000**	**0.005**	**62,500**
Issue of equity costs	**-**	**-**	**-**	**(16,018)**
Balance 30 June 2014		**292,148,938**		**26,172,620**

(i) On 17 August 2012 the Company issued 2,600,000 shares to the facilitators of the Kanzi Joint Venture agreement, for further detail refer Note 14: Exploration and Evaluation Expenditure.

(ii) On 13 November 2012 Minbos announced the completion of its Share Placement to professional and sophisticated investors to raise $1.71 million to finalise the measured and indicated resources drilling programme at the high grade Kanzi deposit and to progress the bankable feasibility studies on both high grade Cacata and Kanzi deposits. The placement was complete in two Tranches:
- Tranche 1: On 16 November 2012 the Company placed 6,275,718 fully paid ordinary shares at $0.14 per share to raise $878,601.
- Tranche 2: On 19 November 2012 the Company placed 5,949,708 fully paid ordinary shares at $0.14 per share to raise $832,959.

(iii) On 7 March 2013, the Company entered into a funding agreement with Lind, for further detail refer Note 18: Borrowings. In accordance with the funding agreement, the Company issued the following securities:
- 2,227,722 shares at $0.0606 in satisfaction of the Commencement Fee of $135,000; and
- 1,000,000 Collateral Shares to be held as security for funds advanced in monthly tranches.

On 14 March 2013, the Company received $375,000 from Lind, being $300,000 for the Convertible Security and $75,000 being Tranche 1 of funds advanced under the Tranche Shares.
- In April 2013, the Company converted Tranche 1 funds into 2,586,207 shares at $0.035 per share.
- In October 2013, the Company converted $50,000 of the $300,000 convertible security into 5,000,000 shares at $0.01 per share.
- In December 2013, the Company converted an additional $50,000 of the remaining $250,000 convertible security into 12,500,000 shares at $0.004 per share.

Notes to the Consolidated Financial Statements

On 16 April 2013, the Company received $75,000 from Lind, being Tranche 2 of funds advanced under the Tranche Shares. In May 2013, the Company converted Tranche 2 funds into 5,000,000 shares at $0.022 per share.

On 15 April 2014 the Company issued 10,000,000 shares at nil consideration, as consideration pursuant to the Settlement Deed dated 11 March 2014 with Lind. These shares have been valued using the market price of the Company's shares at the date of issue.

(iv) On 14 March 2013 at the Company's General Meeting, Shareholders approved the Minbos Resources Limited Employee Share Plan. Under the Plan 6,000,000 shares were issued to Scott Sullivan on 11 April 2013 and 2,000,000 shares were issued to James Carter on 15 April 2013. These shares will be held in trust by the trustee of the Minbos employee share plan until the vesting conditions are satisfied. For further detail on the vesting conditions refer to Note 26: Employee Share Plan Reserve.

(v) On 17 April 2013 Class C Performance Shares were converted into fully paid ordinary shares upon delineation of a JORC compliant indicated resource at the Kanzi project of greater than 25 million tonnes at an average in-situ grade of greater than 12.5% on the area covered by licences specified in the Heads of Agreement with Tunan Mining Limited, on or before 18 April 2013. The Company received a technical report from Coffey Mining Pty Ltd that has confirmed that this milestone has been met.

(vi) On 10 September 2013 the Company issued 2,000,000 shares as consideration for the acquisition of phosphate tenements in Western Australia.

(vii) On 27 August 2013 the Company signed a convertible note trust deed with CPS Capital Group Pty Ltd. On 10 December 2013 the Company amended its capital raising/ corporate mandate with CPS, whereby the issue of the convertible notes will raise a total of up to $800,000 (before costs) in three tranches.

In August and September 2013, the Company received $250,000 from CPS, being Tranche 1 of the funds advanced. On 17 January 2014 the Company converted Tranche 1 funds into 83,333,333 shares and 83,333,333 options. The free attaching options have been valued using the Black and Scholes Option Pricing Model, refer Note 3 (o) and at $436,298 refer Note 4 (d).

On 15 April 2014 the Company issued 12,500,000 shares at $0.003 per share, in satisfaction of interest payable on Tranche 1 Convertible Notes in the amount of $41,250. These shares have been valued using the market price of the Company's shares at the date of issue.

On 7 May 2014 the Company issued 12,500,000 shares at $0.005 per share, in satisfaction of interest payable on Tranche 2 Convertible Notes in the amount of $62,500. These shares have been valued using the market price of the Company's shares at the date of issue.

PERFORMANCE SHARES	**Date**	**Quantity**	**Issue price**	**$**
Balance 30 June 2012		10,000,000		2,000,000
Performance B Shares (i)	18/10/2012	(10,000,000)	0.20	(2,000,000)
Performance C Shares (ii)	22/11/2012	10,000,000	0.20	2,000,000
Performance C Shares (ii)	17/04/2013	(10,000,000)	0.20	(2,000,000)
Balance 30 June 2013		-		-

(i) Class B Performance Shares expired on 18 October 2012. The Company however agreed to extend the period by which the Milestone can be achieved as there were significant delays in the Company getting access to the licences as a result of issues with the government of the Democratic Republic of Congo. The Company however was unable to vary the existing terms of the Class B Performance Shares as the Annual General Meeting did not occur prior to the expiry. The Company therefore issued new Class C Performance Shares to the Vendors (noted below).

Notes to the Consolidated Financial Statements

(ii) Class C Performance Shares shall convert to ordinary shares upon delineation of a JORC compliant indicated resource at the Kanzi project of greater than 25 million tonnes at an average in-situ grade of greater than 12.5% on the area covered by licences specified in the Heads of Agreement with Tunan Mining Limited, on or before 18 April 2013. These shares converted into fully paid ordinary shares on 17 April 2013, refer (b)(v) above.

(c) Options on issue as at 30 June 2014

Class	Date of Expiry	Exercise Price	Number Under Option
Consultant Options	30-Dec-14	$0.25	3,000,000
Commencement Options	08-Mar-16	$0.0937	1,150,000
Director Options	30-Dec-16	$0.01	5,000,000
Conversion of CPS convertible security	30-Dec-16	$0.01	83,333,333
Consideration for corporate services	30-Dec-16	$0.01	30,000,000
			122,483,333

Information relating to options issued as share-based payments are set out in Note 25 and options issued to Key Management Personnel are set out in the remuneration report.

(d) Capital risk management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Given the stage of the Company's development there are no formal targets set for return on capital. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements. The net equity of the Company is equivalent to capital. Net capital is obtained through capital raisings on the Australian Securities Exchange.
The Group monitors capital on the basis of the following gearing ratio:

Net debt as per note 18 and 19
Divided by
Total equity (as shown in the Consolidated Statement of financial Position)

The gearing rations at 30 June 2014 and 30 June 2013 were as follows:

	30-Jun-14	30-Jun-13
	$	$
Net debt	**1,250,000**	550,000
Total equity	**9,339,092**	10,966,451
Net debt to equity ratio	**13%**	5%

Notes to the Consolidated Financial Statements

22. RESERVES

	30-Jun-14		30-Jun-13	
	$	**No.**	$	No.
Share-based payments reserve	**1,820,531**	**122,483,333**	1,269,657	18,750,000
Employee share plan reserve	**340,000**	**-**	197,889	-
Foreign currency translation reserve	**842,816**	**-**	1,214,954	-
	3,003,347	**122,483,333**	2,682,500	18,750,000

	30-Jun-14	30-Jun-13
Movement reconciliation	**$**	$
Share-based payments reserve		
Balance at the beginning of the year	**1,269,657**	1,170,882
Equity settled share-based payment transactions	**550,874**	98,775
Balance at the end of the year	**1,820,531**	1,269,657
Employee share plan reserve		
Balance at the beginning of the year	**197,889**	-
Equity settled share-based payment transactions (refer Note 26(b))	**142,111**	197,889
Balance at the end of the year	**340,000**	197,889
Foreign currency translation reserve		
Balance at the beginning of the year	**1,214,954**	(289,123)
Effect of translation of foreign currency operations to group	**(372,138)**	1,504,077
Balance at the end of the year	**842,816**	1,214,954

Nature and purpose of reserves

Share-based payments reserve

The reserve represents the value of options issued under the compensation arrangement (note 25) and options issued as a result of conversion of convertible notes amounted to $436,298 (see note 4 and 18) that the Consolidated Entity is required to include in the consolidated financial statements. No gain or loss is recognised in the profit or loss on the purchase, sale, issue or cancellation of the Consolidated Entity's own equity instruments.

Employee share plan reserve

The reserve represents the value of shares issued under the Group's Employee Share Plan that the Consolidated Entity is required to include in the consolidated financial statements. No gain or loss is recognised in the profit or loss on the purchase, sale, issue or cancellation of the Consolidated Entity's own equity instruments.

Foreign currency translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

Notes to the Consolidated Financial Statements

23. ACCUMULATED LOSSES

Movement in accumulated losses

	30-Jun-14	30-Jun-13
	$	$
Balance at the beginning of the financial year	**(17,156,604)**	(11,129,774)
Net loss in current year	**(2,680,271)**	(6,026,830)
Balance at the end of the financial year	**(19,836,875)**	(17,156,604)

24. DIVIDENDS

No dividend has been paid during the financial year and no dividend is recommended for the financial year.

25. SHARE-BASED PAYMENTS

(a) Fair value of options granted during the year

In the 2014 financial year, the Company issued the following options:

Director Options

On 23 November 2013, the Company issued 5,000,000 unlisted options to William Oliver (Non-Executive Director) to provide a performance incentive component in the remuneration package to motive, reward and further align the Director's interest with that of the shareholders.

The Company has internally measured the fair value of the options granted by adopting a Black-Scholes option pricing model. The model inputs are shown in the table below:

Black & Scholes Option Pricing Model	
Date of Grant	25/11/2013
Date of Expiry	30/12/2016
Strike (Exercise) Price	$0.010
Underlying Share Price (at date of issue)	$0.009
Risk Free Interest Rate (at date of issue)	2.84%
Volatility (up to date of issue)	110%
Years to Expiry	3.1
Number of options granted	5,000,000
Dividend Yield	0%
Black & Scholes Valuation	$0.006
Total Fair Value of Options	$29,886

The options vest immediately therefore the share based payment recognised in the current year is $29,886.

Notes to the Consolidated Financial Statements

Consideration for Corporate Services

On 8 May 2014, the Company issued 30,000,000 unlisted options as consideration for corporate advisory services.

The Company has internally measured the fair value of the options granted by adopting a Black-Scholes option pricing model. The model inputs are shown in the table below:

Black & Scholes Option Pricing Model	
Date of Grant	8/05/2014
Date of Expiry	30/12/2016
Strike (Exercise) Price	$0.01
Underlying Share Price (at date of issue)	$0.005
Risk Free Interest Rate (at date of issue)	3.04%
Volatility (up to date of issue)	120%
Years to Expiry	2.65
Number of options granted	30,000,000
Dividend Yield	0%
Black & Scholes Valuation	$0.0028
Total Fair Value of Options	$84,690

The options vest immediately therefore the share based payment recognised in the current year is $84,690.

In the 2013 financial year, the Company issued the following options:

Commencement Options

On 7 March 2013, the Company issued 1,150,000 options (Commencement options per Note 25(b)) to Lind in accordance with the funding agreement disclosed in Note 18: Borrowings.

The Company has independently measured the fair value of the options granted by adopting a Black-Scholes option pricing model. The model inputs are shown in the table below:

Black & Scholes Option Pricing Model	
Date of Grant	7/03/2013
Date of Expiry	8/03/2016
Strike (Exercise) Price	$0.094
Underlying Share Price (at date of issue)	$0.059
Risk Free Interest Rate (at date of issue)	2.87%
Volatility (up to date of issue)	105%
Years to Expiry	3.01
Number of options granted	1,150,000
Dividend Yield	0%
Black & Scholes Valuation	$0.0334
Total Fair Value of Options	$38,453

Notes to the Consolidated Financial Statements

(b) Recognised share-based payment expense

The total share-based payment expense for the 2014 and 2013 financial years are as follows:

	Value recognised during year	
	30-Jun-14	**30-Jun-13**
	($)	**($)**
Class C Options	-	15,916
Employee Options	-	32,811
Consultant Options	-	11,594
Commencement Options	-	38,454
Director Options	29,886	-
Consideration for corporate services	84,690	-
	114,576	**98,775**

(c) Shares issued as consideration during the year

On 10 September 2013 the Company issued 2,000,000 shares as consideration for the acquisition of phosphate tenements in Western Australia. The shares were issued at $0.14 per share for total consideration of $28,000.

Notes to the Consolidated Financial Statements

(d) Summary of options granted during the year

Class	Issue Date	Date of Expiry	Exercise Price	Balance at start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at end of the year	Vested & exercisable at the end of the	Vested but not yet exercisable at end of the year
As at 30 June 2014										
Class A Options	13-Oct-10	13-Oct-13	$0.20	4,000,000	-	-	(4,000,000)	-	-	-
Class B Options	13-Oct-10	13-Oct-13	$0.30	2,000,000	-	-	(2,000,000)	-	-	-
Class C Options	13-Oct-10	13-Oct-13	$0.50	2,000,000	-	-	(2,000,000)	-	-	-
Broker Options	13-Oct-10	13-Oct-13	$0.20	6,000,000	-	-	(6,000,000)	-	-	-
Employee Options	18-Apr-11	18-Apr-14	$0.20	500,000	-	-	(500,000)	-	-	-
Consultant Options	18-Apr-11	18-Apr-14	$0.50	100,000	-	-	(100,000)	-	-	-
Consultant Options	21-May-12	30-Dec-14	$0.25	3,000,000	-	-	-	3,000,000	-	3,000,000
Commencement Options	07-Mar-13	08-Mar-16	$0.0937	1,150,000	-	-	-	1,150,000	-	1,150,000
Director Options	25-Nov-13	30-Dec-16	$0.01	-	5,000,000	-	-	5,000,000	-	5,000,000
Conversion of CPS convertible security	17-Jan-14	30-Dec-16	$0.01	-	83,333,333	-	-	83,333,333	-	83,333,333
Consideration for corporate services	08-May-14	30-Dec-16	$0.01	-	30,000,000	-	-	30,000,000	-	30,000,000
				18,750,000	**118,333,333**	**-**	**(14,600,000)**	**122,483,333**	**-**	**122,483,333**
Weighted average exercise price				**$ 0.25**	**-**	**-**	**-**	**$ 0.02**	**-**	**-**
As at 30 June 2013										
Class A Options	13-Oct-10	13-Oct-13	$0.20	4,000,000	-	-	-	4,000,000	-	4,000,000
Class B Options	13-Oct-10	13-Oct-13	$0.30	2,000,000	-	-	-	2,000,000	-	2,000,000
Class C Options	13-Oct-10	13-Oct-13	$0.50	2,000,000	-	-	-	2,000,000	-	2,000,000
Broker Options	13-Oct-10	13-Oct-13	$0.20	6,000,000	-	-	-	6,000,000	-	6,000,000
Employee Options	18-Apr-11	18-Apr-14	$0.20	500,000	-	-	-	500,000	-	500,000
Consultant Options	18-Apr-11	18-Apr-14	$0.50	100,000	-	-	-	100,000	-	100,000
Consultant Options	21-May-12	30-Dec-14	$0.25	3,000,000	-	-	-	3,000,000	-	3,000,000
Commencement Options	07-Mar-13	08-Mar-16	$0.0937	-	1,150,000	-	-	1,150,000	-	1,150,000
				17,600,000	**1,150,000**	**-**	**-**	**18,750,000**	**-**	**18,750,000**
Weighted average exercise price				**$ 0.26**	**-**	**-**	**-**	**$ 0.25**	**-**	**-**

Notes to the Consolidated Financial Statements

26. EMPLOYEE SHARE PLAN RESERVE

(a) Fair value of employee shares granted during the year

In the 2013 financial year the Board implemented an employee share plan to deliver remuneration in the form of equity in Minbos Resources Limited which, under the Minbos Board's discretion, may be awarded from time to time. The employee share plan was approved at the Company's general meeting on 14 March 2013 and the purpose is to:

- Support employee retention;
- Enhance employee involvement and focus; and
- Increase wealth distribution among the employees.

Employee Share Plan – Scott Sullivan

On 14 March 2013, at the general meeting of the Company, shareholders approved the issue of 6,000,000 shares to Mr Sullivan under the employee share plan. The shares have been issued at $0.04 per share with a total value of $240,000 and were held in trust by the trustee of the Minbos employee share plan.

Mr Sullivan's remuneration was subject to the following vesting conditions;

(i) 2,000,000 shares shall vest when the Company's share price equals the higher of:
- at the 6 day Volume Weighted Average Price (VWAP) of the Company's share price calculated 3 days before and 3 days after the General Meeting where shareholders approved Minbos Resources Limited Employee Limited Share Plan; or
- $0.14; and
- The vesting period is assumed at 14 March 2013 as no vesting date is specified,
(Tranche One) and no service conditions were attached to Tranche One;

(ii) 2,000,000 shares to vest one year from Commencement Date, being 1 November 2013 (Vesting Period 1) and when the Company's share price equals or exceeds a vesting price of Tranche One plus 50% increase during the period from Commencement Date (Tranche Two) (if Tranche One Shares vest at $0.14, Tranche Two shares will vest at $0.21);

(iii) 2,000,000 shares to vest two years from Commencement Date, being 1 November 2014 (Vesting Period 2) and when the Company's share price equals or exceeds a vesting price of Tranche One plus 100% increase during the period from Commencement Date (Tranche Three) (if Tranche One Shares vest at $0.14, Tranche Three shares will vest at $0.28); and

Due to these vesting conditions being dependent on certain market conditions being achieved, the Company adopted a Hybrid Option Pricing Model to value the shares in the 2013 financial year. The model inputs are shown in the table below.

In the event of termination, in all cases except termination by the Company with reason, or in the case of a change of control event, the shares will vest automatically, in accordance with Mr Sullivan's executive services agreement. On 21 February 2014, Scott Sullivan resigned as Managing Director of the Company and agreed to forfeit his interest in 6,000,000 shares under the employee share plan, which were held in trust until the vesting conditions were satisfied. At 30 June 2014 the shares are held in trust to be allocated to future employees of the Company.

Notes to the Consolidated Financial Statements

Hybrid Option Pricing Model			
Vesting Conditions:	**(i)**	**(ii)**	**(iii)**
Date of Grant	14-Mar-13	14-Mar-13	14-Mar-13
Date of Vesting	01-Nov-22	01-Nov-13	01-Nov-14
Strike (Exercise) Price	$ 0.140	$ 0.210	$ 0.280
Underlying Share Price (at date of issue)	$ 0.055	$ 0.055	$ 0.055
Risk Free Interest Rate (at date of issue)	3.68%	3.68%	3.68%
Volatility (up to date of issue)	105%	105%	105%
Years to Expiry	10	10	10
Number of Shares	2,000,000	2,000,000	2,000,000
Dividend Yield	0%	0%	0%
Employee Exit Rate	0%	0%	0%
Exercise Multiple	99,999	99,999	99,999
Iterations (for simulation)	200,000	200,000	200,000
Trinomial steps	100	100	100
Valuation	$ 0.047	$ 0.046	$ 0.045
Total Fair Value of Shares	$ 94,000	$ 92,000	$ 90,000

Employee Share Plan – James Carter

In the 2013 financial year the Board approved the issue of 2,000,000 shares to Mr Carter under the employee share plan. These shares have been issued at $0.04 per share with a total value of $80,000 and were held in trust by the trustee of the Minbos employee share plan.

Mr Carter's remuneration was subject to the following vesting conditions;

(iii) 1,000,000 shares shall vest when the Company's share price equals the higher of:

- at the 6 day Volume Weighted Average Price (VWAP) of the Company's share price calculated 3 days before and 3 days after the General Meeting where shareholders approved Minbos Resources Limited Employee Limited Share Plan; or
- $0.14; and
- The vesting period is assumed at 15 April 2013 as no vesting date is specified, (Tranche One) and no service conditions were attached to Tranche One;

(iv) 1,000,000 LTI Shares to vest one year from Commencement Date, being 1 November 2013 (Vesting Period 1) and when the Company's share price at any time equals or exceeds a vesting price of Tranche One plus 50% increase during the period from Commencement Date (Tranche Two) (if Tranche One Shares vest at $0.14, Tranche Two shares will vest at $0.21).

Due to these vesting conditions being dependent on certain market conditions being achieved, the Company adopted a Hybrid Option Pricing Model to value the shares in the 2013 financial year. The model inputs are shown in the table below.

In the event of termination, in all cases except where there are grounds for termination by the Company, or in the case of a change of control event, the shares will vest automatically, in accordance with Mr Carter's executive services agreement. During the 2014 financial year, Mr Carter resigned as Chief Financial Officer and Joint Company Secretary and his shares therefore vested immediately. At 30 June 2014 the shares were still held in trust by the trustee of the Minbos employee share plan.

Notes to the Consolidated Financial Statements

Hybrid Option Pricing Model		
Vesting Conditions:	**(i)**	**(ii)**
Date of Grant	15-Apr-13	15-Apr-13
Date of Vesting	01-Nov-22	01-Nov-13
Strike (Exercise) Price	$ 0.140	$ 0.210
Underlying Share Price (at date of issue)	$ 0.040	$ 0.040
Risk Free Interest Rate (at date of issue)	3.25%	3.25%
Volatility (up to date of issue)	105%	105%
Years to Expiry	10	10
Number of Shares	1,000,000	1,000,000
Dividend Yield	0%	0%
Employee Exit Rate	0%	0%
Exercise Multiple	99,999	99,999
Iterations (for simulation)	200,000	200,000
Trinomial steps	100	100
Valuation	$ 0.033	$ 0.031
Total Fair Value of Shares	$ 33,000	$ 31,000

(b) Recognised employee benefits expense

The total expense recognised for Key Management Personnel under the Employee Share Plan for the 2014 and 2013 financial years are as follows:

	30-Jun-14		**30-Jun-13**	
	Value recognised during year	**Value to be recognised in future years**	**Value recognised during year**	**Value to be recognised in future years**
	$	**$**	**$**	**$**
Key Management Personnel				
Employee share plan - Mr Sullivan	122,891	-	153,109	122,891
Employee share plan - Mr Carter	19,220	-	44,780	19,220
	142,111	**-**	**197,889**	**142,111**

Notes to the Consolidated Financial Statements

(c) Summary of shares granted during the financial year

The following table illustrates the number and weighted average exercise price (WAEP) of, and movements in, shares issued during the financial year ended 30 June 2014 and 30 June 2013:

Class	Issue Date	Date of Expiry	Issue Price	Balance at start of the year	Granted during the year	Forfeited during the year	Balance at end of the year	exercisable at the end of the year	yet exercisable at end of the year
As at 30 June 2014									
Employee share plan - Mr Sullivan (i)	14-Mar-13	01-Nov-22	$0.04	6,000,000	-	-	6,000,000	-	6,000,000
Employee share plan - Mr Carter (ii)	15-Apr-13	01-Nov-22	$0.04	2,000,000	-	-	2,000,000	-	2,000,000
				8,000,000	**-**	**-**	**8,000,000**	**-**	**8,000,000**
As at 30 June 2013									
Employee share plan - Mr Sullivan	14-Mar-13	01-Nov-22	$0.04	-	6,000,000	-	6,000,000	-	2,000,000
Employee share plan - Mr Carter	15-Apr-13	01-Nov-22	$0.04	-	2,000,000	-	2,000,000	-	1,000,000
				-	**8,000,000**	**-**	**8,000,000**	**-**	**3,000,000**

(i) Mr Sullivan resigned as Managing Director on 21 February 2014.
(ii) Mr Carter resigned as Chief Financial Officer and Joint Company Secretary on 30 August 2013.

Notes to the Consolidated Financial Statements

27. PARENT ENTITY

	30-Jun-14	30-Jun-13
	$	$
Current Assets	**33,732**	138,838
Non-Current Assets	**22,155,493**	21,669,885
Total Assets	**22,189,225**	21,808,723
Current Liabilities	**1,932,353**	738,529
Non-Current Liabilities	**-**	-
Total Liabilities	**1,932,353**	738,529
Net Assets	**20,256,872**	21,070,194
Contributed equity	**26,172,620**	25,440,555
Share-based payments reserve	**1,820,531**	1,269,657
Employee share plan reserve	**340,000**	197,889
Accumulated losses	**(8,076,279)**	(5,837,907)
Total Equity	**20,256,872**	21,070,194
Loss for the year	**(2,238,370)**	(2,369,763)
Other comprehensive loss for the year	**-**	-
Total comprehensive loss for the year	**(2,238,370)**	(2,369,763)
Details of any guarantees entered into by the parent entity in relation to the debts of its subsidiaries	-	-
Details of any contingent liabilities of the parent entity	-	-

Parent Entity Commitments

There are no capital or leasing commitments of the parent entity for the year ended 30 June 2014.

28. COMMITMENTS

In the current and prior financial years, there is no minimum commitment in relation to the Cabinda project and or the DRC project.

29. CONTINGENCIES

There have are no contingent liabilities or contingent assets in the current financial year (2013: nil).

Notes to the Consolidated Financial Statements

30. EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 28 July 2014, the Company announced the closure of its entitlement offer after receiving applications to subscribe for 104,786,468 new shares from eligible shareholders under the Offer to raise approximately $314,359.

On 25 August 2014, the Company issued 100,000,000 shares at $0.03 and 100,000,000 options exercisable at $0.01 per share, expiry 30 December 2016, on conversion of $300,000 of an $800,000 convertible note facility pursuant to convertible note trust deed dated 27 August 2013.

On 1 September 2014, the Company announced the appointment of highly experienced mining company executive Mr Lindsay Reed as Chief Executive Officer (CEO) of the Company.

On 3 September 2014, the Company announced the successful placement of the rights issue shortfall of 447,119,610 fully paid ordinary shares issued at $0.003 per share to raise approximately $1,341,359. The funds will be applied to the repayment of debt and general working capital for the Company.

On 8 September 2014, the Company announced that it had repaid the principal of $250,000 of the Carter convertible note facility and that the obligations of the Company are extinguished.

The Directors are not aware of any other matters or circumstances at the date of the report, other than those referred to in this report or the financial statements or notes thereto, that have significantly affected or may significantly affect the operations, the results of operations or the state of affairs of the Company in subsequent financial years.

31. RELATED PARTIES

(a) Ultimate parent

The ultimate Australian parent entity within the Group is Minbos Resources Limited. Minbos is limited by shares and is incorporated and domiciled in Australia. In the 2011 financial year the Company acquired 100% of Tunan Mining Limited and its subsidiaries. Through Tunan Mining Limited, Minbos holds the Cabinda Phosphate Project and the DRC Phosphate Project licences.

(b) Subsidiary companies

Interests in subsidiaries are set out in Note 32: Subsidiaries and Transactions with Non-controlling Interests.

(c) Key management personnel compensation

	30-Jun-14	30-Jun-13
	$	$
Short-term employee benefits	**370,477**	589,511
Post-employment benefits	**18,500**	18,000
Equity compensation benefits	**171,997**	213,805
	560,974	821,316

Information regarding individual Directors and Executive compensation and some equity instruments disclosures as permitted by Corporations Regulation 2M.3.03 is provided in the remuneration report section of the Directors' report.

Notes to the Consolidated Financial Statements

(d) Loans to Associate

	30-Jun-14	30-Jun-13
	$	$
Balance at the beginning of the financial year	**4,213,808**	4,149,762
Loans advances	**222,837**	64,046
Loan repayments made	**-**	-
Interest charged	**-**	-
Interest paid	**-**	-
Balance at the end of the financial year	**4,436,645**	4,213,808

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

(e) Transactions with other related parties

The following transactions occurred with related parties:

	30-Jun-14	30-Jun-13
	$	$
Capital raising / corporate advisory mandate - CPS Capital Pty Ltd		
(a company in which Damian Black is an employee)		
- Establishment fees (i)	**66,000**	-
- Corporate advisory fees (ii)	**114,690**	-
Legal services - Steinpreis Paganin Lawyers & Consultants (iii)		
(a firm in which Peter Wall is a partner)	**151,140**	-
Office rent - Sub-leased from Worldwide Mining which is owned 100% by		
Geopacific (which James Carter owns approximately 5.5%)	**11,150**	10,520
Consultancy mandate - Everspring Partners		
(a company in which John Ciganek is a partner)	**-**	90,000

(i) Of this balance, $33,000 was outstanding and a payable at 30 June 2014.
(ii) Of this balance, $30,000 was outstanding and a payable at 30 June 2014 and $84,690 relates to unlisted options provided to CPS Capital Pty Ltd as consideration for corporate advisory service, valued using Black-Scholes option pricing model.
(iii) Of this balance, $92,609 was outstanding and a payable at 30 June 2014.

Notes to the Consolidated Financial Statements

32. SUBSIDIARIES AND TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Minbos Resources Limited owns the following subsidiaries:

100% of Tunan Mining Limited, a company incorporated in the British Virgin Islands. Through Tunan Mining Limited, the Company has the following ownership as at 30 June 2014:

Name of entity	Country of incorporation	Class of shares	Ownership interest 30/06/2014	Ownership interest 30/06/2013
Parent entity				
Minbos Resources Ltd (i)	Australia	Ordinary and Preference		
Subsidiary (direct)				
Tunan Mining Limited (ii)	Bristish Virgin Isles (BVI)	Ordinary	100%	100%
Subsidiaries (indirect – direct subsidiaries of Tunan Mining Limited)				
SOFOSA (iii)	Angola	Ordinary	100%	100%
Mongo Tando Limited (iii)	Bristish Virgin Isles (BVI)	Ordinary	50%	50%
Mongo Tando Limitada (iii)	Angola	Ordinary	50%	50%
Tunan Mining Pty Ltd (iv)	South Africa	Ordinary	100%	100%
Agrim SPRL DRC (v)	Democratic Republic of Congo	Ordinary	100%	100%
Phosphalax SPRL (vi)	Democratic Republic of Congo	Ordinary	49%	49%

(i) Minbos is an Australian registered public listed Company on the ASX which undertakes the corporate activities for the Group.

(ii) Tunan Mining Limited is a holding Company, incorporated in the British Virgin Isles and was the vendor of the Cabinda project.

(iii) On 29 October 2009, Sociedade de Fosfatos de Angola ("SOFOSA") together with Terra Fertil Limited (an affiliate of Mongo Tando Holdings (the "Associate") which holds a 50% holding in Mongo Tando Limited "MTL"), incorporated Mongo Tando Limitada ("Angolan Company"). This Angolan Company currently holds the licence ("Cabinda Phosphate Project") in Cabinda Angola.

On the 9 February 2011, SOFOSA, Terra Fertil, MTL, Mongo Tando Holdings and Tunan Mining Limited entered into a Shareholders Agreement whereby SOFOSA and Terra Fertil restructured the ownership so that the Angolan Company (and holder of the concession) became a wholly-owned subsidiary of Mongo Tando Limited, whereby Tunan Mining Limited (BVI) and its Associate each hold a 50% interest.

However, since Tunan Mining Limited holds 49.99% of the "voting rights" in Mongo Tando Limited (BVI), the ownership interest is accounted for as an "Investment in an Associate" in the consolidated annual report. Refer to Note 13: Investment in Associate.

(iv) Tunan Mining Pty Ltd is a South African Company used to manage the operations of the Company's African projects.

(v) Agrim SPRL is a Company incorporated in the Democratic Republic of Congo which holds a 49% interest in Phosphalux SPRL, a special purpose DRC registered company, which undertakes the exploration activities across the Kanzi mining permit and several exploration licences, held by Allamanda.

(vi) Phosphalax SPRL is an entity incorporated in the Democratic Republic of Congo to hold the groups interest in the Kanzi joint venture which is intended to be the holder of the licences in relation to the Kanzi project.

Notes to the Consolidated Financial Statements

33. AUDITOR'S REMUNERATION

	30-Jun-14	30-Jun-13
	$	$
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:		
(i) An audit or review of the financial report of the entity	**41,517**	49,599
Total auditor remuneration	**41,517**	49,599
Amounts received or due and receivable by related network practices of BDO (WA) Pty Ltd for:		
(i) An audit or review of the financial report of the entity	**-**	20,630
Total auditor remuneration	**-**	20,630
Amounts received or due and receivable by related BDO Audit (WA) Pty Ltd entities for:		
(i) Taxation services	**980**	9,430
(ii) Other professional services	**3,060**	6,650
Total auditor remuneration	**4,040**	16,080

Directors' Declaration

The Directors of the company declare that:

1 The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes, are in accordance with the Corporations Act 2001; and

(a) comply with Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(b) give a true and fair view of the Consolidated Entity's financial position as at 30 June 2014 and of its performance for the year ended on that date.

2 In the Directors opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

3 The Consolidated Entity has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

4 The Directors have been given the declarations by the Managing Director, acting in the capacity of Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:

Mr Peter Wall
Non-Executive Chairman
30 September 2014

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INDEPENDENT AUDITOR'S REPORT

To the members of Minbos Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Minbos Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, 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.

Opinion

In our opinion:

(a) the financial report of Minbos Resources Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 2(d) in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the ability of the consolidated entity being able to renew its Cabinda exploration permit and the future successful raising of necessary funding. These conditions, along with other matters as set out in Note 2(d), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Emphasis of matter

We draw attention to Notes 13 and 15 in the financial report which describe an uncertainty relating to the recoverability of the consolidated entity's investment in and loans to Associate. Our opinion is not modified in respect of this matter.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Minbos Resources Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth, 30 September 2014

Shareholder Information

The following additional information was applicable as at 23 September 2014.

1. Fully paid ordinary shares

- There are a total of 944,055,016 ordinary fully paid shares on issue which are listed on the ASX.
- The number of holders of fully paid ordinary shares is 598.
- Holders of fully paid ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company.
- There are no preference shares on issue.

2. Distribution of fully paid ordinary shareholders is as follows:

Spread of Holdings	Holders	Securities	% of Issued Capital
1 - 1,000	26	1,187	0.00
1,001 - 5,000	39	112,914	0.01
5,001 - 10,000	43	339,655	0.04
10,001 - 100,000	224	10,020,020	1.06
100,001 - 9,999,999	266	933,581,240	98.89
TOTAL ON REGISTER	**598**	**944,055,016**	**100.00**

3. Holders of non-marketable parcels

Holders of non-marketable parcels are deemed to be those who shareholding is valued at less than $500.

- There are 310 shareholders who hold less than a marketable parcel of shares.
- The number of fully paid ordinary shareholdings held in less than marketable parcels is 8,273,776.

4. Substantial shareholders of ordinary fully paid shares

The Substantial Shareholders of the Company are:

Rank	Holder Name	Securities	% of Issued
1	JADEKEY NOMINEES PTY LTD	83,333,333	8.83
2	CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	70,416,666	7.46
3	BRIJOHN NOMINEES PTY LTD <NELSONIO A/C>	62,356,166	6.61

5. Share buy-backs

There is no current on-market buy-back scheme.

Shareholder Information

6. Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes (at present there are none) at general meetings of shareholders or classes of shareholders:

(a) each shareholder is entitled to vote and may vote in person or by proxy, attorney or representative;

(b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

(c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he/she has appointed a proxy, attorney or representative, is entitled to one vote per share held.

7. Top 20 Shareholders of ordinary fully paid shares

The top 20 largest fully paid ordinary shareholders together held 58.76% of the securities in this class and are listed below:

Rank	Holder Name	Securities	% of Issued
1	JADEKEY NOMINEES PTY LTD	83,333,333	8.83
2	CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	70,416,666	7.46
3	BRIJOHN NOMINEES PTY LTD <NELSONIO A/C>	62,356,166	6.61
4	PHEAKES PTY LTD <SENATE A/C>	45,016,666	4.77
5	PROCUREMENT SOLUTIONS LIMITED	33,333,333	3.53
6	HEQUITY PTY LTD <A&C HECTOR FAMILY A/C>	33,333,333	3.53
7	NATIONAL NOMINEES LIMITED <DB A/C>	22,263,056	2.36
8	MEGATOP NOMINEES PTY LTD <MORRIS SUPER FUND NO 2 A/C>	20,000,000	2.12
9	MRS ELEANOR JEAN REEVES <THE ELANWI A/C>	18,658,333	1.98
10	TT NICHOLLS PTY LTD <SUPER A/C>	17,666,667	1.87
11	CHIKAPA COMERCIO AND INDUSTRIA LDA	17,640,000	1.87
12	HELMET NOMINEES PTY LTD <TIM WEIR FAMILY FUND A/C>	17,439,889	1.85
13	HILLBOI NOMINEES PTY LTD	17,000,000	1.80
14	RAEJAN PTY LTD <THE MARZEC FAMILY ACCOUNT>	16,666,667	1.77
15	BRUCE SEVERIN & HELEN SEVERIN <SEVERIN FAMILY SUPER FUND AC>	16,666,667	1.77
16	WILGUS INVESTMENTS PTY LTD	16,666,667	1.77
17	CITICORP NOMINEES PTY LIMITED	12,905,956	1.37
18	MR JOHN CIGANEK & MRS REBEL CIGANEK <CIGANEK SUPER FUND A/C>	11,666,666	1.24
19	NERO RESOURCE FUND <NERO RESOURCE FUND A/C>	11,666,611	1.24
20	MS YUE JIAO	10,000,000	1.06
		554,696,676	**58.76**

Shareholder Information

8. Options

The following options over unissued ordinary shares are on issue:

Class	Date of Expiry	Exercise Price	Number Under Option
Consultant Options	30-Dec-14	$0.25	3,000,000
Commencement Options	08-Mar-16	$0.0937	1,150,000
Director Options	30-Dec-16	$0.01	5,000,000
Conversion of CPS convertible security	30-Dec-16	$0.01	83,333,333
Consideration for corporate services	30-Dec-16	$0.01	30,000,000
Conversion of CPS convertible security	30-Dec-16	$0.01	100,000,000
			222,483,333

The unissued ordinary shares of Minbos under option carry no dividend or voting rights. The grant date equals the vesting date for all options. When exercisable, each option is convertible into one ordinary share of the Company.

9. Interest in Mining Licence

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
0006/06/01L.P./ GOV.ANG.MGM/2010	Exploration	50%	Cabinda Province, Angola
E08/2335	Exploration	100%	Carnarvon, Western Australia
E08/2336	Exploration	100%	Carnarvon, Western Australia