

ABN 93 141 175 493



Minbos
Resources
Limited

2020
Annual
Report



CORPORATE DIRECTORY

DIRECTORS

Mr Peter Wall - Non-Executive Chairman
Mr Damian Black - Non-Executive Director
Mr William Oliver - Non-Executive Director
Ms Dganit Baldar - Non-Executive Director

Mr Lindsay Reed - Chief Executive Officer
Mrs Ashley Lim - Company Secretary

REGISTERED OFFICE

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Subiaco, WA 6008

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PRINCIPAL PLACE OF BUSINESS

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Subiaco, WA 6008
PO Box 162
Subiaco, WA 6904

DOMICILE AND COUNTRY OF INCORPORATION

Australia

AUSTRALIAN COMPANY NUMBER

ACN 141 175 493

AUSTRALIAN BUSINESS NUMBER

ABN 93 141 175 493

BANKERS

National Australia Bank
West Perth Business Banking Centre
Level 1, 1238 Hay Street
West Perth, WA 6005
Website: www.nab.com.au

AUDITORS

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco, WA 6008
Website: www.bdo.com.au

SHARE REGISTRY

Automatic Registry Services
Level 2, 267 St Georges Terrace
Perth, WA 6000
Website: www.automic.com.au

SOLICITORS

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan street
Perth, WA 6000
Website: www.steinpag.com.au

SECURITIES EXCHANGE

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



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CHAIRMAN'S LETTER

DEAR FELLOW SHAREHOLDERS

IT GIVES ME GREAT PLEASURE TO PRESENT THE 2020 ANNUAL REPORT FOR MINBOS RESOURCES LIMITED (ASX:MNB) (MINBOS OR COMPANY).

It's hard to imagine the Company being in a more different position than it was in late 2018 when the Company announced the joint venture had lost the mineral rights for the Cabinda Phosphate Project, but the 2020 financial year has been both a triumph of perseverance and process, with the successful tender for the Cabinda licence.

In the intervening periods between late 2018 and early 2020, CEO Lindsay Reed ensured the Company's relationship with the Angolan Government remained strong and despite not having any interest in the Cabinda Project, the Company continued to undertake greenhouse and field trials, demonstrating a commitment to the project which culminated in the successful tender for the Cabinda Project in March 2020.

Despite the challenges of the past decade, the quality of the Cacata Deposit has never been in question and wholly represents the reason Board and Management persevered to achieve a successful tender outcome.

With Cabinda now firmly ensconced, the Company has sought to build on the strong platform our years of work in the region has provided, our vision is to build a nutrient supply and distribution business that stimulates agricultural production and promotes food security in Angola and the broader Congo Basin.

In late May 2020, the Company announced it was undertaking a Definitive Feasibility Study (DFS) for the Project, which included a model for delivering locally produced Nitrogen (N), Phosphorus (P) and Potassium (K) fertiliser to be sold within Angola and regionally throughout Middle Africa.

To set the terms of reference for the DFS, an interim scoping study was completed and released post reporting period. The study demonstrated Cabinda to be both technically and financially robust, delivering a low-capex/high -margin project profile.

The Study also highlighted the regional potential for agricultural development. In the last 10 years Angola was importing almost 90% of its food, however, buoyed by strong demand for local product, Angola is currently undergoing an agricultural revolution, with more than US\$2 Billion of Foreign Direct Investment pouring into farms and farm infrastructure projects.



Agriculture is the main source of income for 90% of the 9.6 million Angolans living in rural areas with 44% of Angola's 30.8 million population employed in agriculture. Angola has 35 million hectares of arable land with only 8% currently tilled for farming. Currently, 100% of all NPK is imported.

Our objectives for the 2020-21 Financial Year are to complete the Definitive Feasibility Study, secure local and international environmental approvals, continue field and greenhouse trials, secure an offtake agreement with Government of Angola and secure funding. The DFS is expected to take nine (9) months to complete including obtaining all approvals for construction and operations of the project. Once this is complete, the Company will then be able to make a Final Investment Decision (FID), and then subject to financing, commence construction.

I would like to take this opportunity to thank our technical partners, the International Fertiliser Development Centre, the Instituto de Investigação Agronómica (Angola's National Agricultural Research Institute) and the Plant Nutrition Science and Technology (Brazil), all who have made significant contributions to our understanding of the agronomic potential of the Cabinda Phosphate Blend during Financial Year 2020. I would also like to make special mention of our in-country attaché, Mr Camache Caturichi who worked tirelessly to assist our tender.

Finally, I would like to thank the Government and people of Angola, for awarding us custodianship of the Cabinda Project, which the Company strongly believes has the potential to both change Angola and add significant value for Minbos Shareholders.

As Chairman, I thank you for your support throughout 2019-20 and hope that our progress during the forthcoming year will continue to add value to your investment in Minbos. I would like to thank my fellow board members and management for all their efforts and success during the past year.

Yours Sincerely

Mr Peter Wall
Non-Executive Chairman

DIRECTORS' REPORT

The Directors submit their report of the 'Consolidated Entity' or 'Group', being Minbos Resources Limited ('Minbos' or 'Company') and its Controlled entities, for the financial year ended 30 June 2020.

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 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), technology, 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:

Current:

- Non-Executive Chairman of MMJ Phytotech Ltd;
- Non-Executive Chairman of MyFiziq Limited;
- Non-Executive Chairman of Transcendence Technologies Limited;
- Non-Executive Chairman of Pursuit Minerals Ltd; and
- Non-Executive Chairman of Argent Minerals Ltd.

Previous:

- Non-Executive Chairman of Mandrake Resources Limited (formerly Bronson Group Ltd) (resigned 5 August 2019);
- Non-Executive Chairman of Sky and Space Global Ltd (resigned 3 December 2018);
- Non-Executive Chairman of Activistic Limited (resigned 23 April 2018);
- Non-Executive Director of Ookami Limited (resigned 16 February 2018); and
- Non-Executive Chairman of Zyber Holdings Limited (resigned 22 January 2018).

Mr Damian Black

Non-Executive Director (appointed 21 February 2014)

Mr Black is Founder/Director at Aesir Capital, a Sydney based boutique investment bank. Prior to founding Aesir, he worked as a director at Asia Principal Capital – Corporate Finance. Mr Black has over 10 years' experience in corporate finance and investment banking having commenced with Tolhurst Limited in 2006.

Mr Black graduated from Curtin University with a Bachelor of Science in Physiotherapy in 1999 and also completed a Graduate Diploma in Applied Finance and Investment at FINSIA in 2005.

Mr Black is experienced in structuring corporate transactions, focusing primarily on the technology and natural resources sectors, and is currently engaged in a corporate advisory role with a number of private and ASX listed companies.

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 (current).

Mr William (Bill) Oliver

Non-Executive Director (appointed 2 September 2013)

Mr Oliver is a geologist with 20 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 in various roles including large scale resource definition for Rio Tinto Iron Ore.

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 being the Managing Director of Signature Metals, and the acquisition of projects for Celsius Resources and Tando Resources. 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.

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

Current:

- Managing Director of Vanadium Resources Ltd (formerly Tando Resources Limited); and
- Non-Executive Chairman of Celsius Coal Limited.

Previous:

- Executive Director of Aldoro Resources Limited (resigned 20 November 2019);
- Non-Executive Director of Vulcan Energy Resources Limited (formerly Kopper Resources Limited) (resigned 19 November 2019); and
- Technical Director of Orion Minerals NL (formerly Orion Gold NL) (resigned 17 April 2018).

Ms Dganit Baldar

Non-Executive Director (appointed 18 March 2016)

Ms Dganit Baldar is a qualified Israeli corporate lawyer with approximately 20 years' experience in the legal profession. Ms Baldar was previously the General Counsel for Mitrelli Group, a multinational organization which initiates, executes and manages large turn-key projects in developing countries.

Ms Baldar graduated from Brunel University in London and also completed an MBA through Tel Aviv University. She has a wide range of experience in all forms of corporate and commercial law with specific expertise in complex joint ventures, mergers and acquisitions. In addition, she has expertise in dealing with Angolan law and companies.

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

2. INFORMATION ON OFFICERS OF THE COMPANY

Mr Lindsay Reed

Chief Executive Officer (appointed 1 September 2014)

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 Acacia Mining Plc

(previously 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.

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.

Mrs Ashley Lim

Contract Company Secretary (appointed 5 October 2018)

Ms Lim is an accountant with over 10 years' experience in the resources and education industry in Australia and Singapore. Ms Lim has assisted clients with ASX and ASIC compliance, secretarial and accounting service to a number of listed and unlisted companies.

3. PRINCIPAL ACTIVITIES

Minbos Resources Limited is an ASX-listed exploration and development company. The Company's primary focus during the financial year continued to be on the advancement of its Phosphate Interests (Angola) and its Ambato Rare Earth Project (Madagascar).

The Company's strategy is to specifically target the exploration and development of low-cost mineral projects.

4. REVIEW OF OPERATIONS

(a) HIGHLIGHTS & SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The highlights and significant changes in state of affairs during and subsequent to the yearend include:

Public tender for Mining Rights in Angola: On 18 March 2020 the Company announced that the Company's bid for the Cacata Phosphate Concession, located in Cabinda, Angola, had been successful. Under the terms of the tender, it is anticipated that Minbos will be granted the equivalent of an exploration licence over the project area.

Definitive Feasibility Study (DFS) Underway: On 27 May 2020 the Company announced that the DFS for the Cabinda Phosphate Project is underway, with the appointment of Orelogy Consulting Pty Ltd (Orelogy). Orelogy is a respected mine planning consultancy with extensive operational and consulting experience in a range of different commodities throughout the world, including specialist phosphate ore experience.

On 1 September 2020 the Company announced that as part of its DFS the Company has signed a contract with FEECO International for the basic engineering package associated with the planned granulation plant major equipment.

Scoping Study: On 26 August 2020 the Company announced the results from the Scoping Study completed on its Cabinda Phosphate Project in Angola, which demonstrates the Project will generate strong cash returns for a relatively small capital investment. With the initial scoping study complete, the Company will move quickly to complete a DFS study, which will be used to obtain funding with debt and equity financiers.

Drilling program complete at Ambato Rare Earth Project: 118-hole auger drilling program was completed at the Ambato Rare Earth Project, located in the Republic of Madagascar. Drilling results targeted a ~2km-long zone of rare earth soil anomalies at the Ankazohambo prospect, with a recent soil sampling program returning grades of up to 11.7% Total Rare Earth Oxide (TREO), with 22% of all samples greater than 1% TREO.

Covid-19: The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There were no other significant changes in the state of affairs during the financial year.



Figure 1 – Angola, farm transport and grain logistics truck in regional Cabinda

PROJECTS

ANGOLAN PHOSPHATE INTEREST

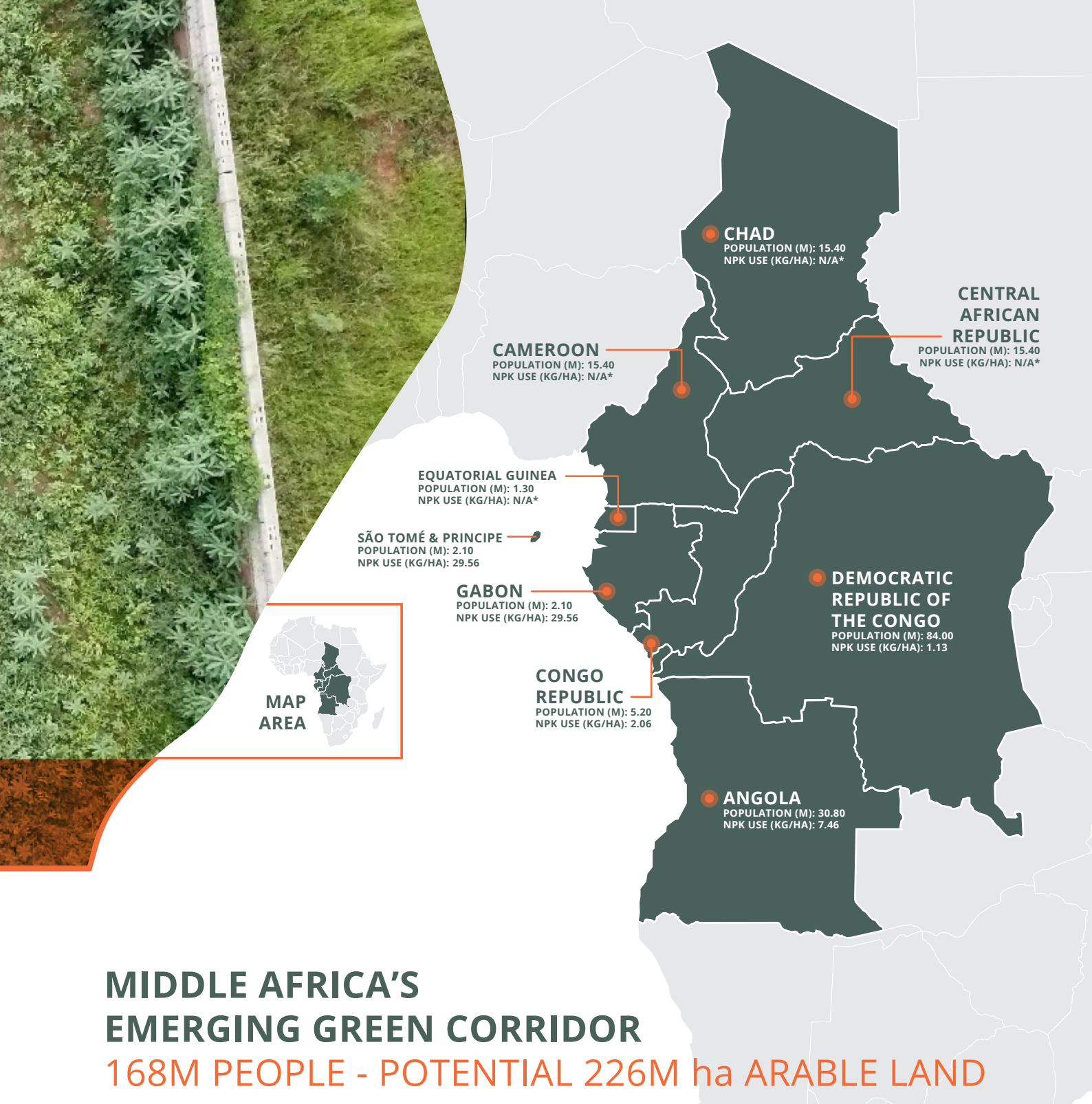
ANGOLA

Angola has an abundance of fresh water and arable land making the country particularly attractive for investments in agriculture and with one of the fastest-growing populations in Africa, Angola has the potential to significantly scale-up its agricultural production.

In Angola, agriculture is the main source of income for 90% of the 9.6 million countrymen and women living in rural areas. There are 35 million hectares of arable land (the size of France) with only 8% currently tilled for farming. Furthermore, 100% of all nutrients (nitrogen, phosphate and potassium – NPK) are imported.¹

The region of Middle Africa (Angola, Cameroon, Central African Republic, Chad, Congo Republic – Brazzaville, Democratic Republic of Congo, Equatorial Guinea, Gabon, and São Tomé & Príncipe) has immense potential for sustainable agriculture with only 25 million hectares of the regions potential 226 million hectares currently being utilised. With virtually no local fertiliser production, and a regional population of 168 million people, the opportunity for a socially-minded company to deliver locally produced fertiliser to Middle Africa, remains immense.

¹World Bank, *Creating Markets in Angola Opportunities for Development Through the Private Sector* - <http://documents.worldbank.org/curated/en/606291556800753914/pdf/Creating-Markets-in-Angola-Opportunities-for-Development-Through-the-Private-Sector.pdf>



MIDDLE AFRICA'S EMERGING GREEN CORRIDOR

168M PEOPLE - POTENTIAL 226M ha ARABLE LAND

Country	land Area (ha)	Arable Land use (%)	Potential Arable land %	Potential Arable land (ha)
Angola	124,670,000	3.39	51.64	64,380,100
Cameroon	47,544,000	13	14.99	7,125,000
Central African Republic	62,298,000	2.8	33	20,766,000
Chad	128,400,000	3.8	33	42,800,000
Congo Republic - Brazzaville	34,200,000	1.6	29	10,000,000
Democratic Republic of Congo	234,486,000	3.1	34	80,000,000
Equatorial Guinea	2,805,000	4.27	30	850,000
Gabon	26,767,000	1.2	4	1,000,000
São Tomé & Príncipe	96,000	9	50.73	48,700
	661,266,000			226,969,800

Table 1 : Potential Arable Land in Middle Africa



Investment in the Angolan agricultural sector is being spearheaded by President João Lourenço, with the Angolan Government actively supporting private agro-industrial companies to strengthen the chain of agricultural supplies, promote investment in the sector, and link small businesses to agricultural markets. The Agriculture Minister of Agriculture and Fisheries, António Francisco de Assis, has also called on the national business community to invest in the agri-business sector, with the aim of increasing food production in Angola.

With fertiliser consumption on the African continent projected to reach 13.6 million tonnes by 2030 compared to 7.6 million tonnes currently, and spending on food in Angola expected to increase from US\$15 billion in 2017 to US\$21 billion by 2021, there remains a strong economic incentive for companies to produce locally mined and manufactured fertilisers. The potential to scale-up its agriculture output will deliver Angola the diversification of its economy away from traditional oil and diamond revenues.

Producing fertilizers locally improves the availability of nutrients, reduces transport costs, and protects against exchange rate fluctuations. Locally produced fertilizer projects are taking off across the continent. Local production facilities allow multiple product mixes (NPK and micronutrients) to be manufactured at small scale. This is a significant advantage over imports, which, of necessity, arrive in large shipments of a single product.

The Company's vision is to build a nutrient supply and distribution business that stimulates agricultural production and promotes food security in Angola and the broader Middle Africa region. The Company's plan is to mine Phosphate Rock from the Cácata Deposit and transport it to Porto de Caio where a granulation plant will be built and operated at the industrial site to produce Enhanced Phosphate Rock (EPR) granules (Phosphate Rock + MAP) (Figure 2).



Figure 2 – Minbos Cabinda Phosphate Project Scope and activity flow

The EPR granules will become the P nutrient feed stock to blend with imported Nitrogen (N), and Potassium (K) granules in NPK blending plants to exact specifications suited to Angolan crops and soils.

By feeding the soils that feed us, Minbos’ nutrient and distribution project will directly impact the lives of employees, local businesses, the agriculture sector, Angolan national food security, Government revenues, and the local population for many years to come, all the while promoting Angola as an attractive investment destination and delivering value for Minbos Shareholders.

The Cabinda Project is most sensitive to Relative Agronomic Effectiveness (RAE) of the enhanced phosphate rock in comparison to imported MAP product on a contained Phosphate basis. Greenhouse trials undertaken by the International Fertiliser Development Centre (IFDC) have identified the soils, climate conditions and crop types for optimal RAE.

In general, these conditions are acidic and phosphate poor soils, high rainfall, and crops that uptake nitrogen as NH4++ and create a favourable rhizosphere for phosphate rock dissolution. These conditions are typical in tropical and sub-tropical climates and predominate the Angolan agricultural regions.

Greenhouse and field trials to quantify the commercial RAE are ongoing as part of the Company’s DFS. The Company’s market strategy will target soils and crops where the RAE of enhanced phosphate rock is most effective.

PROJECTS

Figure 3 - Cabinda Fertilizer Blend Trials at the International Fertilizer Development Centre (Muscle Shoals)

CABINDA PHOSPHATE PROJECT - ACTIVITIES

Greenhouse Trials

International Fertiliser Development Centre

In 2017, the IFDC suggested a greenhouse trial at its Alabama campus to test a blend of Cácata Phosphate Rock with MAP (monoammonium phosphate), a commercially available water-soluble phosphate (WSP) fertilizer.

The trial was a logical extension of 40 years of experimental work by the IFDC with phosphate rock in directly application, and in conjunction with other WSP fertilisers such as Single Super Phosphate (SSP) and Triple Super Phosphate (TSP).

The IFDC hypothesised that a blend of MAP with Phosphate Rock would be successful in typical Angolan soils and crops because the water-soluble MAP would quickly provide the P nutrient necessary for the plant to establish its root system. This is known as the 'Starter Effect'.

MAP has a low pH of dissolution (4.8) which has been shown to accelerate the dissolution of the Phosphate Rock making it available for plant uptake. This is termed the 'Enhancement Effect'. Angolan soils are generally acidic, subject to high rainfall and deficient in P nutrient and therefore potentially suitable for EPR.

The initial trial conducted with winter wheat (due to the season) indicated that the RAE of Cácata Phosphate Rock blended with MAP was similar to MAP in acidic soils and warranted further investigation.

In 2019, the IFDC commenced a second trial of two consecutive crops of maize harvested at 8 weeks, and compared the dry matter yield of Cácata Blend vs MAP for initial and residual yields. Again, the RAE was similar and the relative economic effect (REE), taking into account the relative cost of the Cácata Blend vs Map was superior to MAP for the combined dry matter yields.

When dismantling the maize trial in 2019, IFDC staff noticed that remnant P granules were still present in the pots. Laboratory testing of the granules confirmed little or no nitrogen content suggesting the P content of the granules was Phosphate Rock not MAP. After the second maize crop had been harvested a third trial with sorghum was installed and grown to maturity. The results suggested that the blend granules continued to offer agronomic effect in a third crop. Further greenhouse trials are progressing to quantify the RAE in three consecutive crops grown to maturity.

Greenhouse trials completed by the IFDC confirmed that Cabinda Phosphate Rock blended with MAP (Cabinda Blend) returned similar agronomic performance to MAP in crops and soils typical for Angola.

The Company has completed four (4) greenhouse trials with the IFDC², with the broad aim of maximising the EPR agronomic potential and ensuring the suitability of the crops for use in Angola and the surrounding Congo Basin.



Phosphate
Greenhouse
International
Experiment Center
(Muscle Shoals, Alabama)

Figure 4 – IIA Field trials
underway in Huambo, Angola

Field Trials

Instituto de Investigação Agronómica

The in-country field trials are being co-ordinated by the Angolan Institute of Agronomic Investigations in Huambo (IIA), with the initial concept and design being undertaken by the Plant Nutrition Science and Technology Company (NPCT) in consultation with the IFDC³. Crops of maize and beans have been planted in 2019 and harvested earlier in 2020.

The objective of this trial was to prove the effectiveness of the Cabinda Blend in Angolan field conditions. Field trials for the next growing season are being undertaken in collaboration with NPCT, IFDC and the IIA to compare the Cabinda Blend to commercially available fertilisers⁴.

This season's field trials will evaluate a wider range of MAP/Cabinda Phosphate Rock blends, compare tableted (compacted) product versus granulated, and determine residual effect of Cabinda EPR on grain yield and P uptake with crops grown to maturity.

As part of the partnership with the IFDC, 500kg's of improved Cabinda Phosphate Rock was successfully processed at the IFDC's world-class trial plant in Muscle Shoals, Alabama. The granulation testing was designed to identify plant flow and design and produced 400kg's of Cabinda blend to be used for field trials in Angola.

Greenhouse and Field Trials have proved to be an important and independent measuring stick for the agronomic potential of Cabinda Phosphate Rock. To have the IFDC, NPCT and IIA all involved in the design and implementation of the trials delivers world-class fertilizer research and development expertise to our fertilizer development and an important third-party validation of the potential for Cabinda Blend.

Successful tender bid for Cacuteata Phosphate Concession

The Cabinda Phosphate Project

Despite not having any ownership interest after the Notice of Termination was received, Minbos continued to push ahead with the Cabinda phosphate agronomic research and development programs, which played a key role in our successful tender. The Company's hard work and passion for the Cabinda Project paid off, with the announcement that the Minbos bid for the Cabinda Phosphate Project had been successful⁵.

The successful bid was the culmination of more than two (2) years of work by the Board and the Minbos team to firstly, re-build government support lost during the joint venture years and secondly, to successfully present a plan for the Cabinda Phosphate Project that unlocks its potential for the region.

^{2,3} ASX Announcements - PHOSPHATE AND RARE EARTH ACTIVITY UPDATE <https://www.investi.com.au/api/announcements/mnb/626e5ca4-2c7.pdf>

⁴ ASX Announcement - MINBOS TARGETS IMPROVED PROJECT ECONOMICS WITH FURTHER GREENHOUSE TRIALS TO OPTIMISE PRODUCT VALUE-IN-USE <https://www.investi.com.au/api/announcements/mnb/675f3ad6-40b.pdf>

⁵ ASX Announcement - SUCCESSFUL TENDER BID FOR CACATA PHOSPHATE CONCESSION <https://www.investi.com.au/api/announcements/mnb/ee358823-380.pdf>

CABINDA PHOSPHATE PROJECT

Definitive Feasibility Study

In late May the Company announced that the Definitive Feasibility Study (DFS) for the Cabinda Phosphate Project was underway, with the appointment of Orelogy Consulting Pty Ltd who were engaged to complete a JORC 2012 compliant Ore Reserve Estimate for the Cácata Phosphate Deposit⁶.

The Ore Reserve report is designed to generate a robust mining strategy that maximises project value and efficiency. The scope of work includes but is not limited to:

- **JORC 2012 Ore Reserve Estimate:** The Company has previously released a phosphate resource estimate of 13Mt @ 26% P₂O₅, including 7Mt @ 30% P₂O₅. The Orelogy report will allow Minbos to release a JORC (2012) Ore Reserve Statement based on this previously announced Measured and Indicated Mineral Resource Estimate.
- **Mine Schedule and Stockpile Design:** A total material movement schedule will be developed for the life of the project to maximise NPV, minimise upfront costs by minimising pre-strip and ensuring all plant feed requirements are met in terms of tonnes and grades. Stockpile designs will be prepared for topsoil, overburden and ore.
- **Mine Infrastructure Design:** All mining related infrastructure, including ex-pit haul roads, fuel supply facilities and administration infrastructure. Cost Modelling (OPEX and CAPEX) will be designed in sufficient detail to produce a new mine model for the Ore Reserve report. This includes all costs related to the mining activities including clearing, stripping, topsoil, stockpiling, loading, hauling, rehandle, production support, maintenance, supervision, management, administration and technical support, de-watering and dust suppression.

Post reporting period

Post reporting period, the Company released results from a Scoping Study which demonstrated that the Company could generate strong cash returns on the Cabinda Phosphate Project for a relatively small capital investment (Table 2)⁷.

The pre-production CAPEX (capital expenditure) is between US\$22-28M, with the payback period just three (3) years, and a Life of Mine (LoM) of 21 years. The After Tax NPV of the Project is US\$159M-\$260M.

The Scoping Study results will be used to initiate discussions with debt and equity financiers for the construction of the project and frame the scope of work for a Definitive Feasibility Study (DFS), which is currently underway.

SCOPING STUDY OUTCOMES	LOW	HIGH
EBITDA LoM (US\$M)	\$747	\$1,101
Pre-tax NPV (US\$M)	\$191	\$308
Pre-tax IRR (US\$M)	41%	59%
After-tax NPV (US\$M)	\$159	\$260
After-tax IRR (%)	40%	58%
Pre-production Capex (US\$M)	\$27.9	\$22.4
Average Selling Price (US\$/t)	\$222	\$290
Cash Operating Costs LoM ^a (US\$/t)	\$121 ^b	\$141
Payback Period (Years)		3
Life of Mine (Years)		21
Average Annual Production (ktpa)		368

^a Cash operating costs include all mining, transport, granulation, shipping, government royalties, site administration and raw material purchase costs.

^b The low case contemplates a lower MAP price which decreases revenues, but because MAP comprises approximately 50% of the operating costs it also decreases the operating costs in the low case. The reverse is reflected in the high case.

Table 2 : Cabinda Project Scoping Study - base case key metric

⁶ ASX Announcement - CABINDA PROJECT DEFINITIVE FEASIBILITY STUDY UNDERWAY WITH KEY APPOINTMENT <https://www.investi.com.au/api/announcements/mnb/e38c0171-6df.pdf>

⁷ ASX Announcement - CABINDA PHOSPHATE PROJECT SCOPING STUDY <https://www.investi.com.au/api/announcements/mnb/2252c2e1-51d.pdf>



Next Steps

The Company is currently continuing with a DFS on the Project. Activities planned for the current year include:

- Mine design and Reserves
- Granulation Plant Design
- Transport and Logistic Studies
- Infrastructure Design
- CAPEX and OPEX to +/- 15%
- Marketing Studies including greenhouse & field trials
- Economic Analysis
- Environmental and Social Impact Assessment (ESIA) including further baseline studies
- Completion of all approvals
- The Company anticipates signing an off-take agreement with the Angolan Government as part of the DFS before the Final Investment Decision (FID). Initial discussions with the Angolan Government have commenced in relation to an off-take agreement. In its winning tender submission Minbos proposed developing export markets for up to half the product in neighbouring countries in Middle Africa and has initiated discussions along this line.

The DFS is expected to be complete within nine (9) months with several areas currently underway. Subject to long lead items associated with the granulation plant, which may be ordered prior to the completion of the DFS, construction is expected to take six (6) months, with first production estimated to occur shortly thereafter. It is expected that approvals will be the critical element in the development schedule although global factors such as COVID-19 may also impact the schedule.

Cabinda Project Funding

Based on the Scoping Study, there are reasonable grounds to believe that the Project can be financed in the future. The initial capital of US\$22 - 28M is modest relative to the Company's market capitalisation and the A\$20M invested by the Company in phosphate exploration and feasibility studies in the Congo Basin region.

It is most likely that any financing would be a combination of debt and equity which may only be available on terms that are dilutive to or otherwise affect the value of Minbos's existing shares. Alphier Capital LLP (Alphier) has been appointed Financial Advisors to the Company and have expressed a firm view that capital can be obtained for the Project.



PROJECTS

AMBATO RARE EARTHS PROJECT MADAGASCAR

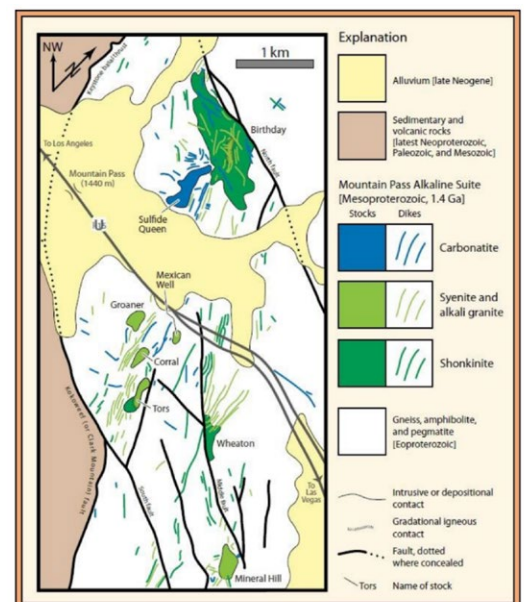
The Ambato Rare Earth Project is located approximately 200km to the southwest of Antananarivo, in the Ambatofinandrahana Municipal area of the South-Central Highlands of Madagascar.

Bastnaesite is one of only three (3) rare earth minerals (bastnaesite, monazite, and zenotime), along with ionic clays in China, that have been commercially processed. Bastnaesite mineralisation is clearly visible in outcrops at Ambato (Figure 5) with mineralogical tests on grab samples from the Ankazohambo prospect indicating that 90% of the contained rare earth mineralisation consists of bastnaesite.

The Mountain Pass Bastnaesite Mine in California is the largest known rare earth deposit in the USA. A carbonatite body called the Sulphide Queen carbonatite forms the core of the Mountain Pass igneous complex and hosts the bulk of the rare earth mineralisation in the district. The Sulphide Queen carbonatite has an overall length of 730m, and an average width of 120m⁸.

The Ambato Rare Earth Project is currently on hold as field access is not possible. The Company has earned its option to purchase 90% of holding company Tana Minerals and is exploring options to extract value from its interest.

Figure 5 – Generalised geologic map of the Mountain Pass District (Left) with interpreted geological map of the Ankazohambo deposit (Right)



⁸ USGS 2010, *The Principal Rare Earth Elements Deposits of the United States – a Summary of Domestic Deposits and a Global Perspective*



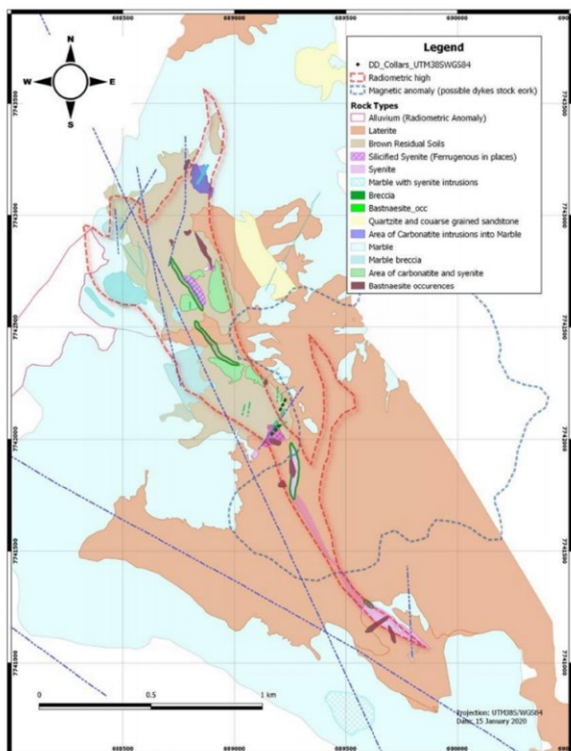
Competent Person's Statement for the Cabinda Phosphate Project

The Competent Person with responsibility for the total Mineral Resources of this report is Mrs Kathleen Body, Pr. Sci. Nat, who is an employee of Red Bush Analytics. Mrs Body was a full-time employee of Coffey Mining at the time the original Mineral Resource estimation was completed in 2013. Mrs Body has 25 years' experience in the mining industry and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves. Kathleen Body consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

The information in the "Review of Operations" that relates to the Mineral Resources contained within the Production Target, complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and has been compiled, and assessed by Ross Cheyne BEng (Hons), Mining, a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM) and Technical Director at Oreology Mine Consulting Pty Ltd, consultants to the Company. Mr Cheyne has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Cheyne is the competent Person for the Mineral Resources contained with the Production Target and the Production Target itself and has relied on provided information and data from the Company, including but not limited to the Resource model and database. Mr Cheyne consents to the inclusion in this review of operations of matters based on his information in the form and context in which it appears.

Competent Person's Statement for the Ambato Rare Earths Project

The information in this Report that relates to Exploration Results and Data Quality is based on, and fairly represents, information and supporting documentation prepared by Rebecca Morgan, who is a member of the Australian Institute of Geoscientists. Miss Morgan is a consultant to Minbos. Miss Morgan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity she is undertaking to qualify as a competent person as defined in the 2012 Edition of the 'Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves'. Miss Morgan consents to the inclusion in this Report of the matters based on her information in the form and context in which it appears.



Directors' Report

5. DIRECTORS' SHAREHOLDINGS (DIRECT AND INDIRECT HOLDINGS)

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

Directors	Fully Paid Ordinary Shares	Unlisted Share Options
Mr Peter Wall	224,490,192	-
Mr Damian Black	194,182,332	-
Mr William Oliver	18,456,000	-
Ms Dganit Baldar	-	-
Total	437,128,524	-

6. 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	Number Eligible to Attend	Number Attended
Mr Peter Wall	3	3
Mr Damian Black	3	3
Mr William Oliver	3	3
Ms Dganit Baldar	3	3

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, managed by the Board. For details of the function of the Board please refer to the Corporate Governance Statement.

7. CORPORATE GOVERNANCE

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 annual report.

8. OPERATING AND FINANCIAL REVIEW

A Operations

Minbos Resources Limited is an exploration and development company with interests in phosphate ore within the Cabinda Province of Angola and Rare Earth Elements in Madagascar.

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.

B Financial Performance & Financial Position

The financial results of the Group for the year ended 30 June 2020 are:

Financial Performance / Position	30-Jun-20 \$	30-Jun-19 \$	Change %
Cash and cash equivalents	748,455	2,232,905	(66%)
Net assets	572,559	2,138,833	(73%)
Income	16,704	56,284	(70%)
Net loss after tax	(1,566,274)	(1,715,313)	9%
Loss per share	(0.0003)	(0.0003)	-

Directors' Report

Financial Performance & Financial Position

The financial result for the year ended 30 June 2020 is a net loss after tax of \$1,566,274 (2019: \$1,715,313). At 30 June 2020, the Group's net assets decreased by 73% compared to the previous financial year, and the Group's cash and cash equivalents decreased by 66% to \$748,455. During the financial year the Company spent \$97,582 on project development for its Ambato project, \$388,247 on exploration expenditure on its Cabinda Project, \$657,284 on administration expenditure and \$428,944 on personnel expenditure and director fees.

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

C Business Strategies and Prospects for future financial years

The Group is actively evaluating the prospects of the Cabinda project and Ambato project. These updates are announced via the ASX platform for shareholders information. The Group then assesses the continued strategy and further asset development.

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.

The Board reviews the risks of the Group and the action plans to address these risks on a regular basis.

a) 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. In addition, 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.

b) Environmental Risks

The operations and proposed activities of the Company are subject to the environmental laws and regulations of Angola and Madagascar. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if 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.

c) 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.

d) 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

e) 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 development programmes as the case may be. There is 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.

f) Speculative investment

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

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.

g) Risks with Operating in Angola and Madagascar

The Company operates out of Angola and Madagascar which have been subject to civil unrest in the recent past. The Company believes that although tension has eased, civil and political unrest and an outbreak of hostilities remains a risk in both countries.

The effect of unrest and instability on political, social or economic conditions in Angola or Madagascar could result in the impairment of the exploration, development and mining operations of the Company's projects.

There is also a high level of corruption in Angola and Madagascar, especially in the extractive industries. This corruption often influences the awarding of contracts or the granting of licenses. Furthermore, Angola and Madagascar do not have laws that specifically address corruption, bribery and conflict of interest.

Other possible sovereign risks include, without limitation:

- i. changes in the terms of the relevant mining statutes and regulations;
- ii. changes to royalty arrangements;
- iii. changes to taxation rates and concessions;
- iv. changes in the ability to enforce legal rights; and
- v. expropriation of property rights.

Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its Shares.

No assurance can be given regarding the future stability in Angola, Madagascar or any other country in which the Company may have an interest.

h) The Legal Environment in Angola and Madagascar

The Company's projects are located in Angola and Madagascar. Angola and Madagascar are considered to be developing countries and are subject to emerging legal and political systems as compared with the system in place in Australia. This could result in the following risks:

- i. political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation or in an ownership dispute;
- ii. a higher degree of discretion held by various government officials or agencies;
- iii. the lack of political or administrative guidance on implementing applicable rules and regulations, particularly in relation to taxation and property rights;
- iv. inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
- v. relative inexperience of the judiciary and court in matters affecting the Company.

Directors' Report

i) Lack of Specific Infrastructure

The Company's projects are located in areas of Angola and Madagascar. Generally, these areas lack specific infrastructure such as:

- i. sources of third party supplied power; and
- ii. sources of third party supplied water.

The lack of availability of this infrastructure may affect mining feasibility.

j) Workforce and Labour risks

The skill base of the local labour force in Angola and Madagascar is extremely limited. There is a severe shortage of workers with good managerial or technical skills.

HIV/AIDS, malaria and other diseases represent a serious threat to maintaining a skilled workforce in the mining industry throughout Africa. HIV/AIDS, malaria and other diseases are a major healthcare challenge faced by the Company's operations in Angola and Madagascar. There can be no assurance that the Company will not lose members of its workforce, workforce man hours or incur increased medical costs which may have a material adverse effect on the Company's operations.

k) Renewal of permits in Madagascar

As announced on 29 March 2018, the Company entered into an option agreement to acquire a 90% interest in MRE Mining (Mauritius) Limited who owns two exploration permits in central Madagascar. The agreement is conditional on the renewal of the exploration permits.

The renewal of the terms of each exploration permit is at the discretion of the relevant government authority and currently the mining authority in Madagascar is not renewing permits. Renewals could be subject to a number of specific legislative conditions. The inability to meet these conditions could affect the standing of a permit or restrict its ability to be renewed.

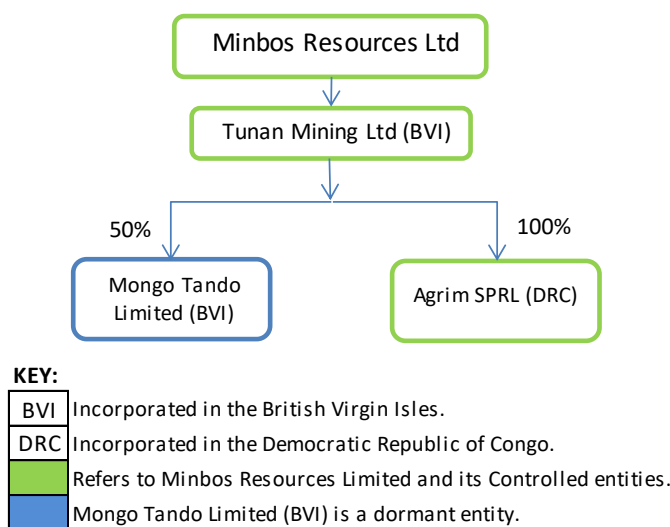
If a permit is not renewed, the Company may suffer significant damage through the loss of opportunity to develop and discover mineral resources on those permits.

9. DIVIDENDS

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

10. 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:



* Minbos has entered into an option with Tana Minerals Ltd (Tana) whereby Minbos can acquire 90% of the shares in MRE Mining (Mauritius) Limited (MRE). MRE's sole asset is a wholly owned subsidiary in Madagascar which holds the exploration permits for the Ambato Project covering 440 square kilometres. MRE and its wholly owned Madagascar subsidiary are not included in the above structure.

Directors' Report

11. REMUNERATION REPORT (Audited)

This report for the year ended 30 June 2020 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 Chief Executive Officer ('CEO') and Chief Financial Officer ('CFO'), whilst the term 'NED' refers to Non-Executive Directors only.

Individual KMP disclosure

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

Directors	Position	Appointment	Resignation
Peter Wall	Non-Executive Chairman	21/02/2014	-
Damian Black	Non-Executive Director	21/02/2014	-
William Oliver	Non-Executive Director	02/09/2013	-
Dganit Baldar	Non-Executive Director	18/03/2016	-

Other KMP	Position	Appointment	Resignation
Lindsay Reed	Chief Executive Officer	01/09/2014	-

There have been no other changes after the 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 Shares to KMP
- I Voting and comments made at the Company's 2019 Annual General Meeting
- J Loans to KMP
- K Loans from KMP
- L Other transactions with KMP

A Remuneration Philosophy

KMP have authority and responsibility for planning, directing and controlling the activities of the Group. KMP of Minbos comprise the Board of Directors and the CEO.

The performance of the Group depends upon the quality of its KMP. 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.

Directors' Report

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. 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 2020 AGM.

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 1a** and **Table 1b**, and their contractual arrangements are disclosed in "Section E – Contractual Arrangements".

➤ 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.

Directors' Report

The remuneration of Executives is detailed in **Table 1a** and **Table 1b**, 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 income, losses and share price of the Group as at 30 June for the last five financial years:

	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16
Income (\$)	16,704	56,284	30,759	59,805	9,957
Net loss after tax (\$)	(1,566,274)	(1,715,313)	(17,624,018)	(2,202,012)	(1,654,054)
Share Price (\$)	0.001	0.001	0.003	0.005	0.004

Relationship between Remuneration and Company Performance

Given the current phase of the Company's development the Board does not consider earnings during the current and previous financial years when determining, and in relation to, the nature and amount of remuneration of KMP.

Short Term Incentive Package

There were no short-term incentive-based payments made during the financial year (2019: \$nil).

Long Term Incentive Package

Employee Share Plan:

There were no Employee Share Plan shares approved or issued during the financial year (2019: nil).

Options:

The Board considers that for each KMP who receive options, their experience in the Mining industry will greatly assist the Company in achieving its strategy and objectives.

The Board is of the opinion that the expiry date and exercise price of the options currently on issue to the Directors, other KMP 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 is 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.

During the 2020 and 2019 financial years there were no employee or director options issued or exercised.

Directors' Report

D Details of Remuneration

During the financial year ended 30 June 2020 and 30 June 2019 KMP received short-term employee benefits, post-employment benefits, share-based payments and employee benefits expenses.

Table 1a: Remuneration of KMP of the Group for the year ended 30 June 2020 is set out below:

30-Jun-20	Short-term employee benefits			Post-employment benefits	Share-based payments	Total
	Salary & fees \$	Non-monetary \$	Other ⁽¹⁾ \$	Super-annuation \$	Options & rights \$	
Directors						
Peter Wall	36,000	-	-	-	-	36,000
Damian Black	36,000	-	-	-	-	36,000
William Oliver	36,000	-	-	-	-	36,000
Dganit Baldar	36,000	-	-	-	-	36,000
Sub-total	144,000	-	-	-	-	144,000
Other Key Management						
Lindsay Reed	253,255	-	6,163	22,451	-	281,869
Sub-total	253,255	-	6,163	22,451	-	281,869
Total	397,255	-	6,163	22,451	-	425,869

⁽¹⁾ Other amounts relate to annual leave paid out during the financial year and movements in annual leave entitlements.

Table 1b: Remuneration of KMP of the Group for the year ended 30 June 2019 is set out below:

30-Jun-19	Short-term employee benefits			Post-employment benefits	Share-based payments	Total
	Salary & fees \$	Non-monetary \$	Other ⁽³⁾ \$	Super-annuation \$	Options & rights \$	
Directors						
Peter Wall	36,000	-	-	-	-	36,000
Damian Black	36,000	-	-	-	-	36,000
William Oliver	36,000	-	-	-	-	36,000
Dganit Baldar	36,000	-	-	-	-	36,000
Domingos Catulich ⁽¹⁾	9,000	-	-	-	-	9,000
Sub-total	153,000	-	-	-	-	153,000
Other Key Management						
Lindsay Reed	225,198	-	20,180	25,670	-	271,048
Nick Day ⁽²⁾	54,875	-	3,562	4,794	-	63,231
Sub-total	280,073	-	23,742	30,464	-	334,279
Total	433,073	-	23,742	30,464	-	487,279

⁽¹⁾ Mr Domingos Catulich passed away on 1 October 2018.

⁽²⁾ Nick Day resigned as Chief Financial Officer and Company Secretary on 5 October 2018.

⁽³⁾ Other amounts relate to annual leave paid out during the financial year and movements in annual leave entitlements.

Directors' Report

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

Name	Fixed remuneration		At risk - STI (%)		At risk - LTI (%)	
	2020	2019	2020	2019	2020	2019
Directors						
Peter Wall	100%	100%	-	-	-	-
Damian Black	100%	100%	-	-	-	-
William Oliver	100%	100%	-	-	-	-
Dganit Baldar	100%	100%	-	-	-	-
Domingos Catulich	-	100%	-	-	-	-
Other Key Management						
Lindsay Reed	100%	100%	-	-	-	-
Nick Day	-	100%	-	-	-	-

Option holdings of KMP (Direct and Indirect Holdings)

At 30 June 2020 no key management personnel held listed or unlisted options.

Table 2: Shareholdings of KMP (Direct and Indirect Holdings)

30-Jun-20	Balance at 1/07/2019	Granted as remuneration	On market trade	Balance at 30/06/2020
Directors				
Peter Wall	174,490,192	-	50,000,000	224,490,192
Damian Black	194,182,332	-	-	194,182,332
William Oliver	18,456,000	-	-	18,456,000
Dganit Baldar	-	-	-	-
Sub-total	387,128,524	-	50,000,000	437,128,524
Other Key Management				
Lindsay Reed	217,000,000	-	-	217,000,000
Sub-total	217,000,000	-	-	217,000,000
Total	604,128,524	-	50,000,000	654,128,524

E Contractual Arrangements

➤ Mr Peter Wall – Non-Executive Chairman

- Contract: Commenced on 21 February 2014.
- Director's Fee: \$3,000 per month (plus GST). Remuneration levels of Non-Executive Directors ('NED's') are discussed further in Note 1 below.
- Term: See Note 2 below for details pertaining to re-appointment and termination.

➤ Mr Damian Black – Non-Executive Director

- Contract: Commenced on 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.

Directors' Report

➤ **Mr William Oliver – Non-Executive Director**

- Contract: Commenced on 2 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.

➤ **Ms Dganit Baldar – Non-Executive Director**

- Contract: Commenced on 18 March 2016.
- Director's Fee: \$3,000 per month. 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.

Note 1: Remuneration of NED's are reviewable annually by the Board and subject to shareholder approval (if applicable). The latest determination was at the 2010 AGM held on 30 November 2010 when shareholders approved an aggregate fee pool of \$300,000 per year.

Note 2: The term of each NED is open to the extent that they hold office subject to retirement by rotation, as per the Company's Constitution, at each AGM 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 KMP that have service contracts in place with the Company are as follow:

➤ **Mr Lindsay Reed – Chief Executive Officer**

- Contract: Commenced on 1 September 2014.
- Base Salary: From 1 August 2018 to 31 August 2019 Mr Reed was employed as a part time employee, for a minimum two days per week, at a daily rate of \$1,200 per day (plus statutory superannuation entitlements). From 1 September 2019 Mr Reed's employment changed to full-time and he was paid \$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. Mr Reed did not receive any short term incentive remuneration during the financial year.
- Short Term and Long Term Incentive Package: Mr Reed or his nominees will be entitled to ordinary shares under the existing Employee Share Loan Plan for up to 2.5% of the fully diluted capital. The Company approved remuneration of 37,000,000 shares to Mr Reed during the 2015 financial year at an exercise price of \$0.003.

F Share-based Compensation

The Company rewards Directors and senior management 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.

➤ **Options**

No performance incentive-based options were issued as remuneration to Directors or other KMP during the current financial year.

Directors' Report

➤ **Shares**

Short and Long-term incentives

No short or long term incentive based shares were issued as remuneration to Directors or other KMP during the current financial year.

Issue of shares in lieu of services to KMP

There were no shares issued as compensation to KMP during the year ended 30 June 2020.

G Equity Instruments Issued on Exercise of Remuneration Options

No remuneration options were exercised during the year ended 30 June 2020.

H Value of Shares to KMP

There were no shares issued to KMP during the year ended 30 June 2020.

I Voting and comments made at the Company's 2019 AGM

The adoption of the Remuneration Report for the financial year ended 30 June 2019 was put to the shareholders of the Company at the AGM held on 26 November 2019. 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.

J Loans to KMP

There were no loans made to any KMP during the year ended 30 June 2020 (2019: \$nil).

K Loans from KMP

There were no loans from any KMP during the year ended 30 June 2020 (2019: \$nil).

L Other transactions with KMP

Legal fees paid to Steinepreis Paganin Lawyers & Consultants

Legal fees of \$24,336 were paid to Steinepreis Paganin Lawyers & Consultants during the financial year (2019: \$18,165), of which Mr Peter Wall, Chairman, is a partner.

Consulting fees paid to Billandbry Consulting Pty Ltd

Consulting fees of nil were paid to Billandbry Consulting Pty Ltd during the financial year (2019: \$5,000), of which Mr William Oliver, Director, is a Director and shareholder. The fee is an industry standard fee and negotiated on arm's length commercial terms.

There were no other transactions with KMP during the financial year ended 30 June 2020.

End of Audited Remuneration Report

Directors' Report

12. OPTIONS

At the date of this report, there were no unissued ordinary shares of Minbos under option.

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.

13. 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.

14. 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.

15. 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 and Madagascar. 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.

16. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The likely developments of the Company are anticipated to be as follows:

- A Scoping Study based on the Orelogy mine schedule was prepared and will be used to guide the DFS consultants, provide project indicative metrics to project finances, support offtake discussions with the Angolan Government and inform investors of our plans.
- The Company will engage its preferred contractors and consultants for the major DFS activities and revise its DFS schedule and budget accordingly.
- Field Trials for the next growing season in Angola are being planned in collaboration with NPCT, IFDC and the IIA to compare the Cabinda Blend to commercially available fertilizers.
- The Company is moving quickly to realise the potential of the Cabinda Phosphate Project, moving rapidly to produce first supply of nutrients in late-2021/early-2022.
- The Ambato Rare Earth project will remain on hold until field access is possible.

Directors' Report

17. EVENTS SINCE THE END OF THE FINANCIAL YEAR

On 20 July 2020 the Company incorporated a private Company limited by shares, Phobos Ltd, a wholly owned Mauritian subsidiary.

On 26 August 2020 the Company announced the results from the Scoping Study completed on its Cabinda Phosphate Project in Angola, which demonstrates the Project will generate strong cash returns for a relatively small capital investment. With the initial scoping study complete, the Company will move quickly to complete a DFS study, which will be used to obtain funding with debt and equity financiers.

On 1 September 2020 the Company announced that as part of its Cabinda Phosphate Definitive Feasibility Study the Company has signed a contract with FEECO International for the basic engineering package associated with the planned granulation plant major equipment.

On 10 September 2020 the Company announced that it had received binding commitments from sophisticated investors to raise \$2.265m (before costs) through a two-tranche placement at \$0.0015 per share.

- A total of 848,000,000 Tranche 1 pre consolidation shares were issued on 15 September 2020 utilising the Company's existing placement capacity under ASX Listing Rules 7.1 for \$1.272m.
- A total of 662,000,000 Tranche 2 pre consolidation shares will be issued subject to shareholder approval for \$993,000.

On 10 September 2020 the Company announced that it would seek shareholder approval to consolidate the issued capital of the Company at the Shareholder Meeting. The consolidation will be on the basis of one (1) share for every twenty (20) shares currently held.

On 10 September 2020 the Company agreed to issue the following unlisted options (post consolidation) to directors and management, with each option having an exercise price of \$0.05 (post consolidation) and expiring 4 years from the issue date, subject to shareholder approval at the Shareholder Meeting:

Personnel	Position	Options
Lindsay Reed	Chief Executive Officer	10,500,000
Peter Wall	Non-Executive Chairman	6,500,000
Damian Black	Non-Executive Director	6,000,000
William Oliver	Non-Executive Director	3,500,000
Dganit Baldar	Non-Executive Director	3,500,000
	Total	30,000,000

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

Directors' Report

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.

There were no non-audit services provided by the auditor (BDO Audit (WA) Pty Ltd) during the year.

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.

19. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead Auditor's Independence Declaration is set out on page 32 and forms part of the Directors' Report for the financial year ended 30 June 2020.

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



Mr Peter Wall
Non-Executive Chairman
18 September 2020

Auditor's Independence Declaration



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Australia

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF MINBOS RESOURCES LIMITED

As lead auditor of Minbos Resources Limited for the year ended 30 June 2020, 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.

A handwritten signature in black ink, appearing to read 'J Prue', is written in a cursive style.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 18 September 2020

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

Corporate Governance Statement

CORPORATE GOVERNANCE

The Board of Directors of 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 security holders 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.	<i>Lay solid foundations for management and oversight</i>
1.1	a. the respective roles and responsibilities of its board and management; and b. those matters expressly reserved to the board and those delegated to management.
	<p>The Board of Directors guide and monitor the business affairs of the Company on behalf of Security holders and have formally adopted a corporate governance plan, including a Board Charter and a delegation of authority framework, which is designed to encourage Directors to focus their attention on accountability, risk management and ethical conduct. The corporate governance plan is available on the Company's website www.minbos.com.</p> <p>The roles and responsibilities of the Board include:</p> <ul style="list-style-type: none">• appointment of the Chairman, Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;• assessing the performance of the Chief Executive Officer and other senior executives;• 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 divestments;• approving and monitoring the business plan, budget and the adequacy and integrity of financial and other reporting;• approving the annual, half yearly and any other significant announcements;• 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 security holders the appointment and/or removal of the external auditor;• meeting with the external auditor, at their request, without management being present;• determining the size and composition of the Board;• reporting to security holders, stakeholders and the investment community on the performance of the Board; and• approving the entity's remuneration framework.

Corporate Governance Statement

	<p>The roles and responsibilities of management include:</p> <ul style="list-style-type: none"> • develop and recommend internal control and accountability systems; • develop, 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, including through insurance 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	<p>a. undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>b. provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>
	<p>The Company undertakes appropriate checks before appointing a new Director or executive. These include checks about the person's character, experience, and education, any criminal record or bankruptcy record.</p> <p>The Company provides all required material information to security holders to assist them in their decision to elect or re-elect a Director. The information provided includes:</p> <ul style="list-style-type: none"> • biographical details; including relevant qualifications and skills; • details of any other material directorships; • any material adverse information revealed by background checks; • positions or interest that might impact independent judgement; • if the candidate is an Independent Director; and • term of the office currently served by the Director.
1.3	<p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment</p>
	<p>All Directors and senior executives are appointed through a written agreement that sets out their duties, rights and responsibilities.</p> <p>Directors Deed of Appointments include the following matters:</p> <ul style="list-style-type: none"> • time commitment required; • requirement to disclose Director interests and any other matters that might influence Directors independence; • indemnity and insurance arrangements; • rights to seek independent professional advice; • access to company secretary and corporate records; and • remuneration.
1.4	<p>The company secretary of a listed entity should be accountable directly to the board, through the chair on all matters to do with the proper functioning of the board.</p>
	<p>The Board Charter provides that the Company Secretary is accountable to the Board through the Chairman and that each Director is able to communicate directly with the Company Secretary.</p>

Corporate Governance Statement

	<p>The Company Secretary is responsible for:</p> <ul style="list-style-type: none"> • advising the Board on Corporate Governance matters; • managing the Company Secretarial function; • ensuring compliance with regulatory requirements; • to facilitate the induction of new Directors and Board policies and procedures; and • organize Board and Shareholder meetings, taking minutes and communicating with the ASX.
1.5	<p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity’s progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined “senior executive” for these purposes); or</p> <p>(B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>
	<p>The Company has a diversity policy in place which forms part of Minbos’ 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.</p> <p>Minbos Resources Limited is an equal opportunity employer and welcomes people from different backgrounds. Full details of the Company’s diversity policy that is included in the corporate governance plan can be found on the Company website www.minbos.com.</p> <p>The Company has one female Director and three male Directors. The Company intends to appoint additional female Directors and managers should a vacancy arise, and appropriately qualified and experienced individuals are available.</p> <p>The Company is not a “relevant employer” under the Workplace Gender Equality Act, as it is not a non-public sector employer with 100 or more employees in Australia</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>
	<p>The Board Charter that forms part of the Corporate Governance plan requires that an annual performance evaluation be undertaken by the Board to ensure that the responsibilities of the Board are discharged in an appropriate manner. The performance review includes a comparison of the performance of the Board with the requirements of the Board Charter, critically reviewing the mix of the Board, and amending the Board Charter as appropriate. The performance review is led by the Chairman that is a Non-Executive Director.</p> <p>The performance of the Board will be reviewed and evaluated internally during the period.</p>

Corporate Governance Statement

1.7	<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.
	<p>During the financial year, the senior manager of the Company, excluding Directors, was Lindsay Reed (CEO).</p> <p>The evaluation of the performance of the senior management is assessed annually by the Board in conjunction with the CEO and in accordance with the terms and conditions of the service agreements entered into by the Company with these individual managers.</p> <p>The performance of senior management will be reviewed and evaluated internally during the period.</p>
2.	<i>Structure the Board to be effective and add value</i>
2.1	<p>The board of a listed entity should:</p> <ul style="list-style-type: none"> (a) have a nomination committee which: <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.
	<p>The Company is currently not of a relevant size that requires the formation of a separate Nomination Committee.</p> <p>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 included in the Company's corporate governance plan which is available on the Company's website www.minbos.com.</p> <p>The Company does not comply with ASX Principle 2.1 as the majority of the Board is not independent and the Board performs the role of the committee. 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.</p> <p>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.</p>

Corporate Governance Statement

2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.

The table below shows the skills and experience the Board considers to be important for the company and the amount of Board members that have the relevant skills and experience:

EXPERIENCE, SKILLS AND ATTRIBUTES	BOARD
Total Directors	4
EXPERIENCE	
Resources industry experience Experience in exploration phase of mining industry, specifically phosphate	4
Board level experience Board member of other listed entities (last 3 years)	3
Geographic experience Africa	4
Capital market experience	3
Feasibility studies and Project development	4
SKILLS AND ATTRIBUTES	
Strategic	4
Risk and Compliance	4
Mergers and Acquisitions	4
Legal, corporate finance and tax	3

2.3 A listed entity should disclose:

(a) the names of the directors considered by the board to be independent directors;

(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and

(c) the length of service of each director.

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.

All 4 Directors are Non-Executive Directors but only Mr Bill Oliver is considered to be an independent Director. Mr Oliver has been a Director of Minbos since September 2013.

Corporate Governance Statement

2.4	A majority of the board of the company should be independent directors.
	<p>The Company does not currently comply with this recommendation as only one of the 4 Directors, Mr Bill Oliver, is regarded as an independent Director.</p> <p>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.</p> <p>Messrs Peter Wall and Damian Black were both substantial security holders until May 2016. In addition, Mr Wall is a partner at Steinepreis Paganin Lawyers and Consultants that provides legal services to the Company.</p> <p>Ms Dganit Baldar was appointed as a Director following substantial security holder Green Services Innovations Ltd exercising their right to appoint a Director to the Board.</p>
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.
	<p>Mr Lindsay Reed is the CEO of Minbos and Mr Peter Wall the Chairman. Mr Wall is not an independent director. The Company intends to seek out and appoint an independent chairman in the future as operations expand; however, the Company believes that the current Board structure is best suited to enable the Company to deliver Shareholder value at present.</p>
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.
	<p>All new Directors are appointed through a written agreement that sets out their duties, rights and responsibilities. The Company Secretary through the Board is responsible for the program to induct new Directors.</p> <p>The Board encourages directors to continue their education and maintain the skills required to discharge their duties by providing professional development opportunities.</p> <p>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.</p>
3.	Instil a culture of acting lawfully, ethically and responsibly
3.1	A listed entity should articulate and disclose its values.
	<p>The Board is bound by the Company's values that is included in the Company's corporate governance plan which is available on the Company's website www.minbos.com</p>
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.
	<p>The Board is bound by the Company's Corporate Code of Conduct that is included in the Company's corporate governance plan which is available on the Company's website www.minbos.com. The Board understands the obligations for ethical and responsible decision making. All Directors, senior executives and employees are expected to:</p> <ol style="list-style-type: none"> a) comply with the law; b) act in the best interests of the Company; c) be responsible and accountable for their actions; d) observe the ethical principles of honesty and fairness, including prompt disclosure of potential conflicts; and e) respect the rights of employees and create a safe and non-discriminatory workplace.

Corporate Governance Statement

3.3	<p>A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>
	<p>The Board is bound by the Company's Whistleblower policy that is included in the Company's corporate governance plan which is available on the Company's website www.minbos.com</p>
3.4	<p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or committee of the board is informed of any material breaches of that policy.</p>
	<p>The Board is bound by the Company's Antibribery and Corruption policy that is included in the Company's corporate governance plan which is available on the Company's website www.minbos.com</p>
4.	<p><i>Safeguard the integrity of corporate reports</i></p>
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>
	<p>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.</p> <p>Matters typically dealt with the Audit Committee are currently dealt with by the Board of Directors.</p> <p>The Company does not comply with ASX Principle 4.1 as the majority of the Board is not independent and the Board performs the role of the committee. 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.</p> <p>The Board has adopted a formal audit committee charter, as disclosed in the Corporate Governance Plan available on the Company's website www.minbos.com.</p>

Corporate Governance Statement

4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively</p>
	<p>A written declaration has been provided by the Chief Executive Officer in accordance with section 295A of the Corporations Act to the Board in regards to the preparation of financial reports.</p> <p>The declaration confirms that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>
	<p>The Company has a process where the reports are prepared by an accountant, reviewed by the Company Secretary and CEO before the Board approves the release to the ASX.</p>
5.	<p><i>Make timely and balanced disclosure</i></p>
5.1	<p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>
	<p>The Company has a continuous disclosure policy that is included in the charter is included in the Company's corporate governance plan which is available on the Company's website www.minbos.com.</p> <p>The Company is committed to ensuring that security holders 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.</p> <p>The Executive Chairman and the Company Secretary are responsible for co-ordinating the disclosure requirements. To ensure appropriate procedure all directors, officers and employees of the Company coordinate disclosures through the Executive Chairman and the Company Secretary, including: (a) Media releases; (b) Analyst briefings and presentations; and (c) The release of reports and operational results.</p>
5.2	<p>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>
	<p>Any announcement is drafted by the appropriate department then reviewed by the CEO and Company Secretary before board approval. The announcement is then released to ASX.</p>
5.3	<p>A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p>
	<p>All investor presentations are released to ASX ahead of meetings.</p>

Corporate Governance Statement

6.	Respect the rights of security holders
6.1	A listed entity should provide information about itself and its governance to investors via its website.
	Information can be found on the Company's website www.minbos.com
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.
	<p>The Company has a shareholder communication strategy that is included in the Company's corporate governance plan which is available on the Company's website www.minbos.com.</p> <p>Pursuant to Principle 6, the Company's objective is to ensure effective communication with its security holders at all time and that security holders are informed of all major developments affecting the Company's website. The Company's website has a dedicated Investors & Media section which publishes all important Company information and relevant announcements made to the market.</p> <p>Security holders are encouraged to attend and participate at general meetings and are given the opportunity to ask questions at the meetings.</p> <p>All ASX announcements including annual, quarterly half yearly reports, and Notice of Meetings are placed on the Company's website. The lead engagement partner of the Company's auditor BDO attends the Annual General Meeting and answer questions from security holders about the conduct of the audit and the preparation and content of the auditor's report.</p> <p>The Company has made available the relevant contact details (via the website) for security holders to make their enquires and have also included contact details of the share registry in the Corporate Directory section.</p>
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.
	<p>The Company is committed to provide security holders with the opportunity to participate in all general meetings and annual general meetings.</p> <p>At any general meeting or annual general meeting, the Chairman allows a reasonable opportunity for security holders to ask questions or make comments on the management of the company and about the audit to the lead engagement partner of the company's auditors</p> <p>Security holders are also encouraged to submit questions before meetings. These questions will be distributed before the meeting and the Board, management or the auditor will respond to these questions at the meeting.</p>
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.
	With the 4 th Edition of Corporate Governance Principles and Recommendations, all resolutions dealing with ASX Listing Rules issues will be decided based on a poll.
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.
	All Shareholders are offered electronic communications.

Corporate Governance Statement

7.	Recognise and manage risk
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>
	<p>The Company is not of a size at the moment that requires having a separate risk committee and there are not a sufficient number of independent Directors to form a separate committee.</p> <p>Matters typically dealt with the Risk Committee are currently dealt with by the Board of Directors. 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.</p> <p>The Board has adopted a formal audit and risk committee charter as disclosed in the Corporate Governance Plan available on the Company's website.</p> <p>The Company has a risk management framework in place that is reviewed on an annual basis by the Board. The Company also has adequate policies in relation to risk management, compliance and internal control systems. The Company's policies have a risk matrix which is reviewed regularly and ensures that strategic, operational, legal, reputational and financial risks are identified, assessed effectively, efficiently managed and monitored to enable achievement of the Company's business objectives.</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>
	<p>The Company manages the implementation of 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. Under the audit and risk management charter, a review is carried out annually.</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>
	<p>The Company is not of a size at the moment that requires a separate internal audit function. The Company has a risk management framework and audit and risk committee charter in place that is reviewed by the Board on an annual basis and amended as required. The Company also has adequate policies in relation to risk management, compliance and internal control systems. The Company's has a risk register in place which is reviewed regularly and ensures that strategic, operational, legal, reputational and financial risks are identified, assessed effectively, efficiently managed and monitored to enable achievement of the Company's business objectives.</p>

Corporate Governance Statement

7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>
	<p>The Company is an ASX listed exploration company focussed on rock phosphate and rare earth elements. Due to the nature of its business the company is exposed to economic, environmental and social sustainability risks.</p> <p>The Company has a risk management framework in place and a risk register and polices to ensure compliance and sufficient internal control systems. The risk register is reviewed and assessed on a regular basis and embedded in the culture and practices of the company. Risk treatment plans are in place to identify how risk identified will be mitigated.</p>
8.	<p>Remunerate fairly and responsibly</p>
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>
	<p>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.</p> <p>The remuneration philosophy, structure and approvals process are explained in detail in Section 11 of the audited Remuneration Report contained within the Directors' Report.</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>
	<p>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</p> <p>The policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of Executive Directors and other senior executives is explained in Section 11 of the audited Remuneration Report contained within the Directors' Report.</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>
	<p>In terms of the Company's security trading policy 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.</p>

Consolidated Statement of Profit or Loss & Other Comprehensive Income

	Notes	30-Jun-20 \$	30-Jun-19 \$
Other income from continuing operations	7	16,704	56,284
Administration expenses	8	(657,284)	(462,336)
Business development		-	(10,575)
Depreciation expense		(13,951)	(18,509)
Due diligence & exploration expenditure on the Ambato project	9	(97,582)	(744,471)
Exploration expenditure Cabinda project		(388,247)	(49,357)
Foreign exchange gain		3,555	16,732
Loss on disposal of plant and equipment		(525)	-
Personnel expenses and director fees	8	(428,944)	(503,081)
Loss from continuing operations before income tax		(1,566,274)	(1,715,313)
Income tax (expense) / benefit	10	-	-
Loss from continuing operations after income tax		(1,566,274)	(1,715,313)
Total comprehensive loss for the year		(1,566,274)	(1,715,313)
Loss for the year is attributable to the owners of Minbos Resources Limited		(1,566,274)	(1,715,313)
Total comprehensive loss for the year is attributable to the owners of Minbos Resources Limited		(1,566,274)	(1,715,313)
Loss per share attributable to ordinary equity holders			
- Basic loss per share	11	(0.0003)	(0.0003)
- Diluted loss per share	11	(0.0003)	(0.0003)

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-20	30-Jun-19
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	12	748,455	2,232,905
Trade and other receivables	13	23,425	22,787
Total current assets		771,880	2,255,692
Non-current assets			
Plant and equipment		4,383	21,222
Total non-current assets		4,383	21,222
Total assets		776,263	2,276,914
LIABILITIES			
Current liabilities			
Trade and other payables	14	179,097	119,637
Provisions	15	24,607	18,444
Total current liabilities		203,704	138,081
Total liabilities		203,704	138,081
Net assets		572,559	2,138,833
EQUITY			
Issued capital	16	40,567,812	40,567,812
Reserves	17	4,614,510	4,614,510
Accumulated losses	18	(44,609,763)	(43,043,489)
Total equity		572,559	2,138,833

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

Consolidated Statement of Changes in Equity

	Issued Capital \$	Employee Share Plan Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
At 1 July 2019	40,567,812	459,184	4,155,326	(43,043,489)	2,138,833
Comprehensive loss:					
Loss for the year	-	-	-	(1,566,274)	(1,566,274)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(1,566,274)	(1,566,274)
At 30 June 2020	40,567,812	459,184	4,155,326	(44,609,763)	572,559
	Issued Capital \$	Employee Share Plan Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
At 1 July 2018	40,567,812	459,184	4,155,326	(41,328,176)	3,854,146
Comprehensive loss:					
Loss for the year	-	-	-	(1,715,313)	(1,715,313)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(1,715,313)	(1,715,313)
At 30 June 2019	40,567,812	459,184	4,155,326	(43,043,489)	2,138,833

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

Consolidated Statement of Cash Flows

	30-Jun-20	30-Jun-19
	\$	\$
Cash flows from operating activities		
Payment to suppliers and employees	(1,060,521)	(962,790)
Payment for exploration and evaluation expenditure	(447,796)	(780,658)
Interest received	20,211	53,786
Net cash outflow from operating activities	12(c) (1,488,106)	(1,689,662)
Cash flows from investing activities		
Payment for plant and equipment	-	(3,371)
Net cash outflow from investing activities	-	(3,371)
Cash flows from financing activities		
Proceeds from the issue of shares and payment for issue costs	-	(16,763)
Net cash outflow from financing activities	-	(16,763)
Net decrease in cash and cash equivalents	(1,488,106)	(1,709,796)
Cash and cash equivalents at the beginning of the year	2,232,905	3,925,570
Effect of exchange rate fluctuations on cash held	3,656	17,131
Cash and cash equivalents at the end of the year	12(a) 748,455	2,232,905

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

Notes to the Consolidated Financial Statements

1. CORPORATE INFORMATION

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 2020 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 and rare earth elements in Madagascar.

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 18 September 2020.

(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) Basis of measurement

The consolidated financial statements have been prepared on a going concern basis in accordance with the historical cost convention, unless otherwise stated.

(c) Going Concern

For the year ended 30 June 2020 the group recorded a loss of \$1,566,274, net cash outflows from operating activities of \$1,488,106 and had net working capital of \$568,176. Furthermore, the Consolidated Entity has not generated revenues from operations during the year. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The ability of the entity to continue as a going concern is dependent on securing additional funding through capital raising or other fund-raising activities in the near future to continue its operational activities.

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

On 10 September 2020 the Company had received binding commitments from sophisticated investors to raise \$2.265m (before costs) through a two-tranche placement at \$0.0015 per share.

- A total of 848,000,000 Tranche 1 pre consolidation shares were issued on 15 September 2020 utilising the Company's existing placement capacity under ASX Listing Rules 7.1 for \$1.272m.
- A total of 662,000,000 Tranche 2 pre consolidation shares will be issued subject to shareholder approval for \$993,000.

The Directors are therefore satisfied that the funds raised will meet the Company's expenditure commitments and thus it is appropriate to prepare the financial statements on a going concern basis.

Notes to the Consolidated Financial Statements

Should the group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements or raise additional capital through equity raisings and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the group not continue as a going concern and meet its debts as and when they become due and payable.

(d) New and revised Accounting Standards and Interpretations adopted by the Group

During the current financial year, the following new or amended standard became applicable and the Group had to change its accounting policy as a result of the adoption of the following standard:

- AASB 16: Leases (issued February 2016)

The impact of the adoption of this standard and the new accounting policy are disclosed below. The impact of this standard has not had a material impact on the amounts presented in the Group's financial statements.

AASB 16: Leases (issued February 2016)

AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases into its statement of financial position in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its statement of financial position for most leases.

There are some optional exemptions for leases with a period of 12 months or less and for low value leases.

The adoption of AASB 16 from 1 July 2019 resulted in no material changes in accounting policies and adjustments to the amounts recognised in the financial statements. The Company assessed its leases and noted that all leases held are for a period of 12 months or less and there is therefore no impact on the amounts recognised in the financial statements as a result of adoption.

3. 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 2020 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.

Notes to the Consolidated Financial Statements

(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. Cost includes equity contribution and loan advances (interest free with no set term of repayment). 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.

(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.

4. 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 (AUD). The functional currency of the subsidiaries is United States dollars (USD).

(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.

5. KEY JUDGEMENTS AND ESTIMATES

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 9: Exploration and evaluation expenditure – The Company incurred exploration expenditure on the Ambato project of \$97,582 (2019: \$744,471), which was reclassified through the profit or loss as Minbos only has an option with Tana Minerals Ltd (Tana) whereby Minbos can acquire 90% of the shares in MRE Mining (Mauritius) Limited (MRE). MRE's sole asset is a wholly owned subsidiary in Madagascar which holds the exploration permits for the Ambato Project. During the 2019 financial year, Minbos gave notice to Tana that it would extend the Exclusivity Period by making a cash payment of \$25,000. The acquisition of MRE is conditional upon Minbos obtaining all the required regulatory and shareholder approvals, completing due diligence on the project and the renewal of the exploration permits.

The Company also incurred exploration expenditure on the Cabinda project of \$388,247 (2019: \$49,357), which was reclassified through the profit or loss at 30 June 2020 as the Company has not yet been granted the equivalent of an exploration licence over the project area. The work commitments on the exploration licence are currently being negotiated with the Angolan Ministry of Mines and will be issued prior to the execution of the Mining Investment Contracts.

6. OTHER ACCOUNTING POLICIES

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

Notes to the Consolidated Financial Statements

7. OTHER INCOME FROM CONTINUING OPERATIONS

	30-Jun-20	30-Jun-19
	\$	\$
Other income		
Interest income	16,704	56,284
	16,704	56,284

RECOGNITION AND MEASUREMENT

Interest Income

Interest income is recognised when the Company gains control of the right to receive the interest payment.

All income is stated net of the amount of goods and services tax.

8. EXPENSES

	30-Jun-20	30-Jun-19
	\$	\$
Administration expenses		
Advertising and marketing expenses	53,114	7,361
Compliance and regulatory expenses	150,093	158,759
Computer expenses	9,946	9,923
Consulting and corporate expenses	134,179	4,492
Insurance expense	28,268	28,008
Legal expenses	27,599	21,718
Provision for doubtful debts	-	3,000
Rent expense	45,300	55,660
Seminar and conference expenses	56,939	54,371
Travel and accommodation expenses	103,648	65,823
Other administration expenses	48,198	53,221
	657,284	462,336
Personnel expenses and director fees		
Wages and salaries, including superannuation	281,869	333,458
Director fees and other benefits	144,000	153,000
Other employee expenses	3,075	16,623
	428,944	503,081

Notes to the Consolidated Financial Statements

9. DUE DILIGENCE & EXPLORATION EXPENDITURE ON THE AMBATO PROJECT

	30-Jun-20	30-Jun-19
	\$	\$
Due diligence & exploration expenditure on the Ambato project (i)	97,582	744,471
	97,582	744,471

(i) Exploration expenditure in relation to the Ambato Project has not been capitalised on the Statement of Financial Position at 30 June 2020 as Minbos has only entered into an option with Tana Minerals Ltd (Tana) whereby Minbos can acquire 90% of the shares in MRE Mining (Mauritius) Limited (MRE). MRE's sole asset is a wholly owned subsidiary in Madagascar which holds the exploration permits for the Ambato Project. During the 2019 financial year, Minbos gave notice to Tana that it would extend the Exclusivity Period by making a cash payment of \$25,000.

The acquisition of MRE is conditional upon Minbos obtaining all the required regulatory and shareholder approvals, completing due diligence on the project and the renewal of the exploration permits.

Renewals of exploration licenses by the Bureau de Cadastre Minier de Madagascar have not received ministerial approval for several years. It is expected the recently concluded National Assembly elections and the appointment of a new Ministry will reinstate this process.

RECOGNITION AND MEASUREMENT

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 one or more of the following facts and circumstances exist:

- (i) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed.
- (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- (iv) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full, from successful development or by sale.

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.

Notes to the Consolidated Financial Statements

10. INCOME TAX EXPENSE

(a) Numerical reconciliation of accounting losses to income tax expense

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:

	<u>30-Jun-20</u>	<u>30-Jun-19</u>
	\$	\$
Accounting loss before income tax	(1,566,274)	(1,715,313)
At the entity's Australian statutory income tax rate of 30% (2019: 30%)	(469,882)	(514,594)
Adjusted for tax effect of the following amounts:		
Non-deductible / taxable items	190,573	240,544
Non-taxable / deductible items	-	-
Income tax benefits not brought to account	279,309	274,050
Income tax expense / (benefit)	-	-

(b) Recognised deferred tax assets and liabilities

	<u>30-Jun-20</u>	<u>30-Jun-19</u>
	\$	\$
Deferred tax liabilities		
<u>Investment in associate</u>		
Opening balance	-	-
Charges / (credited) to income	-	-
Closing balance	-	-
Total deferred tax liability recognised	-	-

(c) Deferred tax assets and liabilities not brought to account

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:

	<u>30-Jun-20</u>	<u>30-Jun-19</u>
	\$	\$
On income tax account:		
Carried forward tax losses	3,660,354	3,351,462
Deductible temporary differences	-	19,217
Unrecognised deferred tax assets	3,660,354	3,370,679

The Group has Australian carried forward tax losses of \$12,201,181 (tax effected at 30%, \$3,660,354) as at 30 June 2020 (2019: \$11,171,539 (tax effected at 30%, \$3,351,462)). 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:

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

Notes to the Consolidated Financial Statements

RECOGNITION AND MEASUREMENT

Current taxes

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred taxes

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurements also reflect the manner in which management expects to recover or settle that carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in the future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

11. EARNINGS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share at 30 June 2020 was based on the loss attributable to ordinary shareholders of \$1,566,274 (2019: \$1,715,313) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2020 of 5,654,561,320 (2019: 5,654,561,320) calculated as follows:

	30-Jun-20	30-Jun-19
Net loss attributable to the ordinary equity holders of the Group (\$)	(1,566,274)	(1,715,313)
Weighted average number of ordinary shares for basis per share (No)	5,654,561,320	5,654,561,320
Continuing operations		
- Basic and diluted loss per share (\$)	(0.0003)	(0.0003)

RECOGNITION AND MEASUREMENT

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.

Notes to the Consolidated Financial Statements

(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.

RECOGNITION AND MEASUREMENT

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.

12. CASH AND CASH EQUIVALENTS

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

	30-Jun-20	30-Jun-19
	\$	\$
Cash at bank and in hand	728,455	212,905
Short-term deposit	20,000	2,020,000
	748,455	2,232,905

(b) Interest rate risk exposure

The Group's exposure to interest rate risk is discussed in Note 19: Financial Risk Management.

(c) Reconciliation of net cash flows from operating activities to loss for the year after tax

	30-Jun-20	30-Jun-19
	\$	\$
Loss for the financial year	(1,566,274)	(1,715,313)
Adjustments for:		
Depreciation expense	13,951	18,509
Foreign currency translation	(3,555)	(16,732)
Loss on disposal of plant and equipment	525	-
Change in assets and liabilities		
(Increase) / decrease in trade and other receivables	(2,127)	27,152
Increase in trade and other payables	63,211	24,149
Increase / (decrease) in provisions	6,163	(27,427)
Net cash used in operating activities	(1,488,106)	(1,689,662)

RECOGNITION AND MEASUREMENT

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.

Notes to the Consolidated Financial Statements

13. TRADE AND OTHER RECEIVABLES

	30-Jun-20	30-Jun-19
	\$	\$
Trade receivables	2,599	-
Other receivables	1,500	1,500
Indirect taxes receivable	9,593	7,575
Prepayments	9,733	10,205
Accrued interest	-	3,507
	23,425	22,787

14. TRADE AND OTHER PAYABLES

	30-Jun-20	30-Jun-19
	\$	\$
Trade creditors	62,303	66,002
Accruals	103,304	35,239
Superannuation payable	5,938	6,865
PAYG payable	7,552	11,531
	179,097	119,637

RECOGNITION AND MEASUREMENT

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.

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

15. PROVISIONS

	30-Jun-20	30-Jun-19
	\$	\$
Provision for annual leave	24,607	18,444
	24,607	18,444

RECOGNITION AND MEASUREMENT

Provisions are recognised when:

- the Company has a present obligation (legal or constructive) as a result of a past event;
- it is probably that resources will be expended to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Employee Benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Notes to the Consolidated Financial Statements

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.

16. CONTRIBUTED EQUITY

(a) Issued and fully paid

	30-Jun-20		30-Jun-19	
	\$	No.	\$	No.
Ordinary shares	40,567,812	5,654,561,320	40,567,812	5,654,561,320
	40,567,812	5,654,561,320	40,567,812	5,654,561,320

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.

(b) Movement Reconciliation

ORDINARY SHARES	Date	Quantity	Issue price	\$
Balance 30 June 2019		5,654,561,320		40,567,812
Balance 30 June 2020		5,654,561,320		40,567,812

(c) 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.

RECOGNITION AND MEASUREMENT

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

17. RESERVES

	30-Jun-20		30-Jun-19	
	\$	No.	\$	No.
Employee share plan reserve	459,184	-	459,184	-
Foreign currency translation reserve	4,155,326	-	4,155,326	-
	4,614,510	-	4,614,510	-

	30-Jun-20	30-Jun-19
	\$	\$
Movement reconciliation		
Employee share plan reserve		
Balance at the beginning of the year	459,184	459,184
Equity settled share-based payment transactions	-	-
Balance at the end of the year	459,184	459,184
Foreign currency translation reserve		
Balance at the beginning of the year	4,155,326	4,155,326
Effect of translation of foreign currency operations to group presentation currency	-	-
Balance at the end of the year	4,155,326	4,155,326

Nature and purpose of reserves

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.

18. ACCUMULATED LOSSES

	30-Jun-20	30-Jun-19
	\$	\$
Movement in accumulated losses		
Balance at the beginning of the financial year	(43,043,489)	(41,328,176)
Net loss in current year	(1,566,274)	(1,715,313)
Balance at the end of the financial year	(44,609,763)	(43,043,489)

Notes to the Consolidated Financial Statements

19. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange 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 Management and overseen by the Board of Directors with assistance from suitably qualified external advisors.

The main risks arising for the Group are foreign exchange 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:

	<u>30-Jun-20</u>	<u>30-Jun-19</u>
	\$	\$
Financial assets		
Cash and cash equivalents	748,455	2,232,905
Trade and other receivables	23,425	22,787
	771,880	2,255,692
Financial liabilities		
Trade and other payables	179,097	119,637
	179,097	119,637
Net exposure	592,783	2,136,055

(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.

(ii) 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:

	<u>30-Jun-20</u>		<u>30-Jun-19</u>	
	Weighted average interest rate	Balance \$	Weighted average interest rate	Balance \$
Cash and cash equivalents	0.22%	748,455	1.87%	2,232,905

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 1% 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.

Notes to the Consolidated Financial Statements

At 30 June 2020, 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-20	30-Jun-19	30-Jun-20	30-Jun-19
	\$	\$	\$	\$
Judgements of reasonably possible movements:				
+ 1.0% (100 basis points)	5,239	15,630	-	-
- 1.0% (100 basis points)	(5,239)	(15,630)	-	-

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.

(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:

- Note 12: Cash and cash equivalents: Cash held with National Australia Bank and Bankwest.

(i) Cash

The Group's primary bankers are National Australia Bank and Bankwest. The Board considers the use of these financial institutions, which have a rating of AA- from Standards and Poor's, respectively, to be sufficient in the management of credit risk with regards to these funds.

	30-Jun-20	30-Jun-19
	\$	\$
Cash at bank and short-term bank deposits:		
Financial institutions - Standard & Poor's rating of AA-	748,378	2,232,833
Financial institutions - Other	77	72
	748,455	2,232,905

(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.

Notes to the Consolidated Financial Statements

(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 and Management monitor the cash outflow of the Group on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

The financial liabilities the Group had at reporting date were trade payables and employee provisions incurred in the normal course of the business. Trade payables were non-interest bearing and were paid within the normal 30-60 day terms of creditor payments.

The table below reflects the respective undiscounted cash flows for financial liabilities existing at 30 June 2020.

Contractual maturities of financial liabilities	<6 months	>6-12 months	>12 months	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
30-Jun-20					
Trade and other payables	179,097	-	-	179,097	179,097
	179,097	-	-	179,097	179,097
30-Jun-19					
Trade and other payables	119,637	-	-	119,637	119,637
	119,637	-	-	119,637	119,637

(d) Fair value hierarchy

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

- (i) Level 1 - the instrument has quoted prices (unadjusted) in active markets for identical assets and liabilities;
- (ii) Level 2 - a valuation technique using inputs other than quoted prices within Level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices); or
- (iii) Level 3 - a valuation technique using inputs that are not based on observable market data (unobservable inputs).

At 30 June 2020 and 30 June 2019 the Group did not have financial liabilities measured and recognised at fair value. Due to their short-term nature, the carrying amount of the current receivables and payables is assumed to approximate their fair value.

The Group does not have any level 2 or 3 assets or liabilities.

Notes to the Consolidated Financial Statements

RECOGNITION AND MEASUREMENT

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.

Subsequent measurement

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

Impairment

The Group assesses at 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 is considered an indicator that the assets are impaired.

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.

Notes to the Consolidated Financial Statements

20. SEGMENT INFORMATION

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 and the Chief Executive Officer.

On 18 March 2020 the Company announced that the Company's bid for the Cacata Phosphate Concession, located in Cabinda, Angola, had been successful. Under the terms of the tender, it is anticipated that Minbos will be granted the equivalent of an exploration licence over the project area. As a result the Company currently has two reportable segments, being phosphate in Angola and rare earth minerals in Madagascar. The Board considers its business operations in phosphate to be its primary reporting function. Results are analysed as a whole by the chief operating decision maker, this being the Chief Executive Officer and the Board of Directors. Consequently revenue, profit, net assets and total assets for the operating segment are reflected in this financial report.

21. PARENT ENTITY

	30-Jun-20	30-Jun-19
	\$	\$
Current Assets	771,803	2,255,620
Non-Current Assets	4,383	21,222
Total Assets	776,186	2,276,842
Current Liabilities	203,704	138,081
Total Liabilities	203,704	138,081
Net Assets	572,482	2,138,761
Contributed equity	40,567,812	40,567,812
Reserves	4,614,510	4,614,510
Accumulated losses	(44,609,840)	(43,043,561)
Total Equity	572,482	2,138,761
Loss for the year	(1,566,279)	(1,715,313)
Other comprehensive loss for the year	-	-
Total comprehensive loss for the year	(1,566,279)	(1,715,313)

22. COMMITMENTS

There are no material commitments as at 30 June 2020.

23. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no other contingent liabilities or contingent assets as at 30 June 2020.

24. DIVIDENDS

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

Notes to the Consolidated Financial Statements

25. 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

(b) Subsidiary companies

Interests in subsidiaries are set out in Note 26: Subsidiaries and Transactions with Non-Controlling Interests.

(c) KMP compensation

	30-Jun-20	30-Jun-19
	\$	\$
Short-term employee benefits	403,418	456,815
Post-employment benefits	22,451	30,464
Equity compensation benefits	-	-
	<u>425,869</u>	<u>487,279</u>

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

(d) Issue of shares in lieu of services of related parties

There were no shares issued in lieu of services of related parties during the financial year (2019: Nil).

(e) Transactions with other related parties

	30-Jun-20	30-Jun-19
	\$	\$
Legal services - Steinepreis Paganin Lawyers & Consultants (i) (a firm in which Peter Wall is a partner)	24,336	18,165
Consulting services - Billandbry Consulting Pty Ltd (ii) (a Company in which William Oliver is a Director / Shareholder)	-	5,000

(i) Legal fees paid to Steinepreis Paganin Lawyers & Consultants

Legal fees of \$24,336 were paid to Steinepreis Paganin Lawyers & Consultants during the financial year (2019: \$18,165), of which Mr Peter Wall, Chairman, is a partner.

(ii) Consulting fees paid to Billandbry Consulting Pty Ltd

Consulting fees of nil were paid to Billandbry Consulting Pty Ltd during the financial year (2019: \$5,000), of which Mr William Oliver, Director, is a Director and shareholder. The fee is an industry standard fee and negotiated on arm's length commercial terms.

There were no other transactions with KMP during the financial year ended 30 June 2020.

Notes to the Consolidated Financial Statements

26. 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 2020:

Name of entity	Country of incorporation	Class of shares	Ownership interest	
			30/06/2020	30/06/2019
Parent entity				
Minbos Resources Ltd (i)	Australia	Ordinary and Preference		
Subsidiary (direct)				
Tunan Mining Limited (ii)	British Virgin Isles (BVI)	Ordinary	100%	100%
Subsidiaries (indirect – direct subsidiaries of Tunan Mining Limited)				
Mongo Tando Limited	British Virgin Isles (BVI)	Ordinary	50%	50%
Agrim SPRL DRC (iii)	Democratic Republic of Congo	Ordinary	100%	100%

- (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.
- (iii) Agrim SPRL is a Company incorporated in the Democratic Republic of Congo.

27. AUDITOR'S REMUNERATION

	30-Jun-20	30-Jun-19
	\$	\$
Amounts received or due & receivable by BDO Audit (WA) Pty Ltd for:		
An audit or review of the financial report of the entity	35,816	35,217
Total auditor remuneration	35,816	35,217
Amounts received or due & receivable by related network practices of BDO (WA) Pty Ltd for:		
BDO (SA) Pty Ltd - An audit or review of Tunan Mining Pty Ltd	-	580
BDO (SA) Pty Ltd - Taxation services of Tunan Mining Pty Ltd	-	2,562
Total	-	3,142

Notes to the Consolidated Financial Statements

28. EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 20 July 2020 the Company incorporated a private Company limited by shares, Phobos Ltd, a wholly owned Mauritian subsidiary.

On 26 August 2020 the Company announced the results from the Scoping Study completed on its Cabinda Phosphate Project in Angola, which demonstrates the Project will generate strong cash returns for a relatively small capital investment. With the initial scoping study complete, the Company will move quickly to complete a DFS study, which will be used to obtain funding with debt and equity financiers.

On 1 September 2020 the Company announced that as part of its Cabinda Phosphate Definitive Feasibility Study the Company has signed a contract with FEEO International for the basic engineering package associated with the planned granulation plant major equipment.

On 10 September 2020 the Company announced that it had received binding commitments from sophisticated investors to raise \$2.265m (before costs) through a two-tranche placement at \$0.0015 per share.

- A total of 848,000,000 Tranche 1 pre consolidation shares were issued on 15 September 2020 utilising the Company's existing placement capacity under ASX Listing Rules 7.1 for \$1.272m.
- A total of 662,000,000 Tranche 2 pre consolidation shares will be issued subject to shareholder approval for \$993,000.

On 10 September 2020 the Company announced that it would seek shareholder approval to consolidate the issued capital of the Company at the Shareholder Meeting. The consolidation will be on the basis of one (1) share for every twenty (20) shares currently held.

On 10 September 2020 the Company agreed to issue the following unlisted options (post consolidation) to directors and management, with each option having an exercise price of \$0.05 (post consolidation) and expiring 4 years from the issue date, subject to shareholder approval at the Shareholder Meeting:

Personnel	Position	Options
Lindsay Reed	Chief Executive Officer	10,500,000
Peter Wall	Non-Executive Chairman	6,500,000
Damian Black	Non-Executive Director	6,000,000
William Oliver	Non-Executive Director	3,500,000
Dganit Baldar	Non-Executive Director	3,500,000
	Total	30,000,000

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

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 2020 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 Chief Executive 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
18 September 2020



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INDEPENDENT AUDITOR'S REPORT

To the members of Minbos Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Minbos Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, 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, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

We draw attention to Note 1(c) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the *Material uncertainty related to going concern* section, we have determined there are no key audit matters to be communicated in our report.

Other information

The directors are responsible for the other information. The other information comprises the information contained in Directors' report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Directors' report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Directors' report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors 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 preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 22 to 28 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Minbos Resources Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'J Prue', written over a light blue horizontal line.

Jarrad Prue

Director

Perth, 18 September 2020

Shareholder Information

The following additional information was applicable as at 1 September 2020.

1. Fully paid ordinary shares

- There are a total of 5,654,561,320 ordinary fully paid shares on issue which are listed on the ASX.
- The number of holders of fully paid ordinary shares is 924.
- 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	35	3,508	0.00%
1,001 - 5,000	32	89,488	0.00%
5,001 - 10,000	28	209,221	0.00%
10,001 - 100,000	163	7,262,275	0.13%
100,001 - 9,999,999,999	666	5,646,996,828	99.87%
Total	924	5,654,561,320	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 367 shareholders who hold less than a marketable parcel of shares, amounting to 0.47% of issued capital.

4. Substantial shareholders of ordinary fully paid shares

The Substantial Shareholders of the Company are:

Rank	Holder Name	Securities	% of Issued
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,153,748,215	37.91

5. Share buy-backs

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

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:

- each shareholder is entitled to vote and may vote in person or by proxy, attorney or representative;
- 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
- 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.

Shareholder Information

7. Top 20 Shareholders of ordinary fully paid shares

The top 20 largest fully paid ordinary shareholders together held 69% of the securities in this class and are listed below:

Rank	Holder Name	Securities	% of Issued
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,143,748,215	37.91%
2	MRS ELEANOR JEAN REEVES <ELANWI A/C>	211,523,066	3.74%
3	BRIJOHN NOMINEES PTY LTD <NELSONIO A/C>	174,712,332	3.09%
4	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	160,833,332	2.84%
5	MR PETER CHRISTOPHER WALL & MRS TANYA-LEE WALL <WALL FAMILY SUPER FUND A/C>	152,342,600	2.69%
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	144,811,508	2.56%
7	CITICORP NOMINEES PTY LIMITED	133,821,421	2.37%
8	MR LINDSAY GEORGE REED <THE REED FAMILY A/C>	98,000,000	1.73%
9	MR LINDSAY REED & MRS JENNIE REED <REED SUPER FUND A/C>	82,000,000	1.45%
10	ANDROLYN PTY LTD <A & C HECTOR SUPER FUND A/C>	80,000,000	1.41%
11	PHEAKES PTY LTD <SENATE A/C>	72,147,592	1.28%
12	M & L NOMINEES PTY LTD <M F BLACK FAMILY A/C>	65,461,580	1.16%
13	RAEJAN PTY LTD <THE MARZEC FAMILY ACCOUNT>	60,000,000	1.06%
14	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	56,195,413	0.99%
15	WILGUS INVESTMENTS PTY LTD	55,029,734	0.97%
16	HELMET NOMINEES PTY LTD <TIM WEIR FAMILY FUND A/C>	54,778,688	0.97%
17	ROMFAL SIFAT PTY LTD <THE FIZMAIL FAMILY A/C>	50,000,000	0.88%
18	8TIVE TRADING PTY LTD	47,601,886	0.84%
19	BRUCE SEVERIN & HELEN SEVERIN <SEVERIN FAMILY S/F A/C>	45,320,134	0.80%
20	SMARTEQUITY EIS PTY LTD	41,000,000	0.73%
	Total	3,929,327,501	69.49%

8. 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
No. 10868 (awaiting renewal)	Exploration (Option to Purchase)	Earning 90%	Madagascar
No. 12013 (awaiting renewal)	Exploration (Option to Purchase)	Earning 90%	Madagascar



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