

ASX ANNOUNCEMENT/MEDIA RELEASE

KANZI SCOPING STUDY PRODUCES POSITIVE RESULTS

Minbos Resources Limited (“**Minbos**” or “**the Company**”) (ASX:MNB) is pleased to announce positive results from the scoping study completed on the Company’s Kanzi Phosphate Project (“**Kanzi**”) located in the Bas Congo Province in the Western Democratic Republic of Congo (“**DRC**”).

The study has demonstrated positive economics, confirming the potential of Kanzi as a viable project with forecast pre-tax cash flows in excess of US\$1.5 billion over a 17-year mine life.

Overview

As part of the ongoing evaluation of Kanzi, the Company commissioned a preliminary economic assessment (“**Scoping Study**”) on the viability of establishing a 1Mtpa phosphate rock export operation for a minimum life of mine (“**LOM**”) of 17 years.

The Scoping Study has delivered the following positive results¹:

- Operating costs of US\$56.03 per ton of phosphate rock (FOB);
- Capital cost estimate of US\$106m (excluding contingency), based on owner operated mining;
- Strong opportunity to reduce both operating expenditure and capital expenditure during Bankable Feasibility Study (“**BFS**”);
- Internal rate of return (IRR) of 58% (pre-tax); and
- NPV of US\$626m (pre-tax) at a 10% discount rate.

The Scoping Study clearly demonstrates the robust nature of the Kanzi Project.

¹ Amounts quoted are for 100% of the Project. Minbos currently owns 65% of the project, with the remaining 35% held by Allamanda Trading.



The development of the Kanzi project in parallel to the development of the Company's high grade Cacata project will put Minbos in the unique situation of having two projects with low capital and operating costs in the development stage that can be brought online in the foreseeable future.

This will allow the Company to take advantage of strong phosphate rock prices and generate early cash flows to pursue the development of the world scale Western Limb projects in Cabinda and fully explore its unrivalled land package in the highly prospective Congo Basin.

Minbos managing director Mr Scott Sullivan said:

"The results of the scoping study for Kanzi have surpassed our expectations. The low capital cost and low operating costs are the result of the high grade nature of the deposit, the simple mining and beneficiation, and the close proximity to logistics infrastructure.

With two high quality projects, Cacata and Kanzi, both in the development stage, Minbos is rapidly achieving its goal of being a low cost producer of phosphate rock.

With expanding global demand for fertilizer due to population growth and pressures to improve agricultural production, we are certainly in the right place at the right time with the development of our projects."



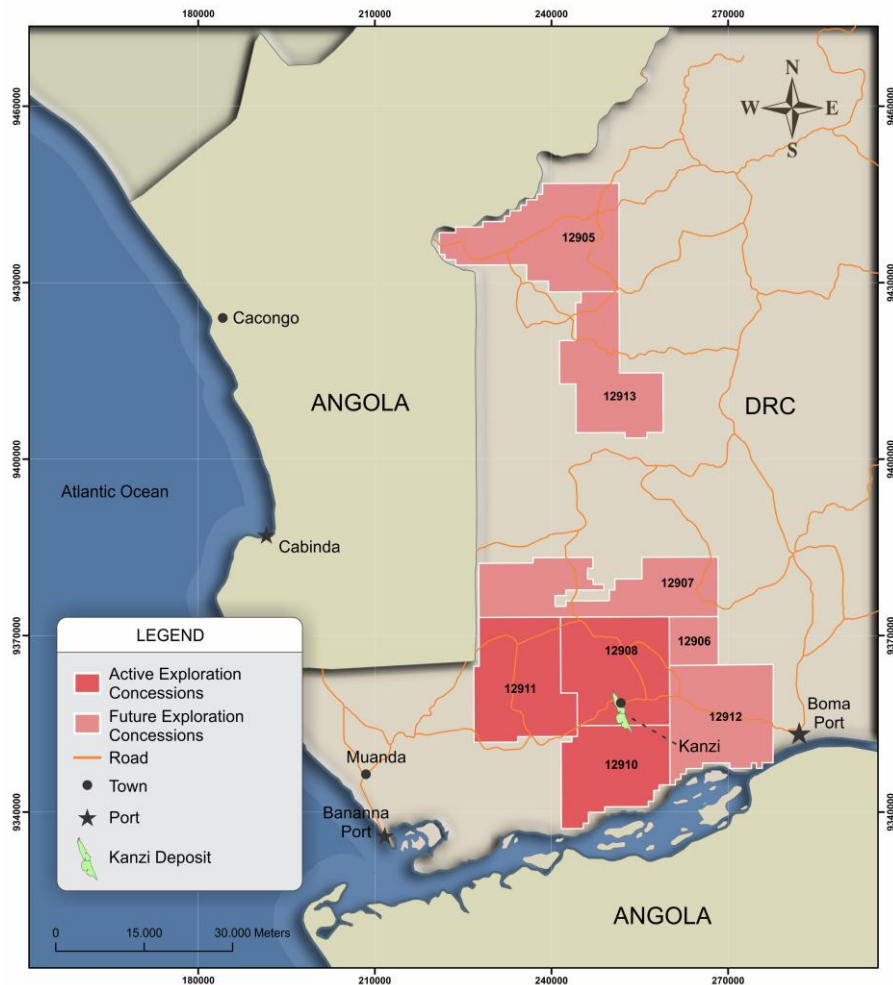


Figure 1: DRC Licence areas

The Kanzi Project

Introduction

The Kanzi Project is located in the Bas Congo Province in the Far West DRC. It is only 15km as the “crow flies” from the Congo River and 35km from the operating port of Boma.

Kanzi has an inferred mineral resource of 66Mt @ 15.3% P₂O₅, including a high grade core of 44Mt @ 21.4% P₂O₅. In addition to Kanzi, Minbos has exclusive rights to approximately 200,000ha of highly prospective exploration ground around Kanzi, which will be explored during the development of the Kanzi project.



General

The scoping study is based on the JORC inferred resource quoted for the Kanzi deposit. Minbos anticipate the release of an upgraded resource for Kanzi in Q1 2013, including a JORC measured resource over a portion of the deposit, which will provide the basis for the BFS. Capital expenditure and operating costs are believed to have an accuracy of $\pm 40\%$.

Mining

Coffey Mining (“**Coffey**”) was commissioned to conduct an evaluation of the viability of mining a high grade portion of the Kanzi deposit.

Minbos has identified the Kanzi project area, a 26.07Mt “pitabile” resource for development identified three mining areas in the Kanzi mineral resource block to be used for mine design purposes. Coffey has applied a 5% mining loss to the mineral resources as well as a 5% dilution factor. Coffey Mining has assumed all dilution to have zero P_2O_5 content, albeit some of the dilution will contain P_2O_5 .

The Coffey report concluded that using a truck and shovel approach, the high grade portion of the Kanzi deposit could be mined at a 1.65Mtpa of Run of Mine (“**ROM**”) at a strip ratio of 7.1:1 (waste to ROM). This will produce 1.0Mtpa of phosphate rock, at an average grade of 32% P_2O_5 , with a recovery of 60%.

The economic evaluation was based on the mining equipment being purchased and operated by the Owner. Coffey has also made allowances for replacement capital of US\$16.27m (excluding contingency) during the 17 year LOM.

Coffey has derived mining costs from its experience in West Africa mining projects. The capital cost (“**Capex**”) and operating costs (“**Opex**”) are:

- Initial Capex US\$14.24m (excluding contingency);
- Additional equipment purchases of \$8.2m in years 2 and 4 to bring Kanzi into full production
- Average Opex US\$13.45/t phosphate rock produced.



Processing

Set Point Laboratories was commissioned to conduct an initial metallurgical testwork program on 6 composite samples (KZ1 – KZ6).

The testwork concluded that the preferred processing route for the high grade portion of the Kanzi deposit is a basic scrubbing and selective screening operation, which by its nature is a low energy consumer and is operator friendly.

The processing route is as follows:

- ROM is attrition scrubbed to remove lumps and clay agglomerates;
- Attrition scrubber discharges over a de-sliming screen;
- The screen undersize is further de-slimed and the oversize is discarded;
- The phosphate rock concentrate is de-watered in a vacuum belt filter and then passed through a drier to produce a 2 - 3% moisture content phosphate rock; and
- The concentrate grade is expected, based on the testwork, to be similar to Moroccan benchmark grade of 32 - 33% P₂O₅.

Capex and Opex have been derived from first principals based on the metallurgical testwork and the infrastructure requirements of the Kanzi Project. Certain costs, where applicable, were factored from costs in the Cacata scoping study. The Capex and Opex are:

- Capex: US\$50.58m (excluding contingency); and
- Opex: US\$24.59/t of phosphate rock produced.



Tailings Storage Facility

The Tailings Storage Facility (“TSF”) is based on the Cacata TSF design done by SRK. SRK derived costs assessed on their internal database and experience in West African mining projects. The Capex and Opex are:

- Capex: US\$9.7m (excluding contingency); and
- Opex: US\$0.50/t of phosphate rock produced.

Phosphate Rock Logistics

The Capex and Opex are based on the Cacata Scoping Study and have been specifically adjusted to suit the Kanzi Project infrastructure and logistics requirements.

The logistics include the transporting by road and ship loading of 1.0Mtpa of phosphate rock from the Kanzi processing plant 35km by existing road to the operating port of Boma.

- Capex: US\$17.6m (excluding contingency); and
- Opex: US\$3.25/t of phosphate rock produced.

Infrastructure

The following infrastructure has been provided for in the Capex:

- Offices;
- Power generation by diesel generators;
- Water reticulation;
- Housing recreation and messing facilities;
- Workshops for mining, processing and phosphate rock logistics;
- Security and fencing;



- Firefighting;
- Change houses;
- Sewerage disposal;
- Communications, IT and;
- Bulk fuel storage.

Capital Cost

The Capex has been estimated at US\$106m (excluding contingency) as detailed below:

<u>Kanzi Project Scoping Study Capex Summary</u>	
<u>CAPEX</u>	
Description	Total US \$m
Mining	\$14.2
Process Plant	\$50.6
Tailings Dam	\$9.7
Project Logistics	\$17.6
Project Management	\$3.9
Relocation of Village	\$10.0
Contingency	\$16.7
TOTAL CAPEX	\$122.7

Table 1: Capital Expenditure Table

The capital cost estimate includes the purchase of the mining fleet. This could potentially be reduced by approximately US\$14m by out sourcing the mining to a contractor.



Operating Costs

The Opex has been estimated at US\$56.19/t FOB Boma of phosphate rock as follows:

<u>Kanzi Project Scoping Study Opex Summary</u>	
<u>OPEX</u>	
Description	Total US\$/t FOB
Mining	\$13.45
Project Logistics	\$3.25
Beneficiation	\$24.59
Tailings Dam	\$0.50
G and A	\$9.00
Royalties	\$5.40
OPEX PER TONNE PRODUCT	\$56.19

Table 2: Operating Cost Table

Marketing and Product Pricing

At the target production rate of 1Mtpa of phosphate rock product, the Kanzi Project currently has a 17-year life of mine. Current market analysis shows that this product will be in demand and readily absorbed by the market. Our base case analysis has assumed a selling price of US\$180/t FOB Boma.

Financial Model

The results of the cash flow model developed from the scoping study are as follows:

BASE CASE INVESTMENT BENCHMARK		
Cash on Cash Yield	%	1454
Payback Period	Years	1.66
IRR (pre tax)	%	58
Net Present Value @ discount rate of 10% (pre tax)	US\$m	625.98

Table 3: Cash Flow



The cash flow model is a base case scenario and does not take into account the potential upside as a result of contracting out all or part of operations and has been prepared on a pre-funding and EBITDA basis.

COMPETENT PERSON STATEMENT

The information in this report has been reviewed and approved for release by Ms Kathleen Body, Pr.Sci.Nat, who has over 17 years' experience in mineral exploration and mineral resource estimation. Ms Body is a Principal Consultant and full-time employee of Coffey Mining (South Africa) (Pty) Ltd and contracted to MINBOS. She has sufficient experience in relation to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined by the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code 2004 Edition). Ms Body has consented to inclusion of this information in the form and context in which it appears.

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About Minbos

Minbos Resources Limited is an exploration and development Company with phosphate and potash bearing ore within the Cabinda Province of Angola and the adjoining areas of the far western DRC. Through its subsidiaries and joint ventures, the Company is exploring over 400,000ha of highly prospective ground hosting phosphate and potash bearing ore.

Minbos is focussed on the completion of the Bankable Feasibility Studies on the both the High Grade Cacata project in the Cabinda Province of the Angola and the High Grade Kanzi Project in the Bas Congo Province of the DRC.

The Company's strategy is to specifically target the exploration and development of low cost fertiliser-based commodities in order to tap into the growing global demand for fertilisers. Phosphate and potash are an essential component in certain agricultural fertilisers, with the market supported by the increasing global demand for food and bio-fuel products. For more information, visit www.minbos.com

