Annual Report

For the year ended 30 June 2019

Minbos Resources Limited

ABN 93 141 175 493

Contents

Corporate Directory

Directors & Officers
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

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Subiaco, WA 6008

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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
Automic 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)

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 2019.

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);
- Non-Executive Chairman of Zyber Holdings Limited (resigned 22 January 2018); and
- Non-Executive Chairman of Zinc of Ireland NL (resigned 22 July 2016).

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).

Directors' Report

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);
- Non-Executive Chairman of Celsius Coal Limited;
- Non-Executive Director of Koppar Resources Limited; and
- Executive Director Aldoro Resources Limited.

Previous:
- 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.

Mr Domingos Catulichi
Non-Executive Director (appointed 20 July 2010, passed away on 1 October 2018)

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

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

Directors' Report

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.

Mr Nick Day
Chief Financial Officer and Company Secretary (appointed 4 October 2017, resigned 5 October 2018)

Mr Day has more than 20 years' experience in finance and the resources industry. He has extensive experience in Africa and Asia with strategic planning, business development, mergers and acquisitions, bankable feasibility studies, debt raising and project development. His experience includes ASX and TSX listed companies with copper, gold, lead, coal, zinc and uranium projects across South East Asia and North/South America; to $600 million nickel/platinum AIM and ASX listed exploration and mining operations across six countries in Africa. Recently Mr Day was CFO and Company Secretary of RTG Mining Inc., Finance Director of Coventry Resources Inc. and Corporate Consultant and Company Secretary to Paringa Resources Limited.

Mrs Ashley Lim
Contract Company Secretary (appointed 5 October 2018)

Ms Lim is an accountant with over 9 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. CORPORATE

Passing of Mr Dominos Catulichi: On 1 October 2018, the Company advised that Mr Catulichi (Non-Executive Director) had passed away. Mr Catulichi was instrumental in obtaining the Cabinda Phosphate licenses for Minbos and its vendor partner SOFOSA. Mr Catulichi had been a Director of Minbos from its initial public offering and the Board was grateful for his contribution to the Company.

Change of Company Secretary: On 5 October 2018, Mr Nick Day resigned as Company Secretary and Mrs Ashley Lim was appointed as Company Secretary.

Directors' Report

4. PRINCIPAL ACTIVITIES

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

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

5. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Cabinda Rock Phosphate Project: On 30 November 2018, the Company announced that the Angolan National Directorate of Mineral Resources issued Mongo Tando LDA (Mongo Tando) with a Notice of Termination for the Mineral investment Contracts for Prospecting of the Phosphate Rock in the province of Cabinda.

The Angolan Ministry of Mineral Resources and Petroleum (MIREMPET) has officially announced its intention to launch a public tender in the current half for the phosphate assets in the Cabinda and Zaire provinces of Angola. Minbos has formally expressed interest in receiving the tender documents.

The company is preparing to tender for Rock Phosphate Exploration Licenses in Angola with its local partner.

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

6. REVIEW OF OPERATIONS

- **AMBATO PROJECT**

Overview

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. The Ambato Project consists of seven (7) prospects; Marovoalavo, Ankazohambo, Andoharano, Sahafa, Lesada, Vohiniariana, and Sambalahy. The Ankazohambo prospect lies within a broad NNW – SSE trending synclinorium of Proterozoic age dolomitic limestones of the Itremo Formation, and roughly 2.5km to the South of the Pan African age Vohimavo Granite.

The Itremo Formation is represented at Ankazohambo by a clean stromatolitic limestone in the West, with increasingly argillic content towards the East. The Ankazohambo prospect itself, is located on a laterite covered topographic high of tectonically brecciated argillic limestone, with small outcrops of partially silicified aplite (referred to alternately as a syenite) at the northern and southern ends of the laterite covered hill. The metamorphic grade in this region is low but increases to lower amphibolite facies in the hills to the East. Hydraulic brecciation is interpreted to be directly related to the intrusion of the aplitic dyke into water saturated limestone.

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. During the period, the milestone work program event for the option agreement with Tana was amended to the completion of an Airborne Geophysics program rather than the completion of a drill program. Within two months of the geophysical survey completion date of 4 February 2019, 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.

Directors' Report

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.

Historical Exploration

Historical exploration has taken place at Ambato since as early as 1912. Some of the more recent historical exploration activities includes the collection of twenty-eight rock-chip samples by Tana Minerals Ltd in 2010 from the Ankazohambo prospect, which returned TREO grades of between 0.14% and 40.8% with a median grade of 3.95%. The results confirm earlier sampling conducted by the Kiev National University in 2008, and the German Federal Institute of Geology and Raw Materials (BGR) in the 1980's[1].

About Rare Earths

Rare Earths are commonly separated into 'light rare earths' lanthanum (La), cerium (Ce), praseodymium (Pr), neodymium (Nd), promethium (Pm), samarium (Sm), europium (Eu), gadolinium (Gd) which are relatively abundant, and 'heavy rare earths' terbium (Tb), dysprosium (Dy), holmium (Ho), erbium (Er), thulium (Tm), ytterbium (Yb), and lutetium (Lu) which are less abundant.

Current world reserves of rare earths as assessed by the US Geological Survey are estimated to be about 120 million tonnes REO contained or approximately 200 years supply. The largest proportion of these reserves are in China (44 million tonnes) equivalent to 35% of the world's reserves. Importantly the resources of heavy rare earths in china are less abundant and considered finite (<10 years) by the national authorities and hence are the subject of national controls.

Soil Sampling

On 1 July 2019 the Company announced results from its soil sampling program at the Ambato Project in Madagascar. The aim of the 2019 soil sampling program was to confirm the presence of rare earth mineralisation over radiometric anomalies identified from high resolution helicopter magnetic and radiometric data acquired by New Resolution Geophysics in Q4, 2018.

The airborne geophysics survey delineated two (2) radiometric anomalies at Ankazohambo; one approximately 800m in length on the eastern ridge at Ankazohambo, and the other approximately 1.5 km in length on the western ridge at Ankazohambo[2]. (Soil sampling was carried out using a handheld XRF on a 50m by 50m grid at Ankazohambo and the small eastern anomaly at Marovoalavo, and on a 100m by 100m grid over the main radiometric anomaly at Marovoalavo. The program consisted of a total of 1077 soil samples (428 at Ankazohambo and 649 at Marovoalavo)[3].

Like the 2018 soil sampling program, the 2019 soil sampling results confirm the presence of rare earth mineralisation and a strong a correlation between rare earth mineralisation and radiometric anomalies at Ankazohambo (Figure 1). The 2019 soil sampling results at Ankazohambo returned grades of up to 11.7% TREO, with 22% of all samples at Ankazohambo greater than 1% TREO[4]. In contrast, only 11% of samples from the 2018 soil sampling (from within the drilled area) returned grades greater than 1% TREO[4]. These results are very encouraging given that the better drilling results in 2018 were also coincident with stronger soil and radiometric anomalism[5]. The 2018 soil sampling program (223 samples) returned grades of up to 3.67% TREO[6].

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[1] ASX Announcement – MINBOS ENTERS OPTION TO PURCHASE RARE EARTHS PROJECT http://www.investi.com.au/api/announcements/mnb/4d7f9806-4e4.pdf

[2] ASX Announcement – AIRBORNE GEOPHYSICS SURVEY IDENTIFIES NEW TARGETS AT AMBATO http://www.investi.com.au/api/announcements/mnb/35bbfa13-41a.pdf

[3] ASX Announcement – SOIL SAMPLING CONFIRMS RADIOMETRIC ANOMALY AT ANKAZOHAMBO http://www.investi.com.au/api/announcements/mnb/e31d0613-523.pdf

[4] Handheld XRF instrument only detects La, Ce, Nd, Pr, and Y. The TREO values being stated are the sum of La, Ce, Nd, Pr, and Y (converted into oxides) only.

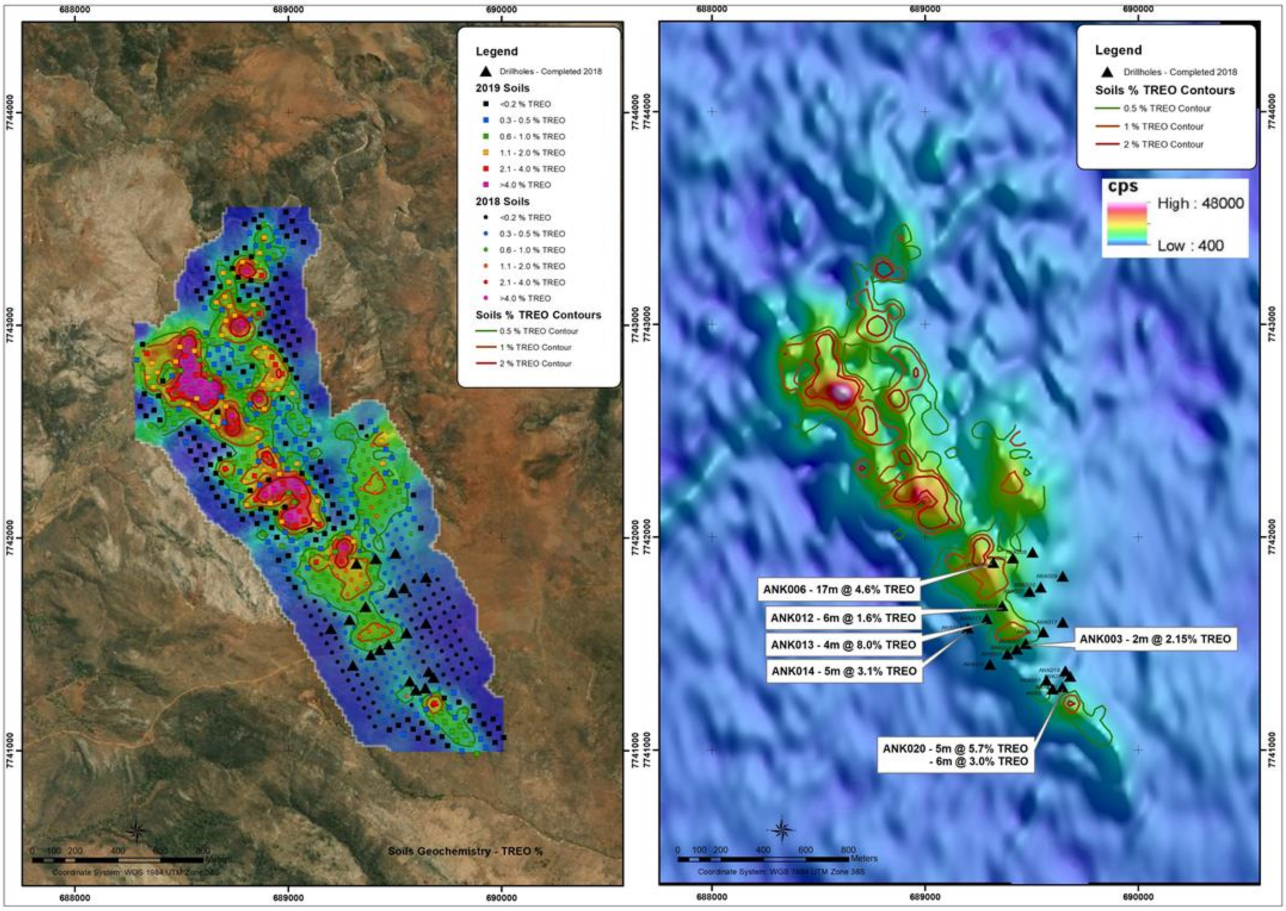
[5] ASX Announcement – DRILLING AT AMBATO COMPLETE http://www.investi.com.au/api/announcements/mnb/4e4d7eb1-1db.pdf

[6] Handheld XRF instrument only detects La, Ce, Nd, Pr, and Y. The TREO values being stated are the sum of La, Ce, Nd, Pr, and Y (converted into oxides) only.

Directors' Report

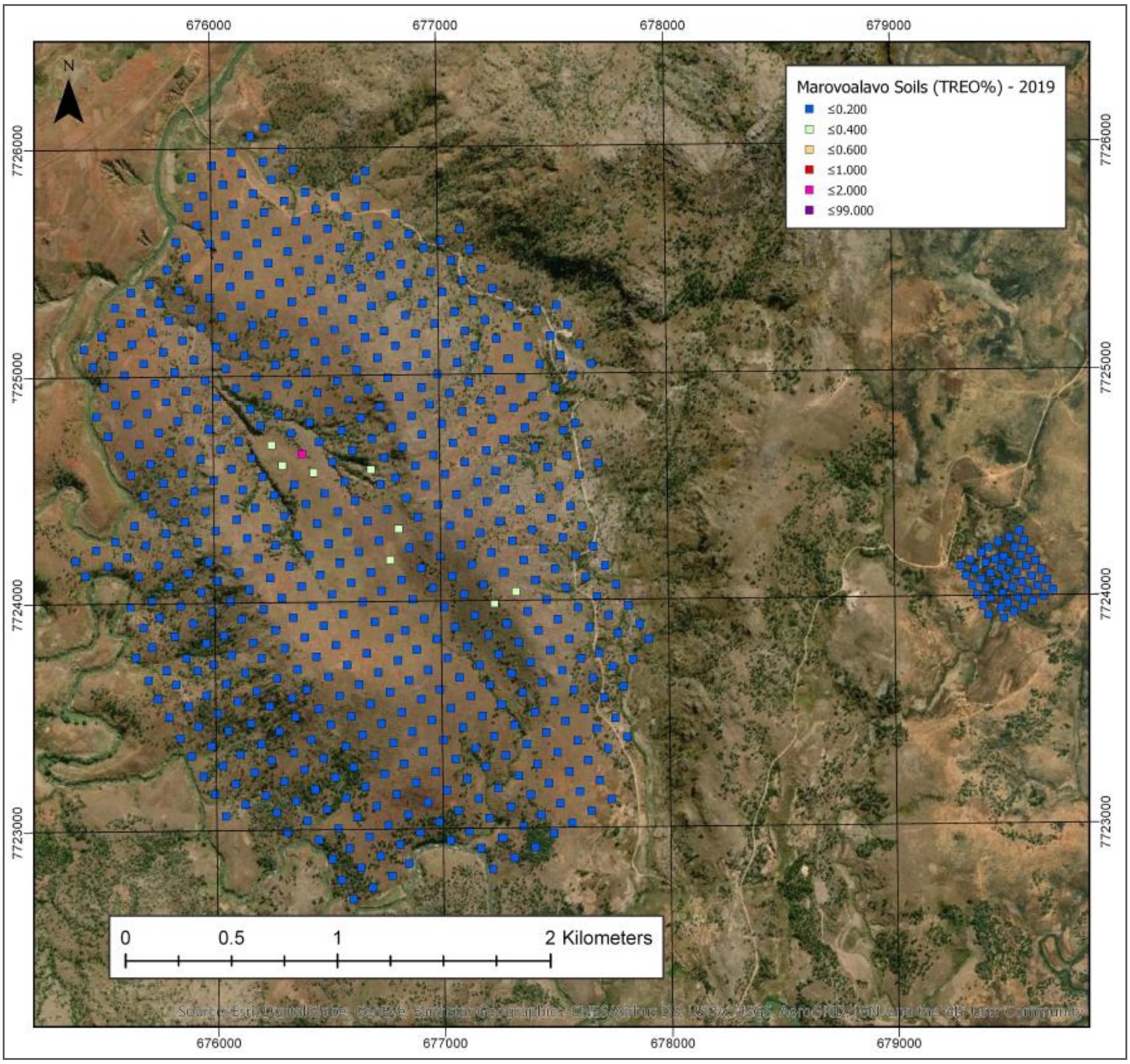
Soil sampling at the Marovoalavo showed a small anomaly in the centre of the radiometric anomaly, which is unlikely to be of interest (Figure 2).

Figure 1: Overview of 2018 and 2019 soil sample results at Ankazohambo coloured and contoured by TREO% (left), and the same soil sample contours underlain by airborne radiometric total count results flown in Q4, 2018 (right). Please refer to ASX announcement dated 4th February 2019 for further details on the radiometric survey, results and interpretation. Both plates show the drill hole locations from the 2018 drill program. Note: TREO grades have been measured using a handheld XRF which only detects La, Ce, Nd, Pr, and Y. The TREO values being stated are the sum of La, Ce, Nd, Pr, and Y (Converted into oxide) only. Please refer to ASX announcement dated 18 October 2018 for further details regarding previous soil sampling and drilling details and results.



Directors' Report

Figure 2: Marovoalavo soils coloured by TREO%. Note: TREO grades have been measured using a handheld XRF which only detects La, Ce, Nd, Pr, and Y. The TREO values being stated are the sum of La, Ce, Nd, Pr, and Y (Converted into oxide) only.

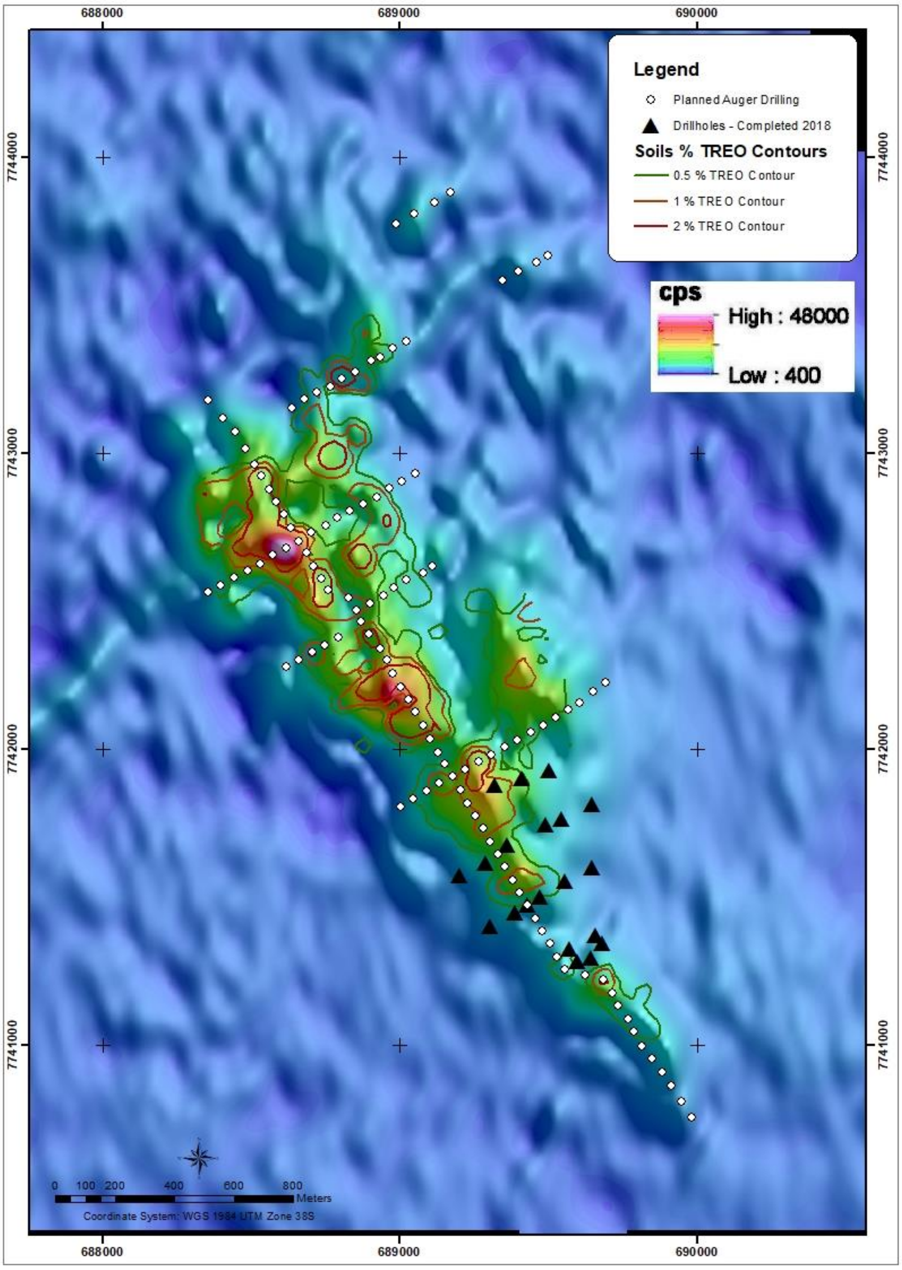


Directors' Report

Auger Drilling Commences

On 14 August 2019, the Company commenced a program of 118 auger drillholes at its Ambato Project (Figure 3). The aim of the auger drilling program is to target an ~2km-long zone of rare earth soil anomalies identified at the Ankazohambo prospect from the 2019 soil sampling program[7]. The auger drilling program builds on the 21-hole (totaling 838m) diamond drilling program completed in 2018, which included handheld XRF TREO grades of up to 16.5%[8][9].

Figure 3 – Ambato Project planned auger drill plan, including drillhole locations from the 2018 drill program, underlain by airborne radiometric zones of total rare earth oxide mineralisation.



[7] ASX Announcement – SOIL SAMPLING CONFIRMS RADIOMETRIC ANOMALY AT ANKAZOHAMBO http://www.investi.com.au/api/announcements/mnb/e31d0613-523.pdf

[8] ASX Announcement – DRILLING AT AMBATO COMPLETE http://www.investi.com.au/api/announcements/mnb/4e4d7eb1-1db.pdf

[9] Handheld XRF instrument only detects La, Ce, Nd, Pr, and Y. The TREO values being stated are the sum of La, Ce, Nd, Pr, and Y (converted into oxides) only

Directors' Report

Competent Person's Statement

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.

7. 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	174,490,192	-
Mr Damian Black	194,182,332	-
Mr William Oliver	18,456,000	-
Ms Dganit Baldar	-	-
Total	**387,128,524**	**-**

8. 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	2	2
Mr Damian Black	2	2
Mr William Oliver	2	2
Ms Dganit Baldar	2	2
Mr Domingos Catulichi	2	2

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.

9. 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.

Directors' Report

10. 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 2019 are:

Financial Performance / Position	30-Jun-19 $	30-Jun-18 $	Change %
Cash and cash equivalents	2,232,905	3,925,570	(43%)
Net assets	2,138,833	3,854,146	(45%)
Income	56,284	30,759	83%
Net loss after tax	(1,715,313)	(17,624,018)	90%
Loss per share	(0.0003)	(0.007)	96%

Financial Performance & Financial Position

The financial result for the year ended 30 June 2019 is a net loss after tax of $1,715,313 (2018: $17,624,018). At 30 June 2019, the Group's net assets decreased by 45% compared to the previous financial year, and the Group's cash and cash equivalents decreased by 43% to $2,232,905. During the financial year the Company spent $744,471 on project development for its Ambato project, $462,336 on administration expenditure and $503,081 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.

Directors' Report

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.

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.

Directors' Report

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.

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.

Directors' Report

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.

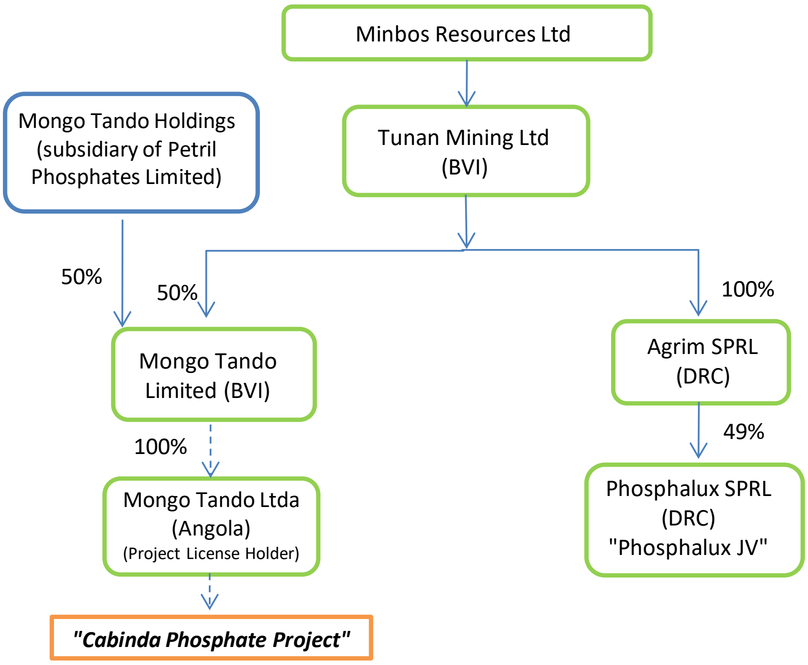
If a permit is not renewed, the Company may suffer significant damage through the loss of opportunity to develop and discover mineral resources on those permits.

11. DIVIDENDS

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

12. CORPORATE STRUCTURE

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



KEY:

DRC	Incorporated in the Democratic Republic of Congo.
ANG	Incorporated in Angola. Legal entitlement that Mongo Tando BVI will hold 100% of Mongo Tando Ltda, however current holdings is 50% by Terra Fertil (a full subsidiary of Petril Phosphates Ltd) and 50% by SOFOSA (Minbos Non-Executive Director Mr Catulichi is a Director and shareholder of SOFOSA). Minbos and Petril are in the process of obtaining National Private Investment of Angola(ANIP) approval to transfer the shares to Mongo Tando Limited BVI.
BVI	Incorporated in the British Virgin Isles.
	Refers to the Project area and its licences. There are no farm in commitments.
	Refers to Minbos Resources Limited and its Controlled entities.
	Refers to third-parties that have part ownership with Minbos or one of its controlled entities in a joint venture company that holds the project licence/s.

* 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 Madagascan subsidiary are not included in the above structure.

Directors' Report

13. REMUNERATION REPORT (Audited)

This report for the year ended 30 June 2019 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	-
Domingos Catulichi [(1)]	Non-Executive Director	20/07/2010	01/10/2018

Other KMP	Position	Appointment	Resignation
Lindsay Reed	Chief Executive Officer	01/09/2014	-
Nick Day	Chief Financial Officer & Company Secretary	04/10/2017	05/10/2018

[(1)] Mr Domingos Catulichi passed away on 1 October 2018.

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 2018 Annual General Meeting
- J Loans to KMP
- K Loans from KMP
- L Other transactions with KMP

Directors' Report

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.

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 2019 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.

Directors' Report

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

➢ Executive Remuneration Structure

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

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

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

The remuneration of Executives is detailed in **Table 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-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
Income ($)	56,284	30,759	59,805	9,957	3,052
Net loss after tax ($)	(1,715,313)	(17,624,018)	(2,202,012)	(1,654,054)	(2,196,652)
Share Price ($)	0.001	0.003	0.005	0.004	0.005

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 (2018: $nil).

Long Term Incentive Package

Employee Share Plan:

There were no Employee Share Plan shares approved or issued during the financial year (2018: nil).

Directors' Report

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 2019 and 2018 financial years there were no employee or director options issued or exercised.

D Details of Remuneration

During the financial year ended 30 June 2019 and 30 June 2018 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 2019 is set out below:

	Short-term employee benefits			Post-employment benefits	Share-based payments	
30-Jun-19	**Salary & fees $**	**Non-monetary $**	**Other [3] $**	**Super-annuation $**	**Options & rights $**	**Total $**
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 Catulichi [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 Catulichi 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

Table 1b: Remuneration of KMP of the Group for the year ended 30 June 2018 is set out below:

	Short-term employee benefits			Post-employment benefits	Share-based Payments	
30-Jun-18	**Salary & fees $**	**Non-monetary $**	**Other [3] $**	**Super-annuation $**	**Options & rights $**	**Total $**
Directors						
Peter Wall	36,000	-	-	-	-	**36,000**
Damian Black	36,000	-	-	-	-	**36,000**
William Oliver	36,000	-	-	-	-	**36,000**
Dganit Baldar [1]	36,000	-	-	-	-	**36,000**
Domingos Catulichi	-	-	-	-	-	**-**
Sub-total	**144,000**	**-**	**-**	**-**	**-**	**144,000**
Other Key Management						
Lindsay Reed	250,000	-	(6,250)	23,750	-	**267,500**
Nick Day [2]	170,758	-	1,771	16,222	-	**188,751**
Sub-total	**420,758**	**-**	**(4,479)**	**39,972**	**-**	**456,251**
Total	**564,758**	**-**	**(4,479)**	**39,972**	**-**	**600,251**

[1] Of Dganit Baldar's Director Fees, $3,000 was outstanding and payable at 30 June 2018.
[2] Nick Day was appointed Chief Financial Officer and Company Secretary on 4 October 2017.
[3] Other amounts relate to movement in annual leave entitlements.

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

	Fixed remuneration		At risk - STI (%)		At risk - LTI (%)	
Name	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Directors						
Peter Wall	100%	100%	-	-	-	-
Damian Black	100%	100%	-	-	-	-
William Oliver	100%	100%	-	-	-	-
Dganit Baldar	100%	100%	-	-	-	-
Domingos Catulichi	100%	-	-	-	-	-
Other Key Management						
Lindsay Reed	100%	100%	-	-	-	-
Nick Day	100%	100%	-	-	-	-

Option holdings of KMP (Direct and Indirect Holdings)
At 30 June 2019 no key management personnel held listed or unlisted options.

Directors' Report

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

30-Jun-19	Balance at 1/07/2018	Granted as remuneration	Net change other	Balance at 30/06/2019
Directors				
Peter Wall	174,490,192	-	-	174,490,192
Damian Black	194,182,332	-	-	194,182,332
William Oliver	18,456,000	-	-	18,456,000
Dganit Baldar	-	-	-	-
Domingos Catulichi (1)	17,640,000	-	-	17,640,000
Sub-total	**404,768,524**	**-**	**-**	**404,768,524**
Other Key Management				
Lindsay Reed	217,000,000	-	-	217,000,000
Nick Day (2)	16,300,000	-	-	16,300,000
Sub-total	**233,300,000**	**-**	**-**	**233,300,000**
Total	**638,068,524**	**-**	**-**	**638,068,524**

(1) Shares held by Domingos Catulichi on 1 October 2018, the day he passed away.
(2) Shares held by Nick Day on 5 October 2018, the day he resigned.

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.

- **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.

- **Mr Domingos Catulichi – Non-Executive Director**
  - Contract: Commenced on 20 July 2010 and passed away 1 October 2018.
  - Director's Fee: From 1 July 2018 the Board agreed to pay Mr Catulichi $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.

Directors' Report

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: Up until 31 July 2018 Mr Reed was employed as a full-time employee and was paid $250,000 per annum (plus statutory superannuation entitlements). From 1 August 2018 Mr Reed's employment reduced to part time, for a minimum two days per week, at a daily rate of $1,200 per day (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 subject to the following vesting conditions:

  - 18,500,000 share units vested;
    (a) one year from the Commencement Date (being 1 September 2015); and
    (b) once the announcement was made to the market that the Company had renewed the exploration licence 0006/06/01/L.P/GOV.ANG.MGM.2010 granted to Mongo Tando Ltda.

  - 18,500,000 share units vested;
    (a) two years from the Commencement Date (being 1 September 2016); and
    (b) upon presentation of a definitive feasibility study [by the Company's joint venture partner] in relation to the Cabinda project.

  In the event of a change of control event, the share units will vest automatically. The first tranche vested during the 2017 financial year, whilst the second tranche vested during the 2018 financial year under the change of control clause, by virtue of Green Services Innovations acquired shareholding.

➢ **Mr Nick Day – Chief Financial Officer and Company Secretary**

- Contract: Commenced on 4 October 2017 and resigned 5 October 2018.
- Base Salary: Up until 15 August 2018 Mr Day was employed as a full-time employee and was paid $230,000 per annum (plus statutory superannuation entitlements). From 15 August 2018 Mr Day's employment reduced to part time, for a minimum two days per week, at a daily rate of $1,000 per day (plus statutory superannuation entitlements).

Directors' Report

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.

➢ **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 2019.

G Equity Instruments Issued on Exercise of Remuneration Options

No remuneration options were exercised during the year ended 30 June 2019.

H Value of Shares to KMP

There were no shares issued to KMP during the year ended 30 June 2019.

I Voting and comments made at the Company's 2018 AGM

The adoption of the Remuneration Report for the financial year ended 30 June 2018 was put to the shareholders of the Company at the AGM held on 26 November 2018. 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 2019 (2018: $nil).

K Loans from KMP

There were no loans from any KMP during the year ended 30 June 2019 (2018: $nil).

L Other transactions with KMP

Legal fees paid to Steinepreis Paganin Lawyers & Consultants

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

Conulting fees paid to Billandbry Consulting Pty Ltd

Consulting fees of $5,000 were paid to Billandbry Consulting Pty Ltd during the 2019 financial year, 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 2019.

End of Audited Remuneration Report

Directors' Report

14. 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.

15. 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.

16. 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.

17. ENVIRONMENTAL REGULATIONS

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

The Group is subject to environmental regulation in respect to its activities in Angola 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.

18. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

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

- **Ankazohambo Auger Drilling:** The Company plans to complete 130 auger holes at Ankazohambo in the September quarter to test the width and strike of the soil anomaly identified last quarter. The objective of the auger program is to define the extent and orientation of the exploration target for a later drill program.
- **Ankazohambo Geochemical Characterisation:** A geochemical review of the drill core data will be conducted during the September quarter to enhance the understanding of the fluid systems involved in the rare earth mineral deposition.
- **Cabinda Rock Phosphate:** The Angolan Ministry of Mineral Resources and Petroleum has officially announced its intention to launch a public tender in the current half for the phosphate assets in the Cabinda and Zaire provinces of Angola. Minbos has formally expressed interest in receiving the tender documents.

Directors' Report

19. EVENTS SINCE THE END OF THE FINANCIAL YEAR

On 1 July 2019 the Company announced that results from the soil sampling program at the Ambato Rare Earth Project in Madagascar were received. The soil sampling results at Ankazohambo returned grades of up to 11.7% TREO, with 22% of all samples at Ankazohambo greater than 1% TREO.

On 14 August 2019 the Company announced that a program of auger drilling has commenced at its Ambato Rare Earth Project in Madagascar. The auger drilling program builds on the 21-hole (totaling 838m) diamond drilling program completed in 2018 which included handheld XRF TREO grades of u to 16.5%.

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

20. 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.

21. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead Auditor's Independence Declaration is set out on page 26 and forms part of the Directors' Report for the financial year ended 30 June 2019.

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

Mr Peter Wall
Non-Executive Chairman
27 September 2019

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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 2019, 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.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 27 September 2019

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.	***Lay solid foundations for management and oversight***
1.1	**Companies should disclose the respective roles and responsibilities of its board and management and those matters expressly reserved to the board and those delegated to management.**
	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. The roles and responsibilities of the Board include: • 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

1.	***Lay solid foundations for management and oversight***
	The roles and responsibilities of management include: • 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	**Companies should undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director and provide security holders with all material information. Companies should also 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.**
	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. 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: • 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	**Companies should have a written agreement with each director and senior executive setting out the terms of their appointment.**
	All Directors and senior executives are appointed through a written agreement that sets out their duties, rights and responsibilities. Directors Deed of Appointments include the following matters: • 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.

Corporate Governance Statement

1.4	**The company secretary should be accountable directly to the board, through the chair on all matters to do with the proper functioning of the Board.**
	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. The Company Secretary is responsible for: • 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	**The company should have a diversity policy which include requirements for the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and progress in achieving them. The company should disclose that policy or a summary of it and its progress towards achieving the objectives.**
	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. 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. The Company has one female Director and four male Directors. The current management is comprised of one female and two male managers. The Company intends to appoint additional female Directors and managers should a vacancy arise, and appropriately qualified and experienced individuals are available.
1.6	**Companies should disclose the process for periodically evaluating the performance of the board, its committees and individual directors. The entity should disclose whether a performance evaluation was undertaken during the reporting period in accordance with that process.**
	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. The performance of the Board has been reviewed and evaluated internally during the period.
1.7	**Companies should disclose the process for periodically evaluating the performance of its senior executives. The entity should disclose whether a performance evaluation was undertaken during the reporting period.**
	During the financial year, the senior managers of the Company, excluding Directors, were Lindsay Reed (CEO) and Nick Day (former CFO / Company Secretary). 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. The performance of senior management has been reviewed and evaluated internally during the period.

Corporate Governance Statement

2.	***Structure the board to add value***
2.1	**The board should establish a nomination committee. The nomination committee should be structured so that it:** • **has at least three members** • **consists of a majority of independent directors** • **is chaired by an independent director,** • **disclose the charter and the members of the committee; and** • **disclose the number of times the committee met throughout the period and the individual attendances**
	The Company is currently not of a relevant size that requires the formation of a separate Nomination Committee. 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. 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. When a board vacancy becomes available, the Board will consider the existing mix of skills of the existing Board and define the skill set that will be sought in candidates to fill the vacancy. Directors will review a range of suitable candidates and may obtain the services of a reputable recruitment agent to assist with candidate selection. The most appropriate candidate will be appointed to the role until the Director is elected by members at the next annual general meeting of the Company.
2.2	**The board should disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.**
	The Board has a skills matrix that is reviewed on a regular basis. 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

Corporate Governance Statement

2.3	**The board should disclose the names of the directors considered by the Board to be independent directors and 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.
2.4	**A majority of the board of the company should be independent directors**
	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. 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. 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. 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.
2.5	**The chair of the board should be an independent director and should not be the same person as the CEO.**
	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.

Corporate Governance Statement

2.6	**The company should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain their skills and knowledge needed to perform their roles as directors effectively.**
	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. The Board encourages directors to continue their education and maintain the skills required to discharge their duties by providing professional development opportunities. 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.

3.	**Act ethically and responsibly**
3.1	**Companies should establish a code of conduct for its directors, senior executives and employees and disclose the code or a summary of the code.**
	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: 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.

4.	***Safeguard integrity in corporate reporting***
4.1	**The board should have an audit committee. The audit committee should be structured so that it:** • **has at least three members;** • **consists only of non-executive directors;** • **consists of a majority of independent directors;** • **is chaired by an independent chair, who is not chair of the board;** • **has a formal charter and disclose the charter of the committee;** • **disclose the relevant qualifications and experience of the members of the committee; and** • **the number of times the committee met throughout the period and the individual attendances.** **If the company does not have an audit committee disclose the fact and the process it employs that independently verify and safeguard the integrity of its corporate reporting, including the process for appointment and removal of the external auditor and rotation of the engagement partner**
	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. Matters typically dealt with the Audit Committee are currently dealt with by the Board of Directors. 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. 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.

Corporate Governance Statement

4.2	**The board should before it meets to approve the entity's financial statements for a financial period receive from its Chief Executive Officer and the Chief Financial Officer 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 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.**
	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. 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.
4.3	**The company's external auditor should attend the AGM and must be available to answer questions from security holder relevant to the audit**
	The Company's auditor attends each AGM. The Chairman allows a reasonable opportunity for the security holders to ask the auditor questions about: • the conduct of the audit; • the preparation and content of the auditor's report; • the accounting policies adopted by the Company in relation to the preparation of the financial statements; and • the independence of the auditor in relation to the conduct of the audit. Security holders can also provide written questions before the AGM. A list of these questions will be distributed at the meeting and the Chairman will allow reasonable opportunity for the auditor to respond to the questions.

5.	***Make timely and balanced disclosure***
5.1	**Companies should have a written policy for complying with its continuous disclosure obligations under the Listing Rules and disclose the policy or a summary of it**
	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. 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. The Company Secretary has been nominated as the person responsible for communicating with ASX on behalf of the Company. This role includes liaising with the Directors and senior management to ensure all necessary compliance with disclosure requirements has been met.

Corporate Governance Statement

6.	*Respect the rights of security holders*
6.1	**Companies should design a communications policy for promoting effective communication with security holders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.**
	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. 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. Security holders are encouraged to attend and participate at general meetings and are given the opportunity to ask questions at the meetings.
6.2	**Companies should design and implement an investor relations program to facilitate effective two way communication with investors.**
	The Company is committed to ensure that investors are kept fully and regularly informed about major developments concerning the Company through efficient, effective and timely communication. The Board actively engages with security holders at general meetings and annual general meetings. 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. 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.
6.3	**Companies should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.**
	The Company is committed to provide security holders with the opportunity to participate in all general meetings and annual general meetings. 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 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.
6.4	**Companies should give security holders the option to receive communications from, and send communications to the entity and its security register electronically**
	Security holders have the option to receive communication from the Company and the share register electronically. The Company provides the option on the website for all investors or interested to subscribe to e-mail alerts from the Company. The Company has provided the opportunity (via the website) for security holders to make electronic enquires to the company and to the security register. The electronic contact details for the security registry is included in the Corporate Directory section of the website.

Corporate Governance Statement

7.	***Recognise and manage risk***
	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. Matters typically dealt with the Risk Committee are currently dealt with by the Board of Directors. 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. 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. The Board has adopted a formal audit and risk committee charter as disclosed in the Corporate Governance Plan available on the Company's website. 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.
7.2	**The board should review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and disclose in relation to each reporting period whether such a review has taken place.**
	The Company has a risk management framework in place that is based on the principles of AS/NZS 31000:2009 and the ASX Corporate governance principles and recommendations. During the period under review, Management and Board of the Company, reviewed the risk management framework and made amendments as required.
7.3	**The board should disclose if it has an internal audit function, how the function is structured and what role it performs or if it does not have an internal audit function the fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.**
	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.
7.4	**A company should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does how it manages or intends to manage those risks**
	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. 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.

Corporate Governance Statement

8.	***Remunerate fairly and responsibly***
8.1	**The board should establish a remuneration committee which:** • **has at least three members a majority of whom are independent directors;** • **is chaired by an independent director and** • **disclose the charter of the committee** • **the members of the committee** • **the number of times the committee met throughout the period and the individual attendances** **If the Company does not have a remuneration committee disclose the fact and the process 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**
	The Board has not established a remuneration committee at this point in the Company's development. It is considered that the size of the Board along with the level of activity of the Company and the number of Independent Directors renders this impractical. The full Board considers in detail all of the matters for which the Directors are responsible. The remuneration philosophy, structure and approvals process is explained in detail in Section 12 of the audited Remuneration Report contained within the Directors' Report.
8.2	**The company should separately disclose its policies and practices regarding the remuneration of non –executive directors and the remuneration of executive directors and other senior executives:**
	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 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 12 of the audited Remuneration Report contained within the Directors' Report.
8.3	**Companies which has an equity based remuneration scheme should 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 disclose that policy or a summary of it.**
	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.

Consolidated Statement of Profit or Loss & Other Comprehensive Income

	Notes	30-Jun-19	30-Jun-18
		$	$
Other income from continuing operations	7	**56,284**	30,759
Administration expenses	8	**(462,336)**	(549,896)
Business development		**(10,575)**	-
Depreciation expense		**(18,509)**	(16,713)
Due diligence & exploration expenditure on the Ambato project	9	**(744,471)**	(122,030)
Exploration expenditure Cabinda project		**(49,357)**	(563,609)
Foreign exchange gain / (loss)		**16,732**	(497)
Impairment of investment in associate	20	**-**	(13,591,377)
Loss on disposal of plant and equipment	14	**-**	(859)
Loss on disposal of subsidiaries	8	**-**	(20)
Personnel expenses and director fees	8	**(503,081)**	(807,717)
Share-based payments	21	**-**	87,512
Share of net loss from associate	20	**-**	(6,025,208)
Loss from continuing operations before income tax		**(1,715,313)**	(21,559,655)
Income tax (expense) / benefit	10	**-**	3,935,637
Loss from continuing operations after income tax		**(1,715,313)**	(17,624,018)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**-**	576,806
Reclassification to profit and loss on disposal of foreign subsidiary		**-**	392
Other comprehensive income for the year, net of tax		**-**	577,198
Total comprehensive loss for the year		**(1,715,313)**	(17,046,820)
Loss for the year is attributable to the owners of Minbos Resources Limited		**(1,715,313)**	(17,624,018)
Total comprehensive loss for the year is attributable to the owners of Minbos Resources Limited		**(1,715,313)**	(17,046,820)
Loss per share attributable to ordinary equity holders			
- Basic loss per share	11	**(0.0003)**	(0.007)
- Diluted loss per share	11	**(0.0003)**	(0.007)

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-19	30-Jun-18
		$	**$**
ASSETS			
Current assets			
Cash and cash equivalents	12	**2,232,905**	3,925,570
Trade and other receivables	13	**22,787**	50,318
Total current assets		**2,255,692**	3,975,888
Non-current assets			
Plant and equipment	14	**21,222**	36,360
Total non-current assets		**21,222**	36,360
Total assets		**2,276,914**	4,012,248
LIABILITIES			
Current liabilities			
Trade and other payables	15	**119,637**	112,231
Provisions	16	**18,444**	45,871
Total current liabilities		**138,081**	158,102
Total liabilities		**138,081**	158,102
Net assets		**2,138,833**	3,854,146
EQUITY			
Issued capital	17	**40,567,812**	40,567,812
Reserves	18	**4,614,510**	4,614,510
Accumulated losses	19	**(43,043,489)**	(41,328,176)
Total equity		**2,138,833**	3,854,146

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 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**

	Issued Capital $	Share-based Payment & Option Reserve $	Employee Share Plan Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
At 1 July 2017	37,078,599	87,512	459,184	3,578,128	(23,704,158)	17,499,265
Comprehensive income:						
Loss for the year	-	-	-	-	(17,624,018)	(17,624,018)
Other comprehensive income	-	-	-	577,198	-	577,198
Total comprehensive income / (loss) for the year	-	-	-	577,198	(17,624,018)	(17,046,820)
Transactions with owners in their capacity as owners:						
Issue of share capital	3,574,831	-	-	-	-	3,574,831
Capital raising costs	(85,618)	-	-	-	-	(85,618)
Share-based payments	-	(87,512)	-	-	-	(87,512)
At 30 June 2018	40,567,812	-	459,184	4,155,326	(41,328,176)	3,854,146

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

Consolidated Statement of Cash Flows

		30-Jun-19	30-Jun-18
		$	$
Cash flows from operating activities			
Payment to suppliers and employees		**(962,790)**	(1,439,810)
Payment for exploration and evaluation expenditure		**(780,658)**	(713,010)
Interest received		**53,786**	33,826
Net cash outflow from operating activities	12(c)	**(1,689,662)**	(2,118,994)
Cash flows from investing activities			
Payment for plant and equipment		**(3,371)**	(34,976)
Net cash outflow from investing activities		**(3,371)**	(34,976)
Cash flows from financing activities			
Proceeds from the issue of shares and payment for issue costs		**(16,763)**	3,475,976
Net cash (outflow) / inflow from financing activities		**(16,763)**	3,475,976
Net (decrease) / increase in cash and cash equivalents		**(1,709,796)**	1,322,006
Cash and cash equivalents at the beginning of the year		**3,925,570**	2,603,564
Effect of exchange rate fluctuations on cash held		**17,131**	-
Cash and cash equivalents at the end of the year	12(a)	**2,232,905**	3,925,570

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 2019 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 27 September 2019.

(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 2019 the group recorded a loss of $1,715,313, net cash outflows from operating activities of $1,689,662 and had net working capital of $2,117,611. Furthermore, the Consolidated Entity has not generated revenues from operations during the year.

The directors believe that the going concern basis of preparation is appropriate as the Group has sufficient cash balance to fund its exploration and corporate activities for the next twelve months.

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

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The new accounting policies are disclosed below.

➢ **AASB 9 Financial Instruments**

AASB 9 Financial Instruments replaces the provisions of AASB 139 Financial Instruments: Recognition and Measurement that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 from 1 July 2018 resulted in no material changes in accounting policies and adjustments to the amounts recognised in the financial statements. The Company assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate AASB 9 categories.

There was no impact on the amounts recognised in the financial statements as a result of adoption.

Notes to the Consolidated Financial Statements

- **AASB 15 Revenue from Contracts with Customers**

AASB 15 Revenue from contracts with customers replaces AASB 118 Revenue. AASB 15 was adopted by the Group on 1 July 2018. AASB 15 provides a single, principles-based five step model to be applied to all contracts with customers.

The Group has considered AASB 15 in detail and determined that the impact on the Group's sales revenue from contracts under AASB 15 is insignificant on transition date, 1 July 2018, and at reporting date 30 June 2019. Noting that the Company is yet to be in production and selling product and interest income is the principal source of revenue at present.

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

The Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual period ended 30 June 2019. The Group intends to adopt these standards and interpretations if applicable, when they become effective.

Nature of Change	Application Date	Impact on Initial Application
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. Lessor accounting remains largely unchanged from AASB 117.	Annual reporting periods beginning on or after 1 January 2019.	When this standard is first adopted from 1 July 2019, there will be minimal impact on transactions and balances recognised in the financial statements.

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 2018 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 $744,471 (2018: $122,030), 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 period, 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 $49,357 (2018: $563,609), which was reclassified through the profit or loss as the the Angolan National Directorate of Mineral Resources issued Mongo Tando LDA (Mongo Tando) with a Notice of Termination for the Mineral investment Contracts for Prospecting of the Phosphate Rock in the province of Cabinda during the financial year.

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-19	30-Jun-18
	$	$
Other income		
Interest income	**56,284**	30,759
	56,284	30,759

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-19	30-Jun-18
	$	$
Administration expenses		
Advertising and marketing expenses	**7,361**	38,095
Compliance and regulatory expenses	**158,759**	143,297
Computer expenses	**9,923**	16,150
Consulting and corporate expenses	**4,492**	109,898
Insurance expense	**28,008**	27,326
Legal expenses	**21,718**	58,293
Provision for doubtful debts	**3,000**	5,483
Rent expense	**55,660**	63,968
Seminar and conference expenses	**54,371**	4,080
Travel and accommodation expenses	**65,823**	14,885
Other administration expenses	**53,221**	68,421
	462,336	549,896
Personnel expenses and director fees		
Wages and salaries, including superannuation	**333,458**	663,717
Director fees and other benefits	**153,000**	144,000
Other employee expenses	**16,623**	-
	503,081	807,717
Loss on disposal of subsidiaries		
Loss on disposal of subsidiaries (i)	**-**	20
	-	20

(i) During the 2018 financial year the Company deregistered its South African subsidiary, Tunan Mining Pty Ltd. The Company recognised a loss of $20 at 30 June 2018 as the subsidiary was deconsolidated from the Group. At 30 June 2018 the foreign currency translation reserve carrying value of $392 was transferred to profit and loss.

Notes to the Consolidated Financial Statements

9. DUE DILIGENCE & EXPLORATION EXPENDITURE ON THE AMBATO PROJECT

	30-Jun-19	30-Jun-18
	$	$
Due diligence & exploration expenditure on the Ambato project (i)	**744,471**	122,030
	744,471	122,030

(ii) Exploration expenditure in relation to the Ambato Project has not been capitalised on the balance sheet at 30 June 2019 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 period, 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:

	30-Jun-19	30-Jun-18
	$	$
Accounting loss before income tax	**(1,715,313)**	(21,559,655)
At the entity's Australian statutory income tax rate of 30% (2018: 30%)	**(514,594)**	(7,307,465)
At the entity's DRC statutory income tax rate of 30% (2018: 30%)	**-**	(745)
Adjusted for tax effect of the following amounts:		
Non-deductible / taxable items	**240,544**	6,976,522
Non-taxable / deductible items	**-**	(27,578)
Income tax benefits not brought to account	**274,050**	359,266
Income tax expense / (benefit)	**-**	-

(b) Recognised deferred tax assets and liabilities

	30-Jun-19	30-Jun-18
Deferred tax liabilities	**$**	$
Investment in associate		
Opening balance	**-**	**3,935,637**
Charges / (credited) to income	-	(3,935,637)
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:

	30-Jun-19	30-Jun-18
	$	$
On income tax account:		
Carried forward tax losses	3,279,512	2,987,262
Deductible temporary differences	19,217	31,512
Unrecognised deferred tax assets	**3,298,729**	**3,018,774**

The Group has Australian carried forward tax losses of $10,931,707 (tax effected at 30%, $3,279,512) as at 30 June 2019 (2018: $9,957,539 (tax effected at 30%, $2,987,262)). In view of the Group's trading position, the Directors have not included this tax benefit in the Group's Consolidated Statement of Financial Position. A tax benefit will only be recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

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

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 2019 was based on the loss attributable to ordinary shareholders of $1,715,313 (2018: $17,624,018) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2019 of 2,681,878,266 (2018: 2,681,878,266) calculated as follows:

	30-Jun-19	30-Jun-18
Net loss attributable to the ordinary equity holders of the Group ($)	**(1,715,313)**	(17,624,018)
Weighted average number of ordinary shares for basis per share (No)	**5,654,561,320**	2,681,878,266
Continuing operations		
- Basic and diluted loss per share ($)	**(0.0003)**	(0.007)

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-19	30-Jun-18
	$	$
Cash at bank and in hand	**212,905**	3,905,570
Short-term deposit	**2,020,000**	20,000
	2,232,905	3,925,570

(b) Interest rate risk exposure

The Group's exposure to interest rate risk is discussed in Note 22: Financial Risk Management.

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

	30-Jun-19	30-Jun-18
	$	$
Loss for the financial year	**(1,715,313)**	(17,624,018)
Adjustments for:		
Depreciation expense	**18,509**	16,713
Foreign currency translation	**(16,732)**	497
Share-based payments	**-**	(87,512)
Share of net loss from associate	**-**	6,025,208
Loss on disposal of plant and equipment	**-**	859
Loss on disposal of subsidiaries	**-**	20
Impairment of investment in associate	**-**	13,591,377
Income tax expense / (benefit)	**-**	(3,935,637)
Change in assets and liabilities		
Decrease / (increase) in trade and other receivables	**27,152**	(7,782)
Increase / (decrease) in trade and other payables	**24,149**	(84,278)
Decrease in provisions	**(27,427)**	(14,441)
Net cash used in operating activities	**(1,689,662)**	(2,118,994)

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-19	30-Jun-18
	$	$
Trade receivables	-	275
Other receivables (i)	1,500	4,500
Indirect taxes receivable	7,575	15,652
Prepayments	10,205	28,882
Accrued interest	3,507	1,009
	22,787	50,318

(i) Other receivables

On 5 December 2012 Minbos signed a binding loan agreement with Robert McCrae (former Chief Executive Officer) to repay his outstanding loan by 31 May 2013 and provide Minbos with security over 1,500,000 of the Company's shares for the outstanding loan. At 30 June 2019 the loan had not been repaid, the Company therefore made a provision against the unrecoverable portion of the loan. The outstanding balance at 30 June 2019 was $1,500 (2018: $4,500) being the value of the 1,500,000 Minbos shares held as security.

RECOGNITION AND MEASUREMENT

Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any loss allowance. Trade receivables are generally due for settlement within 14 days.

Goods and Services Tax ('GST')

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

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

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

Other receivables

Other receivables are recognised at amortised cost, less any loss allowance. Other receivables do not contain impaired assets and are not past due. Based on the credit history, it is expected that these other balances will be received when due.

Impairment of assets

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

Notes to the Consolidated Financial Statements

14. PLANT AND EQUIPMENT

	Computer Equipment $	Furniture & Fittings $	Total $
Year ended 30 June 2019			
Opening net book amount	33,002	3,358	**36,360**
Additions	3,371	-	**3,371**
Depreciation charge	(18,010)	(499)	**(18,509)**
Closing net book amount	**18,363**	**2,859**	**21,222**
At 30 June 2019			
Cost	55,638	3,979	**59,617**
Accumulated depreciation	(37,275)	(1,120)	**(38,395)**
Net book amount	**18,363**	**2,859**	**21,222**

	Computer Equipment $	Furniture & Fittings $	Total $
Year ended 30 June 2018			
Opening net book amount	23,405	3,855	**27,260**
Additions	26,672	-	**26,672**
Disposals	(859)	-	**(859)**
Depreciation charge	(16,216)	(497)	**(16,713)**
Closing net book amount	**33,002**	**3,358**	**36,360**
At 30 June 2018			
Cost	52,267	3,979	**56,246**
Accumulated depreciation	(19,265)	(621)	**(19,886)**
Net book amount	**33,002**	**3,358**	**36,360**

RECOGNITION AND MEASUREMENT

Owned assets

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

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

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

Subsequent costs

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

Notes to the Consolidated Financial Statements

Depreciation

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

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

- Computer equipment: 3 years
- Furniture & Fittings: 6 to 10 years

The residual value, the useful life and the depreciation method applied to an asset are reviewed at each financial year end and if appropriate, adjusted.

15. TRADE AND OTHER PAYABLES

	30-Jun-19	30-Jun-18
	$	$
Trade creditors	**66,002**	35,789
Accruals	**35,239**	46,833
Superannuation payable	**6,865**	12,335
PAYG payable	**11,531**	17,274
	119,637	112,231

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.

16. PROVISIONS

	30-Jun-19	30-Jun-18
	$	$
Provision for annual leave	**18,444**	45,871
	18,444	45,871

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.

17. CONTRIBUTED EQUITY

(a) Issued and fully paid

	30-Jun-19		30-Jun-18	
	$	**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 2017		**2,458,505,660**		**37,078,599**
Issue of share as consideration for services (i)	6/04/2018	10,000,000	0.003	30,000
Issue of share via placement (ii)	14/05/2018	358,775,000	0.002	717,550
Issue of shares via rights issue (iii)	6/06/2018	2,490,934,016	0.001	2,490,934
Issue of shares via rights issue shortfall (iv)	18/06/2018	336,346,644	0.001	336,347
Equity costs	-	-	-	(85,618)
Balance 30 June 2018		**5,654,561,320**		**40,567,812**
Balance 30 June 2019		**5,654,561,320**		**40,567,812**

(i) On 6 April 2018, the Company issued 10,000,000 shares at $0.003 per share as consideration for $30,000 worth of due-diligence services invoiced by Industrial Minerals Company Australia to the Company.

(ii) On 14 May 2018, the Company completed a capital placement and issued 358,775,000 fully paid ordinary shares at $0.002 per share to raise $717,550.

(iii) On 6 June 2018, the company completed its non-renounceable rights issue and issued 2,490,934,016 fully paid ordinary shares at $0.001 per share to raise $2,490,934.

(iv) On 18 June 2018, the company successfully completed the placement of the rights issue shortfall of 336,346,644 fully paid ordinary shares issued at $0.001 per share to raise $336,347.

(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.

Notes to the Consolidated Financial Statements

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.

18. RESERVES

	30-Jun-19		30-Jun-18	
	$	**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-19	30-Jun-18
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**	3,578,128
Effect of translation of foreign currency operations to group presentation currency	**-**	577,198
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.

The Company approved remuneration of 37,000,000 shares to Mr Reed during the 2015 financial year at an exercise price of $0.003 subject to certain vesting conditions. During the prior year ended 30 June 2017, the entire employee benefits expense in relation to these shares was recognised by the Company. The vesting conditions in relation to these shares were met during the 2018 financial year.

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

Notes to the Consolidated Financial Statements

19. ACCUMULATED LOSSES

	30-Jun-19	30-Jun-18
	$	$
Movement in accumulated losses		
Balance at the beginning of the financial year	**(41,328,176)**	(23,704,158)
Net loss in current year	**(1,715,313)**	(17,624,018)
Balance at the end of the financial year	**(43,043,489)**	(41,328,176)

20. NET INVESTMENT IN ASSOCIATE

As part of the acquisition of Tunan Mining Limited in the 2011 financial year, Minbos acquired a 50% interest in Mongo Tando Limited, a Company incorporated in the British Virgin Isles. By virtue of holding less than 50% of the voting rights the entity has been accounted for as an Investment in an Associate.

	30-Jun-19	30-Jun-18
	$	$
Movement reconciliation		
Balance at the beginning of the financial year	-	19,041,535
Exchange differences	-	575,050
Share of net loss in associate	-	(6,025,208)
Impairment of loan to associate (refer note 28: Related Parties) (i)	-	(5,901,442)
Impairment of investment in associate (i)	-	(7,689,935)
Balance at the end of the financial year	-	-

(i) During the 2018 financial year Minbos issued a notice of termination for the SSA with Petril and each of the shareholders of Petril, under which Minbos agreed to acquire all the shares of Petril subject to the satisfaction, or waiver, of conditions precedent by the end date of 24 October 2017. The conditions precedent were not satisfied by the end date and were not waived by the parties. Given the material uncertainties with the Joint Venture as indicated by the termination of the share sale agreement with Petril, management decided to assess the recoverable amount of the asset as nil and fully impaired the loan.

On 30 November 2018, the Company announced that the Angolan National Directorate of Mineral Resources issued Mongo Tando LDA (Mongo Tando) with a Notice of Termination for the Mineral investment Contracts for Prospecting of the Phosphate Rock in the province of Cabinda.

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

	30-Jun-19	30-Jun-18
	$	$
Administration expenses	-	(7,858)
Finance costs	-	(1,458)
Impairment of exploration and evaluation expenditure	-	(12,041,098)
Loss from continuing operations before income tax	-	(12,050,414)
Income tax expense	-	-
Loss from continuing operations after income tax	-	(12,050,414)

Notes to the Consolidated Financial Statements

(b) Statement of Financial Position of the associate

	30-Jun-19	30-Jun-18
ASSETS	**$**	$
Current assets		
Cash and cash equivalents	-	115
Total current assets	-	115
Total assets	-	115
LIABILITIES		
Current liabilities		
Trade and other payables	-	41,466
Borrowings	-	15,587,686
Total current liabilities	-	15,629,152
Total liabilities	-	15,629,152
Net liabilities	-	(15,629,037)
Minbos share of total equity (50%)	-	(7,814,519)
Fair value of exploration and evaluation on acquisition (i)	-	15,504,454
Loan advanced	-	5,901,442
Impairment of investment in associate	-	(13,591,377)
Carrying amount of the investment in associate	-	-

(i) The movement in fair value on acquisition relates to foreign exchange movements on translation of balances denominated in US dollars.

(c) Summarised financial information of associates

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

		Ownership interest	Assets	Liabilities	Revenue	Loss
		%	$	$	$	$
Mongo Tando Limited	**30-Jun-19**	**50%**	**-**	**-**	**-**	**-**
Mongo Tando Limited	30-Jun-18	50%	58	(7,814,576)	-	(6,025,208)

(d) Contingent liabilities of the associate

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

Notes to the Consolidated Financial Statements

21. SHARE-BASED PAYMENTS

(a) Recognised share-based payment expense / (credit)

	Value recognised during period	Value recognised in prior years	Value to be recognised in future years
	$	$	$
Performance rights issued to Sofosa	-	27,385	-
Performance rights reversed on expiry (not vested)	-	(114,897)	-
	-	**(87,512)**	**-**

(b) Fair value of performance rights granted

During the 2015 financial year, the Company issued performance rights to Sofosa, a related party consultant that can convert up to a total of 237,829,976 fully paid ordinary shares in Minbos. These performance rights were issued in two tranches, with each Tranche having different performance milestones.

Tranche 1: The first class of performance rights can convert to a total of 178,372,482 fully paid ordinary shares (75% of 237,829,976 shares) subject to Sofosa satisfying performance milestones within 24 months from the date of the agreement. Tranche 1 performance rights have the following performance conditions (all conditions must be satisfied):

- Grant of the new exploration permits for the Cabinda project (Completed),
- Sofosa transferring all of the shares it holds in Mongo Tando Ltda to Minbos or its nominee (Minbos and Petril are in the process of obtaining ANIP approval to transfer the shares to Mongo Tando Limited BVI),
- Strategically supporting Minbos and its corporate initiatives.

These performance rights expired on the 27 January 2017 without vesting.

Tranche 2:

The second class of performance rights can convert to a total of 59,457,494 fully paid ordinary shares (25% of 237,829,976 shares) subject to Minbos receiving a licence to Mine on the Cabinda project within 36 months from the date the agreements and pursuant to Sofosa's assistance.

These performance rights expired on 27 January 2018 and an adjustment to reverse the expense was therefore recognised during the previous financial year (refer table (a) above).

Notes to the Consolidated Financial Statements

22. 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:

	30-Jun-19	30-Jun-18
	$	$
Financial assets		
Cash and cash equivalents	**2,232,905**	3,925,570
Trade and other receivables	**22,787**	50,318
	2,255,692	3,975,888
Financial liabilities		
Trade and other payables	**119,637**	112,231
	119,637	112,231
Net exposure	**2,136,055**	3,863,657

(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:

	30-Jun-19		30-Jun-18	
	Weighted average interest rate	**Balance $**	Weighted average interest rate	Balance $
Cash and cash equivalents	**1.87%**	**2,232,905**	0.74%	3,925,570

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 2019, 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-19	30-Jun-18	**30-Jun-19**	30-Jun-18
	$	$	**$**	$
Judgements of reasonably possible movements:				
+ 1.0% (100 basis points)	**15,630**	27,479	**-**	-
- 1.0% (100 basis points)	**(15,630)**	(27,479)	**-**	-

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-19	30-Jun-18
	$	$
Cash at bank and short-term bank deposits:		
Financial institutions - Standard & Poor's rating of AA-	**2,232,833**	3,925,498
Financial institutions - Other	**72**	72
	2,232,905	3,925,570

(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 2019.

Contractual maturities of financial liabilities	<6 months $	>6-12 months $	>12 months $	Total contractual cash flows $	Carrying amount $
30-Jun-19					
Trade and other payables	119,637	-	-	119,637	119,637
	119,637	**-**	**-**	**119,637**	**119,637**
30-Jun-18					
Trade and other payables	112,231	-	-	112,231	112,231
	112,231	**-**	**-**	**112,231**	**112,231**

(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 2019 and 30 June 2018 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.

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.

Notes to the Consolidated Financial Statements

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 it 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.

23. 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.

During the financial year the Angolan National Directorate of Mineral Resources issued Mongo Tando LDA (Mongo Tando) with a Notice of Termination for the Mineral investment Contracts for Prospecting of the Phosphate Rock in the province of Cabinda. The Angolan Ministry of Mineral Resources and Petroleum (MIREMPET) has officially announced its intention to launch a public tender in the current half for the phosphate assets in the Cabinda and Zaire provinces of Angola. Minbos has formally expressed interest in receiving the tender documents and is currently preparing its tender for the Rock Phosphate Exploration Licenses in Angola with its local partner. As Minbos does not currently have tenure to the Angolan Phosphate Project, the Company deems that its main operating segment is its rare earth minerals in Madagascar.

The Board considers its business operations in rare earths 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.

Notes to the Consolidated Financial Statements

24. COMMITMENTS

There are no material commitments as at 30 June 2019.

25. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no other contingent liabilities or contingent assets as at 30 June 2019.

26. DIVIDENDS

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

27. PARENT ENTITY

	30-Jun-18	30-Jun-18
	$	$
Current Assets	**2,255,620**	3,975,816
Non-Current Assets	**21,222**	36,360
Total Assets	**2,276,842**	4,012,176
Current Liabilities	**138,081**	158,102
Total Liabilities	**138,081**	158,102
Net Assets	**2,138,761**	3,854,074
Contributed equity	**40,567,812**	40,567,812
Reserves	**4,614,510**	4,614,510
Accumulated losses	**(43,043,561)**	(41,328,248)
Total Equity	**2,138,761**	3,854,074
Loss for the year	**(1,715,313)**	(20,643,072)
Other comprehensive loss for the year	**-**	-
Total comprehensive loss for the year	**(1,715,313)**	(20,643,072)

Notes to the Consolidated Financial Statements

28. RELATED PARTIES

(a) Ultimate parent

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

(b) Subsidiary companies

Interests in subsidiaries are set out in Note 29: Subsidiaries and Transactions with Non-Controlling Interests.

(c) KMP compensation

	30-Jun-19	30-Jun-18
	$	$
Short-term employee benefits	**456,815**	560,279
Post-employment benefits	**30,464**	39,972
Equity compensation benefits	**-**	-
	487,279	600,251

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) Loans to Associate

	30-Jun-19	30-Jun-18
	$	$
Balance at the beginning of the financial year	**-**	5,901,442
Loans advances	**-**	-
Loan repayments made	**-**	-
Interest charged	**-**	-
Interest paid	**-**	-
Impairment of loan (i)	**-**	(5,901,442)
Balance at the end of the financial year	**-**	-

(ii) During the 2018 financial year Minbos issued a notice of termination for the SSA with Petril and each of the shareholders of Petril, under which Minbos agreed to acquire all the shares of Petril subject to the satisfaction, or waiver, of conditions precedent by the end date of 24 October 2017. The conditions precedent were not satisfied by the end date and were not waived by the parties. Given the material uncertainties with the Joint Venture as indicated by the termination of the share sale agreement with Petril, management decided to assess the recoverable amount of the asset as nil and fully impaired the loan.

The loan to Associate was an unsecured interest-free loan for the purpose of obtaining the required working capital for the establishment and ongoing operation of the Project in Angola. Petril Phosphates Limited, the ultimate 50% holder in the Associate, along with Minbos' ultimate 50% holding in the Associate, each contributed in equal portions loans receivable.

(e) 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 (2018: Nil).

Notes to the Consolidated Financial Statements

(f) Transactions with other related parties

	30-Jun-19	30-Jun-18
	$	$
Legal services - Steinepreis Paganin Lawyers & Consultants (i)		
(a firm in which Peter Wall is a partner)	**18,165**	80,831
Consulting services - Billandbry Consulting Pty Ltd (ii)		
(a Company in which William Oliver is a Director / Shareholder)	**5,000**	-
Corporate services - Aesir Capital Pty Ltd (iii)		
(a Company in which Damian Black is a Director / Shareholder)	**-**	47,358
Agreements with strategic Angolan partner - Sofosa (iv)		
Company in which Domingos Catulichi is a shareholder and Director		
- Support and services on the Cabinda Project	**-**	96,421
- Performance rights (refer note 21)	**-**	(87,512)

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

(ii) Consulting fees paid to Billandbry Consulting Pty Ltd
Consulting fees of $5,000 were paid to Billandbry Consulting Pty Ltd during the 2019 financial year, 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.

(iii) Corporate fees paid to Aesir Capital Pty Ltd
Corporate fees of $47,358 in relation to the May 2018 placement, were paid to Aesir Capital Pty Ltd during the 2018 financial year, of which Mr Damian Black, Director, is a Director and shareholder. The placement fee is an industry standard fee and negotiated on arm's length commercial terms.

(iv) Agreements with strategic Angolan partner
During the 2015 financial year, Minbos concluded agreements with Sofosa to advance and progress the Cabinda project, a Company of which Mr Catulichi (Non-Executive Director) is a shareholder and Director. Sofosa provide support and services on the Cabinda project for a payment of US$15,000 per month, up until 30 November 2017. During the 2018 financial year the Company incurred fees from Sofosa of $96,421 (US$75,000).

During the 2015 financial year, Minbos also issued Sofosa with two separate classes of performance rights that can convert up to a total of 237,829,976 fully paid ordinary shares in Minbos. Of this balance, 178,372,482 performance rights expired on the 27 January 2017 and the share-based payment relating to these performance rights was therefore reversed at 30 June 2017. The remaining 59,457,494 performance rights held by Sofosa are convertible into fully paid ordinary shares, subject to receiving a licence to Mine on the Cabinda project, these performance rights expire on 27 January 2018. At 31 December 2017 it was apparent that the milestone would not be achieved, hence an adjustment to reverse the expense was recognised during the 2018 financial year.

Notes to the Consolidated Financial Statements

29. 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 2019:

Name of entity	Country of incorporation	Class of shares	Ownership interest 30/06/2019	Ownership interest 30/06/2018
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%
Phosphalax SPRL (iv)	Democratic Republic of Congo	Ordinary	49%	49%

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

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

(iii) Agrim SPRL is a Company incorporated in the Democratic Republic of Congo which holds a 49% interest in Phosphalux SPRL, a special purpose DRC registered company.

(iv) Phosphalax SPRL is an entity incorporated in the Democratic Republic of Congo.

30. AUDITOR'S REMUNERATION

	30-Jun-19	30-Jun-18
	$	$
Amounts received or due & receivable by BDO Audit (WA) Pty Ltd for:		
An audit or review of the financial report of the entity	**35,217**	40,984
Total auditor remuneration	**35,217**	40,984
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**	1,588
BDO (SA) Pty Ltd - Taxation services of Tunan Mining Pty Ltd	**2,562**	-
Total	**3,142**	1,588

31. EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 1 July 2019 the Company announced that results from the soil sampling program at the Ambato Rare Earth Project in Madagascar were received. The soil sampling results at Ankazohambo returned grades of up to 11.7% TREO, with 22% of all samples at Ankazohambo greater than 1% TREO.

On 14 August 2019 the Company announced that a program of auger drilling has commenced at its Ambato Rare Earth Project in Madagascar. The auger drilling program builds on the 21-hole (totaling 838m) diamond drilling program completed in 2018 which included handheld XRF TREO grades of u to 16.5%.

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

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 2019 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
27 September 2019

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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 2019, 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 2019 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 (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.

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.

We have not identified any key audit matters for Minbos Resources Limited.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

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 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, 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.

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:

http://www.auasb.gov.au/auditors_responsibilities/ar1.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 16 to 23 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Minbos Resources Limited, for the year ended 30 June 2019, 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

Jarrad Prue

Director

Perth, 27 September 2019

Shareholder Information

The following additional information was applicable as at 16 September 2019.

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 764.
- 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	34	3,485	0.00%
1,001 - 5,000	32	89,488	0.00%
5,001 - 10,000	28	209,221	0.00%
10,001 - 100,000	168	7,368,711	0.13%
100,001 - 9,999,999,999	502	5,646,890,415	99.86%
Total	**764**	**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 410 shareholders who hold less than a marketable parcel of shares, amounting to 0.82% 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	38.09

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:

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

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

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

Shareholder Information

7. Top 20 Shareholders of ordinary fully paid shares

The top 20 largest fully paid ordinary shareholders together held 71.04% of the securities in this class and are listed below:

Rank	Holder Name	Securities	% of Issued
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,153,748,215	38.09%
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	GREGORY DENISE PTY LTD <GREGORY DENISE SUPER A/C>	151,611,120	2.68%
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	145,811,508	2.58%
7	PHEAKES PTY LTD <SENATE A/C>	140,033,332	2.48%
8	CITICORP NOMINEES PTY LIMITED	130,918,561	2.32%
9	MR LINDSAY GEORGE REED <THE REED FAMILY A/C>	98,000,000	1.73%
10	MR BRENDAN JAMES BORG & MRS ERIN BELINDA BORG	85,263,651	1.51%
11	MR LINDSAY REED & MRS JENNIE REED <REED SUPER FUND A/C>	82,000,000	1.45%
12	ANDROLYN PTY LTD <A & C HECTOR SUPER FUND A/C>	80,000,000	1.41%
13	RAEJAN PTY LTD <THE MARZEC FAMILY ACCOUNT>	72,000,000	1.27%
14	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	56,445,393	1.00%
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	BRUCE SEVERIN & HELEN SEVERIN <SEVERIN FAMILY S/F A/C>	45,320,134	0.80%
18	SMARTEQUITY EIS PTY LTD	41,000,000	0.73%
19	PRECISION OPPORTUNITIES FUND LTD <INVESTMENT A/C>	40,000,000	0.71%
20	MR LUKE JOHN GLEESON	37,750,000	0.67%
	Total	**4,016,779,066**	**71.04%**

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