Minbos

Resources

Limited

ABN 93 141 175 493

Financial Report
for the Period Ended
30 JUNE 2010

Contents

Corporate Directory

This Annual Report covers Minbos Resources Limited as an individual entity. The Company's functional and presentation currency is AUD ($).

A description of the Company's operations and principal activity is included in the review of operations and activities in the Director's report on pages 4 to 7. The Directors' Report is not part of the Financial Statements.

Directors
Peter Richards (Chairman)
David Reeves
Faldi Ismail
John Ciganek
Domingoes Catulichi

Company Secretary
Sean Henbury

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21 Teddington Road
Burswood WA 6100

Share Registry
Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
T: (08) 9315 2333
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Website
www.minbos.com

Auditors
BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Bankers
National Australia Bank
Unit 14, 10 Livingston Road, Rockingham WA 6168

Solicitors
Steinepreis Paganin
Level 4, The Read Building
16 Milligan Street
Perth WA 6000

Directors' Report

Your Directors present their report on the Company for the financial period ended 30 June 2010.

Directors

The names of the Directors in office during the period and until the date of this report are as follows. All Directors were in office for the entire period unless otherwise stated.

Peter Richards
Executive Chairman

Appointed: 16 June 2010

Mr Richards is an internationally experienced business executive with a proven track record in the mining services industry. His roles have included more than 30 years' experience with companies such as British Petroleum (including its mining arm Seltrust Holdings), Wesfarmers, and Dyno Nobel.

Mr Richards has managed and supported complex financial and corporate activities, with significant exposure to the investment, broking and analyst community. He has international experience with a diversity of cultures and has undertaken business in a range of locations, including Indonesia, Mexico, China, South Africa and Turkey.

Mr Richards was most recently CEO of the ASX-listed Dyno Nobel Limited for 2.5 years. Prior to this he was based in Salt Lake City, USA, where he was the President of Dyno Nobel North America. Following the takeover of Dyno Nobel in 2008, Peter became a Non-Executive Director of Bradken Limited. He is also a Chairman of Kangaroo Resources Ltd and Non-Executive Director of NSL Consolidated Limited, Norfolk Group Limited and Emeco Limited.

Faldi Ismail
Non-executive Director

Appointed: 17 December 2009

Mr Ismail has many years of experience as a corporate consultant specialising in the restructure and recapitalisation of a wide range of ASX-listed companies. Mr Ismail spent +4 years working as a tax supervisor with a major Perth based accounting firm as well as being a senior within their Corporate Restructuring Division.

Mr Ismail operates his own corporate consultancy company and has specialist skills in mergers and acquisitions, capital raisings and investment banking experience covering a wide range of sectors, with a specific focus on the resources sector.

Mr Ismail is currently a director of the following ASX listed companies, Kangaroo Resources Limited, Coventry Resources Limited and Energio Limited.

John Ciganek
Non-executive Director

Appointed: 16 June 2010

Mr Ciganek has over 20 years experience in the mining industry, combining extensive mining engineering and operational experience with more recent experience in resources investment banking.

Mr Ciganek is currently an Associate Director with BurnVoir Corporate Finance working on a range of corporate advisory transactions focused on the mining sector including mergers and acquisitions, project finance and equity capital markets. Mr Ciganek has worked in project and corporate debt finance roles in Institutional Banking at Commonwealth Bank and worked on a range of new mine development project financings and corporate level debt transactions. Mr Ciganek has worked as a mining engineer with various mining companies including ILA Pty Ltd (as part of Hargraves Resources, Danae Resources and Namibian Copper Mines), Byrnecut Mining, Reynolds Yilgarn Gold and Comalco.

Domingoes Catulichi
Non-executive Director

Appointed: 20 July 2010

Mr Catulichi is a mining industry professional and a qualified diamond evaluator. He has over 12 years 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.

David Reeves
Non-Executive Director

Appointed: 20 July 2010

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

Mr Reeves has been involved with mining precious, base and industrial minerals throughout his 20 year career. He has spent the last 10 years in Southern Africa, most recently at Zimplats and Afplats where he was responsible for the feasibilities and development of the projects.

Mr Reeves is currently Managing Director of Southern Minerals, a private resource development company focussed on projects in Africa.

Nathan Taylor
Non-Executive Director

Appointed: 17 December 2009
Resigned: 16 June 2010

Mr Taylor is Co Head of Equity Capital Markets at StoneBridge Securities Limited, a boutique stockbroker headquartered in Sydney.

Prior to joining StoneBridge in late 2008, Mr Taylor worked within the UBS Equity Capital Markets team and prior to this within the Macquarie Bank Equity Capital Markets team.

Throughout his investment banking career, Mr Taylor has been involved in raising over A$6bn for ASX listed companies in the resources and related sectors and over A$10bn for other ASX listed companies.

Prior to working for Macquarie Bank, Mr Taylor worked as a corporate lawyer for Blake Dawson where he was involved in conducting due diligence and structuring a large number of regulated and unregulated M&A transactions.

Mr Taylor intends to leverage his contacts and skill set to originate, assess and structure transactions targeted by the Company.

Mr Athan Lekkas
Non-Executive Director

Appointed: 17 December 2009
Resigned: 16 June 2010

Mr Lekkas has participated in a broad range of business and corporate advisory transactions and projects for a diverse range of ASX listed and unlisted companies, including the banking, mining and corporate finance industries in Australia and abroad. He is experienced particularly in the treasury and financial market sectors including financial feasibility studies for the provision of debt or equity for project funding.

He has analysed and evaluated projects for various public listed and private companies. Mr Lekkas has successfully consulted and presently provided services to a consortium of local and overseas manufacturers, steel mills, and presently has service and supply agreements with various ITW subsidiaries (US Listed Company), Wesfarmers Industrial (ASX listed) and various Bunning principles. The majority of these projects have involved managing the implementation of a strategic plan.

Mr Lekkas has more recently focused and specialised on the restructure and recapitalisation of a wide range of ASX listed companies.

Mr Lekkas has harnessed his valuable network of sophisticated investors in both Australia and abroad, with strategic investments and project advisory.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

Sean Henbury
Company Secretary

Mr Henbury (CA, FTIA) is a Chartered Accountant with over 13 years experience in public practice with three of Perth's major Accounting firms. Recently, he was a founding director of the accounting firm FJH Solutions Pty Ltd, where he continues to provide client support across a wide range of industries including mining, exploration, research and development, construction and manufacturing. Mr Henbury's primary areas of expertise include taxation consulting, taxation compliance, corporate restructuring, financial reporting, and company secretarial requirements. Mr Henbury has extensive experience in all areas of compliance and taxation services.

Mr Henbury has been company secretary of a number of companies and is regularly called upon to advise Directors of their duties.

Principal Activity

Minbos Resources Limited was formed on 17 December 2009. The principal activity of the economic entity during the period was identifying, evaluating and acquiring investment opportunities in the resource sector.

No significant change in the nature of this activity occurred during the period.

Operating Results

The result of the Company from the date of incorporation being 17 December 2009 to 30 June 2010 was a loss of $70,305.

Dividends Paid or Recommended

No dividend has been paid or recommended by the Directors since the commencement of the period.

Review of Operations

Minbos Resources was formed in December 2009 as a vehicle to identify, evaluate and acquire investment opportunities in the resources sector. The Company raised seed capital of $1,070,000.

During early 2010, Minbos Resources entered into an agreement to acquire 100% of Tunan Mining, an exploration and development company with a significant position in a potentially world class undeveloped phosphate project in Angola and additional permits pending approval in the Democratic Republic of Congo (**DRC**) (collectively, the "Projects"). This acquisition will provide Minbos Resources with a 50% equity interest in this world class phosphate undeveloped project including:

- a significant exploration target of P_2O_5;
- minimum infrastructure requirement to reach road and port infrastructure; and
- location proximate to ocean ports provide major operating cost advantage over some international competitors.

The acquisition of Tunan Mining is conditional on Minbos Resources undertaking at least a $6 million equity raising to fund exploration and feasibility of the Projects.

Tunan Mining's exploration licenses, in Angola (granted) and Western DRC (granted and under application), cover a series of phosphate rock prospects.

Tunan Mining holds:

- **Cabinda Phosphate Project** – 50% interest in the Cabinda Phosphate Project which holds one granted prospecting license in Angola. The project contains a significant exploration target of P_2O_5 which was based on historical exploration activities during 1969 to 1983.
- **DRC Phosphate Project** – 100% interest in the DRC Phosphate Project which holds one granted prospecting license and seven license applications in the DRC.

These licenses and applications cover a combined area of 4,126km^2.

Significant Changes in State Of Affairs

No significant changes in the economic entity's state of affairs occurred during the period.

After Balance Date Events

On 27 August 2010, the Company lodged a prospectus with ASIC for an offer of up to 30,000,000 Shares at an issue price of $0.20 each to raise up to $6,000,000, with oversubscriptions of up to a further 10,000,000 shares at an issue price of $0.20 each to raise up to a further $2,000,000 may be accepted.

From this prospectus, the Company raised $8,000,000 from the allotment of 40,000,000 shares at an issue price of $0.20 each.

In accordance with the Notice of Meeting dated 7 May 2010, the Company completed the purchase of Tunan Mining with the issue of 15,000,000 ordinary shares, 25,000,000 Class A shares, and 10,000,000 Class B shares.

In accordance with the Notice of Meeting dated 18 June 2010, the Company issued 6,000,000 Broker Options, 4,000,000 Class "A" Director Options, 2,000,000 Class "B" Director Options and 2,000,000 Class "C" Director Options.

On 14 October 2010, ASX released an announcement that the Company had been admitted to the official list of the ASX and that official quotation of the Company's securities would commence on Monday, 18 October 2010.

Future Developments, Prospects and Business Strategies

The Directors are hopeful the 2010/2011 year will see the Company successfully pursue its pre feasibility of the Projects.

Environmental Issues

The Directors are mindful of the regulatory regime in relation to the impact of the organisational activities on the environment.

There have been no known breaches by the Company during the financial period.

The National Greenhouse and Energy Reporting Act 2007 require the Company to report its annual greenhouse gas emissions and energy use. The Company has considered the requirements and they are not required to report at this stage. The Company will reassess this going forward.

Meetings of Directors

During the period, 3 meetings of Directors were held. Attendances by each Director during the period were as follows:

	Board Meetings	
Director	**Number eligible to attend**	**Number attended**
Peter Richards	-	-
Faldi Ismail	3	3
John Ciganek	-	-
Domingoes Catulichi	-	-
David Reeves	-	-
Nathan Taylor	3	3
Athan Lekkas	3	3

Shares under Option

Unissued ordinary shares of Minbos Resources Limited under option as at the date of this report are as follows:

	No.	Grant Date	Expiry Date	Exercise Price $
Issued 13th October 2010	6,000,000	13/10/10	13/10/13	$0.20
Issued 13th October 2010	4,000,000	13/10/10	13/10/13	$0.20
Issued 13th October 2010	2,000,000	13/10/10	13/10/13	$0.30
Issued 13th October 2010	2,000,000	13/10/10	13/10/13	$0.50
	14,000,000			

No option holder has any right under the options to participate in any other share issue of the Company or any other entity. The options are exercisable at any time on or before the expiry date.

On 13 October 2010, 6,000,000 Broker options were issued with an exercise price of $0.20 on or before 13 October 2013.

On 13 October 2010, 4,000,000 Class "A" Director options were issued to Peter Richards and Domingoes Catulichi with an exercise price of $0.20 on or before 13 October 2013.

On 13 October 2010, 2,000,000 Class "B" Director options were issued to Peter Richards and Domingoes Catulichi with an exercise price of $0.30 on or before 13 October 2013, vesting on 13 October 2011.

On 13 October 2010, 2,000,000 Class "C" Director options were issued to Peter Richards and Domingoes Catulichi with an exercise price of $0.50 on or before 13 October 2013, vesting on 13 October 2012.

No options have been exercised during the period.

Fully paid ordinary shares held by directors as at the date of this report are as follows:

Ordinary Shares 2010 Directors	**Balance at date of report**
Peter Richards	200,000
Faldi Ismail	2,000,000
John Ciganek	250,000
Nathan Taylor	-
Athan Lekkas	1,750,000
Total	4,200,000

Proceedings on Behalf of Company

No person has applied for Leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the period.

Indemnity of Officers and Auditors

During the financial period, the Company paid a premium that cannot be disclosed in respect of a contract insuring the Directors and officers of the Company against a liability incurred by such Directors and officers to the extent permitted by the Corporations Act 2001. The Company has not otherwise, during or since the end of the year, indemnified or agreed to indemnify an officer or an auditor of the company, or of any related body corporate against a liability incurred by such an officer or auditor.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 11.

Non audit services

The Board of Directors, in accordance with advice from the Board, is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

Fees paid for non-audit services to the external auditors were:

	2010 $
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:	
▪ other services	-
Amounts received or due and received by BDO Corporate Finance (WA) Pty Ltd	
▪ Investigating Accountant's Report	12,109
	12,109

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

Peter Richards
Chairman

Perth, Western Australia, 28 October 2010

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38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

29 October 2010

The Directors
Minbos Resources Ltd
21 Teddington Road
BURSWOOD WA 6100

DECLARATION OF INDEPENDENCE BY PETER TOLL TO THE DIRECTORS OF MINBOS RESOURCES LIMITED

As lead auditor of Minbos Resources Limited for the period ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Minbos Resources Limited.

Peter Toll
Director

BDO

BDO Audit (WA) Pty Ltd
Perth, Western Australia

Statement of Comprehensive Income
For the financial period ended 30 June 2010

	Note	2010 $
Revenue from continuing operations	4	14,221
Administrative Expenditure		49,149
Corporate Overheads		10,450
Operating Expenses		927
Director Fees	6	24,000
Loss before income tax		(70,305)
Income tax expense	5	-
Loss after tax from continuing operations		(70,305)
Profit from discontinued operations		-
Net loss for the period		(70,305)
Other comprehensive income for the period, net of tax		-
Total comprehensive income for the period attributable to members of the company		(70,305)
Loss for the period is attributable to:		
Owners of Minbos Ltd		(70,305)
Non-controlling interest		-
		(70,305)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position
As at 30 June 2010

	Note	2010 $
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	8	825,272
Other receivables	9	202,688
TOTAL CURRENT ASSETS		1,027,960
TOTAL ASSETS		1,027,960
CURRENT LIABILITIES		
Trade and other payables	10	109,565
Other liabilities		26,400
TOTAL CURRENT LIABILITIES		135,965
TOTAL LIABILITIES		135,965
NET ASSETS		891,995
EQUITY		
Contributed equity	11	962,300
Accumulated losses		(70,305)
TOTAL EQUITY		891,995

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
For the financial period ended 30 June 2010

	Issued Capital	Accumulated Losses	Other Reserves	Total Equity
	$	$	$	$
Incorporation 17 December 2009	-	-	-	-
Total comprehensive income for the period	-	(70,305)	-	(70,305)
Transactions with owners in their capacity as owners:				
Issue of share capital, net of transaction costs	962,300	-	-	962,300
At 30 June 2010	962,300	(70,305)	-	891,995

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows
For the Financial Period ended 30 June 2010

	Note	2010 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers, consultants and directors		(18,331)
Interest received		11,153
Net cash outflow from operating activities	8	(7,178)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to Tunan Mining		(186,300)
Net cash outflow from investing activities		(186,300)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares		1,070,000
Payment of capital raising costs		(51,250)
Net cash inflow from financing activities		1,018,750
Net increase in cash and cash equivalents held		825,272
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of financial period	8	825,272

The above Statement of Cash Flows should be read in conjunction with accompanying the notes.

Notes to the Financial Statements

1. Corporate Information

The financial report of Minbos Resources Limited for the financial period from date of incorporation, 17 December 2009 to 30 June 2010 was authorised for issue in accordance with a resolution of the Directors on 28 October 2010. The financial report includes the financial statements and notes of Minbos Resources Limited.

Minbos Resources Limited is a company limited by shares incorporated in Australia.

2. Statement of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements, which have been prepared in accordance with Australian Accounting Standards, the requirements of the Corporations Act 2001, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements are presented in Australian dollars which is the functional and presentation currency of the Company.

The company has applied the revised AASB 101 Presentation of Financial Statements which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income.

Compliance with IFRS

The financial statements of Minbos Resources Limited, an individual entity, comply with Australian Accounting Standards, which includes Australian equivalents to International Financial Reporting Standards (AIFRS), in their entirety. Compliance with AIFRS ensures that the financial statements also comply with International Financial Reporting Standards (IFRS) in their entirety.

Historical cost convention

The financial statements have been prepared on an accruals basis and are based on historical costs.

Notes to the Financial Statements (continued)

2. Statement of Significant Accounting Policies (cont'd)

(b) Trade and Other Receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently at amortised cost which is at original invoice amount less an allowance for any uncollectible amounts less any payments.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified in profit or loss.

(c) Cash and Cash Equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(d) Exploration and evaluation assets

The Company has adopted the policy of capitalising all exploration and evaluation expenditure in relation to its phosphate leases as incurred. Projects are advanced to development status and classified as phosphate assets when it is expected that further expenditure can be recouped through sale or successful development and exploitation of the area of interest. Such expenditure is carried forward up to commencement of production at which time it is amortised over the life of the economically recoverable reserves.

(e) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(f) Income Tax

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

Notes to the Financial Statements (continued)

2. Statement of Significant Accounting Policies (cont'd)

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

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

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

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

(g) Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(h) Trade and other Payables

Trade and other payables represent liabilities for goods and services provided to the company prior to the year end and which are unpaid. They are recognised initially at fair value and subsequently at amortised cost. These amounts are unsecured and have 30-60 day payment terms.

Notes to the Financial Statements (continued)

2. Statement of Significant Accounting Policies (cont'd)

(i) Contributed Equity

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares are included as part of the purchase consideration.

(j) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below:

Loans and receivables

Loans and receivables are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

(k) Impairment of Assets

Tangible assets are reviewed 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 they are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Financial assets are reviewed for possible reversal of the impairment at each reporting date.

(l) Plant and equipment

Items of plant and equipment are stated at historical cost less accumulated depreciation. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred at the date of acquisition plus costs directly attributable to the acquisition. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred. Plant and equipment is depreciated at a rate of 33.33% per annum.

(m) Comparatives

The Company was incorporated on 17 December 2009 and accordingly there are no prior year comparatives.

Notes to the Financial Statements (continued)

2. Statement of Significant Accounting Policies (cont'd)

(n) Fair Value

Fair values may be used for financial asset and liability measurement as well as for sundry disclosures.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

(o) Critical Accounting Estimates and Judgements required

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Exploration Expenditure

The Company has elected to capitalise acquisition costs relating to tenements and expense exploration expenditure until such time as an economically viable project is identified. No amounts have been capitalised during the period.

(p) Accounting Standards Issued not yet effective

Certain new accounting standards have been published that are not mandatory for 30 June 2010 reporting periods. The Company has not applied any of the following in preparing this financial report:

Affected Standard	Title of Affected Standard	Nature of Change	Application Date *	Impact on Initial Application
AASB 2009-5 (issued May 2009)	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process	Not urgent, but necessary changes to AIFRS as a result of the IASB's 2008 annual improvement process.	1 January 2010	
- AASB 107	Statement of Cash flows	Clarifies that only expenditures that result in a recognised asset in the statement of financial position are eligible for classification as cash flows from investing activities.	1 January 2010	Initial adoption of this amendment will have no impact as the entity only recognises cash flows from investing activities for expenditures that result in a recognised asset in the statement of financial position.
- AASB 5	Non-Current Assets Held for Sale and Discontinued Operations	Clarifies that disclosures required for non-current assets classified as held for sale are limited to those required by AASB 5 unless disclosures are specifically required for these assets by other AASB's.	1 January 2010	There will be no impact as these requirements are only required to be applied prospectively to disclosures for non-current assets classified as held for sale.

Notes to the Financial Statements (continued)

2. Statement of Significant Accounting Policies (cont'd)

Affected Standard	Title of Affected Standard	Nature of Change	Application Date *	Impact on Initial Application
AASB 2009-8 (issued July 2009)	Amendments to Australian Accounting Standards- Group Cash-Settled Share based Payment transactions	Clarifies the scope and accounting for group cash-settled share-based payment transactions in the individual financial statements of an entity receiving goods/services when that entity has no obligation to settle the share-based payment transaction. Supersedes Interpretation 8 *Scope of AASB 2* and Interpretation 11 AASB 2 *Group and Treasury Share Transactions.*	1 January 2010	No impact as there are no share-based payment transactions where the entity receives goods or services with no corresponding obligation to settle the share-based payment transaction.
AASB 2009-10	Amendments to Australian Accounting Standards- Classification of Rights Issues [AASB 132]	Clarifies that such transaction where an issue of rights or options to a fixed number of shares for a fixed amount in a different currency to the functional currency must be treated as equity.	1 February 2010	There will be no impact as the entity does not issue rights or options to a fixed numbers of shares for a fixed amount in a different currency to the functional currency.
AASB 2010-4 (issued June 2010)	AASB 7 - Financial Instruments: Disclosures	Deletes various disclosures relating to credit risk, renegotiated loans and receivables and the fair value of collateral held.	Periods commencing on or after 1 January 2011	There will be no impact on initial adoption to amounts recognised in the financial statement as the amendments result in fewer disclosures only.
AASB 2010-4 (issued June 2010)	AASB 101 - Presentation of Financial Statements	A detailed reconciliation of each item of other comprehensive income may be included in the statement of changes in equity or in the notes to the financial statements.	Periods commencing on or after 1 January 2011	There will be no impact on initial adoption of this amendment as a detailed reconciliation of each item of other comprehensive income has always been included in the statement of changes in equity.
AASB 9 (issued December 2009)	Financial Instruments	Amends the requirements for classification and measurement of financial assets.	1 January 2013	Due to the recent release of these amendments and that adoption is only mandatory for the 30 June 2014 year end, the entity has not yet made an assessment of the impact of these amendments.

Notes to the Financial Statements (continued)

2. Statement of Significant Accounting Policies (cont'd)

Affected Standard	Title of Affected Standard	Nature of Change	Application Date *	Impact on Initial Application
AASB 124 (issued December 2009)	Related Party Disclosures	Clarifies the definition of a related party.	1 January 2011	As this a disclosure standard only, there will be no impact on amounts recognised in the financial statements.
AASB Interpretation 19 (issued December 2009)	Extinguishing Financial Liabilities with Equity Instruments	Equity instruments issued to a creditor to extinguish all or part of a financial liability are 'consideration paid' to be recognised at the fair value of the equity instruments issued, unless their fair value cannot be measured reliably, in which case they are measured at the fair value of the debt extinguished. Any difference between the carrying amount of the financial liability extinguished and the 'consideration paid' is recognised in profit or loss.	1 July 2010	There will be no impact as the entity has not undertaken any debt for equity swaps.
IFRS 7	Financial Instruments Disclosures	Deletes various disclosures relating to credit risk, renegotiated loans and receivables and the fair value of collateral held.	1 January 2011	There will be no impact on initial adoption to amounts recognised in the financial statement as the amendments result in fewer disclosures.

Notes to the Financial Statements (continued)

3. Segment Information

The Company is only in the business of identifying, evaluating and acquiring investment opportunities in the resource sector and operates only in Australia at this time. As a result there are no operating segments to be presented.

4. Revenue and Expenses

		2010 $
(a)	**Revenue from continuing operations**	
	Other revenues	
	Interest income	14,221
	Total other income	14,221

5. Income Tax

Income tax expense

	2010 $
Accounting loss before income tax	(70,305)
At the statutory income tax rate of 30%	21,092
Share issue expenses	32,310
Temporary differences not recognised	-
Permanent differences	-
Deferred tax asset not recognised	53,402
Income tax expense	-
At effective income tax rate of 30%	

Notes to the Financial Statements (continued)

Deferred Tax

Deferred tax at 30 June not recognised relates to the following:

	2010 $
Deferred tax assets	
Accruals temporary difference	-
Share issue expenses	32,310
Tax losses	21,092
Deferred tax asset not recognised	53,402

The Company has tax losses arising in Australia of $70,305 that are available indefinitely for offset against future taxable profits of the companies in which the losses arose, subject to the company satisfying the necessary loss recoupment tests.

6. Key Management Personnel

a) Details of Directors

Peter Richards
Faldi Ismail
John Ciganek
Nathan Taylor
Athan Lekkas

There are no other key management personnel other than the Directors of the Company.

b) Remuneration of Directors

	Short-term employee Benefits			Post Employment Benefits		Share-based Payment	Total	% Performance Related
Directors 30 June 2010	Salary & Fees $	Cash Bonus $	Non Monetary $	Super-annuation Pensions $	Retirement Benefits $	Options $	$	%
Peter Richards	-	-	-	-	-	-	-	-
Faldi Ismail	12,000	-	-	-	-	-	12,000	-
John Ciganek	-	-	-	-	-	-	-	-
Nathan Taylor	6,000	-	-	-	-	-	6,000	-
Athan Lekkas	6,000	-	-	-	-	-	6,000	-
	24,000	**-**	**-**	**-**	**-**	**-**	**24,000**	**-**

Notes to the Financial Statements (continued)

Key Management Personnel (cont'd)

c) Option holdings

No Options have been issued to Directors since incorporation.

d) Shareholdings

The number of shares in the Company held during the financial period by each Director of Minbos Resources Limited, including their personally related parties, is set out below.

Ordinary Shares 2010 Directors	Balance at Start of Period 17-12-2009	Granted During Period as Compensation	Received During Period on Exercise of Options	Other Changes During the Period	Balance at End of Period 30-06-2010
Peter Richards	-	-	-	150,000	150,000
Faldi Ismail	-	-	-	1,750,000	1,750,000
John Ciganek	-	-	-	250,000	250,000
Nathan Taylor	-	-	-	-	-
Athan Lekkas	-	-	-	1,750,000	1,750,000
Total	-	-	-	3,900,000	3,900,000

All equity transactions with Directors other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

e) Other transactions with Directors

There have been no other transactions with Directors.

7. Auditor's Remuneration

	2010 $
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:	
▪ an audit or review of the financial report of the entity	5,000
Amounts received or due and received by BDO Corporate Finance (WA) Pty Ltd	
▪ Investigating Accountant's Report	12,109
	17,109

Notes to the Financial Statements (continued)

8. Cash and Cash Equivalents

	2010 $
Cash at bank and in hand	175,272
Short-term bank deposits	650,000
	825,272

The effective interest rate on short-term bank deposits are made for varying periods of between one day and one month depending on immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates between 0.01% and 4.5%. Refer to note 14 for financial risk management disclosures.

Reconciliation of cash

Cash at the end of the financial period as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:

Cash at bank and in hand	175,272
Short term deposits	650,000
	825,272

Reconciliation from the net loss after tax to the net cash flows used in operations	**2010 $**
Net loss	70,305
Change in assets and liabilities	
(Increase) in ABN withholding credits	3,068
(Increase) in GST receivables	13,320
Increase in trade and other payables, net of $56,450 in relation new share issued costs	(53,115)
Increase in accrued directors fees	(26,400)
	7,178

9. Other Receivables

	Note	2010 $
CURRENT		
Loan to Tunan Mining Limited		186,300
ABN withholding credits		3,068
GST receivable		13,320
		202,688

There are no other receivables that are past due or impaired at 30 June 2010. This is attributable to Minbos Resources been incorporated on the 17 December 2009 there is no prior history and no reason to believe that the receivables are unrecoverable.

Recoverability of the loan to Tunan Mining is dependent on the recoverability of the mineral resources within this company. Please refer to Note 17 for information regarding the acquisition of Tunan Mining subsequent to year end.

Notes to the Financial Statements (continued)

10. Trade and Other Payables

CURRENT	
Trade payables	109,565
Accrued directors fees	26,400
	135,965

Trade payables are non-interest bearing and are normally settled on 30-day terms. Other payables are non-interest bearing and have an average term of 3 months. The net of GST payable and GST receivable is remitted to the appropriate tax body on a quarterly basis.

11. Contributed equity

	2010 #	2010 $
Ordinary Shares		
Issued and fully paid	13,250,000	962,300

Ordinary Shares	No.	$
At the beginning of reporting period		
Shares issued during the period		
- Ordinary shares issued on 17-12-09 on incorporation	7,000,000	70,000
- Ordinary shares issued pursuant to Placement	6,250,000	1,000,000
- Payment of capital raising costs		(107,700)
Balance	13,250,000	962,300

i. 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.

ii. Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. 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 period. The company is not subject to externally imposed capital requirements.

Notes to the Financial Statements (continued)

12. Accumulated Losses

	2010 $
Accumulated Losses	70,305

Accumulated losses	
At the beginning of the financial period	-
Loss for the period	70,305
As at 30 June	70,305

13. Contingent Liabilities and Contingent Assets

The Directors are not aware of any contingent liabilities or contingent assets which require disclosure as at 30 June 2010.

14. Financial Risk Management

The Company's principal financial instruments comprise cash and short-term deposits.

The main purpose of these financial instruments is to raise finance for the Company's operations.

The Company has various other financial instruments such as trade creditors, which arise directly from its operations.

It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's cash at bank held with variable interest rates.

The Company does not rely on the generation of interest on cash at bank to provide working capital and as a result does not consider this to be material to the Company and have therefore not undertaken any further analysis of exposure.

The following table sets out the carrying amount, by maturity, of the financial instruments that are exposed to interest rate risk:

Notes to the Financial Statements (continued)

Period ended 30 June 2010	<1 year $	>1 - <2 Years $	>2 - <3 Years $	>3 - <4 Years $	>4 - <5 Years $	>5 Years $	Balance $	Weighted Average Interest Rate %
Floating Rate								
Financial Assets								
Cash and cash equivalents	825,272	-	-	-	-	-	825,272	5.00
	825,272	-	-	-	-	-	825,272	

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until maturity of the instrument.

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

Cash flow sensitivity analysis for variable rate instruments

As at 30 June 2010 a sensitivity analysis has not been disclosed in the current period in relation to the floating interest deposits for the Company, as the results are immaterial to the profit or loss.

Credit risk

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash at bank and receivables from Tunan Mining Limited. The carrying amount of financial assets represents the maximum credit exposure.

Financial assets that are neither past due and not impaired are as follows:-

	2010 $
Cash and cash equivalents	
'AA' S&P rating	825,272
Group 1 – no history of default	186,300

The credit risk on liquid funds is limited because the counter party is a bank with a high credit rating. Credit risk on liquid funds is managed by only holding cash balances with financial institutions with a high credit rating.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial liabilities as and when they fall due. The Company manages liquidity risk by continually monitoring cash reserves and cashflow forecasts to ensure that financial commitments can be met as and when they fall due.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of equity funding.

Notes to the Financial Statements (continued)

Maturities of financial liabilities

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

15. Financial Instruments

	Less than 6 months $	Carrying amount $
2010		
Trade and other payables	109,565	109,565

Fair values

Set out below is a comparison by category of carrying amounts and fair values of all of the Company's financial instruments that are carried in the financial statements at other than fair values.

	Carrying Amount 2010 $	Fair Value 2010 $
Financial assets		
Cash and cash equivalents	825,272	825,272
Other receivables	202,688	202,688
	1,027,960	1,027,960
Financial liabilities		
Trade payables	109,565	109,565
	109,565	109,565

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

16. Related Party Disclosure

(a) Key management personnel

Disclosures relating to key management personnel are set out in note 6.

(b) Transactions with related parties

There are no transactions with related parties other than what is disclosed in note 6.

Notes to the Financial Statements (continued)

17. Events after the Statement of Financial Position Date

On 27 August 2010, the Company lodged a prospectus with ASIC for an offer of up to 30,000,000 Shares at an issue price of $0.20 each to raise up to $6,000,000, with oversubscriptions of up to a further 10,000,000 shares at an issue price of $0.20 each to raise up to a further $2,000,000 may be accepted.

From this prospectus, the Company raised $8,000,000 from the allotment of 40,000,000 shares at an issue price of $0.20 each.

In accordance with the Notice of Meeting dated 18 June 2010, the Company issued 6,000,000 Broker Options, 4,000,000 Class "A" Director Options, 2,000,000 Class "B" Director Options and 2,000,000 Class "C" Director Options.

On 14 October 2010, ASX released an announcement that the Company had been admitted to the official list of the ASX and that official quotation of the Company's securities would commence on Monday, 18 October 2010.

In accordance with the Notice of Meeting dated 7 May 2010, the Company completed the purchase of Tunan Mining with the issue of 15,000,000 ordinary shares, 25,000,000 Class A shares, and 10,000,000 Class B shares which was subject to the successful listing. Details of the pro-forma acquisition as included in the Prospectus are detailed as follows:

Details of the net assets acquired, goodwill and purchase consideration are as follows:

	Fair value
	$
Cash and cash equivalents	80,402
Exploration and Evaluation Expenditure	14,332,851
Trade and other payables	(113,398)
Deferred tax liabilities	(4,299,855)
Net identifiable assets and liabilities	10,000,000
Less: Non-controlling interests	-
Net assets acquired	**10,000,000**
Purchase consideration comprises:	
Cash paid	**-**
Equity instruments issued **	3,000,000
Contingent consideration ***	7,000,000
Total purchase consideration	**10,000,000**

** The equity portion of the purchase consideration comprises 15 million ordinary shares in Minbos Resources Limited at $0.20 per share.

*** The equity portion of the contingent consideration comprises 35 million performance shares in Minbos Resources Limited at $0.20 per share as per the terms and conditions as detailed in the Prospectus.

18. Commitments

The Company had no commitments at year-end.

19. Dividends

There are no dividends paid or payable at year-end.

20. Company Details

The registered office of the Company is:

c/- FJH Solutions
21 Teddington Road
Burswood WA 6100
Tel: 08 9486 2333
Fax: 08 9355 4580

Directors' Declaration

In accordance with a resolution of the Directors of Minbos Resources Limited, I state that:

In the opinion of the Directors:

(a) the financial statements and notes as set out on pages 12 to 32 of the Company are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2010 and of its performance for the period ended on that date; and

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

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) The Company has included in the notes to the financial statement an explicit and unreserved statement of compliance with International Financial Reporting Standards.

(d) the Managing Director and Financial Officers have each declared that:

(i) the financial records of the Company for the financial period have been properly maintained in accordance with section 286 of the Corporations Act 2001;

(ii) the financial statements and notes for the financial period comply with the Australian International Financial Reporting Standards (AIFRS); and

(iii) the financial statements and notes for the financial period give a true and fair view.

On behalf of the Board

Peter Richards
Chairman

Perth, Western Australia, 28 October 2010

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Australia

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MINBOS RESOURCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Minbos Resources Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements,* that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's report was made.

Auditor's Opinion

In our opinion:

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

   (i) giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the period ended on that date; and

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

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

BDO Audit (WA) Pty Ltd

BDO

Peter Toll
Director

Perth, Western Australia
Dated this 29th day of October 2010

Shareholder Information

Twenty Largest Shareholders as at 12 October 2010

Name	No. ordinary shares held	% of issued capital held
CHIKAPA COMERCIO AND INDU	5,390,000	7.90%
JCJ INV SA	4,655,000	6.82%
WILGUS INV PL	4,000,000	5.86%
CITY NATURAL RES HIGH YIE	2,500,000	3.66%
ROMFAL SIFAT PL	1,750,000	2.56%
LEKKAS ATHANASIOS	1,750,000	2.56%
MATTHEE ARIF ELBERT	1,500,000	2.20%
CS FOURTH NOM PL	1,500,000	2.20%
PHEAKES PL	1,171,300	1.72%
HSBC CUSTODY NOM AUST LTD	1,000,000	1.47%
CROSSROADS AUST PL	1,000,000	1.47%
TRADENET DISTRIBUTION LTD	1,000,000	1.47%
IE PROPS PL	925,000	1.36%
PERTH INV CORP LTD	750,000	1.10%
HILLBOI NOM PL	750,000	1.10%
BLACK MICHAEL	750,000	1.10%
TT NICHOLLS PL	750,000	1.10%
BHATIA SANJIV	750,000	1.10%
PADMORE GARY	600,000	0.88%
BRIJOHN NOM PL	510,000	0.75%
	33,001,300	48.38%