ASX ANNOUNCEMENT

AMBATO DRILL CONTRACT EXECUTED

HIGHLIGHTS:

- **Drilling contract executed with local Madagascar contractor company Orezone Drilling Madagascar SARL.**
- **Mobilisation activities are underway, and drilling will commence in early August.**
- **The initial drill program comprises ten (10) diamond holes. Additional drill holes will be drilled if required.**
- **The drill program will:**
    - **Test depth extent of high grade surface outcrops at one (1) of the seven (7) known Rare Earth anomalies in the Ambato project area.**
    - **Evaluate the grade and mineralogy of the immediate subsurface material.**
    - **Recover a minimum of 100 kg of core for mineralogical determination and production of a flotation concentrate.**
- **Surface samples showing grades of up to 40.8% TREO with a mean of 5.75% TREO mapped over 2.4km indicate a system capable of hosting adequate REO mineralisation to meet the threshold for the development of new rare earth projects.**
- **Preliminary mineralogical tests show rare earths occurring predominantly in coarse bastnaesite considered favourable for beneficiation.**

DRILL PROGRAM

Minbos Resources Limited (**Minbos**) is pleased to advise that it has executed a contract with Orezone Drilling Madagascar SARL (Orezone) for a diamond drilling program at the Ambato Rare Earths Project (**Ambato**) in Madagascar.

Drilling is scheduled to commence in early August to test one (1) of the seven (7) known rare earth targets on the license. The drill program will:

- Test the orientation strike and depth extent of outcropping bastnaesite mineralisation at the Ankazohambo prospect where surface samples and trenching have returned grades of between 0.14% and 40.8% TREO (refer to ASX Release dated 29 March 2018[1]).
- Gain an understanding of the rare earth enrichment mechanisms of the syenite alteration and laterite weathering.
- Recover diamond core for logging, assay and metallurgical testwork to develop a flowsheet for production of marketable rare earth oxide concentrate.

The objective of this drill program is to test the hypothesis that the Ankazohambo has adequate strike and depth extent of mineralisation at a grade better than 3% TREO to set a viable target for follow-up drilling. The next step will be metallurgical test work to determine if the mineralisation can be beneficiated to a concentrate containing not less than 30% TREO.

The initial drill program will comprise ten (10) HQ diamond holes (or 1,000m of drilling). Additional drill holes will be drilled if required. Drill holes will be drilled with a man portable drill rig (triple tube) and core will be orientated, and downhole survey measurements will be taken at regular intervals. Whilst previous interpretations model the mineralisation at Ankazohambo to be moderately east dipping, the true orientation of the mineralisation is unknown at this stage. The first few drill holes will be drilled vertical to collect information regarding orebody dip and plunge to determine the optimum drill hole orientation for the remaining drill holes.

DUE DILIGENCE AND TRANSACTION

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.

The transaction 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 and this is not expected to resolve until after the National Assembly election later this year.

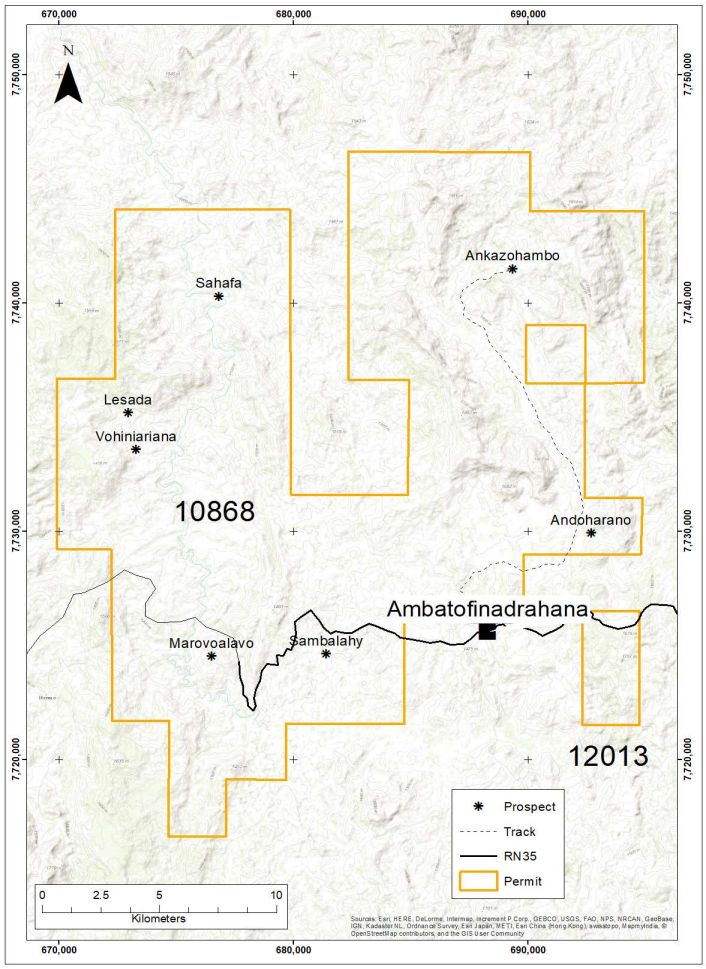
Due diligence activities have already commenced with financial due diligence nearing completion. A technical review and compilation of historical and site visit data has been completed in preparation for the upcoming drill program to confirm prospectivity for rare earths.

[1] ASX Announcement 29 March 2018 Minbos enters option to purchase Rare Earths Project. Grades are expressed as Total Rare Earth Oxides TREO. The Company confirms that it is not aware of any new information or data that materially affects these exploration results and that no material change in the results has occurred.

BACKGROUND TO AMBATO RARE EARTH PROJECT

The Ambato Project is located within the Fianarantsoa Province in south-central Madagascar, approximately 200 km ("as the crow flies") south of Madagascar's capital city, Antananarivo. The Project is accessed via road from Antananarivo along Route Nationale 7 (RN7) for 270 km before turning west near Ivato onto Route Nationale 35 (RN35) for approximately 50 km to the village of Ambatofinandrahana.

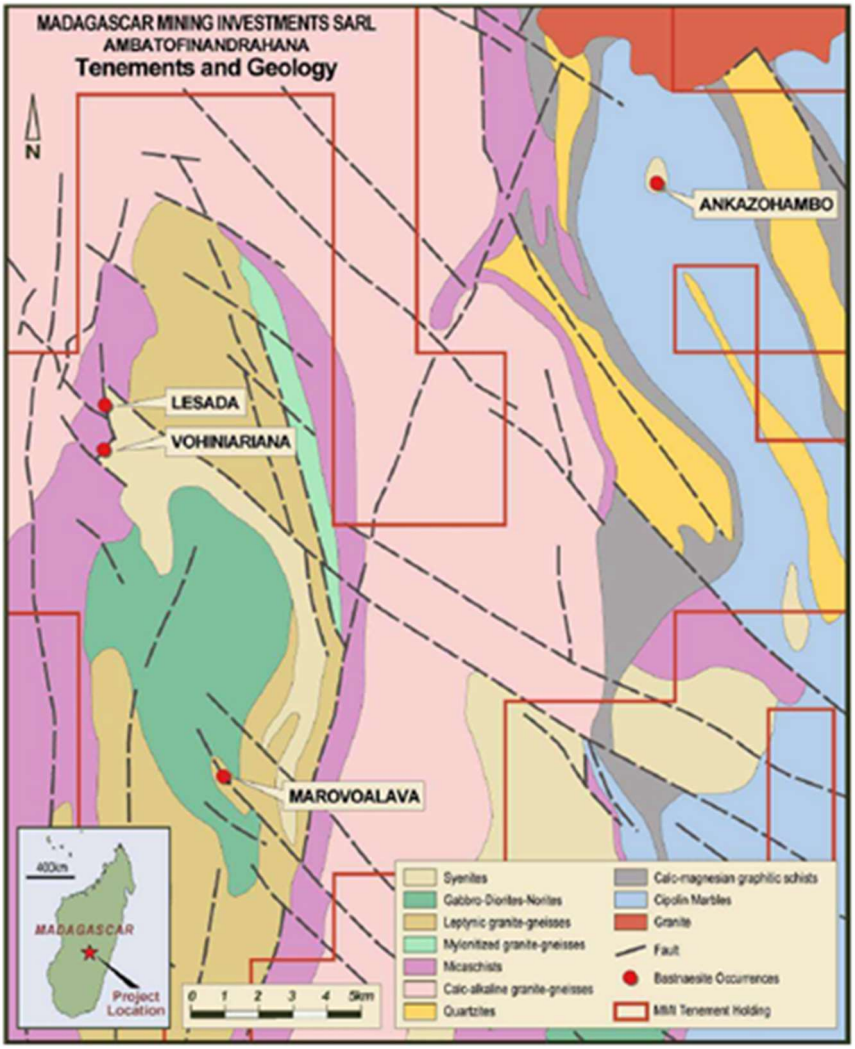
Figure 1: Location map of the various prospects at the Ambato Project



The Ambato Project is covered by two (2) non-contiguous exploration permits (PR10868 and PR12013) encompassing a total area of 440 km^2 (Figure 1). The tenement area has never been drilled but has been the subject of studies by universities, geological surveys and multi-lateral organisations.

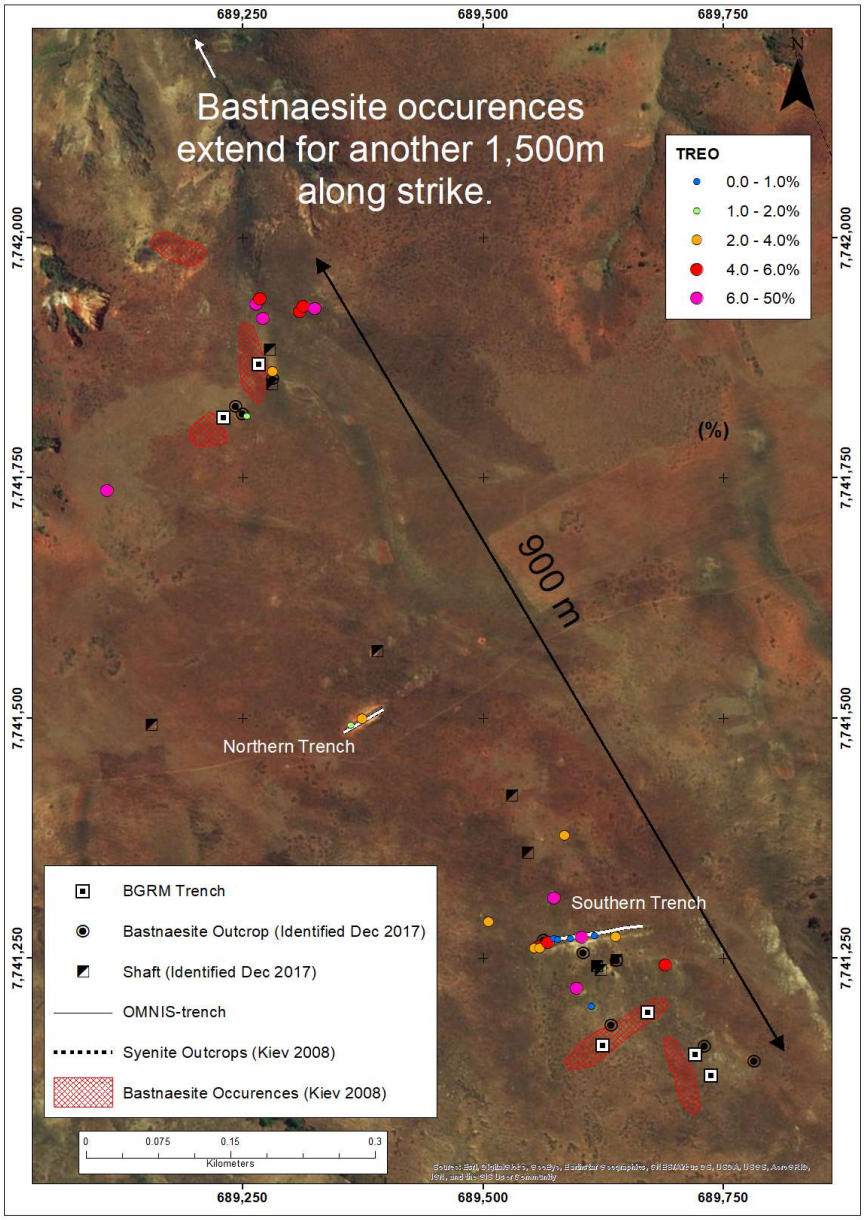
The Ambato Project, which consists of seven (7) prospects; Marovoalavo, Ankazohambo, Sahafa, Lesada, Vohiniariana, and Sambalahy, is located within the Proterozoic Itremo Group which consists of quartzites, dolomitic marbles, and micaceous schists intruded by rocks of the Neoproterozoic Imorona-Itsindro and Ambalavao Suites including; calc-alkaline granites (+microcline+oligoclase), syenites, gabbros, norites, alkaline granites (+microcline) and calc-alkaline granites of different ages (Figure 2).

Figure 2: Regional geology map of the Ambato Project area



At Ankazohambo rare earth mineralisation occurs within hydrothermally altered country rock, micro syenite zones, quartz breccias, and stockworks hosted within a syenite intrusive. Bastnaesite mineralisation clearly visible in outcrop and is open to north and, south and east. Bastnaesite mineralisation extends along strike for at least 900 m with historical mapping indicating that bastnaesite occurrences occur 1,500 m along strike from main prospect area (Figure 3).

Figure 3: Overview of Ankazohambo prospect area based on compiled data showing the location of trenches, shafts, outcrop. and MMI rock chip assay results. NOTE: only samples submitted to ALS laboratories are shown in this figure (i.e. handheld XRF results have been excluded)



MADAGASCAR

Madagascar is an island nation located off the east coast of Southern Africa. with an estimated population over 25 million. The climate varies from a warm desert climate in the southwest to an

equatorial monsoon climate in the north west. The Ambato Project located in the central highlands enjoys a temperate subtropical climate.

The Malagasy ethnic group comprises over 90% of the population and Malagasy is the national language with French recognised as an 'official language' and is used for international communication.

Madagascar is a semi-presidential representative democratic multi-party republic. A popularly elected president is the head of state and selects a prime minister. The last election was held in 2013 and the next election is due in 2018.

The economy relies heavily on agriculture, manufacturing, tourism and extractive industries. The World bank reports a GDP of $10b in 2016 or around $400 per capita but in 2012 counted 70% of the population below the national poverty line.

RARE EARTHS

Rare earths are generally defined as the 17 metals, Scandium, Yttrium and the lanthanide series. These so called Rare Earths are frequently found together but are rarely separate.

The major applications by volume are permanent magnets, catalysts and metal alloys including metal hydride batteries which account for two thirds of demand, however 80% of the market value is currently attributed to Neodymium (Nd) and Praseodymium (Pr) both critical ingredients for permanent magnets.

Rare Earth Permanent Magnets (REPMS) are used in electric motors and generators of all sizes where weight and torque efficiency are important. The fundamentals of permanent magnet demand are already in place and the emergence of electric vehicles will enhance demand.

China controls the supply of rare earth minerals suppling 85% of global demand which is recognised as a risk to technology development in the advanced economies, of Asia, Europe and North America.

Competent Person

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 an employee of 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.

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About Minbos

Minbos Resources Limited (**ASX: MNB**) is an ASX-listed exploration and development company with interests in phosphate ore within the Cabinda Province of Angola and Rare Earth Elements in Madagascar.

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

For more information, visit www.minbos.com .