



Holdings Ltd.  
BBX Holdings Limited  
Level 33 Colonial Centre  
52 Martin Place  
Sydney NSW 2000

GPO BOX 2537  
Sydney NSW 2001

T +61 2 9227 8900  
F +61 2 9227 8901

ABN 82 089 221 634  
[www.bbxminerals.com.au](http://www.bbxminerals.com.au)

ASX MEDIA RELEASE  
27 October 2011

---

## BBX SIGNS OPTION TO ACQUIRE **CHAPADA GOLD PROJECT IN TOCANTINS, CENTRAL BRAZIL**

### HIGHLIGHTS

- BBX Holdings Limited (ASX:BBX) has signed an option to acquire 51% of the Chapada Gold project from Mundo Minerals Limited (ASX:MUN) which includes the right to earn an 80% interest by funding through to completion a feasibility study with a minimum JORC resource of 350,000 oz's Au equivalent.
- Chapada is easily accessible situated within the Tocantins Tectonic Province approximately 200km southeast of Palmas in central Brazil and covers numerous artisanal mine workings to depths of 110m below surface concentrated along a northeast trending zone extending over a 700m strike length.
- Gold production since 1985 has been estimated to be in the order of 300,000 oz's at an average grade in excess of 20 g/t Au based on the production records of the local cooperative that manages mining activities in the region, previously released by vendor.
- BBX will review data including geological mapping, geochemical sampling, underground sampling, an electromagnetic geophysical survey and 9,974 meters of drilling (including 7,275m of diamond drilling) completed on Chapada.
- BBX believes that Chapada holds significant potential for a bulk tonnage low-medium grade gold deposit amenable to open pit mining.

## Background

BBX has signed an option to acquire 51% of the Chapada Gold Project with the right to acquire up to 80%. The option is valid to 31 January 2012, during which time BBX will conduct due diligence including all technical, legal and environmental issues and seek approval from its shareholders and the joint venturer.

Chapada is currently subject to a Joint Venture Agreement between MUN (51%) and Rio Gameleira (49%). Rio Gameleira is a partnership between Anglo Ashanti Gold and IAMGOLD. Under the Joint Venture Agreement, BBX will have the right to earn an 80% interest by funding through to completion a feasibility study with a minimum JORC resource of 350,000 oz's Au equivalent.

The project covers an area of approximately 7,000 hectares and is located approximately 200km southeast of Palmas in central Brazil. There is excellent infrastructure available with grid power and water in the near vicinity. A sealed national highway runs from the state's capital of Palmas and local road access is via bituminized roads.

Existing technical data will be reviewed immediately and BBX's consulting geologist will attend a site visit in the next few weeks to conduct a detailed property review.

BBX believes that there is significant potential for the discovery of a bulk tonnage low-medium grade gold deposit amenable to open pit mining.

## Chapada Project Overview

The Chapada prospect, which is located in the Natividade greenstone belt (Figures 1 & 2), is hosted by a sequence of metasedimentary rocks (quartz-biotite-sericite schists) intruded by sub-vertical pegmatite dykes along northeast directed shears and faults.

Numerous garimpos have been developed to the immediate east of the Chapada townsite, mainly concentrated along a north-east trending zone over a strike length of around 700 m, from a total length of worked areas closer to 2.8 km. This zone has been worked by the garimpeiros (local informal miners) since 1985. Rio Gameleira has estimated gold production since that time to be in the order of 300,000 oz at an average grade exceeding 20 g/t Au based on the production records of the local cooperative that manages the mining operation and is responsible for the royalty payments to the landowners.

The main zone of garimpos comprises of at least 41 vertical shafts which extend to depths of 110 m below surface. Less than 10 of these shafts remain active. Sporadic garimpos are also evident along strike of this zone.

The gold mineralisation at Chapada is associated with zones of strongly silicified biotite-sericite schist hosting quartz veinlets and disseminated arsenopyrite mineralisation developed along north-northeast trending, sub-vertical shear zones which have been intruded by pegmatitic bodies. Gold is found in both free form and associated with the arsenopyrite mineralisation. The width of the ore shoots being exploited in the garimpos ranges between 0.2 m and 4.0 m.

Anglo American Corporation (now Anglo Ashanti Gold) commenced a gold and base metal exploration program over the region in 1990, which covered selected targets within the Conceicao-Almas greenstone belt. Work completed included reconnaissance geological mapping and geochemical sampling, in addition to 2,700 m of scout drilling over 5 target areas.

IAMGOLD started exploring the region in 1999, completing regional geological reconnaissance surveys and sampling of selected garimpos. In the second half of 1999, the joint venture company Rio Gameleira was formed with AAM. Regional stream sediment and geochemical surveys, complemented by an airborne magnetic and radiometric geophysical survey, were completed.

Since that time, a comprehensive integrated database has been compiled covering the belt, comprising geology, geochemistry and airborne geophysical data. Geological, regolith and outcrop maps at 1:50,000 scale have been generated for the entire belt. Exploration work at Tocantins ceased in 2004 following AAM decision to discontinue funding.

## Key Terms of the Agreement

BBX has paid an option fee of A\$50,000 for the right to acquire a 51% interest in the Chapada Gold Project and right to acquire up to 80% of the Project pursuant to the terms of the Joint Venture Agreement for the following consideration:

- A\$800,000, of which A\$450,000 is payable upon exercise of the option and a further A\$350,000 is payable by 31 July 2012, to acquire a 51% interest; and
- Fund to completion a feasibility study with a minimum JORC resource of 350,000 oz's Au equivalent, to acquire up to an 80% interest.

The option may be exercised prior to 31 January 2012 (with certain rights to extend), during which time BBX will conduct technical, legal and environmental due diligence and seek approvals from BBX's shareholders and Rio Gameleira.

MUN has been notified by Rio Gameleira of their intention not to invoke their pre-emptive rights in relation to the proposed sale. Rio Gameleira have advised that, subject to internal approval, they may invoke the "tag-along" provisions contained in the Tocantins Joint Venture agreement to also sell their 49 per cent interest in the Chapada concession to BBX.

## Current Activities

BBX has commenced due diligence on the Chapada Gold project and Ouro Belo tin-indium project (as announced to the ASX on 11 April 2011). BBX is also advanced in pursuing other mature mineral properties in South America. The Company expects to be in a position to announce further information in relation to Chapada and Ouro Belo in the coming weeks.

If due diligence is successful and the Company elects to exercise the option to acquire an interest in Chapada and/or Ouro Belo, the ASX has indicated that the Company will be required to re-comply with Chapters 1 and 2 of the listing rules as if it were applying for quotation for the first time.

For further information, please contact:

BBX Holdings Limited

Paul Page | Chairman

Tel: +61(0)2 9227 8900 | Email: [ppage@aphillip.com.au](mailto:ppage@aphillip.com.au)

### Disclaimer

Data used in this announcement was sourced from prior work undertaken by the vendor at the said property. At the time of this announcement, BBX Holdings Ltd had not independently verified analytical results of vendor. BBX Holdings Ltd has no reason to believe the information supplied in this announcement is not accurate and reliable.

### Competent Persons Statements

The information in this report was reviewed by BBX non executive director Mr Michael Schmulian, who is a Member of The Australian Institute of Geoscientists. Mr Schmulian has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Schmulian consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

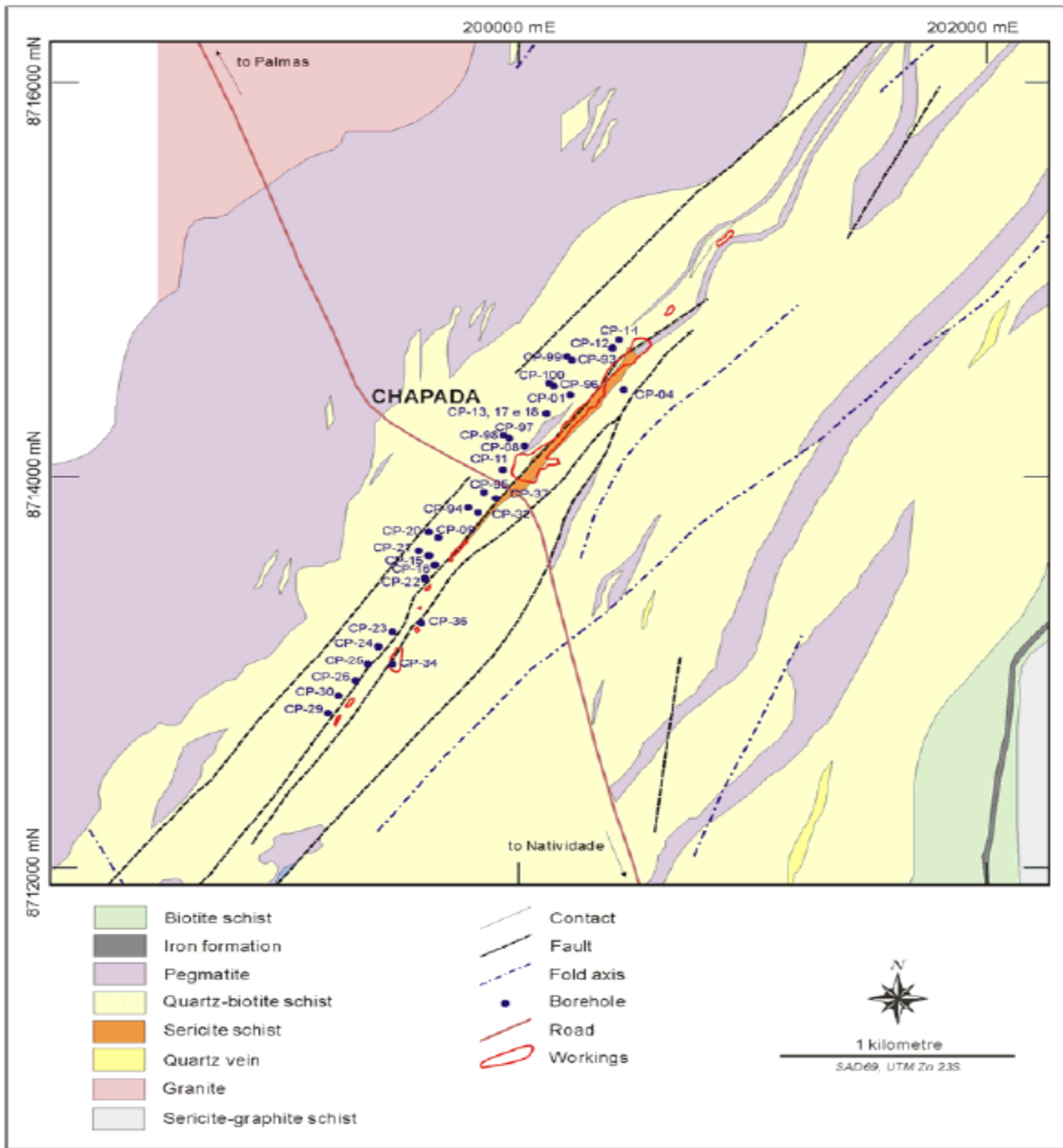


Figure 1 - Geology and gold occurrences at the Chapada prospect

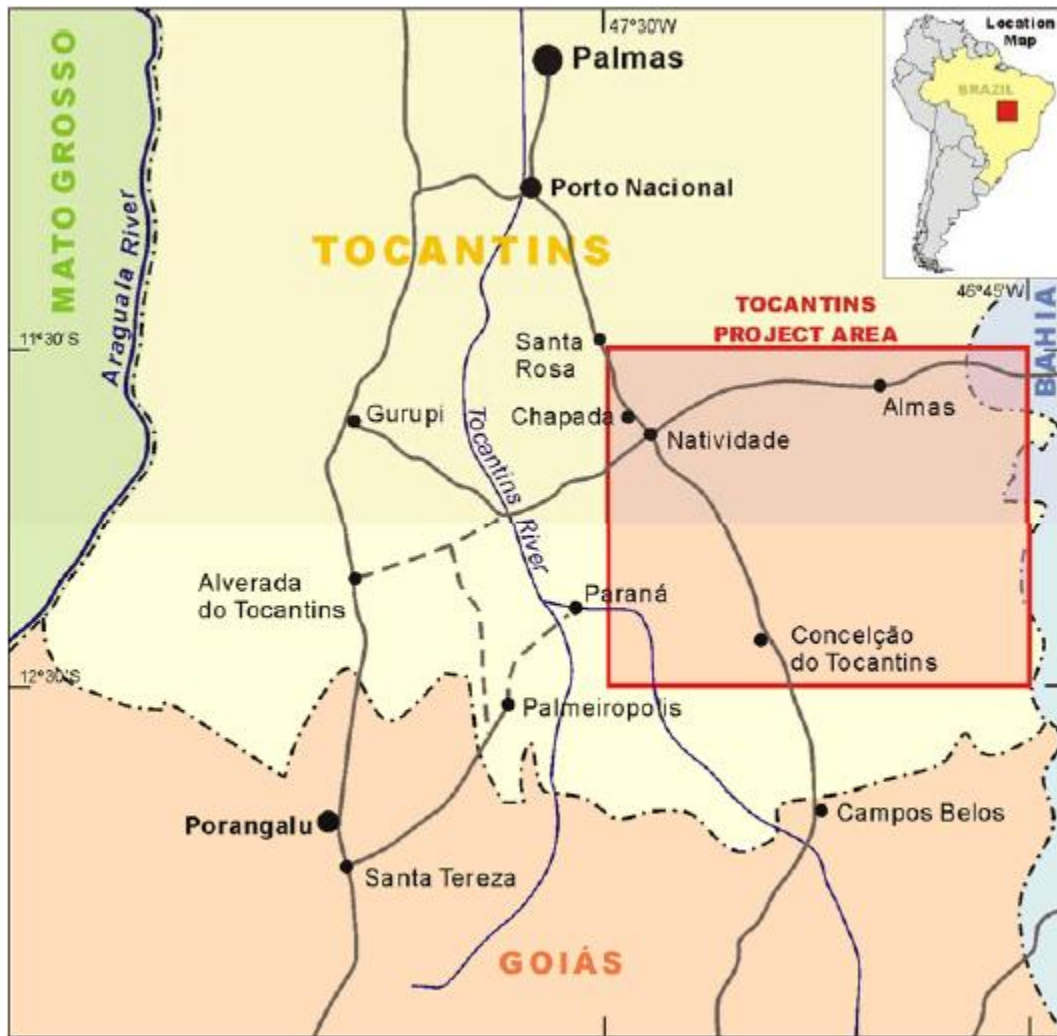


Figure 2 – Natividade greenstone belt