

BBX MINERALS LIMITED

ACN 008 719 015

**ANNUAL REPORT
FOR THE YEAR ENDED
30 June 2013**

BBX Minerals Limited

Chairman's Letter

30 June 2013

Chairman's Letter to Shareholders

The past year has been an extremely difficult period for the junior resource sector in general and the gold sector in particular. Amid a scenario of a falling gold price and plummeting shares prices of junior explorers, developers and producers, BBX has performed better than many of its peers. The Company successfully raised \$700,000 earlier in the year and has negotiated the sale of its non-core asset Chapada, to enable it to focus on the untapped exploration potential of the Juma mineral province in Amazonas state in Brazil's north.

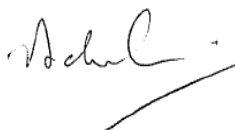
Coupled with the down turn in international capital markets and the junior sector, the Brazilian mining industry has been through a period of uncertainty in anticipation of the implementation of a new mining code. During the current transition period prior to the passing of the new mining legislation the Mines Department (DNPM) has imposed a virtual moratorium on the granting of new licenses. BBX has however, successfully secured title to four exploration licenses covering 38,440ha, comprising the Juma East project, in a totally unexplored region containing widespread garimpeiro (artisanal mining) workings. An initial exploration plan is currently being prepared to enable field work at Juma East to commence in the final quarter of 2013.

At the highly prospective Eldorado de Juma project, a JV with the local garimpeiro co-operative which holds a 25% interest, transfer of title to the JV entity is still awaited. The project is the site of extensive rich workings in both alluvial and primary oxidized mineralization located in a highly favourable geological setting. An initial assessment of the potential of the garimpeiro tailings

Auger drilling been conducted, involving approximately 1000m of shallow drilling covering 9 separate tailings repositories. Initial results are now expected to be released by the Company in late October 2013,

The Company will focus on advancing both the Eldorado de Juma and Juma East assets during the coming year, with an ongoing emphasis on establishing a short term production base from near surface mineralization and utilising proceeds to conduct systemic exploration for deep, large scale mineralized systems

There have been significant changes to the structure of the Board during the past financial year, with the resignation of BBX Minerals founding directors Phil Suriano and Michael Hogg and the appointment of Will Dix and Alastair Smith to the board. I would like to thank both Phil and Michael for their efforts, particularly during the difficult period following the tragic passing of CEO Paul Page last year, and Will and Al for so ably stepping into the breach. Their diverse experience and vision is proving invaluable in formulating a way forward for the Company. I would particularly like to thank acting CEO Jeff McKenzie and Brazil based Exploration Manager Antonio de Castro for their untiring efforts over the past year. Despite the difficult market conditions in which we currently find ourselves in, I am confident that BBX Minerals is in a strong market position to enhance shareholder value as it moves to the next stage as a gold explorer and emerging producer.



Mike Schmulian
Chairman

BBX Minerals Limited

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BBX Minerals Limited

Corporate Directory

30 June 2013

Directors

Michael Schmulian (Chairman appointed 2 October 2012)
William Dix (appointed 10 October 2012)

Alastair Smith (appointed 15 April 2013)
Michael Hogg (resigned 23 July 2013)
Philip Suriano (resigned 24 January 2013)
Paul Page (ceased 4 July 2012)

Secretary

Simon Robertson (appointed 19 February 2013)
Sylvie Dimarco (ceased 19 February 2013)

Registered Office

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WA Australia 6005
Telephone +61 8 6555 2955
Facsimile +61 8 6210 1153

Share Registry

Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney NSW 2000

Auditor

Lachlan Nielson Partners Pty Ltd
Level 18, 201 Kent Street
Sydney NSW 2000

Stock Exchange

Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

ASX Code

BBX (fully paid ordinary shares)

Corporate Governance Statement

30 June 2013

The Board is committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to refine and improve the governance framework and practices in place to ensure they meet the interests of shareholders. The Group complies with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (the Principles).

Principle 1: Lay Solid Foundations for Management and Oversight

Role of the Board and Management

The Board of Directors is responsible for the corporate governance of the Group. The Board provides strategic guidance for the Group, and effective oversight of management. The Board guides and monitors the business and affairs of the Group on behalf of the shareholders by whom they are elected and to whom they are accountable.

Your Board has delegated responsibility for day-to-day management of the Group to an acting CEO and there is a formal delegations structure in place which sets out the powers delegated to the acting CEO and those specifically retained by the Board, these delegations are reviewed on a regular basis.

Responsibilities of the Board

The Board is responsible for:

- Overseeing the group, including its control and accountability systems;
- Appointing and removing the CEO and Company Secretary;
- Where appropriate, ratifying the appointment and removal of senior executives;
- Providing input into and final approval of management's development of corporate strategy and performance objectives;
- Reviewing, ratifying and monitoring systems of risk management and internal controls, codes of conduct and legal compliance;
- Monitoring senior executives performance and implementation of strategy;
- Ensuring appropriate resources are available to senior executives;
- Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestures; and
- Approving and monitoring financial and other reporting.

Allocation of individual responsibilities

Formal letters of appointment are provided to all new Directors setting out key terms and conditions of their appointment.

Evaluation of Directors

No performance evaluation for the Board and its members took place in the reporting period. Given the small size of the Board and of the Company, the directors are of the opinion that such a review is inefficient or practicable.

Corporate Governance Statement

30 June 2013

Principle 2: Structure the Board to add Value

The Board's policy is that the Board needs to have an appropriate mix of skills, experience, expertise and diversity to be well equipped to help the Group navigate the range of challenges faced by the group.

The names of the members of the Board as at the date of this report are set out below:

- Michael Schmulian (Independent Chairman)
- Will Dix
- Alastair Smith

Details of the Board member's experience, expertise, qualifications, term of office and independence status, are set out in the directors' report.

Composition of the Board

The Board seeks to ensure that:

- At any point in time, its membership represents an appropriate balance between directors with experience and knowledge of the Group and directors with an external or fresh perspective;
- There is a sufficient number of directors to serve on Board committees without overburdening the directors or making it difficult for them to fully discharge their responsibilities; and
- The size of the Board is appropriate to facilitate effective discussion and efficient decision making.

In accordance with the ASX Listing Rules, the Group must hold an election of Directors each year.

Board committees

The Board has decided given its nature and size it is impracticable to establish separate audit, remuneration, or nomination committees. The board as a whole is responsible for carrying out the functions normally carried out by these committees.

Independent decision making

The Board recognises the important contribution independent Directors make to good corporate governance. All Directors, whether independent or not, are required to act in the best interests of the Group and to exercise unfettered and independent judgment.

Role of the Chair

The Chair of the Board is responsible for leadership of the Board and for the efficient organisation and conduct of the Board's functioning.

The Chair facilitates the effective contribution of all directors and promotes constructive and respectful relations between directors and between Board and management.

Corporate Governance Statement

30 June 2013

Access to information

The Board is provided with the information it needs to discharge its responsibilities effectively and all Directors have complete access through the Chairman, Acting CEO or Company Secretary at any time.

In certain circumstances, each Director has the right to seek independent professional advice at the Group's expense, within specified limits, or with the prior approval of the Chairman.

Principle 3: Promote Ethical and Responsible Decision-Making

Code of Conduct

The Board endeavours to ensure that the directors, officers and employees of the Company act with integrity and observe the highest standards of behaviour and business ethics in relation to their corporate activities.

Ethical Standards

Specifically, that Directors, officers and employees must:

- Comply with the law;
- Act in the best interests of the Company;
- Be responsible and accountable for their actions; and
- Observe the ethical principles of fairness, honesty and truthfulness, including disclosure of potential conflicts.

Diversity policy

In respect of diversity, the Board considers that diversity includes differences that relate to gender, age, ethnicity and cultural background. It also includes differences in background and life experience, communication styles, interpersonal skills, education and problem solving skills.

The Group seeks to develop a culture of diversity within the Group whereby a mix of skills and diverse backgrounds are employed by the Group at all levels.

Female representation within the Group is as follows:

	2013		2012	
	No.	%	No.	%
Board representation	0	0%	0	0%
Key management personal representation	0	0%	0	0%
Group Representation	0	0%	1	16%

The Company is striving to achieve diversity, however the small size of the company impacts diversity.

BBX Minerals Limited considers the key management personnel, excluding Directors, to be the senior executives of the group.

Corporate Governance Statement

30 June 2013

Principle 4: Safeguard Integrity in Financial Reporting

External auditor

In accordance with the Corporations Act 2001, the lead Audit Partner on the audit is required to rotate at the completion of a 5 year term.

The external auditor attends the AGM and is available to answer your shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Principle 5: Make Timely and Balanced Disclosure

BBX Minerals Limited has established procedures to ensure timely and balanced disclosures of all material matters concerning the Company, and to ensure that all investors have access to information on the Company's financial performance.

These procedures include identification of matters that may have a material effect on the price on the Company's securities, notifying them to the ASX, posting relevant information on the Company's website and issuing media releases.

The Annual Report includes relevant information about the operations of the company during the year, key financial information, changes in the state of affairs and indications of future developments. The Annual Reports are available on the Company's website.

The half year and full year financial results are announced to the ASX and are available to shareholders via the Company's and ASX websites.

All announcements made to the market, and related information (including presentations to investors and information provided to analysts or the media during briefings) are made available to all shareholders after they are released to the ASX. All ASX announcements, media releases and financial information are available on Company's website within one day of public release.

Principle 6: Respect the Rights of Shareholders

The Company Secretary has been nominated as the person responsible for communications with the Australian Securities Exchange (ASX).

All Executive Management have an ongoing obligation to advise the Company Secretary of any material non-public information which may need to be communicated to the market.

The group makes all ASX announcements available via its website. The Notice of Annual General Meeting (AGM) will be provided to all shareholders and posted on the group's website. Notices for general meetings and other communications with shareholders are drafted to ensure that the nature of the business of the meeting is clearly stated and explained. The Board encourages full participation by shareholders at the Annual General Meeting to ensure a high level of Director accountability to shareholders and shareholder identification with the Group's strategy and goals.

Principle 7: Recognise and Manage Risk

The Board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth.

The Acting CEO has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed regularly. The recent economic environment has emphasised the importance of managing and reassessing its key business risks.

The Board is responsible for reviewing the group's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Corporate Governance Statement

30 June 2013

The Board requires management to design and implement the risk management and internal control system to manage the group's material business risks and report to it on whether those risks are being managed effectively.

Internal control

The Board is responsible for reviewing the group's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

The Board has received assurance from the Acting Chief Executive Officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Principle 8: Remunerate Fairly and Responsibly

The group's remuneration is set to attract and retain qualified and experienced directors, executive and staff.

The payment of bonuses, options and other incentive payments are reviewed by the board annually as part of the review of remuneration. Any bonuses, options and incentives maybe linked to predetermined performance criteria. The Board can exercise its discretion in relation to approving incentives, bonuses and options.

Corporate Governance Statement

30 June 2013

Compliance with ASX Corporate Governance Recommendations

During the Company's 2013 financial year ("Reporting Period") the Company complied with the ASX Principles and Recommendations other than in relation to the matters specified below.

Principle No	Best Practice Recommendation	Reasons for Non-compliance
2.4	A separate Nomination Committee has not been formed.	The Board considers that the Company is not currently of a size to justify the formation of a nomination committee. The Board as a whole undertakes the process of reviewing the skill base and experience of existing Directors to enable identification of attributes required in new Directors. Where appropriate independent consultants are engaged to identify possible new candidates for the Board.
2.5	Board Evaluation	No performance evaluation for the Board and its members took place in the reporting period. Given the small size of the Board and of the Company, the directors are of the opinion that such a review is not efficient nor practicable.
3.2, 3.3	The Diversity Policy does not include measureable objectives for achieving gender diversity.	The Board considers due to the size of the Company setting of measurable diversity objectives is not appropriate. The company has minimal full time employees and utilises external consultants and contractors to complement the full time workforce as and when required.
4.1,4.2, 4.3	A separate Audit Committee has not been formed.	The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of an audit committee. The Board as a whole undertakes the selection and proper application of accounting policies, the identification and management of risk and the review of the operation of the internal control systems.
8.1, 8.2	There is no separate Remuneration Committee.	The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of a remuneration committee. The Board as a whole is responsible for the remuneration arrangements for Directors and executives of the Company.

Directors' Report
30 June 2013

The directors present their report, together with the financial statements of the Group, being BBX Minerals Limited (the Group) and its controlled entities, for the financial year ended 30 June 2013.

1. General information

Information on directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are:

Name and Qualifications	Interest in Shares and Options	Experience and Special Responsibilities
<p>Michael Schmulian Chairman Non Executive Director Appointed 12 April 2011 BSc (Hons) University of Witwatersrand MSc University of Leicester Fellow of AusIMM</p> <p>Other Current Directorships</p> <p>None</p> <p>Former directorships in last 3 years</p> <p>Executive Director of Mundo Minerals Limited (resigned 30 June 2009)</p>	<p>3,092,000 fully paid ordinary shares</p> <p>230,000 options expiry 30th June 2014</p>	<p>Mr Schmulian has been a director since 12 April 2011. Mr Schmulian is a geologist with over 40 years of mining and exploration experience. His experience includes 21 years in Brazil where he established a strong network of contacts throughout the industry. He is the former Brazil Country Manager for Western Mining Corporation charged with managing the implementation and operations of two gold mines. South America brownfields Exploration Manager for Anglo Gold Ashanti and Executive Director of ASX listed Mundo Minerals, responsible for establishing the Company's Engenho gold mine. Mr Schmulian is currently COO of ASX listed Crusader Resources and is a Fellow of AusIMM</p>
<p>Michael Hogg Non Executive Appointed 10 September 2010 Resigned 23 July 2013</p> <p>Other Current directorships</p> <p>Non-executive director of Australian Power and Gas Company Limited (since November 2006)</p> <p>Non-executive director of First folio Limited (since April 2006)</p>	<p>1,126,000 fully paid ordinary shares</p>	<p>Michael is the former Australian Chief Executive Officer of The Cobra Group Pty Ltd which is part of a direct sales organisation with over 10,000 sales representatives in 20 countries worldwide.</p>

Directors' Report

30 June 2013

<p>Will Dix Non Executive Director Appointed 10 October 2012 BSc, MSc Monash University Member of AusIMM Other Current Directorships Non Executive Director Credo Resources Ltd Non Executive Director Fitzroy Resources Ltd Former directorships in last 3 years Nil</p>	<p>100,760 fully paid ordinary shares</p>	<p>Mr Dix is a geologist with 18 years' experience in gold, base metals and uranium. He holds a BSc and MSc (Geology) from Monash University and is a member of AusIMM. In previous roles he has led successful growing gold and base metal resources at companies including Lion Ore Mining International. At Lion Ore Mr Dix was part of the team that discovered the Waterloo Nickel Mine and delineated the 2 million ounce Thunder Box Gold project. He has a proven track record of successful project and team management and also extensive capital raising, mergers, acquisitions and divestments.</p>
<p>Alastair Smith Non Executive Director Appointed 15th April 2013 BCom MCom CA Other Current Directorships Nil Former directorships in last 3 years Nil</p>	<p>10,000 fully paid ordinary shares 5000 options expiry 30 June 2014</p> <p>Mr Smith also has an interest in 7,288,000 shares and 857,000 options expiring 30 June 2014 in the name of Yardie (WA) Pty Ltd as Trustee for the AW Smith Family Trust.</p> <p>Mr Smith also has a beneficial interest in 6,875,000 options issued to Blackwood Equities (NSW) Pty Ltd expiring 30 March 2016</p>	<p>Mr Smith is director of Blackwood Equities (NSW) Pty Ltd a Sydney based boutique equity Capital markets and brokerage firm. For 8 years prior to joining Blackwood's, Mr Smith worked for 2 large Australian based resource focused stock broking firms and a global accounting firm in both London and Australia.</p>
<p>Phillip Suriano Non Executive Director B Bus, Bkg& Fin Monash Appointed 29 November 2010 Resigned 24 January 2013</p>	<p>2,513,460 fully paid ordinary shares</p>	<p>Mr Suriano began his career in corporate banking with the State Bank of Victoria (Commonwealth Bank). Mr Suriano spent 16 years in senior positions within the Australian media industry undertaking such roles as National Sales Director MCN and group Sales Manager Network 10. For the last 10 years Mr Suriano has worked in corporate finance.</p>
<p>Paul Page Executive Chairman B Bus MIACD Appointed 31 August 2010 Ceased 4 July 2012 Former Current Directorships Non Executive Director Stirling Resources Ltd</p>	<p>At the time of his death Mr Page had an interest in 11,322,500 shares held by Arthur Phillip Pty Ltd (Beneficially owned by Brovest Pty Ltd as trustee for the super fund account of which Paul Page was a director and shareholder)</p> <p>100,000 shares held by Brovest Pty Ltd of which Paul Page was a</p>	<p>Mr Page commenced his career as an accountant with KPMG specialising in managing businesses under administration. He left KPMG in 1992 to commence a career in stockbroking. In 2003 he co established Arthur Phillip Pty Ltd. On his death Mr Page ceased to be a director.</p>

Directors' Report

30 June 2013

(resigned 12 March 2010)	director and shareholder.	
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Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

Simon Robertson

Mr Robertson gained a Bachelor of Business from Curtin University in Western Australia and Master of Applied Finance from Macquarie University in New South Wales. He is a member of the Institute of Chartered Accountants and the Chartered Secretaries of Australia. Mr Robertson has experience as a Company Secretary and in transaction management. He has also been involved in management of the ASX listing process and several specific asset transfers, general accounting for public companies and preparation of financial statements.

Principal activities and significant changes in nature of activities

The principal activities of the Group during the financial year were mining exploration and development in Brazil and South America

There were no significant changes in the nature of the Group's principal activities during the financial year.

Operating results and review of operations for the year

Operating results

The consolidated loss of the Group amounted to \$1,414,062 for the year ended 30 June 2013 (2012: \$1,369,543).

Review of operations

EQUITY RAISING

BBX Minerals Limited announced a successful equity raising on 2nd April 2013 with commitments for a minimum of \$700,000 through a private placement to sophisticated investors of 35,000,000 fully paid ordinary shares at 2 cents per share in two tranches

- Tranche 1 raised \$228,000 through the issue of 11,400,000 shares at 2 cents under the Company's existing 15%, with completion on 3rd April 2013; and
- Tranche 2 raised \$472,000 through the issue of 23,600,000 shares at 2 cents which was approved by shareholders on 7 June 2013

Proceeds of the capital raise were used for general working capital.

17,500,000 advisory options, with an exercise price of \$0.05 expiring on or before 30 March 2016 were issued in consideration for services provided in conjunction with the placement following shareholder approval.

DIRECTORS

Phillip Suriano resigned during the year and Alastair Smith and Will Dix were appointed. Michael Schmulian was appointed Independent Non-Executive Chairman on 2nd October 2012.

EXPLORATION RESULTS, MINERAL RESOURCES AND ORE RESOURCES

Competent Person Statement: The information in this report that relates to Exploration Results, Mineral Resources or Ore Resources is based on information compiled by Michael Schmulian, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Schmulian is a full time employee of Crusader Resources Ltd. He 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 "Australian 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.

Directors' Report

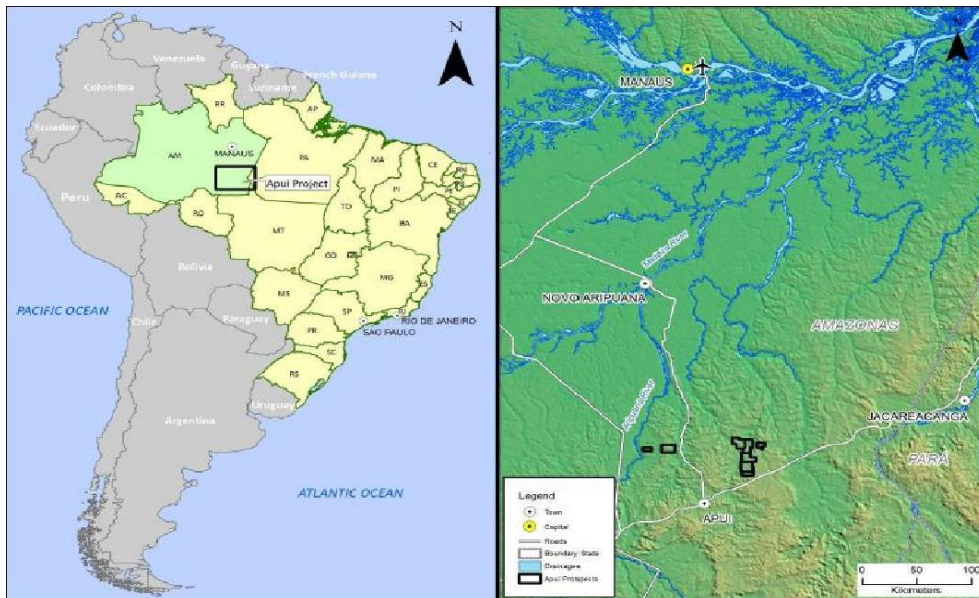
30 June 2013

ELDORADO DE JUMA

BBX commissioned an Independent Geologist Report on its Juma project from Amazon Geoservices. Key points are as follows:

- 4km of prospector workings identified at Juma East. Mined by hydraulic mining of a flat lying free dig sedimentary package
- Historical prospector production of over 50,000 oz. (unconfirmed by Amazon Geoservices)
- New region opened up in 2006-7 with no modern exploration having been undertaken,
- Underlain and fed by a large gabbro (was identified over 4km of strike) with intense stockwork veining (which lies on the rim of a large caldera). This presents an exciting exploration target
- Potential to process historical tailings to generate early low capital cash flow to fund exploration

Project Location (image from BBX)



Tenure

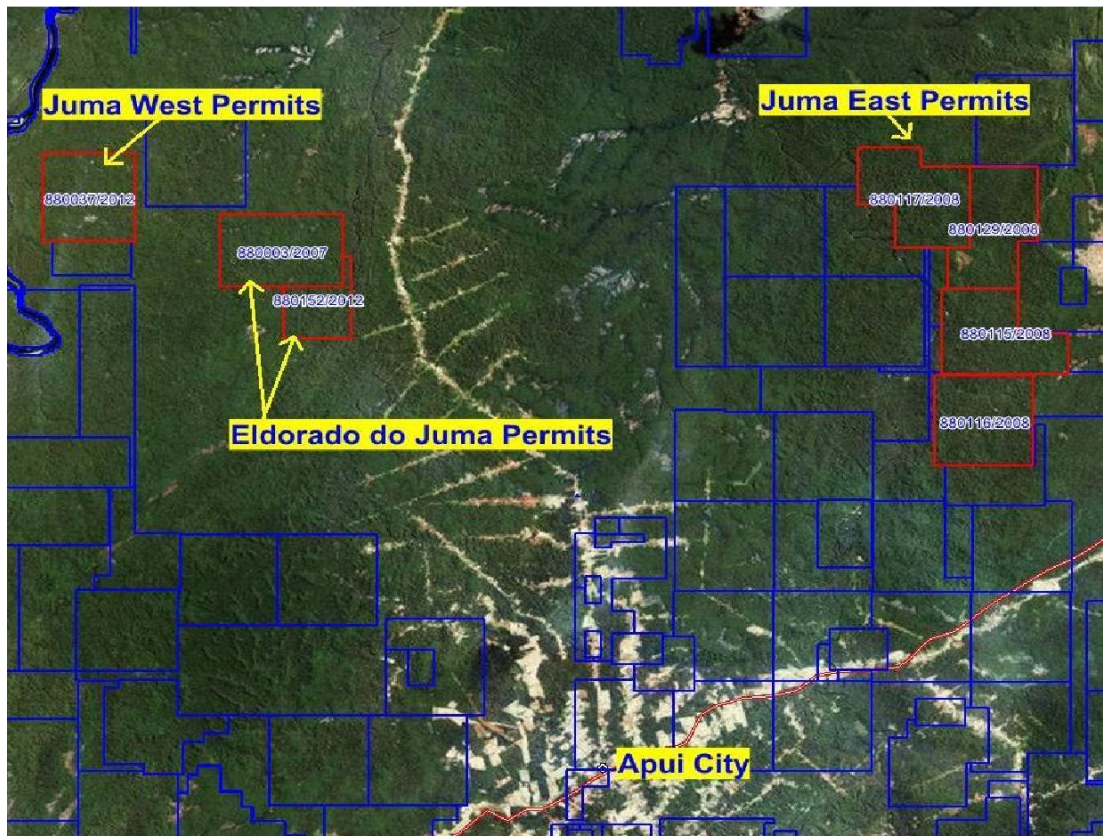
The Juma permit package consists of 4 exploration licenses, 1 license application one garimpo artisanal mining permit (PLG) and one garimpeiro mining application for a total area of 61,920ha as shown in Table below. All exploration permits when granted are valid for a renewable period of three years.

Directors' Report
30 June 2013

Permit Schedule Juma Gold Project

Permit Name	Permit Number	Type	Owner	% Interest to be Earned	Area HA
Eldorado do Juma	880007/2007	PLG Artisanal Mining License	Cooperative Extrativista Mineral	75%	10,000
Eldorado do Juma	880152/2012	Application for PLG License	Cooperative Extrativista Mineral	75%	4,287
Juma East	880117/2008	Exploration License	Raquel Correia da Silva	100%	9,642
Juma East	880116/2008	Exploration License	Raquel Correia da Silva	100%	10,000
Juma East	880129/2008	Exploration License	Raquel Correia da Silva	100%	9,307
Juma East	880115/2008	Exploration License	Raquel Correia da Silva	100%	9,493
Juma West	880037/2012	Exploration License Application	BBX Brazil	100%	9191
Total Area					61,920

Permit Locations Juma Gold Project



Directors' Report

30 June 2013

Exploration Potential

No systematic reportable exploration has ever been completed on the Eldorado do Juma project. It was discovered in 2007. The Cooperative group Cooperjuma has reported historical production of between 50,000oz and 100,000oz of gold. Amazon Geoservices is unable to confirm this figure.

Amazon Geoservices is of the opinion that the Juma Gold Project represents a highly prospective exploration gold target, for the following reasons:

- The garimpo workings can be traced intermittently over 4km strike and are aligned with the interpreted rim of a caldera feature (8km in diameter). Continual panning by Amazon Geoservices on the garimpo pits produced coarse gold.
- The garimpeiros have partially mined only the mineralised intercalated sediments and volcanics, which is 20-30m thick and up to 200m wide. This soft free dig unit is underlain (and was fed) by an intrusive gabbro. The intrusive has strongly developed stockwork veining. This intrusive represents a prospective target.
- Significant tailings remain from the historical mining. Current extractive practices are basic with < 50% of the contained gold recovered. Reprocessing the tailings could generate early cash flow for the project if sufficient tonnes and grade are defined.
- The Juma East target has had limited work but initial reconnaissance by BBX has identified a number of gold bearing prospects including the Rio Branco conglomerate which has returned nugget gold within the matrix and is reported to run into the Juma East permits.

Conclusions and Recommendations

Amazon Geoservices concluded that the combined garimpo mining and preliminary due diligence studies completed to date have defined a highly prospective exploration target at Eldorado do Juma and Juma East.

Given the cash staged payments defined in the BBX agreements, Amazon Geoservices recommended that BBX should be prepared to undertake a quick first pass exploration program. No significant drilling and sampling has been carried out at the Eldorado do Juma permits. Although there is significant visible gold in panning and in rock specimens, it is difficult to estimate the contained grade and continuity of the sediments and underlying intrusive without systematic drilling and sampling.

Amazon Geoservices recommended that hard rock exploration should be staged to allow field mapping and sampling, geophysical compilation, followed by regional and infill soil geochemistry, and a first pass drilling campaign to test the sediments and underlying intrusive at Eldorado do Juma.

In addition an auger program should be conducted over the remaining tailings to determine if sufficient tonnage and grade remains to justify a scoping study into potentially re-processing the tailings to enable early cash flow from the project.

The Company then announced in April 2013 its intention to undertake a systematic auger drilling and sampling program of the tailings at the Eldorado do Juma prospect under the garimpeiro PLG license 880007/2007.

The drilling program is targeted to start in May and take 2-3 months with initial results expected to be announced from October 2013 onwards. The Company expected to drill up to 1000 meters.

The Company and their legal advisors FFA Legal have also initiated the process to convert the PLG License to an exploration license and subsequently transfer this to the BBX controlled entity, Comin Gold (75% owned by BBX and 25% owned by Cooperjuma). BBX have submitted the application to the DNPM to transfer the license. While no timeframe has been indicated, BBX is hopeful that this transfer can be completed within 6 months, subject to all regulatory approvals.

Directors' Report

30 June 2013

MINORTE (Minorte Extração de Mineração Ltda)

On July 30, 2012 the Company finalised an agreement to acquire 100% of Minorte (Minorte Extração de Mineração Ltda) for BRL 2.54M and 6M BBX shares payable over a 4 year period, plus a 7.5% net profit interest. Minorte in turn has entered into an agreement with the Eldorado de Juma Co-operative (Cooperjuma), owner of 2 concessions totalling 14,287ha covering the Eldorado de Juma and Jacaré artisanal workings, to acquire 75% of the latter's interest in the tenements for BRL 2.0M payable over 4 years.

BBX will invest the initial BRL10M in exploration and project expenditures prior to the commencement of Cooperjuma pro-rata contributions. BBX may withdraw from the arrangement at any time during the four year period. Minorte and Cooperjuma will form a new BBX-managed entity, Comin Gold, which will operate the joint venture. The commencement of payments to Cooperjuma is conditional on transfer of title to the two concessions to Comin Gold.

OURO BELO – EARN IN JV PROJECT

The option held over the Ouro Belo tin /indium project from Crusader Resources Ltd expired on 31 March 2013. Following a review of the project the Company decided not to renew the option and the property reverted back to Crusader Resources Ltd.

CHAPADA GOLD PROJECT TOCANTINS STATE BRAZIL

BBX announced on 18 October 2012 that it had agreed with Minera Gold Limited (ASX code: MIZ) (formerly Mundo Minerals Limited) and its wholly owned subsidiary Mundo Mineração Ltda, to vary part of their agreement in regards to the final payment of \$230,000 which was due no later than 12 December 2012.

BBX and Minera agreed that the final payment was to be paid as follows

- Payment 1 - \$60,000 by no later than 30 November 2012;

and

- Payment 2 - \$170,000 by no later than 30 March 2013, by either a cash payment or through the issuance of equity

In March 2013 BBX and Mundo Mineração Ltda (a wholly-owned subsidiary of Minera Gold) agreed to again vary the terms upon which BBX has exercised an option to acquire Mundo's 51% legal and beneficial interest in the Chapada project (part of Tocantins JV) with BBX to pay the outstanding \$170,000 as follows:

1. \$60,000 by 1 April 2013 (this amount has been paid); and
2. \$110,000 upon the publication in the Official Gazette of the approval by the National Department of Mineral Production (DNPM) of the transference of the Chapada project to BBX or its nominee, with the payment to be made by cash or in fully paid ordinary BBX shares at BBX's election (with the issue price at the lower of \$0.07 or the 5 day VWAP prior to the publication less a 20% discount).

In March 2013 BBX also agreed to acquire Rio Gameleira Prospeccao e Geologia Ltda's 49% interest in the Chapada project for a net smelter royalty of 2.1%. Formal documentation was immediately completed.

Directors' Report

30 June 2013

Financial Review

Financial position

The net assets of the Group have decreased by \$622,279 from 30 June 2012 to \$1,175,067 at 30 June 2013. This decrease is largely due to the following factors:

- Increased expenditure on mining and exploration expenses as the company undertook drilling of Eldorado do Juma project.
- Payment of \$240,000 in option costs associated with the continued purchase of the Company's Chapada project
- Increase in administration costs relating to A\$16,000 monthly social payments to the Garimpeiros at Eldorado do Juma
- Increased legal costs in Australia and Brazil associated with capital raising of \$700,000 and to obtain the Juma East exploration licenses where court action was undertaken in Brazil. The court action was taken to enable the DNPM to issue the exploration licenses, as the proposed change to the mining legislation in Brazil was preventing the DNPM from issuing exploration licenses.

Significant changes in state of affairs

BBX Minerals Limited announced a successful equity raising on 2nd April 2013 with commitments for a minimum of \$700,000 through a private placement to sophisticated investors of 35,000,000 fully paid ordinary shares at 2 cents per share in two tranches

Tranche 1 raised \$228,000 through the issue of 11,400,000 shares at 2 cents under the Company's existing 15%, with completion on 3rd April 2013;

and

Tranche 2 raised \$472,000 through the issue of 23,600,000 shares at 2 cents which was approved by shareholders on 7th June 2013

Proceeds of the capital raise was used for general working capital.

Shareholder approval was provided on 7th June 2013 to issue 17,500,000 advisory options, with an exercise price of \$0.05 expiring on or before 30 March 2016 in consideration for services provided in conjunction with the placement.

The options were issued on 19th June 2013.

Dividends paid or recommended

The Group did not declare or pay a dividend for the year ended 30 June 2013.

Directors' Report

30 June 2013

Events after the reporting date

Chapada Gold Project

In July BBX received an approach from associates of Cooperativa Mistados Garimpeiros da Chapada da Natividade - Cooperminer to purchase BBX's title to and interest in the Chapada project for purchase price of BRL 3.4M (approximately AUD1.7M). For the purposes of this note, an exchange rate of A\$1:BRL(R\$)2 has been used.

The following terms were agreed and a letter of Intent signed:

1. R\$400,000 (approximately AUD200,000) on signing the definitive sale and purchase agreement;
2. R\$600,000 (approximately AUD300,000) on signing the transfer of title documentation to enable the National Department of Mineral Production (DNPM) to process the transfer of the Chapada project to COOPERMINER;
3. R\$500,000 (approximately AUD250,000) 6 months after either (i) the commencement of mining activities by COOPERMINER, or (ii) the DNPM granting a trial mining license, or (iii) the DNPM granting a Mining Right (or equivalent document), whichever occurs first;
4. R\$500,000 (approximately AUD250,000) within six (6) months of BBX receiving the payment referred to in item "3" above;
5. R\$350,000 (approximately AUD175,000) within 6 months of BBX receiving the payment referred to in item 4;
6. R\$350,000 (approximately AUD175,000) within 6 months of BBX receiving payment referred to in item 5;
7. R\$350,000 (approximately AUD175,000) within 6 months of BBX receiving payment referred to in item 6; and
8. R\$350,000 (approximately AUD175,000) within 6 months of BBX receiving payment referred to in item 7.

A 3% net smelter return royalty is also payable to BBX from the Chapada project, of which 2.1 % is payable to Rio Gameleira Prospeccao e Geologia Ltda, plus 3% of the total sale consideration should Cooperminer sell the Chapada project to a third party.

BBX's obligation to pay Mundo Mineracao Ltda \$110,000 (due 5 days after the publication in the Official Gazette of the approval by the Brazilian Mines Department of the transference of the Chapada Prospect to BBX under its previous announced option to purchase 51% of the Chapada Project) remains unaffected by this transaction.

The Company in September 2013 on receipt of a non-refundable deposit of R\$ 100,000 (A\$50,000) also granted the co-operative approval to utilise a separate legal entity to acquire the Chapada mineral license and to extend the settlement date. The co-operative has agreed on which members will participate in the acquisition and the Company now expects that the acquisition will proceed under the new entity's name and be finalised by 30th September 2013. On 27th September the Company announced that Engep Engenharia E Pavimentacao had completed formal documentation.

On 30th September the Company further announced receipt of R\$300,000 (A\$150,000) to complete the tranche 1 payment due by 30th September 2013.

Juma East

The DNPM (Departamento Nacional de Producao Mineral) on 2 August granted the 4 exploration licenses that BBX Minerals has optioned from Raquel Correia da Silva, covering the Juma East tenements, as follows:

DNPM no 7124/2013	Process Number 880.115/08
DNPM no 7125/2013	Process Number 880.116/08
DNPM no 7126/2013	Process Number 880.117/08
DNPM no 7127/2013	Process Number 880.129/08

These exploration licenses are valid for three years with the right to extend for a further three years, subject to positive exploration results.

BBX Minerals via its wholly owned subsidiary MINERAÇÃO BBX DO BRASIL LTDA holds an option to purchase 100% of the Juma East Project from Raquel Correia da Silva, by paying a total of USD500,000 for each tenement over a 6 year period, plus expenditure commitments, with payments for each tenement contingent on the transfer of title. Note 22

BBX has agreed to pay the vendor of the Juma East Project a net smelter royalty of 3%, from which 1.2% can be purchased for USD1, 500,000 by year 5. At any time during the option period, BBX may return the title of any property to the Vendor without affecting the ownership of the remaining properties.

Directors' Report

30 June 2013

Other than the matters outlined above there have been no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the consolidated group's operations in future years; or the results of those operations in future years; or the consolidated entity's state of affairs in future years.

Future developments and results

BBX completed auger drilling of the Eldorado de Juma tailing in mid - August 2013 and expects the first assay results to be available in mid- October 2013. These results will determine whether BBX proceeds to a stage 2 position of establishing a JORC resource or has confidence to invest in a small gravity plant to process the tailings via joint venture Company Comin Gold (75% owned by BBX). If the company concludes there is sufficient encouragement to proceed with a gravity plant a feasibility study will be undertaken within 6 months.

BBX has successfully secured title to four exploration licenses covering 38,442ha, comprising the Juma East project, in a totally unexplored region containing widespread garimpeiro (artisanal mining) workings. An initial exploration plan is currently being prepared to enable field work at Juma East to commence in the final quarter of 2013, with sampling and mapping of the principal old workings, followed by soil sampling, auger drilling and pitting along the identified mineralised structures. Economic oxide mineralisation identified in initial exploration could be mined in the short term under a trial mining license. Ground magnetics and electrical geophysics (IP and/or EM) will be conducted over the best geochemical targets to assist in drill target definition for primary gold mineralization.

The Group does not at present generate cash from its operations. The Group will require further funding to meet its corporate expenses and exploration activities. The sale of the Chapada asset is expected to assist the group to meet these costs.

Should the Company commence production at Eldorado de Juma this will lead to early stage cash flow which will be utilised to fund continued exploration activities at both Eldorado de Juma and Juma East, and see the Company generate positive shareholder returns.

The Group is exposed to interest rate risks and foreign exchange rate risks which the group actively monitors.

The financial statement have been prepared on the basis that the Company will continue as a going concern. The Directors reasons for adopting this basis are stated in Note 1 (c).

Environmental issues

The Group's operations are not subject to significant environmental regulations under the laws of the Commonwealth and State of Australia.

Directors' Report

30 June 2013

Meetings of Directors

During the financial year, 19 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Michael Schmulian	19	19
Will Dix	8	8
Alastair Smith	2	2
Michael Hogg	19	14
Phillip Suriano	13	13

The directors also meet informally between board meetings

Indemnification and Insurance of Directors and Officers

During the financial year, the company paid a premium of \$13,129 (\$2012: \$9,024) exclusive of GST, in respect of a contract insuring the directors of the company, the company secretary and all executive officers of the Group against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

Options

At the date of this report, the unissued ordinary shares of BBX Minerals Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
9 March 2012 (Listed Options)	30 June 2016	\$0.25	5,625,000
9 March 2012(Unlisted)	30 June 2016	\$0.25	5,625,000
9 March 2012(Unlisted)	30 June 2016	\$0.25	7,500,000
19 June 2013(Unlisted)	30 March 2016	\$0.05	17,500,000
Total Options on issue			36,250,000

Option holders do not have any rights to participate in any issues of shares or other interests in the Group or any other entity.

For details of options issued to directors and other key management personnel as remuneration, refer to the remuneration report.

During the year ended 30 June 2013, no ordinary shares of BBX Minerals Limited were issued on the exercise of options granted.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Directors' Report

30 June 2013

Non-Audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year 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 in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Non audit services were provided by Lachlan Partners Business Advisory Services Pty Ltd, a network firm of the Group's auditor (Lachlan Nielson Partners Pty Ltd) relating to the Groups Tax and GST returns and for services relating to assistance with a prospectus. Total fees of \$11,100 was paid for these services (refer to Note 18).

Auditor's Independence Declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2013 has been received and can be found on page 23 of the financial report.

Directors' Report

30 June 2013

REMUNERATION REPORT (AUDITED)

Remuneration policy

The remuneration policy of BBX Minerals Limited has been designed to align key objectives with shareholder and business objectives based on key performance areas affecting the Group's financial results. The Board of BBX Minerals Limited believes the remuneration policy to be appropriate.

The Board establishes and monitors the remuneration of the Managing Director/ Chief Executive. Currently no Chief Executive Officer has been appointed, but the Company has appointed an acting CEO to assist the Company with day to day management.

The performance of management personnel is measured against criteria agreed annually. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Remuneration paid to is valued at the cost to the Group and expensed.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Remuneration Committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting, the current maximum is \$ 150,000.

Service Agreements

On appointment to the Board, all non-executive directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of director.

Directors Remuneration details for the year ended 30 June 2013

The following table of benefits and payment details, in respect to the financial year.

Table of benefits and payments

30 June 2013	Directors Fees	Management Fees	Superannuation/ Bonus	Share Based Payments	Total Remuneration
Michael Schmulian	12,000			39,600	51,600
Will Dix	12,000			5,038	17,038
Alastair Smith	6,000			60,500	66,500
Michael Hogg	12,000			56,333	68,333
Phillip Suriano	2,000			50,673	52,673
Paul Page	37,560	127,440	50,000		215,000
Total	81,560	127,440	50,000	212,144	471,144

Directors' Report

30 June 2013

On the death of Paul Page the Company paid accrued fees and bonuses to his estate. Payments to Mr Page totalled \$215,000, which are recorded in the Profit and Loss.

Share based payments totalled \$212,144, of which \$151,644 were expensed through the Profit & Loss and \$60,500 through equity as capital raising costs.

30 June 2012	Directors Fees	Superannuation/Bonus	Share Based Payments	Total Remuneration
Paul Page	225,750			225,750
Michael Schmulian	61,500		60,000	121,500
Michael Hogg	26,400			26,400
Phillip Suriano	26,400			26,400
Total	340,050		60,000	400,050

In the 2013 financial year no salaries were paid to directors.

The Company sought and was granted shareholder approval on 7 June 2013 to issue shares at \$0.05 in payment of accrued director's fees dating back to 2010. The number of shares issued in payment of accrued director's fees is as follows.

Director	Grant date	Issue Price	Number Issued	Value
Michael Schmulian	19 June 2013	\$0.05	792,000	39,600
Will Dix	19 June 2013	\$0.05	100,760	5,038
Michael Hogg	19 June 2013	\$0.05	1,126,660	56,333
Phillip Suriano	19 June 2013	\$0.05	1,013,460	50,673

Cash performance-related bonuses

The terms and conditions relating to bonuses granted as remuneration during the year to key management personnel during the year are as follows:

Paul Page (Executive Chairman ceased 4 July 2012) was granted a bonus payment of \$50,000 by the Board for securing both the Chapada project and the Eldorado do Juma and Juma East option agreement.

BBX Minerals Limited

Directors' Report

30 June 2013

Options/rights granted as remuneration

Details of the options granted as remuneration to Directors during the year:

Director	Date Granted	Option Price	Number issued	Value
Alastair Smith	19 June 2013	\$0.05	6,875,000	60,500

Options were issued to Blackwood Equities (NSW) Pty Ltd a company associated with Alastair Smith relating to the Company's \$700,000 capital raise via Tranche 1 & 2 dated 3rd April 2013 and 7th June 2013. Blackwood Equities (NSW) Pty Ltd was also paid brokerage (cash) of \$ 26,950 for the capital raise (refer note 14).

Option values at grant date were determined using the Black-Scholes method (refer note 17).

All options were issued by BBX Minerals Limited and entitle the holder to ordinary shares in BBX Minerals Limited for each option exercised.

There have not been any alterations to the terms or conditions of any share based payment arrangements since grant date.

Proceedings on Behalf of the Company

No Person has applied for leave of the court to bring proceedings on behalf of the Company for all or part of those proceedings.

This director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors dated 30 September 2013.



Michael Schmulian
Chairman

Directors' Report

30 June 2013

AUDITORS INDEPENDENCE DECLARATION



LACHLAN PARTNERS

Chartered Accountants, Business & Financial Advisors

Lachlan Nielson Partners Pty Limited

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**AUDITORS INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BBX MINERALS LIMITED**

I declare that to the best of my knowledge and belief, during the year ended 30 June 2013, there have been:

1. no contraventions of the auditor independence requirements as set out in 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.

Lachlan Nielson Partners Pty Limited

Anthony Rose
Director

Dated 30 September 2013

Sydney

BBX Minerals Limited

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2013

	Note	Consolidated Group	
		2013 \$	2012 \$
Interest received	3	13,282	30,191
		<u>13,282</u>	<u>30,191</u>
Depreciation and amortisation		(1,790)	(700)
Staff costs		(401,072)	(596,255)
Impairment of investments		-	(124,909)
Legal and professional fees		(144,573)	(36,563)
ASX and registry costs		(45,978)	(118,842)
Rent		(10,825)	(14,300)
Sales and marketing		(28,506)	(130,624)
Administration expenses		(277,422)	(115,372)
Mining and exploration expenses		(321,103)	(191,338)
Foreign exchange loss		(111,640)	(27,893)
Other expenses		(84,435)	(49,936)
Profit/(loss) before income tax		(1,414,062)	(1,369,543)
Income tax expense		-	-
Profit/(loss) from continuing operations after income tax expense		(1,414,062)	(1,369,543)
Other comprehensive income/(loss)			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translating foreign Operations		(10,103)	993
Total comprehensive income/(loss) for the year		(1,424,165)	(1,368,550)
Diluted earnings per share (cents per share)	12	(1.77)	(1.34)
Earnings per share - continuing operations			
Basic earnings per share (cents per share)		(1.77)	(1.34)
Diluted earnings per share (cents per share)	12	(1.77)	(1.34)

These financial statements should be read with the accompanying notes

BBX Minerals Limited

Statement of Financial Position

30 June 2013

	Note	Consolidated Group	
		2013	2012
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	5	378,668	1,200,648
Financial assets	6	-	41,013
Prepayments		72,672	41,020
Exploration & evaluation assets	8, 21	737,825	-
TOTAL CURRENT ASSETS		<u>1,189,165</u>	<u>1,282,681</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	19,332	1,604
Exploration & evaluation assets	8, 21	298,301	828,589
TOTAL NON-CURRENT ASSETS		<u>317,633</u>	<u>830,193</u>
TOTAL ASSETS		<u>1,506,798</u>	<u>2,112,874</u>
CURRENT LIABILITIES			
Trade and other payables	9	286,824	270,621
TOTAL CURRENT LIABILITIES		<u>286,824</u>	<u>270,621</u>
NON-CURRENT LIABILITIES			
Trade and other payables	9	44,907	44,907
TOTAL NON-CURRENT LIABILITIES		<u>44,907</u>	<u>44,907</u>
TOTAL LIABILITIES		<u>331,731</u>	<u>315,528</u>
NET ASSETS		<u>1,175,067</u>	<u>1,797,346</u>
EQUITY			
Issued capital	10	13,846,315	13,198,429
Accumulated losses		(13,424,538)	(12,010,476)
Options reserve	11	762,400	608,400
Foreign currency translation reserve		(9,110)	993
TOTAL EQUITY		<u>1,175,067</u>	<u>1,797,346</u>

These financial statements should be read with the accompanying notes

BBX Minerals Limited

Statement of Cash Flows For the Year Ended 30 June 2013

	Note	Consolidated Group	
		2013	2012
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,201,709)	(738,284)
Interest received		13,282	30,191
Net cash provided by (used in) operating activities	16	(1,188,427)	(708,093)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(19,518)	-
Payments for exploration and evaluation		(306,350)	(678,589)
Return of Capital		41,012	-
Net cash provided by (used in) investing activities		(284,856)	(678,589)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares, options, etc.		700,000	2,183,400
Repayment of borrowings		-	(178,000)
Other (Cost of Capital Raising)		(49,758)	(143,379)
Net cash provided by (used in) financing activities		650,242	1,862,021
Net increase/(decrease) in cash held		(823,041)	475,339
Cash at beginning of financial year		1,200,648	725,309
Exchange rate changes on the balance of cash held in foreign currencies		1,061	-
Cash at end of financial year	5	378,668	1,200,648

These financial statements should be read with the accompanying notes

BBX Minerals Limited

Statement of Changes in Equity
For the Year Ended 30 June 2013

Consolidated Group	Note	Share Capital Ordinary	Accum- ulated Losses	Foreign Exchange Reserve	Option Reserve	Total
		\$	\$	\$	\$	\$
Balance at 1.7.2011		11,382,861	(10,640,933)	-	-	741,928
Profit/(loss) attributable to members of parent entity		-	(1,369,543)	993	-	(1,368,550)
Profit attributable to minority shareholders						
Shares issued during the year		2,310,000	-	-	-	2,310,000
Options issued during the year		-	-	-	608,400	608,400
Capital raising costs		(494,432)	-	-	-	(494,432)
Subtotal		13,198,429	(12,010,476)	993	608,400	1,797,346
Dividend paid or provided for		-	-	-	-	-
Balance at 30.06.2012		13,198,429	(12,010,476)	993	608,400	1,797,346
Profit/(loss) attributable to members of parent entity		-	(1,414,062)	(10,103)	-	(1,424,165)
Shares issued during the year		851,644	-	-	-	851,644
Options issued during the year		-	-	-	154,000	154,000
Capital raising costs		(203,758)	-	-	-	(203,758)
Subtotal		13,846,315	(13,424,538)	(9,110)	762,400	1,175,067
Dividend paid or provided for		-	-	-	-	-
Balance at 30.6.2013		13,846,315	(13,424,538)	(9,110)	762,400	1,175,067

These financial statements should be read with the accompanying notes

Notes to the Financial Statements

For the Year Ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of BBX Minerals Limited and its subsidiaries.

The financial statements were authorised for issue by the directors on 30 September 2013. The directors have the power to amend and reissue the financial statements.

(a) 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 (AASB) and the Corporations Act 2001. BBX Minerals is a for-profit entity for the purpose of preparing the financial statements.

(i) New and amended standards adopted by the group

AASB108(28) None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, amendments made to AASB 101 *Presentation of Financial Statements effective 1 July 2012* now require the statement of comprehensive income to show the items of comprehensive income grouped into those that are not permitted to be reclassified to profit or loss in a future period and those that may have to be reclassified if certain conditions are met.

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

(b) Use of Estimates and Judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

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 group.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. All significant areas of estimation uncertainty and critical judgments in applying accounting policies have been disclosed in the following notes to the financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Going Concern Basis of Accounting

The financial report been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group is at the exploration and evaluation phase of each of its mining tenements. The group has incurred a loss for the year of \$1,414,062, and cash outflow of \$823,041. It is also committed to payments to maintain rights to perform its evaluation activity. As a result the Group has and expects further cash outflows from operating and investing activities.

Funding of ongoing activities is required from future capital raisings or from the sale of the Chapada asset. Therefore significant uncertainty exists to the Group's ability to continue as a going concern.

The directors have prepared the financial statements on a going concern basis, as the directors believe that sufficient funding will be generated from future capital raisings and utilising proceeds of the sale of the Chapada asset.

The Board is expected to undertake a review which will include an assessment of capital raising opportunity options either through debt or equity to satisfy its commitments outlined in Note 19 taking into account the following factors;

- the size and urgency of the funding required
- the market conditions at the time of capital raising
- the overall cost of capital associated with the option chosen
- the costs and availability of alternative sources of funding
- the availability of underwriting support
- the interest of all existing and potential shareholders

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by all entities in the Group unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by all entities in the Group unless otherwise stated.

(d) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by BBX Minerals Limited (the parent entity) as at 30 June 2013 and the results of all controlled entities for the year then ended. BBX Minerals Limited and its controlled entities together are referred to in this financial report as the consolidated entity.

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of BBX Minerals Limited ('company' or 'parent entity') as at 30 June 2013 and the results of all subsidiaries for the year then ended. BBX Minerals Limited and its subsidiaries together are referred to in this financial report as the group or the consolidated entity.

Notes to the Financial Statements

For the Year Ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated 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 income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(ii) 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 interests in the subsidiary. Any difference 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 BBX Minerals 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. This fair value becomes 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.

(e) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the acting CEO.

(f) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is BBX Minerals Limited's functional and presentation currency.

(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 investment in a foreign operation.

BBX Minerals Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within other income or other expenses.

(g) Foreign currency translation

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

(i) 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 balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each income statement and statement of 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.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(h) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Interest income is recognised using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(i) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Notes to the Financial Statements

For the Year Ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

BBX Minerals Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Investment allowances and similar tax incentives

Companies within the group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (e.g. the Research and Development Tax Incentive regime in Australia or other investment allowances). The group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

(j) Impairment of assets

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 an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(k) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Notes to the Financial Statements

For the Year Ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(I) Investments and other financial assets

Classification

The group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 12) in the balance sheet.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets quoted in an active market with fixed or determinable payments and fixed maturities that the group's management has the positive intention and ability to hold to maturity. If the group were to sell other than an insignificant amount of held-to maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which would be classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Financial assets – reclassification

The group may choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Notes to the Financial Statements

For the Year Ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Recognition and De-recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership. When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of revenue from continuing operations when the group's right to receive payments is established. Interest income from these financial assets is included in the net gains/(losses).

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in Note 19.

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 asset (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 is considered an indicator that the assets are impaired.

(v) Assets classified as available-for-sale

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Plant and equipment

All plant and equipment is stated at historical cost less depreciation.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

	2013	2012
Computers, motor vehicles	3-5 years	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(j)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(n) Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation activities in the area have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence, or otherwise, of economically recoverable reserves and active and significant operations in, or relating to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Notes to the Financial Statements

For the Year Ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. The recoverable amount of development expenditure is determined as the higher of its fair value less costs to sell and its value in use.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(p) Employee benefits

Share-based payments

Share based compensation benefits may be provided to directors (Note 17) as compensation for their services.

The fair value of shares or options granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expenses is determined by reference to the fair value of the shares granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity

The fair value of deferred shares granted to employees for nil consideration under the short-term incentive scheme is recognised as an expense over the relevant service period, being the year to which the bonus relates and the vesting period of the shares. The fair value is measured at the grant date of the shares and is recognised in equity in the share-based payment reserve. The number of shares expected to vest is estimated based on the non-market vesting conditions. The estimates are revised at each reporting date and adjustments are recognised in profit or loss and the share-based payment reserve.

(q) Contributed equity

Ordinary shares are classified as equity (Note10).

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.

BBX Minerals Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Where any group company purchases the company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of BBX Minerals Limited as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of BBX Minerals Limited.

(r) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (Note 12)

(ii) Diluted earnings per share

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 additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(s) Goods and Services Tax (GST)

Revenues, 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 with other receivables or payables in the balance sheet.

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

(t) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 *Financial Instruments*, AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9*, AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* and AASB 2012-6 *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures (effective from 1 January 2015)*

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. When adopted, the standard will affect in particular the group's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading.

BBX Minerals Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

New accounting standards and interpretations

There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed. The group has not yet decided when to adopt AASB 9.

(ii) *AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements, AASB 128 Investments in Associates and Joint Ventures, AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards and AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments (effective 1 January 2013)*

In August 2011, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements*, and Interpretation 12 *Consolidation – Special Purpose Entities*. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principal relationships. While the group does not expect the new standard to have a significant impact on its composition, it has yet to perform a detailed analysis of the new guidance in the context of its various investees that may or may not be controlled under the new rules.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account for their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

The group's investment in the joint venture partnership will be classified as a joint venture under the new rules. As the group already applies the equity method in accounting for this investment, AASB 11 will not have any impact on the amounts recognised in its financial statements.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by the group will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the group's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. The group is still assessing the impact of these amendments. The group will adopt the new standards from their operative date. They will therefore be applied in the financial statements for the annual reporting period ending 30 June 2014. *AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)*.

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The group has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The group will adopt the new standard from its operative date, which means that it will be applied in the annual reporting period ending 30 June 2014.

BBX Minerals Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

New accounting standards and interpretations (continued)

(iv) Revised AASB 119 Employee Benefits and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

In September 2011, the AASB released a revised standard on accounting for employee benefits. It requires the recognition of all measurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method), the immediate recognition of all past service cost in profit or loss and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset. This replaces the expected return on plan assets that is currently included in profit or loss. The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits. The amendments will have to be implemented retrospectively. There is no impact to the group as the group does not deal with defined benefit liabilities/assets.

The Group will apply the new standard when it becomes operative, being from 1 July 2013.

(v) AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) (applicable for annual reporting periods beginning on or after 1 January 2013).

This Standard introduces a number of changes to presentation and disclosure of a defined benefit plan. AASB 119 also includes changes to the criteria for determining when termination benefits should be recognised as obligation.

The entity does not have any defined benefit plans. Therefore, these amendments will have no significant impact on the entity.

AASB Interpretation 20: Stripping Costs in the Production Phase of Surface Mining (applicable for annual reporting periods beginning on or after 1 January 2013).

This interpretation clarifies that costs of removing mine waste materials (overburden) to gain access to mineral ore deposits during the production stage of a mine must be capitalized as inventories under AASB 102: Inventories if the benefits from stripping activity is realised in the form of inventory produced.

The entity does not operate a surface mine. Therefore, there will be no impact on the financial statements when this interpretation is first adopted.

(vi) AASB 2011-10 Amendments to Australian Accounting Standards AASB 2011-4: Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (applicable for annual reporting periods beginning on or after 1 July 2013).

This Standard makes amendments to AASB 124: *Related Party Disclosures* to remove the individual key management personnel disclosure requirements (including paras Aus29.1 to Aus29.9.3). These amendments serve a number of purposes, including furthering trans-Tasman convergence, removing differences from IFRSs, and avoiding any potential confusion with the equivalent *Corporations Act 2001* disclosure requirements

This Standard is not expected to significantly impact the Group's financial report as a whole because

- some of the disclosures removed from AASB 124 will continue to be required under s 300A of the Corporations Act, which is applicable to the Group; and
- AASB 2011-4 does not affect the related party disclosure requirements in AASB 124 applicable to all reporting entities, and some of these requirements require similar disclosures to those removed by AASB 2011-4.

(vii) AASB 2012-2 principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard is not expected to significantly impact the Group's financial statements.

BBX Minerals Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

New accounting standards and interpretations (continued)

(viii) AASB 2012-3: *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard adds application guidance to AASB 132: *Financial Instruments: Presentation* to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement

This Standard is not expected to significantly impact the Group’s financial statements.

(ix) AASB 2012-5: *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011* (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard amends a number of Australian Accounting Standards as a consequence of the issuance of *Annual Improvements to IFRSs 2009-2011 Cycle* by the International Accounting Standards Board, including

- AASB 101: *Presentation of Financial Statements* and AASB 134: *Interim Financial Reporting* to clarify the requirements for presenting comparative information
- AASB 116: *Property, Plant and Equipment* to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment;
- AASB 132 and Interpretation 2: *Members’ Shares in Co-operative Entities and Similar Instruments* to clarify the accounting treatment of any tax effect of a distribution to holders of equity instruments; and
- AASB 134 to facilitate consistency between the measures of total assets and liabilities an entity reports for its segments in its interim and annual financial statements

This Standard is not expected to significantly impact the Group’s financial statements.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(u) Parent entity financial information

The financial information for the parent entity, BBX Minerals Limited, disclosed in note 20 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of BBX Minerals Limited.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Impairment Testing

The directors evaluate estimates and judgments incorporated into the financial report based on historical 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 Group. Critical estimates and judgments relating to the impairment testing of assets of the Group are as follows:

Exploration and Evaluation Expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

BBX Minerals Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

3. REVENUE

	Consolidated Group	
	2013	2012
	\$	\$
Revenue from continuing operations		
Interest received	13,282	30,191
Total Revenue	<u>13,282</u>	<u>30,191</u>

Revenue and other income from discontinued operations

Franchise fees	-	295,298
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4. EXPENSES

Impairment of shares	-	(124,909)
Depreciation of non-current assets		
Plant & equipment	(1,790)	(700)
Total depreciation	<u>(1,790)</u>	<u>(700)</u>

Expense from discontinued operations

- Management fee	-	(295,298)
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5. CASH ASSETS

Cash at bank and in hand	<u>378,668</u>	<u>1,200,648</u>
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6. FINANCIAL ASSETS

NON-CURRENT

Available-for-sale Financial

Assets Comprise:

Listed investments, at fair value	-	41,013
Total available-for-sale financial	<u>-</u>	<u>41,013</u>

BBX Minerals Limited

Notes to the Financial Statements
For the Year Ended 30 June 2013

7. PROPERTY, PLANT AND EQUIPMENT

	Computer	Motor Vehicles	Total
	\$	\$	\$
Consolidated Group			
At 1 July 2011			
Cost or fair value	2,903	-	2,903
Accumulated depreciation	(599)	-	(599)
Net book value	<u>2,304</u>	<u>-</u>	<u>2,304</u>
Year ended 30 June 2012			
Opening net book balance	2,304	-	2,304
Additions	-	-	-
Depreciation charge	(700)	-	(700)
Net book balance	<u>1,604</u>	<u>-</u>	<u>1,604</u>
As at 30 June 2012			
Cost or fair value	2,903	-	2,903
Accumulated depreciation	(1,299)	-	(1,299)
Net book value	<u>1,604</u>	<u>-</u>	<u>1,604</u>
Year ended 30 June 2013			
Opening net book balance		-	
Additions	1,604	19,518	21,122
Depreciation charge	(488)	(1,302)	(1,790)
Net book balance	<u>1,116</u>	<u>18,216</u>	<u>19,332</u>
As at 30 June 2013			
Cost or fair value	2,903	19,518	22,421
Accumulated depreciation	(1,787)	(1,302)	(3,089)
Net book value	<u>1,116</u>	<u>18,216</u>	<u>19,332</u>

Plant and equipment has been tested for impairment at 30 June, 2013 resulting in no impairment loss.

8. EXPLORATION AND EVALUATION ASSETS

	Consolidated Group	
	2013	2012
	\$	\$
Recoverable within 12 months	737,825	
Recoverable after 12 months	298,301	828,589
	<u>1,036,126</u>	<u>828,589</u>

The Chapada Gold Project has been sold (refer Note 21). Proceeds will be received in stages.

BBX Minerals Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

8. EXPLORATION AND EVALUATION ASSETS CONTINUED

(a) Exploration, evaluation and development assets

	Exploration and evaluation \$	Development \$	Total \$
2013			
Balance at beginning of the year	736,165	92,424	828,589
Transfers between exploration and development	92,424	(92,424)	-
Expenditure incurred	306,349	-	306,348
Expenditure written off	(98,811)		(98,810)
Balance at end of the year	<u>1,036,127</u>		<u>1,036,127</u>
2012			
Balance at beginning of the year	150,000	-	150,000
Expenditure incurred	586,165	92,424	678,589
Balance at end of the year	<u>736,165</u>	<u>92,424</u>	<u>828,589</u>

9. TRADE AND OTHER PAYABLES

	Consolidated Group	
	2013 \$	2012 \$
CURRENT - unsecured		
Unsecured liabilities		
Trade payables	237,341	103,378
Other payables	49,483	167,243
	<u>286,824</u>	<u>270,621</u>
NON-CURRENT - unsecured		
Related party	-	44,907
Non related party	44,907	-
	<u>44,907</u>	<u>44,907</u>

The non-current payable is due to Arthur Phillip Pty Ltd who was a related party for the year 2012 and had ceased becoming one on 4 July 2012.

BBX Minerals Limited

Notes to the Financial Statements For the Year Ended 30 June 2013

10. ISSUED AND PAID-UP CAPITAL

	2013 No	2012 No	2013 \$	2012 \$
a. Ordinary shares				
Ordinary shares fully paid	114,454,232	76,421,352	13,846,315	13,198,429

b. Movements in ordinary share capital:

Date	Details	Notes	Number of shares	Issue Price	\$
1 July 2011	Opening balance		129,092,722		11,382,861
10 January 2012	Consolidation 1:2 basis		(64,546,370)		
8 March 2012	Capital Raising		11,250,000	0.200	2,250,000
11 January 2012	Director Payment (escrowed)		625,000	0.096	60,000
	Less: Transaction costs arising on share issue				(494,432)
30 June 2012	Balance		76,421,352		13,198,429
2 April 2013	Capital Raising	c	11,400,000	0.020	228,000
19 June 2013	Capital Raising	d	23,600,000	0.020	472,000
19 June 2013	Directors Fees	e	3,032,880	0.050	151,644
	Less: Transaction costs arising on share issue				(203,758)
30 June 2013	Balance		114,454,232		13,846,315

- c. On 2 April 2013 the Company issued 11,400,000 ordinary shares @\$0.02 to raise \$228,000. The intended use of funds raised is acquisition and development of mineral projects in Brazil and working capital.
- d. On 19 June 2013 the Company issued 3,032,880 ordinary shares @\$0.05 in payment of accrued director's fees totalling \$151,644
- e. On 19 June 2013 the Company issued 23,600,000 ordinary shares @\$0.02 to raise \$472,000. The intended use of funds raised is acquisition and development of mineral projects in Brazil and working capital.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

BBX Minerals Limited

Notes to the Financial Statements For the Year Ended 30 June 2013

11. OPTION RESERVE

	Consolidated Group		Consolidated Group	
	2013	2012	2013	2012
	No	No	\$	\$
Balance beginning of the financial period	13,125,000	-	608,400	-
a) Grant of 5,625,000 unlisted options to brokers exercisable at \$0.25 each on or before 30 June 2014 (escrowed for 24 months)		5,625,000		280,800
b) Grant of 7,500,000 unlisted options to Bacchus Strategic Developments Pty Ltd exercisable at \$0.25 each on or before 30 June 2014 (escrowed for 24 months)		7,500,000		327,600
d) Issue of 17,500,000 unlisted options to brokers exercisable at \$0.05 each on or before 30 March 2016	17,500,000		154,000	
	<u>30,625,000</u>	<u>13,125,000</u>	<u>762,400</u>	<u>608,400</u>

12. EARNINGS PER SHARE

	Consolidated Group	
	2013	2012
	\$	\$
a. Reconciliation of earnings to profit or loss		
Profit/(loss)	(1,414,062)	(1,369,543)
Earnings used to calculate basic EPS	(1,414,062)	(1,369,543)
Earnings used in the calculation of dilutive EPS	(1,414,062)	(1,369,543)
	<u>No.</u>	<u>No.</u>
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	79,972,480	102,411,651
Weighted average number of dilutive options outstanding	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	<u>79,972,480</u>	<u>102,411,651</u>

36,250,000 options on issue are not considered dilutive, as the company reported a loss for the year ended 30 June 2013.

BBX Minerals Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

13. CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned (%)*
Subsidiaries of BBX Minerals Ltd:		
BBX Peru	Peru	100%
BBX Lucanas	Peru	100%
BBX Brazil	Brazil	100%
Minorte Extração de Mineração Ltda	Brazil	100%
Comin Gold	Brazil	75%

14. RELATED PARTIES

Directors and Key Management Personnel

The Directors of BBX are considered the key management personnel of the consolidated economic entity. The director's remuneration and equity holdings have been disclosed in the director's report attached to the financial statements.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related Parties

	Consolidated Group	
	2013	2012
	\$	\$
Brokerage paid on Capital Raising:		
Cash	28,600	-
Options Issued	60,500	-
	<hr/>	<hr/>
	89,100	-

BBX Minerals Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

14. RELATED PARTIES CONTINUED

\$26,950 was paid in brokerage (cash) to Blackwood Equities (NSW) Pty Ltd a company associated with Alastair Smith relating to the \$700,000 capital raising via Tranche 1 & 2 dated 3rd April 2013 and 7th June 2013. (Shareholder approval date)

A total of 6,875,000 options were issued to Blackwood Equities (NSW) Pty Ltd a company associated with Alastair Smith relating to the \$700,000 capital raising via Tranche 1 & 2 dated 3rd April 2013 and 7th June 2013.

The grant date fair value of the share based payments were measured using the Black-Scholes formula.

Expected volatility is estimated using the Black-Scholes option pricing model (Note 17):

	\$	\$
An unsecured at call loan has been provided by Arthur Phillip Pty Limited a company that was associated with Mr Paul Page		
Opening balance:	44,907	220,254
Additional advances	-	0
Reclassification to non-related party	(44,907)	0
Repayments	-	(175,347)
	<hr/>	<hr/>
	-	44,907
Amount due to Arthur Phillip Pty Limited included in the Trade Payables	<hr/>	<hr/>
	-	77,144

Arthur Phillip Pty Limited ceased to be a related party during the year.

Notes to the Financial Statements

For the Year Ended 30 June 2013

15. SEGMENT INFORMATION

The Company has identified its operating segments based on internal reports that are reviewed by the Board and management. The Company operated in one business segment during the year, being mineral exploration and in two geographical areas, being Australia and Brazil

Year 2013	Brazil	Peru	Australia	Total
	\$		\$	\$
Revenue				
Segment Revenue			13,282	13,282
Depreciation	1,302		488	1,790
Loss after income tax	(664,698)	-	(749,364)	(1,414,062)
Cash flow information				
Net cash inflows /(outflows) from operating activities	(623,255)	-	(565,172)	(1,188,427)
Net cash inflows /(outflows) from investing activities	(325,868)		41,012	(284,856)
Net cash inflows /(outflows) from financing activities	-	-	650,242	650,242
Year 2012	Brazil	Peru	Australia	Total
	\$		\$	\$
Revenue				
Segment Revenue			30,191	30,191
Depreciation	-	-	700	700
Loss after income tax	(166,144)	(68,752)	(1,134,646)	(1,369,543)
Cash flow information				
Net cash inflows /(outflows) from operating activities	(112,856)	-	(595,237)	(708,093)
Net cash inflows /(outflows) from investing activities	(609,837)	(68,752)	-	(678,589)
Net cash inflows /(outflows) from financing activities	-	-	1,862,021	1,862,021

BBX Minerals Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

16. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Consolidated Group	
	2013	2012
	\$	\$
Net profit / (loss) after income tax	(1,414,062)	(1,369,543)
Impairment of investment	-	124,909
Depreciation & amortisation	1,790	700
Shares issued to directors	151,644	-
Share based payments expense	-	387,600
Investment in Subsidiary written off	1	-
Exploration assets written off	98,811	-
Foreign exchange movement	(11,163)	-
	<u>(1,172,979)</u>	<u>(856,333)</u>
Changes in operating assets and liabilities:		
<i>(Increase)/Decrease in assets:</i>		
(Increase) /Decrease prepayments	(31,652)	(41,020)
<i>Increase/(Decrease in liabilities:</i>		
Increase/ (Decrease) in trade payables	16,204	189,260
Net cash flow from operating activities	<u>(1,188,427)</u>	<u>(708,093)</u>

17. SHARE BASED PAYMENTS

Shares granted to key management personnel as share-based payments are as follows:
The shares were issued in lieu of accrued directors fees and issued at a price of \$0.05.

Director	Grant date	Issue Price	Number Issued	Value
Michael Schmulian	19 June 2013	\$0.05	792,000	39,600
Will Dix	19 June 2013	\$0.05	100,760	5,038
Michael Hogg	19 June 2013	\$0.05	1,126,660	56,333
Phillip Suriano	19 June 2013	\$0.05	1,013,460	50,673

Options

Number	Grant date	Expiry Date	Exercise Price
6,875,000	19-Jun-13	30-Mar-16	\$0.05

The grant date fair values of the share based payments were measured using the Black-Scholes formula.

BBX Minerals Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

17. SHARE BASED PAYMENTS (Continued)

Blackwood Equities (NSW) Pty Ltd a company associated with Mr Alastair Smith were granted a total of 6,875,000 options valued at \$60,000 relating to the company's capital raising of \$700,000 under tranche 1 dated 3 April 2013 and \$472,000 under tranche 2 dated 7th June 2013. (Options issuance date 25th and 28th June 2013.)

Option pricing model

The fair value of the equity-settled share options granted is estimated as at the date of grant using a Black and Scholes Model taking into account the terms and conditions upon which the options were granted.

Expected volatility is estimated using the Black-Scholes option pricing model applying the following inputs:

	2013	2012
Dividend yield (%)	0%	—
Expected volatility (%)	137%	—
Risk free interest rate (%)	2.43%	—
Expected life of the option (years)	2.78	—
Option exercise price (\$)	\$0.05	—
Share price at grant date (\$)	\$0.015	—

18. AUDITORS' REMUNERATION

	Consolidated Group	
	2013	2012
	\$	\$
Audit and review of financial statements		
Lachlan Nielson Partners Pty Ltd	27,000	26,960
Other services	11,100	-
Total auditor's remuneration	<u>38,100</u>	<u>26,960</u>

BBX Minerals Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

19. FINANCIAL RISK MANAGEMENT

Capital Risk Management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. In order to maintain or adjust the capital structure, the Company may issue new shares or return capital to shareholders.

The Company's strategy, unchanged from the prior year, is to maintain a sufficient level of cash to meet its obligations, as and when any debts are due, and to meet any investment commitments. There are no externally imposed capital requirements for the Company.

The Groups financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans.

The totals for each category of financial instruments, are as follows:

	Note	Consolidated Group	
		2013	2012
		\$	\$
Financial Assets			
Cash and cash equivalents	5	378,668	1,200,648
Listed investments	6	-	41,013
Total Financial Assets		<u>378,668</u>	<u>1,241,661</u>
Financial Liabilities			
Trade and other payables	9	331,731	315,527
Total Financial Liabilities		<u>331,731</u>	<u>315,527</u>

Financial Risk Management Policies

The overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimizing potential adverse effects on financial performance. Its functions include the review of liquidity, foreign exchange and interest rate risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through financial instruments are, liquidity risk, foreign exchange risk and market risk consisting of interest rate risk.

BBX Minerals Limited

Notes to the Financial Statements For the Year Ended 30 June 2013

19. FINANCIAL RISK MANAGEMENT (continued)

a. Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- managing credit risk related to financial assets;

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Cash flow realised from financial assets reflect management's expectation as to timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial Liability and Financial Asset Maturity Analysis

Financial liabilities due for payment

	Within 1 Year		1 to 5 Years		Total	
	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$
Trade and other payables	286,824	270,620	44,907	44,907	331,731	315,527
Total expected outflows	286,824	270,620	44,907	44,907	331,731	315,527

Financial assets — cash flows realisable

Cash and cash equivalents	378,668	1,200,648	-	-	378,668	1,200,648
Available - for - sale Investments	-	-	1	41,013	1	41,013
Total anticipated inflows	378,668	1,200,648	1	41,013	378,669	1,241,661
Net (outflow)/inflow on financial instruments	91,844	930,028	(44,906)	(3,894)	46,938	926,134

BBX Minerals Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

19. FINANCIAL RISK MANAGEMENT (continued)

b. Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The group is exposed to interest rate risk from funds held on deposit.

c. Foreign Exchange Risk

The Group has foreign operations and is exposed to foreign currency risk arising from various currency exposures, primarily with respect to the Brazilian Real (BRL / R\$)

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in the currency that is not the entity's functional currency. The risk is measured using the sensitivity analysis.

Sensitivity analysis

A strengthening of the AUD, as indicated below, against the BRL at 30 June 2013 would have increase/(decreased) equity and profit or loss by the amounts shown below. The analysis is based on foreign currency exchange rate variances that the Group considered reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

The following table details the Group's sensitivity to a 15% increase and decrease in the AUD against the BRL. The 15% represents management's assessment of the reasonable possible change in foreign exchange rates.

A positive number indicates an increase in profit or equity where the AUD strengthens 15% against the BRL.

For a 15% weakening of the AUD against the BRL there would be a comparable and opposite impact on the profit or equity.

	Strengthening		Weakening	
	Equity	Profit or loss	Equity	Profit or loss
30-Jun-13				
BRL (+/-15%)	(18,261)	18,261	18,261	(18,261)
30-Jun-12				
BRL (+/-15%)	(13,063)	13,063	6,545	(6,545)

BBX Minerals Limited

Notes to the Financial Statements
For the Year Ended 30 June 2013

20. PARENT ENTITY FINANCIAL INFORMATION

(a) Summary financial information

The individual financial statements for the parent entity shows the following aggregate amounts:

	Parent	
	2013	2012
	\$	\$
Balance Sheet		
Current Assets	375,922	1,224,336
Non- Current Assets	2,017,257	1,148,098
Total Assets	<u>2,393,179</u>	<u>2,372,434</u>
Current Liabilities	<u>282,507</u>	<u>314,285</u>
Total Liabilities	<u>282,507</u>	<u>314,285</u>
Net assets	<u><u>2,110,672</u></u>	<u><u>2,058,149</u></u>
Shareholder Equity		
Issued capital	13,846,315	13,198,428
Reserves	762,400	608,400
Accumulated Losses	<u>(12,498,043)</u>	<u>(11,748,679)</u>
	<u><u>2,110,672</u></u>	<u><u>2,058,149</u></u>
Statement of Comprehensive Income		
Total profit/(loss)	<u>(749,364)</u>	<u>(1,107,747)</u>
Total comprehensive income/(loss)	<u><u>(749,364)</u></u>	<u><u>(1,107,747)</u></u>

BBX Minerals Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

21. SUBSEQUENT EVENTS

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Chapada Gold Project

In July BBX received an approach from associates of Cooperativa Mistados Garimpeiros da Chapada da Natividade - Cooperminer to purchase BBX's title to and interest in the Chapada project. A purchase price of BRL 3.4M (approximately AUD1.7M). An exchange rate of A\$1:BRL(R\$)2 has been used to draft this note.

The following payment terms were agreed and a letter of Intent signed:

1. R\$400,000 (approximately AUD200,000) on signing the definitive sale and purchase agreement;
2. R\$600,000 (approximately AUD300,000) on signing the transfer of title documentation to enable the National Department of Mineral Production (DNPM) to process the transfer of the Chapada project to COOPERMINER;
3. R\$500,000 (approximately AUD250,000) 6 months after either (i) the commencement of mining activities by COOPERMINER, or (ii) the DNPM granting a trial mining license, or (iii) the DNPM granting a Mining Right (or equivalent document), whichever occurs first;
4. R\$500,000 (approximately AUD250,000) within six (6) months of BBX receiving the payment referred to in item "3" above;
5. R\$350,000 (approximately AUD175,000) within 6 months of BBX receiving the payment referred to in item 4;
6. R\$350,000 (approximately AUD175,000) within 6 months of BBX receiving payment referred to in item 5;
7. R\$350,000 (approximately AUD175,000) within 6 months of BBX receiving payment referred to in item 6; and
8. R\$350,000 (approximately AUD175,000) within 6 months of BBX receiving payment referred to in item 7.

A 3% net smelter return royalty is also payable to BBX from the Chapada project, of which 2.1 % is payable to Rio Gameleira Prospeccao e Geologia Ltda, plus 3% of the total sale consideration should Cooperminer sell the Chapada project to a third party.

BBX's obligation to pay Mundo Mineracao Ltda \$110,000 (due 5 days after the publication in the Official Gazette of the approval by the Brazilian Mines Department of the transference of the Chapada Prospect to BBX under its previous announced option to purchase 51% of the Chapada Project) remains unaffected by this transaction.

The Company in September 2013, on receipt of a non-refundable deposit of R\$ 100,000 (A\$50,000) also granted the co-operative approval to utilise a separate legal entity to acquire the Chapada mineral license and to extend the settlement date. The co-operative has agreed on which members will participate in the acquisition and the Company now expects that the acquisition will proceed under the new entity's name and be finalised by 30th September 2013.

On 27th September the Company announced that Engep Engenharia E Pavimentacao had completed formal documentation.

On 30th September the Company further announced receipt of R\$300,000 (A\$150,000) to complete the tranche 1 payment due by 30th September 2013.

BBX Minerals Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

21. SUBSEQUENT EVENTS (continued)

Juma East

The DNPM (Departamento Nacional de Producao Mineral) on 2 August granted the 4 exploration licenses that BBX Minerals has optioned from Raquel Correia da Silva, covering the Juma East tenements, as follows:

DNPM no 7124/2013 - Process Number 880.115/08

DNPM no 7125/2013 - Process Number 880.116/08

DNPM no 7126/2013 - Process Number 880.117/08

DNPM no 7127/2013 - Process Number 880.129/08

These exploration licenses are valid for three years with the right to extend for a further three years, subject to positive exploration results.

BBX Minerals via its wholly owned subsidiary MINERAÇÃO BBX DO BRASIL LTDA holds an option to purchase 100% of the Juma East Project from Raquel Correia da Silva, by paying a total of USD500,000 for each tenement over a 6 year period, plus expenditure commitments, with payments for each tenement contingent on the transfer of title. Note 20

BBX has agreed to pay the vendor of the Juma East Project a net smelter royalty of 3%, from which 1.2% can be purchased for USD1, 500,000 by year 5. At any time during the option period, BBX may return the title of any property to the Vendor without affecting the ownership of the remaining properties.

Other than the matters outlined above there have been no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the consolidated group's operations in future years; or the results of those operations in future years; or the consolidated entity's state of affairs in future years.

BBX Minerals Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

22. CONTINGENT LIABILITIES

The Company has recorded the following contingent liabilities payable that are subject to various tenement licenses being transferred to BBX Brazil by the National Department of Mineral Production (DNPM).

Chapada Gold Project

\$110,000 upon the publication in the Official Gazette of the approval by the National Department of Mineral Production (DNPM) of the transference of the Chapada project to BBX or its nominee, with the payment to be made by cash or in fully paid ordinary BBX shares at BBX's election (with the issue price at the lower of \$0.07 or the 5 day VWAP prior to the publication less a 20% discount).

Juma East Gold Project

BBX Minerals via its wholly owned subsidiary MINERAÇÃO BBX DO BRASIL LTDA holds an option to purchase 100% of the Juma East Project from Raquel Correia da Silva, by paying a total of USD500,000 for each tenement over a 6 year period, plus expenditure commitments, with payments for each tenement as follows:

- a) USD 10,000 five working days after publication of granting the exploration license – payment of USD 40,000 in total was paid on 10th August 2013
- b) USD 30,000 6 months after publication of conditional on transfer of the title to BBX (BBX may at any time during the option period return the title of any property to the vendor without affecting the ownership of the remaining properties)
- c) USD 50,000 12 months after publication of conditional transfer of title to BBX
- d) USD 100,000 24 months after publication of conditional transfer of title to BBX
- e) USD 100,000 36 months after publication of conditional transfer of title to BBX
- f) USD 100,000 48 months after publication of conditional transfer of title to BBX
- g) USD 100,000 60 months after publication of conditional transfer of title to BBX

BBX Minerals Limited

Directors Declaration For the Year Ended 30 June 2013

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 28 to 56 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the company;
2. the Chief Executive Officer has declared that:
 - (a) The financial records of the Company for the financial year have been properly maintained in accordance with Section 286 of the Corporations Act 2001;
 - (b) The financial statements and notes for the financial year comply with the Accounting Standards, and;
 - (c) The financial statements and notes for the financial year give a true and fair view;
3. in the directors' opinion, there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Directors



Michael Schmulian
Chairman
30 September 2013



LACHLAN PARTNERS

Chartered Accountants, Business & Financial Advisors

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BBX MINERALS LIMITED

Scope

Report on the Financial Report

We have audited the accompanying financial report of BBX Minerals Limited comprising the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year ended, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility 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 relevant as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud and error. In Note 1 the directors also state, in accordance with Accounting Standard AASB 101; *Presentation of Financial Statements* that the financial statements comply with the *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. These 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 evaluation 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 that 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*.



Audit Opinion

In our opinion,

- (a) the financial report of BBX Minerals Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's and the consolidated entity's financial position as at 30 June 2013 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and with the *Corporations Regulations 2001*;
- (b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

Going Concern

Without modification to our opinion expressed above, attention is drawn to the following matters.

The financial report of the company has been prepared on the basis that it will continue as a going concern as set out in Note 1(c) to the financial statements.

The Group is at the exploration and evaluation phase of each of its mining tenements. The group has incurred a loss for the year of \$1,414,062, and cash outflow of \$823,041. It is also committed to payments to maintain rights to perform its evaluation activity. As a result the Group has and expects further cash outflows from operating and investing activities.

Funding of ongoing activities is required from future capital raisings or from the sale of the Chapada asset. Therefore significant uncertainty exists to the Group's ability to continue as a going concern.

In the event that funding from future capital raisings or from the sale of the Chapada asset is not received, the group may not be able to continue as a going concern and may be required to realise assets and extinguish liabilities other than in the normal course of business and at amounts different from those stated in the financial accounts.

Report on Remuneration Report

We have audited the Remuneration Report included set out on pages 19 to 23 of the directors' report for the year ended 30 June 2013. The Directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with s 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.

Opinion

In our opinion the Remuneration Report of BBX Minerals Limited for the year ended 30 June 2013, complies with s 300A of the *Corporations Act 2001*.

Lachlan Nielson Partners Pty Limited

Anthony Rose
Director

Dated 30 September 2013
Sydney

BBX Minerals Limited

Additional Information For the Year Ended 30 June 2013

Additional information included in accordance with the Listing Rules of ASX Limited.

1. SECURITY HOLDER INFORMATION

(a) Shareholders

Top 20 Shareholders

The twenty largest shareholders hold 71.19% of the total issued ordinary shares in the Company as at 11 October 2013.

Holder's Name	No Ord Shares	%
DRAKE PRIVATE INVESTMENTS LLC	12,500,000	10.92
LAUREN PAGE INVESTMENTS PTY LTD <THE LAUREN PAGE FAMILY A/C>	11,422,500	9.98
LEO CADDIE INVESTMENTS PTY LIMITED <THE LEO CADDIE FAMILY A/C>	11,050,599	9.66
YARDIE (WA) PTY LTD <A W SMITH FAMILY A/C>	7,288,000	6.37
LAUREN PAGE INVESTMENTS PTY LTD	4,750,000	4.15
MR KARL PAGE	3,735,000	3.26
143 PTY LTD	3,565,000	3.12
MR DECLAN ANDREW SHERMAN	3,500,000	3.06
ARTHUR PHILLIP NOMINEES PTY LTD	3,209,716	2.80
TOMREDA PTY LTD	3,000,000	2.62
MR HAMISH DOUGLAS ORRICK	2,500,000	2.18
KPC INVESTMENT FUND NO 1 LIMITED	2,102,860	1.84
MICHAEL LEON SCHMULIAN	1,792,000	1.57
LUJETA PTY LTD <THE MARGARET ACCOUNT>	1,750,000	1.53
ARTHUR PHILLIP NOMINEES PTY LTD (ACN 111 862 358)	1,723,208	1.51
ARTHUR PHILLIP NOMINEES PTY LTD	1,650,750	1.44
HAWKESDALE GROUP PTY LTD <SURIANO FAMILY A/C>	1,500,000	1.31
CHANSAR PTY LTD	1,500,000	1.31
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	1,252,319	1.09
MR IAN BURKE	1,250,000	1.09
	81,041,952	71.17

Distribution of shareholders at 11 October 2013

Holdings Ranges	Holders	Total Units	%
1-1,000	125	68,297	0.06
1,001-5,000	194	588,236	0.52
5,001-10,000	79	701,190	0.62
10,001-100,000	181	5,506,140	4.84
100,001 and over	72	106,965,369	93.97
Totals	651	113,829,232	100.00

Number of holders of unmarketable parcels – Ordinary shares

Unmarketable Parcels – 536

BBX Minerals Limited

Additional Information For the Year Ended 30 June 2013

(b) Listed Optionholders

Top 20 Listed Optionholders

The twenty largest optionholders hold 88.09% of the total issued Listed Options as at 11 October 2013.

Holders Name	No Optionholders	%
LEO CADDIE INVESTMENTS PTY LIMITED <THE LEO CADDIE FAMILY A/C>	2,056,250	36.56
LUJETA PTY LTD <THE MARGARET ACCOUNT>	875,000	15.56
MR DECLAN ANDREW SHERMAN	500,000	8.89
MELAID HOLDING INC	375,000	6.67
J P MORGAN NOMINEES AUSTRALIA LIMITED	250,000	4.44
MICHAEL LEON SCHMULIAN	250,000	4.44
AUSTRALIAN EXECUTOR TRUSTEES LIMITED <NO 1 ACCOUNT>	112,500	2.00
MR JOHN ROBERT KEITH	75,000	1.33
MR MURRAY JOHN SMITH & MRS CONSTANCE MICHELLE SMITH <MJ & CM SMITH>	62,500	1.11
MUSTANG ASSET PTY LTD <ROBERT PEARCE SUPER FUND A/C>	62,500	1.11
DR PETER ANDREW KENDALL & MR TIMOTHY KENDALL <SUPER FUND A/C>	50,000	0.89
PARERE INVESTMENTS PTY LIMITED	50,000	0.89
MR FRANCIS PETER CORRIGAN & MRS DEBRA KAYE CORRIGAN <THE SIESTA A/C>	50,000	0.89
LAWRENCE CROWE CONSULTING PTY LTD <L C C SUPER FUND A/C>	36,250	0.64
MR TIMOTHY KENDALL	25,000	0.44
SERENA (WA) PTY LTD <SERENA FAMILY SUPER FUND A/C>	25,000	0.44
MR TIMOTHY GEORGE HANDLEY	25,000	0.44
MR CHRISTOPHER SWITZER <SWITZER SHARE TRADING A/C>	25,000	0.44
JODI INVESTMENTS PTY LTD <IRWIN FAMILY A/C>	25,000	0.44
MR JULIAN MARK HOSKIN	25,000	0.44
	4,955,000	88.09

Distribution of Listed Optionholders at 11 October 2013

Holdings Ranges	Holders	Total Units	%
1-1,000	0	0	0.00
1,001-5,000	44	220,000	3.91
5,001-10,000	15	125,000	2.22
10,001-100,000	39	861,250	15.31
100,001 and over	7	4,418,750	78.56
Totals	105	5,625,000	100.00

BBX Minerals Limited

Additional Information For the Year Ended 30 June 2013

(c) Unquoted options

Options \$0.25 Expiring 30 June 2014 Escrowed 24 months from Quotation

Total number on Issue 13,125,000

Holdings Ranges	Holders	Total Units	%
100,001 and over	5	13,125,000	100.00
Totals	5	13,125,000	100.00

Holders of more than 20% of the number on Issue

Bacchus Strategic Developments Group Pty Ltd 9,655,000
Colbern Fiduciary Nominees 2,412,500

Options \$0.05 Expiring 30 March 2016

Total number on Issue 17,500,000

Holdings Ranges	Holders	Total Units	%
100,001 and over	6	17,500,000	100.00
Totals	6	17,500,000	100.00

Holders of more than 20% of the number on Issue

Blackwood Equities (NSW) Pty Ltd 6,875,000
Sonnalta Capital Pty Ltd 6,000,000

(d) Substantial Shareholders as at 11 October 2013

The Company's register of substantial shareholders shows the following:

Lauren Page 16,172,500
Leo Caddie Investments Pty Ltd 11,050,599
Alistair Smith 7,298,000
Richard Poole 6,780,173

2. RESTRICTED SECURITIES

13,125,000 Options \$0.25 Expiring 30 June 2014 are Escrowed until 13 March 2014.

BBX Minerals Limited

Additional Information For the Year Ended 30 June 2013

3. VOTING RIGHTS

The voting rights of the ordinary shares are as follows:

Subject to any rights or restrictions at the time being attached to any class or classes of shares, at a general meeting of the Company on a show of hands, every ordinary Shareholder present in person, or by proxy, attorney or representative (in the case of a company) has one vote and upon a poll, every Shareholder present in person, or by proxy, attorney or representative (in the case of a company) has one vote for any Share held by the Shareholder. In the case of an equality of votes, the chairperson has a casting vote.

A poll may be demanded by the chairperson of the meeting, any 5 Shareholders entitled to vote in person or by proxy, attorney or representative or by any one or more Shareholders holding not less than 5% of the total voting rights of all Shareholders having the right to vote.

There are no voting rights attached to any of the options that the Company currently has on issue. Upon exercise of these options, the shares issued will have the same voting rights as existing ordinary shares.

4. ON-MARKET BUY BACK

There is currently no on-market buyback program in operation.

5. SCHEDULE OF MINING TENEMENTS

Permit Name	Permit Number	Type	Owner	Nature of Interest	% Interest to be Earned	Area HA
Eldorado do Juma	880007/2007	PLG Artisanal Mining License	Cooperative Extrativista Mineral	Option	75%	10,000
Eldorado do Juma	880152/2012	Application for PLG License	Cooperative Extrativista Mineral	Option	75%	4,287
Juma East	880117/2008	Exploration License	Raquel Correia da Silva	Option	100%	9,642
Juma East	880116/2008	Exploration License	Raquel Correia da Silva	Option	100%	10,000
Juma East	880129/2008	Exploration License	Raquel Correia da Silva	Option	100%	9,307
Juma East	880115/2008	Exploration License	Raquel Correia da Silva	Option	100%	9,493
Juma West	880037/2012	Exploration License Application	BBX Brazil	Application	100%	9191