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## Notice of General Meeting

The General Meeting of BBX Minerals Limited will be held at the offices of the Company, Level 1, 35 Havelock Street, West Perth, 6005, on 19 April 2016 at 11.30am (WST)

This Notice of General Meeting should be read in its entirety. If Shareholders are in any doubt as to how they should vote, they should seek advice from their professional advisor prior to voting.

Please contact the Company Secretary on 08 6555 2955 if you wish to discuss any matter concerning the Meeting.

**BBX Minerals Limited**  
**ABN: 82 089 221 634**

## Notice of General Meeting

Notice is hereby given that the General Meeting of the Shareholders of BBX Minerals Limited will be held at the offices of the Company, Level 1, 35 Havelock Street, West Perth, 6005, on 19 April 2016 at 11.30am (WST) (Meeting).

The Explanatory Memorandum to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and Proxy Form form part of this Notice of Meeting.

Shareholders are urged to vote by attending the Meeting in person or by returning a completed Proxy Form. Instructions on how to complete a Proxy Form are set out in the Explanatory Memorandum.

Proxy Forms must be received by no later than 11.30am (WST) on 17 April 2016.

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1 of the Explanatory Memorandum.

## Agenda

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**1 RESOLUTION 1 - RATIFICATION OF PRIOR ISSUE OF SECURITIES**

To consider and, if thought fit, to pass the following as an **ordinary** resolution:

*"That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 31,217,000 Shares on the terms set out in the Explanatory Memorandum."*

A voting exclusion statement is set out below.

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**2 RESOLUTION 2 - APPROVAL TO ISSUE OPTIONS**

To consider, and if thought fit, to pass with or without amendment, the following as an **ordinary** resolution:

*"That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholder approval is given for the Company to issue 7,804,250 Options on the terms set out in the Explanatory Memorandum."*

A voting exclusion statement is set out below.

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**3 RESOLUTION 3 - ISSUE OF SECURITIES TO RELATED PARTY - MICHAEL SCHMULIAN**

To consider, and if thought fit, to pass with or without amendment, the following as an **ordinary** resolution:

*“That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the Company to issue up to 300,000 Shares and 75,000 free attaching Options to Michael Schmulian, or his nominee(s), on the terms set out in the Explanatory Memorandum.”*

A voting exclusion statement is set out below.

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**4 RESOLUTION 4 - ISSUE OF SECURITIES TO RELATED PARTY - WILLIAM DIX**

To consider, and if thought fit, to pass with or without amendment, the following as an ordinary resolution:

*“That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the Company to issue up to 1,000,000 Shares and 250,000 free attaching Options to William Dix, or his nominee(s), on the terms set out in the Explanatory Memorandum.”*

A voting exclusion statement is set out below.

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**5 RESOLUTION 5 - ISSUE OF SECURITIES TO SIMON ROBERTSON**

To consider, and if thought fit, to pass with or without amendment the following as an ordinary resolution:

*“That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholder approval is given for the Company to issue up to 800,000 Shares and 200,000 free attaching Options to Simon Robertson or his nominee on the terms set out in the Explanatory Memorandum.”*

A voting exclusion statement is set out below.

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**6 RESOLUTION 6 - ISSUE OF SECURITIES TO JEFF MCKENZIE**

To consider, and if thought fit, to pass with or without amendment the following as an ordinary resolution:

*“That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholder approval is given for the Company to issue up to 2,000,000 Shares and 500,000 free attaching Options to Jeff Mckenzie or his nominee on the terms set out in the Explanatory Memorandum.”*

A voting exclusion statement is set out below.

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**7 RESOLUTION 7 - ISSUE OF INCENTIVE OPTIONS TO RELATED PARTY - MICHAEL SCHMULIAN**

To consider, and if thought fit, to pass with or without amendment the following as an ordinary resolution:

*“That for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the Company to issue up to 4,000,000 Incentive Options to Michael Schmulian, or his nominee(s), on the terms set out in the Explanatory Memorandum.”*

A voting exclusion statement is set out below.

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**8 RESOLUTION 8 - ISSUE OF INCENTIVE OPTIONS TO RELATED PARTY - ALASTAIR SMITH**

To consider, and if thought fit, to pass with or without amendment the following as an ordinary resolution:

*“That for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the Company to issue up to 4,000,000 Incentive Options to Alastair Smith, or his nominee(s), on the terms set out in the Explanatory Memorandum.”*

A voting exclusion statement is set out below.

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**9 RESOLUTION 9 - ISSUE OF INCENTIVE OPTIONS TO RELATED PARTY - WILLIAM DIX**

To consider, and if thought fit, to pass with or without amendment the following as an ordinary resolution:

*“That for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the Company to issue up to 4,000,000 Incentive Options to William Dix, or his nominee(s), on the terms set out in the Explanatory Memorandum.”*

A voting exclusion statement is set out below.

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**10 RESOLUTION 10 - ISSUE OF INCENTIVE OPTIONS TO SIMON ROBERTSON**

To consider, and if thought fit, to pass with or without amendment the following as an ordinary resolution:

*“That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholder approval is given for the Company to issue up to 1,500,000 Incentive Options to Simon Robertson, or his nominee(s), on the terms set out in the Explanatory Memorandum.”*

A voting exclusion statement is set out below.

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**11 RESOLUTION 11 - ISSUE OF INCENTIVE OPTIONS TO JEFF MCKENZIE**

To consider, and if thought fit, to pass with or without amendment the following as an ordinary resolution:

*“That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholder approval is given for the Company to issue up to 4,000,000 Incentive Options to Jeff Mckenzie, or his nominee(s), on the terms set out in the Explanatory Memorandum.”*

A voting exclusion statement is set out below.

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**12 RESOLUTION 12 - ISSUE OF INCENTIVE OPTIONS TO ANTONIO DE CASTRO**

To consider, and if thought fit, to pass with or without amendment the following as an ordinary resolution:

*“That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholder approval is given for the Company to issue up to 4,000,000 Incentive Options to Antonio De Castro, or his nominee(s), on the terms set out in the Explanatory Memorandum.”*

A voting exclusion statement is set out below.

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## 13 VOTING PROHIBITION AND EXCLUSION STATEMENT

### Listing Rule 14.11

Under Listing Rule 14.11, the Company will disregard any votes cast on the following Resolutions by the following persons:

Resolution	Persons excluded from voting
Resolution 1 - Ratification of Prior Issue of Securities	A person who participated in the issue and any associate of that person.
Resolutions 2, 5, 6, 10, 11 and 12 - Issue of Securities	A person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the resolution is passed, and any associate of that person.
Resolutions 3, 4, 7, 8 and 9 - Issue of Securities to Related Parties	A person who is to receive securities in relation to the Company and any associate of that person.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

By order of the Board of Directors



Simon Robertson  
Company Secretary  
BBX Minerals Limited

4 March 2016

**BBX Mineral Limited**  
**ABN: 82 089 221 634**

## Explanatory Memorandum

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### 1 INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of the Company, Level 1, 35 Havelock Street, West Perth, 6005, on 19 April 2016 at 11.30am (WST).

The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding how to vote on the Resolutions set out in the Notice.

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice, and includes the following:

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A Proxy Form is located at the end of this Explanatory Memorandum.

Please contact the Company Secretary on 08 6555 2955 if you wish to discuss any matter concerning the Meeting.

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### 2 ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

#### 2.1 Proxies

All Shareholders are invited and encouraged to attend the Meeting. If a Shareholder is unable to attend in person, they can appoint a representative (or proxy) to attend on their behalf by signing and returning the Proxy Form (attached to the Notice) to the Company in accordance with the

instructions on the Proxy Form. The Company encourages Shareholders completing a Proxy Form to direct the proxy how to vote on each Resolution.

The Proxy Form must be received no later than 48 hours before the commencement of the Meeting, i.e. by no later than 11.30am (WST) on 17 April 2016. Any Proxy Form received after that time will not be valid for the Meeting.

A Proxy Form may be lodged in the following ways:

<b>By Mail</b>	PO Box 223, West Perth WA 6872
<b>By Facsimile</b>	+61 8 9321 2337
<b>By Hand</b>	Automic Registry Services Suite 1a, Level 1, 7 Ventnor Avenue West Perth WA 6005

Shareholders lodging a Proxy Form are not precluded from attending and voting in person at the Meeting.

## 2.2 Corporate representatives

Shareholders who are body corporates may appoint a person to act as their corporate representative at the Meeting by providing that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the body corporate's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

An appointment of corporate representative form is available from the website of the Company's share registry ([www.automic.com.au](http://www.automic.com.au)).

## 2.3 Eligibility to vote

The Directors have determined pursuant to Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting, are those persons who are the registered holders of Shares at 4.00pm (WST) on 17 April 2016.

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## 3 BACKGROUND

On 9 February 2016, the company announced a placement to raise \$882,925 (before costs) via two tranches of a total of 35,317,000 Shares at an issue price of \$0.025 per Share with 1 free attaching Option for every 4 Shares issued with an exercise price of \$0.05 per Option expiring two years from the date of issue (**Placement**).

Tranche 1 of the Placement was completed on 16 February 2016 under which 31,217,000 Shares were issued and \$780,425 was raised (before costs) (**Tranche 1**). Resolution 1 of this Notice seeks Shareholder approval to ratify the Shares issued under Tranche 1. The attaching Options for these Shares are subject to Shareholder approval under Resolution 2 of this Notice.

Resolutions 3 to 6 of this Notice seek shareholder approval for the issue of tranche 2 of the Placement, being a further 4,100,000 Shares and 1,025,000 free attaching Options to Directors

and senior management of the Company which will raise the remaining \$102,500 under the Placement (Tranche 2).

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## 4 RESOLUTION 1 - RATIFICATION OF PRIOR ISSUE OF SECURITIES

### 4.1 Introduction

Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the ordinary securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 states that an issue by a company of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it.

The issue of Tranche 1 Shares has restricted the Company's ability to issue further equity securities without Shareholder approval.

Under Resolution 1, the Company seeks Shareholder approval pursuant to ASX Listing Rule 7.4 for the ratification of the issue of the Tranche 1 Shares so as to reinstate the Company's capacity to issue equity securities representing up to 15% of its issued ordinary capital, if required, without prior Shareholder approval during the next 12 months.

### 4.2 Information required by Listing Rule 7.5

For the purposes of ASX Listing Rule 7.5, the following information is provided to Shareholders in relation to the issue of Shares:

- (a) The total number of Shares issued was 31,217,000.
- (b) The securities were issued at \$0.025.
- (c) The Shares issued were in the same class as the Company's existing quoted fully paid ordinary shares.
- (d) The Shares were issued to sophisticated investors who are unrelated parties to the Company.
- (e) A total of \$780,425 was raised from the issue. The funds will be used to continue analysis, testing and exploration activities at Juma East.
- (f) A voting exclusion statement in respect of Resolution 1 is set out in the Notice.

### 4.3 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 1. This will restore the 15% annual limit permitted by Listing Rule 7.1 and allow the Company to issue further securities without Shareholder approval.

Resolution 1 is an ordinary resolution. The Chairman intends to exercise all available proxies in favour of Resolution 1.



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## 5 RESOLUTION 2 - APPROVAL TO ISSUE OPTIONS

### 5.1 Introduction

Resolution 2 seeks Shareholder approval to issue 7,804,250 Options, being the free attaching Options under Tranche 1, to sophisticated and institutional investors.

Listing Rule 7.1 limits the number of securities a company can issue in a 12 month period to 15% of its issued share capital, except for certain issues, including where first approved by Shareholders. The effect of passing Resolution 2 will be to allow the Directors to issue securities in accordance with the Resolution without those securities being included in the 15% limit.

### 5.2 Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, the following information is provided about the issue:

- (a) The maximum number of securities to be issued is 7,804,250 Options.
- (b) The Options will be issued no later than 3 months after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) The Options will be issued for nil cash consideration. Accordingly, no funds are being raised by the issue.
- (d) The Options will be issued to sophisticated investors who are unrelated parties of the Company.
- (e) The terms of the Options are set out in Schedule 2.
- (f) The issue will occur on one date.
- (g) A voting exclusion statement in respect of Resolution 2 is set out in the Notice.

### 5.3 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 2. This will restore the 15% annual limit permitted by Listing Rule 7.1 and allow the Company to issue further securities without Shareholder approval.

Resolution 2 is an ordinary resolution. The Chairman intends to exercise all available proxies in favour of Resolution 2.

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## 6 RESOLUTIONS 3 AND 4 - ISSUE OF SECURITIES TO RELATED PARTIES

### 6.1 Introduction

Resolutions 3 and 4 seek Shareholder approval to issue Shares and free attaching Options to Messrs Michael Schmulian and William Dix, directors of the Company, or their nominees, for them to participate in the Placement at the same price as the other participants.

The Company proposes to issue Shares and free attaching Options to each of the Directors under Tranche 2 as follows:

	Number of Shares	Number of Options
Michael Schmulian	300,000	75,000
William Dix	1,000,000	250,000

The proposed issue of securities to the Directors or their nominees requires Shareholder approval under the Listing Rules.

## 6.2 Requirement for Shareholder approval

### Listing Rule 10.11

Listing Rule 10.11 requires a listed company to obtain Shareholder approval by ordinary resolution prior to the issue of securities to a related party. If Shareholder approval is obtained under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1 and the proposed issue will not be included in 15% annual limit permitted by Listing Rule 7.1.

## 6.3 Information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided about the proposed issue:

- (a) The maximum number of securities to be issued to each Director is:

	Number of Shares	Number of Options
Michael Schmulian	300,000	75,000
William Dix	1,000,000	250,000

- (b) The Shares and Options will be issued no later than 1 month after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue will occur on the same date.
- (c) The Shares and Options will be issued to Messrs Michael Schmulian and William Dix, Directors of the Company.
- (d) The Shares issued will be ordinary Shares and the terms of the Options are set out in Schedule 2.
- (e) The issue price of the Shares is \$0.025 and the Options will be issued for nil consideration.
- (f) The funds raised will be used to continue analysis, testing and exploration activities at Juma East.
- (g) A voting exclusion statement is included in the Notice.

## 6.4 Directors' recommendation

The Directors, other than the Directors receiving Shares under each of Resolution 3 and 4, recommend that Shareholders vote in favour of Resolutions 3 and 4.

Michael Schmulian declines to make a recommendation to Shareholders in relation to Resolution 3 as he has a material personal interest in the outcome of Resolution 3. Michael Schmulian and his associates will not be entitled to vote on Resolution 3

William Dix declines to make a recommendation to Shareholders in relation to Resolution 4 as he has a material personal interest in the outcome of Resolution 4. William Dix and his associates will not be entitled to vote on Resolution 4.

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## **7 RESOLUTIONS 5 AND 6 - ISSUE OF SECURITIES TO SIMON ROBERTSON AND JEFF MCKENZIE**

### **7.1 Introduction**

Resolutions 5 and 6 seek Shareholder approval to issue Shares and free attaching Options to Simon Robertson, the Company's Secretary, and Jeff McKenzie, the Company's CEO, or their nominees, for them to participate in the Placement at the same price as the other participants.

Listing Rule 7.1 limits the number of securities a company can issue in a 12 month period to 15% of its issued share capital, except for certain issues, including where first approved by Shareholders. The effect of passing Resolutions 7 and 8 will be to allow the Directors to issue securities in accordance with the Resolution without those securities being included in the 15% limit.

### **7.2 Information required by Listing Rule 7.3**

For the purposes of Listing Rule 7.3, the following information is provided about the issue:

- (a) The maximum number of securities to be issued is 800,000 Shares and 200,000 Options under Resolution 5 and 2,000,000 Shares and 500,000 Options under Resolution 6.
- (b) The securities will be issued no later than 3 months after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue will occur on the same date.
- (c) The issue price of the Shares is \$0.025 and the Options will be issued for nil consideration.
- (d) The Shares issued will be ordinary Shares and the terms of the Options are set out in Schedule 2.
- (e) It is intended that the securities will be issued to:
  - (i) Resolution 7: Simon Robertson or his nominee(s); and
  - (ii) Resolution 8: Jeff McKenzie or his nominee(s).
- (f) The funds raised will be used to continue analysis, testing and exploration activities at Juma East.
- (g) A voting exclusion statement is included in the Notice.

### **7.3 Directors' recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolutions 5 and 6. This will allow the Company to issue securities and raise funds whilst preserving the Company's 15% annual limit permitted by Listing Rule 7.1.

Resolutions 5 and 6 are ordinary resolutions. The Chairman intends to exercise all available proxies in favour of Resolutions 5 and 6.

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## 8 RESOLUTIONS 7 TO 9 - ISSUE OF INCENTIVE OPTIONS TO RELATED PARTIES

### 8.1 Introduction

The Company proposes to issue 4,000,000 Incentive Options to each of the Directors, Messrs Michael Schmulian, Alastair Smith and William Dix or any of their nominees in two tranches as follows

- Tranche 1 - 2,000,000 Incentive Options vesting on grant; and
- Tranche 2 - 2,000,000 Incentive Options vesting on an announcement of a maiden JORC resource of Min 250k oz at a minimum 2gt/t by 31/3/2017.

The proposed issue of Incentive Options to the Directors or their nominees requires Shareholder approval under both the Corporations Act and Listing Rules.

### 8.2 Requirement for Shareholder approval

#### Chapter 2E

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the provision; or
- (b) prior Shareholder approval is obtained to the giving of the financial benefit.

Related party is widely defined under the Corporations Act, and includes directors of a company.

Financial benefit is defined broadly and includes benefits from the public company's subsidiaries. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. The Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate.

Messrs Michael Schmulian, Alastair Smith and William Dix are Directors of the Company and therefore related parties of the Company, and the issue of the Incentive Options to them or their nominees constitutes the provision of a financial benefit for the purposes of Chapter 2E of the Corporations Act.

#### Listing Rule 10.11

Listing Rule 10.11 requires a listed company to obtain Shareholder approval by ordinary resolution prior to the issue of securities to a related party. If Shareholder approval is obtained under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1 and the proposed issue will not be included in 15% annual limit permitted by Listing Rule 7.1.

### 8.3 Information required by Chapter 2E of the Corporations Act

For the purposes of section 219 of the Corporations Act and ASIC Regulatory Guide 76, the following information is provided to Shareholders to enable them to assess the merits of the resolution:

(a) The related parties to whom the proposed resolution would permit the benefit to be given are Messrs Michael Schmulian, Alastair Smith and William Dix, Directors of the Company.

(b) The nature of the financial benefit

The proposed financial benefits to be given are the issue of 4,000,000 Incentive Options to each of the Directors. The terms and conditions of the Incentive Options are set out in Schedule 3 to this Explanatory Memorandum.

(c) Reasons for giving the benefit

The grant of the Incentive Options to the Messrs Michael Schmulian, Alastair Smith and William Dix is to preserve cash reserves while providing an incentive for future performance in their roles as Directors.

The Board (other than the Director receiving the Incentive Options) believe that it is appropriate to issue the specified number of Incentive Options for the following reasons:

- (i) the issue of the Incentive Options to the Directors will align the interests of the Directors with those of Shareholders;
- (ii) the issue of the Incentive Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors; and
- (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options upon the terms proposed.

(d) Existing relevant interest

	Shares	Options
Michael Schmulian	7,465,000	3,120,000
Alastair Smith	13,136,400	11,334,600
William Dix	1,181,368	3,020,152

(e) Directors' remuneration package

	2015 <sup>1</sup>	2014
Michael Schmulian	\$22,978	\$24,000
Alastair Smith	\$22,978	\$24,000
William Dix	\$26,261	\$26,400

<sup>1</sup> This includes security based component.

(f) Dilution effect on existing members' interests

The Company's existing share capital will not change as a result of the issue of Incentive Options to the Directors.

If the Incentive Options are exercised, a total of 12,000,000 Shares will be issued. This will increase the number of Shares from 243,679,958 to 255,679,958 (assuming no other Options are exercised or other Shares issued) and dilute current Shareholders of the Company by 4.70%, consisting of 1.6% from each of Messrs Michael Schmulian, Alastair Smith and William Dix.

(g) Valuation of the financial benefit to be given

The valuation of the Incentive Options is set out in Schedule 4.

(h) Other Information

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision on whether it is in the best interests of the Company to pass Resolutions 7 to 9.

#### 8.4 Information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided about the proposed issue:

- (a) The maximum number of Incentive Options to be issued for each Director is 4,000,000 (a total of 12,000,000 Incentive Options).
- (b) The Incentive Options will be issued no later than 1 month after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue will occur on the same date.
- (c) The issue price of the Incentive Options is intended to be nil.
- (d) The Incentive Options will be issued to Messrs Michael Schmulian, Alastair Smith and William Dix, Directors of the Company.
- (e) The terms of the Incentive Options are set out in Schedule 3.
- (f) There will not be any funds raised under the issue.
- (g) A voting exclusion statement is included in the Notice.

#### 8.5 Directors' recommendation

The Board, (other than the Director receiving Incentive Options) consider the issue of Incentive Options reasonable in the circumstances for the reason set out in 8.3(c) and recommend that Shareholders vote in favour of Resolutions 7 to 9.

Michael Schmulian declines to make a recommendation to Shareholders in relation to Resolution 7 as he has a material personal interest in the outcome of Resolution 7. Michael Schmulian and his associates will not be entitled to vote on Resolution 7.

Alastair Smith declines to make a recommendation to Shareholders in relation to Resolution 8 as he has a material personal interest in the outcome of Resolution 8. Alastair Smith and his associates will not be entitled to vote on Resolution 8.

William Dix declines to make a recommendation to Shareholders in relation to Resolution 9 as he has a material personal interest in the outcome of Resolution 9. William Dix and his associates will not be entitled to vote on Resolution 9.

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## 9 RESOLUTIONS 10 TO 12 - ISSUE OF INCENTIVE OPTIONS TO SIMON ROBERTSON, JEFF MCKENZIE AND ANTONIO DE CASTRO

### 9.1 Introduction

Resolutions 10 to 12 seek Shareholder approval to issue Incentive Options to each of Simon Robertson, the Company's secretary, Jeff McKenzie, the Company's CEO, and Antonio de Castro, the Company's Chief Geologist, or their nominees.

Listing Rule 7.1 limits the number of securities a company can issue in a 12 month period to 15% of its issued share capital, except for certain issues, including where first approved by Shareholders. The effect of passing Resolutions 10 and 12 will be to allow the Directors to issue securities in accordance with the Resolution without those securities being included in the 15% limit.

### 9.2 Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, the following information is provided about the issue:

- (a) The maximum number of securities to be issued is 1,500,000 under Resolution 10, 4,000,000 under Resolution 11 and 4,000,000 under Resolution 12.

The Options will be issued in two tranches as follows:

- Tranche 1 - 50% of Incentive Options vest on grant; and
- Tranche 2 - 50% of Incentive Options vest on an announcement of a maiden JORC resource of Min 250k oz at a minimum 2g/t by 31/3/2017.

- (b) The securities will be issued no later than 3 months after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue will occur on the same date.
- (c) The issue price of the Incentive Options is intended to be nil.
- (d) It is intended that the securities will be issued to:
- (i) Resolution 10: Simon Robertson or his nominee(s);
  - (ii) Resolution 11: Jeff McKenzie or his nominee(s); and
  - (iii) Resolution 12: Antonio de Castro or his nominee(s).
- (e) The terms of the Incentive Options are set out in Schedule 3.
- (f) No funds will be raised under the issue.
- (g) A voting exclusion statement is included in the Notice.

### 9.3 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolutions 10, 11 and 12. This will allow the Company to issue securities and raise funds whilst preserving the Company's 15% annual limit permitted by Listing Rule 7.1.

Resolutions 10 to 12 are ordinary resolutions. The Chairman intends to exercise all available proxies in favour of Resolutions 10 to 12.



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**SCHEDULE 1****DEFINITIONS**

In this Notice and Explanatory Memorandum:

<b>ASX</b>	means ASX Limited or the Australian Securities Exchange operated by ASX Limited, as the context requires.
<b>Board</b>	means the board of Directors.
<b>Chairman</b>	means the Chairman of the Meeting.
<b>Company</b>	means BBX Minerals Limited ABN 82 089 221 634
<b>Constitution</b>	means the constitution of the Company as amended.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth) as amended.
<b>Director</b>	means a director of the Company.
<b>Explanatory Memorandum</b>	means this explanatory memorandum.
<b>Listing Rules</b>	means the listing rules of the ASX.
<b>Meeting or General Meeting</b>	means the meeting convened by this Notice (as adjourned from time to time).
<b>Notice</b>	means this notice of meeting.
<b>Option</b>	means an option to purchase a Share.
<b>Proxy Form</b>	means the proxy form attached to this Notice.
<b>Resolution</b>	means a resolution set out in the Notice.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means a holder of a Share.
<b>WST</b>	means Western Standard Time.

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## SCHEDULE 2      TERMS AND CONDITIONS OF OPTIONS

1.      Exercise Price  
The exercise price of each Option is \$0.05.
2.      Expiry Date  
The expiry date of each Option is two years from the date of issue.
3.      Entitlement  
The Options entitle the holder to subscribe for one Share upon exercise of each Option.
4.      Exercise Period  
The Options are only exercisable during the exercise period (being from the date of issue to the expiry date set out above).
5.      Notice of Exercise  
The Options may be exercised by notice in writing to the Company. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.
6.      Timing of Issue of Shares  
After an Option is validly exercised, the Company must as soon as possible:
  - (a)      issue and allot the Share; and
  - (b)      do all such acts matters and things to obtain the grant of quotation for the Share on ASX in accordance with the Listing Rules.

The listing of any Shares issued following exercise of an Option shall be subject to the Option holder complying with all requirements imposed by Australian Securities Exchange as a condition to listing (including entering into any required restriction agreement regulating the sale of Shares issued on exercise of an Option).
7.      Shares issued on exercise  
Shares issued on exercise of the Options rank equally with the then Shares of the Company.
8.      Quotation of Shares on exercise  
Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Options.
9.      Participation in new issues  
There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.  
  
However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
10.     Adjustment for bonus issues of Shares  
If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

11. Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Optionholders will be varied to comply the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

12. Quotation of Options

The Company intends to make an application for quotation of the Options which will only occur if all the conditions necessary for quotation of the Options is satisfied.

13. Options transferable

The Options are transferable.

14. Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged at the Company's Registered Office.

## 1. Exercise Price and Expiry Dates

The Incentive Options are to be granted in two Tranches as follows:

## Tranche 1

Granted to	Exercise Price	Expiry Date	Vesting	Number
Michael Schmulian	Higher of the 5 Day VWAP for the Company's shares up to and including the date of the Meeting * 1.43 or 2.5 cents	4 Years from the date of Grant	Vest on grant	2,000,000
Alastair Smith	Higher of the 5 Day VWAP for the Company's shares up to and including the date of the Meeting * 1.43 or 2.5 cents	4 Years from the date of Grant	Vest on grant	2,000,000
William Dix	Higher of the 5 Day VWAP for the Company's shares up to and including the date of the Meeting * 1.43 or 2.5 cents	4 Years from the date of Grant	Vest on grant	2,000,000
Simon Robertson	Higher of the 5 Day VWAP for the Company's shares up to and including the date of the Meeting * 1.43 or 2.5 cents	4 Years from the date of Grant	Vest on grant	750,000
Jeff McKenzie	Higher of the 5 Day VWAP for the Company's shares up to and including the date of the Meeting * 1.43 or 2.5 cents	4 Years from the date of Grant	Vest on grant	2,000,000
Antonio de	Higher of the 5 Day VWAP for the	4 Years from the	Vest on grant	2,000,000

Castro	Company's shares up to and including the date of the Meeting * 1.43 or 2.5 cents	date of Grant		
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Refer to Schedule 4 for the calculation of the exercise price of the Tranche 1 Options based on the underlying share price at the date the Options have been valued for the purposes of this Notice, being 1 March 2016.

#### Tranche 2

Granted to	Exercise Price	Expiry Date	Vesting	Number
Michael Schmulian	Higher of the 5 Day VWAP for the Company's shares up to and including the date of the Meeting * 1.18 or 2.5 cents	1 Years from the date of Grant	Announcement of a maiden JORC resource of Min 250k oz at a minimum 2gt by 31/3/2017	2,000,000
Alastair Smith	Higher of the 5 Day VWAP for the Company's shares up to and including the date of the Meeting * 1.18 or 2.5 cents	1 Years from the date of Grant	Announcement of a maiden JORC resource of Min 250k oz at a minimum 2gt by 31/3/2017	2,000,000
William Dix	Higher of the 5 Day VWAP for the Company's shares up to and including the date of the Meeting * 1.18 or 2.5 cents	1 Years from the date of Grant	Announcement of a maiden JORC resource of Min 250k oz at a minimum 2gt by 31/3/2017	2,000,000
Simon Robertson	Higher of the 5 Day VWAP for the Company's shares up to and including the date of the Meeting * 1.18 or 2.5 cents	1 Years from the date of Grant	Announcement of a maiden JORC resource of Min 250k oz at a minimum 2gt by 31/3/2017	750,000
Jeff McKenzie	Higher of the 5 Day VWAP for the Company's shares up to and including the date of the Meeting * 1.18 or	1 Years from the date of Grant	Announcement of a maiden JORC resource of Min 250k oz at a minimum 2gt by 31/3/2017	2,000,000

Granted to	Exercise Price	Expiry Date	Vesting	Number
	2.5 cents			
Antonio de Castro	Higher of the 5 Day VWAP for the Company's shares up to and including the date of the Meeting * 1.18 or 2.5 cents	1 Years from the date of Grant	Announcement of a maiden JORC resource of Min 250k oz at a minimum 2gt by 31/3/2017	2,000,000

Refer to Schedule 4 for the calculation of the exercise price of the Incentive Options based on the underlying share price at the date the Options have been valued for the purposes of this Notice, being 1 March 2016.

2. Entitlement

The Incentive Options entitle the holder to subscribe for one Share upon exercise of each Incentive Option.

3. Exercise Period

The Incentive Options are only exercisable during the exercise period (being from the date of issue to the expiry date set out above).

4. Notice of Exercise

The Incentive Options may be exercised by notice in writing to the Company. Any notice of exercise of an Incentive Option received by the Company will be deemed to be a notice of the exercise of that Incentive Option as at the date of receipt.

5. Timing of Issue of Shares

After an Incentive Option is validly exercised, the Company must as soon as possible:

- (c) issue and allot the Share; and
- (d) do all such acts matters and things to obtain the grant of quotation for the Share on ASX in accordance with the Listing Rules.

The listing of any Shares issued following exercise of an Incentive Option shall be subject to the Incentive Option holder complying with all requirements imposed by Australian Securities Exchange as a condition to listing (including entering into any required restriction agreement regulating the sale of Shares issued on exercise of an Incentive Option).

6. Shares issued on exercise

Shares issued on exercise of the Incentive Options rank equally with the then Shares of the Company.

7. Quotation of Shares on exercise

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Incentive Options.

8. Trigger Events

Any Options that have been issued but have not yet vested will automatically vest upon one or more of the following events occurring:

- i. the despatch of a notice of meeting to consider a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act 2001 (Cth);
- ii. the service of a bidder's statement or a like document on the Company by any party to acquire shares in the Company;
- iii. the date upon which a person or a group of associated person becomes entitled, subsequent to the date of issue of the Options, to sufficient Shares to give it or them the ability, in general meeting to replace all, or allow a majority, of Directors in circumstances where such ability was not already held by a person associated with such person or group of associated persons.

9. Participation in new issues

There are no participation rights or entitlements inherent in the Incentive Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Incentive Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give holders of Incentive Options the opportunity to exercise their Incentive Options prior to the date for determining entitlements to participate in any such issue.

10. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (e) the number of Shares which must be issued on the exercise of an Incentive Option will be increased by the number of Shares which the Incentive Optionholder would have received if the Incentive Optionholder had exercised the Incentive Option before the record date for the bonus issue; and
- (f) no change will be made to the Exercise Price.

11. Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Incentive Optionholders will be varied to comply the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

12. Quotation of Incentive Options

No application for quotation of the Incentive Options will be made by the Company.

13. Incentive Options non-transferable

The Incentive Options are transferable.

14. Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Incentive Options with the appropriate remittance should be lodged at the Company's Registered Office.

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**SCHEDULE 4 VALUATION OF INCENTIVE OPTIONS**

The Company has valued the Incentive Options using the Black Scholes option pricing model.

Its valuation was based on the following assumptions:

	Tranche 1	Tranche 2
Underlying Share Price	\$0.022	\$0.022
Exercise Price	\$0.031 (being 1.43 times the underlying Share price)	\$0.026 (being 1.18 times the underlying Share price)
Valuation Date	1 March 2016	1 March 2016
Life of the Options	4 Years	1 Year
Volatility	340%	340%
Risk free rate	2.07%	1.9%
Valuation per option	\$0.022	\$0.02
Valuation per Tranche Michael Schmulian	\$44,000	\$40,000
Valuation per Tranche Alastair Smith	\$44,000	\$40,000
Valuation per Tranche William Dix	\$44,000	\$40,000
Valuation per Tranche Simon Robertson	\$16,500	\$15,000
Valuation per Tranche Jeff McKenzie	\$44,000	\$40,000
Valuation per Tranche Antonio De Castro	\$44,000	\$40,000



Holder Number

## Security Holder Appointment of Proxy –General Meeting

I/We being a Shareholder entitled to attend and vote at the Meeting, hereby appoint

*(Name of Proxy)*

OR

The Chair as my/our proxy

or failing the person so named or, if no person is named, the Chair, or the Chair’s nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 11.30am (WST) on 19 April 2016 at the offices of the Company, Level 1, 35 Havelock Street, West Perth, 6005, and at any adjournment thereof.

### AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 7 to 9 (except where I/we have indicated a different voting intention below) even though Resolutions 7 to 9 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

### The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Unless indicated otherwise by ticking the “for,” “against” or “abstain” box you will be authorising the Chair to vote in accordance with the Chair’s voting intention.

## VOTING ON BUSINESS OF THE MEETING

Resolutions	For	Against	Abstain	Resolutions	For	Against	Abstain
1 Ratification of Prior Issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Issue of Incentive Options to Related Party – Michael Schmulian	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval to Issue Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Issue of Incentive Options to Related Party – Alastair Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Issue of Securities to Related Party – Michael Schmulian	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Issue of Incentive Options to Related Party – William Dix	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of Securities to Related Party – William Dix	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Issue of Incentive Options to Simon Robertson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Issue of Securities to Simon Robertson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Issue of Incentive Options to Jeff McKenzie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Issue of Securities to Jeff McKenzie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Issue of Incentive Options to Antono De Castro	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.*

## SIGNATURE OF SHAREHOLDER(S):

Individual or Shareholder 1

Sole Director or  
 Sole Director / Company Secretary

Shareholder 2

Director

Shareholder 3

Director / Company Secretary

## INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM

### APPOINTING A PROXY

A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. The appointed proxy may be an individual or body corporate.

If a Body Corporate is appointed to act as your proxy then a representative of that Body Corporate must be appointed to act as its representative. When attending the meeting, the representative must bring a formal notice of appointment as per section 250D of the Corporations Act. Such notice must be signed as required by section 127 of the Corporations Act or the Body Corporate's Constitution.

If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll.

The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.

**Note:** If you wish to appoint a second proxy, you may copy this form but you must return both forms together.

### VOTING ON BUSINESS OF MEETING

A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the number of votes that the proxy may exercise by writing the number of Shares next to the box marked for the relevant item of business.

Where a box is not marked the proxy may vote as they choose subject to the relevant laws.

Where more than one box is marked on an item the vote will be invalid on that item.

### SIGNING INSTRUCTIONS

- **Individual:** Where the holding is in one name, the Shareholder must sign.
- **Joint holding:** Where the holding is in more than one name, all of the Shareholders should sign.
- **Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
- **Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

### ATTENDING THE MEETING

Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

### LODGEMENT OF VOTES

To be effective, a validly appointed proxy must be received by the Company **not less than 48 hours** prior to commencement of the Meeting.

Proxy appointments can be lodged by:

- a) **Hand Delivery** – to Automic Registry Services Suite 1a, Level 1 7 Ventnor Avenue West Perth WA 6005; or
- b) **Post** - to Automic Registry Services, PO Box 223, West Perth WA 6872; or
- c) **Online** – via our share registry website – [www.automic.com.au](http://www.automic.com.au). You will need your personal details such as your SRN/HIN and postcode. You only have to view your holdings and you are not required to create a username or password.

When you have accessed your holding you must click on the "Voting" tab to commence registering your voting intention

**Proxy Forms received later than this time will be invalid**