

BBX MINERALS LIMITED

ACN 089 221 634

FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

This financial report covers the consolidated entity consisting of BBX Minerals Limited and its controlled entities.

This interim Financial Report should be read in conjunction with the company's most recent annual financial report for the period 30 June 2014.

Corporate Directory

Half Year-Ended 31 December 2014

Directors

Michael Schmulian (Chairman)

William Dix

Alastair Smith

Secretary

Simon Robertson

Registered Office

Suite 1 Level 1 35 Havelock Street West Perth
WA Australia 6005

Telephone +61 8 6555 2955

Facsimile +61 8 6210 1153

Share Registry

Automic Registry Services

Level 1, 7 Ventnor Avenue

West Perth WA 6005

Telephone +61 8 9324 2099

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Auditor

Lachlan Nielson Partners Pty Ltd

Level 11 60 Castlereagh Street

Sydney NSW 2000

Stock Exchange

Australian Securities Exchange

20 Bridge Street

Sydney NSW 2000

ASX Code

BBX (fully paid ordinary shares)

BBX Minerals Limited

Directors' Report

Half-Year Ended 31 December 2014

The directors of BBX Minerals Limited submit the consolidated financial report of BBX Minerals Limited ("BBX") and its controlled entities ("the Group") for the half-year ended 31 December 2014.

In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Directors

The names of directors who held office during or since the end of the half-year are:

Mr Michael Schmulian

Mr William Dix

Mr Alastair Smith

The directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of Operations

The consolidated total comprehensive loss of the group for the half-year after income tax was \$ (832,093) (December 2013: \$518,088).

The loss from ordinary activities after income tax expense includes the following items of revenue and expense that are relevant in explaining the financial performance of the entity.

	Half-year Ended 31 Dec 2014	Half-year Ended 31 Dec 2013
	\$	\$
Loss from continuing operations	(339,752)	(358,129)
Profit from discontinued operations	(466,832)	44,591
Loss for the period	(806,605)	(313,538)

Project Announcements:

Chapada Project

On 21 July 2014 BBX announced that its 100% owned subsidiary Mineracao BBX do Brasil Ltda, has received R\$1,000,000 (approximately AUD 478,813) due from ENGEGOLD Mineracao Ltda (ENGEGOLD) under the advance payment agreement announced on 7 April 2014.

Eldorado do Juma

BBX announced on 1 September 2014 via its 100% owned subsidiary Mineracao BBX do Brasil Ltda, that it has signed a conditional sales and purchase agreement with ARNALDO Villar Da Silva (ARNALDO), whereby Mineracao BBX do Brasil Ltda will sell its 100% interest in MINORTE Extracao de Minerio Ltda (MINORTE) for R\$1,500,000 (approximately A\$717,000 assuming a conversion rate of approximately 2.09 Brazilian Reals (R\$) to the Australian dollar (A\$)).

Under the agreement BBX has negotiated the following terms:

The due diligence period is 30 days, which will commence from the date of the agreement. The due diligence period may be extended by mutual agreement.

On publication in the "official gazette" of the assignment of mining rights of either DNPM No 880.070/2007 or 880.152/2012 to Comin Gold S.A, (75% owned by MINORTE Extracao de Minerio Ltda and 25% owned by COOPERATIVA Extrativista Familiar Do Rio Juma) the following payments are due:

Tranche 1 R\$500,000 (approximately A\$239,000) 5 business days after publication of the assignment of either mineral right.

BBX Minerals Limited

Directors' Report

Half-Year Ended 31 December 2014

Tranche 2 R\$500,000 (approximately A\$239,000) 3 months after payment of tranche 1.

Tranche 3 R\$500,000 (approximately A\$239,000) 6 months after payment of tranche 1.

5% of each payment received by BBX being R\$25,000 (R\$75,000 in total) will be paid to FFA Legal Ltd, Av. Jornalista Ricardo Marinho, n° 360, sala 113, Barra da Tijuca, Rio de Janeiro, under a separate success fee agreement.

On transfer of BBX's 100% interest in MINORTE, ARNALDO will assume all MINORTE's contractual obligations with COOPERATIVA Extrativista Familiar do Rio Juma dated 18 July 2012, and BBX's contractual obligations with the former shareholders of MINORTE.

Under the sale and purchase agreement between BBX Minerals Ltd and the former shareholders of MINORTE Extração de Minerio Ltda dated 23 July 2012, 6 (six) million shares were to be issued by BBX as partial payment for acquiring 100% of MINORTE. Under the terms of this agreement 6 (six) million shares will be issued within 30 days after BBX receives the tranche 1 payment and will be escrowed for 6 months from issuance date.

BBX will seek shareholder approval to issue the shares in excess of the capacity it has available to it under listing rule 7.1 and or 7.1A ,or will seek shareholder approval to issue the shares at its AGM expected to be held in November, 2014.

On 9th October 2014 BBX announced that following the completion of due diligence BBX Minerals Ltd (BBX) via its 100% owned subsidiary Mineracao BBX do Brasil Ltda, and ARNALDO Villar Da Silva (ARNALDO), had signed a definitive sales and purchase agreement whereby BBX do Brasil will sell its 100% interest in MINORTE Extração de Minerio Ltda (MINORTE) for R\$1,500,000 (approximately A\$717,000).

Exploration Leases

On 9th October 2014 BBX Minerals Ltd (BBX), also announced that via its 100% owned subsidiary Mineracao BBX do Brasil Ltda, and Raquel Correia da Silva (Seller) signed a Letter of Intent for BBX to acquire 16 exploration licences under application in the Colider group (Apui Region), located within a radius of 120km from Apui. Negotiated payment terms were detailed in the announcement of 9th October 2014.

Juma East Project

BBX announced on 3 September 2014 the latest results from the exploration programme conducted at the Juma East Gold Project.

BBX conducted a systematic exploration programme at its Juma East project, which is targeting epithermal and porphyry Au-Cu deposits, currently at regional scale focused on the documented old workings, but additional targets are expected to be defined by the airborne geophysical survey.

Airborne Magnetic and Gamma Survey

CGG Airborne initiated the airborne magnetic and radiometric geophysical survey over the Juma East tenement block on 29th August. Reconsult, a São Paulo-based consultancy specialising in processing and interpreting geophysical data has being engaged to support BBX's geological team on the geophysical/geological/geochemical data integration to define drilling targets at Juma East.

The survey was conducted on 200m line spacing with the exception of the area covering the Pintado magnetic anomaly, the Guida/Plato/Aço targets and the low magnetic circular feature to the east, which will be infilled at 100m spacing.

On 20th October 2014 BBX announced the results of its Aero Magnetic survey on its Juma East Project. The airborne geophysical survey conducted by BBX identified multiple large vertical magnetic features at the Plato target. Detailed 3D modelling has defined a pipe-like geometry; this specific target was flown at 100 m spaced lines oriented north- south, generating a sufficiently high degree of resolution to design a diamond drilling program.

Directors' Report
Half-Year Ended 31 December 2014

A drilling program (table 1) to test the 5 pipes with the highest near-surface magnetic response has been designed to intersect the centres of the bodies at around 120m below surface.

Table 1 – proposed drilling program

UTMX (WGS84UTMZone21S)	UTMY (WGS84UTMZone21S)	Azimuth	dip	Length (m)
216408	9259192	303	60	250
216261	9260288	127	60	250
215581	9259022	180	60	250
215734	9258399	0	60	250
214975	9260225	240	60	250

Due to the anticipated onset of the wet season it is planned to conduct this drilling program during the second quarter of 2015.

Recent field mapping has confirmed the interpretation of the Plato target drilling targets (fig 1)



Fig 1 – breccia pipes outcrops and drilling targets

Directors' Report

Half-Year Ended 31 December 2014

Going concern

The half-year financial statements have been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Group incurred a total comprehensive loss after tax for the half year of \$832,093 (2013: \$518,088), and as at balance date, held cash of \$136,328 (30 June 2014: \$285,259) and had current liabilities of \$488,863 (30 June 2014: \$372,728). Of this balance, \$232,000 belongs to directors and key management personnel. Further, an amount of \$113,594 of the current payables balance is expected to be written back within the next 12 months. The ability of the Company to continue to pay its debts as and when they fall due is dependent upon the Company successfully raising additional share capital and ultimately developing one of its mineral properties.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because:

- The Directors have appropriate plans to raise additional funds as and when it is required.
- The Directors have an appropriate plan to contain certain operating and exploration expenditure if appropriate funding is unavailable.
- The Directors have available the sale proceeds from Eldorado Do Juma of approximately R\$1,500,000 (A\$ 697,000) due from the buyer during 2015 that can be utilised to fund further exploration activities as acquisition payments are received, or potential to discount this receivable.

The accounts have been prepared on the basis that the Company can meet its commitments as and when they fall due and can therefore continue normal business activities, and the realisation of assets and liabilities in the ordinary course of business.

Auditor's Independence Declaration

A copy of the auditor's independence declaration under s.307C of the *Corporations Act 2001* is set out on page 9 of the half-year ended financial report.

This report is signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

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

On behalf of the Directors



.....
Michael Schmulian
Chairman
Dated: 16 March 2015

LNP Audit and Assurance

Lachlan Nielson Partners Pty Limited
ABN 65 155 188 837
Level 11, 60 Castlereagh St
Sydney NSW 2000
Australia

T +61 416 176 303

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF BBX MINERALS LIMITED

As lead auditor of BBX Minerals Limited for the year ended 31 December 2014, I declare that, to the best of my knowledge and belief, 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 16 March 2015

Condensed consolidated statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2014

	Consolidated Group	
	Half-year ended	
	2014	2013
	\$	\$
Continuing operations		
Other revenue	26,034	4,752
Administration costs	(210,393)	(171,221)
Depreciation	(2,050)	(1,903)
Directors Fees	(33,273)	(37,200)
Mining & Exploration expense	(92,617)	(144,275)
Royalty Expense	(6,322)	-
Share Based Payments	(21,131)	-
Other expenses	-	(8,282)
Loss before income tax	(339,752)	(358,129)
Income tax expense	-	-
Loss from continuing operations after income tax expense	(339,752)	(358,129)
Profit (loss) from discontinued operations	(466,853)	44,591
Tax on profit from discontinued operations	-	-
Profit from discontinued operations after income tax	-	44,591
Loss for the period	(806,605)	(313,538)
Other comprehensive income/(loss)		
Exchange differences on translating foreign operations	(25,488)	(204,550)
Total comprehensive loss for the year attributable to shareholders	(832,093)	(518,088)
Earnings per share – loss from continuing operations		
Basic earnings per share (cents per share)	(0.29)	(0.31)
Diluted earnings per share (cents per share)	(0.29)	(0.31)
Earnings per share – attributable to ordinary shareholders		
Basic earnings per share (cents per share)	(0.68)	(0.45)
Diluted earnings per share (cents per share)	(0.68)	(0.45)

These financial statements should be read with the accompanying notes

Condensed consolidated statement of financial position

As at 31 December 2014

	Note	Consolidated Group	
		31 Dec 2014	30 June 2014
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		136,328	285,259
Trade and other receivables		43,154	1,015,378
TOTAL CURRENT ASSETS		179,482	1,300,637
NON-CURRENT ASSETS			
Property, plant and equipment		16,149	17,434
Trade and other receivables		95,911	101,017
Exploration & evaluation assets		716,579	283,860
TOTAL NON-CURRENT ASSETS		828,639	402,311
TOTAL ASSETS		1,008,121	1,702,948
CURRENT LIABILITIES			
Trade and other payables		488,863	372,728
TOTAL CURRENT LIABILITIES		488,863	372,728
NON-CURRENT LIABILITIES			
Trade and other payables		44,907	44,907
TOTAL NON-CURRENT LIABILITIES		44,907	44,907
TOTAL LIABILITIES		533,770	417,635
NET ASSETS		474,351	1,285,313
EQUITY			
Issued capital		14,203,732	14,203,732
Accumulated losses		(13,955,525)	(13,148,920)
Options reserve		175,131	154,000
Foreign currency translation reserve		51,013	76,501
TOTAL EQUITY		474,351	1,285,313

These financial statements should be read with the accompanying notes

Condensed consolidated statement of cash flows
For the half-year ended 31 December 2014

	Consolidated Group	
	Half-year ended	
	31 Dec	31 Dec
	2014	2013
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(286,895)	(529,719)
Royalties received	9,247	-
Interest received	16,787	1,781
Net cash provided by (used in) operating activities	<u>(260,861)</u>	<u>(527,938)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation	(366,118)	-
Proceeds from sale of exploration and evaluation	478,813	474,462
Payment for plant and equipment	(765)	-
Net cash provided by (used in) investing activities	<u>111,930</u>	<u>474,462</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Other (Cost of Capital Raising)	-	(34,551)
Net cash provided by (used in) financing activities	<u>-</u>	<u>(34,551)</u>
Net increase in cash held	(148,931)	(88,027)
Cash at beginning of financial year	285,259	378,668
Cash at end of financial year	<u><u>136,328</u></u>	<u><u>290,641</u></u>

These financial statements should be read with the accompanying notes

Condensed consolidated statement of changes in equity

For the half-year ended 31 December 2014

Consolidated Group	Note	Share Capital Ordinary	Accumulated Losses	Foreign Exchange Reserve	Option Reserve	Total
		\$	\$	\$	\$	\$
Balance at 1.7.2013		13,846,315	(13,424,538)	(9,110)	762,400	1,175,068
Profit/(loss) attributable to members of parent entity		-	(518,088)	140,173	-	(377,915)
Capital raising costs		(1,650)	-	-	-	(1,650)
Balance at 31.12.2013		13,844,665	(13,942,626)	131,063	762,400	795,502
Balance at 1.7.2014		14,203,732	(13,148,920)	76,501	154,000	1,285,313
Options Issued		-	-	-	21,131	21,131
Profit/(loss) attributable to members of parent entity		-	(806,605)	(25,488)	-	()
Balance at 31.12.2014		14,203,732	(13,955,525)	51,013	175,131	832,093474,351

These financial statements should be read with the accompanying notes

BBX Minerals Limited

Notes to condensed consolidated financial statements For the half-year ended 31 December 2014

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2014 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by BBX Minerals Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below:

(b) New and amended standards adopted by the group

A number of new or amended standards became applicable for the current reporting period, however, the group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There will be some changes to the disclosures in the 30 June 2015 annual report as a consequence of these amendments.

(c) Impact of standards issued but not yet applied by the entity

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2017 but is available for early adoption. When adopted, the standard will affect 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.

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.

(d) Going concern

The half-year financial statements have been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Group incurred a total comprehensive loss after tax for the half year of \$832,093 (2013: \$518,088), and as at balance date, held cash of \$136,328 (30 June 2014: \$285,259) and had current liabilities of \$488,863 (30 June 2014: \$372,728). Of this balance, \$232,000 belongs to directors and key management personnel. Further, an amount of \$113,594 of the current payables balance is expected to be written back within the next 12 months. The ability of the Company to continue to pay its debts as and when they fall due is dependent upon the Company successfully raising additional share capital and ultimately developing one of its mineral properties.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because:

- The Directors have appropriate plans to raise additional funds as and when it is required.
- The Directors have an appropriate plan to contain certain operating and exploration expenditure if appropriate funding is unavailable.
- The Directors have available the sale proceeds from Eldorado Do Juma of approximately R\$1,500,000 (A\$ 697,000) due from the buyer during 2015 that can be utilised to fund further exploration activities as acquisition payments are received, or potential to discount this receivable.

The accounts have been prepared on the basis that the Company can meet its commitments as and when they fall due and can therefore continue normal business activities, and the realisation of assets and liabilities in the ordinary course of business.

BBX Minerals Limited

Notes to condensed consolidated financial statements For the half-year ended 31 December 2014

(e) Key Judgements - Chapada – Advance payment agreement

Under the advance payment agreement signed in April 2014, R\$1,000,000 (approximately A\$481,765 at 30 June 2014) that was received by May 2014, was recorded as a gain in the profit and loss statement for the year ended 30 June 2014. This treatment was based on the director's best estimate and judgement as ENGEP Engenharia e Pavimentaco Ltda (ENGEP) and ENNEGOLD Mineracao Ltda (ENNEGOLD) had not elected either option 1 or 2.

Subsequent to 31 December 2014, the Group was notified by ENGEP Engenharia e Pavimentaco Ltda (ENGEP) and ENNEGOLD Mineracao Ltda (ENNEGOLD) that they have elected option 1, which extinguishes the total outstanding receivable payments due to BBX of R\$2,400,000 (approximately A\$1,132,075) under the Chapada sales agreement, via the advance payment of R\$2,000,000 (approximately A\$943,000) announced on 7th April 2014.

Accordingly, the Group has now recognised a loss of R\$1,000,000 (approximately \$466,453 at 31 December 2014) in relation to the Chapada advance payment agreement in the financial report for the half year ended 31 December 2014 to reverse the gain of R\$1,000,000 (approximately A\$466,453 at 31 December 2014).

BBX Minerals Limited

2. PROFIT FROM ORDINARY ACTIVITIES

Consolidated Group

Half-year Ended 31 December 2014	Half-year Ended 31 December 2013
-------------------------------------	-------------------------------------

\$

\$

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

Discontinued operations:

Revenue from sale of Chapada Project	-	1,080,717
Chapada – advance payment agreement (Note 1 (d)(ii))	(466,453)	-
Carrying value of capitalised exploration site at date of sale	-	(1,036,126)
Net gain on the disposal of capitalised exploration expenditure	(466,453)	44,591

The election of option 1 by ENGE GOLD subsequent to 31 December 2014 as mentioned above (note 1(d)(ii)), has resulted in reduction of the gain previously recognised at 30 June 2014 by the R\$1,000,000 (approximately A\$466,453) that was advanced by May 2014. This represents a reduction in the gain previously recognised that has been taken up in the period ended 31 Dec 2014.

3. DISCONTINUED OPERATIONS

On 2 July 2013, BBX Minerals had announced that it had entered into a Letter of Intent for the Sale of BBX's 100% interest in the Chapada Project for a consideration of R\$3.4 million (Approximately A\$1.6 million. As at 31 Dec 2013, BBX had received R\$1.0 million (Approximately A\$474,462. However BBX announce on 7th April 2014 that a BRL\$2,000,000 advance payment agreement had been negotiated with ENGE GOLD Mineracao Ltda (ENGE GOLD) and that a R\$400,000 first tranche payment had been received. BBX then announced on 15th May 2014 receipt of the 2nd tranche payment of R\$600,000. On 21 July 2014 BBX announced that its 100% owned subsidiary Mineracao BBX do Brasil Ltda, had received R\$1,000,000 (approximately AUD 471,698) being the final tranche due under the advance payment agreement.

Financial information relating to the discontinued operations for the reporting period is set out below. The profit or loss on is shown in note 2 above.

31 Dec 2014	31 Dec 2013
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\$

\$

The net cash flows of the discontinued division, which have been incorporated into the statement of cash flows, are as follows:

Net cash inflow/(outflow) from operating activities	-	-
Net cash inflow/(outflow) from investing activities	487,813	474,462
Net cash (outflow)/inflow from financing activities	-	-
Net cash increase in cash generated by the discontinued division	478,813	474,462

BBX Minerals Limited

4. 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.

	Brazil \$	Australia \$	Total \$
2014			
Segment Revenue	25,985	49	26,034
Profit/(Loss) after income tax	(565,792)	(266,847)	(832,639)
2013			
Segment Revenue	48,134	1,209	49,343
Loss after income tax	(239,483)	(74,055)	(313,538)
	\$	\$	\$
31 Dec 2014			
Segment total assets	996,097	12,024	1,008,121
Segment total liabilities	(91,136)	(442,634)	(533,770)
30 June 2014			
Segment total assets	1,679,328	23,620	1,702,948
Segment total liabilities	(45,930)	(371,705)	(417,635)

5. KEY MANAGEMENT PERSONNEL

	2014 \$	2013 \$
Director's fees	33,273	37,200
Options granted (see note 7)	7,467	-
	<u>40,740</u>	<u>37,200</u>

Remuneration arrangements of key personnel are disclosed in the annual financial report.

6. ISSUED AND PAID-UP CAPITAL

	31 Dec 2014 Shares	30 Jun 2014 Shares	31 Dec 2014 \$	30 Jun 2014 \$
a. Ordinary shares				
Ordinary shares fully paid	118,454,232	118,454,232	14,203,732	14,203,732

b. Movements in ordinary share capital:

Date	Details	Notes	Number of shares	Issue Price	\$
30 June 2014	Opening Balance		118,454,232	-	14,203,732
31 December 2014	Balance		118,454,232	-	14,203,732

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

BBX Minerals Limited

number of shares held.

7. OPTIONS RESERVE

	Consolidated Group		Consolidated Group	
	Dec 31 Dec 2014 No	Jun 30 Jun 2014 No	Dec 31 Dec 2014 \$	Jun 30 Jun 2014 \$
Balance beginning of the financial period	17,500,000	30,625,000	154,000	762,400
a) Expiration 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) Expiration 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)
c) Issue of 6,000,000 unlisted incentive options to consultant exercisable at \$0.05 each on or before 1 July 2017	6,000,000	-	7,026	-
d) Issue of 17,000,000 unlisted incentive options, including to directors exercisable at \$0.05 each on or before 24 November 2017	17,000,000	-	14,105	-
	<u>40,500,000</u>	<u>17,500,000</u>	<u>175,131</u>	<u>154,000</u>

8. 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%

9. COMMITMENTS and CONTINGENCIES

Juma East Gold Project

As at 31 Dec 2014, BBX Minerals via its wholly owned subsidiary MINERAÇÃO BBX DO BRASIL LTDA (BBX Brazil) 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 the remaining payments for each tenement due as follows:

- USD 50,000 12 months after publication of conditional transfer of title to BBX
- USD 100,000 24 months after publication of conditional transfer of title to BBX
- USD 100,000 36 months after publication of conditional transfer of title to BBX
- USD 100,000 48 months after publication of conditional transfer of title to BBX
- USD 100,000 60 months after publication of conditional transfer of title to BBX

BBX Minerals Limited

BBX can relinquish any of the leases at any time without any further payment or expenditure commitments.

10. SUBSEQUENT EVENTS

On 16 January 2015 BBX announced that its 100% owned subsidiary Mineracao BBX do Brasil Ltda, and Raquel Correia da Silva (Seller) had signed a 90 day extension to the Letter of Intent for BBX to acquire 16 exploration licences under application in the Colider group (Apui Region), located within a radius of 120km from Apui. The extension does not affect the previous terms and conditions of the LOI which was announced by BBX on 9th October 2014.

BBX also announced that its subsidiary Mineracao BBX do Brasil Ltda, has received notification from ENGEPE Engenharia e Pavimentacao Ltda (ENGEPE) and ENGEGOLD Mineracao Ltda (ENGEGOLD) that they have elected option 1, which extinguishes the total outstanding receivable payments due to BBX of R\$2,400,000 (approximately AUD 1,132,075) under the Chapada sales agreement, via the advance payment of R\$2,000,000.(approximately AUD 943,000) announced on 7th April 2014.

Directors Declaration

For the half-year ended 31 December 2014

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 6 to 16 are in accordance with the Corporations Act 2001 including:
 - (a) complying with Accounting Standards AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the financial position as at 31 December 2014 and of the performance for the half-year ended on that date of the company;
3. in the directors' opinion, there are reasonable grounds to believe that the company 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

A handwritten signature in black ink, appearing to read 'Michael Schmulian', with a long horizontal flourish extending to the right.

Michael Schmulian
Chairman
Dated: 16 March 2015

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BBX MINERALS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half year financial report of BBX Minerals Limited and controlled entities ('the consolidated company'), which comprises the consolidated condensed statement of financial position as at 31 December 2014, consolidated condensed statement of comprehensive income, consolidated condensed statement of changes in equity and consolidated condensed cash flow statement for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information notes and the directors' declaration.

Director's Responsibility for the Half-Year Financial Report

The directors' of BBX Minerals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of an Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the BBX Minerals Limited and controlled entities financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Limited and controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This review report relates to the financial report of the BBX Minerals Limited and controlled entities for the half-year ended 31 December 2014 included on the website of BBX Minerals Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the half-year financial report identified above and it does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of this report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the reviewed financial report to confirm the information contained in this website version of the financial report.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of BBX Minerals Limited and controlled entities is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- ii. complying with AASB 134 *Interim Financial Reporting and the Corporation Regulations 2001*.

Going Concern

Without qualifying our conclusion, we draw attention to Note 1(d) in the financial report, which indicates that the company incurred a net loss of \$832,093 (2013: \$518,088), and as at balance date, held cash of \$136,328 (30 June 2014: \$285,259) and had current liabilities of \$488,863 (30 June 2014: \$372,728). These conditions, along with other matters as set forth in Note 1(d), indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

No adjustments have been made to the financial report relating to the recoverability or classification of the recorded asset amounts and classification of liabilities that maybe necessary should the Group not continue as a going concern.

LNP Audit and Assurance



Anthony Rose
Director

Sydney, 16 March 2015