

**BBX HOLDINGS LIMITED
ABN 82 089 221 634**

**NOTICE OF ANNUAL GENERAL MEETING
AND
EXPLANATORY MEMORANDUM**

**For the Shareholders' Annual General Meeting to be held
on 11 November 2011 at 10 am (Eastern Standard Time) at the offices of Arthur Phillip
Pty Ltd, Level 33, Colonial Centre, 52 Martin Place, Sydney, New South Wales**

This is an important document. Please read it carefully.

***If you are unable to attend the Meeting, please complete the form of proxy enclosed
and return it in accordance with the instructions set out on that form.***

TIME AND PLACE OF GENERAL MEETING AND HOW TO VOTE

Venue

The Annual General Meeting of BBX Holdings Limited will be held at:

The offices of Arthur Phillip Pty Ltd	Commencing
Level 33, Colonial Centre	at 10 am (Eastern Standard Time)
52 Martin Place	on 11 November 2011
Sydney, New South Wales	

How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 10 am (Eastern Standard Time).

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Annual General Meeting as soon as possible and either:

- send the proxy form by hand to Boardroom Pty Ltd, Level 7, 207 Kent Street, Sydney, NSW 2000
- send the proxy form by post to GPO Box 3993, Sydney, New South Wales 2001; or
- send the proxy form by facsimile to facsimile number +61 2 9290 9655.

so that it is received not later than 10am (Eastern Standard Time) on 9 November 2011.

Your proxy form is enclosed.

BBX HOLDINGS LIMITED
ABN 82 089 221 634

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of BBX Holdings Limited will be held at the offices of Arthur Phillip Pty Ltd, Level 33, Colonial Centre, 52 Martin Place, Sydney, New South Wales on 11 November 2011 at 10 am (Eastern Standard Time) ("**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 part of this Notice Meeting.

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

AGENDA

GENERAL BUSINESS

Accounts and Reports

To receive and consider the financial statements of the Company and the reports of the Directors and Auditors for the financial year ended 30 June 2011.

Resolution 1 – Adoption of Remuneration Report

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

"That, for the purposes of section 250R(2) of the Corporations Act, the Remuneration Report in the 2011 Annual Report of the Company be adopted."

Short Explanation: The Remuneration Report is in the Directors' Report section of the Company's Annual Report. Listed companies are required to put the Remuneration Report to the vote for adoption at the Company's Annual General Meeting.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution that a further meeting is held at which all of the Company's Directors (other than the Managing Director and CEO) must go up for re-election.

The Company will disregard any votes cast on this resolution by any of the key management personnel listed in the Remuneration Report and any closely related parties of those people. However the Company need not disregard a vote if:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; or
- (b) it is cast by the person chairing the meeting as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution.

Resolution 2 – Election of Director – Philip Suriano

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

"That Philip Suriano, a Director appointed by the Directors as an additional Director holding office until this Meeting in accordance with clauses 6.1(d) and 6.1(e) of the Constitution and, being eligible, offers himself for election, is elected as a Director of the Company."

Short Explanation: Mr Suriano was appointed by the Board as an additional Director on 29 November 2010 and under the Constitution holds office until this Meeting. Mr Suriano is presented for election in accordance with the Constitution.

Resolution 3 – Election of Director – Michael Schmulian

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

"That Michael Schmulian, a Director appointed by the Directors as an additional Director holding office until this Meeting in accordance with clauses 6.1(d) and 6.1(e) of the Constitution and, being eligible, offers himself for election, is elected as a Director of the Company."

Short Explanation: Mr Schmulian was appointed by the Board as an additional Director on 12 April 2011 and under the Constitution holds office until this Meeting. Mr Schmulian is presented for election in accordance with the Constitution.

SPECIAL BUSINESS

Resolution 4 – Ratification of the issue of Shares to Crusader

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

"That for the purpose of ASX Listing Rule 7.4 and for all other purposes, approval is given to the ratification of the issue of 2,000,000 Shares to Crusader Resources Limited on the terms and conditions set out in the Explanatory Memorandum."

Short Explanation: On 12 April 2011 the Company issued 2,000,000 Shares in consideration for an agreement between the Company and Crusader. Shareholder approval is sought to ratify the issue and thereby refresh the Company's capacity to make future issues of securities up to the 15% threshold under Listing Rule 7.1.

The Company will disregard any votes cast on this Resolution by Crusader and any associate of such 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 a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 – Approval to grant Options to 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, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant up to 2,000,000 Options to Mr Schmulian or his nominee on the terms and conditions set out in the Explanatory Memorandum."

Short Explanation: Under the ASX Listing Rules an issue of securities to a director requires prior shareholder approval. For the purposes of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11, Shareholder approval is being sought to allow Mr Schmulian as a Director to be issued securities in the Company.

The Company will disregard any votes cast on this Resolution by Mr Schmulian or his nominee or an associate of that person. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by an allottee 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 a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

Resolution 6 – Ratification of the issue of the Placement Shares

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

"That for the purpose of ASX Listing Rule 7.4 and for all other purposes, approval is given to the ratification of the issue of 14,800,000 Shares on the terms and conditions set out in the Explanatory Memorandum."

Short Explanation: On 27 April 2011 the Company issued 14,800,000 Shares to raise \$740,000. Shareholder approval is sought under Listing Rule 7.4 to ratify the issue and thereby refresh the Company's capacity to make future issues of securities up to the 15% threshold under Listing Rule 7.1.

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associate of those persons. 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 a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 7 – Approval for the issue of the Performance Options

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

"That for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 10,000,000 Performance Options on the terms and conditions set out in the Explanatory Memorandum."

Short Explanation: Under ASX Listing Rule 7.1, the Company may not issue or agree to issue equity securities in any 12 month period representing more than 15% of its ordinary share capital on issue at the commencement of that period without shareholder approval. By obtaining the prior

approval of shareholders for the issue of securities proposed under this Resolution, the Company retains the flexibility to make future issues of securities up to that threshold.

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this Resolution is passed, and any Associate of those persons. However, the Company will 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 a person chairing that Meeting as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

VOTING AND PROXIES

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the proxy form or 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.
3. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 9 November 2011 at 7 pm (Eastern Standard Time).
4. A proxy form is attached. If required it should be completed, signed and returned to the Boardroom Pty Ltd in accordance with the instructions on that form.

By order of the Board



Paul Page
Director

Dated: 4 October 2011

BBX HOLDINGS LIMITED
ABN 82 089 221 634

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at the offices of Arthur Phillip Pty Ltd, Level 33, Colonial Centre, 52 Martin Place, Sydney, New South Wales on 11 November 2011 at 10 am (Eastern Standard Time).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders to decide whether or not to pass the Resolutions set out in the Notice and includes the following information to assist Shareholders in deciding on how to vote on the Resolutions:

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

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

GENERAL BUSINESS

1. ANNUAL REPORT

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report for the financial year ended 30 June 2011 which is available on the ASX platform at www.asx.com.au;
- (b) ask questions or make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or the Company's auditor about:

- (a) the preparation and content of the auditor's report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Remuneration Report is in the Directors Report section of the Company's Annual Report.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out remuneration details for each Director and each of the Company's executives and group executives named in the Remuneration Report for the financial year ended 30 June 2011.

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. The vote on this resolution is advisory only, however, and does not bind the Board or the Company. The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

The Chairman will give Shareholders a reasonable opportunity to ask questions about or to make comments on the Remuneration Report.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution that a further meeting is held at which all of the Company's Directors (other than the Managing Director and CEO) must go up for re-election.

Voting on Resolution 1 will be determined by a poll at the meeting rather than a show of hands.

Undirected proxies

Any undirected proxies held by the Chair of the meeting will not be voted on this resolution. Accordingly, if you appoint the Chair of the meeting as your proxy, you should direct him how to vote on this resolution if you want your shares to be voted. The same will apply if you appoint any other Director of the Company, any other of its key management personnel or any of their closely related parties.

Key management personnel of the Company are the Directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2011. Their closely related parties are defined in the Corporations Act, and include certain members of their family, dependents and companies they control.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR PHILIP SURIANO

Mr Suriano was appointed by the Board as an additional Director on 29 November 2010 pursuant to clause 6.1(d) of the Constitution and by clause 6.1(e) of the Constitution holds office until this Meeting. Mr Suriano is therefore presented for election in accordance with the Constitution.

Details of Mr Suriano's qualifications and experience are set out in the Company's 2011 Annual Report.

4. RESOLUTION 3 – ELECTION OF DIRECTOR – MICHAEL SCHMULIAN

Mr Schmulian was appointed by the Board as an additional Director on 12 April 2011 pursuant to clause 6.1(d) of the Constitution and by clause 6.1(e) of the Company's Constitution holds office until this Meeting. Mr Schmulian is therefore presented for election in accordance with the Constitution.

Details of Mr Schmulian's qualifications and experience are set out in the Company's 2011 Annual Report.

SPECIAL BUSINESS

5. RESOLUTION 4 – RATIFICATION OF THE ISSUE OF SHARES TO CRUSADER

On 12 April 2010 the Company issued 2,000,000 Shares in consideration for the agreement between the Company and Crusader under which the Company may earn up to 75% of the Ouro Belo tin-indium project.

Crusader is not a related party of the Company.

This Resolution seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

Listing Rule 7.1 provides, subject to certain exceptions, a listed company must not issue equity securities where the number of equity securities proposed to be issued represents more than 15% of the company's shares then on issue without the approval of Shareholders.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.1 Information required by ASX Listing Rule 7.3

In accordance with ASX Listing Rule 7.3, the following information is provided:

- (a) The number of Shares issued was 2,000,000.
- (b) The Shares were issued in consideration for the agreement between the Company and Crusader that provides an option for the Company to earn up to 75% of the Ouro Belo tin-indium project. No funds were raised by the issue.
- (c) The Shares are all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (d) The Shares were issued to Crusader, who is not a related party of the Company.
- (e) A voting exclusion statement is included in the Notice.

6. RESOLUTION 5 – APPROVAL TO GRANT OPTIONS TO MICHAEL SCHMULIAN

6.1 Background

This Resolution seeks Shareholder approval for the grant of 2,000,000 Options to Mr Michael Schmulian or his nominee. Mr Schmulian is a non-executive Director of the Company.

The Company acknowledges the issue of Options to Mr Schmulian as a non-executive Director is contrary to recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the issue of the Options to be reasonable in the circumstances given the Company's size and stage of development, the incentive it will provide and the necessity to attract and retain the highest calibre of professionals to the role of non-executive Director, and its limited cash reserves.

Shareholder approval is required for the purposes of Chapter 2E of the Corporations Act (section 208) and ASX Listing Rule 10.11 because Mr Schmulian is a related party of the Company.

6.2 Chapter 2E of the Corporations Act - Related Party Transactions

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

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

For the purposes of Chapter 2E, Mr Schmulian is a related party of the Company.

This Resolution provides for the grant of Options to a related party, which is a financial benefit requiring Shareholder approval in the absence of a specified exception applying.

For the purpose of Chapter 2E of the Corporations Act the following information is provided.

- (a) *The related party to whom the resolutions would permit the financial benefit to be given*
The related party is Mr Schmulian or his nominee.

- (b) *The nature of the financial benefit*

The financial benefit proposed to be given is the grant of 2,000,000 Options. The Options have an expiry date of 30 June 2014 and are issued on the terms set out in Annexure 1.

- (i) 1,000,000 Options with an exercise price of \$0.05 and a vesting date of 12 April 2012 ("Tranche 1").
 - (ii) 1,000,000 Options with an exercise price of \$0.05 and a vesting date of 12 April 2013 ("Tranche 2").
- (c) *Directors recommendation and basis of financial benefit*

The purpose of the grant of the Options is to provide an incentive to Mr Schmulian to provide dedicated and ongoing commitment and effort to the Company.

The Directors (apart from Mr Schmulian) consider that with his other remuneration as a Director (as detailed below), the particular number and terms of the Options to be

issued to Mr Schmulian is reasonable and appropriate to adequately incentivise Mr Schmulian to provide dedicated and ongoing commitment and effort to the Company. They recommend that Shareholders approve the Resolution.

Mr Schmulian abstains from making a recommendation to Shareholders as to the Resolution as he has an interest in the outcome of the Resolution.

(d) *Total remuneration package of Mr Schmulian*

The current remuneration package of Mr Schmulian is \$24,000 per annum including superannuation.

(e) *Existing relevant interests*

At the date of this Notice, Mr Schmulian and his associates have a relevant interest in 2,350,000 Shares.

(f) *Dilution*

Passing the Resolution would have the effect of granting Mr Schmulian (or his nominee) 2,000,000 Options.

Granting the Options would have the effect of diluting the shareholding of existing Shareholders. Normally an option holder's decision to exercise an option is determined by the market price of the Shares during the Option period. At the time an Option is exercised, the Shares may be valued at a higher price than the exercise price of the Option.

If the 2,000,000 Options to be granted were exercised, the effect would be to dilute the shareholding of the existing Shareholders by 1.53% based on the total number of Shares on issue at the date of this Notice; being 129,092,722.

(g) *Trading history*

The following table gives details of the highest, lowest and the latest closing price of the Shares trading on the ASX over the last 12 months:

	Closing Price	Date
Highest Price	\$0.09	21 April 2011
Lowest Price	\$0.01	29 September 2010
Latest Price	\$0.055	28 September 2011

(h) *Valuation of Options*

Based on the below assumptions, the Options have been valued as follows:

Tranche 1 \$0.043 per Option or \$43,000 in total.

Tranche 2 \$0.043 per Option or \$43,000 in total.

Assumption	Tranche 1	Tranche 2
Exercise price	\$0.05	\$0.05
Underlying share spot price	\$0.055	\$0.055
Life of the Option ¹	2.6 years	2.6 years
Volatility ²	146%	146%
Risk free interest rate	3.7%	3.7%

¹ Assumes the Options are granted on 11 November 2011 and have a life of 962 days. In accordance with Accounting Standards, the actual valuation of the options granted will be re-calculated at the date of the Annual General Meeting and will be dependent on the underlying spot price of BBX Shares on that date.

² The volatility was estimated from the Company's annualized historical trading volatility for the period 11 April 2011 to 29 September 2011. As at the date of this Notice, this period was selected by the Board as being the best indicator of expected volatility over the term for the Options on the basis that there was a substantial change in the nature of the Company's activities and focus on that date.

(i) *Other information*

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

6.3 ASX Listing Rule 10.11

As a Director, Mr Schmulian is a related party of the Company.

Accordingly, in order to grant the Options to Mr Schmulian or his nominee, the Company must obtain Shareholder approval pursuant to ASX Listing Rule 10.11.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to grant the Options as approval is being obtained under ASX Listing Rule 10.11. Shareholders should note that the grant of the Options will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

6.4 Specific information required by ASX Listing Rule 10.13

For the purposes of ASX Listing Rule 10.13, the following information is provided to Shareholders:

- (a) The Options will be granted to Mr Schmulian, a Director, or his nominee.
- (b) The maximum number of Options to be granted is 2,000,000.
- (c) The Options will be granted no later than one month after the date of this Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules), and it is intended that allotment will occur on the same date.
- (d) The Options are being issued to Mr Schmulian to give him an incentive to provide dedicated and ongoing commitment and effort to the Company, and no funds will be raised from the issue. The terms of the Options are set out in Annexure 1.
- (e) A voting exclusion statement is included in the Notice.

7. RESOLUTION 6 – RATIFICATION OF THE ISSUE OF THE PLACEMENT SHARES

On 27 April 2011 the Company issued 14,800,000 Shares at an issue price of \$0.05 cents per Share.

The Shares were issued to unrelated parties of the Company.

This Resolution seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

7.1 Specific information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to this Resolution:

- (a) The number of Shares issued was 14,800,000.
- (b) The Shares were issued at \$0.05 cents per Share.
- (c) The Shares are all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (d) The Shares were issued to sophisticated investors who are not related parties of the Company.
- (e) The Company intends to use the funds raised from the issue to provide working capital and undertake due diligence on the Ouro Belo tin-indium project and other possible mineral acquisitions in South America.

8. RESOLUTION 7 – APPROVAL OF THE ISSUE OF THE PERFORMANCE OPTIONS

This Resolution seeks Shareholder approval for the issue of 10,000,000 Performance Options to Bacchus Strategic Developments. The issue was announced on 31 May 2011 and is in consideration for assisting with corporate transactions.

The Performance Options will vest as followed:

- (a) 5 million Performance Options with an exercise price of \$0.13 and an expiry date of 30 June 2014 vest when the Company's weighted volume average reaches \$0.10 or greater for 30 days (Tranche 1 Performance Options); and
- (b) 5 million Performance Options with an exercise price of \$0.15 and an expiry date of 30 June 2015 vest when the Company's weighted volume average reaches \$0.15 or greater for 30 days (Tranche 2 Performance Options).

Specific information required by ASX Listing Rule 7.3

In accordance with Listing Rule 7.3 the following information is provided:

- (a) The maximum number of securities to be issued is 10,000,000 Performance Options.
- (b) The Performance 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 ASX Listing Rules) and it is intended that allotment will occur on the same day.

- (c) The Performance Options are being issued in consideration for corporate services, and no funds will be raised from the issue.
- (d) The Performance Options are being issued to Bacchus Strategic Developments.
- (e) The Performance Options will be issued on the terms contained in Annexure 2.
- (f) A voting exclusion statement is included in the Notice.

BBX HOLDINGS LIMITED
ABN 82 089 221 634

GLOSSARY

In the Notice and this Explanatory Memorandum:

"**Associate**" has the meaning given to it by the Division 2 of Part 1.2 of the Corporations Act.

"**AGM**" means annual general meeting of the Company.

"**ASX**" means the ASX Limited (ACN 008 624 691).

"**ASX Listing Rules**" or "**Listing Rules**" means the Listing Rules of the ASX.

"**Board**" means the Board of Directors of the Company.

"**Bacchus Strategic Developments**" means Bacchus Strategic Developments Group Pty Ltd (ACN 099 034 447);

"**Company**" or "**BBX**" means BBX Holdings Limited (ABN 82 089 221 634).

"**Constitution**" means the constitution of the Company as amended from time to time.

"**Corporations Act**" means the *Corporations Act 2001* (Cth).

"**Crusader**" means Crusader Resources Limited (ACN 106 641 963).

"**Directors**" mean the directors of the Company from time to time.

"**Explanatory Memorandum**" means this explanatory memorandum which accompanies the Notice.

"**Meeting**" means the meeting convened by this Notice.

"**Notice**" means the notice of annual general meeting issued by the Company and dated 4 October 2011.

"**Option**" means an option to subscribe for a Share.

"**Performance Options**" means the options issued in accordance with the terms set out in Annexure 2.

"**Placement Shares**" means the 14,800,000 Shares the issue of which will be ratified by resolution 6.

"**Remuneration Report**" means the remuneration report in the Directors Report section of the Company's Annual Report.

"**Resolution**" means a resolution referred to in the Notice.

"**Share**" means a fully paid ordinary share in the capital of the Company.

"**Shareholder**" means a registered holder of Shares in the Company.

"**EST**" or "**Eastern Standard Time**" means Eastern Standard Time, Sydney, New South Wales.

"**\$**" means Australian dollars unless otherwise stated.

BBX HOLDINGS LIMITED
ABN 82 089 221 634

ANNEXURE 1 – TERMS OF OPTIONS

The terms of the Options are otherwise as follows:

1. Each Option entitles the holder ("**Optionholder**") to subscribe for one Share.
2. Each Option is exercisable at \$0.05.
3. Tranche 1 Options have a vesting date of 12 April 2012 and Tranche 2 Options have a vesting date of 12 April 2013 ("**Vesting Dates**")
4. The Options are exercisable at any time after the relevant Vesting Date and prior to 5.00 pm Eastern Standard Time on 30 June 2014 ("**Expiry Date**").
5. The Options are freely transferable.
6. The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("**Notice of Exercise**"). The Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.
7. Upon the exercise of an Option and receipt of all relevant documents and payment, the holder in accordance with paragraph 4 will be allotted and issued a Share ranking pari passu with the then issued Shares.
8. There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be 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 7 business days after the issue is announced. This will give Optionholders the opportunity (where available) to exercise their Options prior to the date for determining entitlements to participate in any such issue.
9. The Optionholder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised.
10. If there is a bonus issue ("**Bonus Issue**") to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
11. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.

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ANNEXURE 2 – TERMS OF THE PERFORMANCE OPTIONS

The terms of the Options are otherwise as follows:

1. Each Option entitles the holder ("**Optionholder**") to subscribe for one Share.
2. Tranche 1 Performance Options vest when the Company's weighted volume average reaches \$0.10 or greater for 30 days and have an exercise price \$0.13. Tranche 2 Performance Options vest when the Company's weighted volume average reaches \$0.15 or greater for 30 days and have an exercise price of \$0.15.
3. Tranche 1 Performance Options have an expiry date of 30 June 2014 and Tranche 2 Performance Options have an expiry date of 30 June 2015.
4. The Options are exercisable at any time prior to 5.00 pm Eastern Standard Time on relevant expiry date.
5. The Options are freely transferable.
6. The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("**Notice of Exercise**"). The Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.
7. Upon the exercise of an Option and receipt of all relevant documents and payment, the holder in accordance with paragraph 4 will be allotted and issued a Share ranking pari passu with the then issued Shares.
8. There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be 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 7 business days after the issue is announced. This will give Optionholders the opportunity (where available) to exercise their Options prior to the date for determining entitlements to participate in any such issue.
9. The Optionholder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised.
10. If there is a bonus issue ("**Bonus Issue**") to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
11. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.