



**BBX MINERALS LIMITED**

ACN 089 221 634

**Financial Report  
for the half-year ended 31 December 2012**

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 2012.

## Corporate Directory

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### BBX MINERALS LIMITED

#### Registered Office

Level 33, 52 Martin Place  
Sydney NSW 2000

Telephone: +61 (2) 9227 8900

Facsimile: +61 (2) 9227 8901

#### Directors

Paul Page (ceased 4 July 2012)

Michael Hogg

Philip Suriano (ceased 24 January 2013)

Michael Schmulian (Chairman appointed 2 October 2012)

William Dix (appointed 10 October 2012)

#### Secretary

Simon Robertson (appointed 19 February 2013)

Sylvie Dimarco (ceased 19 February 2013)

#### Auditors

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

#### Banker

NAB

George Street

Sydney NSW 2000

#### Solicitors

Kings Park Corporate Lawyers  
Suite 8, 8 Clive Street  
West Perth WA 6005

#### Share Registry

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

#### Stock Exchange Listing

BBX Minerals Limited shares are listed on the  
Australian Stock Exchange.  
ASX Code: BBX

### BBX GROUP OF COMPANIES

BBX Minerals Limited

ACN 089 221 634

## Directors' report

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The directors of BBX Minerals Limited submit herewith the financial report of BBX Minerals Limited ("BBX") and its controlled entities ("the Group") for the half-year ended 31 December 2012.

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 Paul Page (ceased on 4 July 2012)  
 Mr Phil Suriano (ceased on 29 January 2013)  
 Mr Michael Hogg  
 Mr Michael Schmulian  
 Mr William Dix (appointed on 10 October 2012)

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 loss of the consolidated group for the half year after providing for income tax and eliminating minority equity interests amounted to \$692,543 (December 2011: net loss \$350,566).

The loss from ordinary activities before income tax expense includes the following revenues and expenses disclosures is relevant in explaining the financial performance of the entity.

	Half-Year Ended 31 Dec 2012	Half-Year Ended 31 Dec 2011
	\$	\$
Revenue from continuing operations	10,323	305,880
Expenses from continuing operations	(702,866)	(656,446)
Loss from continuing operations	<u>(692,543)</u>	<u>(350,566)</u>
<b>Profit/(Loss) from ordinary activities</b>	<u><b>(692,543)</b></u>	<u><b>(350,566)</b></u>

## Directors' report (continued)

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### Review of Operations (continued)

#### Chapada Project

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

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

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

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

Title to, benefit of and risk in the sale interest of 51% of mineral right 860/232.90 (Chapada) has passed to BBX as option holder at the completion, being payment of \$450,000 which was effected by BBX in 2 payments dated 9 February 2012 (\$25,000) and 5 April 2012 (\$425,000). BBX is now awaiting the transfer of title to a new BBX-controlled entity.

#### Eldorado do Juma

On July 30, 2012 the Company finalised an agreement to acquire 100% of Minorte for BRL2.54M (BRL:AUD = 2.1:1) and 6 million BBX shares, payable over a 4 year period, plus a 7.5% net profits interest. Minorte in turn has entered into an agreement with the Eldorado de Juma Co-operative (Cooperjuma), owner of 2 concessions totalling 14,287ha covering the Eldorado de Juma and Jacaré artisanal workings, to acquire 75% of the latter's interest in the tenements for BRL2.0M, payable over 4 years. BBX will invest the initial BRL10M in exploration and project expenditures prior to the commencement of Cooperjuma pro-rata contributions. BBX may withdraw from the arrangement at any time during the four-year period.

Minorte and Cooperjuma will form a new BBX-managed entity, Comin Gold, which will operate the joint venture. The commencement of payments to Cooperjuma is conditional on transfer of title to the two concessions to Comin Gold.

BBX has now finalised the formation and incorporation of BBX-managed entity Comin Gold which is 75% owned by Minorte Extração de Mineração Ltda and 25% Cooperjuma Co-operative. Minorte Extração de Mineração Ltda is in turn 100% owned by Mineração BBX do Brazil Ltda (BBX Brazil).

#### Bonafer Project

Following ongoing due diligence by the Company's geologists, the Company decided to withdraw from the Bonafer JV in Peru. The company believes that the narrow-vein style of mineralisation is unlikely to support a mining operation of sufficient size to meet the Company's objectives.

## Directors' report (continued)

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Technical work during the interim period was restricted to compilation and interpretation of data on all projects, and reconnaissance field work in the Juma region.

BBX continues to pursue various funding opportunities to allow commencement of active field work on its Chapada and Eldorado do Juma projects.

### Auditor's Declaration

A copy of the auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 6 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*

On behalf of the Directors



.....  
Michael Schmulian

Chairman

Dated: 26 March 2013



## LACHLAN PARTNERS

Chartered Accountants, Business & Financial Advisors

Lachlan Nielson Partners Pty Limited

ABN 65 155 188 837

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

I declare that to the best of my knowledge and belief, during the half-year ended 31 December 2012, there have been:

1. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
2. no contraventions of any applicable code of professional conduct in relation to the review.

**Lachlan Nielson Partners Pty Limited**

**Robert Nielson**

**Date 28 March 2013**

**Condensed consolidated statement of comprehensive income  
for the half-year ended 31 December 2012**

	Consolidated Group	
	Half-year ended	
	31 Dec 2012	31 Dec 2011
	\$	\$
<b>Continuing operations</b>		
Revenue	10,323	305,880
Administration costs	(187,474)	(295,298)
Legal costs	(114,185)	(24,232)
Consulting fee	(51,017)	(93,707)
Directors fees	(42,515)	(56,400)
Bonus	(50,000)	-
Impairment of listed shares	-	(33,185)
Mining & Exploration expense	(76,080)	-
Other expenses	(153,869)	(153,625)
<b>Profit before tax</b>	(664,817)	(350,566)
Income tax expense	-	-
Profit/(loss) from continuing operations	(664,817)	(350,566)
Other comprehensive income/(loss)		
Exchange differences on translation foreign operations	(27,726)	-
<b>Total comprehensive income (loss) for period</b>	(692,543)	(350,566)
<b>Overall Operations</b>		
Basic earnings per share (cents per share)	(0.0091)	(0.0054)
Diluted earnings per share (cents per share)	(0.0091)	(0.0054)

These reviewed financial statements should be read in conjunction with the accompanied notes.

**Condensed consolidated statement of financial position  
as at 31 December 2012**

	Notes	Consolidated Group	
		Half-year ended	
		31 Dec 2012	31 Dec 2011
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents		250,120	375,705
Prepayments		53,484	49,326
<b>Total current assets</b>		<u>303,604</u>	<u>425,031</u>
<b>Non-current assets</b>			
Financial assets		-	132,738
Property, plant and equipment		1,334	1,920
Investments	2	70,372	-
Mineral rights		627,490	-
Capitalised exploration expenditure		423,403	238,578
<b>Total non-current assets</b>		<u>1,122,599</u>	<u>373,236</u>
<b>Total assets</b>		<u>1,426,203</u>	<u>798,267</u>
<b>Current liabilities</b>			
Trade and other payables		265,325	186,650
Other current liabilities		183,117	-
<b>Total current liabilities</b>		<u>448,442</u>	<u>186,650</u>
<b>Non-current liabilities</b>			
Trade and other payables		44,907	220,254
<b>Total non-current liabilities</b>		<u>44,907</u>	<u>220,254</u>
<b>Total liabilities</b>		<u>493,349</u>	<u>406,904</u>
<b>Net assets</b>		<u>932,854</u>	<u>391,363</u>
<b>Equity</b>			
Issued capital		13,198,429	11,382,861
Accumulated losses		(12,838,785)	(10,991,498)
Options reserve		608,400	-
Foreign currency translation reserve		(35,190)	-
<b>Total equity</b>		<u>932,854</u>	<u>391,363</u>

These reviewed financial statements should be read in conjunction with the accompanied notes.



**Condensed consolidated statement of changes in equity  
for the half-year ended 31 December 2012**

	Share Capital Ordinary	Accumulated losses	Foreign Exchange Reserve	Option Reserve	Total
<b>Balance at 1 July 2011</b>	11,382,861	(10,640,932)			741,929
Profit attributable to members of parent entity		(350,566)			(350,566)
<b>Balance at 31 December 2011</b>	11,382,861	(10,991,498)	-	-	391,363
<b>Balance at 1 July 2012</b>	13,198,429	(12,146,242)	993	608,400	1,661,580
Profit attributable to members of parent entity		(692,543)	(36,183)		(728,726)
<b>Balance at 31 December 2012</b>	13,198,429	(12,838,785)	(35,190)	608,400	932,854

These reviewed financial statements should be read in conjunction with the accompanied notes.

**Condensed consolidated statement of cash flows  
for the half-year ended 31 December 2012**

	Consolidated Group	
	Half-year ended	
	31 Dec 2012	31 Dec 2011
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	-	295,298
Payments to suppliers and employees	(555,302)	(566,907)
Interest received	10,323	10,582
Finance costs	-	-
Net cash (provided)/used by operating activities	<u>(544,979)</u>	<u>(261,027)</u>
<b>Cash flows from investing activities</b>		
Loans to other entities	-	(88,577)
Capital return received	41,013	-
Payment for mine assets	(267,087)	-
Payment for exploration and evaluation costs	(174,657)	-
Net cash provided by investing activities	<u>(400,731)</u>	<u>(88,577)</u>
<b>Net increase/(decrease) in cash held</b>	(945,710)	(349,604)
<b>Cash at beginning of period</b>	1,200,648	725,309
Exchange rate changes on the balance of cash held in foreign currencies	(4,818)	-
<b>Cash at end of period</b>	<u><u>250,120</u></u>	<u><u>375,705</u></u>

These reviewed financial statements should be read in conjunction with the accompanied notes.

## Notes to the condensed consolidated financial statements for the half-year ended 31 December 2012

### Note 1: Significant accounting policies

#### (a) Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards. The half-year report does not include notes or disclosures of the type normally included in an annual financial report.

It is recommended that the half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2012 and any public announcements made by BBX and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

#### (b) Basis of preparation

The accounting policies adopted are consistent with those applies on the 30 June 2012 annual report and corresponding interim reporting period except for the adoption of the following new and revised Accounting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

There are no new and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Group.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior periods. The new and revised Standards and Interpretations has not had a material impact and not resulted in changes to the Group's presentation of, or disclosure in, its half-year financial statements.

#### (c) Going concern

The Group incurred a loss after tax for the half year of \$692,543, and, as at balance date, held cash of \$250,120 and had current liabilities of \$448,442. The cash balance is insufficient for the Group to meet all of its commitments and operating expenses for the next 12 months. This gives rise to a significant uncertainty in relation to whether the Group is able to continue as a going concern, and therefore realise its assets and settle its liabilities at the amounts stated in the financial report.

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 may be necessary should the Group not continue as a going concern.

### Note 1(c) Going Concern (continued)

The Directors consider the Group to be a going concern based on the following assumptions which the directors consider reasonable:

(a) Commitments have been received from sophisticated investors to subscribe for additional capital of \$700,000 of which Tranche 1 comprises \$380,000 (19,000,000 shares) and Tranche 2 \$320,000 (16,000,000 shares) subject to shareholder approval.

(b) A Shareholders meeting is to be held to approve the issue of additional capital of \$320,000 being Tranche 2 and the Directors are confident that shareholders will approve.

(c) Total capital expected to be raised over the 12 months to March 2014 is \$700,000 and total expenditure over the same period is expected to be \$633,950 resulting in a net increase in cash over the period of \$66,050. Cash received to the date of this report in relation to Tranche 1 is \$304,307.

(d) Arrangements are now in place to reduce expenses in Brazil and the Group has renegotiated its legal costs in obtaining exploration licenses at Eldorado do Juma, Juma East and Juma West.

(e) The Group has a commitment to make a final payment in respect of the Chapada Project of \$170,000 by 30 March 2013. The Directors intend to satisfy this payment by issue of additional equity.

The directors expect the above matters to be successfully concluded and accordingly the financial report is prepared on a going concern basis.

### Note 2 : Investments

On 23 July 2012 the group exercised an option to acquire 100% of the issued capital of Minorte Extracao de Mineraçao Ltda for a payment of BRL 140,000 (AUD 70,732).

Legal transfer of title to these shares has not yet been completed.

### Note 3: Profit from ordinary activities

All significant revenue and expense items for the periods are disclosed on the face of the statement of comprehensive income.

### Note 4: Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors.

2012	Barter			Total
	Brazil	exchange	Unallocated	
Segment revenue	-	-	10,323	10,323
Loss after income tax	(299,410)	-	(393,134)	(692,543)
Segment total assets	1,120,039	-	306,164	1,426,203
Segment total liabilities	(111,694)	-	(381,656)	(493,350)

2011	Brazil	Barter		Total
		exchange	Unallocated	
Segment revenue	-	295,298	10,582	305,880
Loss after income tax	-	-	(350,566)	(350,566)
Segment total assets	-	-	798,267	798,267
Segment total liabilities	-	-	(406,904)	(406,904)

#### **Note 5: Key management personnel**

Remuneration arrangements of key personnel are disclosed in the annual financial report. In addition, during the interim period, a cash bonus of \$50,000 was paid to the Estate of the Late Paul Page for Paul's commitment and contribution to the Company in his role as Managing Director and for identifying the Juma and Chapada projects.

#### **Note 6: Commitments**

The Group has a commitment to make a final payment in respect of the Chapada project of \$170,000 by 30 March 2013. This payment may be made in cash or satisfied by the issue of additional equity.

#### **Note 7: Subsequent events**

There were two resignations subsequent to the Half Year ended 31 December 2012.

Director, Philip Suriano resigned on the 29 January 2013 and company secretary, Sylvie Dimarco on the 19 February 2013.

Simon Robertson of SLR Consulting Perth was appointed Company Secretary on 19 February 2013

BBX has arranged to raise a minimum of \$700,000 through a placement to sophisticated investors of 35,000,000 shares at \$0.02cents per share in two tranches.

Tranche 1 is expected to raise \$380,000 through the issue of 19,000,000 shares at \$0.02 per share.

Tranche 2 The Company will seek shareholder approval to issue up to 16,000,000 shares at \$0.02 per share to raise an additional \$320,000.

Shareholder approval will also be requested to issue 17,500,000 advisory options at \$0.05cents expiry 30 March 2016.

**Directors' Declaration**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 7-12 are in accordance with the *Corporations Act 2001*, including:
  - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
  - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date.
2. 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.

Director



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Michael Schmulian  
Dated: 26 March 2013



## LACHLAN PARTNERS

Chartered Accountants, Business & Financial Advisors

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### 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 2012, 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.

#### Directors' 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 2012 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 2012 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 2012 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 opinion, we draw attention to Note 1 in the financial report which indicates that the entity incurred a net loss of \$692,543 during the half year ended 31 December 2012. These conditions, along with other matters as set forth in Note 1(c), indicate the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

**Lachlan Nielson Partners Pty Limited**



**Robert Nielson**  
**Director**

**Date 28 March 2013**