ASX Announcement

1 June 2017

EXCEPTIONAL METALLURGICAL RESULTS DELIVERED AT TRÊS ESTADOS

Highlights:

- Results received from extraction tests at Três Estados indicate that exceptional levels of precious metals can be recovered by relatively simple refining techniques
- Results are from hydrometallurgical extraction test work undertaken on a 5kg bulk surface sample at e-Recicla Ltda precious metals refinery
- The combined assay results received were **102.18g/t Au (3.28oz/t), 63.32g/t Pt (2.04 oz/t), 36.72g/t Pd (1.18oz/t) and 135.20g/t Ag (4.35oz/t)** from a two-stage extraction process which produced two precious metal buttons
- Pyrometallurgical test undertaken on two 15kg samples at the Marcelo da Silva Pinto M.E. precious metal refinery, São Gonçalo, greater Rio de Janeiro delivered assay results of **666g/t (21.41 ozs/t) Ag** and **466g/t (14.98 ozs/t) Ag**
- The same homogenised sample used for both hydrometallurgical and pyrometallurgical tests, from the same general location as TER 048 announced on 27 February 2017
- Importantly, both processes used in the test work can be simply adapted for commercial extraction
- BBX Minerals has engaged CETEC (Minas Gerais Federation of Industry research institute) to enhance and optimise the assay and extraction processes.

Brazilian gold explorer, BBX Minerals (ASX: BBX or "the Company") is pleased to announce exceptional results of initial metallurgical testing from the Company's Três Estados Project.

The hydrometallurgical test work was conducted at e-Recicla Ltda, an external Brazilian precious metals refinery based in Nova Lima, Minas Gerais and pyrometallurgical extraction tests at Marcelo da Silva Pinto M.E, an external precious metals refinery in São Gonçalo, Rio de Janeiro. The tests were conducted on homogenised 5kg and 15kg sub-samples, respectively, taken from the same bulk sample from the Company's Três Estados prospect.

Commenting on the significance of the results, BBX CEO Jeff McKenzie said: "We are delighted by the positive extraction tests from Três Estados which indicate that exceptional levels of precious metals can be recovered by relatively simple refining techniques. The ongoing assay, extraction and metallurgical test work at both refineries and CETEC will further optimise the recovery processes which supports our ongoing exploration and drilling programme. We will now focus in the short-term on the Tres Estados and Ema projects where there is good road access available and where mineralised zones outcrop at surface."

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A 260kg surface sample of unweathered mineralised gabbro, collected from an area of approximately 110m x 200m at the Adelar garimpo (see figure 3) was crushed to minus 1mm and homogenised with sub-samples submitted to both refineries for a series of metal extraction tests. The random bulk sample was collected from the same general location as TER 048 for which assay results of 54g/t Au, 25g/t Pd and 18g/t Pt were previously announced on 27 February 2017, utilising BBX's T95 analytical method.

A two-stage sequential leach process was utilised on the 5kg sample to extract the precious metals. This process recovered two metal buttons (see figure 1), with 2 grams of silver being added in the first extraction to enhance the production of a button weighing 3.2733g. The second leach stage produced a button weighing 0.4088g.

Analysis of the buttons by AAS (atomic absorption spectrometry) after dissolution in acid showed a combined precious metal content equivalent to **102.18 g/t gold, 62.32g/t platinum, 36.72g/t palladium and 135.20g/t silver** (Table 1).

Under the pyrometallurgical method two 15kg samples were smelted with two proprietary fluxes and a copper collector. After cupellation, buttons weighing 6.9467g and 10.4836g were obtained (see figure 2), which were dissolved and assayed by AAS, with resultant grades of 466g/t Ag and 4.70g/t Au (flux A) and 666g/t Ag and 1.53g/t Au (flux B). In addition, fire assay analysis of the slag after smelting revealed values (converted to original sample weight) of 7.29g/t and 10.83g/t Au, respectively, indicating that significant levels of gold were not being recovered into the metallic buttons (table 2).

The Minas Gerais Federation of Industry research institute CETEC has been engaged under the supervision of Dr Willer Pos (see media release of May 10, 2017) to further enhance and optimise the extraction process and recover additional gold, PGM's and silver in parallel with ongoing test work at the Nomos laboratory, and at both external refineries.

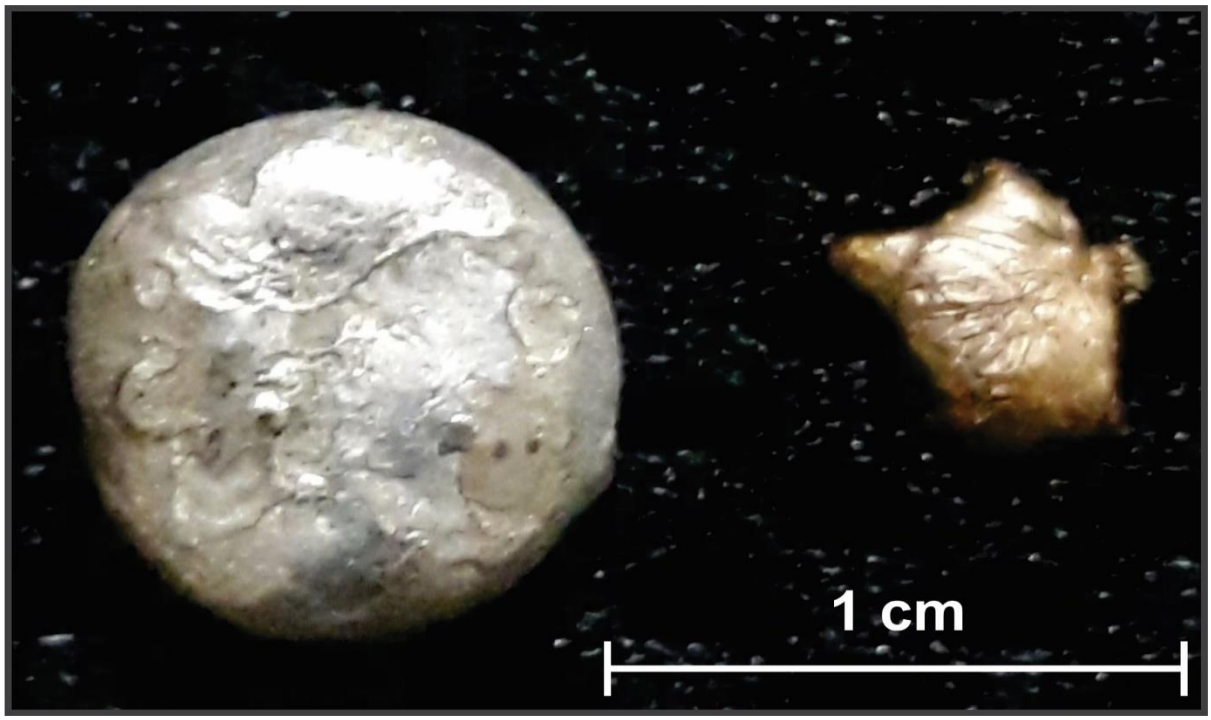

Fig 1. Silver-rich button (left) weighing 3.2733 g (2 g introduced to collect the metals); gold-rich button weighing 0.4088 g

	1st extraction	2nd extraction	TOTAL	Oz/ton
Au (ppm)	**64.16**	**38.02**	**102.18**	**3.28**
Pt (ppm)	**42.30**	**20.02**	**62.32**	**2.04**
Pd (ppm)	**20.02**	**16.70**	**36.72**	**1.18**
Ag (ppm)	**128.18**	**7.02**	**135.20**	**4.35**

Table 1: Tres Estados recovered grades from hydrometallurgical extraction test

Figure 2. Buttons recovered by pyrometallurgical extraction process weighing 6.9467g and 10.4836g

	Flux A		Flux B	
	Button	**Slag**	**Button**	**Slag**
Au (ppm)	**4.70**	**7.29**	**1.53**	**10.83**
Ag (ppm)	**466.0**		**666.0**	

Table 2: Três Estados recovered grades from pyrometallurgical extraction process

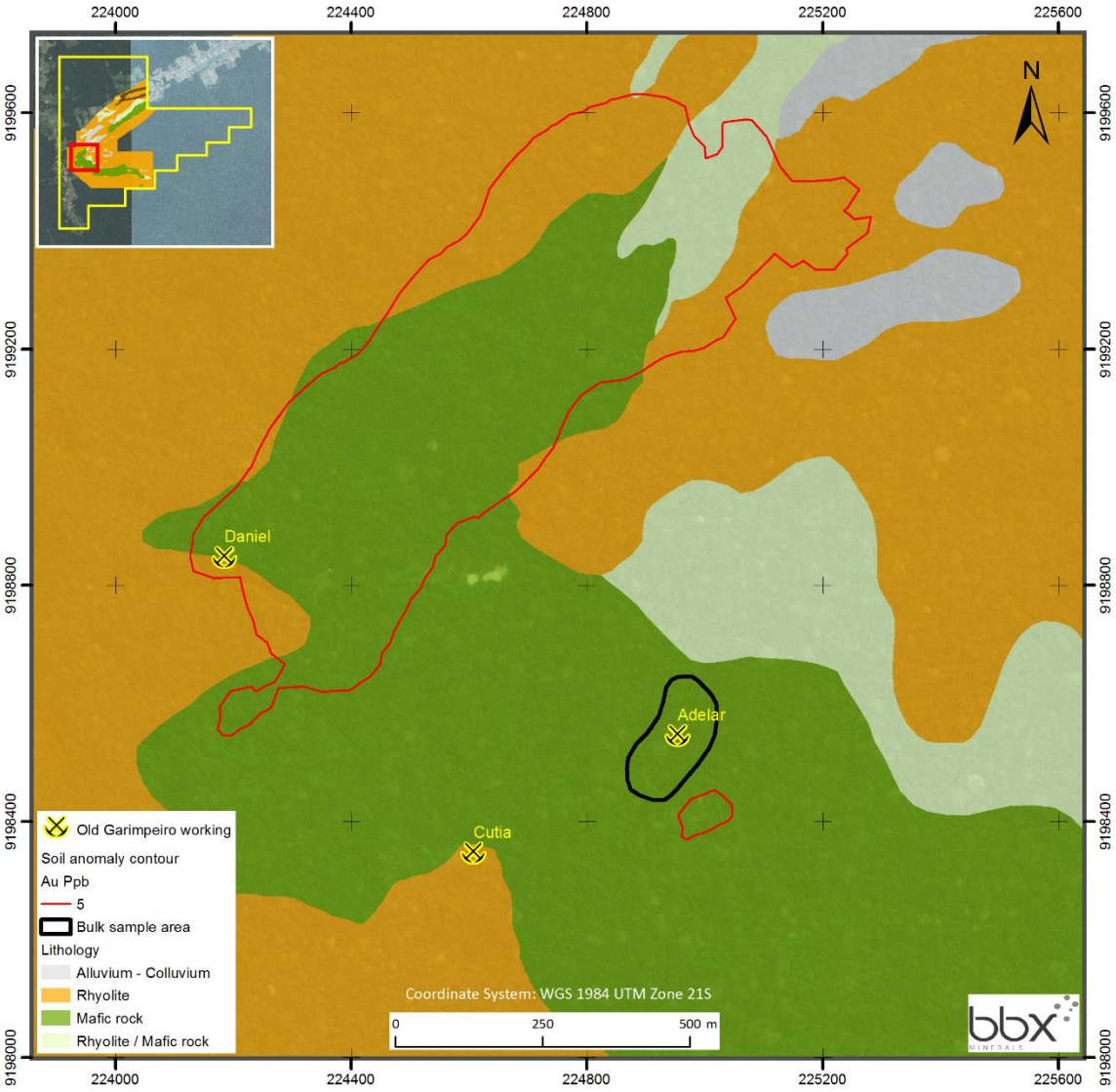

Figure 3: Três Estados geological map showing geochemical anomalies and bulk sample location

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Competent Person Statement

The information in this report that relates to copper and gold style mineralization for the Apui region in Brazil. is based on information compiled by Mr. Antonio de Castro. BSc (Hons). MAusIMM. CREA, who is a Member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) "Australasian Code for Reporting of Exploration Results. Mineral Resources and Ore Reserves". Mr. Castro is a BBX´s Consulting Geologist and consents to the report being issued in the form and context in which it appears.

CREA/RJ:02526-6D
AusIMM:230624

About BBX Minerals Ltd

BBX Minerals Limited (ASX: BBX) is a mineral exploration and mining company listed on the Australian Securities Exchange. Its major focus is Brazil, mainly in the southern Amazon, a region BBX believes is vastly underexplored with high potential for the discovery of world class gold and copper deposits.

BBX´s key assets are the Juma East, Três Estados and Ema Gold Projects in the Apuí region, Amazonas State. The company has 58.1km^2 of exploration tenements within the Colider Group, a prospective geological environment for epithermal gold and Cu-Au porphyry deposits. The region is under-explored and has the potential to provide BBX with a pipeline of high-growth, greenfields gold discoveries.

The following Table and Sections are provided to ensure compliance with JORC Code (2012 Edition).

TABLE 1 – Section 1: Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling Techniques	• Nature and quality of sampling (e.g. cut channels. random chips. or specific specialised industry standard measurement tools appropriate to the minerals under investigation. such as down hole. gamma sondes. or handheld XRF instruments etc). These examples should not be taken as limiting the broad meaning of sampling.	• The announcement refers to metallurgical testwork conducted on a bulk surface grab sample
	• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	• Drill results are not included in this announcement .
	• Aspects of the determination of mineralisation that are Material to the Public Report. In cases where "industry standard " work has been done this would re relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay). In other cases more explanation may be required. such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	• The bulk sample used for the tests reported in this announcement was obtained by collecting surface grab samples over an area of approximately 110 by 200 metres
Criteria	**JORC Code Explanation**	**Commentary**
Drilling Techniques	• Drill types (e.g. core. reverse circulation. open hole hammer. rotary air blast. auger. Bangka. sonic etc) and details (e.g.	• Drill results are not included in this announcement

	core diameter. triple or standard tube. depth of diamond tails. face- sampling bit or other type. whether core is oriented and if so by what method etc).	
Drill Sample Recovery	• Method of recording and assessing core and chip sample recoveries and results assayed.	• Drill results are not included in this announcement
	• Measures taken to maximise sample recovery and ensure representative nature of the samples.	• Drill results are not included in this announcement .
	• Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine /course material.	• Drill results are not included in this announcement
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation. mining studies and metallurgical studies.	• Drill results are not included in this announcement .
	• Whether logging is qualitative or quantitative in nature. Core (or costean. channel. etc) photography.	• Drill results are not included in this announcement
	• The total length and percentages of the relevant intersections logged.	• Drill results are not included in this announcement
Sub- Sampling Techniques and Sampling Procedures	• If core. whether cut or sawn and whether quarter. half or all core taken.	• Drill results are not included in this announcement
	• If non-core. whether riffled. tube sampled. rotary split etc and whether sample wet or dry.	• Drill results are not included in this announcement
	• For all sample types. the nature. quality and appropriateness of the sample preparation technique.	• Sample preparation was conducted in the Nomos laboratory, Rio de Janeiro, Brazil, involving crushing of a 260kg bulk sample, riffle spiltting and pulverising in a disc pulveriser.
	• Quality control procedures adopted for all sub – sampling stages to maximise "representivity" of samples.	• Results reported in this announcement refer to testwork on three crushed

		sample splits from a 260kg bulk sample
	• Measures taken to ensure that the sampling is representative of the in situ material collected. including for instance results for field duplicate/second –half sampling.	• The bulk sample was collected at random from all exposed outcrops, and was not subject to visible signs of mineralisation.
	• Whether sample sizes are appropriate to the grain size of the material being sampled.	• The sample size is regarded as adequate for an indicative metallurgical test
Quality of Assay Data and Laboratory Tests	• The nature quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	• As the extraction methodology is still in the developmental phase it may represent only a partial recovery method for gold and other precious metals.
	• For geophysical tools. spectrometers. hand held XRF instruments. etc. the parameters used in determining the analysis including instrument make and model. reading times. calibrations factors applied and their derivation etc.	• No geophysical tools or electronic device was used in the generation of sample results
	• Nature of quality control procedures adopted (e.g. standards. blanks. duplicates. external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	• Not applicable for metallurgical testwork
Verification of Sampling and Assaying	• The verification of significant intersections by either independent or alternative company personnel.	• Not applicable
	• The use of twinned holes	• Drill results are not included in this announcement
	• Documentation of primary data. data entry procedures. data verification. data storage (physical and electronic) protocols.	• Results for this testwork were supplied digitally, directly to BBX´s Exploration Manager by Reciclar Ltda and Marcelo da Silva Pinto ME
	• Discuss any adjustment to assays	• No adjustments were made.
Location of Data Points	• Accuracy and quality of surveys used to locate drill holes (collar and down hole surveys). trenches. mine workings and	• Drill results are not included in this announcement

	other locations used in Mine Resource estimation	
	• Specification of grid system used	• WSG84Z21.
	• Quality and adequacy of topographic control.	• Topographic control is achieved via the use of government topographic maps. in association with GPS and Digital Terrain Maps (DTM´s).
Data Spacing and Distribution	• Data spacing for reporting of Exploration results.	• The sample subject of the laboratory test results reporting in this announcement was collected over a surface area of approximately 22,000 square metres.
	• Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classification applied.	• No representations of extensions, extrapolations or otherwise continuity of grade are made in this announcement.
	• Whether sample compositing has been applied.	• Drill results are not included in this announcement
Orientation of Data in relation to Geological Structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which is known. considering the deposit type.	• The sample subject of this announcement was collected without bias from a series of surface outcrops.
	• If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias. this should be assessed and reported if material.	• Drill results are not included in this announcement
Sample security	• The measures taken to ensure sample security.	• The bulk sample was air freighted in sealed bags directly to the Nomos laboratory where the sample preparation was directly supervised by the Exploration Manager. The prepared samples were air freighted in a sealed bag to the Recicla facility by the Exploration Manager and personally delivered to the Marcelo de Silva Pinto ME facility by the Exploration Manager.
Audit or Reviews	• The results of any audits or reviews of sampling techniques and data.	• No audits or external reviews of techniques have been conducted.

Section 2: Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
Mineral Tenement and Land Tenure Status	• Type. reference name/number. location and ownership including agreements or material issues with third parties such as joint ventures. partnerships. overriding royalties. native title interests. historical sites. wilderness or national park and environmental settings.	• The Três Estados leases are 100% owned by BBX with no issues in respect to native title interests. historical sites, wilderness or national park and environmental settings.
	• The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area	• The company is not aware of any impediment to obtain a licence to operate in the area
Exploration done by Other Parties	• Acknowledgment and appraisal of exploration by other parties	• No exploration by other parties has been conducted in the region
Geology	• Deposit type. geological setting and style of mineralisation	• The geological setting of the area subject to drilling (and reported in this announcement) is that of Proterozoic volcanic and intrusive rocks with potential to host high sulphidation and/or low sulphidation gold mineralisation, Au-Cu porphyry

		mineralization and/or IOCG deposits.
Drill Hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes o Easting and northing of the drill hole collar o Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar. o Dip and azimuth of the hole o Down hole length and interception depth o Hole length	• Coordinates of the sample location were reported in a previous announcement
	• If the exclusion of this information is justified on the basis that the information is not Material and that this exclusion does not detract from the understanding of the report. the Competent Person should clearly explain why this is the case.	• No exclusion of information has occurred.
Data aggregation methods	• In reporting Exploration Results. weighting averaging techniques. maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually material and should be stated	• The results reported in this announcement refer to a bulk sample collected from surface outcrops
Data aggregation methods	• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results. the procedure used for such aggregation should be stated and some typical examples of such aggregations shown in detail.	• Not applicable – results reported refer to a single bulk sample.

Data aggregation methods	• The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Not applicable – no equivalents were used in this announcement.
Relationship between mineralization widths and intercepted lengths	• These relationships are particularly important in reporting of Exploration Results. • If the geometry of the mineralization with respect to the drill hole angle is known. its nature should be reported. • If it is not known and only the down hole lengths are reported. there should be a clear statement to this effect (e.g. 'down hole length. true width not known').	• Drill results are not included in this announcement
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include. but not limited to plan view of drill hole collar locations and appropriate sectional views.	• A map showing the sample location is included in this announcement.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable. representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• The Company believes the ASX announcement provides a balanced report of the results of laboratory tests conducted on the bulk sample
Other substantive exploration data	• Other exploration data. if meaningful and material. should be reported including (but not limited to): geological observations. geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density. groundwater. geotechnical and rock characteristics; potential deleterious or contaminating substances.	• Airborne geophysical results and ground IP results were presented in previous announcements and are not referred to in this announcement.
Further Work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large- scale step-out drilling)	• Comments on the ongoing work programme are presented.
	• Diagrams clearly highlighting the areas of possible extensions. including the main geological interpretations and future drilling areas. provided this information is not commercially sensitive.	• A map showing the extent of gold in soil anomalies is included in this announcement.