

**ASX Announcement**

30 April 2018

## **QUARTERLY ACTIVITIES, CASH FLOW REPORTS FOR THE QUARTER 1 JANUARY 2018 TO 31 MARCH 2018**

### **Activities Report for the quarter ended 31 March 2018**

Activities for **BBX Minerals Limited (ASX Code: BBX)** during the quarter focused on continuing to progress development of reliable analytical and extraction techniques for gold and PGM's at the Company's Três Estados and Ema projects. The Company released results of pyrometallurgical tests conducted on Ema and Três Estados surface bulk samples and initial test analytical results on Três Estados RC drill hole samples.

On 9 January 2018 the company announced the results of six follow-up pyrometallurgical tests conducted at the Marcelo da Silva Pinto M.E. facility (Marcelo), using the same process as that reported on August 14, 2017 for a 150kg Ema bulk sample collected over an area of 100m x 40m. Testing was conducted on three smaller bulk samples collected over areas measuring 10m x 10m within the previously reported bulk sample areas at both Ema and Três Estados (announcement of September 20, 2017).

The Company's Exploration Manager remotely defined the co-ordinates of each 10m x 10m area which were then marked out in the field by the by the Company's on-site senior geologist. Individual sub-samples were collected from each outcrop within the 10m x 10m area without bias or regard for the visual appearance of the rock being sampled. The six bulk samples weighed approximately 5-7 kg each and comprised sub-samples from 5 to 8 locations. The sub-samples either comprised an individual rock weighing approximately 1-1.5kg or, in a few cases, a series of smaller chips taken over a radius of approximately 50cm.

After collection the samples were logged in detail sealed and transported directly to SGS in Belo Horizonte for preparation. After crushing and pulverisation to -150 mesh the samples were riffle split into five 5kg samples and one 4kg sample. The samples were air-freighted to the manager of the Marcelo facility in Rio de Janeiro for treatment.

Each 5kg sample, with the exception of EMB-004 where 4kg was used due to insufficient sample were pre-leached for 30 days and smelted with a copper collector. Prior to smelting the furnace's existing lining was totally removed and replaced with a new

aluminium refractory liner. The slag was then crushed, ground and re-smelted (again, after re-lining of the furnace) and the copper collector from both the original smelt and re-smelt dissolved together in nitric acid and precious metals precipitated from the solution. The resultant precipitate and the undissolved residue was fused to form metallic buttons which were analysed by fire assay using a gravimetric finish.

All six tests yielded gold buttons, the three Ema buttons producing an average grade of 68.2 g/t gold and 2099.4 g/t silver, including 122g/t Au from a single bulk sample.

Results are summarised in table 1.

Sample no.	Sample wt. (kg)	Button wt.(g)	Au (g/t)	Ag (g/t)
EMB-003	5.0	9.3589	34.64	1677.5
EMB-004	4.0	13.0563	47.76	2905.1
EMB-005	5.0	9.9760	122.02	1715.6
TEB-004	5.0	5.7154	8.98	840.7
TEB-005	5.0	5.1032	8.36	958.4
TEB-006	5.0	5.4702	15.88	967.4

Table 1. Results for the six Ema (EMB) and Três Estados (TEB) 10m x 10m surface bulk samples

On 12<sup>th</sup> March 2018 the Company announced results for pyrometallurgical tests conducted at the Marcelo facility on a bulk surface outcrop sample from the Tabocal prospect approximately 2.7km east of the previously sampled areas at the Três Estados Project. A similar process was used to that reported on January 9, 2018 for Ema and Três Estados bulk samples, but without a pre-leach step and varying the flux mix in the initial fusion. Four tests were conducted on 5kg sub-samples using different combinations of flux components on a homogenised 150kg bulk sample taken from fresh (unweathered) outcropping dolerite (previously classified as gabbro), displaying intense hydrothermal alteration (amphibolitization, chloritization and saussuritization). Approximately 150kg of rock sample was collected from a single outcrop over an area of approximately 3 metres by 3 metres. After collection, the sample was sealed and transported directly to the Nomos laboratory in Rio de Janeiro for preparation. Following crushing and pulverisation the sample was sent directly to the Marcelo facility in Rio de Janeiro for treatment. 5kg of each sample was smelted with a specific flux and a copper collector to form a copper-rich bar. Each bar was divided into four equal parts, one of which was dissolved in nitric acid and metals precipitated from the solution. The resultant precipitate and undissolved residue was fused to form metallic buttons which were analysed by fire assay using a gravimetric finish. The other three quarters of each copper bar has been retained for additional testwork. The process was repeated on the slag from each fusion which was crushed, ground and refused and a second copper bar produced. The results from the two fusions, summarised in table 2 indicate that the more complex

flux mix used in test TB-T411-1 resulted in significantly higher gold and silver recoveries. Testwork is continuing to confirm these conclusions.

Subsequent to the re-smelt the final slags were crushed, ground, riffle split and assayed by standard fire assay. A result of 14.00g/t Au and minor Pt and Pd was obtained from the final slag for test TB-T411-1 and lower values for the other 3 tests (see table 3).

Test no.	Flux components	Au (g/t)	Ag (g/t)
TB-T411-1	- rock	114.27	202.88
	- slag	92.41	809.87
	<b>Total</b>	<b>206.88</b>	<b>1012.75</b>
TB-T411-2	- rock	33.00	180.15
	- slag	20.70	61.74
	<b>Total</b>	<b>53.70</b>	<b>241.89</b>
TB-T408-Cu-1	- rock	29.79	-
	- slag	28.61	-
	<b>Total</b>	<b>58.40</b>	-
TB-T408-Cu-2	- rock	2.31	-
	- slag	12.06	-
	<b>Total</b>	<b>14.37</b>	-

Table 2. Results from four metallurgical tests of the Tabocal surface bulk samples, back calculated to the original sample weight.

Test no.	Au (g/t)	Pt (g/t)	Pd (g/t)
TB-T411-1	14.00	0.86	0.70
TB-T411-2	1.34	-	-
TB-T408-Cu-1	5.35	0.11	0.11
TB-T408-Cu-2	1.57	-	-

Table 3. Standard fire assay results of final slag after re-smelting, back calculated to the original sample weight.

BBX further advised that it is now believed that the pre-leach step used in previous tests may enhance the extraction of precious metals, and that the current results, without a pre-leach, may therefore represent only partial extraction values.

Also, on 12<sup>th</sup> March 2018 BBX advised that IPAAM (Amazonas state environmental authority) had granted two-year, renewable independent exploration environmental licences for Ema and Três Estados, and that commissioning of the pilot plant testing at the Marcelo facility had commenced.

**For more information:**

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The information in this announcement that relates to exploration results is extracted from the announcements titled "Exploration Update" dated 9<sup>th</sup> January 2018 and 12<sup>th</sup> March 2018 which is available to view at [www.bbxminerals.com.au](http://www.bbxminerals.com.au) / [www.asx.com.au](http://www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

**Current Tenement Interests**

<u>All Tenements Owned by BBX Minerals Ltd</u>	<u>Area (Ha)</u>	<u>Percentage ownership</u>
DNPM Permit Number 7124/2013 - 880.115/2008 Location Brazil (Juma East)	9492.79	100% Exploration Licence
DNPM Permit Number 7125/2013 - 880.116/2008 Location Brazil (Juma East)	10,000	100% Exploration Licence
DNPM Permit Number 7127/2013 - 880.129/2008 Location Brazil (Juma East)	9307.47	100% Exploration Licence
DNPM Permit Number 880.151/2014 Location Brazil (Juma East)	662.15	100% Application for Exploration Licence
DNPM Permit Number 880.185/16 Location Brazil (Juma East)	980	100% Exploration License
DNPM Permit Number 880.107/08 Location Brazil (Ema)	9839.91	100% Exploration Licence
DNPM Permit 880.184/16 Location Brazil (Ema)	9034	100% Exploration License

DNPM Permit Number 880.090.08 Location Brazil (Tres Estados)	8172.25	100% Exploration Licence
DNPM Permit Number 880.094/2014 Location Brazil (Pombos)	1000.36	100% Application for Exploration Licence

### **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 Três Estados and Ema gold prospects in the Apuí region, Amazonas State. The company has 58.1km<sup>2</sup> 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.

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

BBX MINERALS LIMITED

### ABN

82 089 221 634

### Quarter ended ("current quarter")

31 MARCH 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9..months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(381)	(1,525)
(b) development	-	-
(c) production	-	-
(d) staff costs	(49)	(313)
(e) administration and corporate costs	(154)	(479)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(583)</b>	<b>(2,315)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(12)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9..months) \$A'000</b>
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>(12)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	137	1,285
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>137</b>	<b>1,285</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	597	1,201
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(583)	(2,315)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(12)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	137	1,285
4.5 Effect of movement in exchange rates on cash held	(7)	(15)
<b>4.6 Cash and cash equivalents at end of period</b>	<b>144</b>	<b>144</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	144	597
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>144</b>	<b>597</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	49
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

6.1 Payment for directors/ fees

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

A further 2,710,000 options were exercised in April 2018 totalling \$135,500



## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	40	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	160
9.2 Development	-
9.3 Production	-
9.4 Staff costs	40
9.5 Administration and corporate costs	60
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>260</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Brazil 880/117/08	Exploration licence	100%	Nil
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: ..... Date: .30/4/2018 .....  
(Director/Company secretary)

Print name: Jeff Mckenzie.....

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.