

**ASX Announcement**

31 January 2019

**QUARTERLY ACTIVITIES, CASH FLOW REPORTS  
FOR THE QUARTER 1 OCTOBER 2018 TO 31  
DECEMBER 2018**

**Activities Report for the quarter ended 31 December 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 both Três Estados RC drill hole and Ema diamond drill holes samples.

On 1 October 2018 BBX advised it had conducted further metallurgical testwork at the Marcelo da Silva Pinto M.E. facility (Marcelo), using the same process as that reported on 20 August 2018 for RC holes TERC-006 and TERC-007 (Três Estados). Eleven tests (22 smelts) were conducted on 5kg samples from two metre intervals from Três Estados RC holes TERC-007, TERC-008 and TERC-009 and Ema diamond holes EMD-008, EMD-010 and EMD-011 using the same flux components as utilised in previous drill hole testing.

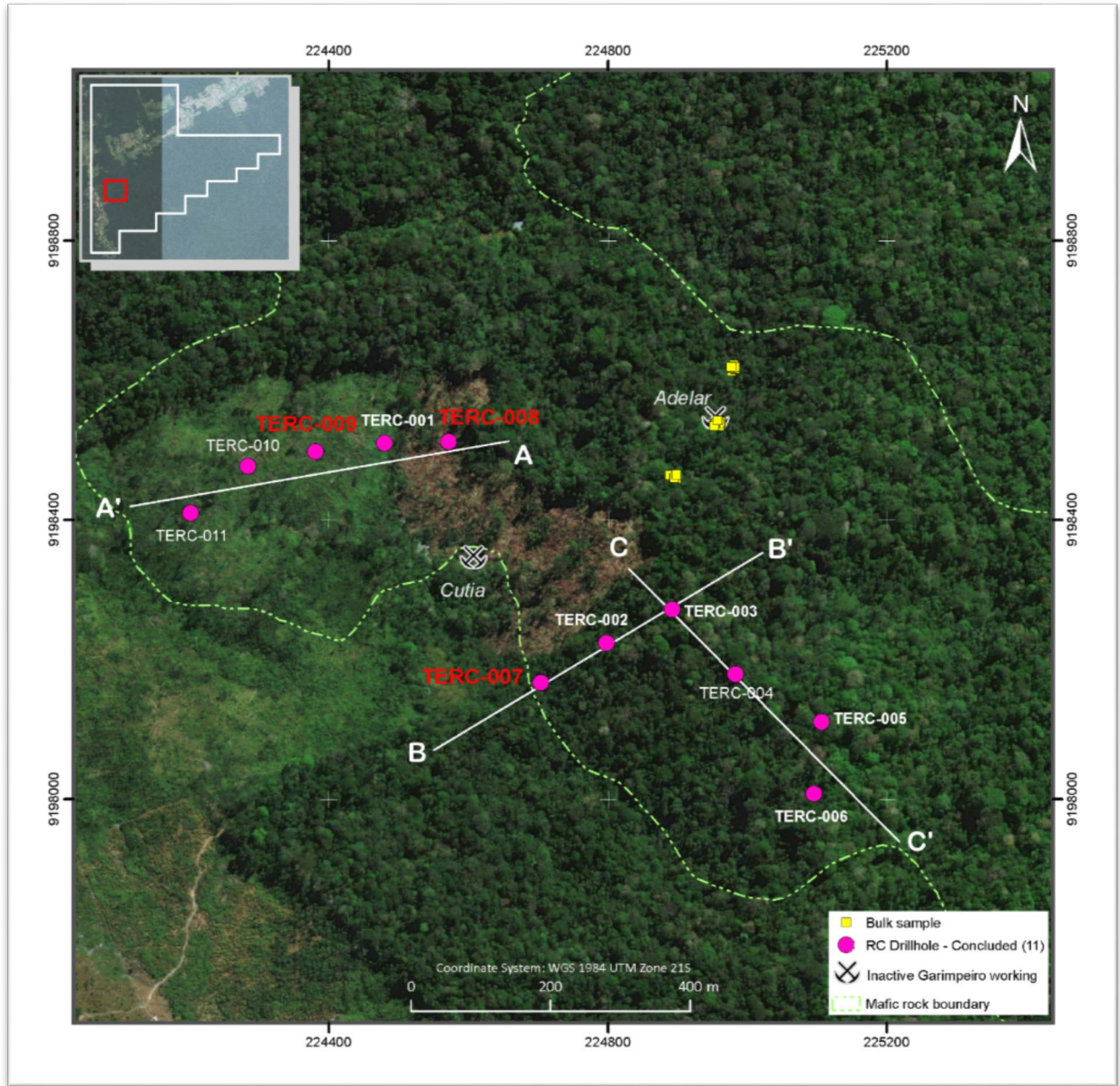
TERC-008 and TERC-009 are located approximately 800 metres from TERC-003 and 007 while the diamond drill holes at Ema are located in the region of old garimpeiro workings where BBX conducted channel sampling.

The Ema diamond hole samples were all sourced from quartz-porphyry saprolite (weathered rock), representing the first testwork conducted on this rock type. As the flux mix utilised was developed specifically for testing the mafic intrusives at Três Estados and Ema, BBX believed that the results obtained for the felsic rocks from the Ema diamond drilling may be sub-optimal.

After collection, the RC samples were sealed and transported directly to the Nomos laboratory in Rio de Janeiro for preparation and subsequently to the nearby Marcelo facility for treatment. The diamond drill samples were transported initially to SGS in Belo Horizonte for preparation and subsequently to Nomos for splitting. 5kg of each pulverised sample was riffle split and smelted with a specific flux and a copper collector to form a copper-rich bar. One quarter of each bar was dissolved in nitric acid and silver chloride precipitated from the solution by the addition of sodium chloride. The resultant precipitate and the gold-rich undissolved residue were fused to form metallic buttons which were analysed by fire assay using a gravimetric or AA finish. All metallic buttons were closely inspected and where indications of the presence of PGM's was suspected the buttons were dissolved and read on the AA in preference to a gravimetric finish.

Hole no.	Depth (m)			Flux	Au (g/t)	Ag (g/t)	Rock type	Comments
	From	To						
TERC-007	38	39	Rock Slag Total	A	3.39 9.78 <b>13.17</b>	3.32 6.30 <b>9.62</b>	Fresh dolerite	
	40	42	Rock Slag Total	A	3.56 5.65 <b>9.21</b>	0.53 1.41 <b>1.94</b>	Fresh dolerite	
TERC-008	6	8	Rock Slag Total	A	0.59 39.28 <b>39.86</b>	4.89 0.13 <b>5.02</b>	Dolerite saprolite	
TERC-009	24	26	Rock Slag Total	A	3.84 3.43 <b>7.27</b>	278.82 10.71 <b>289.53</b>	Fresh dolerite	
	27	28	Rock Slag Total	A	2.52 34.03 <b>36.55</b>	32.66 3.50 <b>36.16</b>	Fresh dolerite	
	28	29	Rock Slag Total	A	10.18 14.68 <b>24.86</b>	67.77 0.76 <b>68.53</b>	Fresh dolerite	
EMD-008	10	14	Rock Slag Total	A	4.02 14.32 <b>18.34</b>	10.67 12.85 <b>23.52</b>	Qtz-porphyry saprolite	7.28g/t Pd also extracted
	14	18	Rock Slag Total	A	1.52 6.00 <b>7.52</b>	14.47 8.88 <b>23.35</b>	Qtz-porphyry saprolite	
EMD-010	4	8	Rock Slag Total	A	0.87 16.49 <b>17.36</b>	0.16 15.46 <b>15.62</b>	Qtz-porphyry saprolite	3.03g/t Pd also extracted
	8	12	Rock Slag Total	A	4.31 1.88 <b>6.19</b>	3.80 16.52 <b>20.32</b>	Qtz-porphyry saprolite	
EMD-011	2	6	Rock Slag Total	A	1.14 22.37 <b>23.51</b>	7.88 2164.60 <b>2172.48</b>	Qtz-porphyry saprolite	

Results of metallurgical test results on Três Estados RC holes and Ema diamond holes

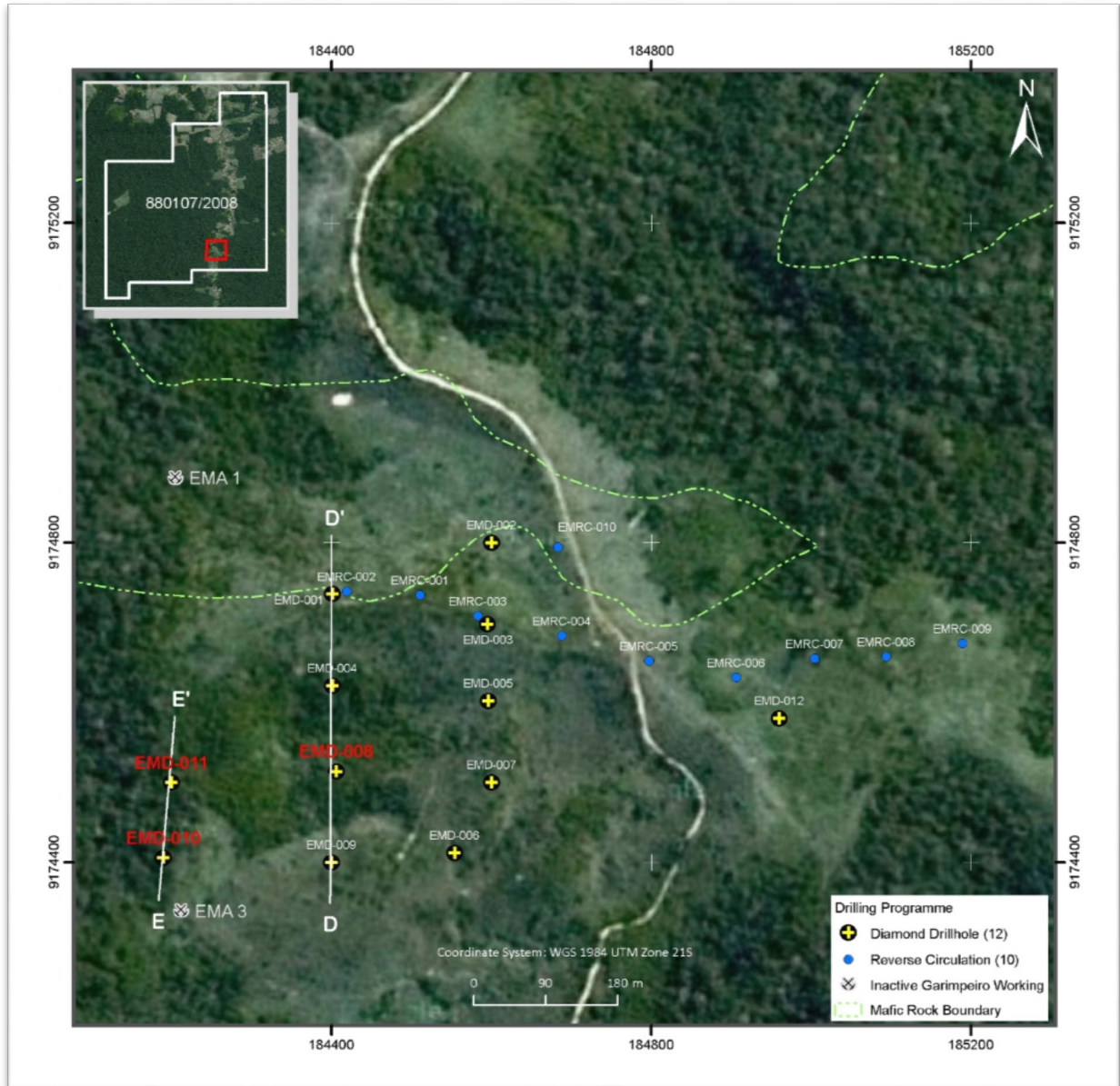


Três Estados RC drill hole location map, showing cross-section locations

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 360 Ed Cosmopolitan Sala  
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Ema drill hole location map showing cross-section locations

On 26 November 2018 BBX advised that following the successful extraction of 7.28g/t palladium from Ema diamond drill hole EMD-008 (10-14m) and 3.03g/t palladium from EMD-010 (4-8m) (media release of 1 October 2018) an additional smelt without a collector metal was conducted on a 5kg sample from the EMD-011 2-6m interval. The resulting slag was assayed by standard fire assay with an AA finish, yielding significant levels of palladium. The slag was then refused with a copper collector, approximately three-quarters of the collector bar treated by electrolysis and 77g of anodic mud recovered. A 50g aliquot of the anodic mud was fire assayed with a gravimetric finish, yielding gold, silver and PGM buttons after partition. The PGM button was subsequently dissolved and read on the AA to obtain grades for Pd and Pt

Hole	Interval	Au (g/t)	Ag (g/t)	Pt (g/t)	Pd (g/t)	Comments
EMD-011	2-6m	12.95		9.11	104.58	Fire assay (FA) of initial slag, AA finish
		79.51	534.40			FA of anodic mud, 2 <sup>nd</sup> smelt, grav. finish (Au, Ag buttons)
		0.27		10.25	35.23	FA of anodic mud, 2 <sup>nd</sup> smelt, AA finish (PGM button)

Fire assay results of slag from fusion without collector metal followed by extraction in second smelt

BBX commented that the results obtained indicate that the initial smelt unlocked only a portion of the gold, reflected in the significantly higher gold levels recovered into the collector in the resmelt, whilst in the case of Pd, extraction into the collector was incomplete.

BBX also advised that it had continued its programme of metallurgical testing of drill hole samples, using the same process as that reported on 1 October 2018 for Três Estados and Ema RC and diamond drill holes. 18 tests (36 smelts) were conducted on 5kg samples from two metre intervals from Três Estados RC hole TERC-002, 003, 006 and 007 and Ema diamond hole EMD-011, using the same flux components as utilised in previous drill hole testing.

TERC-002 is located approximately 100 metres from TERC-003 and 007 while EMD-011 is located in the region of old garimpeiro workings at Ema where BBX previously conducted channel sampling. The Ema diamond hole samples were sourced from both fresh and weathered quartz-porphry.

BBX stated that, with regards to results released on both 1 October and 26 November 2018, as the style and controls of mineralisation were not fully understood no extrapolation of extraction grades or correlation between drill holes could be inferred.

In many cases where two collector smelts were carried out, the precious metals were recovered dominantly in the second smelt due to incomplete collection in the first smelt. The complex precious metals association is broken down in the first smelt, releasing the bulk of the precious metals into the slag to enable recovery into the collector metal in the second smelt.

Hole no.	Depth (m)		Flux	Au (g/t)	Ag (g/t)	Rock type	Comments
	From	To					
TERC-002	28	30	Rock Slag Total	A 0.16 4.37 <b>4.53</b>	1.51 5.35 <b>6.86</b>	Fresh dolerite	
	30	32	Rock Slag Total	A 0.19 0.46 <b>0.65</b>	34.01 5.52 <b>39.53</b>	Fresh dolerite	
	32	34	Rock Slag Total	A 0.05 1.63 <b>1.68</b>	0.71 18.92 <b>19.63</b>	Fresh dolerite	
	34	36	Rock Slag Total	A 0.99 1.12 <b>2.11</b>	25.78 6.93 <b>32.71</b>	Fresh dolerite	
	38	39	Rock Slag Total	A 0.32 0.13 <b>0.45</b>	8.49 7.22 <b>15.71</b>	Fresh dolerite	
	41	42	Rock Slag Total	A 0.91 0.65 <b>1.56</b>	20.92 105.46 <b>126.38</b>	Fresh dolerite	
	44	46	Rock Slag	A 0.31 3.17	47.26 8.02	Fresh dolerite	

			Total		<b>3.48</b>	<b>55.28</b>		
	46	48	Rock Slag Total	A	0.46 55.81 <b>56.27</b>	1.69 11.86 <b>13.55</b>	Fresh dolerite	
TERC 003	20	22	Rock Slag Total	A	5.45 1.93 <b>7.38</b>		Fresh dolerite	
	24	26	Rock Slag Total	A	25.47 1.26 <b>26.73</b>		Fresh dolerite	Result of additional test on same interval
	30	32	Rock Slag Total	A	5.33 2.20 <b>7.53</b>		Fresh dolerite	
	32	34	Rock Slag Total	A	1.68 5.48 <b>7.18</b>		Fresh dolerite	
TERC-006	32	33	Rock Slag Total	A	1.10 0.80 <b>1.90</b>		Fresh dolerite	
TERC -007	16	18	Rock Slag Total	A	0.76 0.73 <b>1.49</b>	1.43 73.95 <b>74.95</b>	Fresh dolerite	
	28	30	Rock Slag Total	A	0.61 3.26 <b>3.87</b>	0.20 25.01 <b>25.21</b>	Fresh dolerite	
EMD-011	6	10	Rock Slag Total	A	2.12 14.61 <b>16.73</b>	16.81 3.45 <b>20.26</b>	Qtz-porphyry sapolite	
	22	24	Rock Slag Total	A	81.11 2.00 <b>83.11</b>	168.39 10.38 <b>178.77</b>	Qtz-porphyry sapolite	
	56	58	Rock Slag Total	A	0.66 0.80 <b>1.46</b>	77.98 6.91 <b>84.19</b>	Fresh qtz- porphyry	

Results of metallurgical test results on Três Estados RC holes and Ema diamond holes

## **Trial Mining Application (IPHAN)**

On 1 October 2018 BBX advised it had engaged Inuma Arqueologia to undertake the archaeological study required for IPHAN (national heritage agency) sign off, and on 26 November 2018 the Company advised that the study had commenced on both the Ema and Três Estados tenements.

The study has now been completed and the final report is expected to be submitted to IPHAN for approval during the week of 28 January 2019.

On 26 November 2018 BBX also advised that at the request of IPAAM, BBX had engaged Trevisan Florestal to review and ensure compliance with the forestry reserve requirements on its Três Estados tenement. This review has been completed and approved by IPAAM.

## **Corporate**

On 11 October 2018 BBX Minerals announced that Ediberto Brito had been hired as Senior Chemist and Laboratory Manager from Troy Resources where he was Laboratory Manager at Troy's Guyana operation. Mr Brito assumed responsibility for the Company's laboratory at the Marcelo facility coordinating the Company's metallurgical testwork programme.

On the 19<sup>th</sup> December 2018 BBX announced it had received commitments to raise a minimum of \$1,000,000 via a placement to existing sophisticated and institutional investors at 15 cents per share. BBX also advised it would issue free attaching options on the basis of 1 option for every 2 new shares at an exercise price of 20 cents, with a maturity date of 20 December 2020.

The final amount raised from the placement was \$1,037,750, with BBX issuing 6,918,333 new shares and 3,459,167 unlisted options under the Company's existing 15% capacity.

The funds raised will be used for general working capital purposes associated with finalising the development of a metallurgical extraction process for the Três Estados and Ema projects, ongoing analytical technique development, finalisation of the trial mining licences and planning for the design and construction of a semi-commercial pilot plant.

The placement was strongly supported by the Company's top five shareholders with Drake Special Situations LLC again demonstrating their significant ongoing support.

## **Assay Methodology**

BBX continues to work on the refinement of a practical and repeatable analytical method suitable for assaying large volumes of routine drill samples (refer announcement dated 31 July 2018) that can reliably reproduce the levels of precious metals currently being extracted from drill holes through BBX's proprietary smelting methodology. Until an assay method/protocol is finalised BBX will continue to conduct metallurgical test work on drill holes and release the results when available.

**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 14 March 2018 30<sup>th</sup> April 2018, 14<sup>th</sup> June 2018 20 August 2018, 1 October 2018 and 26 November 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 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% Exploration Licence



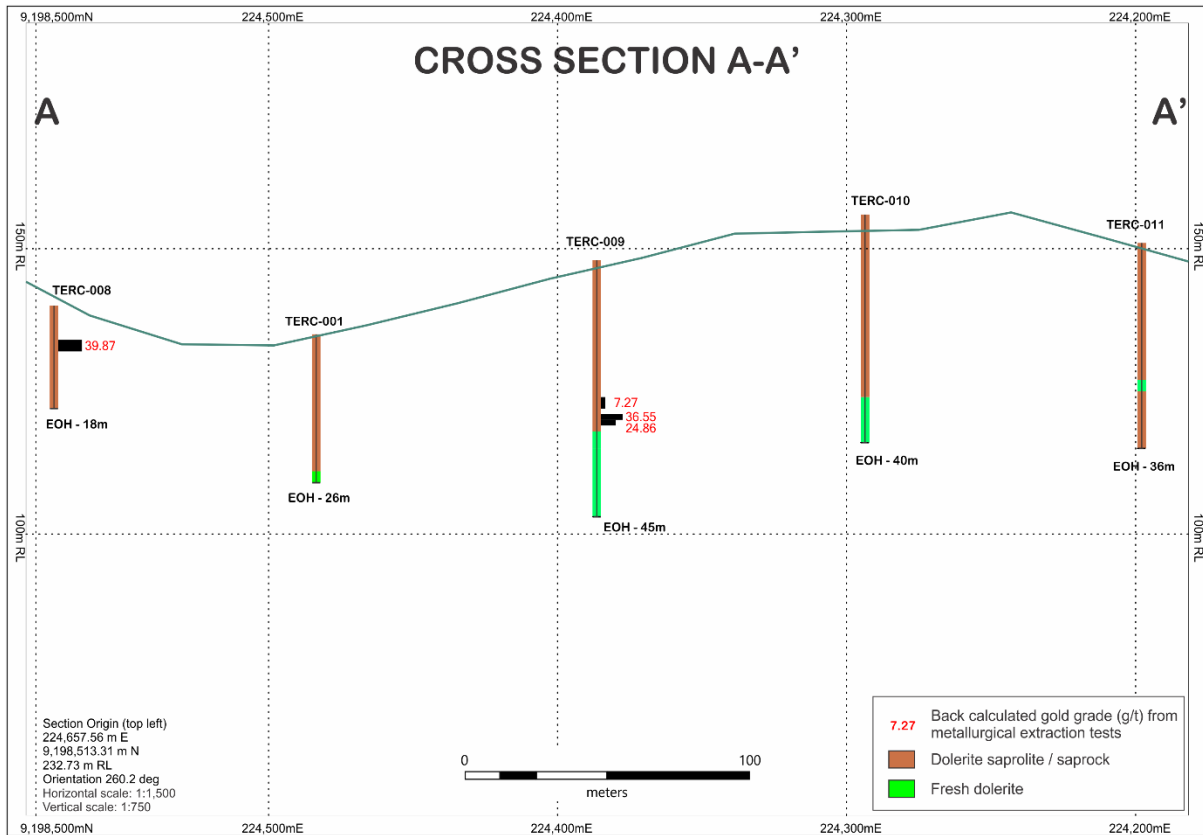
## **About BBX Minerals Ltd**

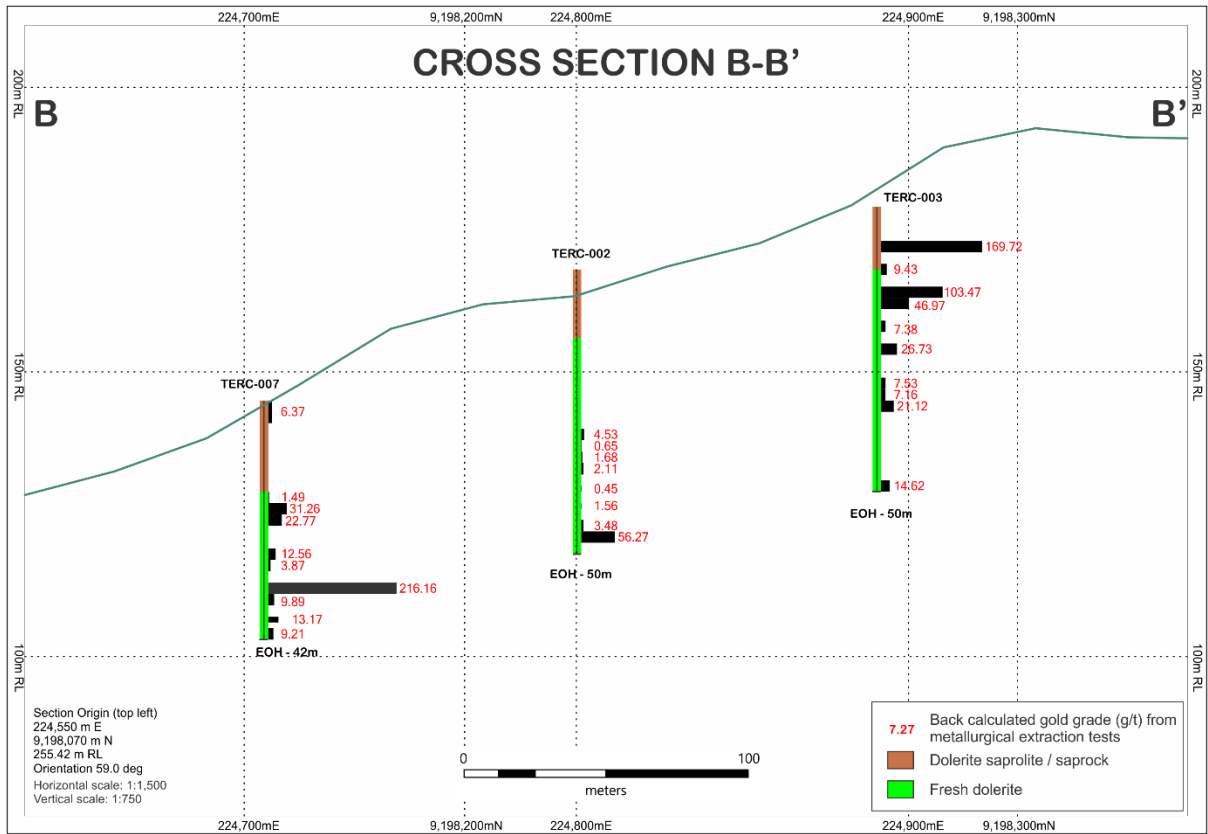
BBX Minerals Limited (ASX: BBX) is a mineral exploration and mining company listed on the Australian Securities Exchange. Its major focus is Brazil, mainly in the southern Amazon, a region BBX believes is vastly underexplored with high potential for the discovery of world class gold and copper deposits.

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.

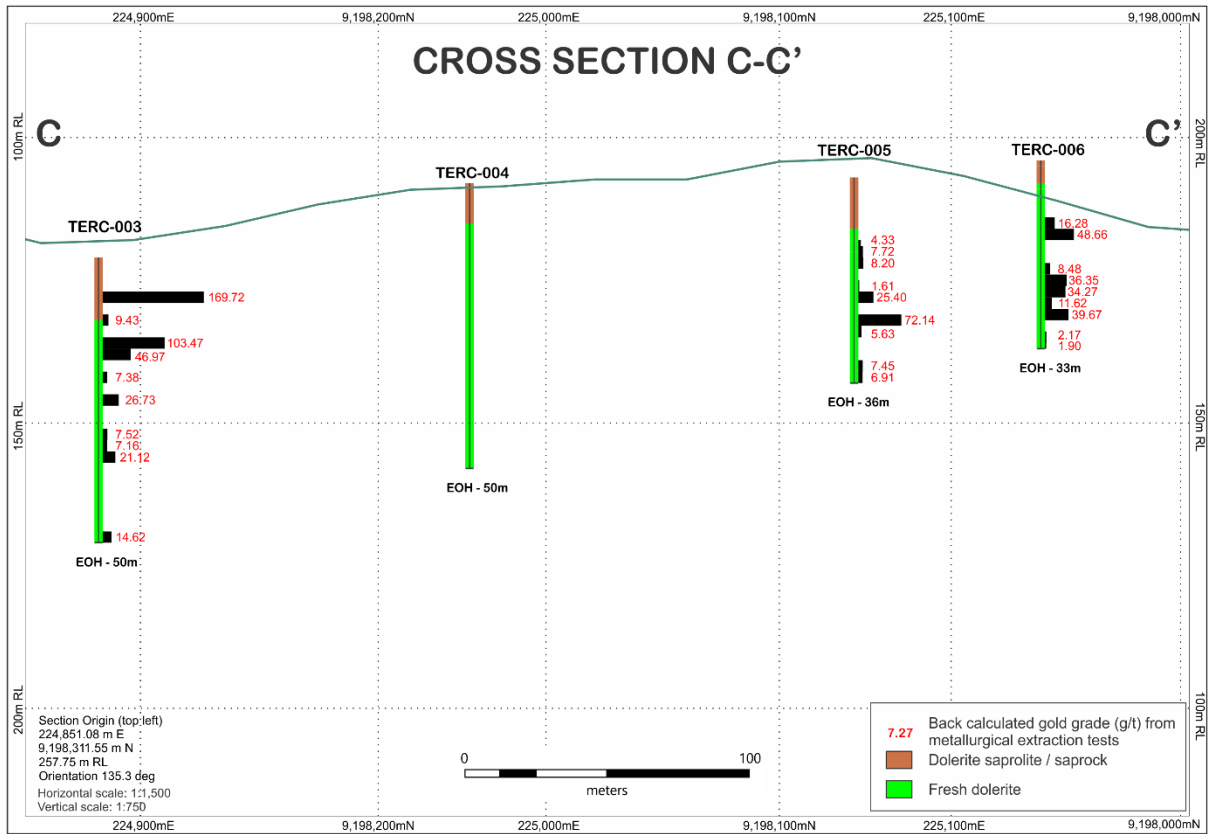
Três Estados cross-sections showing location and extraction results from metallurgical test samples (see cross-section locations,) (note vertical exaggeration of 2:1). Results for all tested intervals are shown.





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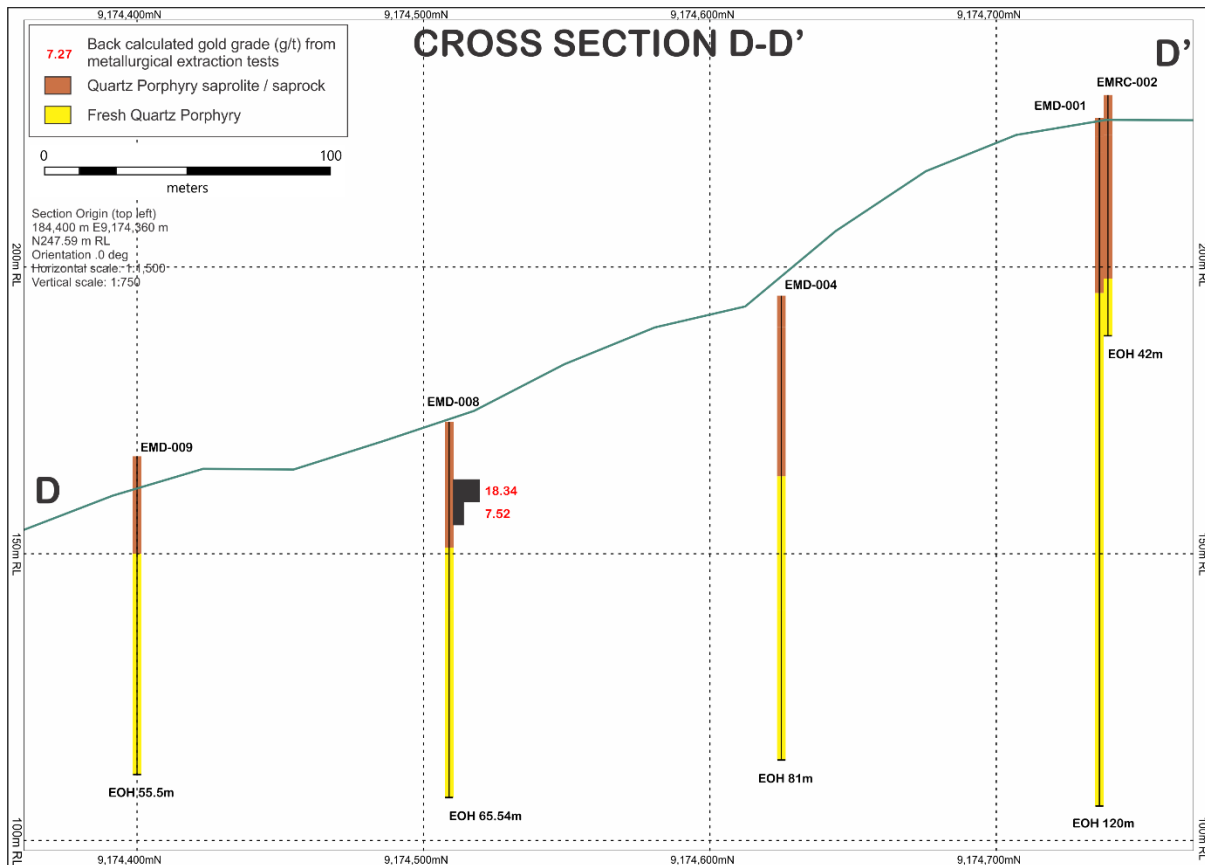


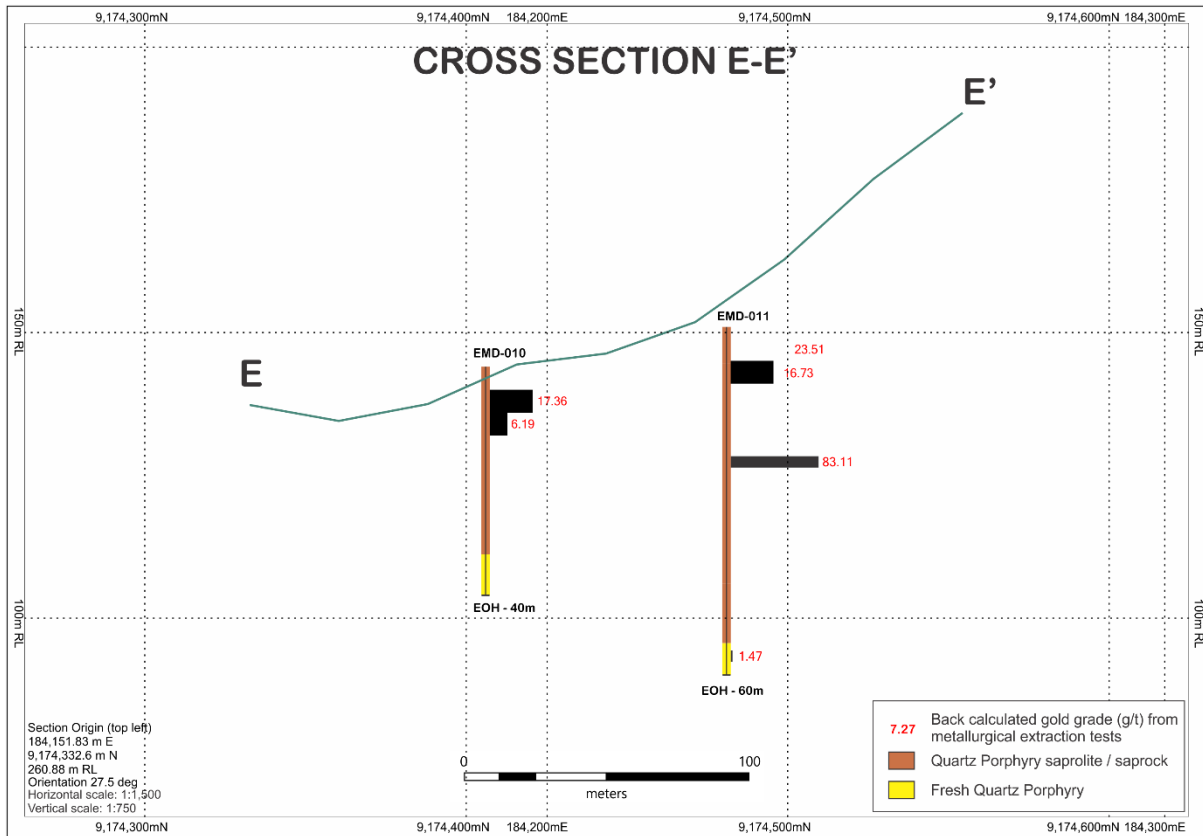
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## Appendix 2.

Ema cross-sections showing location and extraction results from metallurgical test samples (for cross-section locations,) (note vertical exaggeration of 2:1). Results for all tested intervals are shown.





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## 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 DECEMBER 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6..months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(148)	(351)
(b) development	-	-
(c) production	-	-
(d) staff costs	(80)	(122)
(e) administration and corporate costs	(88)	(261)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
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>(316)</b>	<b>(734)</b>

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

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6..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</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	582	582
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
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</b>	<b>Net cash from / (used in) financing activities</b>	<b>582</b>	<b>582</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	343	762
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(316)	(734)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	582*	582
4.5	Effect of movement in exchange rates on cash held	(2)	(3)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>607</b>	<b>607</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	607	343
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>607</b>	<b>343</b>

\* BBX raised a total of \$1,037,500 with the balance being settled early January 2019.

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	80
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	

## 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	220
9.2 Development	-
9.3 Production	-
9.4 Staff costs	45
9.5 Administration and corporate costs	60
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>325</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				
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:

(Director)

Date: 31/01/2019.

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.