

## ASX Announcement

31 October 2017

# QUARTERLY ACTIVITIES, CASH FLOW REPORTS FOR THE QUARTER 1 JULY 2017 TO 30 SEPTEMBER 2017.

## Activities Report for the quarter ended 30 September 2017

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 Tres Estados and Ema projects and on commencing the Company's planned drilling programme.

On 3<sup>rd</sup> July 2017 BBX announced that the Company was focusing its activities on advancing its metallurgical extraction process at the Marcelo da Silva Pinto M.E. facility (Marcelo), using both hydrometallurgical and pyrometallurgical methods. An initial test had been conducted on the 150kg Ema bulk sample collected over an area of 100m x 40m using a two-step hydrometallurgical process yielded two gold/silver-rich buttons, also containing copper and tin, from the same 1 kg sample (Fig 1). The buttons were dissolved and analysed by AAS, yielding a combined gold result of 58.16g/t (see table 1).

	<b>Au (g/t)</b>	<b>Ag (g/t)</b>	<b>Pd (g/t)</b>	<b>Pt (g/t)</b>	<b>Sn (g/t)</b>	<b>Cu (%)</b>
Leach 1	40.00	326.08	0.42	0.18	103.40	0.13
Leach 2	18.16	116.27	0.55	0.25	0.00	0.09
<b>Total</b>	<b>58.16</b>	<b>442.35</b>	<b>0.97</b>	<b>0.43</b>	<b>103.40</b>	<b>0.22</b>

Table 1. Results of hydrometallurgical test on Ema bulk sample (back-calculated to original sample weight)



Fig. 1. Metallic buttons recovered from two-stage leach of 1kg Ema bulk sample

BBX also advised on the 3<sup>rd</sup> July 2017, that on 28 June 2017, the DNPM (Mines Dept.) published a brief notification in the Government Gazette advising that the company would be required to take certain actions with respect to the Boia Velha and Guida tenements at Juma East. BBX received a formal request by the DNPM on June 30, 2017 to relinquish the Boia Velha tenement and accept a significant reduction to the area of the Guida tenement due to the impact of the Acari National Park (see fig. 2), one of a number of National Parks created by Presidential decree by the former impeached president Dilma Roussef, on May 11, 2016, the former president's last day in office. BBX confirmed it had not previously been advised of the creation of this park which was apparently also unknown to the DNPM who renewed the leases for a further 3-year term in September 2016 and charged annual tenement fees for 2017, paid by BBX on January 31, 2017. BBX advised that it intends to appeal this decision and confirmed that it has also been made aware that the entire Amazonas State Federal parliamentary block, with the support of the Ministry of Mines will draft a parliamentary bill proposing the re-classification of a portion of the National Park, including the area occupied by the two BBX tenements to a lower level of conservation unit which permits mining activities.

BBX also commented that due to its current focus on the Três Estados and Ema prospects, where high grade mineralisation is exposed at surface, it has no plans to initiate exploration at Boia Velha or re-initiate exploration at Guida, where mineralisation was previously identified at depths of 200m to 300m in holes JED-004 and JED-006. Hole JED-001, where mineralisation was intersected at shallower depths is located outside the park boundary.

BBX stated that the Três Estados and Ema properties are located approximately 60km south of the park boundary in a region of private land ownership, **not subject to the threat of any future creation of National Parks or high-level conservation areas.**

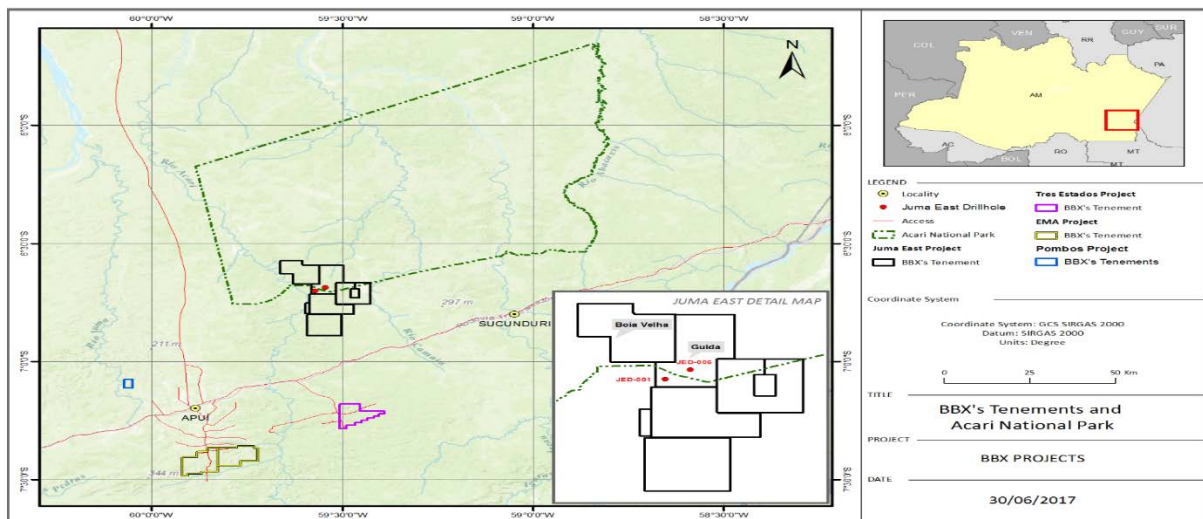


Fig. 2. BBX tenement holdings and the Acari National Park

On 14<sup>th</sup> August 2017 BBX announced that it was continuing to focus its activities on advancing its metallurgical extraction process at the Marcelo facility using both hydrometallurgical and pyrometallurgical methods. A second test conducted on the 150kg Ema bulk sample collected over an area of 100m x 40m at the Ema 1 garimpo using a pre-leach followed by smelting of a 5kg sample yielded five gold/silver-rich buttons. The buttons were analysed by fire assay using a gravimetric finish and atomic absorption (AA) for buttons 1 and 2, yielding a combined gold result of 299.3 g/t (table 2).

<b>Ema 5kg bulk test - summary</b>					
<b>FA results</b>					
Button no.	Wt.(g)	Au		Ag	
		Wt. (g)	g/t	Wt. (g)	g/t
1	7.1012		0.49	6.8794	1375.88
2	2.3846		1.79	2.2234	444.68
3	1.1587	0.6447	128.94	0.4971	99.42
4	3.5161	0.0637	12.74	0.0019	0.38
5	5.1141	0.7767	155.34	0.2561	51.25
Grade (g/t)			<b>299.3</b>		<b>1971.6</b>

Table 2. Fire assay results (back calculated to original sample weight) from the five buttons recovered from the Ema bulk sample

The 5kg sample was pre-leached for 33 days and metals precipitated from the solution. Smelting of the precipitate and undissolved residue was then conducted with a copper collector, yielding two silver-rich and one gold-rich button. The smelter slag was then ground and re-smelted, producing two additional buttons. BBX advised that ongoing work was focusing on streamlining both the pre-leach and smelting processes to enable pilot scale testing to commence within 1-2 months.

BBX further advised that analytical tests conducted at the Nomos facility, Rio de Janeiro based on an equivalent process with shorter leach times had been conducted on three samples from the Três Estados (Adelar garimpo) bulk sample, yielding a maximum gold value of **360g/t** after 18 days of leaching followed by routine fire assay (table 3). Test 3 involved a minor variation in the process, aimed at enhancing PGM recoveries. Analysis for silver was not carried out.

	Pre-leach time (days)	Au (g/t)	Pt (g/t)	Pd (g/t)
Test 1	14	57.15	7.50	15.00
Test 2	18	360.0	1.98	7.15
Test 3	14	23.50	7.13	22.00

Table 3. Fire assay results following pre-leach, Três Estados bulk sample



On 20 September 2017 BBX announced that it had commenced reverse circulation (RC) drilling at the Três Estados prospect in late August. Drilling progress was hampered by the extreme hardness of the fresh gabbro and by local high groundwater pressure. BBX advised that 7 holes, totalling 285m had been completed. The Company advised that hole TERC-001 had been halted at the base of weathering at a depth of 24m due to technical problems and would be re-initiated in due course. All holes intersected from 4 to 24 metres of soil and saprolite (weathered bedrock) followed by fresh gabbro. Two styles of gabbro were identified, a medium-grained gabbro similar to that mapped and sampled from outcrops in the region and a finer-grained, darker, magnetite-rich gabbro. BBX advised that after the expected completion of RC drilling at Três Estados in approximately 2 weeks, the rig was slated to move to the Ema prospect. The commencement of diamond drilling, on an approximate 100m x 100m grid was awaiting the receipt of the environmental licence whilst the RC programme continued on 100m centres along available access roads. Holes were planned to a depth of 40-50 metres with a minimum of one diamond hole at each prospect to be drilled to a depth of 100 metres.



Fig 3. RC drill rig at Três Estados



Fig. 4 One metre RC chip samples from hole TERC 02, showing fresh gabbro from 13m.

## **Corporate**

BBX, following a request from the ASX to enter into a trading halt on 21<sup>st</sup> August, responded to the ASX queries regarding its 14 August announcement on 22 August 2017. A further ASX query relating to BBX's initial response was provided to the ASX on 28 August 2017. Following further discussions with the ASX the company advised on 20<sup>th</sup> September that its securities would remain in suspension until either the receipt of assays results for six 10x10m bulk assay sample tests or initial drilling results from Três Estados.

On 20 September 2017 BBX announced the appointment of Dr. Hercules Neves as a consultant and technical advisor. Dr. Neves will assist in generating a better understanding of the nature of the precious metals occurring on BBX's tenements, and ultimately in developing a commercial extraction process.

### **For more information:**

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Current Tenements 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 Licences
DNPM Permit Number 7125/2013 - 880.116/2008 Location Brazil (Juma East)	10,000	100% Exploration Licences
DNPM Permit Number 7126/2013 - 880.117/2008 Location Brazil (Juma East)	9641.77	100% Exploration Licences
DNPM Permit Number 7127/2013 880.129/2008 Location Brazil (Juma East)	9307.47	100% Exploration Licences
DNPM Permit Number 880.151/2014 Location Brazil (Juma East)	662.15	100% Application for Exploration Licences
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 Licences
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 Licences
DNPM Permit Number 880.094/2014 Location Brazil (Pombos)	1000.36	100% Application for Exploration Licences

The information in this announcement that relates to exploration results is extracted from the announcements titled:

“First Gold Extraction for Ema Yields 58.16g/t” dated 3 July 2017;

“Gold Extraction Results from Ema and Tres Estados” dated 14 August 2017; and

“Drilling Commences at Tres Estados” dated 20 September 2017

These announcements are 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.

#### **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 asset is the Juma East Gold Project 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")

30 SEPTEMBER 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(646)	(646)
(b) development	-	-
(c) production	-	-
(d) staff costs	(18)	(18)
(e) administration and corporate costs	(163)	(163)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
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>(826)</b>	<b>(826)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(12)	(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 (3..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>(12)</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	476	476
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>476</b>	<b>476</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	1,201	1,201
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(826)	(826)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(12)	(12)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	476	476
4.5 Effect of movement in exchange rates on cash held	(10)	(10)
<b>4.6 Cash and cash equivalents at end of period</b>	<b>849</b>	<b>849</b>

<b>5. 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	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	849	1,201
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>849</b>	<b>1,201</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

<b>Current quarter \$A'000</b>
18
-

6.1 Payment for directors fees

**7. Payments to related entities of the entity and their associates**

- 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

<b>Current quarter \$A'000</b>
-
-

## 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	300
9.2 Development	-
9.3 Production	-
9.4 Staff costs	40
9.5 Administration and corporate costs	70
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>410</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/Company secretary)

Date: 31 October 2017

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.