



ASX Announcement

31 January 2018

QUARTERLY ACTIVITIES, CASH FLOW REPORTS FOR THE QUARTER 1 OCTOBER 2017 TO 31 DECEMBER 2017

Activities Report for the quarter ended 31 December 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 Três Estados and Ema projects and undertaking a drilling programme at both projects.

On 26th October 2017 BBX announced it had completed its reverse circulation (RC) drilling programme at the Três Estados and Ema prospects. Twenty-five holes totalling 930 metres were drilled at both projects. A thicker than anticipated weathering profile was encountered at both projects, particularly at Ema where the bulk of the holes were terminated within kaolinized saprolite (weathered rock). Fresh rock, where encountered, was in all cases a fine to medium-grained gabbro, similar to that mapped and sampled in surface outcrops. BBX advised that assaying of the Três Estados samples has been initiated and results will be released immediately they become available.

BBX also advised it had commenced diamond drilling at Ema in areas outside the forest which do not require environmental approval. Initial drilling focused on areas tested by the RC programme, with the objective of penetrating the thick kaolinitic weathered zone to test the underlying fresh fresh rock. The base of the kaolinitic zone is known to host coarse gold mineralisation, traditionally mined by garimpeiros.

BBX also advised that as detailed in BBX's announcement dated 20th September 2017, assaying of the 10m x10m small bulk samples from Três Estados and Ema was in progress and results would be released on receipt.

Technical Co-operation Agreement

On 26th October BBX also advised it had signed a Technical Co-operation Agreement with the unlisted Republic of Ireland-based technology and exploration company, Lómhara Tech Limited (Lómhara).

Lomhara, who holds interests in two exploration properties in the US and research facilities in Colorado, North Carolina and Melbourne has for a number of years been developing technologies for recovering high levels of precious metals from ores which don't respond to conventional analytical techniques. This agreement will provide BBX with direct access to key Lomhara consultants in Australia and the USA.

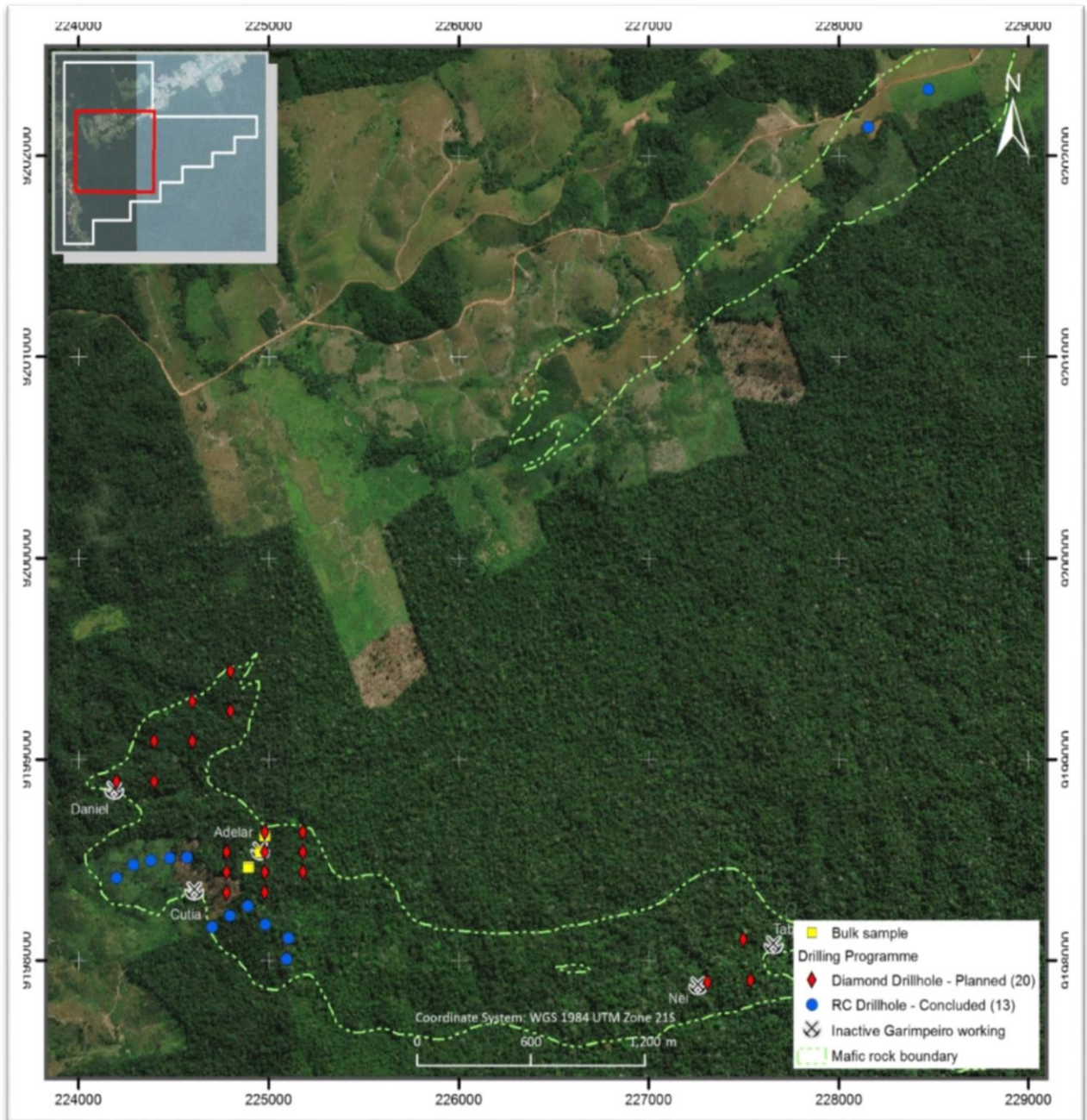


Fig. 1. Três Estados RC programme and location of 10m x 10m bulk samples

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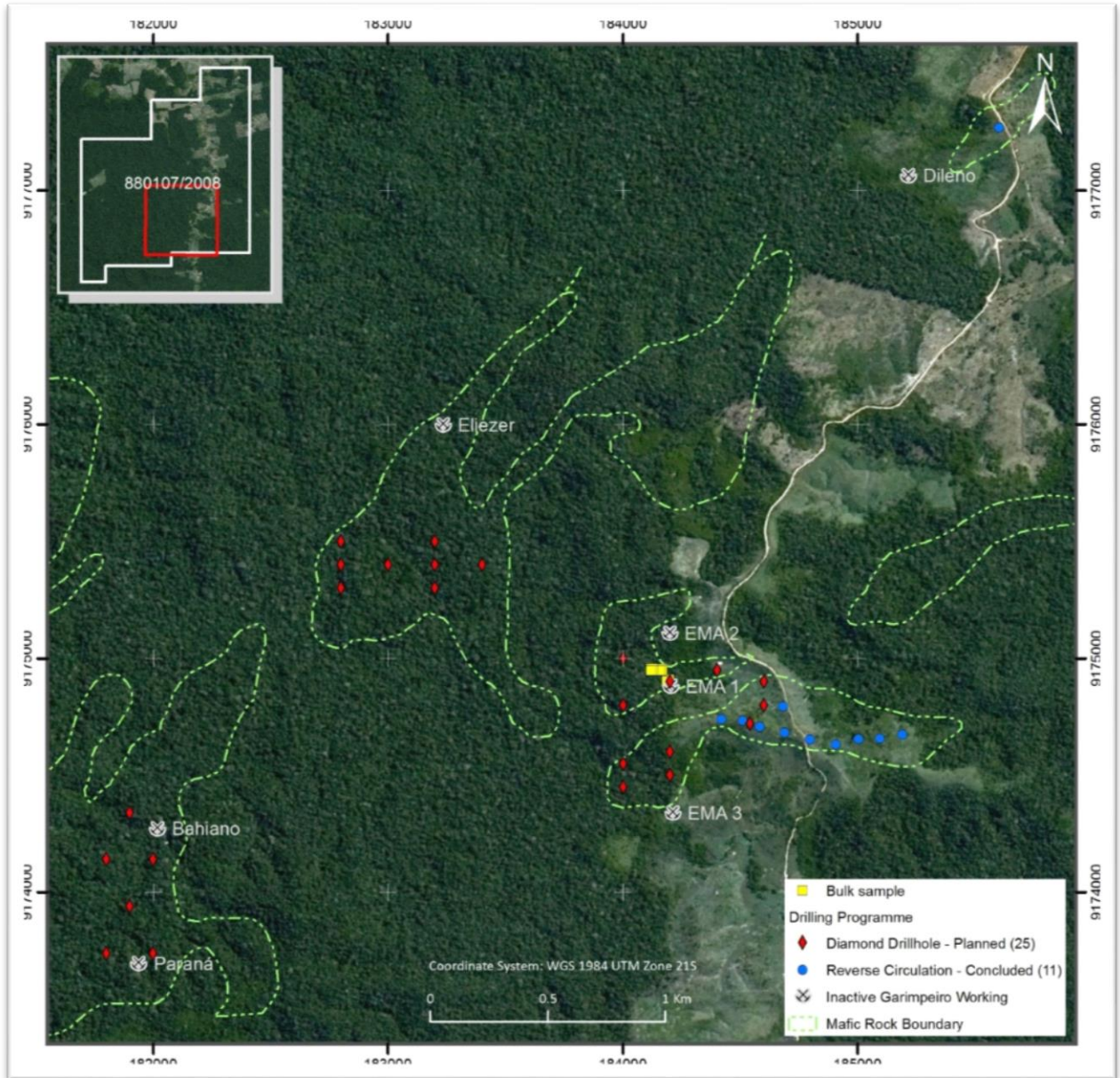


Fig. 2. Ema RC and diamond drilling programme and location of 10m x 10m bulk samples

On 21 November 2017 BBX announced it had completed 5 diamond drill holes, totalling 525.5 metres at the Ema prospect in areas that do not require environmental approval. All five holes passed through a zone of intense lateritic weathering, comprising largely kaolin and lesser quartz, into an unweathered, hydrothermally altered igneous rock containing rounded glassy quartz grains and feldspars largely altered to kaolin. Sampling of the first three holes was completed and the samples submitted to SGS for analysis. Drilling continued in areas which do not require environmental approval.

On 28th November 2017 BBX announced that prior to commencing the diamond drilling programme the Company had conducted two reconnaissance channel samples, 2m in length, within a 500m x 250m area totally disturbed by garimpeiro activity dating back to the 1980's, known as Ema 3. These workings are located in a deep erosional feature at the base of the weathering profile within saprolite comprising kaolin and rounded glassy quartz grains. The channel samples were analysed by metallic screen fire assay as pan concentration had revealed the presence of minor coarse gold. The bulk of the gold grains identified in the analytical process were, however fine to ultrafine.

Results were 2m @ 0.48g/t and 2m @ 1.95g/t (incl. 1m @ 3.44g/t) for EMCN001 and 002, respectively (see table 1).

The presence of gold mineralisation in this material has previously been referred to in announcements of June 10, 2015 and October 26, 2017. This zone, at the base of weathering, has been tested in all seven diamond holes drilled to date and represents a separate target to the fresh gabbro from which gold has previously been extracted from surface bulk samples.

| Channel ID | Sample ID | From (m) | To (m) | Easting* | Northing* | RL (m) | Au (g/t) |
|------------|-----------|----------|--------|----------|-----------|--------|----------|
| EMCN-001 | EMC-0001 | 0.00 | 1.00 | 184096 | 9174504 | 147 | 0.17 |
| EMCN-001 | EMC-0002 | 1.00 | 2.00 | | | | 0.80 |
| EMCN-002 | EMC-0003 | 0.00 | 1.00 | 184343 | 9174550 | 148 | 3.44 |
| EMCN-002 | EMC-0004 | 1.00 | 2.00 | | | | 0.46 |

*UTM WGS84 zone 21

Table 1. Ema 3 channel sample results

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 28 November 2017 which is available to view at www.bbxminerals.com.au / 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 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 |

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 58.1km² 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 DECEMBER 2017

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6..months) \$A'000 |
|---|----------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (566) | (1,144) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (246) | (264) |
| (e) administration and corporate costs | (94) | (325) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 1 | 2 |
| 1.5 Interest and other costs of finance paid | (1) | (1) |
| 1.6 Income taxes paid | - | - |
| 1.7 Research and development refunds | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (906) | (1,732) |

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

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6..months) \$A'000 |
|---|------------------------------------|---|
| 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) | - | - |
| 2.6 Net cash from / (used in) investing activities | - | (12) |

| | | |
|---|------------|--------------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of shares | - | - |
| 3.2 Proceeds from issue of convertible notes | - | - |
| 3.3 Proceeds from exercise of share options | 672 | 1,148 |
| 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) | - | - |
| 3.10 Net cash from / (used in) financing activities | 672 | 1,148 |

| | | |
|---|------------|------------|
| 4. Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 Cash and cash equivalents at beginning of period | 849 | 1,201 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (906) | (1,732) |
| 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) | 672 | 1,148 |
| 4.5 Effect of movement in exchange rates on cash held | (18) | (8) |
| 4.6 Cash and cash equivalents at end of period | 597 | 597 |

| 5. Reconciliation of cash and cash equivalents 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 | 597 | 849 |
| 5.2 Call deposits | - | - |
| 5.3 Bank overdrafts | - | - |
| 5.4 Other (provide details) | - | - |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 597 | 849 |

| 6. Payments to directors of the entity and their associates | Current quarter \$A'000 |
|--|------------------------------------|
| 6.1 Aggregate amount of payments to these parties included in item 1.2 | 246 |
| 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. Payments to related entities of the entity and their associates | 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

| 8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|--|---|--|
| 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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| |
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| 9. Estimated cash outflows for next quarter | \$A'000 |
|--|----------------|
| 9.1 Exploration and evaluation | 200 |
| 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) | - |
| 9.7 Total estimated cash outflows | 310 |

| 10. Changes in tenements (items 2.1(b) and 2.2(b) above) | Tenement reference and location | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|--|--|---------------------------|---|-----------------------------------|
| 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:  Date:31 /01/2018.....
(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.