

BBX MINERALS LIMITED

ACN 089 221 634

**ANNUAL REPORT FOR
THE YEAR ENDED
30 June 2015**

Chairman's Letter

30 June 2015

Chairman's Letter to Shareholders

Despite the ongoing scenario of depressed commodity prices and weak capital markets BBX has continued to pursue its stated objective of conducting quality grass-roots exploration on its strategic tenement holdings in the Juma region in Amazonas state in Brazil's north.

Airborne and ground geophysical programmes conducted during the year over the Juma East tenement block have assisted in further definition of a number of high quality drilling targets at the Plato and Guida prospects. A diamond drilling contract has been let at attractive rates and drilling is scheduled to commence late in the third quarter of 2015. Funding for this programme was secured via a successful renounceable rights issue to shareholders in the first half of 2015.

The Company has expanded its tenement holdings within the Apui region through option agreements and applications covering highly attractive prospects at Ema, Três Estados and Pombos, all accessible by all-weather road from the regional centre of Apui. This further strengthens BBX's position as the first mover in this potential exciting new mineral province.

The company has continued to actively pursue short-term production opportunities and has negotiated a technical services agreement with the Belo Horizonte-based Goldmen Group covering the latter's permitted property 20km from Juma East. Under this agreement BBX has the opportunity to receive 50% of operating cash flows from any future mining operation. Other similar arrangements are currently being pursued with private investors active in the region.

Although the disposal of the Eldorado de Juma project has yet to be finalised due to ongoing difficulties in obtaining title it is anticipated that this matter will be resolved in the near future, providing a further boost to the Company's liquidity.

I would again like to thank my fellow directors Will Dix and Alastair Smith for their valuable contributions during the year, and in particular would like to thank CEO Jeff McKenzie and Exploration Manager Antonio de Castro for their unstinting efforts in these trying times. I also extend my thanks to BBX's principal shareholder, Drake Private Investments for their ongoing strong support.

With the commencement of drilling imminent the Company is now poised to take an important step forward on the path to becoming a successful mineral explorer and emerging producer.



Mike Schmulian
Chairman

BBX Minerals Limited

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BBX Minerals Limited

Corporate Directory

30 June 2015

Directors

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William Dix

Secretary

Simon Robertson

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Securities Exchange

Australian Securities Exchange

20 Bridge Street

SYDNEY NSW 2000

ASX Code

BBX (fully paid ordinary shares)

Directors Report

30 June 2015

The directors present their report, together with the financial statements of the Group, being BBX Minerals Limited (BBX) and its controlled entities (the Group), for the financial year ended 30 June 2015.

1. General information

Information on directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are:

Name and Qualifications	Interest in Shares and Options	Experience and Special Responsibilities
<p>Michael Schmulian (Chairman) Non Executive Director Appointed 12 April 2011 BSc (Hons) University of Witwatersrand MSc University of Leicester Fellow of AusIMM</p> <p>Other Current directorships None</p> <p>Former directorships in last 3 years None</p>	<p>3,592,000 fully paid ordinary shares</p> <p>3,000,000 Management options @ \$0.05 expiring 24 November 2017</p>	<p>Mr Schmulian has been a director since 12 April 2011. Mr Schmulian is a geologist with over 40 years of mining and exploration experience. His experience includes 24 years in Brazil where he established a strong network of contacts throughout the industry. He is the former Brazil Country Manager for Western Mining Corporation charged with managing the implementation and operations of two gold mines, South America brownfields Exploration Manager for Anglo Gold Ashanti and Executive Director of ASX listed Mundo Minerals, responsible for establishing the Company's Engenho gold mine. Mr Schmulian is currently COO of ASX listed Crusader Resources and is a Fellow of AusIMM.</p>

Directors' Report

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<p>William Dix Non Executive Director Appointed 10 October 2012 BSc, MSc Monash University Member of AusIMM Other Current directorships Managing Director Consolidated Zinc Limited Non Executive Director Credo Resources Ltd Former directorships in last 3 years None</p>	<p>181,368 fully paid ordinary shares 3,000,000 Management options @ \$0.05 expiring 24 November 2017 20,152 options @ \$0.0125 expiring 1 March 2018</p>	<p>Mr Dix is a geologist with 18 years' experience in gold, base metals and uranium. He holds a BSc and MSc (Geology) from Monash University and is a member of AusIMM. In previous roles he has led successful growing gold and base metal resources at companies including Lion Ore Mining International. At Lion Ore Mr Dix was part of the team that discovered the Waterloo Nickel Mine and delineated the 2 million ounce Thunder Box Gold project. He has a proven track record of successful project and team management and also extensive capital raising, mergers, acquisitions and divestments.</p>
<p>Alastair Smith Non Executive Director Appointed 15 April 2013 BCom MCom CA Other Current directorships Blackwood Equities (NSW) Pty Ltd Yardie (WA) Pty Ltd Former directorships in last 3 years None</p>	<p>18,000 fully paid ordinary shares 3,000,000 Management options @ \$0.05 expiring 24 November 2017 2000 options @ \$0.0125 expiring 1 March 2018 Mr Smith also has an interest in 13,118,400 shares in the name of Yardie (WA) Pty Ltd as Trustee for the AW Smith Family Trust and 1,457,600 options @ \$0.0125 expiring 1 March 2018 Mr Smith also has a beneficial interest in 6,875,000 options issued to Blackwood Equities (NSW) Pty Ltd expiring 30 March 2016</p>	<p>Mr Smith is director of Blackwood Equities (NSW) Pty Ltd a Sydney based boutique equity Capital markets and brokerage firm. For 8 years prior to joining Blackwood's, Mr Smith worked for 2 large Australian based resource focused stock broking firms and a global accounting firm in both London and Australia.</p>

Mr Schmulian purchased a further 2,873,600 shares on 27 July 2015 in an off market transaction for \$28,736 which included 120,000 options @\$0.0125 expiring 1 March 2018.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

Simon Robertson

Mr Robertson gained a Bachelor of Business from Curtin University in Western Australia and Master of Applied Finance from Macquarie University in New South Wales. He is a member of the Institute of Chartered Accountants and the Chartered Secretaries of Australia. Mr Robertson has experience as a Company Secretary and in transaction management. He has also been involved in management of the ASX listing process and several specific asset transfers, general accounting for public companies and preparation of financial statements.

Directors' Report

30 June 2015

Principal activities and significant changes in nature of activities

The principal activities of the Group during the financial year were mining, exploration and development in Brazil and South America

There were no significant changes in the nature of the Group's principal activities during the financial year.

Operating results and review of operations for the year

Operating results

The consolidated loss of the Group amounted to \$853,065 for the year ended 30 June 2015 (2014: loss of \$51,982)

Review of Operations

EXPLORATION RESULTS, MINERAL RESOURCES AND ORE RESOURCES

Chapada Gold Project

On 21 July 2014 BBX announced that its 100% owned subsidiary Mineracao BBX do Brasil Ltda, has received R\$1,000,000 (approximately AUD 471,698 assuming a conversion rate of 2.12 Brazilian Reals(R\$) to the Australian Dollar (A\$)) due from ENGEGOLD Mineracao Ltda (ENGEGOLD) under the advance payment agreement announced on 7 April 2014.

Projects

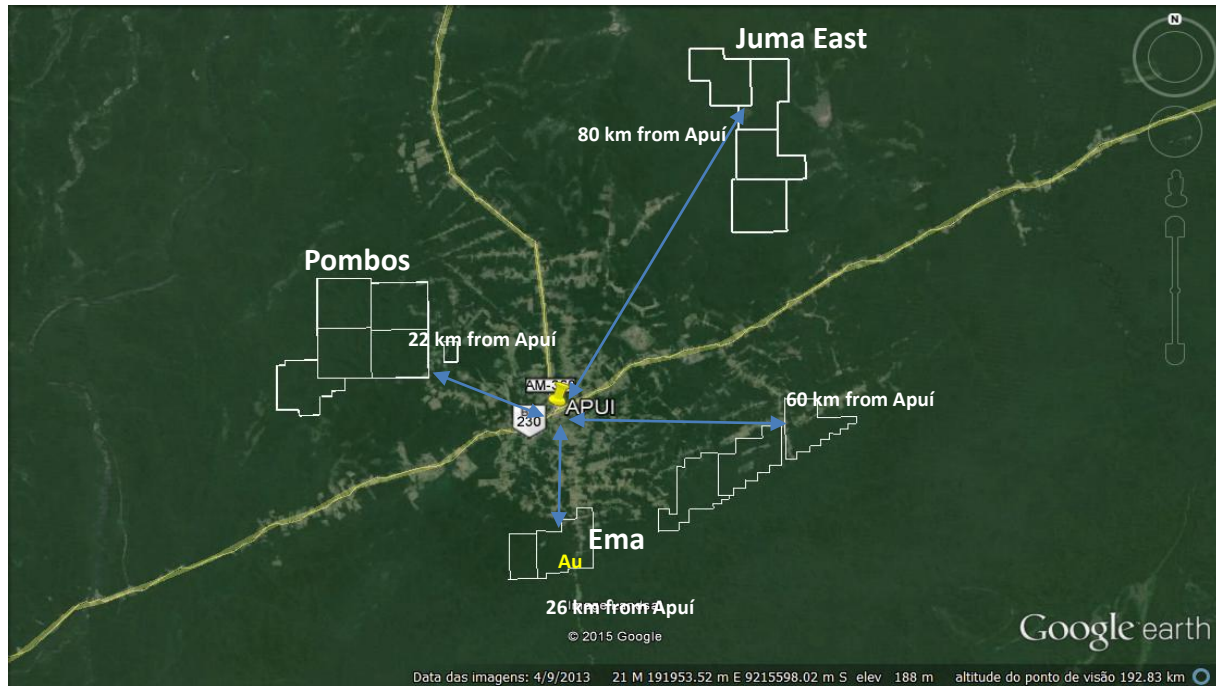
In June 2015 BBX announced that following a review it will have four distinct project areas as follows.

1. Juma East
2. Pombos
3. Ema
4. Eldorado do Juma (subject to a definitive sale agreement)

Directors' Report

30 June 2015

Project Locations from Apui



Map 1 – BBX's exploration leases relative to Apui townsite.

Juma East Project

Airborne Magnetic and Radiometric Survey

On 3rd September 2014 BBX announced that CGG Airborne had initiated the airborne magnetic and radiometric geophysical survey over the Juma East tenement block on 29th August 2014. The survey was completed within 15 days. Reconsult, a São Paulo-based consultancy specialising in processing and interpreting geophysical data was engaged to support BBX's geological team on the geophysical/geological/geochemical data integration to define drilling targets at Juma East.

The survey was conducted on 200m line spacing with the exception of the area covering the Pintado magnetic anomaly, the Guida/Plato/Aço targets and the low magnetic circular feature to the east, which was infilled at 100m spacing. The magnetic anomalies are interpreted as being related to the Jurassic magmatic event in the Alto Tapajós sedimentary basin whilst the magnetic lows are associated with Proterozoic granites. Gold was recovered by garimpeiros in the 1990's from the top of a lateritic hill at the contact of these two zones.

On 3 September 2014 BBX announced results from the exploration programme conducted at the Juma East Gold Project.

Guida/Plato targets

The geological/geochemical/geophysical data collected indicate the presence of at least three different geological events superimposed at Guida/Plato, each with its own geochemical signatures.

The extensive silica texture present from Guida to Aço, indicative of boiling in an epithermal gold system is interpreted to be of Proterozoic age, as well as the "silica gris", a black silica present in thin veinlets from Guida to Aço, containing fine-grained magnetite. These veinlets, which show a close association with alluvial and colluvial gold are commonly indicative of buried Au-Cu porphyry deposits. The magnetite present at Plato, closely associated with vanadium, chromium and titanium is interpreted to be related to a magmatic event during the Mesozoic, based on the 177Ma age of the Cururu diabase outcropping in the nearby Sucunduri River.

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Aço target (Juma East)

The soil sampling at the Aço target was conducted on five 400m-spaced lines sampled at 80m intervals. A total of 220 soil samples, 22 chip and grab samples and 11 channel samples was collected and submitted for analysis.

On 20th October 2014 BBX announced the results of its aeromagnetic survey on its Juma East Project.

Plato target – regional target 2

The airborne geophysical survey conducted by BBX identified multiple large vertical magnetic features at the Plato target. Detailed 3D modelling defined a pipe-like geometry; this specific target was flown at 100 m spaced lines oriented north-south, generating a sufficiently high degree of resolution to design a diamond drilling program.

10 features with high magnetic susceptibility, ranging from 150m (T2.7) to 600m (T2.1) in diameter stand out in the analytical signal map 1.T2 (appendix). The magnetic susceptibility of these features varies with depth (see appendix, maps 2.T2 to 8.T2, surface RL 150m) with the T2.8 magnetic body extending to only 100m below surface and T2.6 to as much as 1,100m.

A drilling program to test the 5 pipes with the highest near-surface magnetic response has been designed to intersect the centres of the bodies at around 120m below surface.

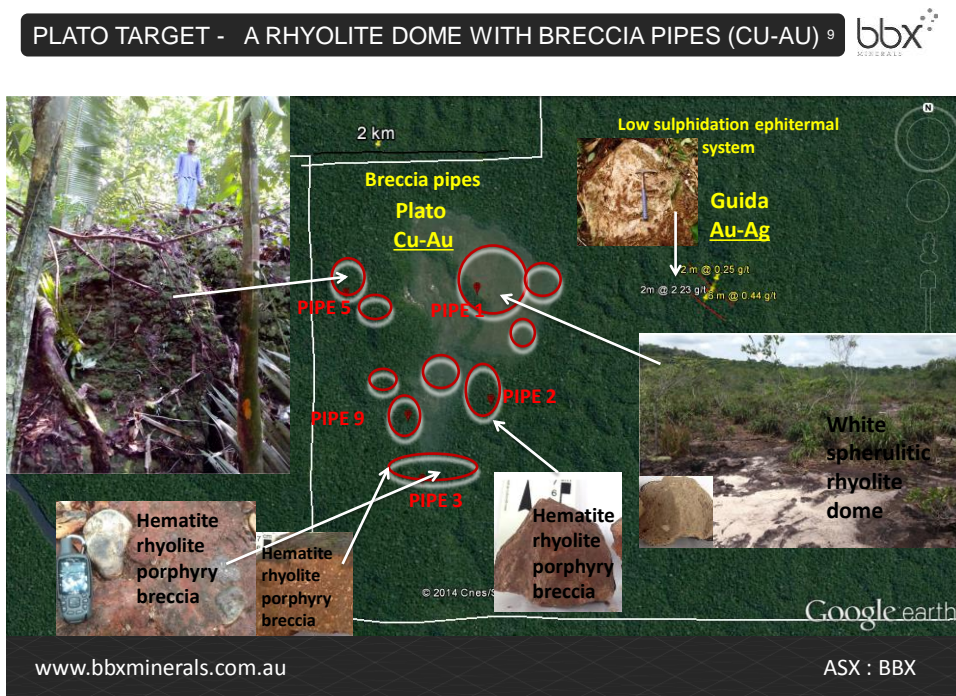


Fig 1 – Recent field mapping has confirmed the interpretation of the Plato target as a rhyolite dome with breccia pipes

Outcrops displaying strong argillic, siliceous and hematitic alteration typical of high sulphidation gold-copper systems have been identified. The alteration patterns are similar to those at the V3 deposit in the Tapajós region, containing estimated resources of 1+ Moz of gold. The evolving geological model is strongly analogous to that of the giant Yanacocha deposit in Peru.

Regional targets

Following processing and interpretation of the magnetic and radiometric data, conducted by Reconsult Geofísica in São Paulo and integration of these data with currently available geological and geochemical information, six major regional targets have been defined, with potential to host:

1. High grade copper-gold mineralisation in interpreted vertical pipes at the Plato target (area 2), with multiple drill-ready targets.

Directors' Report

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2. High grade gold mineralisation in the Guida/Boia Velha low sulphidation epithermal target (area 6) extending 10 km along a N60W demagnetised fault zone.
3. High grade gold mineralisation in the Pepita low sulphidation epithermal target (area 5) with indications of a buried Cu-Au porphyry system.
4. Gold mineralisation associated with magnetic features and magnetic depletion associated with K alteration.

BBX also announced that it was currently developing the camp site and improving the access to enable a ground geophysics (induced polarization) programme to start in early July 2015. Drilling tenders have been provided to 6 contractors for its Juma East programme with drilling to commence in Q3 2015.

Environmental Licence and Drilling Programme.

BBX, announced on 30 April 2015 that its 100% owned subsidiary Mineracao BBX do Brasil Ltda, has been granted an environmental licence LO no 139/15 by IPAAM (Instituto de Protecao Ambiental do Amazonas). The Environmental licence covers an area of 34,487 ha.

The environmental licence was approved after an extensive environmental report was submitted. The licence allows for the establishment of exploration camps, development of access roads, airstrips and to conduct deep diamond drilling over the four exploration leases encompassing the Juma East project.

Ema Project

BBX also announced on 10th June 2015 that it has now commenced detailed field work on the two optioned tenements.

Pombos Project

On 10th June 2015 BBX announced that the option over DNPM 880.133/2008 has been extended for a further 120 days to enable due diligence to be completed. Pombos is located 22km from Apui within a geological setting with potential for both high and low sulphidation epithermal gold deposits and polymetallic volcanogenic massive sulfide deposits similar to the Aripuanã Zinc Project.

Goldmen Agreement

On 23 June 2015 BBX announced that Mineracao BBX do Brasil Ltda and the Belo Horizonte-based Goldmen Group had signed a Technical Services Agreement to enable development, if viable, of a low capital expenditure mining operation. The project would be based on four PLG's (Permissão de Lavra Garimpeira), a specific mining title for near surface ore (drilling and blasting is not permitted) controlled by Goldmen group and fully licensed at the DNPM and IPAAM.

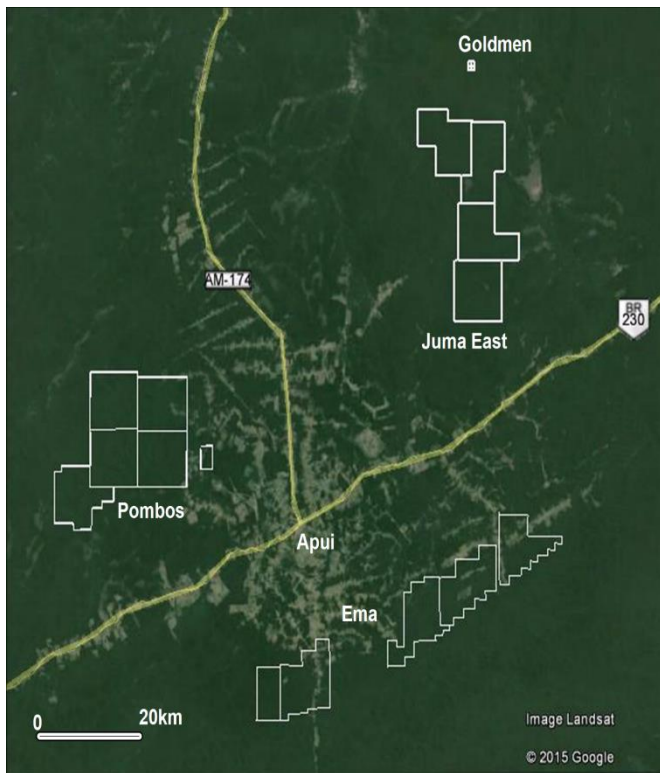
The project is strategically located 20km's north of BBX's Juma East tenements and its Plato and Guida drilling targets, which are located 80km's from Apui (population 20,000). The old workings within these leases, known as Garimpo Vacora, located 10 km northwest of the Rio Branco airstrip have been intermittently mined by rudimentary methods for the past 15 years.

Under the agreement BBX has 120 days to complete technical/economic and legal due diligence, with the option to extend this period for a further 120 days.

BBX may withdraw from the agreement at any time both within the due diligence period and during the operating phase, retaining the right to remove all plant and equipment from site within a 30-day period.

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Eldorado do Juma

BBX announced on 1 September 2014 via its 100% owned subsidiary Mineracao BBX do Brasil Ltda, that it has signed a conditional sales and purchase agreement with ARNALDO Villar Da Silva (ARNALDO), whereby BBX do Brasil will sell its 100% interest in MINORTE Extracao de Minerio Ltda (MINORTE) for R\$1,500,000 (approximately A\$717,000 assuming a conversion rate of approximately 2.09 Brazilian Reals (R\$) to the Australian dollar (AUD)).

Under the agreement BBX has negotiated the following terms:

The due diligence period is 30 days, which will commence from the date of the agreement. The due diligence period may be extended by mutual agreement.

On publication in the "official gazette" of the assignment of mining rights of either DNPM No 880.070/2007 or 880.152/2012 to Comin Gold S.A, (75% owned by MINORTE Extracao de Minerio Ltda and 25% owned by COOPERATIVA Extrativista Familiar do Rio Juma) the following payments are due:

Tranche 1 R\$500,000 (approximately A\$239,000) 5 business days after publication of the assignment of either mineral right.

Tranche 2 R\$500,000 (approximately A\$239,000) 3 months after payment of tranche 1.

Tranche 3 R\$500,000 (approximately A\$239,000) 6 months after payment of tranche 1.

5% of each payment received by BBX being R\$25,000 (R\$75,000 in total) will be paid to FFA Legal Ltd, Av. Jornalista Ricardo Marinho, n° 360, sala 113, Barra da Tijuca, Rio de Janeiro, under a separate success fee agreement.

On transfer of BBX's 100% interest in MINORTE, ARNALDO will assume all MINORTE's contractual obligations with COOPERATIVA Extrativista Familiar do Rio Juma dated 18 July 2012, and BBX's contractual obligations with the former shareholders of MINORTE.

Under the sale and purchase agreement between BBX Minerals Ltd and the former shareholders of MINORTE Extracao de Minerio Ltda dated 23 July 2012, 6 (six) million shares were to be issued by BBX as partial payment for acquiring 100% of MINORTE. Under the terms of this agreement 6 (six) million shares will be issued within 30 days after BBX receives the tranche 1 payment and

BBX Minerals Limited

Directors' Report

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will be escrowed for 6 months from issuance date. BBX sought shareholder approval to issue the shares in excess of the capacity it has available to it under listing rule 7.1 and or 7.1A , at its AGM expected held in November, 2014.

BBX further announced on 30th April 2015 that it is in discussions with the Buyer on amending the payment terms, announced on 9th October 2014, to include an immediate payment of A\$125,000 on the transfer of its interest in 100% subsidiary Minorte Extracao de Minerio Ltda which holds the option on Eldorado do Juma.

Corporate

BBX announced on 18 March 2015 a renounceable pro rata offer to eligible shareholders of four new shares for every five existing shares at an issue price of \$0.01 per new share with one free attaching new option exercisable at \$0.0125 on or before 1 March 2018 for every four new shares to raise approximately \$947,633. The offer for \$300,000 was underwritten by Patersons Securities Limited and sub –underwritten by Drake Private Investments LLC.

BBX announced on 30 April 2015 that the Company had received applications in respect to shareholder entitlements and shortfall applications for a total of 60,126,076 (\$601,261) shares pursuant to its 4 for 5 renounceable rights issue (“Rights Issue”), to raise a total of \$947,633, including \$300,000 from sub-underwriter Drake Private Investments LLC. This represents approximately 63.44 % of the funds to be raised under the Rights Issue. The Directors will proceed to place the shortfall within the time limits set out in the ASX Listing Rules.

Exploration Leases

On 9th October 2014 BBX Minerals Ltd (BBX), also announced that via its 100% owned subsidiary Mineracao BBX do Brasil Ltda, and Raquel Correia da Silva (Seller) signed a Letter of Intent for BBX to acquire 16 exploration licences under application in the Colider group (Apui Region), located within a radius of 120km from Apui. BBX announced on 16 January 2015 that the option was extended for a further 90 days.

BBX can purchase 100% of any of the licences by making payments as per below, in an amount in Reais (BRL) equivalent to US\$100,000 (one hundred thousand dollars) for each of the mineral rights.

- a) Payment in Reais (BRL) equivalent to US\$10,000 (ten thousand dollars) six (6) months after the date of publication in the Official Gazette of the approval of the assignment of the licences to BBX.
- b) Payment in Reais (BRL) equivalent to US\$10,000 (ten thousand dollars) within twelve (12) months after the date of publication in the Official Gazette of the assignment of the mining rights to BBX.
- c) Payment in Reais (BRL) equivalent to US\$20,000 (twenty thousand dollars) within twenty four (24) months after the date of publication in the Official Gazette of the assignment of the licences to BBX.
- d) Payment in Reais (BRL) equivalent to US\$20,000 (twenty thousand dollars) within thirty six (36) months after the date of publication in the Official Gazette of the assignment of the licences to BBX.
- e) Payment in Reais (BRL) equivalent to US\$20,000 (twenty thousand dollars) within forty eight (48) months after the date of publication in the Official Gazette of the assignment of the licences to BBX.
- f) Payment in Reais (BRL) equivalent to US\$20,000 (twenty thousand dollars) within sixty (60) months after the date of publication in the Official Gazette of the assignment of the licences to BBX.

Upon the execution of the Definitive Agreement the Seller agrees to immediately submit to the National Department of Mineral Production – (DNPM) the assignment of the licences to BBX, following the publication in the Official Gazette of the issuance of the licences to the Seller.

BBX may, in its sole and absolute discretion, withdraw from one or more of the licences, at any time without further cost to BBX.

BBX also announced on 10th June 2015 that it is continuing to undertake due diligence on its Ema and Pombos Projects and as a result of the due diligence undertaken by BBX, that it had optioned two tenements at its Ema project totalling 14,239.91 hectares, under the payment terms and conditions announced on 9th October 2014.

BBX Minerals Limited

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BBX also advised it had extended the option held on its Ema and Pombos projects for a further 120 days to enable due diligence to be completed on the following tenements.

DNPM Permit Number	880.088/2008(Ema)	9515.94ha
DNPM Permit Number	880.089/2008 (Ema)	9335.94ha
DNPM Permit Number	880.090/2008 (Ema)	8172.25ha
DNPM Permit Number	880.133/2008 (Pombos)	8687.49 ha

BBX also announced that under due diligence undertaken to date BBX was relinquishing 10 tenement options and its Juma West application.

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 Licence
DNPM Permit Number - 880.107/08 Location Brazil (Ema)	9839.91	100% Exploration Licences
DNPM Permit Number - 880.090.08 Location Brazil (Tres Estades)	8172.25	100% Exploration Licences
DNPM Permit Number - 880.094/2014 Location Brazil (Pombos)	1000.36	100% Application for Exploration Licence
DNPM Number 880.070/2007 Location Brazil	Eldorado do Juma	75% Option held
DNPM Number 880.152/2012 Location Brazil (Under application)	Eldorado do Juma	75% Option held

Directors' Report

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Competent Person Statement:

The information in this report relates to exploration results is based on, and fairly represents, information and supporting documentation prepared by Mr. Antonio de Castro who is a Member of the Australasian Institute of Mining and Metallurgy. BBX's Consulting Geologist Mr. Castro has sufficient experience which is relevant to the style of mineralization and the 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 consents to the inclusion in the report of the matters based on his information.

Financial review

Financial position

The net assets of the Group have decreased by \$370,965 from \$1,285,313 at 30 June 2014 to \$914,348 at 30 June 2015. This decrease is largely due to the following factors:

- Reduction in Trade debtors
- Exchange rate translation costs
- Increase in administration costs.

Dividends paid or recommended

The Group did not declare any dividend for the year ended 30 June 2015.

Events after the reporting date

On 21 July 2015 BBX announced it has commenced an induced polarisation (IP) programme to fine tune its drilling programme on its Plato and Guida tenements at its Juma East project. The Company also advised that visits by potential drilling companies to the Guida and Plato sites have been completed and BBX expects to receive proposals by the end of July 2015. BBX is expecting to award the tender early August. BBX also advised that construction of the exploration camp is expected to be finished on schedule.

BBX also announced the signing of the Goldmen technical services agreement announced 23 June 2015. BBX has been provided with initial geophysical and geological data and location of garimpos (artisanal workings), to enable the due diligence to be commenced.

BBX also announced on 21 July 2015 that its 100% owned subsidiary Mineracao BBX do Brasil Ltda, and Raquel Correia da Silva (Seller) have agreed to a reduction by 50% in BBX's lease commitments on its Juma East project.

Under the revised agreements only a further \$25,000 is payable in 2015 for BBX's Boia Velha lease (DNPM 880.117/2008), which provides BBX with a reduction in lease commitments for 2015 while undertaking the drilling programme at Juma East. Under the revised agreements in the enclosed table, BBX can still exit any lease without any further lease commitments.

The optioned leases on Ema are subject to separate lease agreements. BBX can exit any of the leases on Ema without any further commitments. Details of the lease payments are provided in the enclosed table.

On 13th August 2015 BBX announced the results of the 8700m IP programme at the Plato and Guida targets to fine tune the locations of the drill holes. The IP survey was conducted by the contractor Geomag and the QA/QC, processing and interpretation was conducted by Reconsult.

On 31 August 2015 BBX announced its 100% owned subsidiary Mineração BBX do Brasil Ltda has accepted a tender from Energold Perfurações Ltda, owned by Energold Drilling Corp of Canada (TSX- V: EGD) to drill its Guida and Plato prospects at its Juma East project, following the completion of the Induced Polarisation (IP) programme. BBX also advised it had finalised the locations of its proposed drill holes and completed the base camp construction and widening of the access road

Directors' Report

30 June 2015

to facilitate mobilisation of the drilling equipment. BBX also advised it expects mobilisation to commence within the next 2-3 weeks and drilling to commence immediately the rig is on site.

Under the drilling contract BBX will also issue the following shares to Energold Drilling Corp of Canada.

- On mobilisation a total of 117,187 shares and on de- mobilisation a total of 117,187 shares.
- For each metre drilled, a total of 914 shares.
- All shares will be issued on completion of the drilling programme

On 15th September 2015 BBX announced that its 100% owned subsidiary Mineração BBX do Brasil Ltda will commence drilling 6 targets at its Juma East project in late September 2015. Mobilisation of drilling equipment from Belo Horizonte to site commenced on 14 September 2015. BBX also announced a drilling sequence.

BBX then announced on 28 September 2015 that drilling had commenced on Juma East and that following a review a further 8 tenements had been released. BBX also advised that the DNPM has issued exploration licences for the Tres Estados and Ema tenements. BBX then updated the future commitments of the exploration licences currently held as per the table below:

Lease	Reference	Amount	Due Date
Juma East Project			
Guida/Plato	DNPM 880.129/2008	USD100,000	15 May 2016
		USD100,000	15 May 2017,18,19
Boia Velha	DNPM 880.117/2008	USD 25,000	15 August 2015
		USD 50,000	15 August 2017,18,19,20
Pintado	DNPM 880.115/2008	USD 25,000	15 February 2016
		USD 50,000	15 February 2017,18,19,20
Pepita	DNPM 880.116/2008	USD 25,000	15 February 2016
		USD 50,000	15 February 2017,18,19,20
Project			
Tres Estados	DNPM 880.090/2008	USD 10,000	24 March 2016
		USD 10,000	24 March 2017
		USD 20,000	24 March 2018,19,20,21
Ema	DNPM 880.107/2008	USD 10,000	24 March 2016
		USD 10,000	24 March 2017
		USD 20,000	24 March 2018,19,20,21

Corporate

On 20 July 2015 BBX issued 3,000,000 shares and 750,000 options at \$0.0125 cents expiring on or before 1 March 2018 under the short fall securities pursuant to the rights issued of the Company.

On 9th September 2015 BBX issued 1,000,000 shares and 250,000 options at \$0.0125cents expiring on or before 1 March 2018 for corporate services provided to the Company.

On 22nd September 2015 BBX issued 7,500,000 options at \$0.0125cents expiring on or before 1 March 2018 to Drake Private Investments LLC pursuant to an underwriting fee under the rights issue of the Company.

Other than the matters outlined above there have been no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect:

- the consolidated group's operations in future years; or
- the results of those operations in future years; or
- the consolidated entity's state of affairs in future years.

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Future developments and results

BBX has successfully secured title to six exploration licenses covering 56,454ha at Juma East, Tres Estados and Ema, in a totally unexplored region containing widespread garimpeiro (artisanal mining) workings. BBX has also applied for additional tenements in Juma East and Pombos area totalling 1,662ha. In total BBX has 58,116 ha either under granted leases or under application.

Exploration commenced at Juma East in November 2013, and has continued with sampling and mapping of the principal old workings, and soil sampling, auger drilling and pitting along the identified mineralised structures. An aero magnetic survey has been undertaken over the entire Juma East tenement holding, to understand the geochemical targets and to assist in drill target definition for primary gold mineralisation. In June July 2015 an induced polarisation programme was completed in preparation for a drilling programme expected to commence late September 2015.

As part of the continuing Juma East, Ema and Pombos evaluation of the Company will continue to pursue opportunities for establishing a short-term production base from near-surface mineralisation, utilising the proceeds to conduct systematic exploration for deeper, large-scale mineralised systems.

BBX will continue actively to pursue other opportunities within Brazil to acquire high-margin, modest-capex mineral assets with the potential to generate early cash flows. In addition, the recent commencement of mining at Chapada will generate a modest ongoing royalty income which it is anticipated will largely cover Brazil-based fixed overhead costs.

The Group does not at present generate cash from its operations. The Group will require further funding to meet its corporate expenses and exploration activities. The sale of the Eldorado do Juma asset, is expected to assist the group to meet these costs.

Environmental issues

The Group's operations are not subject to significant environmental regulations under the laws of the Commonwealth and States of Australia. However in Brazil the Company must obtain environmental license approval where the exploration activities will impact on the license area.

Meetings of directors

During the financial year, 6 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Alistair Smith	6	6
Michael Schmulian	6	6
Will Dix	6	6

The directors also meet informally between board meetings.

Indemnification and Insurance of Directors and Officers

During the financial year, the company paid a premium of \$10,375 (2014: \$10,143) exclusive of GST, in respect of a contract insuring the directors of the company, the company secretary and all executive officers of the Group against a liability incurred as a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

BBX Minerals Limited

Directors' Report

30 June 2015

Options

At the date of this report, the unissued ordinary shares of BBX Minerals Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
19 June 2013 (unlisted)	30 March 2016	\$0.05	17,500,000
31 July 2014 (unlisted)	1 July 2017	\$0.05	6,000,000
25/11/2014 (unlisted)	24 November 2017	\$0.05	17,000,000
1 May 2015 (unlisted)	1 March 2018	\$0.0125	15,331,521
Total Options on issue			55,831,521

Option holders do not have any rights to participate in any issues of shares or other interests in the Group or any other entity.

For details of options issued to directors and other key management personnel as remuneration, refer to the remuneration report.

During the year ended 30 June 2015, no ordinary shares of BBX Minerals Limited were issued on the exercise of options granted.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Non-audit services

No non-audit related services were provided by the auditors during the year.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2015 has been received and can be found on page 17 of the financial report.

Remuneration report (audited)

Remuneration policy

The remuneration policy of BBX Minerals Limited has been designed to align key objectives with shareholder and business objectives based on key performance areas affecting the Group's financial results. The Board of BBX Minerals Limited believes the remuneration policy to be appropriate.

The Board establishes and monitors the remuneration of the Chief Executive Officer. The board appointed its acting CEO as Chief Executive Officer on 1 March 2015 to manage day to day business of the Company.

The Board may approve incentives, bonuses and options to executives from time to time. The remuneration policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Remuneration paid is valued at the cost to the Group and expensed.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. Independent external advice may be sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting, the current maximum is \$150,000. Please refer to our Corporate Governance Statement on our website www.bbx.minerals.com.au/corporate-responsibility

Directors' Report

30 June 2015

Service Agreements

On appointment to the Board, all non-executive directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of director.

Directors Remuneration details for the year ended 30 June 2015

The following table of benefits and payment details, in respect to the financial year.

Table of benefits and payments

30 June 2015	Directors Fees	Management Fee	Superannuation/ Bonus	Share Based Payments	Total Remuneration
Alistair Smith	18,000	-	-	4,978	22,978
Michael Schmulian	18,000	-	-	4,978	22,978
William Dix	21,273	-	-	4,978	26,261
Total	57,273	-	-	14,934	72,207

30 June 2014	Directors Fees	Management Fee	Superannuation/ Bonus	Share Based Payments	Total Remuneration
Alistair Smith	24,000	-	-	-	24,000
Michael Schmulian	24,000	-	-	-	24,000
William Dix	26,400	-	-	-	26,400
Total	74,400	-	-	-	74,400

Cash Performance –Related bonuses

No bonuses were granted during the financial year to management personnel.

Description of options/rights granted as remuneration

There were no options granted as remuneration to directors during the year.

End of Remuneration Report.

BBX Minerals Limited

Directors' Report

30 June 2015

Proceedings on Behalf of the Company

No Person has applied for leave of the court to bring proceedings on behalf of the Company for all or part of those proceedings.

This director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors dated 30th September 2015.

A handwritten signature in black ink, appearing to read 'Michael Schmulian', with a long horizontal stroke extending to the right.

Michael Schmulian
Chairman

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BBX MINERALS LIMITED**

As lead auditor of BBX Minerals Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

Lachlan Nielson Partners Pty Limited



Anthony Rose
Director

Sydney, 30 September 2015

BBX Minerals Limited

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2015

	Note	Consolidated Group	
		2015 \$	2014 \$
Royalties Received		8,904	-
Other income	3	131,503	11,622
		<u>140,407</u>	<u>11,622</u>
Depreciation and amortisation expense		(3,947)	(3,833)
Administration Expense		(381,573)	(310,427)
Foreign exchange loss		(935)	-
Legal and professional fees		(13,655)	(89,543)
Mining and exploration expenses		(265)	(362,743)
Loss on sale of plant and machinery		-	(1,116)
Share Based Payments		(64,262)	-
Directors fees		(57,273)	(74,000)
Royalty Expense		(6,233)	-
Other expenses		(15,635)	(22,514)
Loss from continuing operations before income tax		(403,371)	(852,554)
Income tax expense		-	-
Loss from continuing operations for the year		(403,371)	(852,554)
Profit/(loss) from discontinued operations	4,5	(449,694)	800,572
Tax on profit from discontinued operations		-	-
Profit/(loss) from discontinued operations after income tax		(449,694)	800,572
Loss after Income Tax		(853,065)	(51,982)
Other comprehensive income/(loss)			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translating foreign operations		(142,814)	85,611
Total comprehensive income/(loss) for the year		(995,879)	33,629
Attributable to ordinary shareholders			
Earnings per share	13		
From continuing and discontinuation operations			
Basic earnings per share (cents per share)		(0.66)	(0.04)
Diluted earnings per share (cents per share)		(0.66)	(0.04)
From continuing operations			
Basic earnings per share (cents per share)		(0.31)	(0.73)
Diluted earnings per share (cents per share)		(0.31)	(0.73)

These financial statements should be read with the accompanying notes

BBX Minerals Limited

Statement of Financial Position

30 June 2015

	Note	Consolidated Group	
		2015	2014
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	6	246,227	285,259
Trade Debtors	7	37,970	1,015,378
TOTAL CURRENT ASSETS		284,197	1,300,637
NON-CURRENT ASSETS			
Plant and equipment	8	11,787	17,434
Trade and other receivables	7	86,682	101,017
Exploration & evaluation assets	9	959,928	283,860
TOTAL NON-CURRENT ASSETS		1,058,397	402,311
TOTAL ASSETS		1,342,594	1,702,948
CURRENT LIABILITIES			
Trade and other payables	10	383,339	372,728
TOTAL CURRENT LIABILITIES		383,339	372,728
NON-CURRENT LIABILITIES			
Trade and other payables	10	44,907	44,907
TOTAL NON-CURRENT LIABILITIES		44,907	44,907
TOTAL LIABILITIES		428,246	417,635
NET ASSETS		914,348	1,285,313
EQUITY			
Issued capital	11(a)	14,786,384	14,203,732
Accumulated losses		(14,001,985)	(13,148,920)
Options reserve	12	196,262	154,000
Foreign currency translation reserve		(66,313)	76,501
TOTAL EQUITY		914,348	1,285,313

These financial statements should be read with the accompanying notes

BBX Minerals Limited

Statement of Cash Flows For the Year Ended 30 June 2015

	Note	Consolidated Group	
		2015	2014
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest and royalty Received		28,226	8,138
Payments to suppliers and employees		(341,479)	(584,568)
Payments for exploration and evaluation		(265)	(362,743)
Net cash used in operating activities	17	(313,518)	(939,173)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Exploration & evaluation assets		(676,068)	(197,482)
Net proceeds from sale of exploration & evaluation assets		449,694	980,323
Purchase of property, plant and equipment		(765)	(3,051)
Net cash provided by/ (used in) investing activities		(227,139)	779,790
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares, options, etc.		591,261	-
Loan advances		-	(74,710)
Cost of capital raising		(30,609)	(3,383)
Net cash provided by /(used in) financing activities		560,652	(78,093)
Net increase in cash held		19,995	(237,476)
Cash at beginning of financial year		285,259	378,668
Exchange rate changes on the balance of cash held in foreign currencies		(59,027)	144,067
Cash at end of financial year	5	246,227	285,259

These financial statements should be read with the accompanying note

BBX Minerals Limited

Statement of Changes in Equity

For the Year Ended 30 June 2015

Consolidated Group	Note	Share Capital Ordinary	Accumulated Losses	Foreign Exchange Reserve	Option Reserve	Total
		\$	\$	\$	\$	\$
Balance at 1.7.2013		13,846,315	(13,424,538)	(9,110)	762,400	1,175,067
Profit/(loss) attributable to members of parent entity		-	(51,982)	85,611	-	33,629
Shares issued during the year		80,000	-	-	-	80,000
Options lapsed during the year		280,800	327,600	-	(608,400)	-
Capital raising costs		(3,383)	-	-	-	(3,383)
Balance at 30.06.2014		14,203,732	(13,148,920)	76,501	154,000	1,285,313
Profit/(loss) attributable to members of parent entity		-	(853,065)	(142,814)	-	(995,879)
Shares issued during the year		613,261	-	-	-	613,261
Options issued during the year		-	-	-	42,262	42,262
Capital raising costs		(30,609)	-	-	-	(30,609)
Balance at 30.6.2015		14,786,384	(14,001,985)	(66,313)	196,262	914,348

These financial statements should be read with the accompanying notes

Notes to the Financial Statements

For the Year Ended 30 June 2015

This financial report covers the consolidated financial statements and notes of BBX Minerals Limited (parent) its controlled and jointly controlled entities and its interest in associates (the 'Group'). BBX Minerals Limited is a for-profit listed public company domiciled in Australia. The financial statements were authorised for issue by the Board of Directors on 30 September 2015.

Each of the entities within the Group prepares their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The separate financial statements and notes of the parent entity, BBX Minerals Limited, have not been presented within this financial report as permitted by amendments made to the Corporations Act 2001. Parent entity summary is included in Note 21.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

These financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

The financial statements are based on historical costs, except for the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Principles of Consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost. Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements. Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. A list of controlled entities is contained in Note 14 to the financial statements.

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Interests in associates, where the investor has significant influence over the investee, are accounted for using the equity method in accordance with AASB 128 *Associates and Joint Ventures*. Under this method, the investment is initially recognised as cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

(c) Business Combinations

Business combinations are accounted for by applying the acquisition method, which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date. This is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the assets, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities. Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2015

(d) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated. Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

(e) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax consequences relating to a non-monetary asset carried at fair value are determined using the assumption that the carrying amount of the asset will be recovered through sale.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(f) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

Interest income is recognised using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Interest revenue

Interest is recognised using the effective interest method.

Royalty Income

Royalty income which is generally earned based upon a percentage of sales is recognized on an accrual basis.

Notes to the Financial Statements

For the Year Ended 30 June 2015

(g) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(h) Plant and Equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows. Motor Vehicles, Office equipment, Computers – 3-5 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(j)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(i) Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred)

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Notes to the Financial Statements

For the Year Ended 30 June 2015

(i) Financial Instruments continued

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, impairment provisions are recorded in a separate allowance account with the loss being recognised in profit or loss. When confirmation has been received that the amount is not collectable, the gross carrying value of the asset is written off against the associated impairment provision.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

In some circumstances, the Group renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Group does not necessarily consider the balance to be impaired, however an assessment is made on a case-by-case basis.

The Group's trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Group's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss. The Group did not have any held to maturity investments during the year.

Notes to the Financial Statements

For the Year Ended 30 June 2015

(i) Financial Instruments continued

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets.

Purchases and sales of available-for-sale investments are recognised on settlement date.

All other available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in prior period consolidated income statements resulting from the impairment of debt securities are reversed through the income statement. If the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss. The Group did not have any available for sale financial assets during the year.

Financial liabilities

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the income statement line items "finance costs" or "finance income".

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Group's financial liabilities include borrowings, trade and other payables, which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(j) Impairment of non-financial assets

At the end of each reporting period, the Group determines whether there is an evidence of an impairment indicator for non-financial assets. Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets, which have suffered an impairment loss, except for goodwill.

Notes to the Financial Statements

For the Year Ended 30 June 2015

(k) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(l) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(m) Earnings per share

The Group presents basic and diluted earnings per share information for its ordinary shares.

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(n) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

(o) Equity-settled compensation

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The amount to be expensed is determined by reference to the fair value of the options or shares granted, this expense takes in account any market performance conditions and the impact of any non-vesting conditions but ignores the effect of any service and non-market performance vesting conditions.

Non-market vesting conditions are taken into account when considering the number of options expected to vest. At the end of each reporting period, the Group revises its estimate of the number of options which are expected to vest based on the non-market vesting conditions. Revisions to the prior period estimate are recognised in profit or loss and equity.

(p) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Notes to the Financial Statements

For the Year Ended 30 June 2015

(p) Foreign currency transactions and balances (continued)

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

(q) Exploration and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. As the asset is not available for use it is not depreciated or amortised.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the period in which the decision to abandon that area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(r) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

Key estimates – share based payments

Equity-settled share awards are recognised as an expense based on their fair value at date of grant. The fair value of equity-settled share options is estimated through the use of option valuation models – which require inputs such as the risk-free interest rate, expected dividends, expected volatility and the expected option life – and is expensed over the vesting period.

Some of the inputs used, such as the expected option life, are not market observable and are based on estimates derived from available data, such as employee exercise behaviour. The models utilised, such as the binomial option pricing model, are intended to value options traded in active markets. The share options issued by the Group, however, have a number of features that make them incomparable to such traded options. Using different input estimates or models could produce different option values, which would result in the recognition of a higher or lower expense.

For example, if the volatility assumption was increased by 15 per cent (or decreased by 15 per cent), the fair values for options granted under the employee option scheme would increase by approximately \$ 0.001.

Key judgments – doubtful debts provision

Included in trade and other receivables is loan receivable from Cooper Juma amounting to \$86,682 (2014: \$101,017). The directors are of the opinion that no impairment on the loan balance is necessary as at the date of this report. Refer to note 7 to the financial statements for details.

Key judgments - exploration and evaluation expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at \$959,928 (2014: \$283,860).

Control assessment

The Company is the largest shareholder in Comin Gold and owns 75% of the voting interest. The other shareholder has the remaining 25% of the voting interest. Based on the voting patterns and power able to be exerted by BBX Minerals Limited, management has determined that Comin Gold is controlled by BBX Minerals Limited and therefore forms part of the consolidated entity.

Notes to the Financial Statements

For the Year Ended 30 June 2015

Classification of joint arrangements

BBX Minerals Limited has joint arrangements, which are structured through an incorporated entity. BBX Minerals Limited and the other parties to the arrangements have rights to the net assets of the incorporated entity based on the agreement in place and therefore based on facts and circumstances, the joint arrangements have been classified as a joint venture and therefore equity accounting has been applied.

(s) Going concern

The Group incurred a loss after tax in the year from continuing operations of \$403,371 (2014 loss: \$852,554) and the Group's cash at bank has decreased from \$285,259 to \$246,227. The Group's ability to meet its operational obligations is principally contingent on capital raising and proceeds from sale of its Eldorado do Juma project which is expected to be within the next 12 months. In the event that the sale transaction is delayed, the Group's continuance as a going concern, will be dependent on its ability to sell its assets and negotiate terms with creditors. This gives rise to a material uncertainty in relation to the Group's ability to realise its assets and settle its liabilities at the amounts stated in the financial report. The directors consider the Group to be a going concern based on the following assumptions, which the directors consider reasonable:

- The Group continues to carefully manage expenditures, particularly head office expenses;
- The directors anticipate a successful completion of the sale of other projects, which are expected to provide the Group with additional cash inflows; and
- The directors believe that future capital raising's can be undertaken to finance operations if required.

Accordingly, the financial report is prepared on a going concern basis. No adjustments have been made to the financial report relating to the recoverability or classification of the recorded asset amounts and classification of liabilities that maybe necessary should the Group not continue as a going concern.

Notes to the Financial Statements

For the Year Ended 30 June 2015

2. New and revised accounting standards and interpretations

(a) Adoption of new and revised accounting standards

The Group has adopted all new standards and interpretations which became mandatorily effective during the period.

There has been no significant impact on the reported financial position or performance of the Group on adoption.

(b) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. The following table summarises those future requirements, and their impact on the Group:

Standard Name	Group effective date	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6v / AASB2013-9 / AASB 2014-1 / AASB 2014-7 / AASB2014-8	30 June 2019	Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics test. All investment in equity instruments using AASB 9 are to be measured at fair value.	It is not expected that these changes will have material impact for the majority of entities.
AASB 15 Revenue from contracts with customers and amending standards AASB 2014-5	30 June 2018	AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.	The changes in revenue recognition requirements in AASB 15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures. The impact of AASB 15 has not yet been quantified.
AASB 2015-1 Annual improvements (2012-2014 cycle)	1 January 2016	The following amendments / clarifications are made: * AASB 5 – reclassification from held for sale to held for distribution to owners or from held for distribution to owners to held for sale is considered to the continuation of the original plan of disposal; * AASB 7 – adds basis of conclusion to clarify disclosure requirements for transferred financial assets and offsetting arrangements; * AASB 119 – confirms that high quality corporate bonds or national government bonds used to determine discount rates must be in the same currency as the benefits paid to the employee; * AASB 134 – clarifies information about cross references in the interim financial report	It is not expected that these changes will have material impact for the majority of entities.

Notes to the Financial Statements
For the Year Ended 30 June 2015

Consolidated Group

2015 **2014**
\$ **\$**

3. REVENUE FROM CONTINUING OPERATIONS

Other revenue

Interest received	19,322	8,138
Foreign exchange gains	-	3,484
Write-off of payables	112,181	-
	<u>131,503</u>	<u>11,622</u>

4. REVENUE FROM DISCONTINUED OPERATION

Net gain/(loss) on disposal of Chapada Project	<u>(449,694)</u>	<u>800,572</u>
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5. DISCONTINUED OPERATIONS

Net gain on disposal of capitalised exploration asset

Revenue from sale of Chapada Project	(449,694)	1,946,698
Carrying value of exploration asset at date of sale	-	(1,146,126)
Gain/(loss) on disposal of exploration asset	<u>(449,694)</u>	<u>800,572</u>
Income tax expense*	-	-
Gain/(loss) on disposal of exploration asset after tax	<u>(449,694)</u>	<u>800,572</u>

The group has tax losses, so no income tax expense will be incurred.

The net cash flows of the discontinued operations, which have been incorporated into the statement of cash flows, are as follows:

2015 **2014**
\$ **\$**

Net cash inflow/(outflow) from operating activities	-	-
Net cash inflow/(outflow) from investing activities	449,694	980,323
Net cash inflow/(outflow) from financing activities	-	-
Net cash increase in cash generated by discontinued operation	<u>449,694</u>	<u>980,323</u>

Notes to the Financial Statements
For the Year Ended 30 June 2015

6. CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2015	2014
	\$	\$
Cash at bank and in hand	246,227	285,259

7. TRADE AND OTHER RECEIVABLES

	Consolidated Group	
	2015	2014
	\$	\$
<i>CURRENT</i>		
Trade receivables	1,591	-
Prepayments	36,379	49,003
Receivables from Chapada sale	-	966,375
Total current trade and other receivables	<u>37,970</u>	<u>1,015,378</u>
<i>NON-CURRENT</i>		
Loans to CooperJuma	<u>86,682</u>	<u>101,017</u>

The loans to CooperJuma that attract interest at a rate of 1% per month, commenced on October 2013 and were repayable in September 2014. However, BBX was aware that CooperJuma was not in a position to repay the loans in September 2014 as production had not commenced at Eldorado do Juma. BBX has subsequently agreed that the loan may be repaid once production commences at Eldorado do Juma, with the interest continuing to be accrued at a rate of 1% per month on the balance until repaid in full.

The Directors are of the opinion that no impairment provision on the loans is necessary at this point based on the terms and conditions of the definitive sales and purchase agreement for Eldorado do Juma. However, the Directors will continuously review and assess the recoverability of the loans.

Notes to the Financial Statements
For the Year Ended 30 June 2015

8. PLANT AND EQUIPMENT

	Computer	Motor Vehicles	Office Equipment	Total
	\$	\$	\$	\$
Year ended 30 June 2014				
Opening net book balance	1,116	18,216	-	19,332
Additions	-	-	3,051	3,051
Disposals	(1,116)	-	-	(1,116)
Depreciation charge	-	(3,808)	(25)	(3,833)
Net book balance	-	14,408	3,026	17,434
As at 30 June 2014				
Cost or fair value	-	19,518	3,051	22,569
Accumulated depreciation	-	(5,110)	(25)	(5,135)
Net book value	-	14,408	3,026	17,434
Year ended 30 June 2015				
Opening net book balance	-	14,408	3,026	17,434
Additions	-	-	765	765
Foreign exchange effect	-	(1,996)	(469)	(2,465)
Depreciation charge	-	(3,593)	(354)	(3,947)
Net book balance	-	8,819	2,968	11,787
As at 30 June 2015				
Cost or fair value	-	16,536	3,316	19,852
Accumulated depreciation	-	(7,717)	(348)	(8,065)
Net book value	-	8,819	2,968	11,787

Plant and equipment has been tested for impairment at 30 June, 2015 resulting in no impairment loss.

Notes to the Financial Statements
For the Year Ended 30 June 2015

9. EXPLORATION AND EVALUATION ASSETS

	Consolidated Group	
	2015	2014
	\$	\$
Recoverable within 12 months	-	-
Recoverable after 12 months	959,928	283,860
	<u>959,928</u>	<u>283,860</u>

Exploration Licenses are carried at cost of acquisition less impairment losses. There were no impairment losses recognised in the year.

(a) Exploration, evaluation and development assets

	Exploration and evaluation
	\$
2015	
Balance at beginning of the year	283,860
Expenditure incurred on existing assets	<u>676,068</u>
Balance at end of the year	<u><u>959,928</u></u>
2014	
Balance at beginning of the year	1,036,126
Expenditure incurred on existing assets	110,000
Expenditure incurred on new assets	283,860
Disposals (note 5)	<u>(1,146,124)</u>
Balance at end of the year	<u><u>283,860</u></u>

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

The recoverable amount of development expenditure is determined as the higher of its fair value less costs to sell and its value in use.

10. TRADE AND OTHER PAYABLES

	Consolidated Group	
	2015	2014
	\$	\$
<i>CURRENT</i>		
Unsecured liabilities		
Trade payables	78,014	157,953
Other payables and accruals	<u>305,325</u>	<u>214,775</u>
	<u>383,339</u>	<u>327,728</u>
<i>NON-CURRENT</i>		
Unsecured liabilities	<u>44,907</u>	<u>44,907</u>

Notes to the Financial Statements
For the Year Ended 30 June 2015

11. ISSUED AND PAID-UP CAPITAL

	2015 No	2014 No	2015 \$	2014 \$
a. Ordinary shares				
Ordinary shares fully paid	179,780,308	118,454,232	14,786,384	14,203,732

b. Movements in ordinary share capital:

Date	Details	Notes	Number of shares	Issue Price	\$
1 July 2013	Opening Balance		114,454,232	-	13,846,315
30 January 2014	Shares issued		4,000,000	0.020	80,000
	Less: Options Expired		-	-	280,800
	Less: Transaction costs arising on share issue		-	-	(3,383)
30 June 2014	Balance		118,454,232	-	14,203,732
1 May 2015	Shares issued		60,126,076	0.010	601,261
29 June 2015	Shares issued		1,200,000	0.010	12,000
	Less: Transaction costs arising on share issue		-	-	(30,609)
30 June 2015	Balance		179,780,308	-	14,786,384

Notes to the Financial Statements

For the Year Ended 30 June 2015

12. OPTION RESERVE

	Consolidated Group		Consolidated Group	
	2015	2014	2015	2014
	No	No	\$	\$
Balance beginning of the financial period	17,500,000	30,625,000	154,000	762,400
a) Expiration of 5,625,000 unlisted options to brokers exercisable at \$0.25 each on or before 30 June 2014	-	(5,625,000)	-	(280,800)
b) Expiration of 7,500,000 unlisted options to Bacchus Strategic Developments Pty Ltd exercisable at \$0.25 each on or before 30 June 2014	-	(7,500,000)	-	(327,600)
c) Issue of 6,000,000 unlisted options to consultants exercisable at \$0.05 each on or before 1 July 2017	6,000,000	-	14,053	-
d) Issue of 17,000,000 unlisted options to consultants and directors exercisable at \$0.05 each on or before 24 November 2017	17,000,000	-	28,209	-
e) Issue of 15,331,521 unlisted options issued to shareholders from rights issue @ \$0.0125 each exercisable on or before 1 March 2018	15,331,521	-	-	-
	<u>55,831,521</u>	<u>17,500,000</u>	<u>196,262</u>	<u>154,000</u>

Notes to the Financial Statements

For the Year Ended 30 June 2015

12. OPTION RESERVE (Continued)

The fair value of the share options granted is estimated as at the date of grant using a Black-Scholes Model taking into account the terms and conditions upon which the options were granted. Expected volatility is estimated using the Black-Scholes option pricing model applying the following inputs:

	2015	2014
Dividend yield (%)	0%	0%
Expected volatility (%)	140%	137%
Risk free interest rate (%)	2.72%	2.43%
Expected life of the option (years)	3.00	2.78
Option exercise price (\$)	\$0.05	\$0.05
Share price at grant date (\$)	\$0.007	\$0.015

13. EARNINGS PER SHARE	Consolidated Group	
	2015	2014
	Cents	Cents
a. Basic earnings per share		
From continuing operations	(0.31)	(0.73)
From discontinued operation	(0.35)	0.69
Total basic earning earnings per share	(0.66)	(0.04)
b. Diluted earnings per share		
From continuing operations	(0.31)	(0.73)
From discontinued operation	(0.35)	0.69
Total basic earning earnings per share attributable to the ordinary equity holders of the company	(0.66)	(0.04)
c. Reconciliation of earnings used calculate earnings per share		

The earnings and weighted average number of shares used in the calculation of basic earnings per share as follows:

<i>Basic earnings per share</i>	2015	2014
Profit attributable to the ordinary equity holders of the company:		
Profit/(loss) from continuing operations	(403,371)	(852,554)
Profit from discontinued operation	(449,694)	800,572
Profit attributable to the shareholders of the company	(853,065)	(51,982)
Weighted average number of ordinary shares for the purposes of basic earnings per share	128,341,258	116,032,314

Diluted earnings per share

Profit/(loss) attributable to the ordinary equity holders of the company:

Profit/(loss) from continuing operations	(403,371)	(852,554)
Profit/(loss) from discontinued operation	(449,694)	800,572
	(853,065)	(51,982)

Weighted average number of ordinary shares for the purposes of basic e.p.s - the calculation of weighted average number of ordinary shares does not include options as stated in Note 12 which are antidilutive as the group has made a loss in the current and prior year.

128,341,258	116,032,314
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BBX Minerals Limited

Notes to the Financial Statements

For the Year Ended 30 June 2015

14. CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned (%)*
Subsidiaries of BBX Minerals Ltd:		
BBX Peru	Peru	100%
BBX Lucanas	Peru	100%
BBX Brazil	Brazil	100%
Minorte Extração de Mineração Ltda	Brazil	100%
Comin Gold	Brazil	75%

15. RELATED PARTIES

Directors and Key Management Personnel

The Directors of BBX are considered the key management personnel of the consolidated economic entity. The director's remuneration and equity holdings have been disclosed in the director's report attached to the financial statements.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related Parties:

(a) Loans receivable (Note 7):	2015	2014
Loans to Cooper Juma	86,682	101,017
(b) Options issued under Share based payments		
Paid to directors	14,934	-
Paid to management	27,328	-
Total	38,942	-

On 24th November 2014 shareholders approved the issue of options to directors and Management.

The value of the options issued to directors are shown in the director's remuneration section.

The Chief Executive Officer and the Exploration Manager held the following shares and options at balance date:

	Interest in Shares and Options
Jeff McKenzie Chief Executive Officer	8,803,000 fully paid ordinary shares 6,000,000 Management options @ \$0.05 expiring 24 November 2017 1,880,400 options @ \$0.0125 expiring 1 March 2018
Antonio de Castro Exploration Manager	3,000,000 fully paid ordinary shares 6,000,000 Management options @ \$0.05 expiring 1 July 2017 750,000 options @ \$0.0125 expiring 1 March 2018

Notes to the Financial Statements

For the Year Ended 30 June 2015

16. SEGMENT INFORMATION

The Group has identified its operating segments based on internal reports that are reviewed by the Board and management. The Company operated in one business segment during the year, being mineral exploration and in two geographical areas, being Australia and Brazil

Year 2015	Brazil	Australia	Total
	\$	\$	\$
Revenue			
Segment Revenue	27,087	113,320	140,407
Depreciation	3,947	-	3,947
Loss after income tax (a)	(536,168)	(316,897)	(853,065)
Segment total assets (b)	994,069	348,524	1,342,593
Segment total liabilities (c)	67,407	360,839	428,246
Cash flow information			
Net cash inflows /(outflows) from operating activities	(68,875)	(244,643)	(313,518)
Net cash inflows /(outflows) from investing activities	(227,139)	-	(227,139)
Net cash inflows /(outflows) from financing activities	-	560,652	560,652
Year 2014	Brazil	Australia	Total
	\$	\$	\$
Revenue			
Segment Revenue	6,916	1,222	8,138
Depreciation	3,833	-	3,833
Loss after income tax (a)	261,155	(313,137)	(51,982)
Segment total assets (b)	1,679,328	23,620	1,702,948
Segment total liabilities (c)	45,930	371,705	417,635
Cash flow information			
Net cash inflows /(outflows) from operating activities	(616,041)	(323,132)	(939,173)
Net cash inflows /(outflows) from investing activities	779,790	-	757,559
Net cash inflows /(outflows) from financing activities	(74,710)	(3,383)	(78,093)

Notes to the Financial Statements

For the Year Ended 30 June 2015

16. SEGMENT INFORMATION Continued

(a) Profit / (loss) after tax

A reconciliation of loss after tax to the consolidated loss for the year is provided as follows:

	Consolidated Group	
	2015	2014
	\$	\$
Total loss after tax	(403,371)	(852,554)
Profit from discontinued operations	(449,694)	800,572
Profit/(loss) for the year	<u>(853,065)</u>	<u>(51,982)</u>

(b) Segment assets

Reportable segment assets are reconciled to total assets as follows:

	Consolidated Group	
	2015	2014
	\$	\$
Segment assets	1,342,593	1,702,948
Total assets per the statement of financial position	<u>1,342,593</u>	<u>1,702,948</u>

(c) Segment liabilities

Reportable segment liabilities are reconciled to total liabilities as follows:

	Consolidated Group	
	2015	2014
	\$	\$
Segment liabilities	428,246	417,635
Total liabilities per the statement of financial position	<u>428,246</u>	<u>417,635</u>

Notes to the Financial Statements

For the Year Ended 30 June 2015

17. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Consolidated Group	
	2015	2014
	\$	\$
Net loss after income tax	(853,065)	(51,982)
Loss on disposal of plant & equipment	-	1,116
Share based payments	64,262	-
Depreciation & amortisation	3,947	3,833
Proceeds from sale of assets included in investing activities	(449,694)	(800,572)
Realised foreign exchange gain	(83,784)	(85,611)
Changes in operating assets and liabilities:		
<i>(Increase)/Decrease in assets:</i>		
(Increase) /Decrease prepayments	12,624	(2,636)
(Increase) /Decrease receivables	981,581	(2,845)
<i>Increase/(Decrease in liabilities:</i>		
Increase/ (Decrease) in trade payables	10,611	(476)
Net cash flow from operating activities	<u>(313,518)</u>	<u>(939,173)</u>

18. SHARE BASED PAYMENTS

No shares were issued or options exercised under share based payments during the financial year. Refer to note 12.

19. AUDITORS' REMUNERATION

	Consolidated Group	
	2015	2014
	\$	\$
Audit and review of financial statements:		
Auditors of BBX Minerals Limited – LNP Audit and Assurance		
Remuneration for audit or review of financial statements	<u>41,000</u>	<u>25,027</u>
Other services:		
Total other service remuneration	<u>-</u>	<u>14,864</u>
Total auditor's remuneration	<u>41,000</u>	<u>39,891</u>

Notes to the Financial Statements

For the Year Ended 30 June 2015

20. FINANCIAL RISK MANAGEMENT

Capital Risk Management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. In order to maintain or adjust the capital structure, the Company may issue new shares or return capital to shareholders.

The Company's strategy, unchanged from the prior year, is to maintain a sufficient level of cash to meet its obligations, as and when any debts are due, and to meet any investment commitments.

There are no externally imposed capital requirements for the Company.

The Groups financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to and from subsidiaries.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are as follows:

	Note	Consolidated Group	
		2015	2014
		\$	\$
Financial Assets			
Cash and cash equivalents	6	246,227	285,259
Trade and other receivables			
-	7	124,652	1,116,395
Total Financial Assets		370,879	1,401,654
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	10	383,339	417,635
Total Financial Liabilities		383,339	417,635

Financial Risk Management Policies

The overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimizing potential adverse effects on financial performance. Its functions include the review of liquidity, foreign exchange and interest rate risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through financial instruments are liquidity risk, foreign exchange risk and market risk consisting of interest rate risk.

Notes to the Financial Statements

For the Year Ended 30 June 2015

20. FINANCIAL RISK MANAGEMENT (Cont)

a. Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources; and
- managing credit risk related to financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Cash flow realised from financial assets reflect management's expectation as to timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial Liability and Financial Asset Maturity Analysis

	Within 1 Year		1 to 5 Years		Total	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
Consolidated Group						
Financial liabilities due for payment						
Trade and other payables (excluding est. annual leave)	383,339	372,728	44,907	44,907	428,246	417,635
Total expected outflows	383,339	372,728	44,907	44,907	428,246	417,635
Financial assets — cash flows realisable						
Cash and cash equivalents	246,227	285,259	-	-	246,227	285,259
Trade and other receivables	37,970	966,375	86,682	101,017	124,652	1,067,392
Total anticipated inflows	284,197	1,251,634	86,682	101,017	370,879	1,352,651
Net (outflow)/inflow on financial instruments	(99,142)	878,906	41,775	56,110	(57,367)	935,016

Notes to the Financial Statements

For the Year Ended 30 June 2015

20. FINANCIAL RISK MANAGEMENT (continued)

b. Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The group is exposed to interest rate risk from funds held on deposit.

c. Foreign Exchange Risk

The Group has foreign operations and is exposed to foreign currency risk arising from various currency exposures, primarily with respect to the Brazilian Real (BRL).

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in the currency that is not the entity's functional currency. The risk is measured using the sensitivity analysis.

Sensitivity analysis

A strengthening of the AUD, as indicated below, against the BRL at 30 June 2015 would have increase/(decreased) equity and profit or loss by the amounts shown below. The analysis is based on foreign currency exchange rate variances that the Group considered reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

The following table details the Group's sensitivity to a 10% increase and decrease in the AUD against the BRL. The 10% represents management's assessment of the reasonable possible change in foreign exchange rates.

A positive number indicates an increase in profit or equity where the AUD strengthens 10% against the BRL.

For a 10% weakening of the AUD against the BRL there would be a comparable and opposite impact on the profit or equity.

	Strengthening		Weakening	
	Equity	Profit or loss	Equity	Profit or loss
30-Jun-15				
BRL (10% strengthening)	(80,456)	80,456	98,327	(98,327)
30-Jun-14				
BRL (10% strengthening)	(104,922)	104,922	104,922	(104,922)

Notes to the Financial Statements
For the Year Ended 30 June 2015

21. PARENT ENTITY FINANCIAL INFORMATION

(a) Summary financial information

The individual financial statements for the parent entity shows the following aggregate amounts:

	Parent	
	2015	2014
	\$	\$
Balance Sheet		
Current Assets	245,264	23,616
Non- Current Assets	2,297,742	2,222,241
Total Assets	<u>2,543,006</u>	<u>2,245,857</u>
Current Liabilities	315,930	326,798
Non-Current Liabilities	44,907	44,907
Total Liabilities	<u>360,837</u>	<u>371,705</u>
Net assets	<u>2,182,169</u>	<u>1,874,152</u>
Shareholder Equity		
Issued capital	14,786,384	14,203,732
Reserves	196,262	154,000
Accumulated Losses	(12,800,477)	(12,483,580)
	<u>2,182,169</u>	<u>1,874,152</u>
Statement of Comprehensive Income		
Total profit/(loss)	(316,897)	(313,137)
Total comprehensive income/(loss)	<u>(316,897)</u>	<u>(313,137)</u>

Notes to the Financial Statements

For the Year Ended 30 June 2015

22. SUBSEQUENT EVENTS

On 21 July 2015 BBX announced it has commenced an induced polarisation (IP) programme to fine tune its drilling programme on its Plato and Guida tenements at its Juma East project. The Company also advised that visits by potential drilling companies to the Guida and Plato sites have been completed and BBX expects to receive proposals by the end of July 2015. BBX is expecting to award the tender early August. BBX also advised that construction of the exploration camp is expected to be finished on schedule.

BBX also announced the signing of the Goldmen technical services agreement announced 23 June 2015. BBX has been provided with initial geophysical and geological data and location of garimpos (artisanal workings), to enable the due diligence to be commenced.

BBX also announced on 21 July 2015 that its 100% owned subsidiary Mineracao BBX do Brasil Ltda, and Raquel Correia da Silva (Seller) have agreed to a reduction by 50% in BBX's lease commitments on its Juma East project.

Under the revised agreements only a further \$25,000 is payable in 2015 for BBX's Boia Velha lease (DNPM 880.117/2008), which provides BBX with a reduction in lease commitments for 2015 while undertaking the drilling programme at Juma East. Under the revised agreements in the enclosed table, BBX can still exit any lease without any further lease commitments.

The optioned leases on Ema are subject to separate lease agreements. BBX can exit any of the leases on Ema without any further commitments. Details of the lease payments are provided in the enclosed table.

On 13th August 2015 BBX announced the results of the 8700m IP programme at the Plato and Guida targets to fine tune the locations of the drill holes. The IP survey was conducted by the contractor Geomag and the QA/QC, processing and interpretation was conducted by Reconsult.

On 31 August 2015 BBX announced its 100% owned subsidiary Mineração BBX do Brasil Ltda has accepted a tender from Energold Perfurações Ltda, owned by Energold Drilling Corp of Canada (TSX- V: EGD) to drill its Guida and Plato prospects at its Juma East project, following the completion of the Induced Polarisation (IP) programme. BBX also advised it had finalised the locations of its proposed drill holes and completed the base camp construction and widening of the access road to facilitate mobilisation of the drilling equipment. BBX also advised it expects mobilisation to commence within the next 2-3 weeks and drilling to commence immediately the rig is on site.

Under the drilling contract BBX will also issue the following shares to Energold Drilling Corp of Canada.

- On mobilisation a total of 117,187 shares and on de- mobilisation a total of 117,187 shares.
- For each metre drilled, a total of 914 shares.
- All shares will be issued on completion of the drilling programme

On 15th September 2015 BBX announced that its 100% owned subsidiary Mineração BBX do Brasil Ltda will commence drilling 6 targets at its Juma East project in late September 2015. Mobilisation of drilling equipment from Belo Horizonte to site commenced on 14 September 2015. BBX also announced a drilling sequence.

BBX then announced on 28 September 2015 that drilling had commenced on Juma East and that following a review a further 8 tenements had been released. BBX also advised that the DNPM has issued exploration licences for the Tres Estados and Ema tenements. BBX then updated the future commitments of the exploration licences currently held as per the table below:

Lease	Reference	Amount	Due Date
Juma East Project			
Guida/Plato	DNPM 880.129/2008	USD100,000	15 May 2016
		USD100,000	15 May 2017,18,19
Boia Velha	DNPM 880.117/2008	USD 25,000	15 August 2015
		USD 50,000	15 August 2017,18,19,20
Pintado	DNPM 880.115/2008	USD 25,000	15 February 2016
		USD 50,000	15 February 2017,18,19,20
Pepita	DNPM 880.116/2008	USD 25,000	15 February 2016
		USD 50,000	15 February 2017,18,19,20
Project			

BBX Minerals Limited

Notes to the Financial Statements

For the Year Ended 30 June 2015

Tres Estades	DNPM 880.090/2008	USD 10,000	24 March 2016
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		USD 10,000	24 March 2017
		USD 20,000	24 March 2018,19,20,21
Ema	DNPM 880.107/2008	USD 10,000	24 March 2016
		USD 10,000	24 March 2017
		USD 20,000	24 March 2018,19,20,21

Corporate

On 20 July BBX issued 3,000,000 shares and 750,000 options at \$0.0125cents expiring on or before 1 March 2018 under the short fall securities pursuant to the rights issued of the Company

On 9th September 2015 BBX issued 1,000,000 shares and 250,000 options at \$0.0125cents expiring on or before 1 March 2018 for corporate services provided to the Company.

On 22nd September 2015 BBX issued 7,500,000 options at \$0.0125cents expiring on or before 1 March 2018 to Drake Private Investments LLC pursuant to an underwriting fee under the rights issue of the Company.

Other than the matters outlined above there have been no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect:

- the consolidated group's operations in future years; or
- the results of those operations in future years; or
- the consolidated entity's state of affairs in future years.

23. CONTINGENT LIABILITIES

The Group has following contingent liabilities at 30 June 2015.

Juma East, Tres Estades and Ema gold projects.

BBX Minerals via its wholly owned subsidiary Mineracao BBX do Brasil Ltda holds an option to purchase 100% of the Juma East, Ema and Tres Estades projects from Raquel Correia da Silva, by paying for each tenement over a 6 year period, as per the table below plus expenditure commitments.

<u>Lease</u>	<u>Reference</u>	<u>Amount</u>	<u>Due Date</u>
Juma East Project			
Guida/Plato	DNPM 880.129/2008	USD100,000	15 May 2016
		USD100,000	15 May 2017,18,19
Boia Velha	DNPM 880.117/2008	USD 25,000	15 August 2015
		USD 50,000	15 August 2017,18,19,20
Pintado	DNPM 880.115/2008	USD 25,000	15 February 2016
		USD 50,000	15 February 2017,18,19,20
Pepita	DNPM 880.116/2008	USD 25,000	15 February 2016
		USD 50,000	15 February 2017,18,19,20
EMA Project			
Ema East	DNPM 880.090/2008	USD 10,000	24 March 2016
		USD 10,000	24 March 2017
		USD 20,000	24 March 2018,19,20,21
Ema West	DNPM 880.107/2008	USD 10,000	24 March 2016
		USD 10,000	24 March 2017
		USD 20,000	24 March 2018,19,20,21

BBX can exit any of the leases on EMA, Juma East and Pombos without any further commitments.

Notes to the Financial Statements

For the Year Ended 30 June 2015

24. COMMITMENTS

Further expenditure for exploration and mining is at the discretion of the directors of the company.

**Directors Declaration
For the Year Ended 30 June 2015**

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 22 to 48 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the company;
2. the Chief Executive Officer has declared that:
 - (a) The financial records of the Company for the financial year have been properly maintained in accordance with Section 286 of the Corporations Act 2001;
 - (b) The financial statements and notes for the financial year comply with the Accounting Standards, and;
 - (c) The financial statements and notes for the financial year give a true and fair view;
3. in the directors' opinion, there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Directors



Michael Schmulian
Chairman
30 September 2015

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BBX MINERALS LIMITED

Scope

Report on the Financial Report

We have audited the accompanying financial report of BBX Minerals Limited comprising the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control relevant as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud and error. In Note 1 the directors also state, in accordance with Accounting Standard AASB 101; *Presentation of Financial Statements* that the financial statements comply with the *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. These standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Auditors Report (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of BBX Minerals Limited, would be in the same terms if given to the directors at the time of this audit report.

Audit Opinion

In our opinion,

- (a) the financial report of BBX Minerals Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company and the consolidated entity's financial position as at 30 June 2015 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and with the *Corporations Regulations 2001*;
- (b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Significant Uncertainty Regarding Going Concern

Without modification to our opinion expressed above, attention is drawn to the Note 1(s) of the consolidated financial report, which sets out the basis on which the directors believe that the Group will be able to continue as a going concern. The Group incurred a loss after tax in the year from continuing operations of \$403,371 (2014 loss: \$852,554) and the Group's cash at bank has decreased from \$285,259 to \$246,227. The Group's ability to meet its operational obligations is principally contingent on capital raising and the proceeds from sale of its Eldorado do Juma project which is expected to be within the next 12 months. In the event that the sale transaction is delayed, Group's continuance as a going concern, will be dependent on its ability to sell its assets and negotiate terms with creditors. This gives rise to a material uncertainty in relation to the Group's ability to realise its assets and settle its liabilities at the amounts stated in the financial report.

No adjustments have been made to the financial report relating to the recoverability or classification of the recorded asset amounts and classification of liabilities that maybe necessary should the Group not continue as a going concern.

Corporate Governance Statement For the Year Ended 30 June 2015

The Board of Directors of BBX Minerals Limited (the "Company") is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

This statement sets out the main corporate governance practices in place throughout the financial year in accordance with 3rd edition of the ASX Principles of Good Corporate Governance and Best Practice Recommendations.

Further information about the Company's corporate governance practices is set out on the Company's website at www.bbxminerals.com.au.

This Statement was approved by the Board of Directors and is current as at 21 October 2015.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

ASX Recommendation 1.1: a listed entity should establish the functions reserved to the board and those delegated to senior executives and disclose those functions

The Company has complied with this recommendation.

The Board has adopted a formal charter that details the respective board and management functions and responsibilities. A copy of this board charter is available in the corporate governance section of the Company's website at www.bbxminerals.com.au.

ASX Recommendation 1.2: a listed entity should undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director and provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director

The Company has complied with this recommendation.

The Company did not elect any new Directors during the year.

Information in relation to Directors seeking reappointment is set out in the Directors report and Notice of Annual General Meeting.

ASX Recommendation 1.3: a listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.

The Company has complied with this recommendation.

The Company has in place written agreements with each Director.

ASX Recommendation 1.4: the company secretary of a listed company should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

The Company has complied with this recommendation.

The Board Charter provides for the Company Secretary to be accountable directly to the board through the Chair.

ASX Recommendation 1.5: a listed entity should:

- **have a diversity policy which includes the requirement for the board to set measurable objectives for achieving gender diversity and assess annually the objectives and the entity's progress to achieving them;**
- **disclose the policy or a summary of it;**
- **disclose the measurable objectives and progress towards achieving them; and**
- **disclose the respective proportions of men and women on the board and at each level of management and the company as a whole**

The Company partly complies with this recommendation.

The Company has adopted a Diversity Policy which is available in the corporate governance section of the Company's website at www.bbxminerals.com.au.

Corporate Governance Statement For the Year Ended 30 June 2015

The Board considers that, due to the size, nature and stage of development of the Company, setting measurable objectives for the Diversity Policy at this time is not appropriate. The Board will consider setting measurable objectives as the Company increases in size and complexity.

The Company currently has a very small number of employees which does not include any women employees and it has no women on the Board.

ASX Recommendation 1.6: a listed entity should disclose the process for evaluating the performance of the board, its committees and individual directors and whether a performance evaluation was carried out during the reporting period in accordance with that process.

The Company has complied with this recommendation.

The Company the board has adopted a self-evaluation process to measure its own performance and the performance of its committees during each financial year. The chairperson is also responsible for conducting an annual review of overall board performance during a regular meeting of the board.

A performance review was undertaken during the reporting period.

ASX Recommendation 1.7: a listed entity should have and disclose a process for periodically evaluating the performance of its senior executives and disclose in relation to each reporting period where a performance evaluation was undertaken in accordance with a process.

The Company has complied with this recommendation.

Arrangements put in place by the Board to monitor the performance of the Company's executives include:

- a review by the Board of the Company's financial performance; and
- appraisal meetings incorporating analysis of key performance indicators with each individual.

The Company has only one executive, the Chief Executive Officer (CEO). A formal appraisal meeting to review the CEO's performance was not conducted during the year however the Board received a report at each of its meetings from the CEO of activities being undertaken and as such constantly monitored the CEO's performance.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

ASX Recommendation 2.1: The board of a listed entity should establish a nomination committee:

- with at least three members the majority of which are independent directors
- chaired by an independent Director; and
- disclose the charter of the committee, the members of the committee and the number of times the committee met throughout the period and member attendance at those meetings

The Company has not complied with this recommendation.

Given the present size and complexity of the Company the Board has not constituted a Nomination Committee with the full Board carrying out the role of a Nomination Committee.

ASX Recommendation 2.2: a listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership

The Company has complied with this recommendation.

The Board has established a skill matrix. On a collective basis the Board has the following skills:

Strategic expertise - ability to identify and critically assess strategic opportunities and threats and develop strategies.

Specific Industry knowledge – members of the Board have geological, mining, metallurgical or engineering qualifications and/or a broad background and experience in the resources sector including exploration, permitting, mineral resource evaluation, project development and mining

Corporate Governance Statement

For the Year Ended 30 June 2015

International experience – members of the Board have an understanding the complexities of operating in foreign jurisdictions, particularly developing countries, including a basic knowledge of the general corporate, mining, fiscal and labour laws and regulations.

Accounting and finance - members of the Board have either specific qualifications and experience in accounting and finance or the ability to read and comprehend the company's accounts, financial material presented to the board, financial reporting requirements and an understanding of corporate finance.

Risk management - Identify and monitor risks to which the Company is, or has the potential to be exposed to.

Experience with financial markets - Experience in working in or raising funds from the equity or capital markets.

Investor relations - Experience in identifying and establishing relationships with Shareholders, potential investors, institutions and equity analysts.

Government relations - Experience in dealing with relevant Government authorities to ministerial or director level.

ASX Recommendation 2.3: a listed entity should disclose the names of the directors considered by the board to be independent directors and provide details in relation to the length of service of each Director

The Company has complied with this recommendation.

All members of the Board are considered to be independent directors.

The appointment date of Directors is set out in the Directors Report forming part of the Annual Financial Statements.

ASX Recommendation 2.4: the majority of the board of a listed entity should be independent directors

The Company has complied with this recommendation.

All members of the Board are considered to be independent directors.

ASX Recommendation 2.5: The Chair of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity

The Company has complied with this recommendation.

The Chairman, Michael Schmulian, is considered to be an independent Director.

Mr Jeff Mckenzie is Chief Executive Officer of the Company.

ASX Recommendation 2.6: a listed entity should have a program for inducting new directors and provide appropriate professional development opportunities

The Company has complied with this recommendation.

The Board is responsible for providing new directors with an induction to the Company and for the program for providing adequate professional development opportunities for directors and management.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

ASX Recommendation 3.1: a listed entity should establish a code of conduct and disclose the code or a summary of the code.

The Company has complied with this recommendation.

The Company has established a code of conduct which requires all business affairs to be conducted legally, ethically and with integrity.

A copy of the Company's code of conduct is available in the corporate governance section of the Company's website at www.bbxminerals.com.au.

Corporate Governance Statement

For the Year Ended 30 June 2015

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

ASX Recommendation 4.1: The Board of a listed entity should establish an audit committee:

- **with at least three members, all of whom are non-executive directors and a majority of which are independent directors**
- **chaired by an independent Director; and**
- **disclose the charter of the committee, the members of the committee and the number of times the committee met throughout the period and member attendance at those meetings**

The Company has not complied with this recommendation.

Given the present size and complexity of the Company the Board has not constituted an Audit Committee with the full Board carrying out the role of an Audit Committee.

The qualifications of the members of the Board are set out in the Directors report forming part of the Annual Financial Statements.

ASX Recommendation 4.2: The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Company partly complies with this recommendation.

The Board has received the assurance required by ASX Recommendation 4.2 in respect of the financial statements for the half year ended 31 December 2014 and the full year ended 30 June 2015. From the Chief Executive Officer. The Company does not presently have a Chief Financial Officer (or equivalent) appointed. Given the size and nature of the Company's operations the Board has not received the assurance in respect of the quarterly cash flow statements believing that the provision of the assurance for the half and full year financial statements is sufficient.

ASX Recommendation 4.3: a listed entity should ensure that the external auditor attends its Annual General Meeting and is available to answer questions from security holders relevant to the audit.

The Company has complied with this recommendation.

The external auditor attends the Annual General Meeting and is available to answer questions from shareholders relevant to the audit and financial statements. The external auditor will also be allowed a reasonable opportunity to answer written questions submitted by shareholders to the auditor as permitted under the Corporations Act.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

ASX Recommendation 5.1: a listed entity should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

The Company has complied with this recommendation.

The Company has established a continuous disclosure policy which is designed to guide compliance with ASX Listing Rule disclosure requirements and to ensure that all Directors, senior executives and employees of the Company understand their responsibilities under the policy. The CEO and Company Secretary act as the Company's Disclosure Officers who are responsible for implementing and administering this policy. The Disclosure Officers are responsible for all communication with ASX and for making decisions on what should be disclosed publicly under this policy.

In accordance with the Company's continuous disclosure policy, all information provided to ASX for release to the market is posted to its website at www.bbxminerals.com.au after ASX confirms an announcement has been made.

A copy of the continuous disclosure policy is available in the corporate governance section of the Company's website at www.bbxminerals.com.au.

Corporate Governance Statement

For the Year Ended 30 June 2015

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

ASX Recommendation 6.1: a listed entity should provide information about itself and its governance to investors via its website

The Company has complied with this recommendation.

The Company's website at www.bbxminerals.com.au contains information about the Company's projects, Directors and management and the Company's corporate governance practices, policies and charters. All ASX announcements made to the market, including annual and half year financial results are posted on the website as soon as they have been released by the ASX. The full text of all notices of meetings and explanatory material, the Company's Annual Report and copies of all investor presentations are posted on the website.

ASX Recommendation 6.2: a listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors

The Company has complied with this recommendation.

The Company's CEO and Chairman are the Company's main contact for investors and potential investors and make themselves available to discuss the Company's activities when requested together with other Directors as required. In addition to announcements made in accordance with its continuous disclosure obligations the Company, from time to time, prepares and releases general investor updates about the Company.

Contact with the Company can be made via email addresses provided on the website for the CEO and the Company Secretary.

ASX Recommendation 6.3: a listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders

The Company has complied with this recommendation.

The Company encourages participation of shareholders at any general meetings and its Annual General Meeting each year. Shareholders are encouraged to lodge direct votes or proxies subject to the adoption of satisfactory authentication procedures if they are unable to attend the meeting.

The full text of all notices of meetings and explanatory material are posted on the Company's website at www.bbxminerals.com.au.

ASX Recommendation 6.4: a listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security register electronically

The Company has complied with this recommendation.

Contact with the Company can be made via email addresses provided on the website for the CEO and the Company Secretary.

The Company's share register provides a facility whereby investors can provide email addresses to receive correspondence from the Company electronically and investors can contact the share register via telephone, facsimile or email.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

ASX Recommendation 4.1: The Board of a listed entity should have a committee to oversee risk:

- **with at least three members, all of whom are non-executive directors and a majority of which are independent directors**
- **chaired by an independent Director; and**
- **disclose the charter of the committee, the members of the committee and the number of times the committee met throughout the period and member attendance at those meetings**

The Company has not complied with this recommendation.

Given the present size and complexity of the Company the Board has not constituted a Risk Committee with the full Board responsible for risk management.

Corporate Governance Statement

For the Year Ended 30 June 2015

ASX Recommendation 7.2: The Board or a committee of the Board, of a listed entity should review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and disclose in relation to each reporting period whether such a review was undertaken

The Company has complied with this recommendation.

The Board is responsible for the oversight of the Company's risk management and control framework. Responsibility for control and design of risk management is delegated to the appropriate level of management within the Company with the CEO being responsible to the Board for the risk management and control framework.

The Board conducted a review during the reporting period.

ASX Recommendation 7.3: a listed entity should disclose if it has an internal audit function and if it does not have an internal audit function that fact and the processes it employs for evaluating and continually improving the effectiveness of risk management and internal control processes

The Company has complied with this recommendation.

Given the Company's current size and level of operations it does not have an internal audit function.

The Board is responsible for the oversight of the Company's risk management and control framework. Responsibility for control and design of risk management is delegated to the appropriate level of management within the Company with the CEO being responsible to the Board for the risk management and control framework.

ASX Recommendation 7.4: a listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and if it does how it manages or intends to manage those risks.

The Company has complied with this recommendation.

The Company has exposure to economic risks, including general economy wide economic risks and risks associated with the economic cycle.

There will a requirement in the future for the Company to raise additional funding to pursue its business objectives. The Company's ability to raise capital may be effected by these economic risks.

The Company has in place risk management procedures and processes to identify, manage and minimise its exposure to these economic risks where appropriate

The current operations of the Company are subject to laws and regulations in Brazil concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceed. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

The Board currently considers that the Company does not have any material exposure to social sustainability risk. The Company's Corporate Code of Conduct outlines the Company's commitment to integrity and fair dealing in its business affairs. The code sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behavior expected from employees when dealing with stakeholders.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

ASX Recommendation 8.1: The board of a listed entity should establish a remuneration committee:

- **with at least three members the majority of which are independent directors**
- **chaired by an independent Director; and**
- **disclose the charter of the committee, the members of the committee and the number of times the committee met throughout the period and member attendance at those meetings**

The Company has not complied with this recommendation.

Given the present size and complexity of the Company the Board has not constituted a Remuneration Committee.

ASX Recommendation 8.2: a listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives

The Company has complied with this recommendation.

Corporate Governance Statement

For the Year Ended 30 June 2015

Directors are paid a fixed annual fee for their service to the Company as a Non-Executive Director. Non-Executive Directors may, subject to shareholder approval, be granted equity based remuneration.

Executives of the Company typically receive remuneration comprising a base salary component and other fixed benefits based on the terms of their employment agreements with the Company and potentially the ability to participate in bonus arrangements and may, subject to shareholder approval, if appropriate, be granted equity based remuneration.

ASX Recommendation 8.3: a listed entity which has an equity based remuneration scheme should have a policy on whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme and disclose the policy or a summary of that policy.

The Company has complied with this recommendation.

A participant in an equity based remuneration plan operated by the Company must not enter into a transaction (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the equity based remuneration plan.

BBX Minerals Limited

Additional Information

For the Year Ended 30 June 2015

Additional information included in accordance with the Listing Rules of ASX Limited.

1. SECURITY HOLDER INFORMATION

(a) Shareholders

The twenty largest shareholders hold 72.02% of the total issued ordinary shares in the Company as at 9 October 2013.

Holders Name	No Ord Shares	%
DRAKE PRIVATE INVESTMENTS LLC	53,313,900	29.01
LAUREN PAGE INVESTMENTS PTY LTD <THE LAUREN PAGE FAMILY A/C>	13,703,367	7.46
YARDIE (WA) PTY LTD <A W SMITH FAMILY A/C>	13,118,400	7.14
MR KARL PAGE	6,723,000	3.66
LAUREN PAGE INVESTMENTS PTY LTD	4,750,000	2.58
TOBY CHANDLER	4,000,000	2.18
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD	3,592,319	2.15
MICHAEL LEON SCHMULIAN	3,592,000	1.95
ARTHUR PHILLIP NOMINEES PTY LTD	3,209,716	1.75
MR DECLAN ANDREW SHERMAN	3,039,141	1.65
TOMREDA PTY LTD	3,000,000	1.63
ANTONIO DE CASTRO	3,000,000	1.63
MICHAEL LEON SCHMULIAN	2,873,000	1.56
MR JAMES LAMBIE	2,507,600	1.36
MR HAMISH DOUGLAS ORRICK	2,500,000	1.56
JEFFREY ROBERT MCKENZIE	2,200,000	1.20
MR DUNCAN GERALD GOWANS & JODIE LOUISE GOWANS <GOWANS SUPER FUND>	2,000,000	1.09
ARTHUR PHILLIP NOMINEES PTY LTD (ACN 111 862 358)	1,723,208	0.94
ARTHUR PHILLIP NOMINEES PTY LTD	1,650,750	0.90
HAWKESDALE GROUP PTY LTD <SURIANO FAMILY A/C>	1,500,000	0.82
	132,356,620	72.02

Distribution of shareholders at 9 October 2013

Holdings Ranges	Holders	Total Units	%
1-1,000	125	66,603	0.04
1,001-5,000	189	573,769	0.31
5,001-10,000	74	647,087	0.35
10,001-100,000	215	7,808,617	4.25
100,001 and over	122	174,684,232	95.05
Totals	725	183,780,308	100.00

Number of holders of unmarketable parcels – Ordinary shares

Unmarketable Parcels – 62

BBX Minerals Limited

Additional Information For the Year Ended 30 June 2015

(b) Unquoted options

Options \$0.05 Expiring 30 March 2016

Total number on Issue 17,500,000

Holdings Ranges	Holders	Total Units	%
100,001 and over	6	17,500,000	100.00
Totals	6	17,500,000	100.00

Holders of more than 20% of the number on Issue

Blackwood Equities (NSW) Pty Ltd	6,875,000
Sonnalta Capital Pty Ltd	6,000,000
Mr Toby Robert Chandler	3,000,000

Options \$0.05 Expiring 1 July 2017

Total number on Issue 6,000,000

Holdings Ranges	Holders	Total Units	%
100,001 and over	1	6,000,000	100.00
Totals	1	6,000,000	100.00

Holders of more than 20% of the number on Issue

Antonio De Castro	6,000,000
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Options \$0.05 Expiring 24 November 2017

Total number on Issue 6,000,000

Holdings Ranges	Holders	Total Units	%
100,001 and over	5	17,000,000	100.00
Totals	5	17,000,000	100.00

Holders of more than 20% of the number on Issue

Jeff McKenzie	6,000,000
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BBX Minerals Limited

Additional Information For the Year Ended 30 June 2015

Options \$0.0125 Expiring 1 March 2018

Total number on Issue 27,551,521

Holdings Ranges	Holders	Total Units	%
1-1,000	10	4,642	0.02
1,001-5,000	9	23,721	0.09
5,001-10,000	4	26,716	0.11
10,001-100,000	28	1,994,252	7.25
100,001 and over	27	25,502,190	92.53
Totals	78	27,551,521	100.00

Holders of more than 20% of the number on Issue

Drake Private Investments LLC	7,500,000
National Nominees Limited	7,500,000

(c) Substantial Shareholders as at 9 October 2015

The Company's register of substantial shareholders shows the following:

Drake Private Investments LLC	53,300,000
Lauren Page	18,453,367
Alistair Smith	13,136,400

2. VOTING RIGHTS

The voting rights of the ordinary shares are as follows:

Subject to any rights or restrictions at the time being attached to any class or classes of shares, at a general meeting of the Company on a show of hands, every ordinary Shareholder present in person, or by proxy, attorney or representative (in the case of a company) has one vote and upon a poll, every Shareholder present in person, or by proxy, attorney or representative (in the case of a company) has one vote for any Share held by the Shareholder. In the case of an equality of votes, the chairperson has a casting vote.

A poll may be demanded by the chairperson of the meeting, any 5 Shareholders entitled to vote in person or by proxy, attorney or representative or by any one or more Shareholders holding not less than 5% of the total voting rights of all Shareholders having the right to vote.

There are no voting rights attached to any of the options that the Company currently has on issue. Upon exercise of these options, the shares issued will have the same voting rights as existing ordinary shares.

3. ON-MARKET BUY BACK

There is currently no on-market buyback program in operation.