

BBX Minerals Ltd

ASX: BBX

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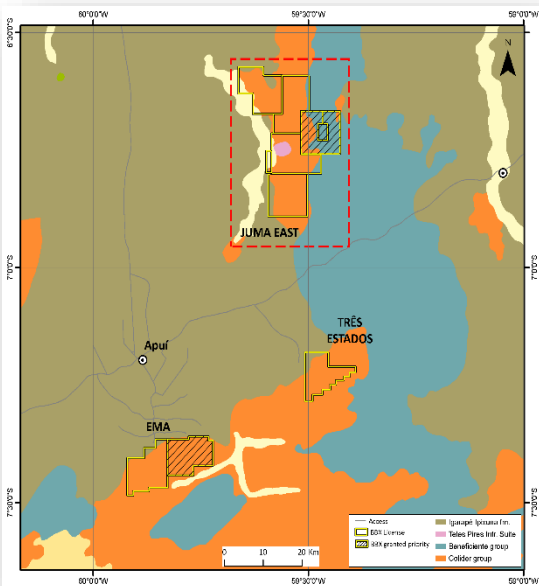
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Brazil Projects:
Juma East: copper- gold- silver
Eldorado Do Juma: gold
Ema : copper -gold
Tres Estados - gold



**ASX MEDIA RELEASE 31STTH
OCTOBER 2016**

**QUARTERLY ACTIVITIES, CASH
FLOW REPORTS FOR THE
QUARTER 1 JULY TO 30
SEPTEMBER 2016.**

The company attaches its quarterly activities and cash flow reports.

**Activities Report for the
quarter ended 30
SEPTEMBER 2016**

Activities for **BBX Minerals Limited (ASX Code: BBX)** during the quarter focused, through its wholly owned subsidiary Mineracao BBX do Brasil Ltda (**BBX Brazil**), on resolving analytical issues and further advancing its Juma East, Tres Estados and Ema gold projects.

On 2nd September 2016 BBX announced that ongoing test work had resulted in significantly higher grades from the bottom 49.44m (250.00 – 299.44m) of hole JED-006, where a composite grade of 1.03g/t from amalgamation had previously been obtained. Following the success of pre-treatment test work undertaken on the 13.66m interval at the bottom of hole JED-004, which had returned 4.58g/t and subsequently 3.70g/t Au and 0.16g/t Pd by fire assay and 4.06g/t by amalgamation a variant of the

pre-treatment method termed oxi8B was eventually settled on by the Company and used to test a homogenised composite sample from the bottom 49.44m of JED 006.

A single 250g pulverised sample yielded a fire assay result of 24.76g/t Au (mean of five 50g fire assay results), whilst other lower, but nonetheless high grade results were obtained from repeat tests using the oxi8B technique and minor variations thereof. Additional tests were conducted involving re-grinding of the pre-prepared sample prior to fire assay and metallic screen (screen fire) analysis to evaluate the possibility of coarse gold being precipitated in the pre-treatment step. The latter test indicated that only 20% of the gold was in the coarser (+150 micron) fraction. The Company advised it had conducted wide-ranging experimental work testing a variety of methods in an endeavour to resolve the issue of why the samples had previously failed to produce a result by fire assay. Research undertaken enabled BBX to initially settle on methods named Oxi1A and Oxi8A to undertake routine assay results. However, as further improvements were made to the methods the processes were renamed Oxi1B and Oxi8B with the most consistent of these being Oxi8B. The other experimental methods utilised are no longer used and have been discarded. Under the specific Oxi8B method, a single homogenised bulk composite sample from the JED006 interval was subjected to treatment with acid and water at a variety of temperatures and time periods at the Nomos laboratory, Rio de Janeiro, followed by fire assay at the Intertek laboratory, Parauapebas. A total of 26 samples were analysed using the Oxi1B and Oxi8B methods and variations thereof (see table 1 and appendix, table 2), with standards and blanks being submitted as a quality control check. All quoted grades for oxi1B and oxi8B are as received from the Intertek laboratory, without correction for the dilution effect of approximately 22% resulting from the addition of reagents in the pre-treatment step. True grades of the original samples are therefore approximately 22% higher than those quoted.

A highly significant result of 10.62g/t was also obtained from a cyanide bulk leach following oxi8B pre-treatment, indicating that the gold occurs in a form readily recoverable by conventional cyanidation. An alternative irradiation pre-treatment method termed JMA produced elevated PGM values of 9.71g/t platinum and 9.91g/t palladium, plus 15.27g/t gold, all by fire assay. A series of tests undertaken using the oxi8B pre-treatment method on 4m composite samples over the interval 142 – 299.44m and the JMA method over the interval 250 – 299.44m returned only trace levels of gold. These tests were carried out using larger-scale equipment generating conditions which differed from those used in the original test work, due to the scale up effect from single-sample experimental work to batch-scale testing. Repetition of these tests in an effort to precisely replicate the conditions used in the single-sample tests produced values of 51.59g/t (mean of two assays) for the 250-299.44m bulk sample, and results of 4m@107.11g/t from 258.00m and 4.2m@37.37g/t from 277.80m. The remaining ten 4m (approx..) intervals comprising the bulk sample produced only trace (<0.2g/t) results.

In addition, results were received for neutron activation (NA) analysis of two samples from the JED 006 49.44m composite, submitted to ALS laboratories in Canada. Analysis of an untreated sample failed to produce significant precious metal values whilst NA results for a sample treated by the JMA irradiation technique yielded 13.00

g/t Au, 5.90 g/t Pt and 5.30 g/t Pd. Samples pre-treated by the oxi8b method have yet to be analysed by NA.

Although results continue to be inconsistent, including negative results for a repeat test on the 49.44m composite and for a number of the 4m (approximate) composites it is the company's belief that the erratic nature of the results obtained to date is principally a function of the effectiveness of the pre-treatment method in consistently unlocking precious metals. The homogeneous nature of the geology and intensity and style of alteration within the lower portion of JED 006 reinforces the belief that gold is likely to be distributed relatively evenly throughout this 49.44m interval. The company is continuing to refine the methodology to ensure that the levels of all precious metals present in the Juma East mineralisation can be measured on a reliable basis.

BBX also advised completion of initial 200m x 40m soil sampling and reconnaissance geological mapping programmes over restricted portions of the Ema and Tres Estados prospects, located 30km and 60km SE of Apui, respectively. Results for both surveys outlined well-defined gold in soil anomalies associated with mafic intrusives and volcanics and local garimpeiro workings.

Ongoing work will focus on extending the Ema and Tres Estados soil grids and defining targets for drill testing within the next 2-3 months. At Guida, infill soil sampling will be conducted to assist in designing an ongoing drill programme to fully test the highly prospective Guida-Boia Velha trend.

BBX also announced that the DNPM (Mines Dept) had published the results of a bid process conducted in relation to two previously relinquished tenements east of Juma East totalling 9998 ha and one 9034 ha tenement east of Ema. BBX has been declared the winner of both bids, adding significantly to BBX's ground holdings over the most favourable geological terrain in the underexplored Apui region.

In addition, the DNPM has granted a 3-year extension to the four exploration permits currently held at Juma East.

On Market Takeover Bid

On the 6th September 2016 BBX received an unconditional cash on-market takeover bid from 38.51% shareholder Drake Private Investments LLC at \$0.045 per share. The bidder's statement was lodged on 6th September 2016 with an offer date of 20th September 2016, the bid closing on 21 October 2016 unless extended or withdrawn by Drake.

On 6th September 2016 BBX responded with an announcement to shareholders to "take no action" until the release of the company's Target's Statement due on 12 September 2016.

On 19th September 2016 BBX advised shareholders that the Australian Securities and Investments Commission ("ASIC") had granted BBX an extension of time by which BBX must lodge its Target's Statement with ASX and ASIC and dispatch the Target's Statement to shareholders.

The effect of the extension of time was that:

- (1) BBX was due to provide its Target's Statement to ASIC and the ASX on or before Monday 3 October 2016; and
- (2) the Target's Statement was to be sent by BBX to BBX shareholders on or before Tuesday 4 October 2016.

On 3rd October 2016, two of BBX Directors responded with a reject recommendation while one director offered no recommendation

Subsequent Events

On the 13th October Drake raised its offer to \$0.046 per share under a supplementary bidder's statement. BBX responded on 19th October 2016 with two Directors making a reject recommendation while one director offered no recommendation

The takeover concluded on 21 October with Drake announcing that acceptances were received for 43,335,395 shares giving Drake a 49.68% interest.

BBX also raised a total of \$ 600,389 through the exercise of options during the take-over period.

Current Tenements Interests

<u>All Tenements Owned by BBX Minerals Ltd</u>	<u>Area (Ha)</u>	<u>Percentage ownership</u>
DNPM Permit Number 7124/2013 - 880.115/2008 Location Brazil (Juma East)	9492.79	100% Exploration Licences
DNPM Permit Number 7125/2013 - 880.116/2008 Location Brazil (Juma East)	10,000	100% Exploration Licences
DNPM Permit Number 7126/2013 - 880.117/2008 Location Brazil (Juma East)	9641.77	100% Exploration Licences
DNPM Permit Number 7127/2013 - 880.129/2008 Location Brazil (Juma East)	9307.47	100% Exploration Licences
DNPM Permit Number - 880.151/2014 Location Brazil (Juma East)	662.15	100% Application for Exploration Licences
DNPM Permit Number - 880.107/08 Location Brazil (Ema)	9839.91	100% Exploration Licences
DNPM Permit Number - 880.090.08 Location Brazil (Tres Estados)	8172.25	100% Exploration Licences
DNPM Permit Number - 880.094/2014 Location Brazil (Pombos)	1000.36	100% Application for Exploration Licences
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

Jeff McKenzie
CEO
BBX Minerals Ltd
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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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

BBX MINERALS LIMITED

ABN

82 089 221 634

Quarter ended ("current quarter")

30 SEPTEMBER 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3..months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(174)	(174)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(166)	(166)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(340)	(340)

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

Mining exploration entity and oil and gas exploration entity quarterly report

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

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	185	185
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	81	81
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	266	266

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	248	248
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(340)	(340)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	266	266
4.5	Effect of movement in exchange rates on cash held	(2)	(2)
4.6	Cash and cash equivalents at end of period	172	172

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	172	248
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	-	248

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
2
-

6.1 Payment for directors fees

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

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

Mining exploration entity and oil and gas exploration entity quarterly report

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

The Company received a further \$523,927 from the exercise of options between 1 October 2016 and 21 October 2016. The company has approximately \$554,000 on hand as at 25 October 2016 to meet working capital expenditure.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	100,000
9.2 Development	50,000
9.3 Production	
9.4 Staff costs	18,000
9.5 Administration and corporate costs	85,000
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	253,000

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Mining exploration entity and oil and gas exploration entity quarterly report

Compliance statement

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

Sign here:


(Director/Company secretary)

Date:

3/10/2016

Print name:

JEFF MCKENZIE

Notes

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