

ASX: BFE

SHARE INFORMATION

Issued Shares: 363.3m

BOARD OF DIRECTORS

Chairman: M. Billing

Non-Exec: M. Sheldrick

Non-Exec: M. Green

PRINCIPAL CONTACTS

SHAREHOLDER RELATIONS

Mick Billing – Chairman
Phone: +61 414 741 007

CORPORATE

Matthew Sheldrick - NED
Phone: +61 417 923 155

FURTHER INFORMATION

blackfireminerals.com.au

REGISTERED OFFICE

C/- HLB Mann Judd (SA) Pty Ltd

169 Fullarton Road

DULWICH SA 5065

PRINCIPAL OFFICE

C/- HLB Mann Judd (SA) Pty Ltd

169 Fullarton Road

DULWICH SA 5065

Phone: +61 (8) 8133 5000

Fax: +61 (8) 8431 3502

E: info@blackfireminerals.com.au

REGISTRY ENQUIRIES

Security Transfer Registrars

770 Canning Highway

Applecross WA 6153

Phone: +61 (8) 9315 2333



By Electronic Lodgement
Company Announcements Office
ASX Limited
2 The Esplanade Perth WA 6000

30 July 2014

HIGHLIGHTS FOR THE QUARTER ENDED 30 JUNE 2014

Proposed Sale of Pilot Mountain - Tungsten/Copper Project, Nevada

Black Fire Minerals Ltd (Black Fire or Company) announced to ASX on 10 June 2014, that it had executed a Term Sheet with dual ASX and AIM listed company Thor Mining PLC ("Thor") to sell the Pilot Mountain Tungsten Project located in Nevada, USA. The sale, which is subject to Thor's due diligence, the receipt of appropriate shareholder and regulatory approvals and execution of a formal Share Sale Agreement, will see Black Fire shareholders receive scrip consideration of 418,750,000 shares in Thor, with a notional value of \$1,675,000 based on an agreed Thor share price of \$0.004. Thor will also assume Black Fire's debt obligation of \$625,000 (including accrued interest) which was secured from a consortium of lenders in March 2014, to complete the acquisition of Pilot Mountain.

Under the Term Sheet, it is anticipated that the 418,750,000 Thor consideration shares will be in-specie distributed to Black Fire's existing shareholders, subject to obtaining relevant regulatory approvals. Furthermore, it is anticipated that these shares will be distributed to shareholders of Black Fire who are registered with the Company's share registry on a record date to be determined, most likely prior to the completion of the sale of Pilot Mountain. These shares will be subject to a 12 month escrow period as agreed with Thor.

Proposed Acquisition of Animoca Brands Corporation

On 23 June, Black Fire also announced to ASX that it had signed an Agreement with the Vendor of Hong Kong Company, Animoca Brands Corporation ("Animoca Brands") that will result in BFE acquiring 100% of the issued capital of Animoca Brands.

The key terms of this Agreement includes:

1. The issue of 1,000,000,000 BFE ordinary shares for the acquisition of Animoca Brands for a consideration of \$5,000,000; and
2. The issue of 600,000,000 performance shares to the Vendor. The performance shares will be converted to ordinary shares at \$0.005 per share subject to the Company achieving certain revenues from Animoca Brands for the year ending 30 June 2015 and 30 June 2016. The terms of the performance shares are subject to ASX approval.

As part of this Agreement, BFE proposes to change its name to Animoca Brands Corporation Limited. BFE is also proposing to undergo a capital consolidation after the acquisition of Animoca Brands and raise additional capital of at least \$3,000,000 and no more than \$5,000,000. Taylor Collison Limited have been appointed as lead manager. The Company expects that this will result in it having Net Tangible Assets in excess of \$3.0 million.

Proposed Acquisition of Animoca Brands Corporation (continued)

The significant change to the nature and scale of the Company's main business activity arising from the Animoca Brands acquisition will require re-compliance with ASX's admission requirements in Chapters 1 and 2 of the ASX Listing Rules, including the lodgement of a prospectus with the Australian Securities and Investments Commission ("ASIC") to facilitate, amongst other matters, the capital raising referred to above.

For further details on the Animoca Brands Acquisition, please see the ASX Announcement dated 23 June 2014.

Mystique Gold Project, Fraser Range, WA (Black Fire 100%)

On 22 April 2014, Black Fire announced that it had acquired the remaining 40% interest in E28/1915 (known as the Mystique Gold Project) from its former Joint Venture partner, Entrée Gold Inc. (Entrée). The acquisition price of \$30,000 was paid to Entrée during the Quarter.

Black Fire now has 100% of the Mystique Gold Project and has effectively assumed Entrée's rights under the Option and Sale Agreement executed with Parmelia Resources NL (Parmelia) and announced to ASX on 6 March 2014. Assuming Parmelia exercises their Option to acquire E28/1915, then Black Fire will receive the full benefit of the \$300,000 consideration negotiated with Parmelia.

During the Quarter, Black Fire also received an amount of \$12,957 from Parmelia as an Option fee pursuant to the 6 March 2014 Option and Sale Agreement.

Kangeshi Copper/Silver Project – Democratic Republic of Congo

No new work was conducted at the Kangeshi Project during the Quarter.

In July 2011 Black Fire entered into an agreement with Canadian private company, Rift Valley Minerals Ltd (RVM) and private DRC company, TSM Enterprise s.p.r.l. (TSM) for the acquisition of up to 54% effective equity in the Kangeshi Project located in the Democratic Republic of Congo.

Initially, Black Fire earned a 27% interest in RVM by contributing \$1m in equity to facilitate a drilling program at the Project. Unfortunately, upon mobilisation of the drilling equipment for this program, the DRC Government imposed a forestry restriction over the licence, effectively preventing any activities within the licence. The Project has remained dormant since this time and the Company has written down its investment in RVM to \$Nil. Furthermore, the Company will not be exercising its remaining Option interests over RVM or TSM.

Events Subsequent to 30 June 2014

There have been no matters of significance to report post 30 June 2014.

Corporate and Capital Management

At the end of the quarter, the Company held cash assets of \$127,000 and \$650,000 of debt (including interest due at maturity of \$150,000 and a principal of \$500,000).

The terms of the debt funding provided to the Company are:

- Term: 18 months, repayable earlier at the election of the Company
- Coupon: 25% flat rate payable regardless of early repayment
- Security: Registered over shares in Industrial Minerals (USA) Pty Ltd – the beneficial owner of Pilot Mountain

At the date of this Quarterly Report, the Company advises that all documentation relating the acquisition of Animoca Brands Corporation and the divestment of Pilot Mountain, including the relevant Share Purchase Agreements, a Notice of Shareholder Meeting(s) and a Prospectus to raise a minimum of \$3m, are currently being drafted and will be lodged with ASX upon completion

ASX Announcements

During the quarter the following ASX announcements were released regarding the Company's activities and projects:

Date	Announcement
1/4/2014	Completion of Pilot Mountain Project Acquisition
22/4/2014	Acquisition of 40% Interest in E28/1915 – Mystique Project
24/4/2104	March 2014 Quarterly Activities and Cash-flow Report
23/5/2104	Appoint Company Secretary and Change Registered Office
10/6/2014	Sale of Pilot Mt Tungsten Project to Thor Mining PLC
23/6/2014	Acquisition of Animoca Brands Corporation and Capital Raising

MICK BILLING

Chairman

Tenement Status – 30 June 2014

Tenement Reference	Location	Interest at beginning of quarter	Acquired/ Disposed	Interest at end of quarter	Comments
E28/1915	Mystique Project Australia	60%	Acquired 40%	100%	Option and Sale Agreement entered into with Parmelia Resources to sell 100% of the tenement
PEPM12101	Kangeshi Project Democratic Republic of Congo	0%	Nil	0%	Various options to acquire up to 54% indirect equity
NMC1035394 to NMC1035502 and NMC1087093 to NMC1087114	Pilot Mountain Project Nevada, USA	100%	Nil	100%	Agreement to sell Mining Claims to Thor Mining PLC dated 10 June 2014 and subject to completion
NMC913565 to NMC913579 and NMC804279 to NMC804308	Pilot Mountain Project Nevada, USA	100%	Nil	100%	Agreement to sell Mining Claims to Thor Mining PLC dated 10 June 2014 and subject to completion

Black Fire did not have any interest in any farm-in or farm-out agreements at the end of the quarter. Black Fire did not acquire or dispose of any farm-in or farm-out interests during the quarter.

The information contained in the Quarterly Activities Report for the quarter ended 30 June 2104 was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this report that relates to Black Fire's Exploration Results and Targets is based on information compiled by Mr. G. Purcell, who is a Member of the Australian Institute of Geoscientists and who has had sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activities which are being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Purcell is a consultant to Black Fire Minerals and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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, 01/05/2013

Name of entity

BLACK FIRE MINERALS LIMITED

ABN

29 122 921 813

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (twelve months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(66)	(319)
	(b) development		
	(c) production		
	(d) administration	(78)	(464)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	1	6
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(143)	(777)
Cash flows related to investing activities			
1.8	Payment for purchases of:		(1,054)
	(a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.9	Proceeds from sale of:		
	(a) prospects	13	13
	(b) equity investments	-	42
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	13	(999)
1.13	Total operating and investing cash flows (carried forward)	(130)	(1,776)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(130)	(1,776)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	995
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	45	500
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	45	1,495
	Net increase (decrease) in cash held		
1.20	Cash at beginning of quarter/year to date	212	408
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	127	127

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	-
1.24 Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Not applicable

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities *	650	650
3.2 Credit standby arrangements		

* Includes interest due at maturity of \$150,000.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production	-
4.4 Administration (including transaction costs relating to Animoca acquisition) *	320
Total	320

* The Company notes that the expected outflow during the quarter exceeds its available working capital. The Company is in negotiations in relation to bridge funding to enable the completion of its acquisition of Animoca Brands Corporation Limited. The Company will make an announcement in relation to this as and when these negotiations have completed.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	127	212
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	127	212

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	363,344,536	363,344,536	Fully Paid	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities (description)				

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	1,500,000		16.3 cents	25 May 2014
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:  Date: 30 July 2014

Print name: Donald Stephens
(Company Secretary)

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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