



ASX Announcement

30 April 2020

QUARTERLY ACTIVITIES, CASH FLOW REPORTS FOR THE QUARTER 1 JANUARY 2020 TO 31 MARCH 2020

Activities Report for the quarter ended 31 MARCH 2020

Activities for **BBX Minerals Limited (ASX Code: BBX)** during the quarter focused on the continued development of analytical and extraction techniques for gold and PGM's at the Company's Três Estados and Ema projects, and on defining a metallurgical process route.

On 30 January BBX updated the market regarding the Company's strategy. BBX advised that the Company continued to undertake an extensive testing programme to fine tune its preferred extraction technique for the complex style of mineralisation identified at Ema and Três Estados, with significant progress made in defining a process route incorporating both pyrometallurgical and hydrometallurgical techniques.

BBX advised that it was now confident that the understanding gained from the testing programme would enable an engineering study to be initiated in Q1 2020 to define the optimal process flow sheet and generate a conceptual design and cost estimate for a test plant to treat both weathered and unweathered rock from both projects.

BBX commented that the test plant will be designed with a high degree of flexibility to enable key operating parameters to be adjusted to optimise metal recovery and operating cost. Feed for the plant will initially be trucked from the Ema trial mining area. The test plant results will be used in the design of a future full-scale commercial production plant.

BBX also advised that the joint venture with Irish-registered AuRER Limited (formerly Lomhara Tech Limited) has been reviewed by both companies with a conclusion that each company may independently finalise its individual processing methodology, and the joint venture has therefore been dissolved. BBX advised that it will retain access to key international consultants previously employed through the joint venture.

On 21 February 2020 BBX announced the appointment of Belo Horizonte-based engineering group Onix Engenharia e Consultoria Ltda ("Onix") to conduct the engineering study for a metallurgical test plant to be built in Rio de Janeiro. The study, which will comprise a conceptual plant design and capital and operating cost estimates is expected to take 10-12 weeks. The plant will be designed to fully test and optimise the Company's preferred extraction technique

On 30 March 2020 BBX Minerals announced that it had received formal advice that the judge in the Company's case for compensation for losses resulting from the creation of the Acari National Park (see media release of 3 July 2017) has ruled in favour of BBX. The courts will now review all back-up documentation to determine the amount of compensation to be granted. BBX initially claimed BRL3.107m (approx. AUD1.0m) in compensation, an amount fully backed up by supporting documentation. The State retains the right to appeal the judge's ruling.

BBX also advised that due to lockdown measures implemented by the Rio de Janeiro state government, BBX has initiated a partial 15-day suspension of its analytical and process development activities, effective 30 March. BBX commented that the measures may be extended if deemed necessary. This is due to the state government decreeing that all residents over the age of 60 remain in isolation, impacting virtually the entire BBX technical team. Two members of the Company's consultancy team will continue to conduct ongoing confirmatory testing of the Company's proprietary analytical technique during the partial suspension period. Engineering consultant Onix Engenharia has also temporarily suspended work on the design of the metallurgical test plant due to the government restrictions.

Subsequent Events

On 8th April BBX announced that the converting loan agreement announced on 19 December 2019 and approved by shareholders has been renegotiated with major shareholder Drake Special Situations LLC. The amended facility is subject to shareholder approval and a general meeting is expected to be held in May 2020 to approve the facility.

The facility has now been increased to A\$6 million (\$6,000,000) to be used for general working capital and to enable the continued development/construction of the metallurgical test plant in Rio de Janeiro.

Other

Payments set out in Section 6.1 of the Appendix 5B are for Directors salaries and fees.

Exploration and evaluation expenditure during the quarter was \$344,000

For more information:

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Current Tenement Interests

<u>All Tenements Owned by BBX Minerals Ltd</u>	<u>Area (Ha)</u>	<u>Percentage ownership</u>
DNPM Permit Number 880.151/2014 Location Brazil (Juma East)	662.15	100% Application for Exploration Licence
DNPM Permit Number 880.129/2008 Location Brazil (Juma East)	1374	100% Exploration Licence
DNPM Permit Number 880.185/16 Location Brazil (Juma East)	980	100% Exploration License
DNPM Permit Number 880.107/08 Location Brazil (Ema)	9839.91	100% Exploration Licence
DNPM Permit 880.184/16 Location Brazil (Ema)	9034	100% Exploration License
DNPM Permit Number 880.090.08 Location Brazil (Tres Estados)	8172.25	100% Exploration Licence
DNPM Permit Number 880.094/2014 Location Brazil (Pombos)	1000.36	100% Exploration Licence

About BBX Minerals Ltd

BBX Minerals Limited (ASX: BBX) is a mineral exploration and technology development company listed on the Australian Securities Exchange. Its major focus is Brazil, mainly in the southern Amazon, a region BBX believes is vastly underexplored with high potential for the discovery of world class gold and copper deposits.

BBX's key assets are the Três Estados and Ema gold prospects in the Apuí region, Amazonas State. The company has 58.1km² of exploration tenements within the Colider Group, a prospective geological environment for precious metals deposits. The region is under-explored and has the potential to provide BBX with a pipeline of high-growth, greenfields gold and PGM discoveries.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

BBX MINERALS LIMITED

ABN

82 089 221 634

Quarter ended ("current quarter")

31 MARCH 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(71)	(145)
(e) administration and corporate costs	(153)	(610)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	(10)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(224)	(765)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(344)	(1,025)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) 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	(344)	(1,025)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,000
3.2	Proceeds from issue of convertible debt securities	258	758
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(68)
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	258	1,690

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	382	178
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(224)	(765)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(344)	(1,025)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	258	1,690

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	7	1
4.6	Cash and cash equivalents at end of period	79	79

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	79	382
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)	79	382

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
52

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	40	-
7.2 Credit standby arrangements	2,000	758
7.3 Other (please specify)	-	-
7.4 Total financing facilities	2,040	758

7.5 **Unused financing facilities available at quarter end** 1,282

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Converting loan Facility with Drake Special Solutions LLC at 8% for 2 years – Initial advance \$500k with additional advances up to \$2m. Facility repayable by cash or via issue of fully paid ordinary shares subject to shareholder approval

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(224)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(344)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(568)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	79
8.5 Unused finance facilities available at quarter end (Item 7.5)	1,282
8.6 Total available funding (Item 8.4 + Item 8.5)	1,361
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	2.40

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

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.

Date:30 April 2020.....

Authorised by:The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.