

## JUNE 2022 QUARTERLY ACTIVITIES REPORT

### Highlights:

- Seven drill holes from the Três Estados project assayed during the quarter. Significant mineralised intervals reported in multiple holes;
- Development of analytical methodology completed. Samples are assayed for Pt, Pd, Ir, Rh and Au;
- Further enhancements to BBX’s dedicated laboratory facility in Catalão;
- Installation of brand-new Atomic Absorption Spectrometer (AA);
- Strategic appointment of non-executive director further strengthens the Board.

BBX Minerals Limited (ASX: BBX) (“BBX” or the “Company”) is pleased to provide details of its activities during the quarter ended 30 June 2022.

In line with last quarter, the Company continues to maintain strict Covid-related health and safety protocols, but overall conditions have improved significantly. Strong controls remain in place, with the well-being of BBX’s employees, their families, and the communities where the Company operates being of utmost importance.

### Assaying

The June quarter was a very productive period in terms of progressing with the Company’s assaying programme. During the quarter, the company assayed seven drill holes (*Figure 1*).

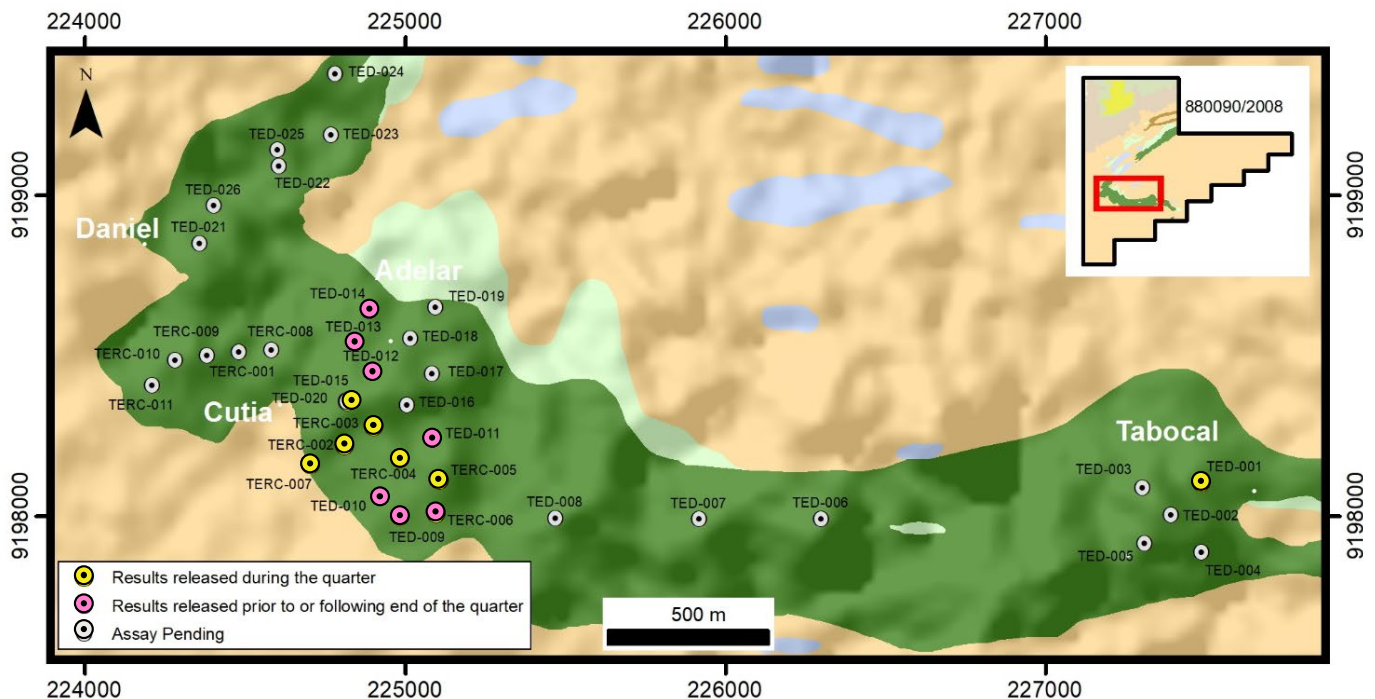


Figure 1: drill holes assayed during the quarter

Assaying began following the Company's announcement that it had finalised the development of an analytical methodology designed to assay for gold and PGM's in a single method. The Company's technical team is satisfied that the method developed yields satisfactory results for QA/QC control samples for all precious metals. As such, BBX commenced full-scale assaying of drill holes drilled in the 2017 as well as 2020/21 drilling programmes at the Três Estados project (*Figure 2*).

Significant results include:

#### TED-015

- 2.62m at **1.99 g/t 5E PGM<sup>1</sup>** (0.71 g/t Pt, 0.74 g/t Pd, 0.34 g/t Ir and 0.2 g/t Au) from 12m
- 4m at **2.62 g/t 5E PGM** (0.78 g/t Pt, 0.34 g/t Pd, 1.31 g/t Ir and 0.2 g/t Au) from 28m including:
  - 2m at **4.18 g/t 5E PGM** (1.55 g/t Pt, 0.63 g/t Pd, 1.82 g/t Ir and 0.18 g/t Au) from 30m
- 16m at **1.66 g/t 5E PGM** (0.86 g/t Pt, 0.75 g/t Ir, 0.01 g/t Rh and 0.04 g/t Au) from 38m
- 1.9m at **2.84 g/t 5E PGM** (1.79 g/t Pt, 0.98 g/t Ir and 0.07 g/t Rh) from 58m including:
  - 1m at **4.10 g/t 5E PGM** (2.18 g/t Pt, 1.86 g/t Ir and 0.06 g/t Rh) from 58m
- 1m at **12.05 g/t 5E PGM** (11.52 g/t Pt, 0.41 g/t Pd and 0.12 g/t Rh) from 84m

#### TED-001

- 2m at **2.48 g/t 5E PGM** (2.48 g/t Pt) from 23m
- 2m at **16.23 g/t 5E PGM** (10.82 g/t Pt, 4.43 g/t Pd and 0.98 g/t Au) from 37m

#### TERC-003

- 6m at **1.4 g/t 5E PGM** (1.36 g/t Pt and 0.04 g/t Rh) from 20m
- 2m at **2.67 g/t 5E PGM** (2.34 g/t Pt, 0.31 g/t Ir and 0.02 g/t Rh) from 30m
- 12m at **1.74 g/t 5E PGM** (1.71 g/t Pt and 0.03 g/t Rh) from 38m (open at depth)

Refer to ASX releases for full results.

Andre J Douchane, CEO, commented: *"BBX has accomplished much during the quarter ending June 30, 2022. Assays of drill holes began and have become routine. Final assay results are now timely due to the installation of the new AA at the independent assayer; and the Catalão laboratory is working efficiently. Additionally, the Company will soon begin to work on a JORC resource at Três Estados, where based on the results reported to date, BBX sees the potential for a near surface PGM deposit. The technical team also continues to work on an extraction process.*

*It is anticipated that the assaying of the 82 drill holes, 44 in Três Estados and 38 in Ema, will be substantially completed within the December quarter 2022. The initial JORC resource is also expected to be completed by within the December quarter".*

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<sup>1</sup> 5E PGM refers to the sum of platinum (Pt), palladium (Pd), iridium (Ir), rhodium (Rh) and gold (Au) expressed in units of g/t.

### Drillhole Locations

Hole ID	East	North	RL	Azimuth	DIP	Depth (m)	Tenement	Method
TED-015	224818.0	9198356.00	191.00	0	-90	91.88	880.080/2008	DD
TED-001	227487.00	9198105.00	151.00	0	-90	50.16	880.080/2008	DD
TERC-002	224798.00	9198224.00	172.00	0	-90	50.00	880.080/2008	RC
TERC-003	224892.00	9198272.00	170.00	0	-90	50.00	880.080/2008	RC
TERC-004	224983.00	9198179.00	186.00	0	-90	50.00	880.080/2008	RC
TERC-005	225106.00	9198111.00	209.00	0	-90	36.00	880.080/2008	RC
TERC-007	224704.00	9198167.00	154.00	0	-90	42.00	880.080/2008	RC

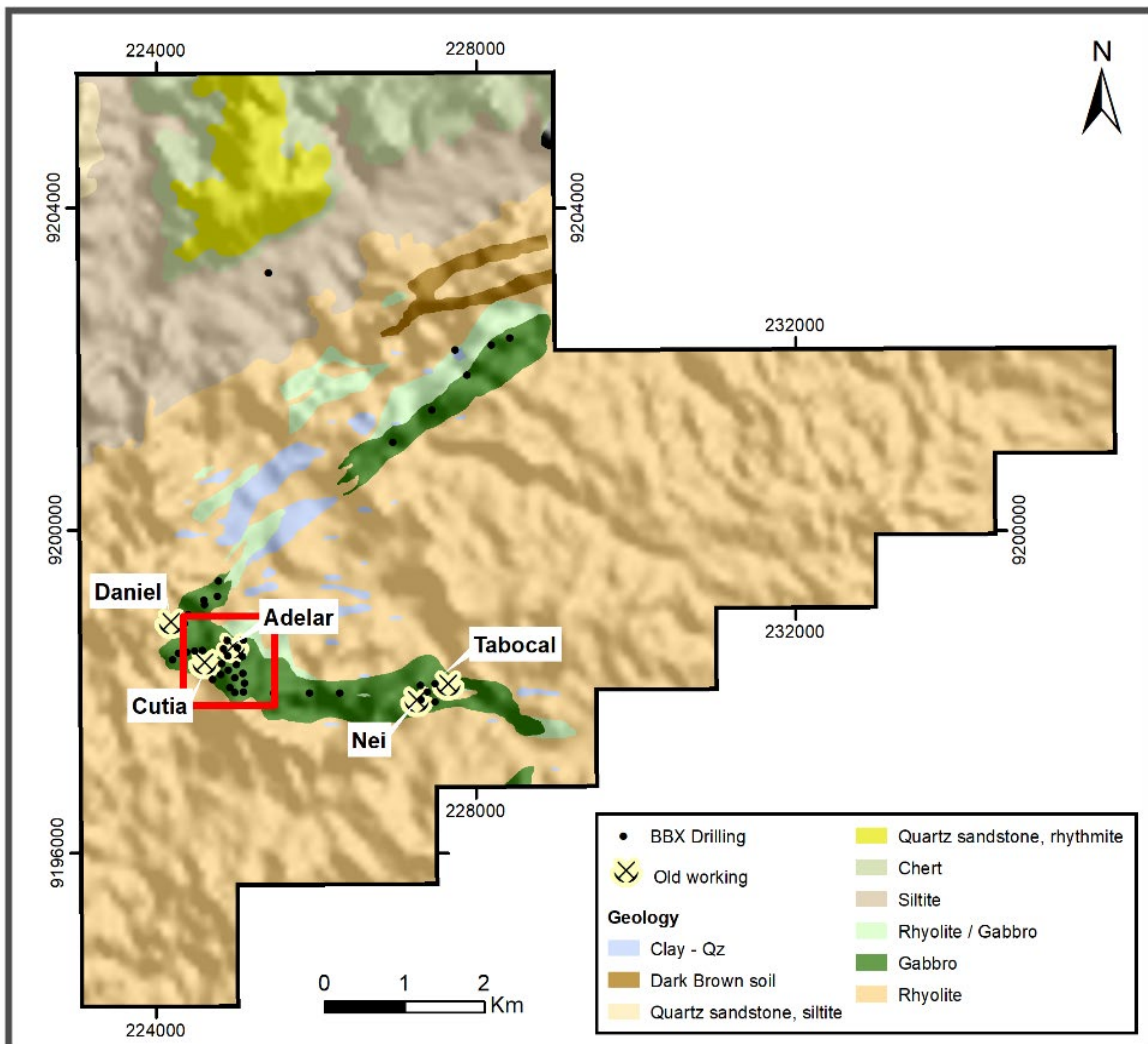


Figure 2: Três Estados project

## Laboratory enhancements

The Company made further enhancements to its laboratory during the June quarter. This has enabled BBX to expedite its assaying programme and announce results regularly. Developments during the quarter include:

- Purchase and installation of two additional gas furnaces used for nickel button production. One furnace is always on standby. Furnaces operate nonstop from 8AM to 5PM, Monday to Friday.
- Installation of new fume extraction system.
- Refurbishment of existing fume hood and installation of additional hood for increased sample handling capacity.
- Enhancements to sample storage facility.
- External and independent AA device maintenance and calibration.

Two new employees were recruited and trained in order to increase the Company's assaying capacity.

In addition to the abovementioned enhancements to its existing laboratory, the Company also installed and commissioned a new Atomic Absorption Spectrometer (*Figure 3*) purchased in the previous quarter. The AA is located and operated independently by a contractor at a nearby facility and is used exclusively for BBX's assaying programme.



*Figure 3:* Newly purchased Atomic Absorption Spectrometer

## Exploration

Exploration activities on site remain at a minimum. Both the exploration office and two field camps remain on care and maintenance, reducing the Company's cash burn in line with recent quarters.

With no drilling occurring during the quarter, the following exploration related activities took place:

- Ongoing monitoring of rehabilitated areas following completion of the 2021/21 drilling programme.
- Systematic work aiming at defining the density of each type of rock intercepted.
- Petrographic analysis (*Figure 4* and *Figure 5*) of all types of hydrothermal alterations intercepted during the diamond drilling programme.



Figure 4: drill cores used in petrographic analysis



Figure 5: drill cores used in petrographic analysis

### Financial Position

The Company ended the quarter with a cash balance of \$354k. As of 30 June 2022, BBX had a total of \$9.95 million available under its financing facilities.

The Company did not raise capital or use any of its funding facilities during the quarter. However, the company completed a capital raising following the end of the quarter. This is explained in detail under subsequent events.



## Corporate

### Board changes

Mr Karl Page was appointed a Non-Executive Director of the Company effective from 30 June 2022. Karl is an accomplished entrepreneur with extensive experience in capital markets. He was the founder and director of a global marketing company providing operational and strategic advice to several clients including fortune 500 companies.

Mr Mike Schmulian retired as a director effective 30 June 2022. Mr. Schmulian (aged 73) had been a director of BBX since 2011 and Chairman since 2012. Importantly, Mr Schmulian remains available to assist the company and will provide consulting services as required by the Board.

### **Subsequent events**

On 5 July 2022, the Company announced that it had received firm commitments from professional and sophisticated investors for a placement to raise \$2,132,000 (before costs) through the issue of 26,000,000 fully paid ordinary shares at \$0.082 per share and 26,000,000 attaching options with an exercise price of \$0.12, expiring 31 December 2025. The Placement Shares and Options are to be issued under the Company's existing capacity under ASX Listing Rule 7.1.

Proceeds from the Placement will be utilised to complete BBX's ongoing assaying programme required for the delivery of a JORC resource. Furthermore, the funds raised will enable BBX to advance its extraction test work.

The Placement was led by Melbourne based boutique investment management and corporate advisory firm Peak Asset Management

### **Shareholder Information**

The Company's capital structure as of 30 June 2022 was as follows:

Capital Structure	Number
Fully paid ordinary shares (BBX)	460,021,475
Unlisted options (June 2023, \$0.15)	9,195,000
Unlisted performance rights (various terms)	10,700,000
Top 20 Shareholders (30 June 2022)	75.28%

### **Listing Rule 5.3 Information**

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the Quarter was \$289k. This amount was capitalised.
2. ASX Listing Rule 5.3.2: There were no mining production and development activities during the Quarter.
3. ASX Listing Rule 5.3.5: Payments to related parties of the Company and their associates during the Quarter totalled \$98k. These payments relate to directors' fees and salaries.



### Additional Information required by Listing Rule 5.3.3

Tenements held at the end of the quarter	Area (Ha)	Percentage ownership
DNPM Permit Number 880.107/08 Location Brazil (Ema)	9,839.91	100% Exploration Licence
DNPM Permit 880.184/16 Location Brazil (Ema)	9,034.00	100% Exploration License
DNPM Permit Number 880.090.08 Location Brazil (Tres Estados)	8,172.25	100% Exploration Licence

The Activity Report for the June quarter 2022 has been authorized for release by the Board of Directors.

For more information:

**André Douchane**

Chief Executive Officer

adouchane@bbxminerals.com

### Competent Person Statement

The information in this report that relates to analytical test results of gold mineralisation in the Apuí region in Brazil is based on information compiled by Mr. Antonio de Castro, BSc (Hons), MAusIMM, CREA, who acts as BBX's Senior Consulting Geologist through the consultancy firm, ADC Geologia Ltda. Mr. de Castro has sufficient experience which is relevant to the type of deposit under consideration and to the reporting of exploration results and analytical and metallurgical test work 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 report being issued in the form and context in which it appears.

CREA/RJ:02526-6D

AusIMM:230624

### About BBX Minerals Ltd

BBX Minerals Limited is a mineral exploration and technology 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 precious metal deposits.

BBX's key assets are the Três Estados and Ema Gold Projects in the Apuí region, Amazonas State. The company has 270.5km<sup>2</sup> of exploration tenements within the Colider Group, a prospective geological environment for gold, PGM and base metal deposits.

**+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")

30 JUNE 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(103)	(426)
(e) administration and corporate costs	(98)	(377)
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 Government grants and tax incentives	-	-
1.8 Other (Project Royalty)	(96)	(96)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(297)</b>	<b>(899)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(71)	(127)
(d) exploration & evaluation	(289)	(1,167)
(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 (6 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(360)</b>	<b>(1,294)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(8)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>(8)</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,011	2,562
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(297)	(899)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(360)	(1,294)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(8)

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	(7)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>354</b>	<b>354</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	354	1,011
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>354</b>	<b>1,011</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(98)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. 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	6,000	1,500
7.3 Other (please specify)	8,000	2,594
<b>7.4 Total financing facilities</b>	<b>14,040</b>	<b>4,094</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>9,946</b>
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.		
<p>Converting loan Facility of up to \$6m with Drake Special Solutions LLC at 8% for 24 months. Facility repayable by cash or via issue of fully paid ordinary shares subject to shareholder approval. The facility was extended to 16 December 2023.</p> <p>Stand by Equity Put Option facility with LDA Capital LLC totalling \$8m over 3 years priced at 90% of the higher of:</p> <ul style="list-style-type: none"> <li>• VWAP of the Company's shares during the pricing period, adjusted for an adjustment event and</li> <li>• a minimum price set by the Company (MAP)</li> </ul>		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(297)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(289)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(586)
8.4 Cash and cash equivalents at quarter end (item 4.6)	354
8.5 Unused finance facilities available at quarter end (item 7.5)	9,946
8.6 Total available funding (item 8.4 + item 8.5)	10,300
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>17.6</b>
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 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: N/A	

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

8.8.2 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: N/A

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

Answer: N/A

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## 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: 26 July 2022

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.