

# **BBX MINERALS LIMITED**

**ACN 089 221 634**

## **CONDENSED INTERIM FINANCIAL REPORT**

**31 DECEMBER 2021**

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**Directors' Report**

Your Directors present their report together with the financial statements of the Group consisting of BBX Minerals Limited ("the Company", or "BBX") and the entities it controlled at the end of, or during, the half year ended 31 December 2021.

**Directors**

The names of Directors who held office during the period and until the date of this report are as follows:

Mr. Michael Schmulian

Mr. Andre Douchane

Mr Ramon Soares (appointed 10 December 2021)

Mr Marc Steffens (appointed 19 October 2021, resigned 10 December 2021)

Mr. William Dix (resigned 20 October 2021)

**Principal activity**

The principal activity of the Group during the financial year were exploration and development of mining assets in Brazil. There were no significant changes in the nature of the Group's principal activities during the half year.

**Dividends**

There were no dividends paid, recommended, or declared during the current or previous financial half-year.

**Review of operations and operating results****Financial position and performance**

The total comprehensive loss for the Group for the half year ended 31 December 2021 was \$1,095,199 (31 Dec 2020: \$841,912)

As at the end of the period, the Company had cash at bank balance of \$1,425,350 (30 June 2021: \$2,561,636) and net assets of \$4,628,170 (30 June 2021: \$3,756,936). As at 31 December 2021, BBX had a total of \$11,446,016 available under its financing facilities.

**Exploration**

Following completion of the drilling program at Ema and Tres Estados, all sites have been rehabilitated and no further provision for site restoration cost is required. The equipment on site has been moved to BBX's main office in the town of Apuí. Consequently, most of the exploration field assistants were released as planned, reducing the Company's cash burn. 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.

**Assaying**

The Company has signed an agreement with Adubos Catalão Comércio e Industria Ltda industrial laboratory in Catalão, Goiás state, to analyse samples following initial processing by BBX conducted in a dedicated laboratory facility located in the same industrial complex. BBX purchased all the required equipment and commissioned its new laboratory in Catalão. Qualified personnel were recruited and trained, with a strong emphasis on safety. The laboratory is operating smoothly.

**Directors' Report (cont'd)****Review of Operations and operating results (continued)**

Given the early success with the new laboratory, BBX is in the process of further upgrading the facility and adding team members to increase its current assaying capacity. This will enable the Company to expedite its assaying and accelerate process development work.

The first and second batches of pulverised samples from the 2021 drilling program were delivered to the newly established laboratory in Catalão. Following extensive testing of its preferred assay method, the Company commenced assaying of a selected drill hole, TERC 002. As an integral part of the analytical procedure, blank, standard, and duplicate QA/QC samples are included in every assay batch to ensure that acceptable quality standards are met, thereby meeting JORC requirements. Minor inconsistencies in the performance of the control samples have been identified and are being addressed.

BBX has contacted an independent company in Brazil for the purposes of compiling and signing off on a JORC-compliant mineral resource estimate. A visit to BBX's laboratory will be arranged in due course.

**Further test work and protocol validation**

BBX has contacted a number of independent external parties in Perth, Western Australia, to test and validate the BBX protocol. A sample has been shipped from Brazil and work has commenced.

**Corporate**Board Changes

On 19 October 2021, BBX informed shareholders that Dr Marc Steffens had been appointed a non-executive director of the Company. On 10 December 2021 BBX announced that Dr Steffens stepped down from his role as a director and transitioned to a technical consultant to the company. Marc's value proposition to the company is more aligned to that of a consultant than an independent non-executive director. Also on 10 December 2021, BBX announced the appointment of Mr Ramon Soares as a non-executive director.

Annual General Meeting

The Annual General Meeting of the Company's shareholders was held on 30 November 2021, with all resolutions passed unanimously by a poll.

Issue of securities

On 6 December 2021, the Company issued 2,000,000 Performance Rights to the CFO. Each Performance Right will be able to be converted into an ordinary Share by the holder subject to the achievement of the following milestone:

- a) the Company releasing on the ASX the results of a scoping study on a BBX asset showing the potential to generate an internal rate of return (IRR) of >20% using consensus prices and Board approved assumptions, prior to 31 December 2025.

Change of office address

On 9 August 2021 the Company advised that it had changed its registered office address and principal place of business to:

Brookfield Place, Level 11, 125 St George Terrace  
Perth WA 6000, Australia

**Directors' Report (cont'd)****Review of Operations and operating results (continued)****Financing**Loan Conversion

On 21 July 2021 BBX announced that it had received a conversion notice with respect to the convertible loan facility entered into on 19 December 2019, with Drake Special Solutions LLC.

A total of 20,635,616 shares have been issued at a conversion price of \$0.08 per share, for a total of \$1,650,849. This amount includes 100% of the advanced sum of \$1,500,000 and interest of \$150,849 under the facility. The conversion price is pursuant to the terms of the facility. Following the issue of these shares, BBX has no further obligations under the facility unless a further drawdown is made.

Loan Extension

On 2 December 2021, the Company announced that the convertible loan facility entered into on 19 December 2019 with Drake Special Solutions LLC has been extended for a further period to 16 December 2023. The facility, which was amended on 8 April 2020, was approved by shareholders on 17 July 2020. Except for the extension, the terms of the facility remain the same.

**Events Subsequent to Reporting Date**

On 5 January 2022, BBX informed ASX that 2,000,000 Performance Rights issued to the CEO had converted into Ordinary Shares.

On 24 January 2022, the Company advised ASX that 1,950,000 Performance Rights had lapsed. Refer to ASX announcement of 24 January 2022 for further details.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of the operations, or the Group's state of affairs in future financial years.

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the half year ended 31 December 2021 is set out on page 6.



**Andre Douchane**  
**CEO and Executive Director**  
**15 March 2022**

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 half year ended 31 December 2021, 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 review; and
2. no contraventions of any applicable code of professional conduct in relation to the review.

LNP Audit and Assurance Pty Ltd



Archana Kumar  
Director

Sydney 15 March 2022

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	31 Dec 2021 \$	31 Dec 2020 \$
<b>Continuing operations</b>		
Interest revenue	78	119
Other income	447	-
	<u>525</u>	<u>119</u>
Depreciation and amortisation expense	(3,260)	(3,512)
Administration expenses	(178,996)	(179,867)
Legal and professional fees	(19,991)	(15,194)
Share based payments	(323,530)	(235,604)
Employment expenses	(176,005)	(93,566)
Directors Fees	(46,838)	(48,000)
Finance costs	(6,408)	(58,171)
Other expenses	(4,909)	(15,512)
<b>Loss before income tax expense</b>	<u>(759,412)</u>	<u>(649,307)</u>
Income tax expense	-	-
<b>Loss after tax from continuing operations</b>	<u>(759,412)</u>	<u>(649,307)</u>
<b>Other comprehensive income</b>		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(335,787)	(192,605)
<b>Other comprehensive loss for the year, net of tax</b>	<u>(335,787)</u>	<u>(192,605)</u>
<b>Total comprehensive loss for the period</b>	<u>(1,095,199)</u>	<u>(841,912)</u>
Basic and diluted loss per share (cents)	<u>(0.17)</u>	<u>(0.15)</u>

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021**

	Note	31 Dec 2021 \$	30 Jun 2021 \$
<b>Current assets</b>			
Cash and cash equivalents		1,425,350	2,561,636
Trade and other receivables	5	186,808	205,839
<b>Total current assets</b>		<b>1,612,158</b>	<b>2,767,475</b>
<b>Non-current assets</b>			
Plant and equipment		59,517	47,278
Exploration & evaluation assets	6	3,819,867	3,669,772
<b>Total non-current assets</b>		<b>3,879,384</b>	<b>3,717,050</b>
<b>Total assets</b>		<b>5,491,542</b>	<b>6,484,525</b>
<b>Current liabilities</b>			
Trade and other payables	7	863,372	1,083,148
Borrowings	8	-	1,644,441
<b>Total current liabilities</b>		<b>863,372</b>	<b>2,727,589</b>
<b>Total non-current liabilities</b>		-	-
<b>Total liabilities</b>		<b>863,372</b>	<b>2,727,589</b>
<b>Net assets</b>		<b>4,628,170</b>	<b>3,756,936</b>
<b>Equity</b>			
Issued capital	9	30,114,988	28,472,085
Other reserves	10	2,346,768	2,023,238
Foreign currency translation reserve	10	(1,682,067)	(1,346,280)
Accumulated losses		(26,151,519)	(25,392,107)
<b>Total equity</b>		<b>4,628,170</b>	<b>3,756,936</b>

The accompanying notes form part of these financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

Consolidated	Note	Issued capital \$	Reserves		Accumulated losses \$	Total equity \$
			Other reserves \$	Foreign currency translation reserve \$		
<b>Balance at 1 July 2021</b>		<b>28,472,085</b>	<b>2,023,238</b>	<b>(1,346,280)</b>	<b>(25,392,107)</b>	<b>3,756,936</b>
Loss for the period		-	-	-	(759,412)	(759,412)
Other comprehensive income for the half year		-	-	(335,787)	-	(335,787)
<b>Total comprehensive loss for the period</b>		<b>-</b>	<b>-</b>	<b>(335,787)</b>	<b>(759,412)</b>	<b>(1,095,199)</b>
Shares issued during the year, net of transaction costs	9	1,642,903	-	-	-	1,642,903
Options converted into shares		-	-	-	-	-
Share-based payments		-	323,530	-	-	323,530
<b>Balance at 31 December 2021</b>		<b>30,114,988</b>	<b>2,346,768</b>	<b>(1,682,067)</b>	<b>(26,151,519)</b>	<b>4,628,170</b>
<b>Balance at 1 July 2020</b>		<b>24,263,910</b>	<b>1,737,969</b>	<b>(1,413,980)</b>	<b>(23,499,599)</b>	<b>1,088,300</b>
Loss for the period		-	-	-	(649,307)	(649,307)
Other comprehensive income for the year		-	-	(192,605)	-	(192,605)
<b>Total comprehensive loss for the period</b>		<b>-</b>	<b>-</b>	<b>(192,605)</b>	<b>(6,49,307)</b>	<b>(841,912)</b>
Shares issued during the year, net of transaction costs		1,828,204	-	-	-	1,828,204
Options converted into shares		1,468,714	(263,131)	-	-	1,205,583
Share-based payments		-	235,604	-	-	235,604
<b>Balance at 31 December 2020</b>		<b>27,560,828</b>	<b>1,710,442</b>	<b>(1,606,585)</b>	<b>(24,148,906)</b>	<b>3,515,779</b>

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	Note	Year ended	
		31 Dec 2021	31 Dec 2020
		\$	\$
<b>Cash flows from operating activities</b>			
Interest and other income received		525	119
Payments to suppliers and employees		(426,740)	(915,724)
Interest and borrowing costs paid		-	(2,519)
<b>Net cash outflow from operating activities</b>		<b>(426,215)</b>	<b>(918,124)</b>
<b>Cash flows from investing activities</b>			
Payments for exploration & evaluation assets	6	(625,051)	(632,207)
Payments for plant and equipment		(43,891)	(2,407)
<b>Net cash outflow from investing activities</b>		<b>(668,942)</b>	<b>(634,614)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of shares		-	2,902,558
Proceeds from borrowings		-	455,507
Capital raising costs	10	(7,946)	(28,771)
<b>Net cash (outflow)/inflow from financing activities</b>		<b>(7,946)</b>	<b>3,329,294</b>
Net (decrease)/increase in cash and cash equivalents held		(1,103,103)	1,776,556
Cash and cash equivalents at the beginning of the half year		2,561,636	152,109
Effects of exchange rate fluctuations on cash held		(33,183)	(16,107)
<b>Cash and cash equivalents at the end of the period</b>		<b>1,425,350</b>	<b>1,912,558</b>

The accompanying notes for part of these financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Note 1. Reporting Entity**

BBX Minerals Limited (The Company) is a for-profit listed public company incorporated and domiciled in Australia. The Financial statements for the half year ended 31 December 2021 comprises the Company and its controlled entities (the Group). The principal activity of the Group is included in the directors report. The consolidated financial statements of the Group were authorised for issue by the Directors on 15 March 2022.

**Basis of preparation**

These condensed general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Act 2001, and other mandatory professional reporting requirements. All amounts are presented in Australian Dollars (\$AUD).

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

**Note 2. Significant accounting policies****(i) New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**(ii) Going Concern**

The half-year financial statements have been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred total operating loss after tax for the half year ended 31 December 2021 of \$759,412 (2020: \$649,307), during the same period had cash outflow from operating activities of \$426,215 (2020: \$918,124), at balance date held cash of \$1,425,350 (30 June 2021: \$2,561,636) and had a working capital surplus of \$748,786 (30 June 2021: \$39,886).

The directors consider the Group to be a going concern based on the following assumptions, which the directors consider reasonable:

- The company continues to carefully manage expenditures, particularly Brazil operations costs and head office expense.
- The company has a convertible note facility with Drake Special Solutions LLC of \$6 million.
- The company has a standby equity Put Option facility with LDA Capital LLC of \$8 million of which \$2,593,984 million has been drawn down as at 31 December 2021.
- The company expects to commence trial mining at Ema following the trial mining licence approval, with Tres Estados expected to be approved in due course and on completion of a pilot plant, delayed due to the implications of Covid 19 and ongoing test work.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Note 2. Significant accounting policies (continued)**

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 may be necessary should the consolidated entity not continue as a going concern.

Judgement about the future is based on information available at the date of this report. Subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made.

**Note 3. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Going concern - Refer to Note 2(ii)

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Group expects to commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**Note 3. Critical accounting judgements, estimates and assumptions (continued)**

resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

**Note 4. Operating segments**Identification of reportable operating segments

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 half year, being mineral exploration and in two geographical areas, being Australia and Brazil.

	Brazil \$	Australia \$	Total \$
<b>Half year ended 31 Dec 2021</b>			
Segment Revenue	447	78	525
Depreciation	(3,260)	-	(3,260)
Other Expenses	(43,212)	(713,465)	(756,677)
<b>Loss after income tax</b>	<b>(46,025)</b>	<b>(713,387)</b>	<b>(759,412)</b>
<b>Segment total assets</b>	<b>4,352,978</b>	<b>1,138,564</b>	<b>5,491,542</b>
<b>Segment total liabilities</b>	<b>778,423</b>	<b>84,949</b>	<b>863,372</b>
<b>Half year ended 31 Dec 2020</b>			
Segment Revenue	-	119	119
Depreciation	(3,512)	-	(3,512)
Other expenses	(55,120)	(590,794)	(645,914)
<b>Loss after income tax</b>	<b>(58,632)</b>	<b>(590,675)</b>	<b>(649,307)</b>
<b>As at 30 June 2021:</b>			
<b>Segment total assets</b>	<b>4,508,601</b>	<b>1,975,924</b>	<b>6,484,525</b>
<b>Segment total liabilities</b>	<b>1,696,043</b>	<b>1,031,546</b>	<b>2,727,589</b>

**Note 5. Trade and other receivables**

	31 Dec 2021 \$	30 Jun 2021 \$
<b>Current assets</b>		
Other receivables	161,894	205,839
Prepayments	24,914	-
	<b>186,808</b>	<b>205,839</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 6. Exploration and evaluation

	31 Dec 2021	30 Jun 2021
	\$	\$
<b>Non-current assets</b>		
Exploration and evaluation - at cost	3,819,867	3,669,772

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	\$
<b>Balance at 1 July 2021</b>	<b>3,669,772</b>
Expenditure during the half year	625,051
Exchange differences	(474,956)
<b>Balance at 31 December 2021</b>	<b>3,819,867</b>

## Note 7. Trade and other payables

	31 Dec 2021	30 Jun 2021
	\$	\$
<b>Current liabilities</b>		
Trade payables	20,026	217,571
Royalty payable	760,165	837,654
Other payables and accruals	83,181	27,923
	<u>863,372</u>	<u>1,083,148</u>

## Note 8. Borrowings

	31 Dec 2021	30 Jun 2021
	\$	\$
<b>Current liabilities</b>		
Drawdown from convertible note facility	-	1,499,727
Interest expense	-	144,714
	<u>-</u>	<u>1,644,441</u>

The convertible note facility was converted to shares on receipt of a conversion notice from Drake Special Solutions LLC in July 2021. A total of 20,635,616 shares have been issued at a conversion price of \$0.08 per share, for a total of \$1,650,849. This amount includes 100% of the advanced sum of \$1,500,000 and interest of \$150,849. Following the issue of these shares, BBX has no further obligations under the facility unless a further drawdown is made.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 9. Issued Capital

Fully paid ordinary shares	31 Dec 2021		30 Jun 2021	
	No.	\$	No.	\$
Fully paid ordinary shares	458,021,475	30,114,988	437,385,859	28,472,085

## Movements in ordinary share capital

Year ended 30 June 2021			
Date	Details	Number	\$
1 Jul 2021	Opening balance	437,385,859	28,472,085
21 Jul 2021	Convertible loan and interest converted into shares	20,635,616	1,650,849
	Less: Transaction costs arising on issue	-	(7,946)
31 Dec 2021	Closing balance	<u>458,021,475</u>	<u>30,114,988</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Share buy-back

There is no current on-market share buy-back.

## Note 10. Reserves

	31 Dec 2021	30 Jun 2021
	\$	\$
Foreign currency reserve	(1,682,067)	(1,346,280)
Share-based payments reserve	1,167,852	844,322
Option reserve	1,178,916	1,178,916
	<u>664,701</u>	<u>676,958</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

The Company has recognised share-based payments expense of \$323,530 in the statement of profit or loss and other comprehensive income on 10,000,000 performance rights granted to employees of the Company. The performance rights were deemed to be valued as follows:

- (i) 6,000,000 performance rights at \$0.1987 per right, based on the Company's 5-day VWAP at grant date. This was deemed to be the fair value of the rights issued at grant date and the expense will be recognised over the vesting period of the rights.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 10. Reserves (cont'd)

- (ii) 2,000,000 performance rights at \$0.31 per right based on the company's 5-day VWAP at grant date. This was deemed to be the fair value of the rights issued at grant date and the expense will be recognised over the vesting period of the rights.
- (iii) 2,000,000 performance rights at \$0.165 per right based on the share price at issue date. This was deemed to be the fair value of the rights issued at grant date and the expense will be recognised over the vesting period of the rights.

Movements in reserves

Movements in each class of reserve during the current and previous financial half-year are set out below:

	Foreign currency reserve	Share based payments reserve	Option reserve	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	<b>(1,346,280)</b>	<b>844,322</b>	<b>1,178,916</b>	<b>676,958</b>
Foreign currency translation	(335,787)			<b>(335,787)</b>
Recognition of performance rights		323,530	-	323,530
<b>Balance at 31 December 2021</b>	<b>(1,682,067)</b>	<b>1,167,852</b>	<b>1,178,916</b>	<b>664,701</b>
<b>Balance at 1 July 2020</b>	<b>(1,413,980)</b>	<b>295,924</b>	<b>1,442,045</b>	<b>323,989</b>
Foreign currency translation	(192,605)	-	-	(192,605)
Recognition of performance rights	-	235,604	-	235,604
Conversion of options	-	-	(263,131)	(263,131)
<b>Balance at 31 December 2020</b>	<b>(1,606,585)</b>	<b>531,528</b>	<b>1,178,914</b>	<b>103,857</b>

## Note 11. Key management personnel disclosures

	31 Dec 2021	31 Dec 2020
	\$	\$
Directors' fees	46,838	48,000
Consulting fees	-	6,000
Salary and Wages	165,321	93,566
Superannuation	10,684	-
Share-based payments	323,530	235,604
	<b>546,373</b>	<b>383,170</b>

## Note 12. Commitments &amp; contingencies

The Group has following contingent liabilities as at 31 December 2021. BBX can exit any of the leases on EMA and Tres Estados without any further commitments.

Lease	Reference	Amount (\$)	Due Date
Tres Estados	DNPM 880.090/2008	14,115	January 2022
Ema	DNPM 880.107/2008	12,959	January 2022
Ema	DNPM 880.184/2016	11,723	January 2022

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



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Note 13. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

Controlled entities	Country of Incorporation	Interest Held	
		Dec 2021	Jun 2021
Mineração BBX do Brasil LTDA	Brazil	100%	100%
BBX Peru SAC	Peru	100%	100%
BBX Lucanas SAC	Peru	100%	100%

**Note 14. Events after the reporting period**

Subsequent to the end of the period, the Company, the company advised of the following issue and lapse of securities:

- On 5 January 2022, BBX informed the ASX that 2,000,000 Performance Rights had converted into Ordinary Shares.
- On 24 January 2022, the Company advised the ASX that 1,950,000 Performance Rights had lapsed.

Other than these events there has not arisen, in the interval between the end of the period and the date of this report an item, transaction or event of material and unusual nature likely, in the opinion of the directors of the Company to significantly affect the operations of the group, the results of those operations, or the state of affairs of the Group, in future financial years.

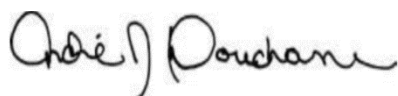
**Directors' declaration**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



**Andre Douchane**  
**CEO and Executive Director**  
**15 March 2022**

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BBX MINERALS LIMITED

### REPORT ON THE HALF-YEAR FINANCIAL REPORT

#### **Conclusion**

We have reviewed the half-year financial report of BBX Minerals Limited and its controlled entities, (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Group does not comply with the Corporation Act 2001 including:

- (a) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standards 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### **Basis for Conclusion**

We conducted our review in accordance with ASRE 2410 *Review of Financial Report Performance by the Independent Auditor of the Entity*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Review of the half year Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES110 Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporation Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

#### **Material Uncertainty Relating to Going Concern**

We draw attention to Note 2(ii) in the half year financial report which indicates that the Group incurred loss after tax in the half year of \$759,412 (2020: \$649,307) and has net cash outflows from operating activities of \$426,215 (2020: \$918,124). As stated in Note 2(ii) these events or conditions, along with other matters set out in Note 2(ii) indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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.

### ***Responsibility of the Directors for the half year Financial Report***

The Directors of the Company are responsible for the preparation of the half-year 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 as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility for the Review of the half year Financial Report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

LNP Audit and Assurance Pty Ltd



Archana Kumar  
Director  
Sydney

15 March 2022