



**ASX Announcement**  
30 October 2020

## QUARTERLY ACTIVITIES, CASH FLOW REPORTS FOR THE QUARTER 1 JULY 2020 TO 30 SEPTEMBER 2020

---

### Activities Report for the quarter ended 30 September 2020

---

Activities for **BBX Minerals Limited (ASX Code: BBX)** (“BBX” or “the Company”) during the September 2020 quarter focused on the continued development and enhancement of the Company’s analytical and extraction techniques for gold and PGM’s at the Três Estados and Ema projects, and on planning for the drilling programme scheduled to commence in the coming quarter.

BBX continues to operate in Brazil on a restricted basis during the ongoing COVID-19 epidemic. The design/engineering studies initiated in Q1 2020 to define the optimal process flow sheet and generate a conceptual design and cost estimate for a test plant remain suspended due to the implementation of lockdown measures in greater Belo Horizonte, where the engineering contractor Onix Engenharia is located.

The Company entered into an agreement during the quarter with highly-regarded São Paulo state technology institute IPT to assist in the final development of a robust analytical method, utilising ICP-MS, a technology not available to BBX at its facilities in Rio de Janeiro. A 2kg surface bulk sample comprising roughly egg-sized rock fragments was collected by the BBX field team on May 30 from an outcrop measuring approximately 2m x 2m, centered on coordinates 9174960N 184140E (denominated EMB-06, see fig. 1), and submitted to IPT for sample preparation and analysis.

The selected sample area is located between two previously tested 10m x 10m areas of outcrop (see media release of 9 January 2018). The sampled outcrop of hydrothermally altered dolerite is visually indistinguishable from mafic intrusives occurring over a broad area at Ema and Três Estados.

Following crushing, pulverisation and homogenization of the entire sample and fine-tuning of the digestion methodology, building on concepts developed by BBX for this style of mineralisation, IPT assayed eleven aliquots of the homogenised bulk sample by ICP-MS, following a multi-acid digestion using high-purity acids, assisted by microwave radiation. The results display a level of precision regarded as satisfactory for routine analytical work (table 1) (95% confidence level, Student’s t-test). A full list of results is given in table 2, showing, in the case of gold, a range of values within 80% and 120% of the mean of 7.12g/t.

The Company will evaluate this assay method, exclusive to BBX, for future assaying of surface and drill-hole samples from both Ema and Três Estados, in conjunction with BBX’s ongoing in-house testing of several potential assay techniques. To test the applicability of the IPT method for a variety of sample matrices, eleven drill-hole samples selected from both Ema and Três Estados from both mafic and felsic rock types displaying various degrees of weathering have been submitted to IPT for analysis in triplicate.

Element	Grade	
	ng. g <sup>-1</sup> (ppb) (as reported by IPT)	g/t
Ru	1.1+/-0.4	
Rh	20+/-3	
Pd	301+/-20	0.301
Ag	232+/-49	0.232
Os	<0.3	
Ir	60+/-8	
Pt	235+/-24	0.235
Au	7120+/-607	7.120

Table 1. EMB-006 mean precious metal grades and 95% confidence intervals

Replicates	Ru	Rh	Pd	Ag	Os	Ir	Pt	Au
1	1.3	23	278	239	< 0.3	63	243	8753
2	1.4	19	303	83	< 0.3	60	225	8107
3	1.9	28	282	307	< 0.3	69	268	7171
4	0.9	17	291	135	< 0.3	62	243	8708
5	1.7	27	292	329	< 0.3	61	251	7180
6	0.8	18	292	264	< 0.3	65	253	7644
7	0.4	17	290	255	< 0.3	72	278	7660
8	1.9	15	322	207	< 0.3	53	210	5611
9	0.4	18	300	253	< 0.3	52	210	6341
10	1.4	19	305	241	< 0.3	51	209	5617
11	0.6	19	356	238	< 0.3	48	191	5526
<b>Mean</b>	<b>1.1</b>	<b>20</b>	<b>301</b>	<b>232</b>	<b>&lt; 0.3</b>	<b>60</b>	<b>235</b>	<b>7120</b>

Table 2. EMB-006 individual assay results

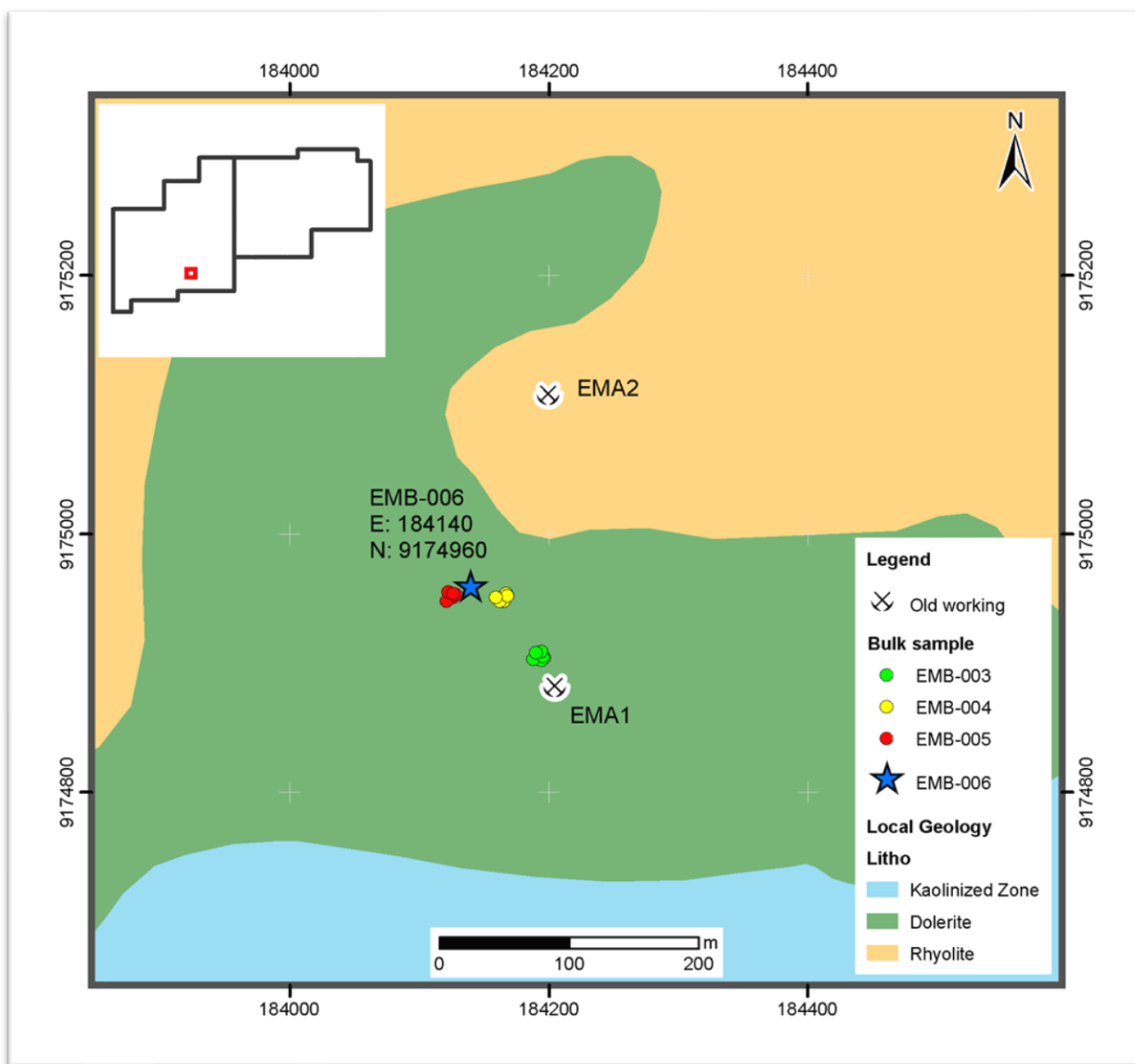


Fig. 1. Location of EMB-006 surface sample

BBX finalised a contract for a 2500m diamond drill programme with Canadian drilling contractor Energold Drilling Corporation, scheduled to start early in the final quarter. The programme comprises a total of 50 drill holes with an average depth of 50 meters at both Ema and Três Estados, designed to infill and extend the previously drill-tested areas and conduct reconnaissance drilling over a number of untested areas at both projects (see figs. 2, 3,).

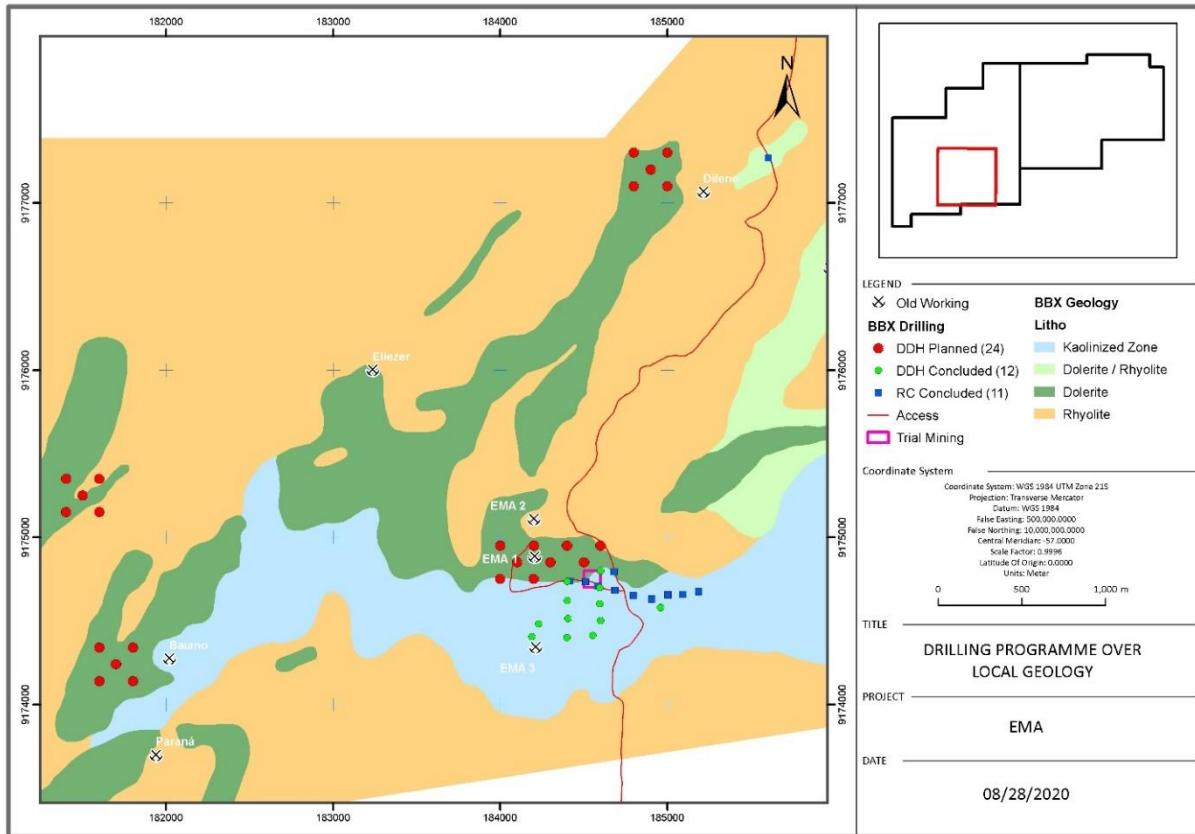


Fig. 2. Proposed Ema drilling programme

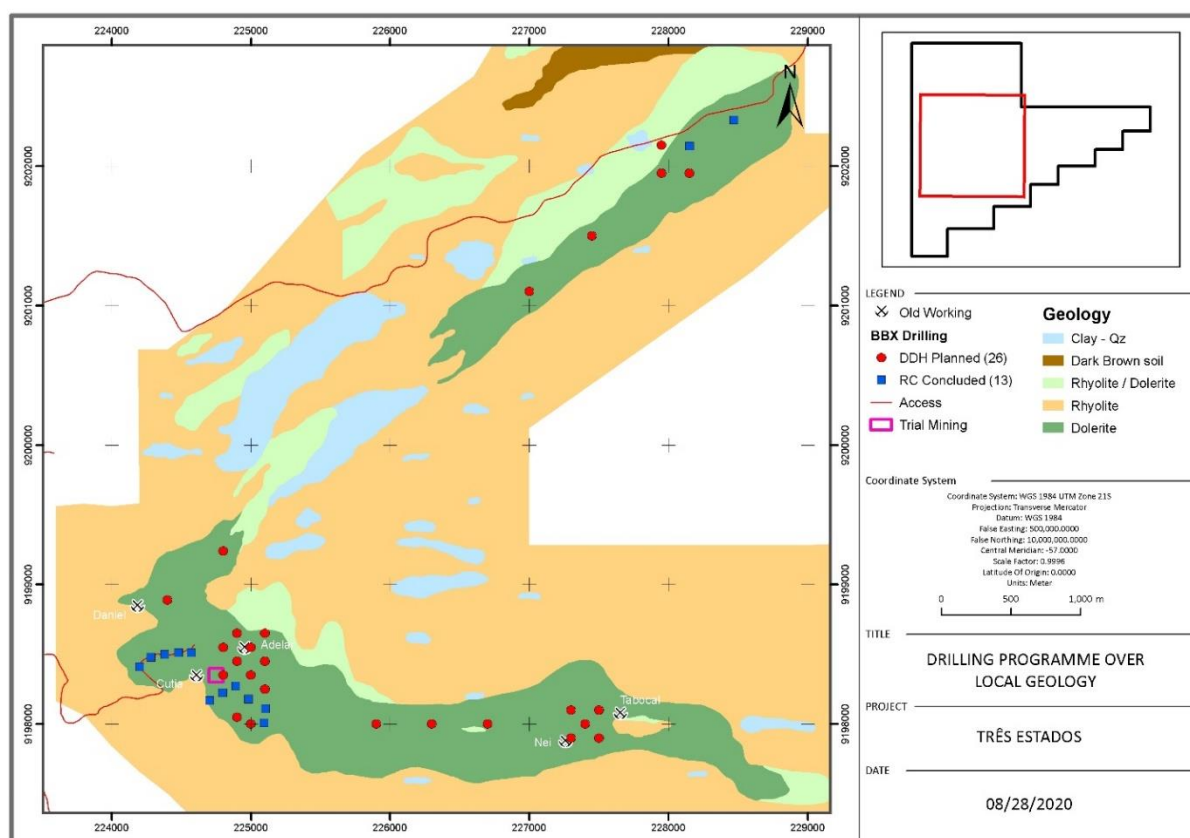


Fig. 3. Proposed Três Estados drill programme

On 9 July 2020, BBX announced the appointment of highly experienced chemical engineer Edmar Medeiros as Technical Manager, charged with coordinating the finalisation of the assay method and process route, pilot plant design and test work and subsequent feasibility studies, engineering and project implementation for Ema and Três Estados.

Mr Medeiros has an MSc from the Federal University of Santa Catarina in Brazil and a Project Management MBA from the University of Central Florida. During a 33-year career, including 24 years with Anglo American he has occupied a variety of process development, research and development and project management roles.

Mr Medeiros worked for a number of years at Anglo American's large Catalão niobium and phosphate operation (now owned by CMOC of China), where he was responsible for developing the extraction process for titanium and the engineering, commissioning and start-up of a new plant for the recovery of niobium from the phosphate tailings, thereby increasing total niobium recovery by 30%. He spent two years in the Anglo-American Research Laboratories (AARL) in Johannesburg.

### Corporate and Financial

Shareholders approved the increase in the Drake Special Solutions LLC convertible note facility to \$6 million at the General Meeting held on 17 July 2020.

On 11 September 2020, a capital call notice was issued to LDA Capital (LDA) for 965,000 Ordinary Shares at an issue price of 0.207 (being 90% of an average 30-day VWAP) raising \$199,755. The Shares were issued under the Company's 7.1 placement capacity.

LDA exercised 2,105,000 Unlisted Options at \$0.15 raising an additional \$315,715 for working capital purposes.

Related party expenses during the September 2020 quarter totalled \$175,791 representing fees paid to Directors and a partial payment of outstanding management fees owed to Mr McKenzie.

### **Director Change**

On 30 September 2020, Executive Director and former CEO Jeff McKenzie announced his retirement for personal reasons.

The Company is currently undertaking a search for a Group CFO to be based in Perth.

### **Subsequent Events**

250,000 December 2020 Unlisted Options have been exercised at \$0.20 per Option raising \$50,000.

BBX issued a 2nd capital call notice against the standby equity funding facility for 4,100,000 Ordinary Shares at an issue price of \$0.4042 (being 90% of an average 30 day VWAP) raising \$1,657,220. The Shares were issued under the Company's 7.1 placement capacity.

Despite COVID-19 related logistical difficulties and heavy rainfall in the Apui region mobilisation of the drill rig to site was completed and the 2500m drill programme initiated.

The Onix Engineering team has recommenced activities on a restricted basis and has re-initiated work on the conceptual design and costing of a metallurgical test plant.

The Activity Report for the September 2020 quarter was approved by the Board for ASX release.

### **For more information:**

**André Douchane**

CEO

[adouchane@bbxminerals.com.au](mailto:adouchane@bbxminerals.com.au)

### **Competent Person Statement**

The information in this report that relates to analytical test results of gold mineralisation in the Apui 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 testwork 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 (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 58.1km<sup>2</sup> 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, greenfield gold and PGM discoveries.

**Current Tenement Interests**

<u>All Tenements Owned by BBX Minerals Ltd</u>	<u>Area (ha)</u>	<u>Percentage ownership</u>
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 880.186/2014 Location Brazil (Juma East)	6998	100% Exploration Licence

## 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 SEPTEMBER 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(176)	(176)
(e) administration and corporate costs	(188)	(188)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(2)	(2)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(366)</b>	<b>(366)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(302)	(302)
(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 (3 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>(302)</b>	<b>(302)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	200	200
3.2	Proceeds from issue of convertible debt securities	495	495
3.3	Proceeds from exercise of options	346	346
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(45)	(45)
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>996</b>	<b>996</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	113	113
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(366)	(366)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(302)	(302)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	996	996

## 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 (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(4)	(4)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>437</b>	<b>437</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	437	113
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>437</b>	<b>113</b>

**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

<b>Current quarter \$A'000</b>
176

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**

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.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	40	-
7.2 Credit standby arrangements	6,000	1,495
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>6,040</b>	<b>1,495</b>

7.5 **Unused financing facilities available at quarter end** 4,545

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 24 months – Initial advances \$1.495m with additional advances up to \$6m. Facility repayable by cash or via issue of fully paid ordinary shares subject to shareholder approval.

Stand by Equity Put Option facility with LDA Capital LLC totalling \$8m (balance available is \$6.1m) over 3 years priced at 90% of the higher of:

- VWAP of the Company's shares during the pricing period, adjusted for an adjustment event and
- a minimum price set by the Company (MAP)

<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)	(366)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(302)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(668)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	437
8.5 Unused finance facilities available at quarter end (Item 7.5)	4,545
8.6 Total available funding (Item 8.4 + Item 8.5)	4,982
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>7.46</b>

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: N/A

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

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

### 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 October 2020

Authorised by: **The Board of Directors**

### 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.