



ASX Announcement
28 January 2021

Reports for the Quarter - 1 October 2020 to 31 December 2020

Activities Report for the quarter ended 31 December 2020

Highlights

- Commencement of 2,500m diamond drilling program at Ema and Três Estados
 - Contract signed with the São Paulo state research institute, IPT to conduct metallurgical test work and pilot plant testing
 - Scanning electron microscope (SEM) shots of selected mineral grains within the precipitate show the presence of gold, silver, platinum, palladium osmium, iridium, ruthenium and rhodium.
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BBX Minerals Limited (ASX: BBX) (**BBX** or the **Company**) is pleased to provide below details of its activities during the quarter ended 31 December 2020. The key activities were 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. Furthermore, the Company commenced its planned 2,500m diamond drilling program.

BBX continues to operate in Brazil on a restricted basis during the ongoing Covid-19 epidemic.

Exploration

As announced on 26 October 2020, BBX commenced its planned 2,500m diamond drilling program at Ema and Três Estados, commencing at the eastern end of the Três Estados project.

On 16 December 2020, the Company reported that the drilling program was proceeding on schedule with the completion of 8 holes totalling 565.56 metres in the eastern and central portion of the Três Estados property (see figure 1). All holes intersected mafic intrusives as anticipated. Detailed logging and sampling of all holes will commence in early 2021. The drilling crew left site on 12 December 2020, and returned on 11 January 2021.

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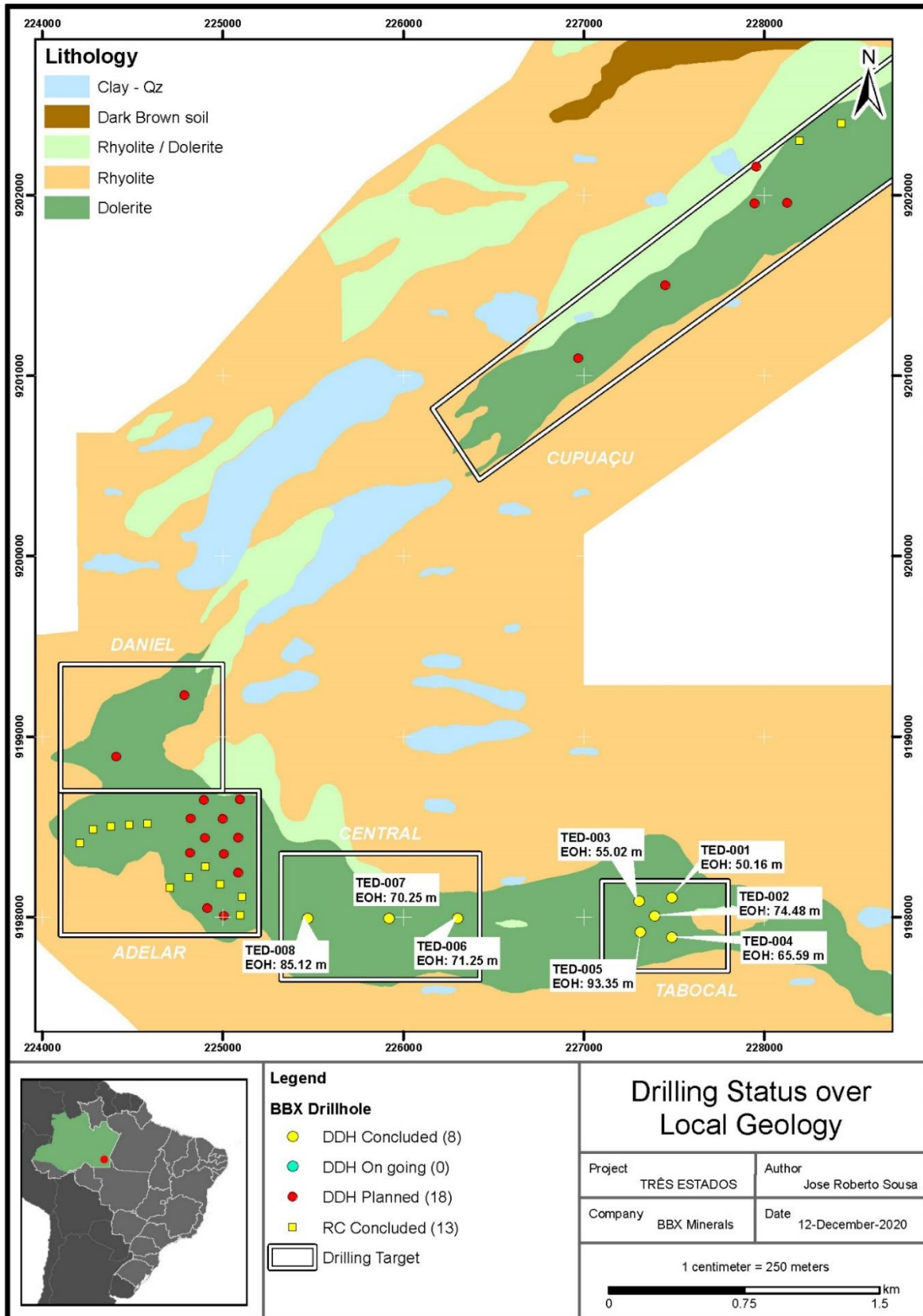


Figure 1 Três Estados drill program status

Metallurgical test work and engineering design

On 16 December 2020, BBX announced that it had signed a contract with the São Paulo state research institute, IPT to conduct metallurgical test work and pilot plant testing on a 3-tonne sample of mineralised rock from the Ema prospect. Testing commenced following receipt of the sample on 19 January 2021.

BBX is continuing the development of its in-house analytical and related extraction technique in conjunction with both IPT and a leading commercial laboratory. This work is aimed at maximising the extraction of other precious metals in addition to gold. BBX's preferred method involves a two-stage acid digestion followed by precipitation of metals from solution.

SEM shots (see media release dated 16 December 2020) of selected mineral grains within the precipitate show the presence of gold, silver, platinum, palladium, osmium, iridium, ruthenium and rhodium within a matrix rich in fluorine, chlorine, carbon, and sulphur. These results, from tests conducted on a second 2kg surface sample of mafic intrusive denominated EMB-006, taken from the same location as the sample previously submitted to IPT (see media release dated September 7, 2020) (fig. 2) are qualitative only and should be regarded as purely indicative. BBX continues to work on the isolation and precise measurement of the individual metals, in conjunction with IPT.

The engineering design of a metallurgical test plant by Onix Engineering is currently being re-initiated.

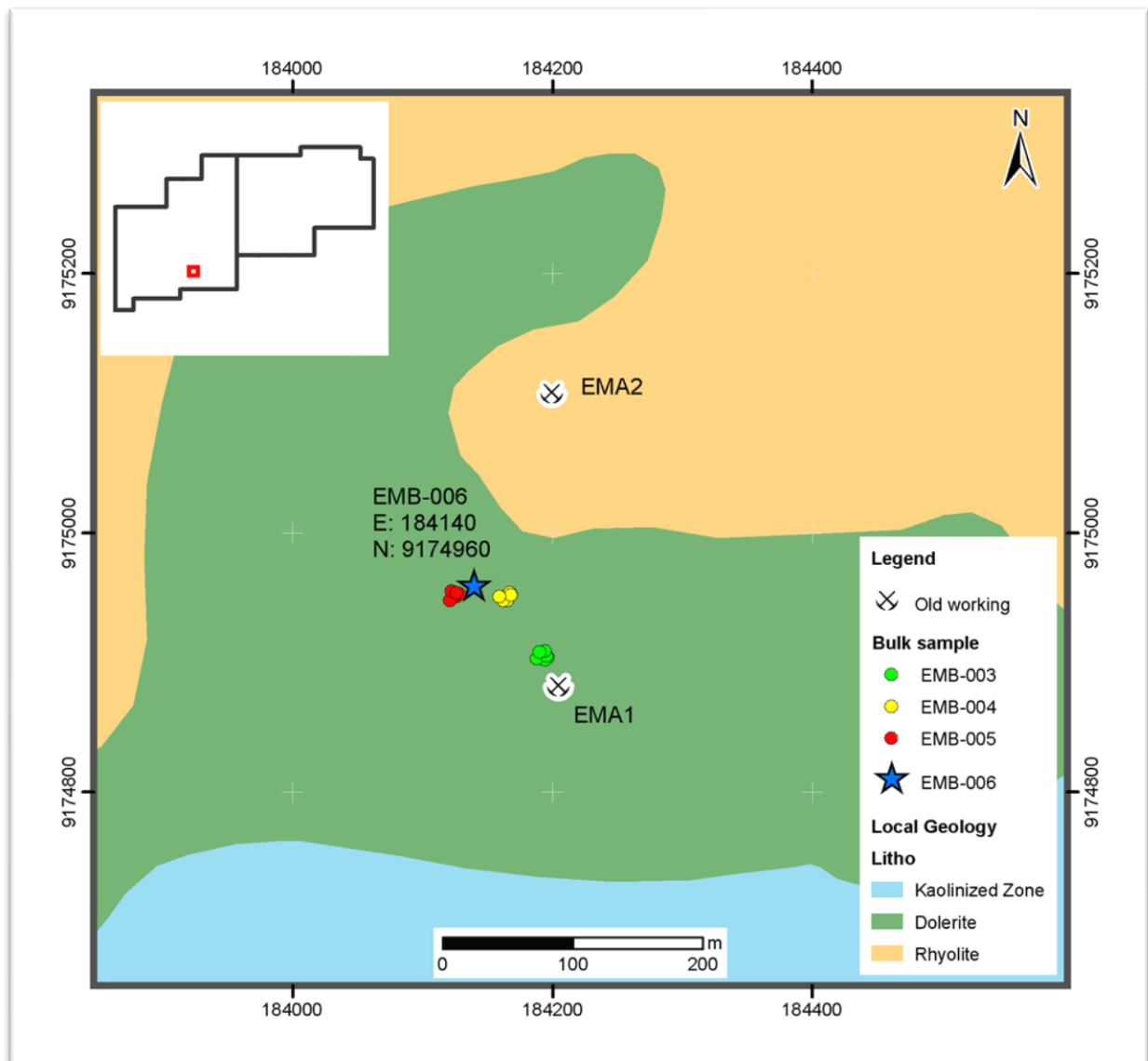


Figure 2 Location of EMB-006 surface sample

Corporate and Financial

The Company ended the quarter in a strong cash position of \$1.913 million. Moreover, as of 31 December 2020, the Company had \$10.688 million available under its financing facilities.

The Company continues to operate a lean organisational structure with strong focus on cashflow. During the quarter, payments for staff costs were abnormally high due to outstanding fees of \$377k paid to a former director who resigned on 30 September 2020. This is not a recurring cash outflow.

Payments for exploration during the period totalled \$325k. This amount was capitalised.

Payments to related parties (Directors) and their associates totalled \$477k. This includes \$377k in outstanding fees paid to a former director.

During the quarter, 9,049,166 ordinary shares were issued, raising a total of \$2.547 million. Funds raised will be used for working capital requirements.

Date	Number	Reason	Consideration (\$)
05 Oct 2020	233,333	Exercise of December 2020 Unlisted Options	46,666
28 Oct 2020	16,667	Exercise of December 2020 Unlisted Options	3,333
28 Oct 2020	4,100,000	Shares issued pursuant to terms of equity funding facility	1,657,220
03 Nov 2020	1,000,000	Exercise of June 2023 Unlisted Options	150,000
03 Dec 2020	500,000	Exercise of June 2023 Unlisted Options	75,000
03 Dec 2020	575,000	Exercise of December 2020 Unlisted Options	115,000
21 Dec 2020	500,000	Exercise of June 2023 Unlisted Options	75,000
21 Dec 2020	2,124,166	Exercise of December 2020 Unlisted Options	424,833
	9,049,166		\$ 2,547,052

On 27 November 2020, BBX held its annual general meeting. All resolutions were carried.

Subsequent Events

On 20 January 2021, the Company reported consistent results of 3.42g/t rhodium from 5 separate tests conducted on the EMB-006 sample (fig 2). As previously announced (see media release of 15 December 2020), BBX has detected the presence of multiple platinum group metals ("PGM's") in a concentrate derived from acid leaching of a surface bulk sample of mafic intrusive from the Ema project. Five lead buttons produced from fusion of this concentrate, from five separate tests of the same bulk sample, were submitted to IPT for analysis by ICP-MS. The tests revealed the presence of consistent and highly significant levels of rhodium (Rh) in all five samples (mean of 3.42 g/t Rh), in addition to an average of 44.19 g/t silver.

On 22 January 2021, BBX Minerals announced the appointment of Mr Ramon Soares to the role of Chief Financial Officer effective 1 March 2021. The appointment is a full-time role, positioned in Perth, Western Australia.

On 25 January 2021, the Company issued 4,600,000 shares to LDA Capital LLC as follows:

- 600,000 shares issued following the exercise of 600,000 options at \$0.15 each; and
- 4,000,000 shares issued pursuant to the terms of the existing equity funding facility

The announcements released on the 20 January 2021 and 15 December 2020 include specific disclosure to ensure compliance with JORC Code (2012 Edition).

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

For more information:

André Douchane

CEO

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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 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 58.1km² 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, 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")

31 DECEMBER 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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	(477)	(653)
(e) administration and corporate costs	(77)	(265)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	(2)
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	(554)	(920)

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

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)	(325)	(627)
	(e) investments		-
	(f) other non-current assets		-
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	(325)	(627)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,657	1,857
3.2	Proceeds from issue of convertible debt securities	-	495
3.3	Proceeds from exercise of options	860	1,206
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(158)	(203)
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	2,359	3,355

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	437	113
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(554)	(920)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(325)	(627)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,359	3,355
4.5	Effect of movement in exchange rates on cash held	(4)	(8)
4.6	Cash and cash equivalents at end of period	1,913	1,913

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	1,913	437
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)	1,913	437

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1**	477
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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

** Item 6.1 includes \$377,000 director fees paid to a former director.

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. 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	1,495
7.3 Other (please specify)	8,000	1,857
7.4 Total financing facilities	14,040	3,352

7.5 **Unused financing facilities available at quarter end** 10,688

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 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)

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(554)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(325)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(879)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,913
8.5 Unused finance facilities available at quarter end (Item 7.5)	10,688
8.6 Total available funding (Item 8.4 + Item 8.5)	12,601
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	14.34

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: 28 January 2021

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.