

DECEMBER 2021 QUARTERLY ACTIVITIES REPORT

Highlights:

- Ongoing refinement of process route and testing of preferred assay method;
- Commencement of assaying of drill hole TERC-002;
- Enhancement of BBX's dedicated laboratory facility in Catalão. Purchase of additional equipment, additional recruitment and training completed during the quarter;
- Discussions with external parties in Perth, Western Australia, to test and validate the BBX protocol. Sample shipped and work commenced;
- Ongoing discussions regarding the construction and operation of a pilot plant in conjunction with Adubos Catalão;

BBX Minerals Limited (ASX:BBX) ("BBX" or the "Company") is pleased to provide details of its activities during the quarter ended 31 December 2021.

The Covid-19 pandemic continues to affect the BBX's operations, and the Company continues to operate on a restricted basis which has affected some of its deadlines. Strong controls remain in place, with the well-being of BBX's employee, their families, and the communities where the Company operates being of utmost importance.

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.

Assaying

The second batch of pulverised samples from the 2021 drilling program was delivered to Catalão during the quarter. The first batch was sent in the previous quarter.

During the quarter, BBX made further enhancements to its laboratory which had been commissioned in the previous quarter. Additional equipment was acquired, and qualified personnel recruited and trained further, with a strong emphasis on safety. BBX is pleased to report that the laboratory is operating smoothly.

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.

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.



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.

Financial Position

The Company ended the quarter in a strong cash position of \$1.425 million. Moreover, as of 31 December 2021, BBX had a total of \$11.45 million available under its financing facilities.

The Company did not raised capital or used any of its funding facilities during the quarter.

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 Company held its Annual General Meeting of shareholders on Tuesday 30 November 2021. All resolutions were passed on a poll.

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.

Issue of securities:

On Monday 6 December 2021, the Company issued 2,000,000 Performance Rights to an employee. Each Performance Right will be able to be converted into a Share by a 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.

Subsequent events

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.



Shareholder Information

The Company's capital structure as of 31 December 2021 was as follows:

Capital Structure	Number
Fully paid ordinary shares (BBX)	458,021,475
Unlisted options (June 2023, \$0.15)	9,195,000
Unlisted performance rights (various terms)	14,650,000

Listing Rule 5.3 Information

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the Quarter was \$209k. 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 \$58k. These payments relate to directors' fees.

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 September 2021 quarter 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 270.5km² 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")

31 DECEMBER 2021

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	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(104)	(215)
(e) administration and corporate costs	(76)	(212)
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 (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(180)	(427)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(22)
(d) exploration & evaluation	(209)	(641)
(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)	-	-
2.6	Net cash from / (used in) investing activities	(209)	(663)
3.	Cash flows from financing activities		
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)	-	-
3.10	Net cash from / (used in) financing activities	-	(8)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,830	2,562
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(180)	(427)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(209)	(663)
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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(16)	(39)
4.6	Cash and cash equivalents at end of period	1,425	1,425

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	1,425	1,830
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)	1,425	1,830

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	(58)
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.

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	-
7.3 Other (please specify)	8,000	2,594
7.4 Total financing facilities	14,040	2,594
7.5 Unused financing facilities available at quarter end		11,446
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"> • 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)	(180)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(209)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(389)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,425
8.5 Unused finance facilities available at quarter end (item 7.5)	11,446
8.6 Total available funding (item 8.4 + item 8.5)	12,871
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	33.1
<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: 28 January 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.