

## **JUNE 2021 QUARTERLY ACTIVITIES REPORT**

### **Highlights:**

- **Completion of drilling program at Ema and Tres Estados;**
- **Development of a simple, practical and economical gold assay protocol finalised;**
- **10 tests on Ema surface bulk sample returned an average grade of 17.09 g/t Au;**
- **Agreement reached with the Federal University of Catalão (UFCAT) in the state of Goiás to conduct analyses of the 2017 and current drill hole samples using the BBX protocol;**
- **Advanced discussions regarding the construction and operation of a pilot plant in conjunction with UFCAT.**

BBX Minerals Limited (**ASX:BBX**) ("**BBX**" or the "**Company**") is pleased to provide details of its activities during the quarter ended 30 June 2021.

Similar to the previous quarter, the Company continues to operate in Brazil on a restricted basis during the ongoing Covid-19 pandemic, which has affected some of our deadlines. Strong controls remain in place to protect BBX's employees, their families, and the local community where BBX operates.

### **Exploration**

As announced on 7 April and 21 June 2021, the Três Estados drilling program has been completed, totalling 31 holes for 2,273.69 metres at the Tabocal, Central, Adelar, Daniel and Capuaçu prospects (fig. 1, table 1).

The rig was subsequently relocated to Ema where the drilling program was completed, totalling 15 holes for 884.62 metres (fig. 2, table 2). The rig and support equipment have been demobilised. Rehabilitation of all drill sites is in progress in parallel with the completion of geological logging and sampling of all drill core.

### **Assay protocol**

On 3 May 2021, BBX announced the results from analytical and metallurgical test work conducted at its facility in greater Rio de Janeiro.

Ongoing test work aimed at fine-tuning the recovery and analysis of gold from a surface bulk sample of mafic intrusive from the Ema project (EMBH-006 in fig. 5) has yielded consistent, highly significant results from ten separate tests (table 3). Nine of the tests were conducted on 50g samples and one (test 1) on a 500g sample, based on 10 separate 50g smelts and subsequent combination of the resultant slags. The method utilised consists of a simple fusion with a conventional flux followed by dissolution of the pulverised slag in aqua regia and an AA (atomic absorption) finish. Readings were taken following solvent extraction with MIBK (methyl isobutyl ketone) to produce a clean analyte.

Nine of the ten results were in the range **16.10g/t to 23.20g/t**, with a single outlier of 7.98g/t.



In addition, subsequent precipitation of the metal onto copper wire from the MIBK solution from test 1 was conducted to recover physical gold (fig. 3). The copper wire was dissolved in nitric acid to produce a gold-rich residue which was cupelled to yield a metal button (fig. 4) which was dissolved in aqua regia and read on the AA. The result based on recovered gold of **17.33g/t** represents an acceptable cross-check with the MIBK gold assay of **23.20g/t** (table 3).

The announcement dated 3 May 2021 also disclosed that BBX has concluded a detailed review of all analytical methods and concepts tested to date and has concluded that the method described in this announcement provides the most reliable and consistent gold assay results. The Company has therefore decided to implement this method for analysis of drill hole samples from its 2017 and current drilling campaigns.

### **Metallurgical test work and engineering design**

IPT continues to work on the three-tonne bulk testing program, although the delivery of the finalised report has been delayed due to the ongoing Covid-19 precautions.

### **Financial Position**

The Company ended the quarter in a strong cash position of \$2.56 million. Moreover, as of 30 June 2021, BBX had a total of \$9.95 million available under its financing facilities.

Cash inflows for the quarter include the following:

	\$'000
Options exercised*	90
Capital call under Put Option Agreement**	161
Proceeds from sale of royalty	750
TOTAL	<u>1,001</u>

\*\*600,000 options exercised at a price of \$0.15 each.

\*605,000 shares issued at a price of \$0.266 per share.

### **Corporate**

Mr Ramon Soares was appointed to the role of Company Secretary effective from 1 June 2021.

### **Subsequent events**

On 21 July 2021 BBX informed shareholders that it had received a conversion notice from Drake with respect to the convertible loan facility. As a result, the Company issued 20,635,616 fully paid ordinary shares at an issue price of \$0.08 per share, for a total consideration 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 obligation under the facility unless and until a further drawdown is made.



## Shareholder Information

The Company's capital structure as of 30 June 2021 was as follows:

Capital Structure	Number
Fully paid ordinary shares (BBX)	437,385,859
Unlisted options (June 2023, \$0.15)	9,195,000
Unlisted performance rights (various terms)	14,900,000

## Listing Rule 5.3 Information

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the Quarter was \$560k. 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 \$55k. 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

Tenements disposed during the quarter	Area (Ha)	Percentage ownership
DNPM Permit Number 880.186/2014 Location Brazil (Juma East)	6,998	100% Exploration Licence

The Activity Report for the June 2021 quarter has been authorized for release by the Board of Directors.

For more information:

**André Douchane**

Chief Executive Officer

adouchane@bbxminerals.com

---

BBX Minerals Ltd (ABN: 82 089 221 634)

AUS: Level 1, 9 Bowman Street, South Perth WA 6151, Australia T +61 8 9364 2387

BRA: Av Jornalista Riccardo Marinho, 360, Sala 113, Barra da Tijuca, Rio de Janeiro T +55 21 2439 5700

[www.bbxminerals.com](http://www.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. The region is under-explored and has the potential to provide BBX with a pipeline of high-growth, greenfields precious metal discoveries.

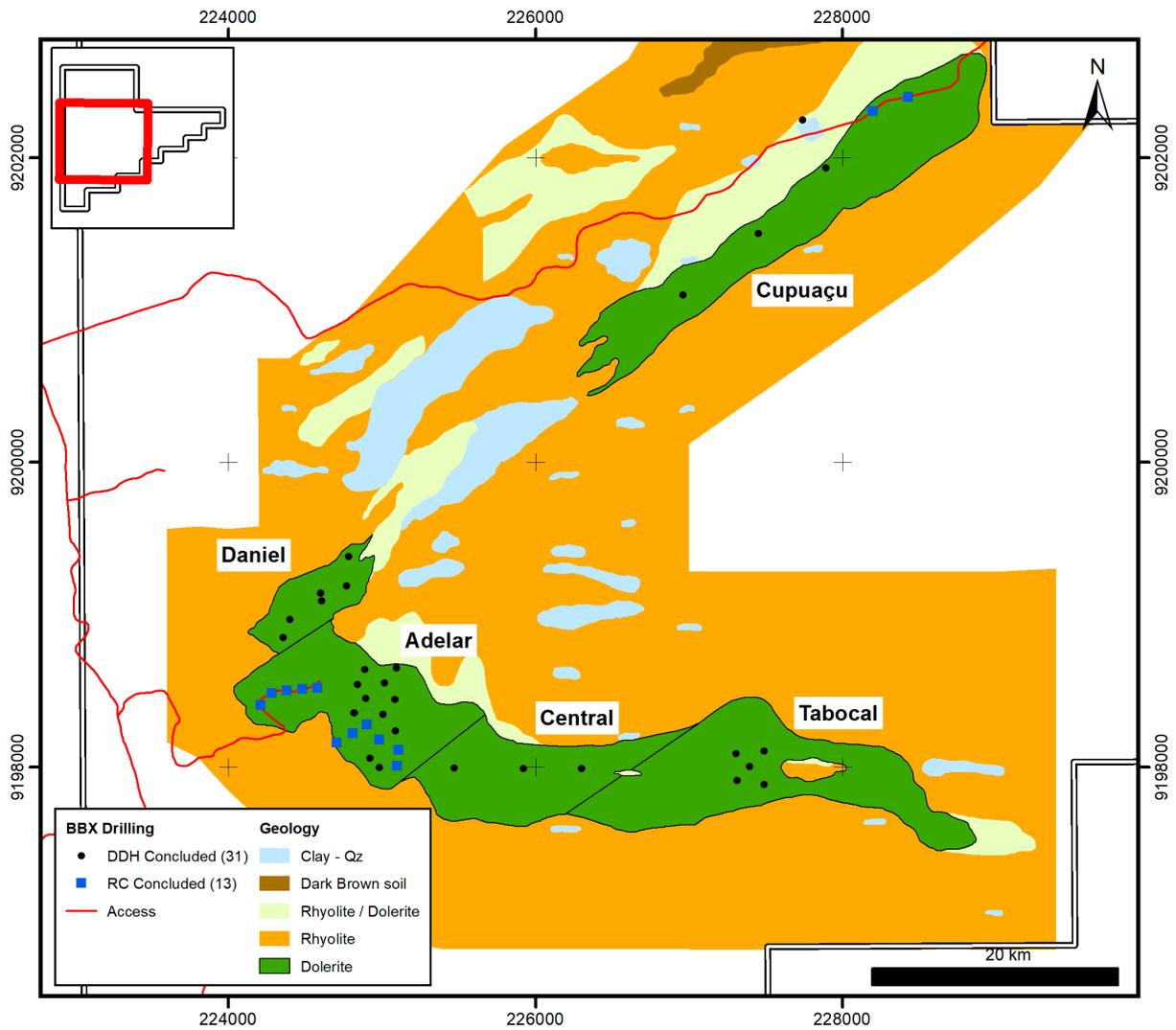


Fig. 1. Tres Estados drilling program

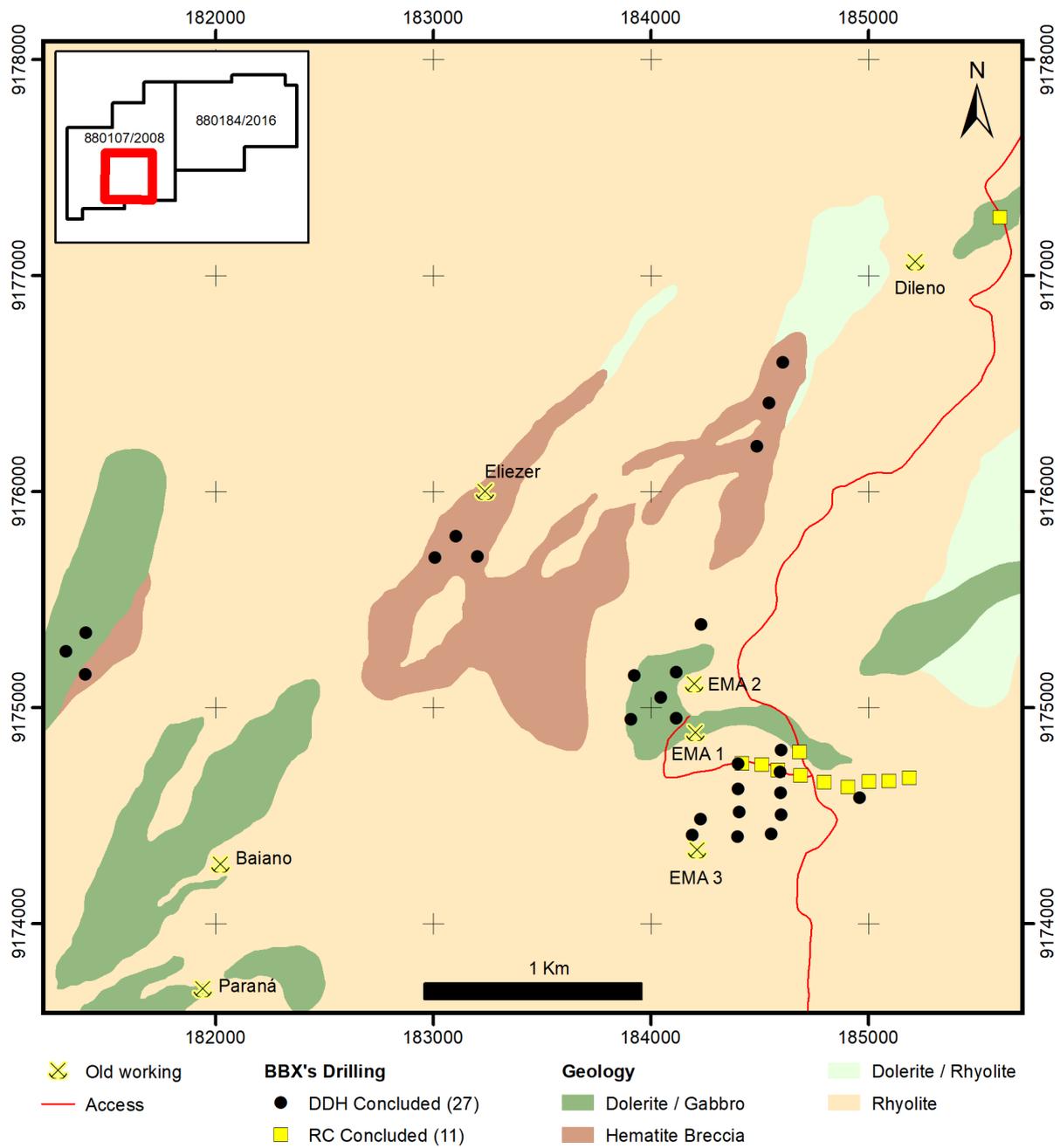


Fig. 2. Ema drilling program



Fig. 3. Gold precipitated on copper wire from MIBK solution



Fig. 4. Gold button recovered from 500g sample (75 of the slag utilised) (scale divisions are 1mm)

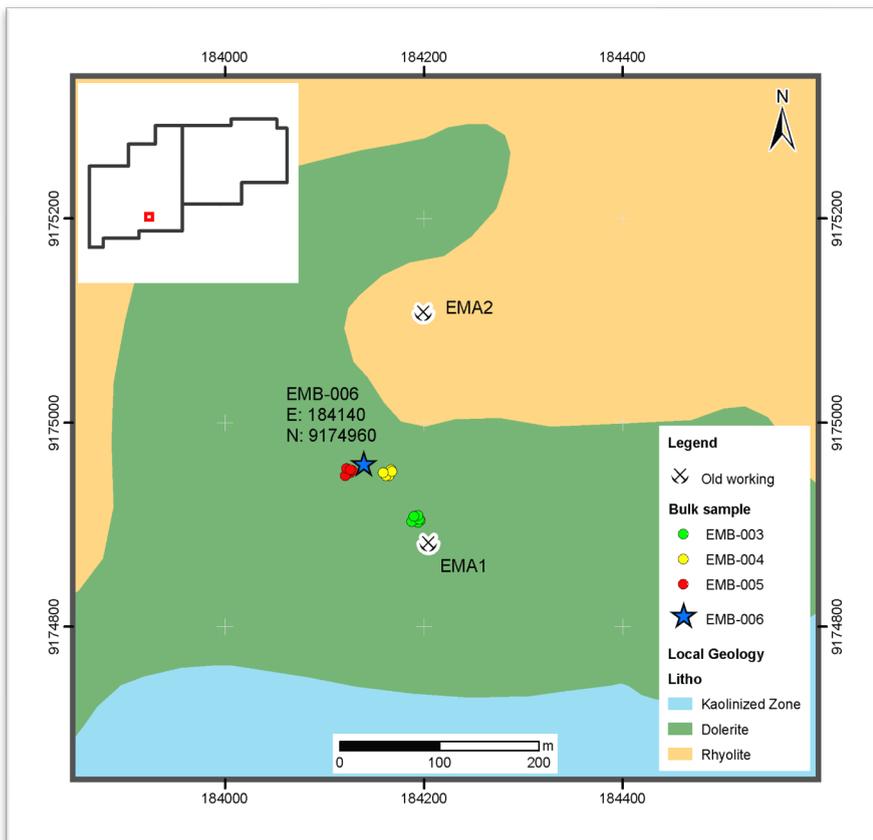


Fig. 5. Location of EMB-006 surface sample

HOLE ID	TARGET	EAST*	NORTH*	EOH (m)	RL	AZIMUTH	DIP
TED-001	TABOCAL	227487	9198105	50.16	151	0	-90
TED-002	TABOCAL	227391	9198003	74.48	174	0	-90
TED-003	TABOCAL	227303	9198087	55.02	163	0	-90
TED-004	TABOCAL	227487	9197886	65.59	166	0	-90
TED-005	TABOCAL	227316	9197911	93.35	193	0	-90
TED-006	CENTRAL	226298	9197990	71.64	171	0	-90
TED-007	CENTRAL	225918	9197990	70.2	169	0	-90
TED-008	CENTRAL	225468	9197993	85.12	184	0	-90
TED-009	ADELAR	224983	9197998	86.09	186	0	-90
TED-010	ADELAR	224920	9198058	51	171	0	-90
TED-011	ADELAR	225085	9198238	61.25	162	0	-90
TED-012	ADELAR	224894	9198450	80.74	180	0	-90
TED-013	ADELAR	224839	9198541	71.12	171	0	-90
TED-014	ADELAR	224887	9198641	61.62	161	0	-90
TED-015	ADELAR	224818	9198356	91.88	191	0	-90
TED-016	ADELAR	225003	9198351	91.03	190	0	-90
TED-017	ADELAR	225082	9198443	87.05	187	0	-90
TED-018	ADELAR	225015	9198553	57.52	152	0	-90
TED-019	ADELAR	225094	9198652	52.06	149	0	-90
TED-020	ADELAR	224816	9198356	91.8	191	0	-90
TED-021	DANIEL	224356	9198851	100.32	137	0	-90
TED-022	DANIEL	224605	9199091	60.1	167	0	-90
TED-023	DANIEL	224767	9199189	89.18	147	0	-90
TED-024	DANIEL	224781	9199380	100	157	0	-90
TED-025	DANIEL	224600	9199142	100.77	149	0	-90
TED-026	DANIEL	224400	9189969	56.42	143	0	-90
TED-027	CUPUAÇU	227739	9202246	52.53	129	0	-90
TED-028	CUPUAÇU	227896	9201933	51.89	101	0	-90
TED-029	CUPUAÇU	227457	9201507	52.64	146	0	-90
TED-030	CUPUAÇU	226959	9201099	60.8	147	0	-90
TED-031	CUPUAÇU	225401	9203196	100.32	117	0	-90

Table 1. Tres Estados 2021 drill hole locations

\*Datum: WGS84

HOLE ID	TARGET	EAST*	NORTH*	EOH (m)	RL	AZIMUTH	DIP
EMD-013	Ema Central	184231	9175383	51.01	198	0	-90
EMD-014	Eliezer	183202	9175698	51.06	236	0	-90
EMD-015	Eliezer	183104	9175790	52.11	192	0	-90
EMD-016	Eliezer	183006	9175692	51.68	148	0	-90
EMD-017	Dileno W	184607	9176595	51.45	154	0	-90
EMD-018	Dileno W	184543	9176409	51.08	141	0	-90
EMD-019	Dileno W	184487	9176207	51.09	145	0	-90
EMD-020	Ema Central	184118	9174948	70.20	210	0	-90
EMD-021	Ema Central	183910	9174943	51.44	152	0	-90
EMD-022	Ema Central	180046	9175044	70.38	183	0	-90
EMD-023	Ema Central	184116	9175161	81.44	161	0	-90
EMD-024	Ema Central	183924	9175146	53.00	217	0	-90
EMD-025	Baiano W	181395	9175129	51.68	156	0	-90
EMD-026	Baiano W	181403	9175343	76.00	182	0	-90
EMD-027	Baiano W	181311	9175258	71.00	181	0	-90

Table 2. Ema 2021 drill hole locations

\*Datum: WGS84

Test no.	Sample wt. (g)	Au (g/t)
1	500	23.20
2	50	20.13
3	50	19.60
4	50	17.00
5	50	17.34
6	50	16.20
7	50	16.63
8	50	16.10
9	50	7.98
10	50	16.70
<b>Mean</b>		<b>17.09</b>

Table 3. EMBH-006 assay results

## 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 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 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	(111)	(838)
(e) administration and corporate costs	(76)	(442)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	(3)
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>(187)</b>	<b>(1,283)</b>

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</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)	(560)	(1,807)
(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 (Sale of royalty over production)	750	1,186
<b>2.6 Net cash from / (used in) investing activities</b>	<b>190</b>	<b>(621)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	161	2,594
3.2 Proceeds from issue of convertible debt securities	-	495
3.3 Proceeds from exercise of options	90	1,386
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(6)	(209)
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 Net cash from / (used in) financing activities</b>	<b>245</b>	<b>4,266</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</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	2,211	113
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(187)	(1,283)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	190	(621)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	245	4,266
4.5	Effect of movement in exchange rates on cash held	103	87
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,562</b>	<b>2,562</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	2,562	2,211
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>2,562</b>	<b>2,211</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>
55
-

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

<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
7.4 <b>Total financing facilities</b>	<b>14,040</b>	<b>4,094</b>
7.5 <b>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 with Drake Special Solutions LLC at 8% for 24 months – Initial advances \$1.5m with additional advances up to \$6m. Facility repayable by cash or via issue of fully paid ordinary shares subject to shareholder approval.</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)	(187)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(560)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(747)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	2,562
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)	12,508
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>16.74</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: 29 / 7 / 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.