

ASX Announcement

31 January 2020

QUARTERLY ACTIVITIES, CASH FLOW REPORTS FOR THE QUARTER 1 OCTOBER 2019 TO 31 DECEMBER 2019

Activities Report for the quarter ended 31 December 2019

Activities for **BBX Minerals Limited (ASX Code: BBX)** during the quarter focused on the continued development of analytical and extraction techniques for gold and PGM's at the Company's Três Estados and Ema projects, and on progressing the granting of a trial mining licence at Três Estados.

Trial Mining Licence – Três Estados.

BBX continues to work with State and Federal authorities to finalise the approval of the trial mining licence at Três Estados. The Federal Lands Department have now advised that they have no objection to the trial mining licence being issued for Três Estados.

Corporate

On 8 November and 25 November BBX clarified and updated details of newly-appointed CEO Andre Douchane's contract, including amended vesting conditions of performance rights issued to Mr Douchane.

On the 12 November 2019 the company advised that its general meeting had approved the adoption of a new constitution

On 19 December 2019 BBX announced details of a converting loan/note facility with Drake Special Situations LLC up to a maximum of \$2 million subject to shareholder approval. The facility will be used for general working capital and to enable the development/construction of a metallurgical test plant in Rio de Janeiro.

A summary of terms

- **Election:** The Company to repay the loan/ convertible note facility by cash or through the issue of fully paid ordinary shares at the lender's election.
- **Shareholder Approval:** Convertible Note conversion is subject to shareholder approval

- Maturity Date: 24 months from execution date
- Face Value: Initial advance of \$500,000 with further advances of up to \$1,500,000.
- Interest: 8% per annum payable at maturity
- Conversion Price: The lower of :
 - a. the 5-day VWAP for the trading of shares on ASX ending on the day prior to a Conversion Election;
 - or
 - b. 14.5 cents,

Subsequent Events

BBX released an updated strategy document on 30 January 2020 which provided details of an indicative process flow sheet and planned engineering studies relating to the proposed construction of a metallurgical test plant. The Company advised that the JV with Irish-registered AuRER Ltd had been dissolved to allow both companies to independently advance to pilot-scale production.

André Douchane
CEO

For more information:

André Douchane
CEO
BBX Minerals Ltd
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Current Tenement Interests

All Tenements Owned by BBX Minerals Ltd	Area (Ha)	Percentage ownership
DNPM Permit Number 880.151/2014 Location Brazil (Juma East)	662.15	100% Application for Exploration Licence
DNPM Permit Number 880.129/2008 Location Brazil (Juma East)	1374	100% Exploration Licence
DNPM Permit Number 880.185/16 Location Brazil (Juma East)	980	100% Exploration License
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 880.094/2014 Location Brazil (Pombos)	1000.36	100% Exploration Licence

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, greenfields gold and PGM discoveries.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

BBX MINERALS LIMITED

ABN

82 089 221 634

Quarter ended ("current quarter")

31 DECEMBER 2019

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	(462)	(681)
(b) development	-	-
(c) production	-	-
(d) staff costs	(24)	(74)
(e) administration and corporate costs	(167)	(457)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(10)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(654)	(1,222)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6..months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) 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	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	83	1,000
3.2 Proceeds from issue of convertible notes	500	500
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(68)
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	583	1,432

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	457	178
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(654)	(1,222)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	583	1,432
4.5 Effect of movement in exchange rates on cash held	(4)	(6)
4.6 Cash and cash equivalents at end of period	382	382

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	382	457
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)	382	457

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	24
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

6.1 Payment for directors fees

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	40	-
8.2 Credit standby arrangements	2,000	500
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Converting loan Facility with Drake Special Solutions LLC at 8% for 2 years – Initial advance \$500k with additional advances up to \$2m. Facility repayable by cash or via issue of fully paid ordinary shares subject to shareholder approval

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	180
9.2 Development	-
9.3 Production	-
9.4 Staff costs	40
9.5 Administration and corporate costs	130
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	350

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

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.

Sign here:
(Director)

Date: ...31/1/2020.....

Print name: ...Jeff Mckenzie.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.