

SEPTEMBER 2021 QUARTERLY ACTIVITIES REPORT

Highlights:

- Ongoing refinement of process route incorporating valuable insight into the complex mineralogical association of the various precious metals, provided by the IPT studies;
- Establishment of a dedicated laboratory facility in Catalão, Goiás state nearing completion. Purchase and installation of additional equipment mostly completed. Recruitment and training of analytical team completed during the quarter;
- Signed agreement with Adubos Catalão Comércio e Industria Ltda industrial laboratory in Catalão, Goiás state, to analyse samples following initial processing by BBX conducted in the same industrial complex;
- Advanced 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 30 September 2021.

As in 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 the Company’s deadlines. The situation has improved, but strong controls remain in place to protect BBX’s employees, their families, and the local communities where BBX operates.

Exploration

Following completion of the drilling program at Ema and Tres Estados, all sites have been rehabilitated. The equipment on site has been moved to BBX’s main office in the town of Apuí. Consequently, the majority of the exploration field assistants were dismissed as planned, reducing the Company’s cash burn.

Geological logging and sampling of all drill core from Ema and Tres Estados has been completed. Petrographic description for the representative lithologies is in progress.

Assaying

The first batch of pulverized drill samples from the 2021 drilling program was delivered to Catalão during the quarter. The second batch is in the process of being pulverised at the SGS laboratory and will be sent to Catalão in November.

The Company has signed an agreement with Adubos Catalão Comércio e Industria Ltda industrial laboratory in Catalão, Goiás state, to analyse samples following initial processing by BBX conducted in a dedicated laboratory facility located in the same industrial complex. The samples will be assayed for Au, Pt, Pd, Rh and Ir by atomic absorption (AA).

Additional equipment to meet the requirements of the BBX analytical method has been received and installed. During the quarter BBX completed the recruitment and training of an analytical team.



The assaying process is expected to commence once the BBX protocol has been tested and the company is satisfied that the newly formed analytical team is ready to begin the process.

Metallurgical test work and engineering design

IPT has completed its report on the test work program conducted on the Ema 3-tonne bulk sample. BBX has received regular feedback from IPT throughout the study period and incorporated IPT's findings into its conceptual model utilised to develop its assay method (see media release of 3 May 2021) and ongoing refinement of its process route. The IPT studies have provided a valuable insight into the complex mineralogical association of the various precious metals.

Financial Position

The Company ended the quarter in a strong cash position of \$1.83 million. Moreover, as of 30 September 2021, BBX had a total of \$11.45 million available under its financing facilities.

During the quarter, the outstanding loan of \$1,500,000 and interest of \$150,849 were converted into ordinary shares, following a conversion notice received by the Company. BBX is now debt free.

Corporate

On 21 July 2021 BBX announced that it had received a conversion notice with respect to the convertible loan facility entered into on 19 December 2019, with Drake Special Solutions LLC.

A total of 20,635,616 shares have been issued at a conversion price of \$0.08 per share, for a total 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 obligations under the facility unless and until a further drawdown is made.

On 9 August 2021 the Company advised that it had changed its registered office address and principal place of business to:

Brookfield Place, Level 11, 125 St George Terrace

Perth WA 6000, Australia

Subsequent events

On 19 October 2021, BBX informed shareholders that Dr Marc Steffens had been appointed a non-executive director of the Company.

Dr Steffens is a Metallurgist with qualifications from the WA School of Mines (Curtin University) and strong metallurgical R&D, process development and study management experience covering both Australian and International projects. The company views having such experience on its Board as prudent to effectively transition its projects to ensuing phases of development and thereby add value to the Company. Dr Steffens was previously an executive director of Ionic Rare Earths Ltd.

Non-executive director Will Dix has advised the Board that he intends to step down from his current position at the close of business on 20 October 2021, in order to focus on other opportunities.

On 22 October 2021, BBX informed the ASX that 2,250,000 Performance Rights had lapsed.

BBX Minerals Ltd (ABN: 82 089 221 634)

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

www.bbxminerals.com



Shareholder Information

The Company's capital structure as of 30 September 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)	14,900,000

Listing Rule 5.3 Information

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the Quarter was \$432k. 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 \$56k. 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 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 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")

30 SEPTEMBER 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 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	(111)	(111)
(e) administration and corporate costs	(136)	(136)
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	(247)	(247)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(22)	(22)
(d) exploration & evaluation	(432)	(432)
(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)	-	-
2.6	Net cash from / (used in) investing activities	(454)	(454)
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)	(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)	(8)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,562	2,562
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(247)	(247)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(454)	(454)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(8)	(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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(23)	(23)
4.6	Cash and cash equivalents at end of period	1,830	1,830

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	1,830	2,562
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)	1,830	2,562

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	(56)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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.</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)	(247)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(432)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(679)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,830
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)	13,276
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	19.6
<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: 29 October 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.