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BBX MINERALS LIMITED

ACN 089 221 634

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED

30 JUNE 2021

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Corporate Information

Directors

Michael Schmulian	Chairman
Andre Douchane	CEO and Executive Director
William Dix	Non-Executive Director

Company Secretary
Ramon Soares

Registered Office and Principal Place of Business
Brookfield Place, Level 11, 125 St Georges Terrace
Perth, WA 6000
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Website: www.bbxminerals.com

Solicitors
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16 Milligan St
Perth, WA 6000

Share Registry
Automic Pty Ltd
Level 2, 267 St Georges Terrace
Perth, WA 6000
Telephone: 08 9324 2099

Auditors
LNP Audit and Assurance Pty Ltd
Level 14, 309 Kent Street
Sydney, NSW 2000

Stock Exchange Listing
BBX Minerals Limited shares are listed on the Australian Securities Exchange
ASX Code: BBX

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Chairman's Letter to Shareholders

The past year has been a testing period for BBX, due both to restrictions imposed by the ongoing COVID-19 pandemic in Brazil and the difficult challenge of implementing a routine analytical technique for the complex style of mineralisation encountered in the Apuí region.

The São Paulo state research institute, IPT, successfully completed its test program on the Ema 3-tonne bulk sample and submitted its final report in July 2021. The findings of the study, which focused on the mineralogical characteristics of the host rock, have been systematically incorporated into BBX´s process development, assisting in the finalisation of a relatively simple, repeatable analytical method. After evaluating various options, the Company has now established the infrastructure to conduct routine assaying of drill holes, due to commence early in the fourth quarter of 2021. In parallel, various options are being assessed for the establishment of a pilot plant to test and fine tune BBX´s preferred process route.

BBX successfully completed follow-up diamond drilling programs at both Três Estados and Ema, testing a number of previously untested areas in addition to infilling within and around areas of previous drilling. These areas of denser coverage will form the basis for future mineral resource estimation. The drilling at both project areas defined extensive areas of strong hematite alteration and brecciation with possible IOCG (iron-oxide-copper-gold) affiliation which is currently being investigated in greater detail.

BBX appointed highly regarded finance professional, Ramon Soares to the joint position of CFO and Company Secretary, further strengthening the Company´s financial control and planning capacity.

BBX has continued to draw down on its $8 million equity facility with LDA Capital LLC, raising a total of $2.6m during the 2021 financial year, in addition to proceeds received from the exercise of options held by LDA. The Company has an additional $5.4 million available through this facility. In addition, BBX disposed of a royalty it held over the Chapada gold project in Tocantins state for a sum of $1,386,452 (USD1 million). The Company remains in a sound financial position with a cash balance of $2.56 million at the close of the financial year. In July 2021, a financing debt with major shareholder Drake Special Solutions LLC has been settled through the issue of shares, and the Company remains debt free.

I would again like to thank fellow directors André Douchane and Will Dix, Exploration Manager Antonio de Castro, Technical Manager Edmar Medeiros and CFO Ramon Soares for their ongoing strong support. The unstinting efforts of the entire management team have enabled the Company to continue to progress its activities despite the difficult operating conditions over the past 18 months.

Whilst 2021 has again been a difficult year world-wide, BBX remains in a strong position, with funding in place, an experienced and committed team and an ongoing clear strategy to move forward into pilot plant testing, trial mining and full-scale project implementation.

Yours Sincerely

Mike Schmulian
Chairman

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Directors' Report

Your Directors present their report together with the financial statements of the Group consisting of BBX Minerals Limited ("the Company", or "BBX") and the entities it controlled for the financial year ended 30 June 2021. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors
The names of Directors who held office since the start of the financial year to the date of this report unless otherwise stated are as follows.

Mr. Michael Schmulian
Non-Executive Chairman
Mr Schmulian is a geologist with over 40 years of mining and exploration experience. His experience includes 30 years in Brazil where he established a strong network in the industry. He is a former Brazil Country Manager for Western Mining Corporation, South America brownfields Exploration Manager for Anglo Gold Ashanti and Executive Director of Mundo Minerals Limited, responsible for establishing the Company's Engenho gold mine.

Qualifications:
- BSc (Hons) University of Witwatersrand
- MSc University of Leicester
- Fellow of AusIMM

In the 3 years immediately before the end of the financial year, Mr. Schmulian has not held directorships of any other listed entities.

Mr. Andre Douchane
CEO and Executive Director
Mr Douchane is a highly experienced mining executive with over 40 years' experience in North and South America, including COO, CEO and Chairman roles with a number of mid- tier and junior mining companies including Round Mountain, Battle Mountain Gold, Franco-Nevada, North American Palladium and Starfield Resources.

Qualifications:
- BSc Mining Engineering New Mexico Institute of Mining 1972
- Executive MBA Kellogg School of Management

In the 3 years immediately before the end of the financial year, Mr. Douchane also held a directorship role in the following listed entity:

Hanstone Gold Corp.	19 August 2020 to present

Mr. William Dix
Non-Executive Director
Mr Dix is a geologist with over 20 years' experience in gold, base metals and uranium. In previous roles he has led successful growing gold and base metal resources at companies including Lion Ore Mining International. At Lion Ore Mr Dix was part of the team that discovered the Waterloo Nickel Mine and delineated the 2-million-ounce Thunder Box Gold project. He has a proven track record of successful project and team management and also extensive capital raising, mergers, acquisitions and divestments.

Qualifications:
- BSc, MSc Geology, Monash University
- Member of AusIMM

In the 3 years immediately before the end of the financial year, Mr. Dix also held a directorship role in the following listed entity:

Todd River Resources	1 February 2018 to present

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Directors' Report (continued)

Mr. Jeff McKenzie
Executive Director (resigned 30 September 2020)
Mr McKenzie is a former Banker with ANZ Banking Group for 33 years roles including General Manager Beijing Branch China, Regional Head North Asia Commodity and International Trade.

Chief Executive of PISG Group Beijing the largest private iron ore importer into China and owner of a 4mio tons steel mill. Mr McKenzie has considerable commodity and financial experience including undertaking a JV with Vale of Brazil in China to build a 5mio ton pellet plant. Initiating a USD2.5bio takeover of China Oriental Group (HK Listed) for PISG.

In the 3 years immediately before the end of the financial year, Mr. McKenzie also held a directorship role in the following listed entity:

FE Investments Group Limited Appointed 4 September 2019

Mr. Ramon Soares – B.Com, CPA
Company Secretary
Mr. Soares has over 10 years' experience in finance and compliance and has held senior roles with several ASX listed mining and technology companies.

As a dual Brazilian and Australian citizen. Mr Soares is fluent in both English and Portuguese. He holds a Bachelor of Commerce (Accounting and Finance) from Curtin University, Perth and is a member of CPA Australia.

Ms. Eryn Kestel
Company Secretary (resigned 31 May 2021)
Ms Kestel holds a Business degree majoring in accounting and is a Certified Practicing Accountant. She has an established career in business gained through many years of experience and holds the position of Company Secretary for several ASX listed entities.

Shares and options issued during the financial year
The Company issued 20,044,166 shares during the financial year.

Of the shares issued, 8,254,166 were as a result of the exercise of options.

Details of unissued shares under options at the date of this report are:

No. of shares under options	Class of shares under options	Exercise price	Expiry date of options
9,195,000	Ordinary	$0.15	17 June 2023

Principal Activity
The principal activity of the Group during the financial year were exploration and development of mining assets in Brazil. There were no significant changes in the nature of the Group's principal activities during the financial year.

Operating Result
The Group incurred an operating loss after tax of 1,892,508 for the year ended 30 June 2021 (2020: loss $2,932,995). Included in net operating results is revenue from the sale of royalty rights over the Chapada project for a total consideration of $1,386,452 (USD1million) which has been offset by royalty payments (cost of sales) of $773,782.

Review of Operations
Activities for BBX Minerals during the year 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, BBX completed its planned 2,500m diamond drilling program during the period.

The Group operated in Brazil on a restricted basis as a result of the ongoing Covid-19 pandemic.

Directors' Report (continued)

Exploration
During the year, the Company completed its drilling program at the Três Estados project, totalling 31 holes for 2,273.69 metres at the Tabocal, Central, Adelar, Daniel and Capuaçu prospects (fig. 1).

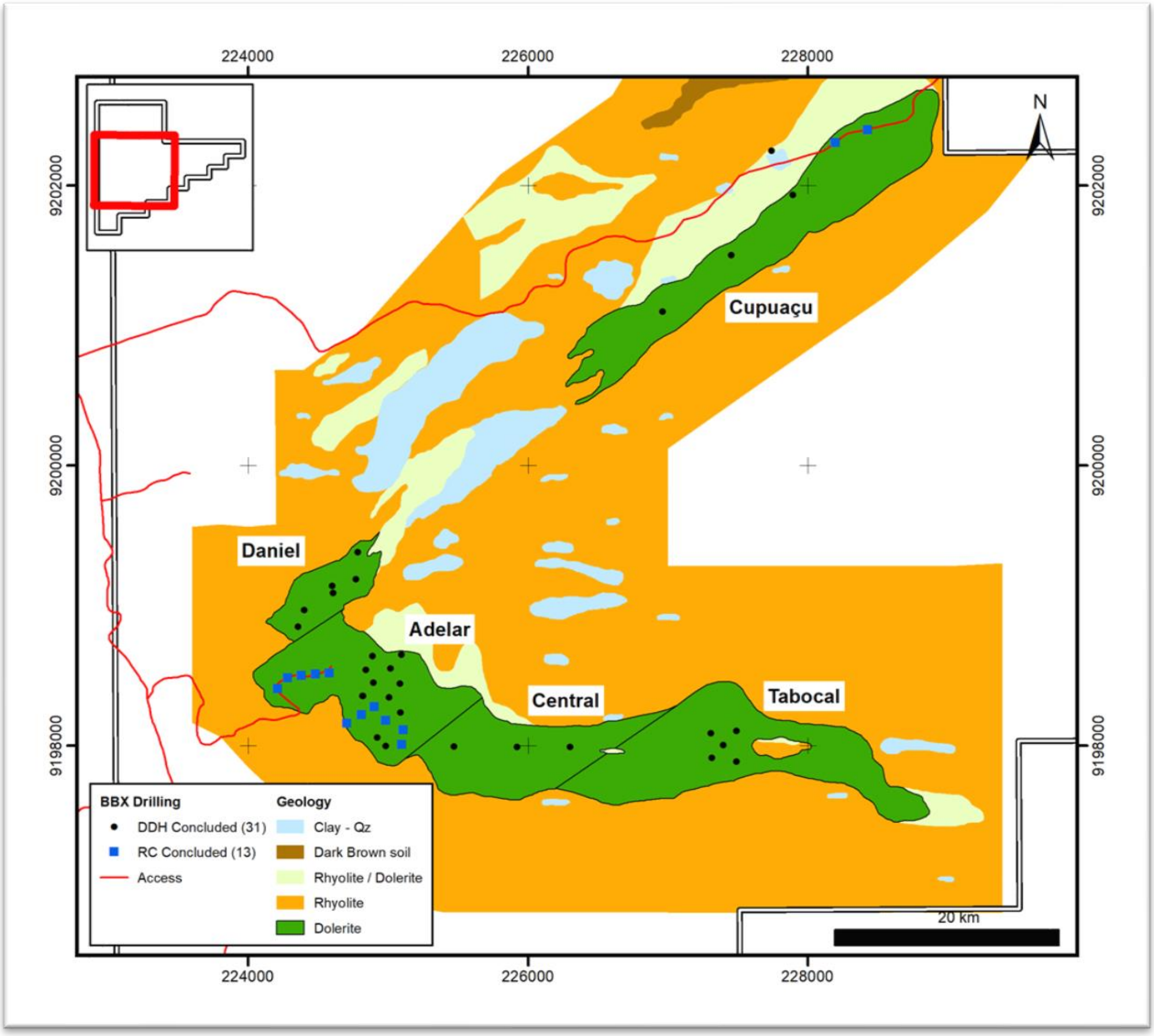

Fig. 1. Tres Estados drilling program

The rig was subsequently relocated to Ema where the drilling program was completed, totalling 15 holes for 884.62 metres (fig. 2). The rig and support equipment have been demobilised.

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Directors' Report (continued)

Review of Operations (continued)

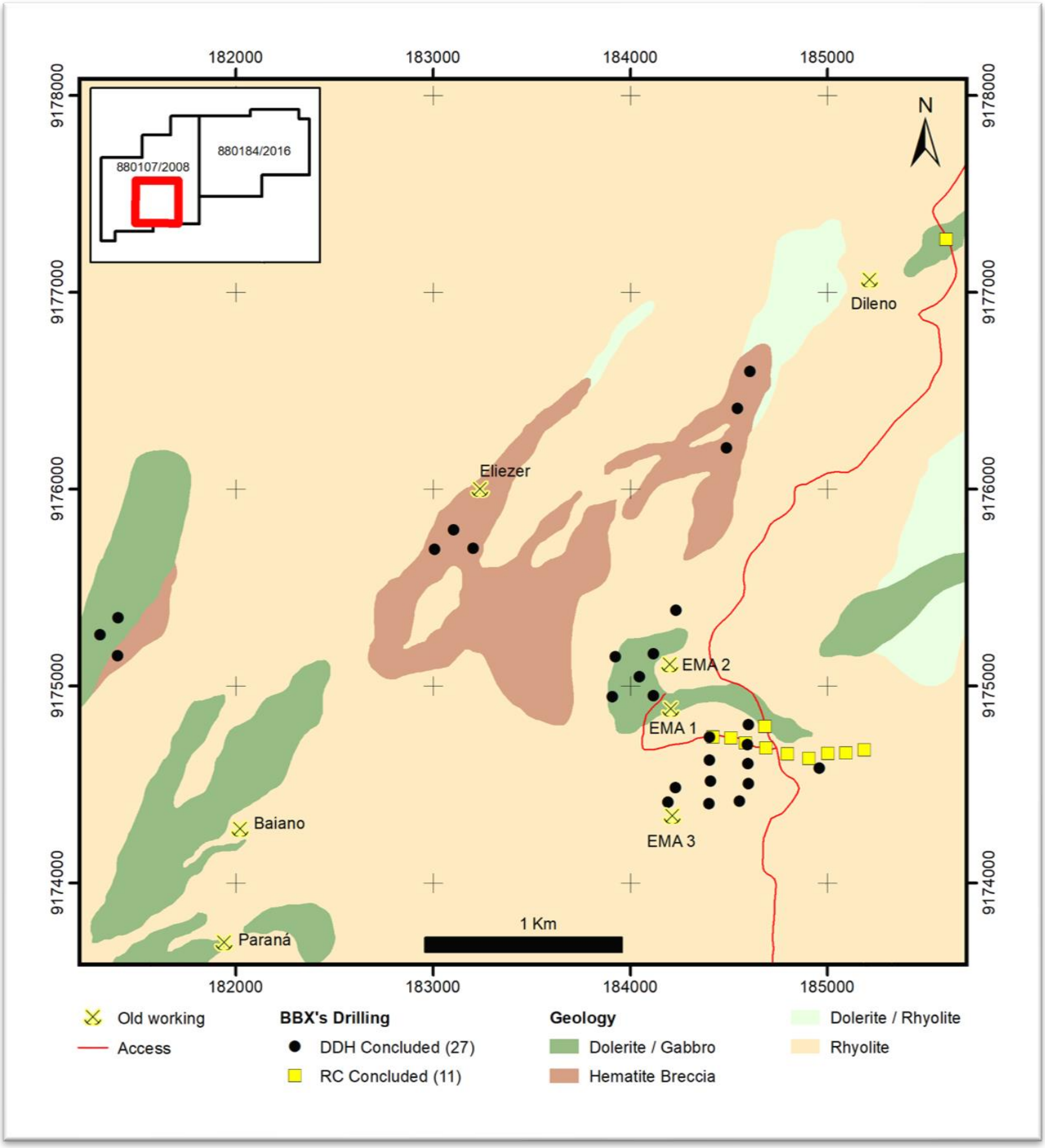

Fig. 2. Ema drilling program

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Directors' Report (continued)

Review of Operations (continued)

Metallurgical test work

The Company continued over the last 12 months to advance the development of its proprietary analytical and extraction techniques for the complex style of mineralisation encountered in the Apuí region. The Company signed a contract with the Sao 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.

In parallel, BBX continued the development of its in-house analytical and related extraction technique. Although the final report from IPT was only received following the end of the financial year, BBX received regular feedback from IPT throughout the study period and routinely incorporated IPT's findings into its conceptual model utilised to develop its assay method 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.

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 3) has yielded consistent, highly significant results from ten separate tests (see table 1). 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 to produce a clean analyte.

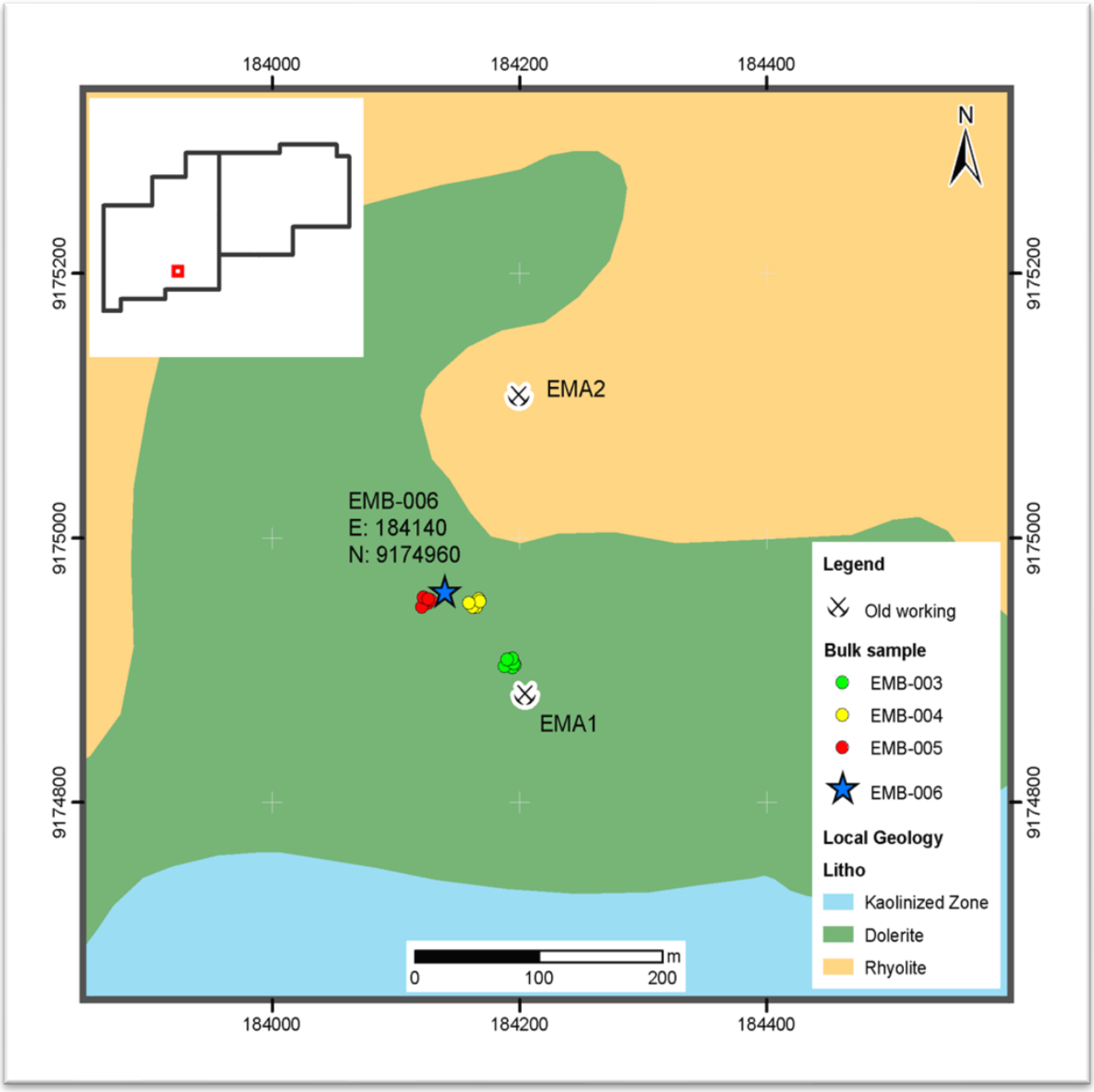

Fig. 3. Location of EMB-006 surface sample

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Directors' Report (continued)

Review of Operations (continued)

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 (see fig. 4). The copper wire was dissolved in nitric acid to produce a gold-rich residue which was cupelled to yield a metal button (fig 5) 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 1).

BBX has conducted a detailed review of all analytical methods and concepts tested to date and has concluded that the above described method provides the most reliable and consistent gold assay results.

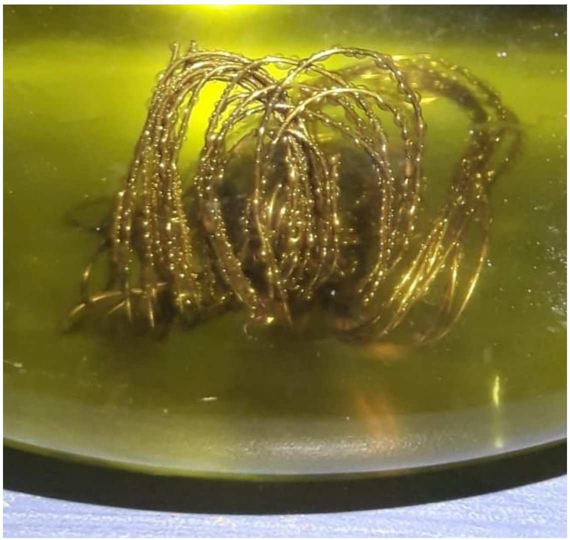

Fig. 4. Gold precipitated on copper wire from MIBK solution

Fig. 5. Gold button recovered from 500g sample (75% of the sl utilised) (scale divisions are 1mm)

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
Mean		**17.09**

Table 1. EMBH-006 assay results

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Directors' Report (continued)

Corporate Activities
On 9 July 2020, BBX announced the appointment of highly experienced chemical engineer Edmar Medeiros as Technical Manager, charged with coordinating the finalisation of the assay method and process route, pilot plant design and test work and subsequent feasibility studies, engineering and project implementation for Ema and Tres Estados.

On 30 September 2020, Executive Director and former CEO Jeff McKenzie announced his retirement for personal reasons.

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

Financial Activities
The Company ended the financial year in a strong cash position of $2.56 million. Moreover, as of 30 June 2021, the Company had $9.946m available under its financing facilities ($4.5m with Drake Special Solutions LLC, $5.406m with LDA Capital LLC, and$40,000 bank overdraft facility). The Company continues to operate a lean organisational structure with strong focus on cashflow.

During the year, the Company issued a total of 20,044,166 shares, raising a total of $4.2m after costs. Out of the 20,044,166 shares issued, 8,254,166 shares were issued as a result of options being converted, raising a total of $1.38 million.

LDA Capital LLC currently holds 3,895,000 collateral shares which may be used for future capital calls.

Current Tenement Interest

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

Significant changes in the state of affairs
On 22 January 2021, the company appointed Mr Ramon Soares to the role of Chief Financial Officer effective 1 March 2021.

On 8 March 2021, the Company announced that it had accepted an offer of $1,386,452 (USD 1 million) from Engegold Mineração Ltda for the purchase of the 3% royalty the Company holds over production from the Chapada project in the Brazilian state of Tocantins (see media release of 2 July 2013). The payment has been received in three equal monthly instalments at 30 June 2021.

Rio Gameleira Prospecção e Geologia Ltda (50:50 AnglogoldAshanti and IAMGold) retains an underlying royalty entitlement of 2.1% over the project, payable by BBX, which the Company may purchase for AUD768,627.50. BBX has entered into discussions with the shareholders of Rio Gameleira regarding a renegotiation of the buyout terms, including the possibility of payment in BBX shares. The Company has recognised this expense in the 30 June 2021 income statement (refer note 3).

There were no other significant changes in the state of affairs of the Group during the financial year other than that referred to in the financial statements or noted thereto.

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Directors' Report (continued)

Significant events after balance date
The following event has arisen in the interval between the end of the reporting period and the date of this report:

In July 2021, the Company received a conversion notice from Drake with respect to the convertible loan facility entered into on 19 December 2019. On 21 July 2021, the Company issued a total of 20,635,616 shares 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 until a further drawdown is made. The conversion price was pursuant to the terms of the facility.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Likely developments and expected results
The likely developments and expected results are set out in the Review of Operations section of this report.

Environmental legislation
The Group's activities are subject to environmental regulations under Brazil federal and state legislation. The Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach to those requirements as they apply to the Group.

Dividends
No dividends have been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year.

Indemnification and insurance of Directors and Officers
During the financial year the Company paid a premium in respect of a contract to ensure the directors of the Company (as named above) and the Company Secretary against liabilities incurred as such a director, secretary or executive officer, to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Remuneration report (Audited)
This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of BBX Minerals Limited for the financial year ended 30 June 2021. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

Key Management Personnel
The Directors and other key management personnel of the Group during or since the end of the financial year were:

Directors	
Michael Schmulian:	Non-Executive Chairman
Andre Douchane	CEO and Executive Director
William Dix	Non-Executive Director
Jeff McKenzie	Executive Director – resigned 30 September 2020
Executives	
Andre Douchane	Chief Executive Officer

Except as noted, the named persons held their current positions for the whole of the financial year and since the end of the financial year.

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Directors' Report (continued)

Remuneration philosophy
The remuneration policy of BBX Minerals Limited has been designed to align key objectives with shareholder and business objectives based on key performance areas affecting the Group's financial results. The Board of BBX Minerals Limited believes the remuneration policy to be appropriate.

The Board may approve incentives, bonuses and options to executives from time to time. The remuneration policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth. Remuneration paid is valued at the cost to the Group and expensed. The Board establishes and monitors the remuneration of the Chief Executive Officer.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. Independent external advice may be sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. The current maximum is $150,000. Please refer to the Company´s Corporate Governance Statement on BBX´s website, https://www.bbxminerals.com/corporate-governance/.

Remuneration Committee
The Company does not have a separate remuneration committee and as such all remuneration matters are considered by the Board as a whole, with no member deliberating or considering such matter in respect of their own remuneration.

In the absence of a separate Remuneration Committee, the Board is responsible for:

1. Setting remuneration packages for Executive Directors, Non-Executive Directors and other Key Management Personnel, and
2. Implementing employee incentive and equity based plans and making awards pursuant to those plans.

Remuneration structure
In accordance with best practice corporate governance, the structure of non-executive Director and executive remuneration is separate and distinct.

Use of remuneration consultants
The Company has not engaged any remuneration consultants and the Board is satisfied that the recommendations were made free from undue influence from any members of key management personnel.

Senior manager and executive Director remuneration
Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

Fixed Remuneration
Fixed remuneration is reviewed annually by the Board. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Board has access to external, independent advice where necessary.

Variable Remuneration
The objective of the short-term incentive program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential short-term incentive available is set at a level so as to provide sufficient incentive to the senior manager to achieve the operational targets and such that the cost to the Group is reasonable in the circumstances.

Employment contracts

Mr. Ramon Soares (Chief Financial Officer)
Mr. Soares entered into a service agreement with BBX Minerals Limited with effect from 1 March 2021 with a remuneration of $200,000 plus superannuation per year. Mr Soares has not been remunerated with any shares, cash bonuses or performance rights during the year.

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Directors' Report (continued)

Mr. Andre Douchane

Mr. Douchane entered into a service agreement with BBX Minerals Limited on 21 October 2019 which was further amended on 25 November 2019 with the following terms and conditions:

1. Fixed remuneration USD$96,000 p.a. (inclusive of salary and superannuation).
2. 2,000,000 fully paid ordinary shares at no cost issued on the commencement of Mr Douchane's employment.
3. 2,000,000 performance rights to vest on a minimum capital raise of A$2m from new investors, the shares to be issued on 31 December 2021 or at a later date at employee's discretion.
4. 2,000,000 performance rights to vest on public release of JORC compliant assay results of all existing drill hole samples, the shares to be issued on 31 December 2022, or at a later date at employee's discretion.
5. 2,000,000 performance rights to vest on initiation of pilot plant testing, the shares to be issued on 31 December 2022, or at a later date at employee's discretion.
6. 2,000,000 performance rights to vest on commencement of construction of a mine and treatment plant treating a minimum of 400 tonnes per day.
7. No fixed term with resignation subject to two months' notice.

Both parties have entered into a strict confidentiality agreement. Mr Douchane does not receive a fee in his capacity as an executive director.

Remuneration of Key Management Personnel

Year ended 30 June 2021	Director fees $	Salary $	Management fees $	Performance Rights $	Total $
M Schmulian	48,000	-	-	-	48,000
A Douchane	-	128,324	-	548,397	676,721
W Dix	48,000	-	-	-	48,000
J McKenzie*	-	-	24,000	-	24,000
Total	**96,000**	**128,324**	**24,000**	**548,397**	**796,721**

*Mr Jeff Mackenzie resigned on 30 September 2020.
Director's fee payable at 30 June 2021 was $8,400.

Year ended 30 June 2020	Director fees $	Salary $	Management fees $	Performance Rights $	Total $
M Schmulian	48,000	-	-	-	48,000
A Douchane	-	92,726	-	295,924	388,650
W Dix	48,000	-	-	-	48,000
J McKenzie	-	-	54,691	-	54,691
Total	**96,000**	**92,726**	**54,691**	**295,924**	**593,341**

Cash bonuses granted as compensation for the current financial year

No Directors or Executives were granted bonuses during the year.

Directors' Report (continued)

Key management personnel shareholding and share movement
The number of ordinary shares in the company during the 2021 financial year held by each of the key management personnel, including their related parties is set out below:

Year ended 30 June 2021	Balance at beginning of year	Granted as compensation	Options exercised	Other changes during the year	Balance at end of year
Directors					
M Schmulian	12,264,769	-	-	-	12,264,769
A Douchane	2,000,000	-	-	-	2,000,000
W Dix	6,601,520	-	-	(367,041)	6,234,479
J McKenzie*	10,518,081	-	-	(2,750,000)	7,768,081
Total	**31,384,370**	**-**	**-**	**(3,117,041)**	**28,267,329**

*Mr Jeff Mackenzie resigned on 30 September 2020. The above disclosed balance represents the number of shares held as of this date.

Key management personnel options
No directors and key management personnel received or held share options during the year.

Key management personnel performance rights
The number of performance rights in the Company during the 2021 financial year held by each of the key management personnel, including their related parties is set out below:

Year ended 30 June 2021	Balance at beginning of year	Granted as compensation	Converted into shares	Other changes during the year	Balance at end of year
Directors					
M Schmulian	-	-	-	-	-
A Douchane*	6,000,000	2,000,000	-	-	8,000,000
W Dix	-	-	-	-	-
J McKenzie	-	-	-	-	-
Total	**6,000,000**	**2,000,000**	**-**	**-**	**8,000,000**

*The above disclosed performance rights held by Mr Douchane were issued pursuant to the terms of his employment agreement. The vesting conditions of these performance rights are as follows:

Grant date	Expiry date	Number of performance rights	Vesting conditions
21 Oct 2019	31 Dec 2021	2,000,000	Minimum capital raise of A$2m from new investors, the shares to be issued on 31 December 2021 or at a later date at employee's discretion.
21 Oct 2019	31 Dec 2022	2,000,000	Public release of JORC compliant assay results of all existing drill hole samples, the shares to be issued on 31 December 2022, or at a later date at employee's discretion.
21 Oct 2019	31 Dec 2022	2,000,000	Initiation of pilot plant testing, the shares to be issued on 31 December 2022, or at a later date at employee's discretion.
21 Oct 2019	31 Dec 2023	2,000,000	commencement of construction of a mine and treatment plant treating a minimum of 400 tonnes per day. These performance rights were approved by the shareholders at the company's 2020 AGM.

Loans to key management personnel
No loans were made to key personnel, including personally related entities during the reporting period.

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Directors' Report (continued)

Other transactions with key management personnel
There were no other transactions with key management personnel.

END OF REMUNERATION REPORT

Directors' Meetings
The number of meetings of Directors held during the year and the number of meetings attended by each Director were as follows:

	Board of Directors' Meetings	
Director	Number eligible to attend	Number attended
M Schmulian	4	4
A Douchane	4	4
W Dix	4	4
J McKenzie (resigned on 30 September 2020)	1	1

The directors also meet informally between formal meetings.

Proceedings on behalf of the Company
No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Non-Audit Services
No non audit related services were provided by the auditors during the year.

Auditor Independence and Non-Audit Services
Section 307C of the Corporations Act 2001 requires our auditors, LNP Audit and Assurance Pty Ltd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on page 17 and forms part of this Directors' report for the year ended 30 June 2021.

Signed in accordance with a resolution of the Directors.

André J Douchane

Andre Douchane
CEO and Executive Director
29 September 2021

LNP Audit + Assurance

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AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BBX MINERALS LIMITED

As lead auditor of BBX Minerals Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

2. no contraventions of any applicable code of professional conduct in relation to the audit.

LNP Audit and Assurance Pty Ltd

Archana Kumar
Director

Sydney 29 September 2021

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Consolidated	
		30 Jun 2021	30 Jun 2020
		$	$
Continuing operations			
Royalty received		1,386,452	-
Other income		709	238
		1,387,161	**238**
Depreciation and amortisation expense		(6,865)	(10,058)
Administration expenses		(341,645)	(529,915)
Legal and professional fees		(28,680)	(131,994)
Share Based Payments	6(b)	(548,397)	(1,622,382)
Employment expenses		(244,738)	(58,044)
Directors Fees		(96,000)	(96,000)
Impairment of Exploration	2	(976,640)	(87,730)
Interest & borrowing expenses		(117,338)	(202,916)
Royalty expense		(902,028)	-
Other expenses		(17,338)	(194,194)
Loss before income tax expense		**(1,892,508)**	**(2,932,995)**
Income tax expense		-	-
Loss after tax from continuing operations		**(1,892,508)**	**(2,932,995)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		67,700	(1,079,038)
Other comprehensive loss for the year, net of tax		**-**	**-**
Total comprehensive loss for the year		**(1,824,808)**	**(4,012,033)**
Basic loss per share (cents)	7	**(0.45)**	**(0.71)**
Diluted loss per share (cents)	7	**(0.42)**	**(0.71)**

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	Consolidated	
		30 Jun 2021 $	30 Jun 2020 $
Current assets			
Cash and cash equivalents		2,561,636	152,109
Trade and other receivables		205,839	208,017
Total current assets		**2,767,475**	**360,126**
Non-current assets			
Property, plant and equipment		47,278	48,024
Exploration & evaluation assets	2	3,669,772	2,570,430
Total non-current assets		**3,717,050**	**2,618,454**
Total assets		**6,484,525**	**2,978,580**
Current liabilities			
Trade and other payables	3	1,083,148	656,165
Financial liabilities	4	1,644,441	1,154,115
Total current liabilities		**2,727,589**	**1,810,280**
Non-Current liabilities			
Financial liabilities	4	-	80,000
Total non-current liabilities		-	80,000
Total liabilities		**2,727,589**	**1,890,280**
Net assets		**3,756,936**	**1,088,300**
Equity			
Issued capital	5	28,472,085	24,263,910
Other Reserves	6	2,023,238	1,737,969
Foreign currency translation reserve		(1,346,280)	(1,413,980)
Accumulated losses		(25,392,107)	(23,499,599)
Total equity		**3,756,936**	**1,088,300**

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

Consolidated	Issued capital	Reserves: Other reserves	Reserves: Foreign currency translation reserve	Accumulated losses	Total equity
	$	$	$	$	$
Balance at 1 July 2019	**22,365,485**	**512,987**	**(334,942)**	**(20,566,604)**	**1,976,926**
Loss for the period	-	-	-	(2,932,995)	**(2,932,995)**
Other comprehensive income for the year	-	-	(1,079,038)	-	**(1,079,038)**
Total comprehensive loss for the period	**-**	**-**	**(1,079,038)**	**(2,932,995)**	**(4,012,033)**
Shares issued during the year	1,966,650	-	-	-	**1,966,650**
Transaction costs	(68,225)	-	-	-	**(68,225)**
Share-based payments	-	929,058	-	-	**929,058**
Amortisation of performance rights	-	295,924	-	-	**295,924**
Balance at 30 June 2020	**24,263,910**	**1,737,969**	**(1,413,980)**	**(23,499,599)**	**1,088,300**
Balance at 1 July 2020	**24,263,910**	**1,737,969**	**(1,413,980)**	**(23,499,599)**	**1,088,300**
Loss for the period	-	-	-	(1,892,508)	**(1,892,508)**
Other comprehensive income for the year	-	-	67,700	-	**67,700**
Total comprehensive loss for the period	**-**	**-**	**67,700**	**(1,892,508)**	**(1,824,808)**
Shares issued during the year	4,242,673	-	-	-	**4,242,673**
Transaction costs	(34,498)	-	-	-	**(34,498)**
Share-based payments	-	(263,128)	-	-	**(263,128)**
Amortisation of performance rights	-	548,397	-	-	**548,397**
Balance at 30 June 2021	**28,472,085**	**2,023,238**	**(1,346,280)**	**(25,392,107)**	**3,756,936**

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Consolidated Year ended 30 Jun 2021 $	Consolidated Year ended 30 Jun 2020 $
Cash flows from operating activities			
Interest received		709	238
Payments to suppliers and employees		(1,274,272)	(820,035)
Interest and borrowing costs paid		(2,519)	(13,021)
Net cash outflow from operating activities	11	**(1,276,082)**	**(832,818)**
Cash flows from investing activities			
Payments for exploration & evaluation assets		(1,921,160)	(1,074,153)
Payments for property, plant and equipment		(5,110)	-
Proceeds from royalty sale		1,258,205	-
Net cash outflow from investing activities		**(668,064)**	**(1,074,153)**
Cash flows from financing activities			
Proceeds from the issue of shares		4,208,175	1,077,925
Proceeds from borrowings		375,507	1,044,220
Net cash inflow from financing activities		**4,583,682**	**2,122,145**
Net increase/(decrease) in cash and cash equivalents held		2,639,536	215,174
Cash and cash equivalents at the beginning of the period		152,109	177,540
Effects of exchange rate fluctuations on cash held		(230,009)	(240,605)
Cash and cash equivalents at the end of the period		**2,561,636**	**152,109**

The accompanying notes for part of these financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Corporate Information

BBX Minerals Limited (The Company) is a for-profit listed public company incorporated and domiciled in Australia. The Financial statements for the year ended 30 June 2021 comprises the Company and its controlled entities (the Group). The principal activity of the Group is exploration and development of mining assets in Brazil. The consolidated financial statements were authorised for issue by the Directors on 29 September 2021.

1. Statement of significant accounting policies

a) Statement of compliance

The financial report of BBX Minerals Limited complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

b) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

These financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board. The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated. The financial statements are based on historical costs.

c) Principles of Consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost. Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Subsidiaries are all entities over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Interests in associates, where the investor has significant influence over the investee, are accounted for using the equity method in accordance with AASB 128 *Associates and Joint Ventures*. Under this method, the investment is initially recognised as cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition. The Group did not have any investment in associates or joint ventures at 30 June 2021.

d) Business combinations

Business combinations are accounted for by applying the acquisition method, which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity. The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date. This is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the assets, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

d) Business combinations (cont'd)

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

e) Comparative amounts

Comparatives are consistent with prior years, unless otherwise stated.

f) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Board.

g) Income tax

The income tax expense or benefit for the year is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

h) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows: (i) identifying the contract with a customer; (ii) identifying the performance obligations; (iii) determining the transaction price; (iv) allocating the transaction price to the performance obligations; and (v) recognising revenue when/as performance obligation(s) are satisfied.

Other income

Other income is recognised on an accrual basis when the Group is entitled to it.Interest is recognised on an accrual basis.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

i) Goods and Service Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

j) Plant and Equipment

All plant and equipment is stated at historical cost less depreciation. All repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows.

- Motor Vehicles, Office equipment, Computers: 3-5 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

k) Financial Instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets at amortised cost. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets. Assets measured at amortised cost are financial assets where the business model is to hold assets to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding. The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost. When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

k) Financial Instruments (cont'd)

based on the Group's historical experience and informed credit assessment and including forward looking information.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the cash flows expected to be received. This is applied using a probability weighted approach.

Impairment of trade and other receivables have been determined using the simplified approach in accordance with AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

Financial liabilities

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the income statement line items "finance costs" or "finance income".

The Group's financial liabilities include trade and other payables, which are measured at amortised cost using the effective interest rate method.

l) Impairment of non-financial assets

At the end of each reporting period, the Group determines whether there is an evidence of an impairment indicator for non-financial assets. Where this indicator exists the recoverable amount of the assets is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

m) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

n) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on applicable corporate bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

o) Loss per share

The Group presents basic and diluted earnings per share information for its ordinary shares.

Basic earnings/losses per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings/losses per share adjusts the basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares

p) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

q) Equity-settled compensation

The Group operates equity-settled share-based payment share and option schemes. The fair value of the equity to which recipients become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The amount to be expensed is determined by reference to the fair value of the options or shares granted, this expense takes in account any market performance conditions and the impact of any non-vesting conditions but ignores the effect of any service and non-market performance vesting conditions.

Non-market vesting conditions are taken into account when considering the number of options expected to vest. At the end of each reporting period, the Group revises its estimate of the number of options which are expected to vest. Revisions to the prior period estimate are recognised in profit or loss and equity.

r) Foreign currency translation and balances

Functional and presentation currency

The functional and presentation currency of the group is Australian dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in the Statement of Profit and Loss and Other Comprehensive Income, except for differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

s) Exploration and evaluation expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. As the asset is not available for use it is not depreciated or amortised.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the period in which the decision to abandon that area is made.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

t) Significant accounting estimates and judgements

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

Key estimates – share based payments- Equity-settled share awards are recognised as an expense based on their fair value at date of grant. The fair value of equity-settled share options is estimated through the use of option valuation models – which require inputs such as the risk-free interest rate, expected dividends, expected volatility and the expected option life – and is expensed over the vesting period. Some of the inputs used, such as the expected option life, are not market observable and are based on estimates derived from available data, such as employee exercise behaviour. The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model.

Key judgments – going concern – refer Note 1 u.

Key judgments - exploration and evaluation expenditure - The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded, unless there is a risk of losing the right to tenements to the local authority, or the tenements are in the process of being sold or relinquished voluntarily. At 30 June 2021, the directors assessed the exploration expenditure and decided to impair $976,640 relating to Juma East and Lomhara project.

u) Going concern

The Group incurred a loss after tax in the year from continuing operations of $1,892,508 (2020 loss: $2,932,995). The Group has current assets of $2,767,475 (2020: $360,126) and current liabilities amounting to $2,727,589 (2020: $1,810,280).

The Group's ability to meet its operational obligations are principally contingent on capital raising or funding its operations via two finance facilities in place at balance date totalling $9.906 million. The Company will seek to commence trial mining at Ema following the finalisation of the process route development and construction of a pilot plant. Trial mining at Três Estados will commence after approval of the trial mining licence, expected to be approved in due course.

In the event that trial mining at Ema and Três Estados are delayed, the Group's continuance as a going concern will be dependent on its ability to utilise the finance facilities or to sell its assets and negotiate terms with creditors. This gives rise to uncertainty in relation to the Group's ability to realise its assets and settle its liabilities at the amounts stated in the financial report. The Directors consider the Group to be a going concern based on the following assumptions, which the directors consider reasonable:

1. The Group continues to carefully manage expenditures, particularly Brazil operations costs and head office expenses.
2. During the year, the company raised $4,208,175 after costs, and the Directors believe that future capital raisings can be undertaken to finance operations as and when required.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

3. Availability of convertible note facility with Drake Special Solutions LLC of $4.5 million and a standby equity finance unused facility with LDA Capital of $8 million (balance of $5.4m still available). Further, in July 2021 borrowing from Drake LLC was settled through issue of ordinary shares.

Accordingly, the financial report is prepared on a going concern basis. No adjustments have been made to the financial report relating to the recoverability or classification of the recorded asset amounts and classification of liabilities that may be necessary should the Group not continue as a going concern.

Judgement about the future is based on information available at the date of this report. Subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made.

Adoption of new and revised standards

The Group adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant and effective for the current year with no material impact on the financial statements noted.

2. Exploration and evaluation assets

	30 Jun 2021 $	30 Jun 2020 $
Recoverable within 12 months	-	-
Recoverable after 12 months	3,669,772	2,570,430
Total	**3,669,772**	**2,570,430**

The Group is continuing to explore its Ema and Tres Estados tenements and further exploration costs will be incurred on these tenements in the future. As the Group continues its drilling, exploration and metallurgical testing programmes on Ema and Tres Estados, based on directors' assessment no impairment on these two tenements is required at 30 June 2021.

Balance at beginning of the year	2,570,430	2,449,135
Impairment of exploration and evaluation	(976,640)	(87,730)
Effect of foreign exchange	154,822	(865,128)
Expenditure incurred on existing assets	1,921,160	1,074,153
Balance at end of the year	**3,669,772**	**2,570,430**

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. The recoverable amount of development expenditure is determined as the higher of its fair value less costs to sell and its value in use. The Group will not be renewing the mineral rights for Juma East. The directors have reviewed the capitalised costs and based on their assessment, have impaired the capitalised cost relating to Juma East and Lomhara project at balance date.

3. Trade and other payables

	30 Jun 2021 $	30 Jun 2020 $
Current		
Unsecured liabilities		
Trade payables	217,571	112,560
Royalty payable (a)	837,654	-
Other payables and accruals (b)	27,923	543,605
Balance at end of the year	**1,083,148**	**656,165**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

a) Amount payable to Rio Gameleira related to the entitlement of 2.1% of the royalty over production from the Chapada Project.
b) Consultancy fee payable to former company director Jeff Mckenzie has been paid off during the year.

4. Financial liabilities

	30 Jun 2021 $	30 Jun 2020 $
Current		
Bank overdraft	-	39,737
Convertible note facility (a)	1,644,441	1,034,378
Commitment fee (b)	-	80,000
	1,644,441	**1,154,115**
Non-current		
Commitment fee (b)	**-**	80,000
	-	**80,000**

(a) The Company has a $6,000,000 convertible note facility with Drake Special Solutions LLC with the following 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: Advances of up to $6,000,000
- Interest: 8% per annum payable at maturity
- Conversion price: the lower of:
  - A 10% discount to the recent raising price.
  - A 10% discount to the 5-day VWAP for the trading of share on ASX ending on the day prior to a conversion election; or
  - 8 cents

Convertible note facility

	30 Jun 2021 $	30 Jun 2020 $
Draw down from convertible note facility	1,499,727	1,004,483
Interest expense	144,714	29,895
	1,644,441	**1,034,378**

(b) On 16 June 2020 the Company announced that an $8,000,00 standby equity funding facility has been arranged with US-based institutional investment group LDA Capital (LDA). The facility enables the Company to raise capital by issuing shares to LDA over the next 3 years under the following key terms:

- Term: 36 months
- Put option of up to $8,000,000 at Company's election
- The number of shares subject to a put option for a period is a maximum of 10 times the average daily number of the Company's shares traded on the ASX during a 15-day period before its exercise.
- 14.5million unlisted options issued by the Company to LDA with a 3-year term exercisable at $0.15cents.
- A commitment fee of 2% ($160,000) is payable by applying 20% of each put option towards its payment with at least $80,000 payable within 6 months, with any balance due payable after 12 months.
- LDA can hold a maximum of 9.95% of the Company's shares.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4. Financial liabilities (cont'd)

- Any placement to LDA is expected to be issued under the Company's 7.1 capacity.

  If shares are subscribed for under the Put Option Agreement the purchase price per share will be equal to 90% of the higher of:
  a. VWAP of the Company's shares during the pricing period, adjusted for an adjustment event; and
  b. A minimum price set by the Company (MAP).
- The pricing period starts from the trading day immediately after a capital call date and ends on the trading day which is 30 consecutive trading days after the capital call date. If an adjustment event occurs (no trading or trading below the MAP) the number of trading days comprising the VWAP will be reduced by the number of adjustment event days, thereby potentially reducing the VWAP period to less than 30 consecutive trading days.

5. Issued and paid-up capital

Fully paid ordinary shares	Year ended 30 Jun 2021 No.	Year ended 30 Jun 2021 $	Year ended 30 Jun 2020 No.	Year ended 30 Jun 2020 $
Balance at the start of the financial year	417,341,693	24,263,910	404,276,192	22,365,485
Movements in ordinary share capital	20,044,166	4,208,175	13,065,501	1,898,425
Balance at the end of the financial year	**437,385,859**	**28,472,085**	**417,341,693**	**24,263,910**

Movements in ordinary share capital

Year ended 30 June 2021 Date	Details	Number	$
1 Jul 2020	**Opening balance**	**417,341,693**	**24,263,910**
11 Sep 2020	Shares issued	965,000	199,755
17 Sep 2020	Options converted to shares	2,105,000	315,750
5 Oct 2020	Options converted to shares	233,333	46,667
26 Oct 2020	Options converted to shares	16,667	3,333
26 Oct 2020	Shares issued	4,100,000	1,657,220
30 Oct 2020	Options converted to shares	1,000,000	150,000
1 Dec 2020	Options converted to shares	500,000	75,000
1 Dec 2020	Options converted to shares	575,000	115,000
21 Dec 2020	Options converted to shares	500,000	75,000
21 Dec 2020	Options converted to shares	2,124,166	424,833
22 Jan 2021	Options converted to shares	600,000	90,000
22 Jan 2021	Shares issued - capital call*	4,000,000	-
5 May 2021	Options converted to shares	600,000	90,000
7 May 2021	Shares issued - capital call*	2,725,000	-
	Funds received from capital calls*	-	736,983
	Option conversion - reversal of share-based payment	-	263,131
	Less: Transaction costs arising on issue	-	(34,497)
30 Jun 2021	**Closing balance**	**437,385,859**	**28,472,085**

*From the $8,000,000 standby equity funding agreement facility, $2,593,959 has been used during the year. 5,065,000 fully paid shares were issued to LDA, raising a total of $1,856,975. Also, 6,725,000 collateral shares were issued to LDA under the same agreement. 2,830,000 of the collateral shares issued have been used for capital calls made during the year, raising a total of $736,984. The balance of 3,895,000 collateral shares held by LDA may be used for subsequent capital calls, bought back by the Company, or transferred to a nominee of the Company.

As at 30 June 2021, $5,406,041 of the funding facility remains unused.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

5. Issued and paid-up capital (cont'd)

Year ended 30 June 2020			
Date	**Details**	**Number**	**$**
1 Jul 2019	**Opening balance**	**404,276,192**	**22,365,485**
30 Jul 2019	Shares issued to consultants	2,115,501	423,100
30 Jul 2019	Shares issued	4,585,000	917,000
23 Oct 2019	Shares issued to employees	2,000,000	397,400
12 Nov 2019	Shares issued	415,000	83,000
21 Apr 2020	Options converted to shares	3,950,000	146,150
	Less: Transaction costs arising on issue	-	(68,225)
30 Jun 2020	Closing balance	417,341,693	24,263,910

6. Other reserves

	30 Jun 2021 $	30 Jun 2020 $
Performance rights reserve (a)	844,322	295,924
Options reserve (c)	1,178,916	1,442,045
	2,023,238	**1,737,969**

(a) Performance rights reserve	Year ended 30 Jun 2021		Year ended 30 Jun 2020	
	No.	**$**	**No.**	**$**
Balance at the start of the financial year	**6,000,000**	**295,924**	-	-
Issue of performance rights (i)	8,900,000	548,397	6,000,000	295,924
Balance at the end of the financial year	**14,900,000**	**844,321**	**6,000,000**	**295,924**

(i) 2,000,000 performance rights were granted to Andre Douchane upon shareholder approval at the FY 2020 AGM.
6,900,000 of performance rights were granted to senior employees of the company in May 2021 which were subject to certain performance and vesting conditions. No expenses have been recognised in relation to these performance rights as the probability of satisfying the vesting conditions were unlikely to be met at balance date.

(b) Share based payments

The company has recognised share based payments expense of $548,397 in the statement of profit or loss and other comprehensive income on 8,000,000 performance rights granted to Andre Douchane as per the terms of his employment contract. The performance rights were deemed to be valued as follows:

(i) 6,000,0000 performance rights at $0.1987 per right, based on the Company's 5-day VWAP at grant date. This was deemed to be the fair value of the rights issued at grant date and the expense will be recognised over the vesting period of the rights.
(ii) 2,000,000 performance rights at $0.31 per right based on the company's 5-day VWAP at grant date. This was deemed to be the fair value of the rights issued at grant date and the expense will be recognised over the vesting period of the rights.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(c) Options reserve	**Year ended 30 Jun 2021**		**Year ended 30 Jun 2020**	
	No.	**$**	**No.**	**$**
Balance at the start of the financial year	**17,959,166**	**1,442,045**	**8,209,166**	**512,987**
Option conversion - reversal of share-based payment	-	(263,129)		
Exercise of options at $0.15 expiring 17 June 2023	(5,305,000)	-	-	-
Exercise of options at $0.20 expiring 31 December 2020	(2,949,166)	-	-	-
Lapse of options at $0.20 expiring 31 December 2020	(510,000)	-	-	-
Exercise of options @ $0.037	-	-	(3,950,000)	-
Expiration of options @ $0.037 expiring 19 April 2020	-	-	(800,000)	-
Issue of unlisted options to LDA exercisable at $0.15 expiring 17 June 2023	-	-	14,500,000	929,058
Balance at the end of the financial year	**9,195,000**	**1,178,916**	**17,959,166**	**1,442,045**

The fair value of the share options granted is estimated as at the date of grant using a Black-Scholes Model taking into account the terms and conditions upon which the options were granted. Expected volatility is estimated using the Black-Scholes option pricing model.

7. Loss per share

	30 Jun 2021	**30 Jun 2020**
Net loss for the financial period	(1,881,508)	(2,932,995)
Weighted average number of ordinary shares outstanding during the financial period:		
Basic	424,459,023	412,816,447
Diluted	448,554,023	412,816,447
Basic loss per share (cents)	**(0.45)**	**(0.71)**
Diluted loss per share (cents)	**(0.42)**	**(0.71)**

8. Controlled entities

Controlled entities	**Country of Incorporation**	**Interest Held**
Mineração BBX do Brasil LTDA	Brazil	100%
BBX Peru SAC	Peru	100%
BBX Lucanas SAC	Peru	100%

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

9. Related parties

The Directors of BBX are considered the key management personnel of the consolidated economic entity. The director's and key management remuneration and equity holdings have been disclosed in the director's report attached to the financial statements.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Transactions with related Parties

Other Payables	30 Jun 2021	30 Jun 2020
Related party payables - note 3	8,400	494,969
Total	**8,400**	**494,969**

$8,400 is payable to directors as directors fee.

10. Segment Reporting

The Group has identified its operating segments based on internal reports that are reviewed by the Board and management. The Group operated in one business segment during the year, being mineral exploration and in two geographical areas, being Australia and Brazil.

Year ended 30 June 2021	Brazil $	Australia $	Total $
Segment Revenue	1,386,977	183	**1,387,160**
Depreciation	6,865	-	**6,865**
Loss after income tax (a)	(597,227)	(1,295,281)	**(1,892,508)**
Segment total assets (b)	4,508,601	1,975,924	**6,484,525**
Segment total liabilities (c)	1,696,043	1,031,546	**2,727,589**
Year ended 30 June 2020			
Segment Revenue	-	238	**238**
Depreciation	10,058	-	**10,058**
Loss after income tax (a)	(275,788)	(2,657,207)	**(2,932,995)**
Segment total assets (b)	2,851,344	127,236	**2,978,580**
Segment total liabilities (c)	33,999	1,856,281	**1,890,280**

a) Loss after tax	30 Jun 2021	30 Jun 2020
Reconciliation of loss after tax to the consolidated loss for the year is as follows:		
Loss after tax for the year	(1,892,508)	(2,932,995)
Loss for the year	**(1,892,508)**	**(2,932,995)**

b) Segment assets		
Reportable segment assets are reconciled to total assets as follows:		
Segment assets	6,484,525	2,978,580
Total assets per statement of financial position	**6,484,525**	**2,978,580**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

c) Segment liabilities

Reportable segment liabilities are reconciled to total liabilities as follows:

Segment liabilities	2,727,589	1,890,280
Total liabilities per the statement of financial position	**2,727,589**	**1,890,280**

11. Reconciliation of loss after income tax to net cash inflow from operating activities

	30 Jun 2021 $	30 Jun 2020 $
Loss from ordinary activities after income tax	(1,892,508)	(2,932,995)
Adjustments for:		
Royalty sale	(1,386,452)	-
Share based payments	548,397	1,602,502
Depreciation & amortisation	6,865	10,058
Convertible note interest	114,819	29,895
Disposal of property, plant and equipment	-	65
Impairment of exploration	976,640	119,214
Foreign exchange loss	(73,006)	14,974
Option fee	-	160,000
Movements in assets and liabilities		
Decrease current receivables	2,178	129,888
Increase in trade payables	426,985	33,581
Cash outflow from operating activities	**(1,276,082)**	**(832,818)**

12. Auditors' remuneration

	30 Jun 2021 $	30 Jun 2020 $
Amounts received or due and receivable by the company's auditors for:		
Audit or review of financial report of the company	64,000	61,000
Other services	-	-
	64,000	61,000

13. Financial risk management

Capital Risk Management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern. In order to maintain or adjust the capital structure, the Group may issue new shares or return capital to shareholders.

The Group's strategy, unchanged from the prior year, is to maintain a sufficient level of cash to meet its obligations, as and when any debts are due, and to meet any investment commitments.

There are no externally imposed capital requirements for the Group.

The Group's financial instruments consist of deposits with banks, accounts receivable and payable and loans to and from subsidiaries.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	30 Jun 2021 $	30 Jun 2020 $
Financial Assets		
Cash and cash equivalents	2,561,636	152,109
Trade and other receivables	205,839	208,017
	2,767,475	360,126
Financial Liabilities		
Financial liabilities at amortised cost	1,644,441	1,234,115
Trade and other payables	1,083,148	656,165
	2,727,589	1,890,280

Financial Risk Management Policies

The overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimizing potential adverse effects on financial performance. Its functions include the review of liquidity, foreign exchange and interest rate risk policies and future cash flow requirements.

a) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities.
- monitoring undrawn credit facilities.
- obtaining funding from a variety of sources; and
- managing credit risk related to financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Cash flow realised from financial assets reflect management's expectation as to timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Consolidated group financial liability maturity analysis due for repayment.

	Within 1 Year		1 to 5 Years		Total	
	2021 $	2020 $	2021 $	2020 $	2021 $	2020 $
Trade and other payables	1,083,148	656,165	-	-	1,083,148	656,165
Financial Liabilities	1,644,441	1,154,115	-	80,000	1,644,441	1,234,115
Total expected outflows	**2,727,589**	**1,810,280**	**-**	**80,000**	**2,727,589**	**1,890,280**

b) Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The group is exposed to interest rate risk from funds held on deposit. The effect of a +/- 2% change in interest rates would not be material.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

c) Foreign Exchange Risk

The Group has foreign operations and is exposed to foreign currency risk arising from various currency exposures, primarily with respect to the Brazilian Real (BRL).

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in the currency that is not the entity's functional currency. The risk is measured using the sensitivity analysis.

Sensitivity analysis

A strengthening of the AUD, as indicated below, against the BRL for the year ended and as of 30 June 2021 would have increase/(decreased) equity and profit or loss by the amounts shown below. The analysis is based on foreign currency exchange rate variances that the Group considered reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

The following table details the Group's sensitivity to a 10% increase and decrease in the AUD against the BRL. The 10% represents management's assessment of the reasonable possible change in foreign exchange rates. A positive number indicates an increase in profit or equity where the AUD strengthens 10% against the BRL.

	Strengthening		**Weakening**	
	Equity	Profit or loss	Equity	Profit or loss
30-Jun-21				
AUD: BRL (10% movement)	(316,096)	54,293	316,096	(54,293)
30-Jun-20				
AUD: BRL (10% movement)	(525,115)	478,800	525,115	(478,800)

14. Parent entity financial information

Statement of financial position	**30 Jun 2021 $**	**30 Jun 2020 $**
Current assets	1,975,930	130,817
Non-current assets	10,051,352	8,862,126
Total assets	12,027,282	8,992,943
Current liabilities	1,696,044	1,779,866
Non-current liabilities	-	80,000
Total liabilities	1,696,044	1,859,866
Net assets	**10,331,238**	**7,133,077**
Equity		
Issued capital	28,472,085	24,263,910
Reserves	2,023,238	1,737,969
Accumulated losses	(20,164,085)	(18,868,802)
Total equity	10,331,238	7,133,077

Statement of Other Comprehensive Income		
Total loss	(1,295,281)	(2,657,207)
Total comprehensive loss	**(1,295,281)**	**(2,657,207)**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

15. Subsequent events

The following event has arisen in the interval between the end of the reporting period and the date of this report:

The Company received a conversion notice from Drake with respect to the convertible loan facility entered into on 19 December 2019. On 21 July 2021, the Company issued a total of 20,635,616 shares 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. The conversion price was pursuant to the terms of the facility.

There were no other significant events after the balance date.

16. Commitments and contingencies

The Group has following contingent liabilities as at 30 June 2021. BBX can exit any of the leases on EMA and Tres Estados without any further commitments.

Lease	Reference	Amount ($)	Due Date
Tres Estados	DNPM 880.090/2008	14,115	January 2022
Ema	DNPM 880.107/2008	12,959	January 2022
Ema	DNPM 880.184/2016	11,723	January 2022

Further expenditure for exploration and mining is at the discretion of the directors of the company

17. Tax losses

The benefit of tax losses, and the current year losses has not been recognised as it is not probable that the benefit will be utilised in the near future.

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Directors' declaration

In accordance with a resolution of the directors of BBX Minerals Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and

(ii) complying with Accounting Standards and *Corporations Regulations 2001*;

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(c) Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

Andre Douchane
CEO and Executive Director
29 September 2021

LNP Audit + Assurance

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BBX MINERALS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of BBX Minerals Limited (the Company), and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Directors' Declaration.

In our opinion the accompanying financial report of BBX Minerals Limited and its controlled entities is in accordance with the Corporations Act 2001, including:

a) Giving a true and fair view of the Group's consolidated financial position as at 30 June 2021 and of its consolidated financial performance for the year ended on that date; and
b) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 Code of Ethics for Professional Accountants (including independence standards) (the Code) that are relevant to our audit of the financial report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

Without modification to our opinion expressed above attention is drawn to Note 1(u) of the financial report, which sets out the basis on which the directors believe that the Group will be able to continue as a going concern. The Group incurred a loss after tax in the year from continuing operations of $1,892,508 (2020 loss: $2,932,995). The Group has current assets of $2,767,475 (2020: $360,126) and current liabilities amounted to $2,727,589 (2020: $1,810,280). These conditions along with other matters set out in Note 1(u) indicate that a material uncertainty exists that may cast significant doubt in relation to the Group's ability to continue as a going concern.

No adjustments have been made to the financial report relating to the recoverability or classification of the recorded asset amounts and classification of liabilities that may be necessary should the Group not continue as a going concern.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Key Audit Matter	How our audit addressed the matter
Exploration and evaluation expenditure – Note 3 The Group recognises exploration and evaluation expenses in accordance with *AASB 6 Exploration and Evaluation of Mineral Resources*. As at 30 June 2021, the Group held exploration and evaluation assets amounting to $3,669,772. This is a key audit matter due to the inherent subjectivity involved and the number of assumptions made when assessing the recoverability of capitalised costs. The assessment of the recoverability and impairment of these assets incorporates significant judgement in respect of factors such as strategy to recover them, future production prospects and levels, commodity prices, operating and capital availability and costs, and economic assumptions such as discount, inflation and foreign exchange rates and changes to regulatory frameworks of the jurisdiction governing the industry in which the Group is carrying out its exploration activities. Impairment charges of exploration expenditure recorded during the year amounted to $976,640.	Our procedures included, amongst others: • Considering the Group's accounting policy in relation to these assets and potential impairment thereof; • Obtaining from management a reconciliation of exploration and evaluation expenditure and agreeing to general ledger, • Vouching a sample of expenditure to ensure they meet the recognition criteria under AASB6; • Confirming whether tenement rights to the areas of interest remained current at balance date; • Obtaining an understanding of the status of ongoing exploration programmes for the respective areas of interest, including reviewing future budgeted expenditure; • Evaluating the Group's assumptions and estimates used to determine the recoverable amount of assets, including those relating to method of recovery, cost, capital expenditure, discount rates and foreign exchange rates; • Validating the mathematical accuracy of cashflow models and agreeing relevant data to underlying information and assumptions; and • Assessing appropriateness and adequacy of the related disclosures within the financial statements.

Key Audit Matter	How our audit addressed the matter
Share based payments – Note 6 (b) For the year ended 30 June 2021, the Group recognised share-based payments expenses totalling $548,397. Accounting for share-based payment transactions requires judgement in determining the fair value of equity instruments on grant date and assessing the vesting period over which the share-based payment expense should be recognised. There is also judgement in assessing the likelihood and timing of specific performance hurdles being met. The measurement and recognition of share based payment transactions was deemed to be a key audit matter due to the level of judgement involved, the magnitude of the share based payment expenses and the contribution of share based payment expenses to the overall remuneration received by key management personnel.	Our procedures in relation to assessing the measurement and recognition of share-based payment transactions included amongst others: • For grants of new performance rights during the year: - Obtaining formal documents detailing the relevant terms and conditions of the grants; - Assessing the calculation of the fair value of the performance rights on grant date; - Assessing whether the assumptions that any applicable performance conditions will be met is consistent with management forecast. • Recalculating the expense for the year ended 30 June 2021 based on the grant date fair value, the Group's assumptions for the expected number of options or performance rights to vest, and the vesting period, with reference to the terms and conditions stated in the relevant documentation, and management forecasts • Assessing the accuracy and completeness of the related disclosures in the financial statements, in light of the requirements of Australian Accounting Standards.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Group annual report for the year ended 30 June 2021 but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the financial report. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We are also required to provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 16 of the Directors' Report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of BBX Minerals Limited for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

LNP Audit and Assurance Pty Ltd

Archana Kumar
Director

Sydney, 29 September 2021

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Corporate Governance Statement

BBX Minerals Limited has established a strong governance framework and continues to be committed to a high level of integrity and ethical standards in all its business practices.

Effective and transparent corporate governance is of critical importance to BBX and its Board of Directors. The Board fully supports the intent of the Australian Securities Exchange (ASX) Corporate Governance Council's new 4th edition of Corporate Governance Principles and Recommendations.

The Corporate Governance Framework continues to evolve as it seeks continual improvement in the way it conducts its business. Further details on BBX's governance principles can be found in the Company's Corporate Governance Statement available at www.bbxminerals.com.

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Additional ASX Information

Pursuant to the Listing Rule Requirements of the Australian Securities Exchange, the shareholder information set out below was applicable as of 20 September 2021.

a) Ordinary fully paid shares

Holder Name	Holding	%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	196,250,000	42.85
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	26,358,486	5.75
AJ IGO PTY LTD <ADE SUPERANNUATION FUND A/C>	24,000,000	5.24
CITICORP NOMINEES PTY LIMITED	14,804,764	3.23
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	14,426,384	3.15
MICHAEL LEON SCHMULIAN	12,264,769	2.68
MR ANDREW JOHN IGO	6,375,000	1.39
MR WILLIAM DIX	6,034,479	1.32
ANTONIO EDUARDO MONTEIRO DE CASTRO	6,000,000	1.31
KARL PAGE INVESTMENTS PTY LTD <THE KARL PAGE FAMILY A/C>	5,000,000	1.09
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	4,458,210	0.97
KARL PAGE INVESTMENTS PTY LTD <THE KARL PAGE FAMILY A/C>	4,098,001	0.89
ANTONIO DE CASTRO	4,000,000	0.87
LDA CAPITAL LIMITED	3,895,000	0.85
MR MICHAEL GLADWIN-GROVE & MRS JANE LOUISE GLADWIN-GROVE <GLADGROVE S/F A/C>	3,275,000	0.72
RENEWABLE AGE PTY LTD <PHILLIPS SUPERFUND A/C>	2,850,000	0.62
MR JEFFERY ROBERT MCKENZIE	2,580,000	0.56
ALASTAIR SMITH	2,500,000	0.55
MR ROBERT LESLIE DAHL & MRS MERRIL ANNE DAHL <SWAINSHILL SUPER FUND A/C>	2,500,000	0.55
PAMPLONA OPPORTUNITIES LTD	2,485,000	0.54
Total	**344,155,093**	**75.14**
Total issued capital	**458,021,475**	**100.0**

Distribution of Shareholders

Range	Number of holders	Units
1 – 1,000	154	64,207
1,001 – 5,000	588	1,743,140
5,001 – 10,000	304	2,422,805
10,001 – 100,000	710	23,482,165
100,000 and over	232	430,309,158
Totals	**1,988**	**458,021,475**

The number of shareholders holding less than a marketable parcel is 405.

Substantial shareholders

Shareholder	Number
DRAKE PRIVATE INVESTMENTS LLC	221,735,616
Mr ANDREW JOHN IGO	30,500,000

b) Unquoted Options

Terms	Holders	Total units
Exercisable at $0.15 expiring 17 June 2023	1	9,195,000

Holders of more than 20% of the number on issue:

- LDA Capital LLC.

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c) Unquoted Performance Rights

No of Performance Rights	Expiry Date	No of holders
2,000,000	31 Dec 2021	1
2,000,000	31 Dec 2021	1
2,000,000	31 Dec 2021	1
2,000,000	31 Dec 2021	1
2,250,000	22 Oct 2021	3
1,950,000	22 Jan 2022	6
2,700,000	22 Oct 2023	6

Holders with more than 20% of the number on issue:

- Mr Andre Douchane

d) Voting rights

Subject to any rights or restrictions at the time being attached to any classes of shares, at a general meeting of the Company on a show of hands, every ordinary Shareholder present in person, or by proxy, attorney or representative (in the case of a company) has one vote and upon a poll, every Shareholder present in person, or by proxy, attorney or representative (in the case of a company) has one vote for any Share held by the Shareholder. In the case of an equality of votes, the chairperson has the casting vote.

A poll may be demanded by the chairperson of the meeting, any 5 Shareholders entitled to vote in person or by proxy, attorney or representative or by any one or more Shareholders holding not less than 5% of the total voting rights of all Shareholders having the right to vote.

There are no voting rights attached to any of the options that the Company currently has on issue. Upon exercise of these options. The shares issued will have the same voting rights as existing shares.

e) On-market buy back

There is currently no on-market buyback program in operation.