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# **BBX MINERALS LIMITED**

**ACN 089 221 634**

## **CONDENSED INTERIM FINANCIAL REPORT**

**31 DECEMBER 2022**



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## DIRECTORS' REPORT

The directors of BBX Minerals Limited ('the Company' or 'BBX') present their report together with the condensed financial statements of the Company and its Subsidiaries ('the Group') for the half-year ended 31 December 2022, and the Auditor's Review Report thereon. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows:

### 1. DIRECTORS

The directors of the Company at any time during or since the end of the financial period were:

Name and position	Period of Directorship
Mr Ken Kluksdahl Non-Executive Chairman	Director since 15 August 2022
Mr Andre Douchane CEO and Executive Director	Director since 20 October 2019
Mr Ramon Soares Finance Director & Company Secretary	Director since 10 December 2021
Mr Karl Page Non-Executive Director	Director since 30 June 2022
Ms Abby Smith Non-Executive Director	Director since 15 August 2022
Mr Greg Van Staveren Non-Executive Director	Director since 6 February 2023

### 2. PRINCIPAL ACTIVITY

BBX Minerals Limited is a unique mineral exploration and mineral processing technology company. BBX's key assets are the Três Estados and Ema projects located in Brazil. The company has 270.5km<sup>2</sup> of exploration tenements within the Colider Group, a prospective geological environment for gold, PGM and base metal deposits.

BBX is also developing an environment compatible and sustainable beneficiation process that extracts precious metals using a unique bio leach process. This leading-edge process, that extracts precious metals naturally, is being developed initially for the primary purpose of economically extracting Platinum Group metals from the Três Estados mineral deposit. It is expected that such technology will be transferable and relevant to many other PGM projects. BBX believes that this processing technology is critical in the environmentally timely PGM space and supports a societal need to move toward a carbon neutral hydrogen fuel economy.

There were no significant changes in the nature of the Group's principal activities during the half year.

### 3. DIVIDENDS

There were no dividends paid, recommended, or declared during the current or previous financial half-year.

### 4. REVIEW OF OPERATIONS

The half year to 31 December 2022 was a very productive period that saw the Company deliver a maiden Mineral Resource Estimate (MRE) for the Três Estados project, as well as two successful bioleaching trials conducted in conjunction with EcoBiome Metals, LLC (EcoBiome) in the United States.

**DIRECTORS' REPORT****Mineral Resource Estimate**

On 25 October 2022, the Company announced a maiden Mineral Resource Estimate for the Adelar prospect, forming part of the Company's 100% owned Três Estados project, Apui, Amazonas, Brazil. The MRE contains a total of 590,300 ounces of combined platinum, palladium, iridium, rhodium, and gold.

**Highlights:**

<b>Maiden Inferred MRE – Adelar prospect, Três Estados project</b>									
Zone	Class	Tonnes	Pt	Rh	Pd	Au	Ir	5E PGM	5E PGM
		Mt	g/t	g/t	g/t	g/t	g/t	g/t	koz
Oxide		4.54	0.880	0.017	0.016	0.017	0.135	1.065	155.0
Fresh	Inferred	11.17	0.970	0.017	0.012	0.043	0.174	1.216	435.5
<b>Total</b>		<b>15.71</b>	<b>0.940</b>	<b>0.017</b>	<b>0.013</b>	<b>0.035</b>	<b>0.163</b>	<b>1.168</b>	<b>590.3</b>

- The Mineral Resource covers an area of 31 Ha which represents only 8% of the known gabbroic bodies at Três Estados.
- The mineralised zone extends for 800m along strike with a true thickness of 2m to 50m, averaging 15m and dipping 15-20° to the west-north-west. It remains open at depth and to the east and west.
- The Mineral Resource is located relatively close to surface and would be mined in an open pit. It is limited to a depth of 100m below surface based on the depth of the deepest mineralised intersection.
- The presence of rhodium and iridium contribute significantly to the average weighted price per ounce of the Adelar prospect 5E PGM.
- The next resource upgrade will target the addition of other prospects within the Tres Estados project.

**Bioleaching testwork**Initial bioleaching test work

On 14 November 2022, the Company announced that it had completed initial test work using a surface bulk sample of mafic intrusive from the Ema project.

This trial utilised Cultured Gold® microbial formula to demonstrate and prove the ability to extract and recover 5E precious metals from an unprocessed sample. EcoBiome proprietary and patent pending Gold DRIVE™ was utilised to promote the recovery of 5E<sup>1</sup> precious metals. The results are presented in Table 1.

<sup>1</sup> 5E precious metals refer to the sum of platinum (Pt), palladium (Pd), iridium (Ir), rhodium (Rh) and gold (Au) expressed in units of g/t.

**DIRECTORS' REPORT**

Table 1: test results from initial bioleaching test work

	Au g/t	Pd g/t	Pt g/t	Rh g/t	Ir g/t
Untreated ore	1.65	15.68	0.06	0.28	-
Ecobiome treated ore for 96 hours	14.74	134.99	0.09	0.40	1.06

Test results show a significant increase in reported precious metals following bioleaching process.

Follow up test work

On 19 December 2022, BBX announced results from bioleaching test work using a 5 kg sample taken from a homogenised 50.4 kg composite from the TED-015, comprised of hematite altered mafic intrusive from 28m to 64m, typical of the altered gabbro within the Adelar MRE envelope.

This trial utilised Cultured Gold® microbial formula to demonstrate and prove the ability to extract and recover 5E precious metals from an unprocessed ore sample. EcoBiome Metals proprietary and patent pending Gold DRIVE™ was utilised to promote the recovery of 5E precious metals. All tests were conducted for 96 hours at 30% pulp density. The results are presented in Table 2.

Table 2: test results from follow up bioleaching test work

	Au g/t	Pd g/t	Pt g/t	Rh g/t	Ir g/t
Assay Ni fusion	0.04	0.04	0.71	0.01	0.54
Untreated ore	0.82	0.39	n/d	0.10	n/d
Ecobiome treated ore for 96 hours	14.13	79.27	0.17	1.10	0.72

Test results show a significant increase in 5E precious metals following the bioleaching process, compared with previously reported assays for the same drill hole.

**Exploration**

Exploration activities on site remained at a minimum during the period. Both the exploration office and two field camps remain on care and maintenance, reducing the Company's cash burn.

With no drilling occurring during the period, the following exploration related activities took place:

- Petrographic analysis completed. This has formed part of the JORC Resource related work.
- Site visit by external consultant contracted to complete the JORC Mineral Resource Estimate.
- Ongoing monitoring of rehabilitated areas following completion of the 2020/21 drilling programme.
- Systematic work aiming at defining the density of each type of rock intercepted.
- Advancement of exploration report for Três Estados in order to renew lease.
- Meeting with relevant authorities to advance Ema trial mining licence. The goal is to obtain a licence which allows the Company to extract and transport material as needed for metallurgical test work.
- Planning of drilling campaign at Três Estados.

**DIRECTORS' REPORT****Corporate**Placement

On 5 July 2022 the Company announced that it had received firm commitments from professional and sophisticated investors for a placement to raise \$2,132,000 (before costs) through the issue of 26,000,000 fully paid ordinary shares at \$0.082 per share and 26,000,000 attaching options with an exercise price of \$0.12, expiring 31 December 2025.

The Placement Shares and Options were subsequently issued under the Company's existing capacity under ASX Listing Rule 7.1 on 8 July 2022.

Proceeds from the Placement were utilised to complete BBX's ongoing assaying programme required for the delivery of a JORC resource. Furthermore, the funds raised will enable BBX to advance its extraction test work.

In December 2022, the company drew down \$600,000 from the convertible loan facility available with Drake Special Situations LLC.

Board appointments

On 15 August 2022 BBX announced that it had further strengthened its Board of Directors with the appointments of Mr Ken A. Kluksdahl and Ms Abby Smith as independent non-executive directors of the Board. Both appointments were effective from 15 August 2022.

**Ken Kluksdahl**

Mr Kluksdahl is a seasoned mining executive with over 35 years of global broad-based operational and leadership experience. He has a strong knowledge of the PGM market.

From 2017-2021, Mr Kluksdahl held the role of Chief Operating Officer – US Region, at SibanyeStillwater, a multinational precious metals company with a diverse portfolio of PGMs, gold and base metals assets in South Africa, North and South America.

Prior to that, Mr Kluksdahl held the position of President of AngloGold Ashanti Colombia, from 2011 to 2017. During his tenure, he led the successful recovery of three struggling green field projects and country development programs in Colombia.

Mr Kluksdahl has also held senior roles with Washington Group International, Rio Tinto, Homestake Mining Company, Battle Mountain Gold, and Tenneco Minerals.

He holds a Bachelor of Science degree in Mining Engineering from Montana College of Mineral Science and Technology and is a registered professional engineer.

## DIRECTORS' REPORT

### Abby Smith

Ms Smith has over 15 years' experience working in environmental and public health roles across private, government and non-for-profit sectors in Australia and Canada. During her career, Ms Smith has successfully led the development and implementation of sustainability strategies, where she assessed the environmental and health impact of developments, whilst ensuring compliance with relevant legislation and industry best practices.

She has a MSc and BA/BSc (Honours) from Queen's University, Canada and is a PhD Candidate at the University of Sydney, Australia. She is currently the director of Quit Tasmania at Cancer Council Tasmania.

## 5. FINANCIAL POSITION

As at 31 December 2022, BBX had cash and cash equivalents of \$641,351 (30 June 2022: \$353,759) and net assets of \$356,210 (30 June 2022: net liability of \$6,199).

For the half year period ended on 31 December 2022, BBX recorded a loss of \$1,951,485 (31 December 2021: \$1,264,972) and experienced net operating cash outflows of \$1,556,845 (31 December 2021: \$1,051,266).

## 6. EVENTS SUBSEQUENT TO REPORTING DATE

The following events have arisen since the end of the reporting period and to the date of this report:

### Extension of convertible loan facility:

On 11 January 2023, BBX announced that the convertible loan facility entered into on 19 December 2019 with Drake Special Situations LLC (Drake) has been extended for a further period to 17 December 2024.

Further variations to the facility, which are subject to shareholder approval, are as follows:

- Advance of \$600,000 drawn in the December quarter 2022 with further advances of up to \$4,500,000.
- Conversion Price is the lower of:
  - i. a 10% discount to the Recent Raising Price;
  - ii. a 10% discount to the 5-day VWAP for the trading of Shares on ASX ending on the day prior to a Conversion Election; and
  - iii. 7.00 cents

### Updated Mineral Resource Estimate, Três Estados project

On 25 January 2023, the Company announced an updated Mineral Resource Estimate for the Três Estados project, including a maiden resource estimate for the Tabocal prospect located 2.5km east of the Adelar prospect, forming part of the company's 100% owned Três Estados project, Apui, Amazonas, Brazil.

The MRE for Adelar, announced on 25 October 2022, has been revised using updated economic parameters consistent with the parameters used for the estimation of the maiden Tabocal MRE. The combined MRE contains a total of 725,230 ounces 5E PGM's (platinum, palladium, iridium, rhodium, and gold).

### Board appointment

On 6 February 2023, the Company announced the appointment of Mr. Greg Van Staveren as a Non-Executive Director.

**DIRECTORS' REPORT**

For the last 20 years, Mr. Van Staveren has provided business advisory services to and sat on the Board of several publicly traded companies. He has significant experience in corporate governance and audit processes for Company Boards, particularly in the mining sector.

Previously, he was a partner at KPMG within the mining services group, where he provided accounting and advisory services. Mr. Van Staveren is a CPA in Canada and the USA and holds a Bachelor of Math (Honours) degree from the University of Waterloo (Canada).


**Results from initial pilot plant testing**

On 27 February 2023, the Company announced the results from initial pilot plant testing, utilising a 45 kg composite sample from drill hole TED-015, conducted by EcoBiome Metals, LLC (EcoBiome). The results show a recovered grade of 3.00 g/t 5E precious metals (0.45 g/t Au, 1.76 g/t Pd, 0.55 g/t Pt, 0.03 g/t Ir and 0.21 g/t Rh).

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of the operations, or the Group's state of affairs in future financial periods/years.

**7. AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the half year ended 31 December 2022 is set out on page 9.



**Andre Douchane**  
**CEO and Executive Director**  
**16 March 2023**



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 half year ended 31 December 2022, 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 review; and
2. no contraventions of any applicable code of professional conduct in relation to the review.

LNP Audit and Assurance Pty Ltd



Archana Kumar  
Director

Sydney 16 March 2023

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

	31 Dec 2022 \$	Restated* 31 Dec 2021 \$
<b>Continuing operations</b>		
Interest revenue	1,915	78
Other income	674	447
	<u>2,589</u>	<u>525</u>
Depreciation and amortisation expense	(10,946)	(3,260)
Administration expenses	(471,760)	(178,996)
Exploration & evaluation expenses	(848,358)	(505,560)
Legal and professional fees	(34,121)	(19,991)
Share based payments	(362,035)	(323,530)
Employment expenses	(184,334)	(176,005)
Directors Fees	(84,269)	(46,838)
Finance costs	(1,447)	(6,408)
Other expenses	43,196	(4,909)
<b>Loss before income tax expense</b>	<u>(1,951,485)</u>	<u>(1,264,972)</u>
Income tax expense	-	-
<b>Loss after tax from continuing operations</b>	<u>(1,951,485)</u>	<u>(1,264,972)</u>
<b>Other comprehensive income</b>		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(25,114)	(335,787)
<b>Other comprehensive loss for the year, net of tax</b>	<u>(25,114)</u>	<u>(335,787)</u>
<b>Total comprehensive loss for the period</b>	<u>(1,976,599)</u>	<u>(1,600,759)</u>
Basic loss per share (cents)	<u>(0.40)</u>	<u>(0.28)</u>
Diluted loss per share (cents)	<u>(0.35)</u>	<u>(0.26)</u>

\* Refer to note 3 for details regarding the restatement as a result of a voluntary change in accounting policy.

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2022**

	Note	31 Dec 2022 \$	30 Jun 2022 \$
<b>Current assets</b>			
Cash and cash equivalents		641,351	353,759
Trade and other receivables	5	99,331	162,500
<b>Total current assets</b>		<b>740,682</b>	<b>516,259</b>
<b>Non-current assets</b>			
Plant and equipment		177,979	165,978
Exploration assets	6	161,993	162,576
<b>Total non-current assets</b>		<b>339,972</b>	<b>328,554</b>
<b>Total assets</b>		<b>1,080,654</b>	<b>844,813</b>
<b>Current liabilities</b>			
Trade and other payables	7	122,997	851,012
Financial liabilities	8	601,447	-
<b>Total current liabilities</b>		<b>724,444</b>	<b>851,012</b>
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>724,444</b>	<b>851,012</b>
<b>Net assets/(liabilities)</b>		<b>356,210</b>	<b>(6,199)</b>
<b>Equity</b>			
Issued capital	9	33,338,201	30,512,388
Other reserves		1,725,639	2,212,444
Foreign currency translation reserve		(1,395,244)	(1,370,130)
Accumulated losses		(33,312,386)	(31,360,901)
<b>Total equity</b>		<b>356,210</b>	<b>(6,199)</b>

The Consolidated Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

Consolidated	Note	Issued capital \$	Reserves		Accumulated losses \$	Total equity \$
			Other reserves \$	Foreign currency translation reserve \$		
<b>Balance at 1 July 2022</b>		<b>30,512,388</b>	<b>2,212,444</b>	<b>(1,370,130)</b>	<b>(31,360,901)</b>	<b>(6,199)</b>
Loss for the period		-	-	-	(1,951,485)	(1,951,485)
Other comprehensive income for the half year		-	-	(25,114)	-	(25,114)
<b>Total comprehensive loss for the period</b>		<b>-</b>	<b>-</b>	<b>(25,114)</b>	<b>(1,951,484)</b>	<b>(1,976,599)</b>
Shares issued during the half year, net of transaction costs		2,771,773	(794,800)	-	-	1,976,973
Share-based payments		54,040	-	-	-	54,040
Amortisation of performance rights		-	307,995	-	-	307,995
<b>Balance at 31 December 2022</b>		<b>33,338,201</b>	<b>1,725,639</b>	<b>(1,395,244)</b>	<b>(33,312,386)</b>	<b>356,210</b>
<b>Balance at 1 July 2021 (Restated*)</b>		<b>28,472,085</b>	<b>2,023,238</b>	<b>(1,346,280)</b>	<b>(28,904,909)</b>	<b>244,134</b>
Loss for the period		-	-	-	(1,264,972)	(1,264,972)
Other comprehensive income for the year		-	-	(335,787)	-	(335,787)
<b>Total comprehensive loss for the period</b>		<b>-</b>	<b>-</b>	<b>(335,787)</b>	<b>(1,264,972)</b>	<b>(1,600,759)</b>
Shares issued during the half year, net of transaction costs		1,642,903	-	-	-	1,642,903
Share-based payments		-	-	-	-	-
Amortisation of performance rights		-	323,530	-	-	323,530
<b>Balance at 31 December 2021</b>		<b>30,114,988</b>	<b>2,346,768</b>	<b>(1,682,067)</b>	<b>(30,169,881)</b>	<b>609,808</b>

\* Refer to note 3 for details regarding the restatement as a result of a voluntary change in accounting policy.

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

	31 Dec 2022 \$	Restated* 31 Dec 2021 \$
<b>Cash flows from operating activities</b>		
Interest and other income received	2,589	525
Payments to suppliers and employees	(711,076)	(426,740)
Payments for exploration & evaluation assets	(848,358)	(625,051)
<b>Net cash outflow from operating activities</b>	<b>(1,556,845)</b>	<b>(1,051,266)</b>
<b>Cash flows from investing activities</b>		
Royalty	(687,419)	-
Payments for plant and equipment	(23,824)	(43,891)
<b>Net cash outflow from investing activities</b>	<b>(711,243)</b>	<b>(43,891)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares	2,132,000	-
Proceeds from borrowings	600,000	-
Capital raising costs	(155,028)	(7,946)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>2,576,972</b>	<b>(7,946)</b>
Net increase/(decrease) in cash and cash equivalents held	308,884	(1,103,103)
Cash and cash equivalents at the beginning of the half year	353,759	2,561,636
Effects of exchange rate fluctuations on cash held	(21,292)	(33,183)
<b>Cash and cash equivalents at the end of the period</b>	<b>641,351</b>	<b>1,425,350</b>

\* Refer to note 3 for details regarding the restatement as a result of a voluntary change in accounting policy.

The Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****1. REPORTING ENTITY**

BBX Minerals Limited (The Company) is a for-profit listed public company incorporated and domiciled in Australia. The Financial statements for the half year ended 31 December 2022 comprises the Company and its controlled entities (the Group). The principal activity of the Group is included in the directors' report. The condensed consolidated financial statements of the Group were authorised for issue by the Directors on 16 March 2023.

**2. SIGNIFICANT ACCOUNTING POLICIES****Statement of Compliance**

These condensed general purpose financial statements for the half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Act 2001, and other mandatory professional reporting requirements. All amounts are presented in Australian Dollars (\$AUD).

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the Company during the interim reporting period and to the date of this report, in accordance with the continuous disclosure requirements of the Corporations Act 2001.

**(a) Basis of preparation**

The consolidated half-year financial statements have been prepared on the basis of historical cost basis where cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

**(b) Use of estimates and judgements**

The preparation of the consolidated half year financial statements in conformity with AASB requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated half-year financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2022.

**Going concern**

The Directors believe that the Group will continue as a going concern, and as a result the financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group currently has no source of operating cash inflows other than interest income. The Group incurred a loss after tax in the period from continuing operations of \$1,951,485 (Dec 2021 loss: \$1,264,972). The Group has current assets of \$740,682 (June 2022: \$516,259) and current liabilities amounting to \$724,444 (June 2022: \$851,012). At balance date, the Group had net assets of \$356,210 (June 2022: net liability of \$6,199).

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 \$9.34 million. If such

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

funding is not achieved, and if necessary, the Group can delay exploration expenditures and directors can also institute cost saving measures to further reduce corporate and administrative costs or explore divestment opportunities.

These conditions give rise to a material uncertainty that may cast doubt upon the Group's ability to continue as a going concern.

The Directors believe that, based on current conditions and performance assumptions, that the group is sufficiently funded and has access to capital to meet its anticipated near-term funding needs. In December 2022, the Group drew down \$600,000 from Drake Special Solutions LLC as part of its funding facility.

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.

**Share-based payment transactions**

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 by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

**Exploration and evaluation costs**

The financial report has been prepared on the basis of retrospective application of a voluntary change in accounting policy relating to exploration and evaluation expenditure.

The Group previously capitalised these expenditures, accumulated exploration and evaluation expenditure and carried forward to the extent that they were expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

The result of this accounting change means that the Group will expense exploration and evaluation expenditure as incurred in respect of each identifiable area of interest until a time where an asset is in development. The Board determined that the change in accounting policy will result in more relevant and no less reliable information as the policy is more transparent and less subjective. Recognition criteria of exploration and evaluation assets are inherently uncertain and expensing as incurred results in a more transparent Consolidated Statement of Financial Position and Consolidated Statement of Profit or Loss and Other Comprehensive Income. Furthermore, the change in accounting policy aids in accountability of line management's expenditures and the newly adopted policy is consistent with industry practice.

The impact of the adoption of the accounting policy change has been summarised in note 3.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's 30 June 2022 financial report financial report.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### (c) New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### 3. VOLUNTARY CHANGE IN ACCOUNTING POLICY – EXPLORATION AND EVALUATION EXPENDITURE

During 30 June 2022 financial year, the Group changed its accounting treatment of exploration and evaluation expenditure in accordance with AASB 6: Exploration for and Evaluation of Mineral Resources. Previously, the Group capitalised accumulated exploration and evaluation expenditure and carried forward to the extent that they were expected to be recouped through the successful development. The result of this accounting change means that the Group will expense exploration and evaluation expenditure as incurred in respect of each identifiable area of interest until a time where an asset is in development.

The following table summarises the retrospective adjustments made to the Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Statement of Cash Flows on implementation of the new accounting policy.

The effect of the Consolidated Statement of Profit or Loss and Other Comprehensive Income were as follows:

	For the period ended 31 December 2021
	\$
Increase in loss for the period	505,560

The table below summarises the impact on the earnings per share for the comparative period:

	For the period ended 31 December 2021
	(cents)
Previously reported – basic and diluted loss per share	(0.17)
Restated – basic and diluted loss per share	(0.28)

The effect of the Consolidated Statement of Cash Flows was as follows:

	For the period ended 31 December 2021
	\$
Increase in payment for exploration and evaluation expenditure under operating activities	625,051



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 4. SEGMENT INFORMATION

Identification of reportable operating segments

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

	Brazil \$	Australia \$	Total \$
<b>Half year ended 31 Dec 2022</b>			
Segment Revenue	674	1,915	2,589
Depreciation	(10,946)	-	(10,946)
Other Expenses	(850,538)	(1,092,590)	(1,943,128)
<b>Loss after income tax</b>	<b>(860,810)</b>	<b>(1,090,675)</b>	<b>(1,951,485)</b>
<b>As at 31 December 2022:</b>			
<b>Segment total assets</b>	<b>451,841</b>	<b>628,813</b>	<b>1,080,654</b>
<b>Segment total liabilities</b>	<b>9,509</b>	<b>714,935</b>	<b>724,444</b>
<b>Half year ended 31 Dec 2021</b>			
Segment Revenue	447	78	525
Depreciation	(3,260)	-	(3,260)
Other expenses	(548,772)	(713,465)	(1,262,237)
<b>Loss after income tax</b>	<b>(551,585)</b>	<b>(713,387)</b>	<b>(1,264,972)</b>
<b>As at 30 June 2022:</b>			
<b>Segment total assets</b>	<b>578,577</b>	<b>266,236</b>	<b>844,813</b>
<b>Segment total liabilities</b>	<b>796,252</b>	<b>54,760</b>	<b>851,012</b>

## 5. TRADE AND OTHER RECEIVABLES

	31 Dec 2022 \$	30 Jun 2022 \$
<b>Current assets</b>		
Prepayments and receivables	99,331	162,500
	<u>99,331</u>	<u>162,500</u>

## 6. EXPLORATION ASSETS

	31 Dec 2022 \$	30 Jun 2022 \$
<b>Non-current assets</b>		
Exploration and evaluation - at cost	161,993	162,576

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	\$
<b>Balance at 1 July 2022</b>	<b>162,576</b>
Exchange differences	(583)
<b>Balance at 31 December 2022</b>	<b>161,993</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 7. TRADE AND OTHER PAYABLES

	31 Dec 2022	30 Jun 2022
	\$	\$
<b>Current liabilities</b>		
Trade payables	68,769	55,637
Royalty payable	-	759,122
Other payables and accruals	54,228	36,253
	<b>122,997</b>	<b>851,012</b>

## 8. FINANCIAL LIABILITIES

	31 Dec 2022	30 Jun 2022
	\$	\$
<b>Current liabilities</b>		
Drawdown from convertible note facility	600,000	-
Interest expense	1,447	-
	<b>601,447</b>	<b>-</b>

## 9. ISSUED CAPITAL

Fully paid ordinary shares	31 Dec 2022		30 Jun 2022	
	No.	\$	No.	\$
Fully paid ordinary shares	490,721,475	33,338,201	460,021,475	30,512,388

## Movements in ordinary share capital

Half year ended 31 December 2022			
Date	Details	Number	\$
1 Jul 2022	Opening balance	460,021,475	30,512,388
8 Jul 2022	Placement of shares - capital raise	26,000,000	2,132,000
9 Sep 2022	Shares issued for services provided	700,000	54,040
28 Dec 2022	Performance rights converted into shares	4,000,000	794,800
	Less: transaction costs arising on issue		(155,027)
31 Dec 2022	Closing balance	<b>490,721,475</b>	<b>33,338,201</b>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Share buy-back

There is no current on-market share buy-back.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 10. RESERVES

	31 Dec 2022	30 Jun 2022
	\$	\$
Foreign currency reserve	(1,395,244)	(1,370,130)
Share-based payments reserve	546,723	1,033,528
Option reserve	1,178,916	1,178,916
	<b>330,395</b>	<b>842,314</b>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current and previous financial half-year are set out below:

	Foreign currency reserve	Share based payments reserve	Option reserve	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>	<b>(1,370,130)</b>	<b>1,033,528</b>	<b>1,178,916</b>	<b>842,314</b>
Foreign currency translation	(25,114)	-	-	(25,114)
Amortisation of performance rights	-	307,995	-	307,995
Performance rights converted	-	(794,800)	-	(794,800)
<b>Balance at 31 December 2022</b>	<b>(1,395,244)</b>	<b>546,723</b>	<b>1,178,916</b>	<b>330,395</b>
<b>Balance at 1 July 2021</b>	<b>(1,346,280)</b>	<b>844,322</b>	<b>1,178,916</b>	<b>676,958</b>
Foreign currency translation	(335,787)	-	-	(335,787)
Amortisation of performance rights	-	323,530	-	323,530
Performance rights converted	-	-	-	-
<b>Balance at 31 December 2021</b>	<b>(1,682,067)</b>	<b>1,167,852</b>	<b>1,178,916</b>	<b>664,701</b>

## 11. KEY MANAGEMENT PERSONNEL DISCLOSURES

	31 Dec 2022	31 Dec 2021
	\$	\$
Directors' fees	84,269	46,838
Salary and Wages	171,668	165,321
Superannuation	12,666	10,684
Share-based payments	307,995	323,530
	<b>576,598</b>	<b>546,373</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****12. COMMITMENTS & CONTINGENCIES**

The Group has following contingent liabilities as at 31 December 2022. 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	13,914	May 2023
Ema	DNPM 880.107/2008	16,753	May 2023
Ema	DNPM 880.184/2016	15,381	May 2023

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

**13. INTERESTS IN SUBSIDIARIES**

The consolidated financial statements incorporate the assets, liabilities, and results of the following subsidiary in accordance with the accounting policy described in note 2:

Controlled entities	Country of Incorporation	Interest Held	
		Dec 2022	Jun 2022
Mineração BBX do Brasil LTDA	Brazil	100%	100%
BBX Peru SAC	Peru	100%	100%
BBX Lucanas SAC	Peru	100%	100%

**14. EVENTS AFTER THE REPORTING PERIOD**

The following events have arisen since the end of the reporting period and to the date of this report.

- On 11 January 2023, BBX announced that the convertible loan facility entered into on 19 December 2019 with Drake Special Situations LLC (Drake) has been extended for a further period to 17 December 2024.
- On 25 January 2023, the Company announced an updated Mineral Resource Estimate for the Três Estados project, including a maiden resource estimate for the Tabocal prospect located 2.5km east of the Adelar prospect, forming part of the company's 100% owned Três Estados project, Apui, Amazonas, Brazil. The MRE for Adelar, announced on 25 October 2022, has been revised using updated economic parameters consistent with the parameters used for the estimation of the maiden Tabocal MRE. The combined MRE contains a total of 725,230 ounces 5E PGM's (platinum, palladium, iridium, rhodium, and gold).
- On 6 February 2023, the Company announced the appointment of Mr. Greg Van Staveren as a Non-Executive Director.
- On 27 February 2023, the Company announced the results from initial pilot plant testing, utilising a 45 kg composite sample from drill hole TED-015, conducted by EcoBiome Metals, LLC (EcoBiome). The results show a recovered grade of 3.00 g/t 5E precious metals (0.45 g/t Au, 1.76 g/t Pd, 0.55 g/t Pt, 0.03 g/t Ir and 0.21 g/t Rh).

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of the operations, or the Group's state of affairs in future financial periods/years.

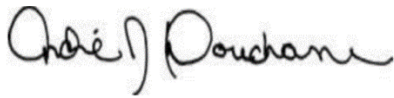
**Directors' declaration**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



**Andre Douchane**  
**CEO and Executive Director**  
**16 March 2023**

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

### REPORT ON THE HALF-YEAR FINANCIAL REPORT

#### **Conclusion**

We have reviewed the half-year financial report of BBX Minerals Limited and its controlled entities, (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Group does not comply with the *Corporation Act 2001* including:

- (a) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standards 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### **Basis for Conclusion**

We conducted our review in accordance with ASRE 2410 *Review of Financial Report Performance by the Independent Auditor of the Entity*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Review of the half year Financial Report* section of our report. We are independent of the Group in accordance with 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporation Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

#### **Material Uncertainty Relating to Going Concern**

We draw attention to Note 2 in the half year financial report which indicates that the Group incurred loss after tax in the half year of \$1,951,485 (2021: \$1,264,972) and has net cash outflows from operating activities of \$1,556,845 (2021: \$1,051,266). As stated in Note 2 these events or conditions, along with other matters set out in Note 2 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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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 maybe necessary should the Group not continue as a going concern.

***Responsibility of the Directors for the half year Financial Report***

The Directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility for the Review of the half year Financial Report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

LNP Audit and Assurance Pty Ltd



Archana Kumar  
Director  
Sydney

16 March 2023

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