

# **BBX MINERALS LIMITED**

**ACN 089 221 634**

## **ANNUAL REPORT**

**FOR THE FINANCIAL YEAR ENDED**

**30 JUNE 2022**

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**Corporate Information****Directors**

Andre Douchane	Chairman, CEO and Executive Director
Ramon Soares	Finance Director
Karl Page	Non-Executive Director
Ken Kluksdahl	Non-Executive Director
Abby Smith	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  
Telephone: +61 8 6383 7820  
Website: [www.bbxminerals.com](http://www.bbxminerals.com)

**Solicitors**

Steinepreis Paganin  
Level 4, The Read Buildings  
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 8, 309 Kent Street  
Sydney, NSW 2000

**Stock Exchange Listing**

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

## Chairman's Letter to Shareholders

Dear Shareholders,

On behalf of BBX Minerals' Board and Management, I am pleased to present our Annual Report for the financial year ended 30 June 2022.

The past year was a challenging but very rewarding period for the Company. COVID-19 related restrictions in Brazil eased, and the company made significant progress towards advancing its projects.

Our focus during early 2022 was to develop an assay method suitable for BBX's complex mineralisation. Following an extensive period of research and development, the Company completed the development and testing of its assaying method. This analytical protocol assays for gold and platinum group metals (PGM) in a single method. It comprises a nickel smelt at 1,500°C, producing a nickel bead which is subsequently digested in HCl and the residue dissolved in four acids. The solution is fire assayed by conventional lead collection with an atomic absorption (AA) finish.

The Company delivered the results of the first drill hole assayed, TED 015, on 26 May 2022. TED 015 was part of the 2021 drilling programme at the Adelar prospect, Tres Estados project. Several other drill holes were announced during and subsequent to the end of the financial year, and the company is now moving towards a JORC-compliant resource for Tres Estados. The assaying programme has since moved to the Ema project.

Importantly, BBX's laboratory is well equipped and operating efficiently, which will allow the Company to assay drill holes consistently. In parallel, the Company continues its development work on a viable processing method in conjunction with local and international research laboratories.

The recent assaying programme at Tres Estados has produced significant PGM results to date, suggesting the potential for a near-surface PGM deposit. This is very encouraging as the world needs PGMs, the green metals of the future.

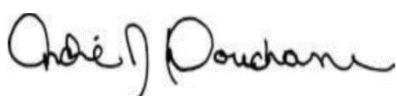
It is becoming more and more evident that the world is moving towards a hydrogen-based carbon neutral economy and lifestyle, and PGM's are a major part of achieving this. Our goal is to further develop our assets and provide the raw materials to support the hydrogen-based economy transition (eg, emissions control and alternative energy sources), which will in turn support the social and economic development for billions of people globally.

Corporate responsibility, sustainability, technological innovation and passion are at the centre of BBX's way forward.

I thank our Board, employees and loyal shareholders for their resilience and commitment to the success of the Company. I would like to extend my sincere thanks to long-standing former directors Will Dix and Mike Schmullian who stepped down from the Board during and at the end of the financial year, respectively. We have strengthened the board with the appointment of Karl Page during the financial year and subsequently Ken Kluksdahl and Abby Smith. I warmly welcome them to the Board and look forward to their valuable contributions to our future success.

The BBX Minerals team and Board of Directors are focused on advancing its projects and ultimately delivering long term and sustainable value to our shareholders. We look forward to sharing our progress with you in the new financial year.

**Yours Sincerely**



**Andre Douchane**  
Chairman

**Review of Operations**

**Exploration**

During the year ended 30 June 2022, exploration activities were kept to a minimum.

Following completion of the drilling program at Ema and Tres Estados in FY2021, all sites were rehabilitated.

The equipment on site was moved to BBX’s main office in the town of Apuí. Consequently, most of the exploration field assistants were released as planned, reducing the Company’s cash burn.



Figure 1: Exploration camp at Ema Project

Geological logging and sampling of all drill core from Ema and Tres Estados has been completed.

Petrographic descriptions of representative lithologies is in progress.

With no drilling occurring during the year, the following activities took place:

- 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.
- Petrographic analysis (Figure 2 and Figure 3) of all types of hydrothermal alteration intercepted during the diamond drilling programme.



Figure 2: drill cores used in petrographic analysis

## Review of Operations (continued)



Figure 3: drill cores used in petrographic analysis

**Assaying**

Following a period of research and development, the Company completed the development and testing of its assay method. The analytical protocol assays for gold and PGMs in a single method.

The method comprises a nickel smelt at 1,500°C, producing a nickel bead which is subsequently digested in HCl and the residue dissolved in four acids. The solution is fire assayed by conventional lead collection with an AA finish.

Results of the first drill hole assayed, TED 015, drilled in the 2021 drilling programme at the Adelar prospect (Figure 4), Tres Estados project (Figure 5), were announced on 26 May 2022.

Review of Operations (continued)

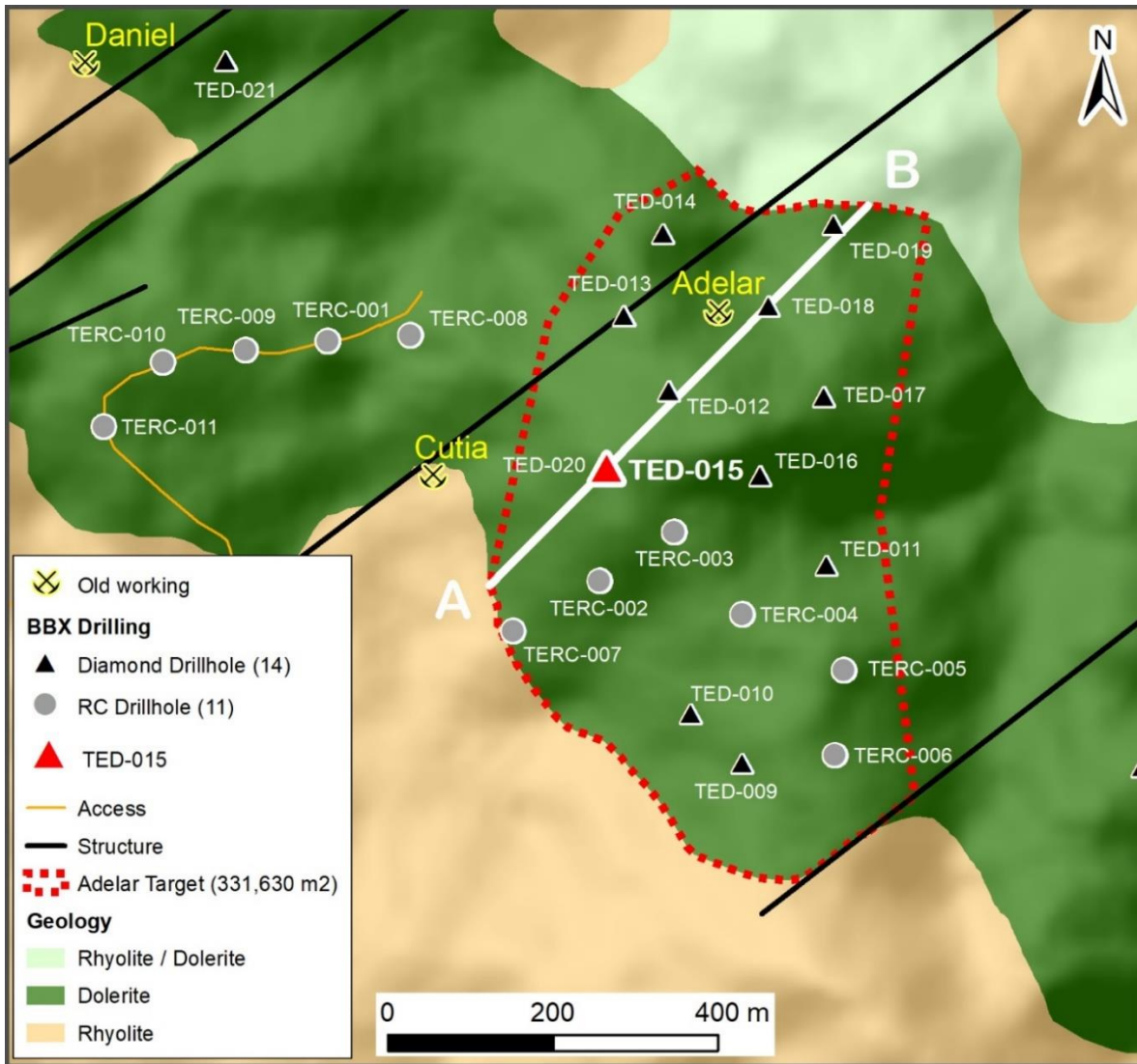


Figure 4: Adelar target drilling collar summary

Review of Operations (continued)

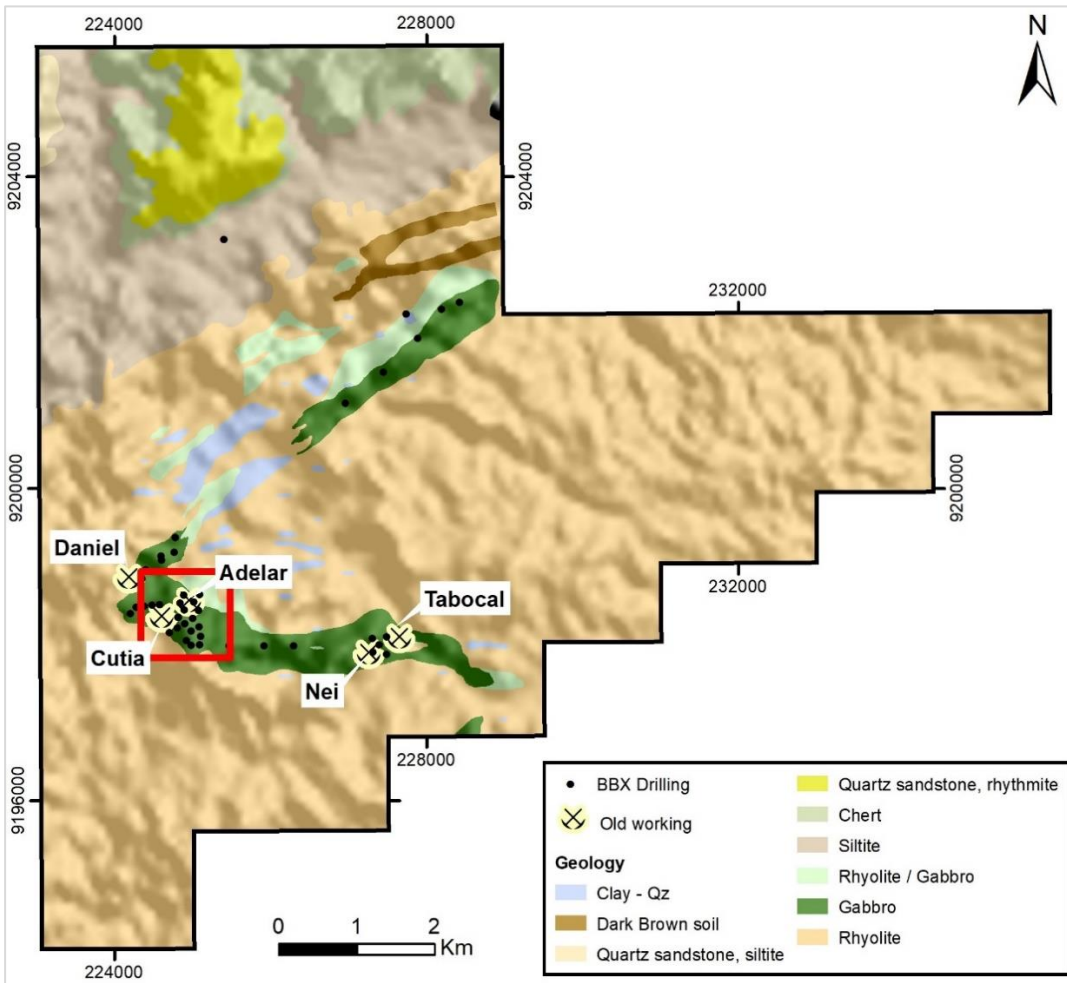


Figure 5: Três Estados project

The company has since released results from several drill holes.

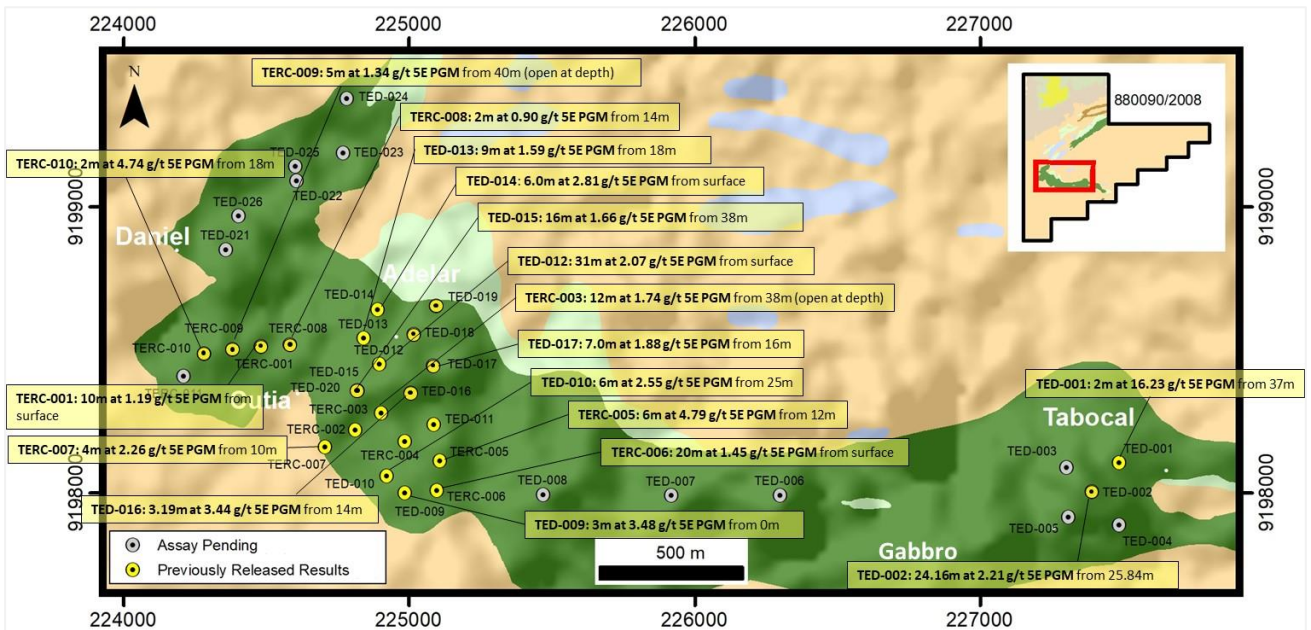


Figure 6: Summary of assay results



**Review of Operations (continued)**

Significant results announced during and after the end of the financial year include:

**TED-015**

- **2.62m at 1.99 g/t 5E PGM<sup>1</sup>** (0.71 g/t Pt, 0.74 g/t Pd, 0.2 g/t Au and 0.34 g/t Ir) from 12m
- **4m at 2.62 g/t 5E PGM** (0.78 g/t Pt, 0.34 g/t Pd, 0.2 g/t Au and 1.31 g/t Ir) from 28m including:
  - **2m at 4.18 g/t 5E PGM** (1.55 g/t Pt, 0.63 g/t Pd, 1.82 g/t Ir and 0.18 g/t Au) from 30m
- **16m at 1.66 g/t 5E PGM** (0.86 g/t Pt, 0.75 g/t Ir, 0.01 g/t Rh and 0.04 g/t Au) from 38m
- **1.9m at 2.84 g/t 5E PGM** (1.79 g/t Pt, 0.98 g/t Ir and 0.07 g/t Rh) from 58m including:
  - **1m at 4.10 g/t 5E PGM** (2.18 g/t Pt, 1.386 g/t Ir and 0.06 g/t Rh) from 58m
- **1m at 12.05 g/t 5E PGM** (11.52 g/t Pt, 0.41 g/t Pd and 0.12 g/t Rh) from 84m

**TED-001**

- **2m at 2.48 g/t 5E PGM** (2.48 g/t Pt) from 23m
- **2m at 16.23 g/t 5E PGM** (10.82 g/t Pt, 4.43 g/t Pd and 0.98 g/t Au) from 37m

**TERC-003**

- **6m at 1.40 g/t 5E PGM** (1.36 g/t Pt and 0.04 g/t Rh) from 20m
- **2m at 2.67 g/t 5E PGM** (2.34 g/t Pt, 0.31 g/t Ir and 0.02 g/t Rh) from 30m
- **12m at 1.74 g/t 5E PGM** (1.71 g/t Pt and 0.03 g/t Rh) from 38m (open at depth)

**TERC-005**

- **6m at 4.79 g/t 5E PGM** (4.29 g/t Pt, 0.08 g/t Pd, 0.37 g/t Au, 0.04 g/t Ir and 0.02 g/t Rh) from 12m including:
  - **2m at 10.8 g/t 5E PGM** (9.38 g/t Pt, 0.23 g/t Pd, 1.02 g/t Au, 0.11 g/t Ir and 0.06 g/t Rh) from 16m
- **2m at 1.40 g/t 5E PGM** (0.01 g/t Pd and 1.39 g/t Au) from 32m

**TERC-006**

- **20m at 1.45 g/t 5E PGM** (1.36 g/t Pt, 0.07 g/t Ir and 0.03 g/t Rh) from 0m including:
  - **2m at 3.84 g/t 5E PGM** (3.72 g/t Pt and 0.12 g/t Rh) from 10m
  - **2m at 1.96 g/t 5E PGM** (1.84 g/t Pt, 0.05 g/t Ir and 0.07 g/t Rh) from 18m

**TERC-007**

- **2m at 1.46 g/t 5E PGM** (0.64 g/t Pt, 0.30 g/t Pd, 0.07 g/t Au, 0.37 g/t Ir and 0.08 g/t Rh) from 6m
- **4m at 2.26 g/t 5E PGM** (1.09 g/t Pt, 0.29 g/t Pd, 0.06 g/t Au, 0.68 g/t Ir and 0.15 g/t Rh) from 10m
- **1m at 0.88 g/t 5E PGM** (0.31 g/t Pt, 0.21 g/t Pd, 0.15 g/t Ir and 0.21 g/t Rh) from 24m

**TED-009**

- **3m at 3.48 g/t 5E PGM** (2.95 g/t Pt, 0.26 g/t Au, 0.17 g/t Ir and 0.1 g/t Rh) from 0m
- **2m at 1.81 g/t 5E PGM** (1.25 g/t Au and 0.56 g/t Ir) from 16m
- **2m at 1.56 g/t 5E PGM** (0.64 g/t Pt, 0.33 g/t Au and 0.59 g/t Ir) from 20m
- **2m at 1.92 g/t 5E PGM** (1.82 g/t Pt and 0.1 g/t Ir) from 24m
- **2m at 3.0 g/t 5E PGM** (2.35 g/t Pt and 0.65 g/t Ir) from 28m
- **2m at 1.43 g/t 5E PGM** (1.4 g/t Pt and 0.03 g/t Rh) from 34m
- **2m at 3.45 g/t 5E PGM** (3.19 g/t Pt, 0.13 g/t Ir and 0.13 g/t Rh) from 48m

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

**Review of Operations (continued)****TED-010**

- 2m at 2.36 g/t 5E PGM (2.19 g/t Pt and 0.17 g/t Rh) from 5m
- 6m at 2.55 g/t 5E PGM (1.90 g/t Pt, 0.58 g/t Ir and 0.07 g/t Rh) from 25m including:
  - 2m at 5.32 g/t 5E PGM (4.02 g/t Pt, 1.13 g/t Ir and 0.17 g/t Rh) from 25m
- 4m at 2.83 g/t 5E PGM (2.42 g/t Pt, 0.34 g/t Ir and 0.07 g/t Rh) from 35m
- 2m at 1.33 g/t 5E PGM (0.96 g/t Pt and 0.37 g/t Ir) from 41m

**TED-012**

- 31m at 2.07 g/t 5E PGM (1.87 g/t Pt, 0.16 g/t Ir, 0.02 g/t Rh and 0.02 g/t Au) from surface, including:
- 2.69m at 4.35 g/t 5E PGM (3.52 g/t Pt, 0.53 g/t Ir, 0.12 g/t Rh and 0.18 g/t Au) from 3m, and
- 1.65m at 3.44 g/t 5E PGM (2.61 g/t Pt, 0.72 g/t Ir and 0.11 g/t Rh) from 21m
- 12m at 1.95 g/t 5E PGM (1.79 g/t Pt, 0.07 g/t Ir and 0.08 g/t Rh) from 61m, including:
- 2m at 5.79 g/t 5E PGM (5.08 g/t Pt, 0.44 g/t Ir and 0.27 g/t Rh) from 67m
- 4.24m at 3.47 g/t 5E PGM (3.20 g/t Pt, 0.08 g/t Ir and 0.19 g/t Rh) from 76.5m to E.O.H

**TED-013**

- 9.0m at 1.59 g/t 5E PGM (1.52 g/t Pt and 0.06 g/t Rh) from 18m
- 6.1m at 2.38 g/t 5E PGM (2.23 g/t Pt, 0.07 g/t Rh and 0.08g/t Au) from 30.9m
- 2.0m at 5.08 g/t 5E PGM (4.12 g/t Pt and 0.96 g/t Ir) from 43m

**TED-014**

- 6.0m at 2.81 g/t 5E PGM (2.81 g/t Pt) from surface
- 6.0m at 1.75 g/t 5E PGM (1.70 g/t Pt and 0.05 g/t Pd) from 10m

**TED-016**

- 3.19m at 3.44 g/t 5E PGM (2.56 g/t Pt, 0.82 g/t Ir and 0.06 g/t Rh) from 14m, including:
  - 1.67m at 5.71 g/t 5E PGM (4.89 g/t Pt, 0.70 g/t Ir and 0.12 g/t Rh) from 14m
- 10.0m at 1.18 g/t 5E PGM (0.77 g/t Pt and 0.42 g/t Ir) from 21m
- 2.0m at 2.56 g/t 5E PGM (2.56 g/t Pt) from 87m

**TED-017**

- 2.0m at 2.94 g/t 5E PGM (2.77 g/t Pt and 0.17 g/t Rh) from 2m
- 4.0m at 1.98 g/t 5E PGM (1.84 g/t Pt and 0.14 g/t Rh) from 8m
- 7.0m at 1.88 g/t 5E PGM (1.75 g/t Pt and 0.13 g/t Rh) from 16m, including:
  - 1.0m at 3.57 g/t 5E PGM (3.37 g/t Pt and 0.20 g/t Rh) from 20m

**TED-002**

- 2m at 6.90 g/t 5E PGM (6.60 g/t Pt and 0.30 g/t Rh) from 2m
- 4m at 2.81 g/t 5E PGM (2.65 g/t Pt, 0.08 g/t Rh and 0.08 g/t Au) from 6m
- 24.16m at 2.21 g/t 5E PGM (2.12 g/t Pt, 0.08 g/t Ir and 0.01 g/t Rh) from 25.84m
- 20.43m at 1.34 g/t 5E PGM (1.24 g/t Pt, 0.09 g/t Ir and 0.02 g/t Rh) from 54m to E.O.H

**TERC 001**

- 10m at 1.19 g/t 5E PGM (1.19 g/t Pt) from surface including:
  - 2m at 2.28 g/t 5E PGM (2.28 g/t Pt) from surface
- 4m at 1.15 g/t 5E PGM (1.15 g/t Pt) from 14m

**TERC 008**

- 2m at 0.90 g/t 5E PGM (0.90 g/t Pt) from 14m

**TERC 009**

- 4m at 1.30 g/t 5E PGM (1.30 g/t Pt) from 24m
- 5m at 1.34 g/t 5E PGM (0.90 g/t Pt, 0.37 g/t Ir and 0.08 g/t Rh) from 40m (open at depth) including:
  - 1m at 3.04 g/t 5E PGM (2.14 g/t Pt, 0.70 g/t Ir and 0.20 g/t Rh) from 44m (open at depth)

**Review of Operations (continued)****TERC 010**

- 2m at 4.74 g/t 5E PGM (3.65 g/t Pt, 0.89 g/t Ir and 0.20 g/t Rh) from 18m
- 2m at 1.62 g/t 5E PGM (1.25 g/t Pt and 0.37 g/t Ir) from 24m
- 2m at 0.90 g/t 5E PGM (0.59 g/t Pt and 0.31 g/t Ir) from 30m

**TERC 011**

- 2m at 0.99 g/t 5E PGM (0.99 g/t Pt) from 16m
- 2m at 0.88 g/t 5E PGM (0.51 g/t Pt and 0.37 g/t Ir) from 28m

**Laboratory operations**

In November 2021, BBX announced that commissioning of its dedicated laboratory facility in Catalão, Goiás state had been completed, with all equipment fully installed and operating satisfactorily.

Following commissioning of the facility, BBX recruited and trained additional personnel. The laboratory has performed well and consistently, particularly during the last quarter and subsequent to the end of the financial year, which has enabled BBX to expedite its assaying programme and announce results regularly.



Figure 7: Sample analysis at BBX's laboratory

In addition to commissioning its own laboratory, the Company also purchased, installed, and commissioned a new Atomic Absorption Spectrometer (*Figure 8*) at a separate facility. The AA is operated independently by an external contractor and is exclusive for BBX's assaying programme.

**Review of Operations (continued)**

Figure 8: Newly purchased Atomic Absorption Spectrometer

**Corporate Activities**

On 20 October 2021 Mr Will Dix resigned as a Director of the Company.

On 19 October 2021, Dr Marc Steffens was appointed as a Non-Executive Director. Dr Steffens resigned as a Director on 10 December 2021 and transitioned to a technical consultant to the company. Dr Steffens' value proposition to the Company is more aligned to that of a consultant than a Non-Executive Director.

Mr Ramon Soares was appointed a Non-Executive Director on 10 December 2021.

On 30 June 2022, Mr Michael Schmulian retired as Non-Executive Chairman. Mr Karl Page was appointed as Non-Executive Director on the same date.

On 30 June 2022, Mr Ramon Soares transitioned to the role of Finance Director and Company Secretary, whilst Mr Andre Douchane transitioned to a CEO and Chairman role.

**Financial Activities**

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

A total of 20,635,616 shares have been issued at a conversion price of \$0.08 per share, for a total of \$1,650,849. This amount includes 100% of the advanced sum of \$1,500,000 and interest of \$150,849. Following the issue of these shares, BBX has no further obligations under the facility unless and until a further drawdown is made.

The conversion price is pursuant to the terms of the facility agreement.

**Review of Operations (continued)****Competent Person Statement**

The information in this report that relates to exploration results is based on information compiled by Mr. Antonio de Castro, BSc (Hons), MAusIMM, CREA, who acts as BBX's Senior Consulting Geologist through the consultancy firm, ADC Geologia Ltda. Mr. de Castro has sufficient experience which is relevant to the type of deposit under consideration and to the reporting of exploration results and analytical and metallurgical test work to qualify as a competent person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. de Castro consents to the report being issued in the form and context in which it appears.

CREA/RJ:02526-6D

AusIMM:230624

## Directors' Report

Your Director's 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 2022. 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. Andre Douchane

##### Chairman, 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
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#### Mr. Ramon Soares

##### Finance Director and Company Secretary (appointed 10 December 2021)

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.

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

#### Mr Karl Page

##### Non-Executive Director (appointed 30 June 2022)

Mr Karl Page is an accomplished entrepreneur with extensive experience in capital markets. Karl has been a long term BBX shareholder and is currently among the Company's top 20 investors.

With a strong record of establishing corporations and start-ups, Mr Page brings extensive corporate and commercial experience gained during a period of 30 years working for a number of companies operating in the media, production, and product design sectors.

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

#### Mr Ken Kluksdahl

##### Non-Executive Director (appointed 15 August 2022)

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.

**Directors' Report (continued)**

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.

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

**Ms Abby Smith**

**Non-Executive Director** (appointed 15 August 2022)

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.

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

**Mr. Michael Schmulian**

**Non-Executive Chairman** (resigned 30 June 2022)

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.

**Mr Marc Steffens**

**Non-Executive Director** (appointed 19 October 2021, resigned 10 December 2021)

Dr Steffens is a Metallurgist with qualifications from the WA School of Mines (Curtin University) and strong metallurgical R&D, process development and study management experience covering both Australian and International projects.

**Mr. William Dix**

**Non-Executive Director** (resigned 20 October 2021)

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.

**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.

**Directors' Report (continued)****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.

**Financial and Operations results**

The Group incurred an operating loss after tax of \$2,455,992 for the year ended 30 June 2022 (2021: loss \$2,827,022).

During the year, the Group adopted a voluntary change in accounting policy whereby exploration and evaluation expenditure (other than expenditure related to the acquisition of exploration rights) is expensed as incurred rather than capitalised. This change in accounting policy has been adopted retrospectively, and hence prior years reported figures in this financial report may differ from the figures reported in previous year's financial report.

**Significant changes in the state of affairs**

On 20 October 2021 Mr Will Dix resigned as a Director of the Company.

On 19 October 2021, Dr Marc Steffens was appointed as a Non-Executive Director. Dr Steffens resigned as a Director on 10 December 2021 and transitioned to a technical consultant to the company. Dr Steffens' value proposition to the Company is more aligned to that of a consultant than a Non-Executive Director.

Mr Ramon Soares was appointed a Non-Executive Director on 10 December 2021.

On 30 June 2022, Mr Michael Schmulian retired as Non-Executive Chairman. Mr Karl Page was appointed as Non-Executive Director on the same date.

On 30 June 2022, Mr Ramon Soares transitioned to the role of Finance Director and Company Secretary, whilst Mr Andre Douchane transitioned to a CEO and Chairman role.

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 notes thereto.

**Shares and options issued during the financial year**

The Company issued 22,635,616 shares during the financial year.

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
41,000,000	Ordinary	\$0.12	31 December 2025

**Significant events after balance date**

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.

On 25 July 2022, the Company issued 15,000,000 broker options expiring on 31 December 2025.

On 2 September 2022, 700,000 ordinary shares were issued to Karlsson Group Ltd at an issue price of \$0.0772 per share in exchange for branding, marketing and advisory services.

**Likely developments and expected results**

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



**Directors' Report (continued)****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.

**Current Tenement Interest**

Tenements held at the end of the year	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

**Indemnity and insurance of officers**

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability 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.

**Indemnity and insurance of auditor**

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the 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 2022. 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**

Andre Douchane	Chairman and Chief Executive Officer
Ramon Soares	Finance Director and Company Secretary
Karl Page	Non-Executive Director
Mr Ken Kluksdahl	Non-Executive Director
Ms Abby Smith	Non-Executive Director
Michael Schmulian	Non-Executive Chairman (resigned 30 June 2022)
Marc Steffens	Non-Executive Director (resigned 10 December 2021)
William Dix	Non-Executive Director (resigned 20 October 2021)

**Executives**

Andre Douchane	Chief Executive Officer
Ramon Soares	Finance Director and Company Secretary

**Directors' Report (continued)****Remuneration report (Audited) (cont'd)**

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.

**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 \$300,000. Please refer to the Company's Constitution.

**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.

**Directors' Report (continued)****Employment contracts**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.

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 been remunerated with 2,000,000 performance rights during the year. The performance rights vest upon the Company releasing on the ASX the results of a scoping study on a BBX asset showing the potential to generate an internal rate of return (IRR) of >20% using consensus prices and Board approved assumptions.

**Remuneration of Key Management Personnel**

Year ended 30 June 2022	Director fees \$	Salary \$	Superannuation \$	Management fees \$	Performance Rights \$	Total \$
Andre Douchane	-	131,747	-	-	540,859	<b>672,606</b>
Ramon Soares <sup>1</sup>	-	200,000	20,000	-	45,747	<b>265,747</b>
Karl Page <sup>2</sup>	-	-	-	-	-	-
Ken Kluksdahl <sup>3</sup>	-	-	-	-	-	-
Abby Smith <sup>3</sup>	-	-	-	-	-	-
Michael Schmulian <sup>4</sup>	48,000	-	-	-	-	<b>48,000</b>
Marc Steffens <sup>5</sup>	6,838	-	684	-	-	<b>7,522</b>
William Dix <sup>6</sup>	16,000	-	-	-	-	<b>16,000</b>
<b>Total</b>	<b>70,838</b>	<b>331,747</b>	<b>20,684</b>	-	<b>586,606</b>	<b>1,009,875</b>

1. Appointed a director on 10 December 2021. Compensation shown above includes his employment as CFO and Company secretary from 1 July 2021 to 30 June 2022.
2. Appointed on 30 June 2022.
3. Appointed on 15 August 2022.
4. Retired on 30 June 2022.
5. Appointed on 19 October 2021. Resigned on 10 December 2021.
6. Resigned on 20 October 2021.

**Directors' Report (continued)**

Year ended 30 June 2021	Director fees \$	Salary \$	Superannuation \$	Management fees \$	Performance Rights \$	Total \$
Michael Schmulian	48,000	-	-	-	-	48,000
Andre Douchane	-	128,324	-	-	586,606	714,930
William Dix	48,000	-	-	-	-	48,000
Jeff Mckenzie <sup>1</sup>	-	-	-	24,000	-	24,000
<b>Total</b>	<b>96,000</b>	<b>128,324</b>	<b>-</b>	<b>24,000</b>	<b>586,606</b>	<b>834,930</b>

1. Resigned on 30 September 2020.

**Cash bonuses granted as compensation for the current financial year**

No Directors or Executives were granted bonuses during the year.

**Key management personnel shareholding and share movement**

The number of ordinary shares in the company during the 2022 financial year held by each of the key management personnel, including their related parties is set out below:

Year ended 30 June 2022	Balance at beginning of year	Granted as compensation	Performance Rights converted	Other changes during the year	Balance at end of year
<b>Directors</b>					
Andre Douchane	2,000,000	-	2,000,000	-	4,000,000
Ramon Soares <sup>1</sup>	-	-	-	4,317	4,317
Karl Page <sup>2</sup>	-	-	-	7,953,266	7,953,266
Ken Kluksdahl <sup>3</sup>	-	-	-	-	-
Abby Smith <sup>3</sup>	-	-	-	-	-
Michael Schmulian <sup>4</sup>	12,264,769	-	-	-	12,264,769
Marc Steffens <sup>5</sup>	-	-	-	-	-
William Dix <sup>6</sup>	6,234,479	-	-	-	6,234,479
<b>Total</b>	<b>20,499,248</b>	<b>-</b>	<b>2,000,000</b>	<b>7,957,583</b>	<b>30,456,831</b>

1. Shares held at the date Mr Soares was appointed a director.
2. Shares held at the date Mr Page was appointed a director.
3. Appointed on 15 August 2022.
4. Shares held at the date Mr Schmulian retired.
5. Resigned on 10 December 2021.
6. Shares held at the date Mr Dix resigned.

**Key management personnel options**

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

**Directors' Report (continued)****Key management personnel performance rights**

The number of performance rights in the Company during the 2022 financial year held by each of the key management personnel, including their related parties is set out below:

Year ended 30 June 2022	Balance at beginning of year	Granted as compensation	Converted into shares	Other changes during the year	Balance at end of year
<b>Directors</b>					
Andre Douchane <sup>1</sup>	8,000,000	-	(2,000,000)	-	6,000,000
Ramon Soares <sup>2</sup>	-	2,000,000	-	-	2,000,000
Karl Page	-	-	-	-	-
Ken Kluksdahl	-	-	-	-	-
Abby Smith	-	-	-	-	-
Michael Schmulian	-	-	-	-	-
Marc Steffens	-	-	-	-	-
William Dix	-	-	-	-	-
<b>Total</b>	<b>8,000,000</b>	<b>2,000,000</b>	<b>(2,000,000)</b>	<b>-</b>	<b>8,000,000</b>

1. Performance rights held by Mr Douchane have the following terms:

Expiry date	Number of performance rights	Vesting conditions
31 Dec 2022	2,000,000	Public release of JORC compliant assay results of all existing drillhole samples, the shares to be issued on 31 December 2022, or at a later date at employee's discretion.
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.
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.

2. Performance Rights held by Mr Soares have the following terms:

Expiry date	Number of performance rights	Vesting conditions
31 Dec 2025	2,000,000	Vest upon the Company releasing on the ASX the results of a scoping study on a BBX asset showing the potential to generate an internal rate of return (IRR) of >20% using consensus prices and Board approved assumptions.

**Loans to key management personnel**

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

**Other transactions with key management personnel**

There were no other transactions with key management personnel.

**END OF REMUNERATION REPORT**

**Directors' Report (continued)****Directors' Meetings**

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

Director	Board of Directors' Meetings	
	Number eligible to attend	Number attended
Andre Douchane	4	4
Ramon Soares	3	3
Karl Page	-	-
Ken Kluksdahl	-	-
Abby Smith	-	-
Michael Schmulian	4	4
Marc Steffens	1	1
William Dix	-	-

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 2002 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 23 and forms part of this Directors' report for the year ended 30 June 2022.

Signed in accordance with a resolution of the Directors.



**Andre Douchane**  
**CEO and Executive Director**  
**29 September 2022**

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 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 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 2022

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	Consolidated 30 June 2022 \$	Restated* 30 June 2021 \$
<b>Continuing operations</b>			
Royalty received		-	1,386,452
Other income		13,927	709
		<u>13,927</u>	<u>1,387,161</u>
Depreciation and amortisation expense		(9,946)	(6,865)
Administration expenses		(339,605)	(341,645)
Exploration & evaluation		(1,061,721)	(1,911,154)
Legal and professional fees		(29,404)	(28,680)
Share Based Payments	7(b)	(586,606)	(548,397)
Employment expenses		(352,431)	(244,738)
Directors Fees		(70,838)	(96,000)
Interest & borrowing expenses		(6,461)	(117,338)
Royalty expense		-	(902,028)
Other expenses		(12,907)	(17,338)
		<u>(2,455,992)</u>	<u>(2,827,022)</u>
<b>Loss before income tax expense</b>			
Income tax expense		-	-
		<u>(2,455,992)</u>	<u>(2,827,022)</u>
<b>Loss after tax from continuing operations</b>			
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(23,850)	67,700
		<u>(23,850)</u>	<u>67,700</u>
<b>Other comprehensive loss for the year, net of tax</b>			
		<u>(2,479,842)</u>	<u>(2,759,322)</u>
<b>Total comprehensive loss for the year</b>			
Basic loss per share (cents)	8	<u>(0.55)</u>	<u>(0.67)</u>
Diluted loss per share (cents)	8	<u>(0.52)</u>	<u>(0.63)</u>

\* 30 June 2021 Consolidated Statement of Profit or Loss and Other Comprehensive Income has been restated pursuant to the Group's voluntary change in accounting policy for exploration and evaluation expenditure (See Note 2).

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



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

	Note	Consolidated	
		30 June 2022	Restated*
		\$	30 June 2021
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents		353,759	2,561,636
Trade and other receivables		162,500	205,839
<b>Total current assets</b>		<b>516,259</b>	<b>2,767,475</b>
<b>Non-current assets</b>			
Property, plant and equipment		165,978	47,278
Exploration & evaluation assets	3	162,576	156,970
<b>Total non-current assets</b>		<b>328,554</b>	<b>204,248</b>
<b>Total assets</b>		<b>844,813</b>	<b>2,971,723</b>
<b>Current liabilities</b>			
Trade and other payables	4	851,012	1,083,148
Financial liabilities	5	-	1,644,441
<b>Total current liabilities</b>		<b>851,012</b>	<b>2,727,589</b>
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>851,012</b>	<b>2,727,589</b>
<b>Net assets</b>		<b>(6,199)</b>	<b>244,134</b>
<b>Equity</b>			
Issued capital	6	30,512,388	28,472,085
Other Reserves	7	2,212,444	2,023,238
Foreign currency translation reserve		(1,370,130)	(1,346,280)
Accumulated losses		(31,360,901)	(28,904,909)
<b>Total equity</b>		<b>(6,199)</b>	<b>244,134</b>

\*30 June 2021 Consolidated Statement of Financial Position has been restated pursuant to the Group's voluntary change in accounting policy for exploration and evaluation expenditure. (See Note 2)

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022**

Consolidated	Reserves				Total equity \$
	Issued capital \$	Other reserves \$	Foreign currency translation reserve \$	Accumulated losses \$	
<b>Balance at 1 July 2021</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	-	-	-	(2,455,992)	(2,455,992)
Other comprehensive income for the year	-	-	(23,850)	-	(23,850)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(23,850)</b>	<b>(2,455,992)</b>	<b>(2,479,842)</b>
Shares issued during the year	2,048,249	(397,400)	-	-	1,650,849
Transaction costs	(7,946)	-	-	-	(7,946)
Share-based payments	-	-	-	-	-
Amortisation of performance rights	-	586,606	-	-	586,606
<b>Balance at 30 June 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>
<b>Balance at 1 July 2020 restated*</b>	<b>24,263,910</b>	<b>1,737,969</b>	<b>(1,413,980)</b>	<b>(26,077,887)</b>	<b>(1,489,988)</b>
Loss for the period	-	-	-	(2,827,022)	(2,827,022)
Other comprehensive income for the year	-	-	67,700	-	67,700
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>67,700</b>	<b>(2,827,022)</b>	<b>(2,759,322)</b>
Shares issued during the year	4,242,672	-	-	-	4,242,672
Transaction costs	(34,497)	-	-	-	(34,497)
Share-based payments	-	(263,128)	-	-	(263,128)
Amortisation of performance rights	-	548,397	-	-	548,397
<b>Balance at 30 June 2021</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>

\*1 July 2020 and 30 June 2021 Consolidated Statement Changes in Equity has been restated pursuant to the Group's voluntary change in accounting policy for exploration and evaluation expenditure (See Note 2).

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 YEAR ENDED 30 JUNE 2022**

	Note	Consolidated Year ended	
		30 June 2022 \$	Restated* 30 June 2021 \$
<b>Cash flows from operating activities</b>			
Interest received		13,927	709
Payments to suppliers and employees		(805,186)	(1,274,272)
Interest and borrowing costs paid		(326)	(2,519)
Payments for exploration & evaluation		(1,166,721)	(1,921,160)
Royalty payment		(95,645)	-
<b>Net cash outflow from operating activities</b>	12	<b>(2,053,951)</b>	<b>(3,197,242)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(112,369)	(5,110)
Proceeds from royalty sale		-	1,258,205
<b>Net cash outflow from investing activities</b>		<b>(112,369)</b>	<b>1,253,095</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of shares		-	4,208,175
Proceeds from borrowings		-	375,507
<b>Net cash inflow from financing activities</b>		<b>-</b>	<b>4,583,682</b>
Net increase/(decrease) in cash and cash equivalents held		(2,166,320)	2,639,535
Cash and cash equivalents at the beginning of the period		2,561,636	152,109
Effects of exchange rate fluctuations on cash held		(41,557)	(230,008)
<b>Cash and cash equivalents at the end of the period</b>		<b>353,759</b>	<b>2,561,636</b>

\* 30 June 2021 Consolidated Statement of Cash Flows has been restated pursuant to the Group's voluntary change in accounting policy for exploration and evaluation expenditure (See Note 2).

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

**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 2022 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 2022.

**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*.

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 2022.

**d) Comparative amounts**

Comparatives are consistent with prior years, unless otherwise stated.

**e) 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 of Directors of the company.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****f) 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.

**g) 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.

**h) 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

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.

**i) 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.

**j) 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 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**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 and loans, which are measured at amortised cost using the effective interest rate method.

**k) 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.

**l) 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.

**m) Employee benefits**

Provision is made for the Group'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.

**n) 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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****o) 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.

**p) 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.

**q) Foreign currency translation and balances**

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.

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.

**r) 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.

**s) Significant accounting estimates and judgements**

The preparation of this financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were as follows:

*(i) 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 using a Black-Scholes model. Refer Note 7 for details.

*(ii) Going concern – refer note 1(t)*



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****t) Going concern**

The Group currently has no source of operating cash inflows other than interest income. The Group incurred a loss after tax in the year from continuing operations of \$2,455,992 (2021 loss: \$2,827,022). The Group has current assets of \$516,259 (2021: \$2,767,475) and current liabilities amounting to \$851,012 (2021: \$2,727,589). At balance date, the Group had net liability of \$6,199 (2021: net assets \$244,134).

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 \$9.94 million. If such 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 Groups ability to continue as a going concern.

Subsequent to the end of the financial year, the Group completed a placement of \$2.13 million through issue of 26,000,000 new ordinary shares before costs to sophisticated and professional. The Directors are satisfied they will be able to raise additional funds as required.

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.

**2. Voluntary Change in Accounting Policy***(a) Exploration and Evaluation accounting Policy*

The financial report for the year ended 30 June 2022 has been prepared on the basis of a retrospective application of a voluntary change in accounting policy relating to exploration and evaluation expenditure. In previous financial reporting periods, the costs incurred in connection with exploration of areas with current rights of tenure were capitalised in the Statement of Financial Position. The criteria for carrying forward the costs were:

- Such costs were expected to be recovered through successful development and exploitation of the area or interest or alternatively by its sale; and
- Exploration and/or evaluation activities were continuing in the area or interest and had not yet reached a stage which permitted a reasonable assessment of the existence or otherwise of economically recoverable resources, and active and significant operations in, or in relation to, the area were continuing.

Costs carried forward in respect of an area of interest that was abandoned were written off in the year in which the decision to abandon was made.

The new accounting policy was adopted as of 1 July 2021 and has been applied retrospectively. Under the new policy exploration and evaluation expenditure is expensed to the Statement of Profit and Loss and Other Comprehensive Income in the year when it is incurred in respect of each identifiable area except in the following circumstances in which case the expenditure may be capitalised:

- Existence of a mineral deposit has been established however additional expenditure is required to determine the technical feasibility and commercial viability of extraction and it is anticipated that future economic benefits are more likely than not to be generated as a result of those expenditure; and
- Acquisition costs of exploration and evaluation assets continue to be capitalised in accordance with the above criteria.

Directors are of the opinion that the change in accounting policy provides users with more relevant and no less reliable financial information as the policy is more transparent and less subjective. Both the previous and new accounting policies are compliant with AASB 6 Exploration for and Evaluation of Mineral Resources.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

## 2. Voluntary Change in Accounting Policy (Cont'd)

(b) impact on Financial statements of voluntary change in accounting policy.

As a result of change in accounting policy, prior year financial statements had to be restated. The amounts disclosed for 30 June 2021 financial year and balance sheets at 1 July 2020 and 30 June 2021 are after the change in accounting policy for exploration and evaluation expenditure.

## (i) Balances affected in the Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Prior year restatement		
	Previously stated 30 June 2021 \$	Adjustment Increase/ (decrease) \$	Restated at 30 June 2021 \$
Exploration & evaluation expense	-	(1,911,154)	(1,911,154)
Impairment of capitalised exploration expenditure	(976,640)	976,640	-
<b>Loss before tax from continuing operations</b>	<b>(1,892,508)</b>	<b>(934,514)</b>	<b>(2,827,022)</b>
Income tax expense	-	-	-
<b>Loss after tax from continuing operations</b>	<b>(1,892,508)</b>	<b>(934,514)</b>	<b>(2,827,022)</b>
<b>Total comprehensive loss for the year</b>	<b>(1,824,808)</b>	<b>(934,514)</b>	<b>(2,759,322)</b>
		<b>Previous 2021</b>	<b>Restated 2021</b>
Loss per share attributable to owners of the parent			
Basic loss per share (cents)		(0.42)	(0.67)
Diluted loss per share (cents)		(0.40)	(0.63)

## (ii) Balances affected in the Consolidated Statement of Financial Position

Assets	Previously stated at 30 June 2021 \$	Adjustment Increase/ (decrease) \$	Restated at 30 June 2021 \$
Exploration & evaluation assets	3,669,772	(3,512,802)*	156,970
Total assets	6,484,525	(3,512,802)	2,971,723
<b>Net assets</b>	<b>3,756,936</b>	<b>(3,512,802)</b>	<b>244,134</b>
Accumulated losses	(25,392,107)	(3,512,802)	(28,904,909)
Reserves	(1,346,280)	-	(1,346,280)
<b>Total equity</b>	<b>3,756,936</b>	<b>(3,512,802)</b>	<b>244,134</b>

\* \$3,512,802 adjustment includes net exploration expenditure of \$934,514 incurred in 2021 financial year with balance of \$2,578,288 expenditure relating to financial year 2020 and prior.

At 1 July 2020, the same line items as above were affected which would have seen an overall decrease in exploration expenditure, total assets, accumulated losses and total equity each by \$2,578,288.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

## 2. Voluntary Change in Accounting Policy (Cont'd)

## (iii) Impact on Consolidated Statement of Cashflow

	Prior year restatement		
	Previously stated at 30 June	Adjustment Increase/ (decrease)	Restated at 30 June
	<b>2021</b>		<b>2021</b>
	\$		\$
Net cash outflow from operating activities	(1,276,082)	(1,921,160)	(3,197,242)
Net cash outflow from investing activities	(668,064)	1,921,160	1,253,095

Exploration and evaluation expenditure that is expensed is included as part of cash flows from operating activities, whereas previously capitalised exploration and evaluation expenditure was included as part of cash flows from investing activities. As a result, for the year ended 30 June 2021, net cash used in operating activities has increased from \$1,276,082 to \$3,197,242 and net cash used in investing activities has decreased from an outflow of \$668,065 to an inflow of \$1,253,095.

## 3. Exploration and evaluation assets

	30 June 2022	30 June 2021
	\$	\$
Recoverable within 12 months	-	-
Recoverable after 12 months	162,576	156,970
<b>Total</b>	<b>162,576</b>	<b>156,970</b>

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.

## 4. Trade and other payables

Current

Unsecured liabilities

Trade payables	55,637	217,571
Royalty payable (a)	759,122	837,654
Other payables and accruals	36,253	27,923
<b>Balance at end of the year</b>	<b>851,012</b>	<b>1,083,148</b>

- a) Amount payable to Rio Gameleira related to the entitlement of 2.1% of the royalty over production from the Chapada Project. This amount has been paid in full subsequent to balance date.

## 5. Financial liabilities

Current

Convertible note (a)	-	1,644,441
	-	<b>1,644,441</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****5. Financial liabilities (Cont'd)**

(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

Out of the \$6,000,000, the Company drew down \$1,500,000. On 21 July 2021, the Company announced that it had converted the advanced sum of \$1,500,000 and interest of \$150,849 into 20,635,616 shares. Following the issue of these shares, BBX has no further obligations under the facility until a further drawdown is made.

(b) On 16 June 2020 the Company announced that an \$8,000,000 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 \$0.15.
- 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.
- 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

## 6. Issued and paid-up capital

Fully paid ordinary shares	Year ended 30 Jun 2022		Year ended 30 Jun 2021	
	No.	\$	No.	\$
Balance at the start of the financial year	437,385,859	28,472,085	417,341,693	24,263,910
Movements in ordinary share capital	22,635,616	2,040,303	20,044,166	4,208,175
<b>Balance at the end of the financial year</b>	<b>460,021,475</b>	<b>30,512,388</b>	<b>437,385,859</b>	<b>28,472,085</b>

## Movements in ordinary share capital

Year ended 30 June 2022			
Date	Details	Number	\$
1 Jul 2021	Opening balance	437,385,859	28,472,085
21/7/2021	Conversion of loan to shares*	20,635,616	1,650,849
4/1/2022	Performance rights converted into shares	2,000,000	397,400
	Less: Transaction costs arising on issue	-	(7,946)
<b>30 Jun 2022</b>	<b>Closing balance</b>	<b>460,021,475</b>	<b>30,512,388</b>

\*On 21 July 2021, the Company announced that it had converted the advanced sum of \$1,500,000 and interest of \$150,849 into 20,635,616 shares

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)
<b>30 Jun 2021</b>	<b>Closing balance</b>	<b>437,385,859</b>	<b>28,472,085</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

## 7. Other reserves

	30 Jun 2022	30 Jun 2021
	\$	\$
Performance rights reserve (a)	1,033,528	844,322
Options reserve (c)	1,178,916	1,178,916
	<u>2,212,444</u>	<u>2,023,238</u>

(a) Performance rights reserve	Year ended 30 Jun 2022		Year ended 30 Jun 2021	
	No.	\$	No.	\$
Balance at the start of the financial year	14,900,000	844,322	6,000,000	295,925
Issue of performance rights <sup>1</sup>	2,000,000	-	8,900,000	-
Performance rights converted to shares <sup>2</sup>	(2,000,000)	(397,400)	-	-
Performance rights lapsed <sup>3</sup>	(4,200,000)	-	-	-
Performance rights expense	-	586,606	-	548,397
Balance at the end of the financial year	<u>10,700,000</u>	<u>1,033,528</u>	<u>14,900,000</u>	<u>844,322</u>

<sup>1</sup> 2,000,000 performance rights issued to Mr Ramon Soares.

<sup>2</sup> 2,000,000 performance rights issued to Mr Andre Douchane converted into shares.

<sup>3</sup> 4,200,000 performance rights issued to employees of the company lapsed during the year. No expenses were recognised on these performance rights as the probability of satisfying the vesting conditions were unlikely to be met.

## (b) Share based payments

The company has recognised share based payments expense of \$568,606 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 and 2,000,000 performance rights granted to Ramon Soares. The performance rights were deemed to be valued as follows:

- (i) 6,000,000 performance rights at \$0.1987 per right, based on the Company's 5-day VWAP at grant date, 23 October 2019. 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 issued at \$0.31 per right based on the company's 5-day VWAP at grant date, 27 November 2020. 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.
- (iii) 2,000,000 performance rights issued on 6 December 2021 at \$0.165 based on the company's share price at grant date with an expiry date of 31 December 2025. 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.

(c) Options reserve	Year ended 30 Jun 2022		Year ended 30 Jun 2021	
	No.	\$	No.	\$
Balance at the start of the financial year	9,195,000	1,178,916	17,959,166	1,442,045
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)	-
Balance at the end of the financial year	<u>9,195,000</u>	<u>1,178,916</u>	<u>9,195,000</u>	<u>1,178,916</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

**7. Other reserves (Cont'd)**

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. The inputs to the valuation model used for 2,000,000 performance rights granted by the company during the year ended 30 June 2022 are:

- i) Grant date – 6/12/21
- ii) Expiry date – 31/12/25
- iii) Risk free interest rate - 0.275%
- iv) Volatility 105%
- v) Value per performance right - \$0.165
- vi) Fair value at grant date - \$330,000

**8. Loss per share**

	30 Jun 2022	Restated 30 Jun 2021
Net loss for the financial period	(2,455,992)	(2,827,022)
Weighted average number of ordinary shares outstanding during the financial period:		
Basic	449,929,029	424,459,023
Diluted	469,824,029	448,554,023
<b>Basic loss per share (cents)</b>	<b>(0.55)</b>	<b>(0.67)</b>
<b>Diluted loss per share (cents)</b>	<b>(0.52)</b>	<b>(0.63)</b>

**9. 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%

**10. 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 2022	30 Jun 2021
Related party payables	-	8,400
<b>Total</b>	<b>-</b>	<b>8,400</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

**11. 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 2022	Brazil \$	Australia \$	Total \$
Segment Revenue	13,776	151	<b>13,927</b>
Depreciation	(9,946)	-	<b>(9,946)</b>
<b>Loss after income tax (a)</b>	<b>(1,126,458)</b>	<b>(1,329,534)</b>	<b>(2,455,992)</b>
<b>Segment total assets (b)</b>	<b>578,577</b>	<b>266,236</b>	<b>844,813</b>
<b>Segment total liabilities (c)</b>	<b>796,252</b>	<b>54,760</b>	<b>851,012</b>
<b>Year ended 30 June 2021 - restated</b>			
Segment Revenue	1,386,978	183	<b>1,387,161</b>
Depreciation	(6,865)	-	<b>(6,865)</b>
<b>Loss after income tax (a)</b>	<b>(1,531,741)</b>	<b>(1,295,281)</b>	<b>(2,827,022)</b>
<b>Segment total assets (b)</b>	<b>995,799</b>	<b>1,975,924</b>	<b>2,971,723</b>
<b>Segment total liabilities (c)</b>	<b>1,696,043</b>	<b>1,031,546</b>	<b>2,727,589</b>

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

	30 Jun 2022 \$	30 Jun 2021 \$
Loss from ordinary activities after income tax	(2,455,992)	(2,827,022)
<b>Adjustments for:</b>		
Royalty sale	-	(1,386,452)
Share based payments	586,606	548,397
Depreciation & amortisation	9,946	6,865
Convertible note interest	6,135	114,819
Foreign exchange loss	(9,614)	(83,013)
<b>Movements in assets and liabilities</b>		
Decrease in current receivables	41,104	2,179
Increase in trade payables	(232,136)	426,985
<b>Cash outflow from operating activities</b>	<b>(2,053,951)</b>	<b>(3,197,242)</b>

**13. Auditors' remuneration**

Amounts received or due and receivable by the company's auditors for:

Audit or review of financial report of the company	79,000	64,000
	<u>79,000</u>	<u>64,000</u>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

## 14. 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.

	30 Jun 2022	30 Jun 2021
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	353,759	2,561,636
Trade and other receivables	162,500	205,839
	<u>516,259</u>	<u>2,767,475</u>
<b>Financial Liabilities</b>		
Financial liabilities at amortised cost	-	1,644,441
Trade and other payables	851,012	1,083,148
	<u>851,012</u>	<u>2,727,589</u>

## Financial Risk Management Policies

The overall risk management strategy seeks to assist the Consolidated Group in meeting its financial targets, while minimising 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

## 14. Financial risk management (cont'd)

## Consolidated group financial liability maturity analysis due for repayment.

	Within 1 Year		1 to 5 Years		Total	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
Trade and other payables	851,012	1,083,148	-	-	851,012	1,083,148
Financial Liabilities	-	1,644,441	-	-	-	1,644,441
<b>Total expected outflows</b>	<b>851,012</b>	<b>2,727,589</b>	<b>-</b>	<b>-</b>	<b>851,012</b>	<b>2,727,589</b>

## 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.

## 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

## 14. Financial risk management (cont'd)

Sensitivity analysis

A strengthening of the AUD, as indicated below, against the BRL for the year ended and as of 30 June 2022 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
<b>30-Jun-22</b>				
AUD: BRL (10% movement)	(19,789)	102,405	19,789	(102,405)
<b>30-Jun-21</b>				
AUD: BRL (10% movement)	(316,096)	54,293	316,096	(54,293)

## 15. Parent entity financial information

	30 Jun 2022	30 Jun 2021
	\$	\$
<b>Statement of financial position</b>		
Current assets	266,240	1,975,930
Non-current assets	11,019,732	10,051,352
<b>Total assets</b>	<b>11,285,972</b>	<b>12,027,282</b>
Current liabilities	54,760	1,696,044
Non-current liabilities	-	-
<b>Total liabilities</b>	<b>54,760</b>	<b>1,696,044</b>
<b>Net assets</b>	<b>11,231,212</b>	<b>10,331,238</b>
<b>Equity</b>		
Issued capital	30,512,388	28,472,085
Reserves	2,212,444	2,023,238
Accumulated losses	(21,493,620)	(20,164,085)
<b>Total equity</b>	<b>11,231,212</b>	<b>10,331,238</b>
<b>Statement of Other Comprehensive Income</b>		
Total loss	(1,329,536)	(1,295,281)
<b>Total comprehensive loss</b>	<b>(1,329,536)</b>	<b>(1,295,281)</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****16. Subsequent events**

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

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 15 August 2022 the Company announced the appointments of Mr Ken Kluksdahl and Ms Abby Smith to the Board of Directors.

There were no other significant events after the balance date.

**17. Commitments and contingencies**

The Group has following contingent liabilities as at 30 June 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	13,964	May 2023
Ema	DNPM 880.107/2008	16,814	May 2023
Ema	DNPM 880.184/2016	15,437	September 2024

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

**18. Tax losses**

	30 Jun 2022	30 Jun 2021
Reconciliation of income tax expense to prima facie tax payable	\$	\$
Loss before income tax expense	(2,455,992)	(2,827,022)
Tax (benefits) at the domestic tax rate of 25% (2021:26%)	(613,998)	(735,026)
Tax effect of amounts which are not deductible in calculating taxable income		
Tax effect of:		
Non-deductible expenses:		
Share based payments	146,652	142,583
Effect of lower income tax in other jurisdiction	112,646	168,491
Tax losses not brought to account and to be carried forward	354,700	423,952
<b>Income tax expense</b>	<b>-</b>	<b>-</b>

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.

**Directors' declaration**

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

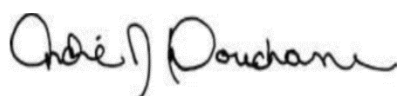
In the opinion of the directors:

- (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 2022 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 2022

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), including its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, 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, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of the Company.

In our opinion the accompanying financial report of the Group, 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 2022 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 Consolidated Financial Statements 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 financial report in Australia; and 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*

We draw attention to Note 2(t) in the financial report which indicates that the Group incurred a loss after tax in the year from continuing operations of \$2,455,992 (2021 loss: \$2,827,022). The Group has current assets of \$516,259 (2021: \$2,767,475) and current liabilities amounting to \$851,012 (2021: \$2,727,589). At balance date, the Group had net liability of \$6,199 (2021: net assets \$244,134). As started in Note 2(t) these events or conditions, along with other matters set out in Note 2(t), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 Company/Group not continue as a going concern.

*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.

Key Audit Matter	How our audit addressed the matter
<p><i>Note 2</i>  <i>Voluntary change in accounting policy – Exploration and evaluation assets</i></p> <p>The Group recognises exploration and evaluation expenses in accordance with AASB 6 <i>Exploration and Evaluation of Mineral Resources</i>.</p> <p>In previous financial reporting periods, the costs incurred in connection with exploration of areas with current rights of tenure were capitalised in the Statement of Financial Position. On 1 July 2021, the Group voluntarily changed its accounting policy where exploration and evaluation expenditure are expensed as incurred. The change in accounting policy was adopted retrospectively.</p> <p>Exploration and evaluation expenses of \$1,061,721 were recognised in the profit or loss statement for the current financial year.</p> <p>Accordingly, the comparative profit or loss statement relating to exploration expenses have been restated to \$1,911,154.</p> <p>30 June 2021 and 1 July 2020 balance sheet has been restated.</p> <p>This is a key audit matter due to the significance of exploration and evaluation expenses balance with respect to the financial report and the retrospective application as a result of voluntary change in accounting policy affecting profit and loss statement and statement of financial position.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Considering the reason for voluntary change in accounting policy to be in accordance with AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> requirements thereof;</li> <li>• Determining the appropriateness of accounting for managements voluntary change in accounting policy including restatement of prior period balances as a result of retrospective application.</li> <li>• Verifying a sample of expenditure incurred in the current year to ensure they meet the recognition criteria under AASB6;</li> <li>• Confirming whether tenement rights to the areas of interest remained current at balance date where exploration costs are carried forward;</li> <li>• Assessing appropriateness and adequacy of the related disclosures within the financial statements.</li> </ul>

Key Audit Matter	How our audit addressed the matter
<p><i>Note 7</i> <i>Share Based Payments</i></p> <p>For the year ended 30 June 2022, the Group recognised share-based payments expenses totalling \$586,606.</p> <p>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.</p> <p>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.</p>	<p>Our procedures in relation to assessing the measurement and recognition of share-based payment transactions included amongst others:</p> <ul style="list-style-type: none"> <li>• For grants of new performance rights during the year: <ul style="list-style-type: none"> <li>- Obtaining formal documents detailing the relevant terms and conditions of the performance rights granted;</li> <li>- Assessing the calculation of the fair value of the performance rights at grant date;</li> <li>- Assessing whether the assumptions that any applicable performance conditions will be met is consistent with management forecast.</li> </ul> </li> <li>• Recalculating the expense for the year ended 30 June 2022 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; and</li> <li>• Assessing the appropriateness and adequacy of the related disclosures within the financial statements.</li> </ul>

*Other information*

The Directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2022, 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.

*Directors’ Responsibilities*

The Directors of the Group 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.



## *Auditor's Responsibilities for the Audit of the Consolidated 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 Group'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 the opinion on the financial 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 also 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 17 to 21 of the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of BBX Minerals Limited for the year ended 30 June 2022, 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 2022

**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](http://www.bbxminerals.com).

## Additional ASX Information

Pursuant to the Listing Rule Requirements of the Australian Securities Exchange, the shareholder information set out below was applicable as of 26 September 2022.

## a) Ordinary fully paid shares

Holder Name	Holding	%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	196,250,000	40.32%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	26,351,861	5.41%
AJ IGO PTY LTD <ADE SUPERANNUATION FUND A/C>	24,000,000	4.93%
CITICORP NOMINEES PTY LIMITED	15,892,875	3.27%
MICHAEL LEON SCHMULIAN	10,264,769	2.11%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	8,725,710	1.79%
ANTONIO EDUARDO MONTEIRO DE CASTRO	6,000,000	1.23%
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	5,899,673	1.21%
KARL PAGE INVESTMENTS PTY LTD <THE KARL PAGE FAMILY A/C>	5,000,000	1.03%
MR WILLIAM DIX	4,525,000	0.93%
PAMPLONA OPPORTUNITIES LTD	4,500,000	0.92%
DIMENSIONAL HOLDINGS PTY LTD	4,142,799	0.85%
ANTONIO DE CASTRO	4,000,000	0.82%
ANDRE DOUCHANE	4,000,000	0.82%
LDA CAPITAL LIMITED	3,876,875	0.80%
DIMENSIONAL HOLDINGS PTY LTD	3,658,537	0.75%
MR MICHAEL GLADWIN-GROVE & MRS JANE LOUISE GLADWIN-GROVE <GLADGROVE S/F A/C>	3,480,403	0.72%
MR ANDREW JOHN IGO	3,000,000	0.62%
10 BOLIVIANOS PTY LTD	2,900,279	0.60%
RENEWABLE AGE PTY LTD <PHILLIPS SUPERFUND A/C>	2,900,000	0.60%
MR STEPHEN JAMES GLADWIN-GROVE	2,700,000	0.55%
<b>Total</b>	<b>342,068,781</b>	<b>70.28%</b>
<b>Total issued capital</b>	<b>486,721,475</b>	<b>100.00%</b>

## Distribution of Shareholders

Range	Number of holders	Units
1 – 1,000	164	64,368
1,001 – 5,000	529	1,571,795
5,001 – 10,000	267	2,083,780
10,001 – 100,000	714	25,388,400
100,000 and over	276	457,613,132
<b>Totals</b>	<b>1,950</b>	<b>486,721,475</b>

The number of shareholders holding less than a marketable parcel is 815.

## Substantial shareholders

Shareholder	Number
DRAKE PRIVATE INVESTMENTS LLC	221,735,616
Mr ANDREW JOHN IGO	27,000,000

## b) Quoted Options – ASX BBXOA (exercisable at \$0.12, expiring 31 December 2025)

Holder Name	Holding	%
10 BOLIVIANOS PTY LTD	14,561,596	35.52%
DIMENSIONAL HOLDINGS PTY LTD	3,658,537	8.92%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,907,315	7.09%
MR STEPHEN JAMES GLADWIN-GROVE	2,400,000	5.85%
MS CHUNYAN NIU	1,170,732	2.86%
DIMENSIONAL HOLDINGS PTY LTD	1,123,610	2.74%
PAMPLONA OPPORTUNITIES LTD	1,000,000	2.44%
V&F TRUDA PTY LTD <VINCE TRUDA SUPER A/C>	1,000,000	2.44%
SKBM INVESTMENTS PTY LTD <MOB SUPER FUND A/C>	950,000	2.32%
MR CONOR DALEY	752,981	1.84%
SIMMO ENTERPRISES PTY LTD	609,756	1.49%
MS VIVIENNE MADELEINE MAYA	600,000	1.46%
MR TIMOTHY WONG <EST HELEN KWAN FONG LAU A/C>	500,000	1.22%
POLAK INVESTMENTS PTY LTD	497,561	1.21%
PAMPLONA CAPITAL PTY LTD	450,000	1.10%
ROBERT PETER NICOLSON	442,194	1.08%
CHAG PTY LTD	426,829	1.04%
RIYA INVESTMENTS PTY LTD	292,683	0.71%
GEN Y INVESTING PTY LTD	292,683	0.71%
MR ALI MOHAMMED PARVEZ UKANI	277,777	0.68%
RMI INDUSTRIES PTY LIMITED	263,415	0.64%
GOFFACAN PTY LTD <KMM FAMILY A/C>	251,219	0.61%
<b>Total</b>	<b>34,428,888</b>	<b>83.97%</b>
<b>Total issued capital - selected security class(es)</b>	<b>41,000,000</b>	<b>100.00%</b>

## Distribution of Shareholders

Range	Number of holders	Units
1 – 1,000	1	68
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	40	2,379,499
100,000 and over	48	38,620,433
<b>Totals</b>	<b>89</b>	<b>41,000,000</b>

## c) 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.

**d) Unquoted Performance Rights**

No of Performance Rights	Expiry Date	No of holders
2,000,000	31 Dec 2022	1
2,000,000	31 Dec 2022	1
2,000,000	31 Dec 2023	1
2,000,000	31 Dec 2025	1
2,700,000	22 Oct 2023	2

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

- Mr Andre Douchane

**e) 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.

**f) On-market buy back**

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

**g) Tenements held at the end of the year**

Tenements held at the end of the year	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