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BRAZILIAN CRITICAL MINERALS

Brazilian Critical Minerals Limited

(Formerly known as BBX Minerals Limited)

ABN 82 089 221 634

Condensed Interim Report - 31 December 2023

Brazilian Critical Minerals Limited
(Formerly known as BBX Minerals Limited)
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31 December 2023



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Brazilian Critical Minerals Limited
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Corporate directory
31 December 2023



Directors	Jeremy Robinson - Non-Executive Chairman Abby Smith - Non-Executive Director Andrew Reid - Non-Executive Director Ken Kluksdahl - Non-Executive Director
Company secretary	Ben Donovan
Registered office	Level 28, AMP Tower 140 St Georges Terrace Perth WA 6000 T: +61 8 6383 7820
Principal place of business	Level 28, AMP Tower 140 St Georges Terrace Perth WA 6000 T: +61 8 6383 7820
Share register	Automic Pty Ltd Level 2, 267 St Georges Terrace Perth WA 6000 T: 08 9324 2099
Auditor	LNP Audit and Assurance Pty Ltd Level 8, 309 Kent Street Sydney NSW 2000
Solicitors	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan St Perth WA 6000
Stock exchange listing	Brazilian Critical Minerals Limited shares are listed on the Australian Securities Exchange (ASX code: BCM)
Website	www.braziliancriticalminerals.com

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Brazilian Critical Minerals Limited
(Formerly known as BBX Minerals Limited)
Directors' report
31 December 2023



The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group or BCM') consisting of Brazilian Critical Minerals Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

The following persons were Directors of Brazilian Critical Minerals Limited during the whole of the financial period and up to the date of this report, unless otherwise stated:

Mr Jeremy Robinson - Non-Executive Chairman (appointed 27 February 2024) Non-Executive Director (appointed 24 August 2023)
Mr Ken Kluksdahl - Non-Executive Director (resigned as Non-Executive Chairman 27 February 2024)
Ms Abby Smith - Non-Executive Director
Mr Andrew Reid - Non-Executive Director (appointed 27 November 2023)
Mr Andre Douchane - Executive Director (resigned 23 August 2023)
Mr Ramon Soares - Finance Director and Company Secretary (resigned 31 July 2023)
Mr Greg van Staveren - Non-Executive Director (resigned 27 November 2023)
Mr Karl Page - Non-Executive Director (resigned 28 August 2023)

Principal activities

Brazilian Critical Minerals Limited is a unique mineral exploration and mineral processing technology company. BCM's key assets are the Três Estados PGM/gold, Ema and Apui Rare Earth Elements (REE) projects located in Brazil. The company has 270.5km² of exploration tenements within the Colider Group, a prospective geological environment for gold, PGM, REE, and base metal deposits.

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

Review of operations

The loss for the Group for the half year ended 31 December 2023 amounted to \$2,553,210 (31 December 2022: \$1,951,485).

Significant changes in the state of affairs

The following changes in Directors and management occurred during the half-year ended 31 December 2023:

- 28 July 2023 - Mr Ramon Soares resigned as Finance Director and Company Secretary
- 28 July 2023 - Mr Ben Donovan appointed as Company Secretary
- 23 August 2023 - Mr Andre Douchane resigned as a Director of the Company, but will remain as Chief Executive Officer
- 25 August 2023 - Mr Jeremy Robinson appointed as Non-executive Director
- 28 August 2023 - Mr Karl Page resigned as Non-executive Director
- 27 November 2023 - Mr Greg van Staveren ceased being Non-executive Director
- 27 November 2023 - Mr Andrew Reid appointed as Non-executive Director

Performance Rights

Following shareholder approval on 29 June 2023, 2,000,000 Performance Rights were issued on 6 July 2023. The Performance Rights vest upon the Company releasing on the ASX the results of a scoping study on an asset showing the potential to generate an internal rate of return of >20% using consensus prices and Board approved assumptions, prior to 31 December 2025. The Performance Rights were issued to Directors as follows:

- 1,000,000 - Ken Kluksdahl
- 1,000,000 - Greg Van Staveren

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Brazilian Critical Minerals Limited
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During the half-year the following performance rights were forfeited on termination of employment:

Name	Number
Ramon Soares	2,000,000
Karl Page	1,000,000
Greg Van Staveren	1,000,000
Employees and consultants	700,000
	4,700,000

6,000,000 Performance Rights were issued to Directors on 8 December 2023 following approval at the Company AGM on 27 November 2023, as follows:

Name	Number	Vesting Conditions
Jeremy Robinson	2,000,000	Vest upon the Company successfully raising a minimum of \$4,000,000 under its capital raise announced by the Company on 20 September 2023.
Ken Kluksdahl	2,000,000	Vest upon the Company announcing a Mineral Resource Estimate of inferred category or higher of a minimum of 50Mt at a minimum cut-of grade of 200ppm or higher at the Company's Emma/Emma East REE discovery not later than 30 April 2024.
Abby Smith	2,000,000	Vest upon the Company announcing a Mineral Resource Estimate of inferred category or higher of a minimum of 50Mt at a minimum cut-of grade of 200ppm or higher at the Company's Emma/Emma East REE discovery not later than 30 April 2024.

Issued Capital

5,483,871 fully paid ordinary shares were issued on 1 September 2023 to Lind Global Fund II LP at an issue price of \$0.031 under the Share Subscription Agreement.

The Company issued a total of 222,222,222 fully paid ordinary shares at a issue price of \$0.027 to professional and sophisticated investors together with a 1 for 2 free attaching option exercisable at \$0.05 on or before 2 years from the date of issue, \$6,000,000 was raised before costs.

Options

Following shareholder approval at the Company AGM, on 21 December 2023 3,000,000 options exercisable at \$0.05 each on or before 21 December 2026 were issued to Jeremy Robinson with the following vesting conditions:

Class	Number	Vesting Condition
A	1,000,000	Subject to the holder remaining a director of the Company on 1 December 2023.
B	2,000,000	Upon the Company releasing on the ASX a preliminary economic assessment (PEA) on a Company asset prior to 31 March 2025.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year

On 11 January 2024, 186,111,080 listed options exercisable at \$0.05 on or before 11 January 2026 were issued as free attaching option to the capital raise during the half-year and to advisors for the capital raising.

On 15 January 2024 the Company announced that Mr Andre Douchane has retired from his position as Chief Executive Office.

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Brazilian Critical Minerals Limited
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Directors' report
31 December 2023



On 27 February 2024 Mr Jeremy Robinson was appointed as Non-Executive Chairman, with his appointment Mr Ken Kluksdahl has moved to the role of Non-Executive Director.

It was also announced that Mr Andrew Reid will commence as Managing Director with effect from 25 March 2024.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to be "JR", written over a horizontal line.

Jeremy Robinson
Non-Executive Chairman

15 March 2024

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L24 570 Bourke Street Melbourne VIC 3000

L14 167 Eagle Street Brisbane QLD 4000

L28 140 St Georges Terrace Perth WA 6000

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

As lead auditor of Brazilian Critical Minerals Limited for the period ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
2. no contraventions of any applicable code of professional conduct in relation to the review.

LNP Audit and Assurance Pty Ltd



David Sinclair
Director

Sydney

15 March 2024

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Brazilian Critical Minerals Limited
(Formerly known as BBX Minerals Limited)
Condensed consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023



	Note	Dec 2023 \$	Dec 2022 \$
Revenue			
Other income		5,628	4,801
Expenses			
Employee benefits	6	(256,158)	(294,831)
Corporate and administration	7	(700,936)	(447,480)
Depreciation expense		(11,874)	(10,946)
Exploration and evaluation		(1,492,854)	(903,586)
Share-based payments	18	(75,126)	(362,035)
Foreign currency gain		9,966	64,039
Finance costs		(31,856)	(1,447)
Loss for the half-year attributable to the owners of Brazilian Critical Minerals Limited	13	(2,553,210)	(1,951,485)
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations	12	(31,842)	(25,114)
Other comprehensive loss for the half-year		(31,842)	(25,114)
Total comprehensive loss for the half-year attributable to the owners of Brazilian Critical Minerals Limited		(2,585,052)	(1,976,599)
		Cents	Cents
Basic loss per share		(0.44)	(0.40)
Diluted earnings per share		(0.39)	(0.35)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Brazilian Critical Minerals Limited
(Formerly known as BBX Minerals Limited)
Condensed consolidated statement of financial position
As at 31 December 2023



	Note	Dec 2023 \$	Restated* June 2023 \$
Assets			
Current assets			
Cash and cash equivalents		2,102,708	1,664,162
Trade and other receivables		40,470	13,343
Total current assets		2,143,178	1,677,505
Non-current assets			
Property, plant and equipment	8	233,910	239,077
Exploration and evaluation	9	212,826	189,083
Total non-current assets		446,736	428,160
Total assets		2,589,914	2,105,665
Liabilities			
Current liabilities			
Trade and other payables		183,143	173,748
Financial liabilities	10	809,014	3,888,767
Total current liabilities		992,157	4,062,515
Total liabilities		992,157	4,062,515
Net assets/(liabilities)		1,597,757	(1,956,850)
Equity			
Issued capital	11	37,483,542	32,202,307
Reserves	12	1,698,206	871,624
Accumulated losses	13	(37,583,991)	(35,030,781)
Total equity/(deficiency)		1,597,757	(1,956,850)

* Refer to note 4 for detailed information on Restatement of comparatives.

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes

Brazilian Critical Minerals Limited
(Formerly known as BBX Minerals Limited)
Condensed consolidated statement of changes in equity
For the half-year ended 31 December 2023



	Issued capital	Share-based payments reserve	Foreign currency translation reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2022	30,512,388	2,212,444	(1,370,130)	(31,360,901)	(6,199)
Loss for the half-year	-	-	-	(1,951,485)	(1,951,485)
Other comprehensive loss for the half-year	-	-	(25,114)	-	(25,114)
Total comprehensive loss for the half-year	-	-	(25,114)	(1,951,485)	(1,976,599)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	1,976,973	-	-	-	1,976,973
Share-based payments (note 18)	-	307,995	-	-	307,995
Performance rights converted	794,800	(794,800)	-	-	-
Shares issued in lieu of payment (note 18)	54,040	-	-	-	54,040
Balance at 31 December 2022	33,338,201	1,725,639	(1,395,244)	(33,312,386)	356,210
	Restated*	Share-based payments reserve	Foreign currency translation reserve	Accumulated losses	Restated*
	Issued capital	\$	\$	\$	Total equity
	\$	\$	\$	\$	\$
Restated balance at 1 July 2023	32,202,307	2,209,683	(1,338,059)	(35,030,781)	(1,956,850)
Loss for the half-year	-	-	-	(2,553,210)	(2,553,210)
Other comprehensive loss for the half-year	-	-	(31,842)	-	(31,842)
Total comprehensive loss for the half-year	-	-	(31,842)	(2,553,210)	(2,585,052)
<i>Transactions with owners in their capacity as owners:</i>					
Shares issued (note 11)	6,484,990	-	-	-	6,484,990
Transaction costs	(420,457)	-	-	-	(420,457)
Share-based payments (note 18)	-	245,322	-	-	245,322
Options issued (note 18)	(783,298)	783,298	-	-	-
Performance rights forfeited during the half-year	-	(170,196)	-	-	(170,196)
Balance at 31 December 2023	37,483,542	3,068,107	(1,369,901)	(37,583,991)	1,597,757

* Refer to note 4 for detailed information on Restatement of comparatives.

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Brazilian Critical Minerals Limited
(Formerly known as BBX Minerals Limited)
Condensed consolidated statement of cash flows
For the half-year ended 31 December 2023



	Note	Dec 2023 \$	Dec 2022 \$
Cash flows from operating activities			
Interest received		6,902	2,589
Payments to suppliers and employees		(960,263)	(711,076)
Interest and borrowing costs paid		(1,609)	-
Payments for exploration and evaluation expenditure		(1,508,690)	(848,358)
Royalty payment		-	(687,419)
Net cash used in operating activities		(2,463,660)	(2,244,264)
Cash flows from investing activities			
Payments for property, plant and equipment	8	(15,046)	(23,824)
Payments for exploration acquisitions	9	(31,150)	-
Net cash used in investing activities		(46,196)	(23,824)
Cash flows from financing activities			
Proceeds from issue of shares	11	6,000,000	2,132,000
Proceeds from borrowings	10	-	600,000
Share issue transaction costs		(420,457)	(155,028)
Repayment of borrowings	10	(2,940,000)	-
Repayment received from Lind for initial shares		314,990	-
Net cash from financing activities		2,954,533	2,576,972
Net increase in cash and cash equivalents		444,677	308,884
Cash and cash equivalents at the beginning of the financial half-year		1,664,162	353,759
Effects of exchange rate changes on cash and cash equivalents		(6,131)	(21,292)
Cash and cash equivalents at the end of the financial half-year		2,102,708	641,351

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes

Brazilian Critical Minerals Limited
(Formerly known as BBX Minerals Limited)
Notes to the condensed consolidated financial statements
31 December 2023



Note 1. General information

The condensed consolidated financial statements cover Brazilian Critical Minerals Limited as a Group consisting of Brazilian Critical Minerals Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Brazilian Critical Minerals Limited's functional and presentation currency.

Brazilian Critical Minerals Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 28, AMP Tower
140 St Georges Terrace
Perth WA 6000
T: +61 8 6383 7820

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 15 March 2024.

Note 2. Material accounting policy information

New or amended Accounting Standards and Interpretations adopted

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

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

These general purpose condensed consolidated financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose condensed consolidated financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these condensed consolidated financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Going concern

The condensed consolidated financial statements have been prepared on a going concern basis which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group incurred a loss after tax in the year from continuing operations of \$2,553,210 (HY 2022 loss: \$1,951,485) and used \$2,463,660 (HY 2022: \$2,244,264) of net cash in operations including payments for exploration activities. The Group has current assets of \$2,143,178 (30 June 2023: \$1,677,505) of which cash at bank balance was \$2,102,708 (30 June 2023: \$1,664,162) and current liabilities amounting to \$992,157 (30 June 2023: \$4,062,515). At balance date, the Group had net assets of \$1,597,757 (30 June 2023: net liabilities of \$1,956,850).

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Note 2. Material accounting policy information (continued)

The Directors have prepared a cash flow forecast which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report. The directors believe it is appropriate to prepare these accounts on a going concern basis because of the following factors:

- As set out in note 10 the Group has a convertible note facility with Drake Special Solutions LLC, expiring 17 December 2024, with an undrawn balance at the half year end of \$3,750,000;
- The Directors plan to undertake a capital raising from existing shareholders, new shareholders and/or other financial institutions during the forecast period; and
- The Directors can delay and/or reduce exploration expenditures and institute cost saving measures to further reduce corporate and administrative expenses and to conserve cash balances.

The Group's ability to meet its operational obligations are principally dependent on a future capital raising and / or renegotiation of the convertible note facility. Should these actions be unsuccessful, it would constitute a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

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 an appropriate model taking into account the terms and conditions, management assumptions and estimates upon which the instruments were granted. Refer note 18 for details.

Going concern

Refer to note 2.

Note 4. Restatement of comparatives

Correction of error

There was an error in the classification of the initial shares issued to Lind Global Fund II LP ('Lind') on 31 March 2023 being 15,000,000 ordinary shares at an issue price of \$0.095 each, \$1,425,000 was recognised as reducing the financial liability owing to Lind. This has been corrected to recognise the \$1,425,000 as a cost of capital raising. See note 10 and note 11 for further details.

Statement of profit or loss and other comprehensive income

When there is a restatement of comparatives, it is mandatory to provide a statement of profit or loss and other comprehensive income for the half-year ended 31 December 2022. However, as there were no adjustments made, the Group has elected not to show the statement of profit or loss and other comprehensive income.

Statement of financial position at the beginning of the earliest comparative period

When there is a restatement of comparatives, it is mandatory to provide a third statement of financial position at the beginning of the earliest comparative period, being 1 July 2022. However, as there were no adjustments made as at 1 July 2022, the Group has elected not to show the 1 July 2022 statement of financial position.

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31 December 2023



Note 4. Restatement of comparatives (continued)

Statement of financial position at the end of the earliest comparative period

	June 2023 \$ Reported	\$ Adjustment	June 2023 \$ Restated
Assets			
Current assets			
Cash and cash equivalents	1,664,162	-	1,664,162
Trade and other receivables	13,343	-	13,343
Total current assets	1,677,505	-	1,677,505
Non-current assets			
Property, plant and equipment	239,077	-	239,077
Exploration and evaluation	189,083	-	189,083
Total non-current assets	428,160	-	428,160
Total assets	2,105,665	-	2,105,665
Liabilities			
Current liabilities			
Trade and other payables	173,748	-	173,748
Financial liabilities	2,463,767	1,425,000	3,888,767
Total current liabilities	2,637,515	1,425,000	4,062,515
Total liabilities	2,637,515	1,425,000	4,062,515
Net liabilities	(531,850)	(1,425,000)	(1,956,850)
Equity			
Issued capital	33,627,307	(1,425,000)	32,202,307
Reserves	871,624	-	871,624
Accumulated losses	(35,030,781)	-	(35,030,781)
Total deficiency in equity	(531,850)	(1,425,000)	(1,956,850)

Note 5. Operating segments

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.

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Notes to the condensed consolidated financial statements
31 December 2023



Note 5. Operating segments (continued)

Operating segment information

	Brazil \$	Australia \$	Total \$
Dec 2023			
Segment revenue	-	5,628	5,628
Other expenses	(1,514,217)	(1,044,621)	(2,558,838)
Loss	(1,514,217)	(1,038,993)	(2,553,210)
Assets			
Segment assets	565,471	2,024,443	2,589,914
Total assets			2,589,914
Liabilities			
Segment liabilities	29,762	962,395	992,157
Total liabilities			992,157
	Brazil \$	Australia \$	Total \$
Dec 2022			
Segment revenue	674	1,915	2,589
Other expenses	(861,484)	(1,092,590)	(1,954,074)
Loss	(860,810)	(1,090,675)	(1,951,485)
June 2023			
Assets			
Segment assets	516,716	1,588,949	2,105,665
Total assets			2,105,665
Liabilities			
Segment liabilities	25,452	4,037,063	4,062,515
Total liabilities			4,062,515

Note 6. Employee benefits

	Dec 2023 \$	Dec 2022 \$
Employment expenses	125,759	210,562
Director fees	130,399	84,269
	256,158	294,831

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Brazilian Critical Minerals Limited
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Note 7. Corporate and administration

	Dec 2023 \$	Dec 2022 \$
Corporate compliance costs	75,962	76,643
Contractors and consultancy	379,085	54,923
Legal fees	91,462	34,124
Insurance	29,962	34,913
Investor relations	66,704	118,722
Travel costs	23,427	75,431
Other	34,334	52,724
	<u>700,936</u>	<u>447,480</u>

Note 8. Property, plant and equipment

	Dec 2023 \$	June 2023 \$
<i>Non-current assets</i>		
Plant and equipment - at cost	314,152	310,233
Less: Accumulated depreciation	(80,242)	(71,156)
	<u>233,910</u>	<u>239,077</u>

Reconciliations

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

	\$
Balance at 1 July 2023	239,077
Additions	15,046
Exchange differences	(8,339)
Depreciation expense	(11,874)
Balance at 31 December 2023	<u>233,910</u>

Note 9. Exploration and evaluation

	Dec 2023 \$	June 2023 \$
<i>Non-current assets</i>		
Exploration and evaluation	212,826	189,083

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Brazilian Critical Minerals Limited
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Notes to the condensed consolidated financial statements
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Note 9. Exploration and evaluation (continued)

Reconciliations

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

	\$
Balance at 1 July 2022	162,576
Additions	5,757
Exchange differences	20,750
Balance at 30 June 2023	189,083
Additions	31,150
Exchange differences	(7,407)
Balance at 31 December 2023	212,826

Note 10. Financial liabilities

	Dec 2023 \$	Restated* June 2023 \$
<i>Current liabilities</i>		
Lind share subscription facility	-	3,110,000
Convertible notes payable - Drake	809,014	778,767
	809,014	3,888,767

* Refer to note 4 for further information on Restatement of comparatives.

Lind Global Fund II LP (Lind) subscription facility

Refer to the annual financial statements as at 30 June 2023 for terms of the facility.

In the period ending 31 December 2023, BCM had decided to terminate the facility. All amounts outstanding were repaid to Lind. Further as per agreement, upon termination of the facility, Lind were required to purchase the 15,000,000 initial shares allotted to them on signing of the agreement.

	Dec 2023 \$	Restated* June 2023 \$
Opening balance	3,110,000	-
Advance from Lind for credit towards future share subscriptions	-	3,000,000
Finance charge	-	450,000
Issue of 2,575,758 shares - 10 May 2023	-	(170,000)
Issue of 3,953,489 shares - 30 June 2023	-	(170,000)
Issue of 5,483,871 shares - 1 September 2023	(170,000)	-
Repayment by BCM	(2,625,010)	-
Purchase of initial 15,000,000 shares by Lind	(314,990)	-
	-	3,110,000

Brazilian Critical Minerals Limited
(Formerly known as BBX Minerals Limited)
Notes to the condensed consolidated financial statements
31 December 2023



Note 10. Financial liabilities (continued)

Convertible notes - Drake

Refer to the annual financial statements as at 30 June 2023 for terms of the facility.

The Company has drawn down \$750,000 out of a \$4,500,000 facility. The facility is currently set to mature on 17 December 2024.

	Dec 2023 \$	June 2023 \$
Opening balance at the beginning of the year	778,767	-
Interest accrued	30,247	28,767
Draw down	-	750,000
Closing balance at the end of the year	809,014	778,767

Note 11. Issued capital

	Dec 2023 Shares	June 2023 Shares	Dec 2023 \$	Restated* June 2023 \$
Ordinary shares - fully paid	739,956,815	512,250,722	37,483,542	32,202,307

Movements in ordinary share capital

Details	Date	Shares	\$
Balance	1 July 2022	460,021,475	30,512,388
Capital raising	8 July 2022	26,000,000	2,132,000
Shares in lieu of payment	9 September 2022	700,000	54,040
Conversion of performance rights	28 December 2022	4,000,000	794,800
Issue of shares under Lind agreement - initial shares	6 April 2023	15,000,000	1,425,000
Issue of shares under Lind agreement	10 May 2023	2,575,758	170,000
Issue of shares under Lind agreement	30 June 2023	3,953,489	170,000
Less: Transaction costs arising on issue			(3,055,921)
Balance	30 June 2023	512,250,722	32,202,307
Issue of shares under Lind agreement	1 September 2023	5,483,871	170,000
Capital raising	4 October 2023	112,517,251	3,037,966
Capital raising	7 December 2023	107,071,080	2,890,919
Capital raising	19 December 2023	2,633,891	71,115
Repayment from Lind for initial shares		-	314,990
Less: Transaction costs arising on issue			(1,203,755)
Balance	31 December 2023	739,956,815	37,483,542

Ordinary shares

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

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Note 11. Issued capital (continued)

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

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

Note 12. Reserves

	Dec 2023	June 2023
	\$	\$
Foreign currency reserve	(1,369,901)	(1,338,059)
Share-based payments reserve	804,729	744,867
Options reserve	2,263,378	1,464,816
	1,698,206	871,624

Foreign currency reserve

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

Option and share-based payments reserves

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

Movements in reserves

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

	Options reserve	Share-based payments reserve	Foreign currency translation reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2023	1,464,816	744,867	(1,338,059)	871,624
Foreign currency translation	-	-	(31,842)	(31,842)
Amortisation of performance rights	-	230,058	-	230,058
Options issued - capital raising costs	783,298	-	-	783,298
Amortisation of options	15,264	-	-	15,264
Performance rights forfeited	-	(170,196)	-	(170,196)
Balance at 31 December 2023	2,263,378	804,729	(1,369,901)	1,698,206

Note 13. Accumulated losses

	Dec 2023	June 2023
	\$	\$
Accumulated losses at the beginning of the financial half-year/year	(35,030,781)	(31,360,901)
Loss for the half-year	(2,553,210)	(4,848,796)
Transfer from share-based payments reserves	-	1,178,916
Accumulated losses at the end of the financial half-year/year	(37,583,991)	(35,030,781)

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Note 14. Dividends

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

Note 15. Commitments and contingencies

The Group has following contingent liabilities as at 31 December 2023.

(a) Lease payments

Lease	Reference	Amount	Due date
Tres Estados	DNPM 880.090/2008	15,202	May 2024
Ema	DNPM 880.107/2008	18,907	May 2024
Ema	DNPM 880.184/2016	17,358	September 2024

The Group can exit any of the leases without any further commitments. Further expenditure for exploration and mining is at the discretion of the directors of the company.

(b) The subsidiary company received 2 infraction notices in January 2023 from the Institute of Environment Protection Authority arguing that the company has cleared certain areas of the native forest without seeking authorisation from the Authority. The company has contested both notices and is awaiting on a decision on this matter as at the date of this report. Accordingly, no provision has been made in the financial report.

Note 16. Interests in subsidiaries

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

Name	Country of incorporation	Ownership interest	
		Dec 2023 %	June 2023 %
Mineração BBX do Brasil LTDA	Brazil	100%	100%
BBX Peru SAC (dormant entities)	Peru	100%	100%
BBX Lucanas SAC (dormant entities)	Peru	100%	100%

Note 17. Events after the reporting period

On 11 January 2024, 186,111,080 listed options exercisable at \$0.05 on or before 11 January 2026 were issued as free attaching option to the capital raise during the half-year and to advisors for the capital raising.

On 15 January 2024 the Company announced that Mr Andre Douchane has retired from his position as Chief Executive Office.

On 27 February 2024 Mr Jeremy Robinson was appointed as Non-Executive Chairman, with his appointment Mr Ken Kluksdahl has moved to the role of Non-Executive Director.

It was also announced that Mr Andrew Reid will commence as Managing Director with effect from 25 March 2024.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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Note 18. Share-based payments

Options

75,000,000 options exercisable at \$0.05 on or before 11 January 2026 were issued to advisors and were approved by shareholders at the Company AGM on 27 November 2023. The options were valued using a Black-Scholes model, an amount of a \$783,298 was recognised in relation to the options as capital raising costs.

3,000,000 options were issued to Director Jeremy Robinson following shareholder approval at the Company's AGM on 27 November 2023 exercisable at \$0.05 each on or before 21 December 2026. With the following vesting conditions:

Class	Number	Vesting conditions
A	1,000,000	Vest subject to the holder remaining a Director of the Company on 1 December 2023. Vest upon the Company releasing on the ASX a preliminary economic assessment on a Company
B	2,000,000	asset prior to 31 March 2025.
	3,000,000	

The options were valued using a Black-Scholes model, an amount of a \$13,404 was recognised in relation to the Class A options as a share-based payment expense which have fully vested. Class B are being expensed over their vesting period with an amount of \$1,860 expensed as a share-based payment expense.

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

	Broker options	Director Options - Jeremy Robinson
Number of options	75,000,000	3,000,000
Valuation date	27 November 2023	27 November 2023
Expiry date	11 January 2026	21 December 2026
Exercise price	\$0.050	\$0.05
Share price at valuation date	\$0.026	\$0.026
Volatility	100%	100%
Dividend yield	-%	-%
Risk-free interest rate	4.27%	4.27%
Fair value at valuation date	\$0.010	\$0.013
Valuation	\$783,298	\$40,212

Performance Rights

An Employee Incentive Securities Plan has been established by the Company, whereby the Company may, at the discretion of the Board, grant performance rights over ordinary shares in the Company to certain key management personnel, employees and contractors of the Company.

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Note 18. Share-based payments (continued)

Set out below are summaries of performance rights granted under the plan:

	Number of rights Dec 2023
Outstanding at the beginning of the financial half-year	8,700,000
Granted	8,000,000
Forfeited	(4,700,000)
Outstanding at the end of the financial half-year	12,000,000

The following Performance Rights have been issued to Directors of the Company during the half-year as follows:

Name	Number issued	Issue date	Expiry date	Vesting conditions
Ken Kluksdahl	1,000,000	06/07/2023	31/12/2025	The Company releasing on the ASX the results of a scoping study on a BCM asset showing the potential to generate an IRR of >20% using consensus prices and Board approved assumptions, prior to 31 December 2025.
Greg Van Staveren	1,000,000	06/07/2023	31/12/2025	The Company releasing on the ASX the results of a scoping study on a BCM asset showing the potential to generate an IRR of >20% using consensus prices and Board approved assumptions, prior to 31 December 2025.
Jeremy Robinson	2,000,000	08/12/2023	30/04/2024	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. This has been converted to ordinary shares during the year.
Ken Kluksdahl	2,000,000	08/12/2023	30/04/2025	Vest upon the Company announcing a Mineral Resource Estimate of inferred category or higher of a minimum of 50Mt at a minimum cut-of grade of 200ppm or higher at the Company's Emma/Emma East REE discovery not later than 30 April 2024.
Abby Smith	2,000,000	08/12/2023	30/04/2025	Vest upon the Company announcing a Mineral Resource Estimate of inferred category or higher of a minimum of 50Mt at a minimum cut-of grade of 200ppm or higher at the Company's Emma/Emma East REE discovery not later than 30 April 2024.
	8,000,000			

These performance rights were valued, using a valuation methodology based on the guidelines set out in AASB 2 *Share based payment*.

The probabilities of the rights vesting will need to be reassessed at every reporting period for the Performance Rights with performance conditions which are non-market based.

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Notes to the condensed consolidated financial statements
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Note 18. Share-based payments (continued)

Valuation assumptions:

	Ken Kluksdahl	Greg Van Staveren		
Number	1,000,000	1,000,000		
Valuation date	23 October 2019	23 October 2019		
Issue date	23 October 2019	23 October 2019		
Expiry date	31 December 2022	31 December 2022		
Risk free interest rate	-	-		
Volatility	-	-		
Share price at valuation date	\$0.185	\$0.185		
Value per performance right	\$0.199	\$0.199		
Fair value at valuation date	\$397,400	\$397,400		
	Ken Kluksdahl	Abby Smith	Jeremy Robinson	
Number	2,000,000	2,000,000	2,000,000	
Valuation date	27 November 2023	27 November 2023	27 November 2023	
Issue date	8 December 2023	8 December 2023	8 December 2023	
Expiry date	30 April 2024	30 April 2024	30 April 2024	
Risk free interest rate	4.25%	4.25%	4.25%	
Volatility	105%	105%	100%	
Share price at valuation date	\$0.026	\$0.026	\$0.026	
Value per performance right	\$0.026	\$0.026	\$0.026	
Fair value at valuation date	\$52,000	\$52,000	\$52,000	

The value of the Performance Rights are being expensed over the vesting period of the Rights. During the period \$230,058 (HY 2022: \$307,995) was recognised as an expense in relation to the rights.

	Dec 2023	Dec 2022
	\$	\$
Share-based payments expense:		
Performance rights amortisation	230,058	307,995
700,000 ordinary shares issued in lieu of payment	-	54,040
Forfeiture of 4,700,000 Performance rights	(170,196)	-
3,000,000 options exercisable at \$0.05 each on or before 21 December 2026 issued to Director Jeremy Robinson	15,264	-
	75,126	362,035
Capital raising costs:		
75,000,000 options exercisable at \$0.05 each on or before 11 January 2026	783,298	-

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Brazilian Critical Minerals Limited
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Directors' declaration
31 December 2023



In the Directors' opinion:

- the attached condensed consolidated financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached condensed consolidated financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors

A handwritten signature in black ink, appearing to read "JR", written over a horizontal line.

Jeremy Robinson
Non-Executive Chairman

15 March 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF BRAZILIAN CRITICAL MINERALS LIMITED

REPORT ON THE HALF-YEAR FINANCIAL REPORT

Conclusion

We have reviewed the half-year financial report of Brazilian Critical Minerals Limited and its controlled entities, (the Group), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the Directors' Declaration of the Company.

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

- (a) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibility for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Relating to Going Concern

We draw attention to Note 2 in the half year financial report which indicates that the Group incurred a loss after tax for the half year of \$2,553,210 (2022: \$1,951,485) and has net cash outflows from operating activities of \$2,463,660 (2022: \$2,244,264). As stated in Note 2 these events or conditions, along with other matters set out in Note 2 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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

Responsibility of the Directors for the half year Financial Report

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

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

LNP Audit and Assurance Pty Ltd



David Sinclair
Director
Sydney

15 March 2024

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