Balkan
Mining and Minerals Limited

ACN 646 716 681

PROSPECTUS

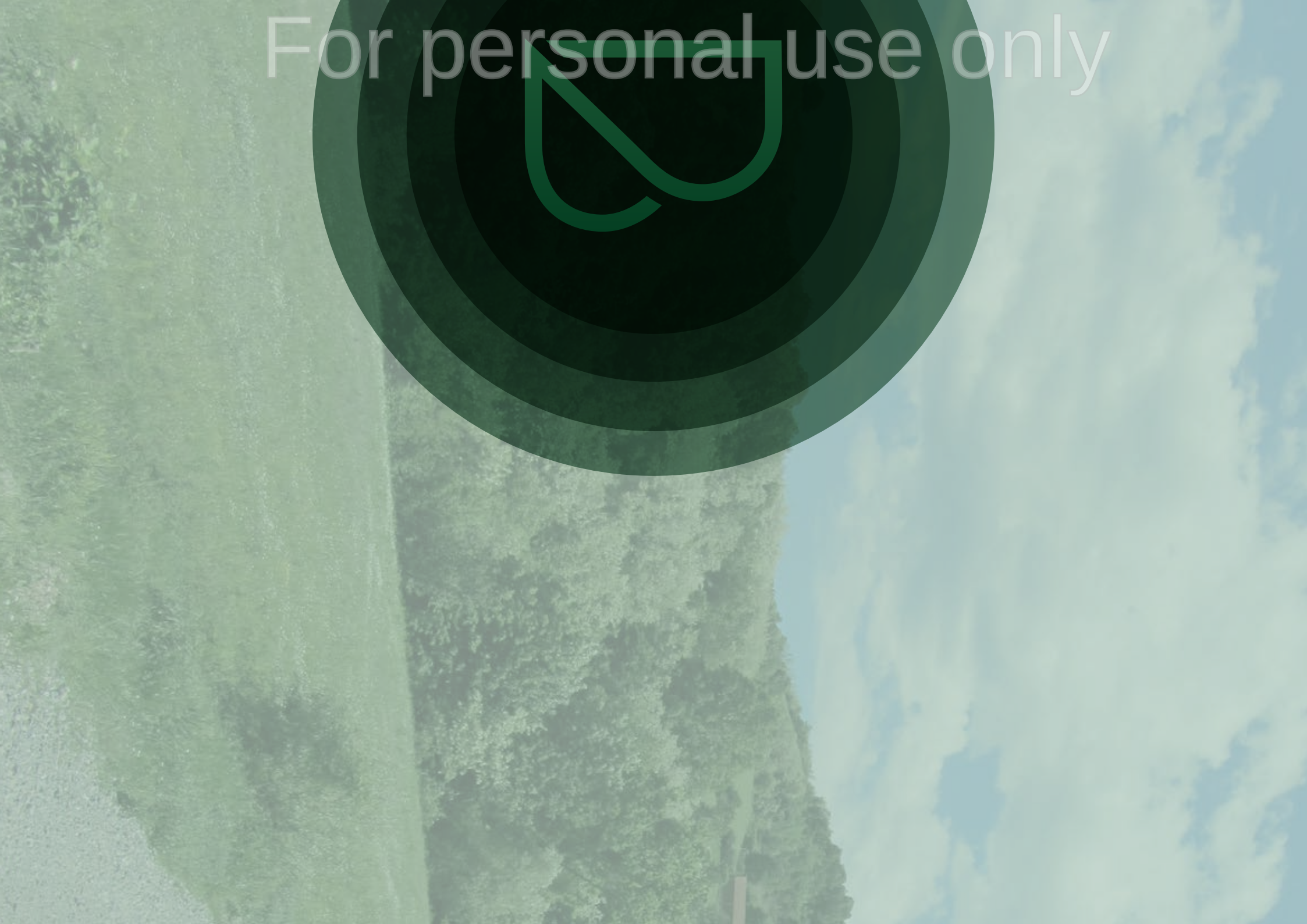
For an offer of 32,500,000 Shares at an issue price of $0.20 per Share to raise $6,500,000 **(Public Offer)**.
The Public Offer is conditional upon satisfaction of the Conditions, which are detailed further in Section 4.6. No Shares will be issued pursuant to this Prospectus until those Conditions are met. This Prospectus also contains the Secondary Offers, which are detailed in Section 4.1.

Lead Manager to the Public Offer:
Sixty Two Capital Pty Ltd (ACN 611 480 169) (AFS Representative No. 1262650 of AFSL 518039)
Co-Lead Manager to the Public Offer:
ARQ Capital Pty Ltd (ACN 135 397 796) (AFS Representative No. 1261636 of AFSL 456663)

IMPORTANT NOTICE
This document is important and should be read in its entirety. If, after reading this Prospectus you have been questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

SIXTY TWO CAPITAL PTY LTD



IMPORTANT NOTICE

This Prospectus is dated 25 May 2021 and was lodged with the ASIC on that date. The ASIC, the ASX and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered as highly speculative.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for Securities under this Prospectus will not be accepted by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action has been taken to register or qualify the Securities or the offer, or to otherwise permit a public offering of the Securities in any jurisdiction outside Australia. This Prospectus has been prepared for publication in Australia and may not be released or distributed in the United States of America.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.balkanmin.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 (08) 6489 0600 during office hours or by emailing the Company at info@balkanmin.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No document or other information available on the Company's website is incorporated into this Prospectus by reference.

No cooling-off rights

Cooling-off rights do not apply to an investment in Securities issued under the Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Securities. There are risks associated with an investment in the Company. The Securities offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Securities. Refer to Section D of the Investment

Overview as well as Section 7 for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7.

Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Competent Persons statement

The information in the Investment Overview Section of the Prospectus, included at Section 3, the Company and Projects Overview, included at Section 5, and the Independent Technical Assessment Report, included at Annexure A of the Prospectus, which relate to Exploration Targets or Exploration Results is based on information compiled by Michael Cronwright. Michael Cronwright has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the **JORC Code**). Michael Cronwright is a full time employee of CSA Global. Michael Cronwright consents to the inclusion of the information in these Sections of the Prospectus in the form and context in which it appears.

Continuous disclosure obligations

Following admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Clearing House Eletronic Sub-Register System (CHESS) and issuer Sponsorship.

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 12.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your Securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Public Offer or how to accept the Public Offer please call the Company Secretary on + 61 8 6489 0600.

CORPORATE DIRECTORY

Directors

Sean Murray[1]
Incoming Non-Executive Chairman

Ross Cotton
Managing Director

Luke Martino
Non-Executive Director

Milos Bosnjakovic[1]
Incoming Non-Executive Director

Adrian Paul[2]
Non-Executive Director (Resigning)

Company Secretary

Harry Spindler

Proposed ASX Code

BMM

Registered Office

311-313 Hay Street
Subiaco WA 6008
Telephone: + 61 8 6489 0600

Email: info@balkanmin.com
Website: www.balkanmin.com

Share Registry[2]

Advanced Share Registry Ltd
110 Stirling Hwy
NEDLANDS WA 6009
Telephone: +61 8 9389 8033
Facsimile: +61 8 6370 4203

Investigating Accountant

PKF Perth Pty Ltd

Level 4, 35 Havelock Street

West Perth WA 6005

Auditors*

PKF Perth Pty Ltd
Level 4, 35 Havelock Street
West Perth WA 6005

Grant Thornton Audit Pty Ltd
Level 43 Central Park
152-158 St Georges Terrace
Perth WA 6000

Independent Expert

CSA Global Pty Ltd
Level 2, 3 Ord Street
West Perth, WA 6005

Lead Manager

Sixty Two Capital Pty Ltd
(Authorised Representative of AFSL 518039)
141 Stirling Highway
Nedlands WA 6009

Co-Lead Manager

ARQ Capital Pty Ltd
(Authorised Representative of AFSL 456663)
PO Box 4
Cottesloe WA 6911

Australian legal advisers

Steinepreis Paganin
Level 4, 50 Market Street
MELBOURNE VIC 3000

Serbian legal advisers

JPM Janković Popović Mitić
6 Vladimira Popovica Street
Belgrade, Serbia

1. Messrs Murray and Bosnjakovic's appointment as Directors will take effect upon the listing of the Company.
2. Mr Paul's resignation as a Director will take effect upon the listing of the Company.
3. This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

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INCOMING CHAIRMAN'S LETTER

Dear Investor

On behalf of the Directors of Balkan Mining and Minerals Limited (**BMM** or **Company**), it gives me great pleasure to invite you to become a Shareholder of the Company.

BMM is a newly incorporated mineral exploration company incorporated for the purpose of acquiring the Serbian assets of its current parent company, Jadar Resources Limited (ASX:JDR). BMM is presently focused on the exploration of lithium and borates in the Balkans region of Serbia, in particular at its flagship Rekovac Project.

This Prospectus is seeking to raise $6,500,000 via the issue of Shares at an issue price of $0.20 per Share under the Public Offer. The purpose of the Public Offer is to provide funds to implement the Company's business strategies (explained in Section 5).

The Board has significant expertise and experience in the mining industry and will aim to ensure that funds raised through the Public Offer will be utilised in a cost-effective and professional manner to advance the Company's business whilst acting ethically and responsibly in achieving our aim of creating sustainable value for Shareholders.

This Prospectus is issued for the purpose of supporting an application to list the Company on ASX. This Prospectus contains detailed information about the Company, its business and the Public Offer, as well as the risks of investing in the Company, and I encourage you to read it carefully. The Securities offered by this Prospectus should be considered highly speculative.

I look forward to you joining us as a Shareholder and sharing in what we believe are exciting and prospective times ahead for the Company. Before you make your investment decision, I urge you to read this Prospectus in its entirety and seek professional advice if required.

Yours sincerely

Sean Murray
Incoming Non-Executive Chairman

BMM is presently focused on the exploration of lithium and borates in the Balkans region of Serbia, in particular at its flagship Rekovac Project.

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KEY OFFER INFORMATION

INDICATIVE TIMETABLE[1]

Lodgement of Prospectus with the ASIC	25 May 2021
Exposure Period begins	25 May 2021
Opening Date of Offers	2 June 2021
Closing Date of Offers	29 June 2021
Issue of Securities under the Offers	13 July 2021
Despatch of holding statements	13 July 2021
Expected date for quotation on ASX	19 July 2021

1. The above dates are indicative only and may change without notice. Unless otherwise indicated, all time given are WST. The Exposure Period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Date or close the Offers early without prior notice. The Company also reserves the right not to proceed with the Offers at any time before the issue of Securities to applicants.
2. If the Public Offer is cancelled or withdrawn before completion of the Public Offer, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Public Offer opens.

KEY STATISTICS OF THE OFFERS

	Full Subscription ($6,500,000)[1]
Public Offer Price per Share	$0.20
Shares currently on issue	10,000,000
Shares to be issued under the Public Offer	32,500,000
Shares to be issued to the Corporate Advisor	2,500,000
Gross Proceeds of the Public Offer	$6,500,000
Shares on issue Post-Listing (undiluted)[2]	**45,000,000**
Market Capitalisation Post-Listing (undiluted)[3]	**$9,000,000**
Options to be issued under the Options Offer[4]	3,500,000
Performance Rights to be issued under the Performance Rights Offer[5]	2,400,000
Shares on issue Post-Listing (fully diluted)[3, 6]	**50,900,000**
Market Capitalisation Post-Listing (fully diluted)[4, 6]	**$10,180,000**

Notes:
1. Assuming the Minimum Subscription of 6,500,000 is achieved under the Public Offer (which is also the Maximum Subscription).
2. Certain Securities on issue post-listing will be subject to ASX-imposed escrow. Refer to Section 5.8 for a disclaimer with respect to the likely escrow position.
3. Assuming a Share price of $0.20, however the Company notes that the Shares may trade above or below this price.
4. These Options are exercisable at $0.50 each, on or before the date that is three years from issue of the Options. Refer to Section 10.3 for the full terms and conditions of the Options.
5. Refer to Section 10.4.1 for the full terms and conditions of the Performance Rights.
6. Assumes the exercise of all Options into Shares and the conversion of all Performance Rights into Shares (following satisfaction of the performance milestones attaching to those Performance Rights).

3 INVESTMENT OVERVIEW

3

INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further information
A. Company		
Who is the issuer of this Prospectus?	Balkan Mining and Minerals Limited (ACN 646 716 681) (**Company** or **BMM**).	Section 5.1
Who is the Company?	BMM is a newly incorporated mineral exploration company which is presently focused on the exploration of lithium and borates in the Balkans region of Serbia. BMM was incorporated on 18 December 2020 as an Australian unlisted public company by its current parent company, Jadar Resources Limited (ASX:JDR) (**Jadar**). Following a strategic review by Jadar of its assets, Jadar decided to demerge its Serbian assets to the Company (the **Demerger**). Jadar obtained shareholder approval for the Demerger at the General Meeting held on 19 April 2021 (**Shareholder Approval**). Jadar currently holds 10,000,000 Shares in the Company, being 100% of the Company's issued Shares. On completion of the Public Offer, Jadar will hold an interest of approximately 22% in the Company.	Section 5.1
What is the Company's interest in the Projects?	The Company holds interests in the following projects located within the Republic of Serbia: (a) the Rekovac Project, which comprises three contiguous exploration licences (namely, the Rekovac, Ursule and Siokovac licences) covering an area of approximately 273km^2 in the Pomoravlje district of Šumadija and Western Serbia; (b) the Dobrinja Project, which comprises one exploration licence (the Dobrinja licence) covering an area of 37.58 km^2 in the territory of Gornji Milanovac; and (c) the Pranjani Project, which comprises one exploration licence (the Pranjani licence) covering an area of 25.96 km^2 in the territory of Požega, (together, the **Projects**).	Section 5.2, Annexure A and Annexure B

Item	Summary	Further information
Do the Company's Projects have defined Mineral Resources or Ore Reserves?	The Company's Projects do not have defined Mineral Resources or Ore Reserves. The Projects are early stage "greenfields" exploration projects covering regions that are considered prospective for lithium and borate minerals. There has been insufficient exploration works at the Rekovac Project to define a Mineral Resource or Ore Reserve and no geological exploration works have been undertaken at the Dobrinja Project and Pranjani Projects (due to exploration licences comprising those Project areas having only recently been granted by the Serbian authorities). Please refer to the Independent Technical Assurance Report at Annexure A for further detail.	Annexure A
B. Business Model		
What is the Company's business model?	Following completion of the Public Offer, the Company's proposed business model will be to further explore and develop the Rekovac Project and explore the newly granted exploration licences comprising the Dobrinja and Pranjani Projects as per the Company's intended exploration programs described in Section 5, with the aim of confirming the extent of lithium and borates or other mineralisation at the Projects. The Company proposes to fund its exploration activities over the first two years following listing as outlined in the table at Section 5.5. An explanation of the Company's business model and a summary of the Company's proposed exploration programs is set out at Section 5.4.	Sections 5.3, 5.4 and 5.5
What are the key business objectives of the Company?	The Company's main objectives on completion of the Public Offer and ASX listing are to: (a) systematically explore the Company's Projects; (b) focus on mineral exploration and other resource opportunities that have the potential to deliver growth for Shareholders; and (c) pursue other acquisitions that have a strategic fit for the Company.	Sections 5.4 and 5.5
What are the key dependencies of the Company's business model?	The key dependencies of the Company's business model include: (a) maintaining title to the Projects; (b) retaining and recruiting key personnel skilled in the mining and resources sector; (c) exploration success and the delineation of JORC compliant Mineral Resources and/or Ore Reserves; (d) sufficient worldwide demand for lithium and borates; and (e) the market price of lithium and borates remaining higher than the Company's costs of any future production (assuming successful exploration by the Company).	Section 5.3

Item	Summary	Further information
C. Key Advantages		
What are the key advantages of an investment in the Company?	The Directors are of the view that an investment in the Company provides the following non-exhaustive list of advantages: (a) a portfolio of quality assets in Serbia considered by the Board to be highly prospective for lithium and borates; (b) subject to raising the Minimum Subscription, the Company will have sufficient funds to implement its exploration strategy; and (c) a credible and highly experienced team to progress exploration and accelerate potential development of the Projects.	Section 5
D. Key Risks		
Conditional Prospectus	This Prospectus is conditional upon the Conditions being satisfied or waived. The Conditions are set out in Section 4.6. There is no certainty that the Conditions will be satisfied. In the event that the Conditions are not met, the listing of the Company on ASX will not proceed and all application monies received will be returned to applicants without interest.	Section 7
Limited history	The Company was only recently incorporated and has only limited operating history and limited historical financial performance. Exploration has previously been conducted by Jadar on one of the Company's five exploration licences, however, the Company is yet to conduct its own exploration activities and will not commence these activities until the Company has been admitted to the Official List. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its Projects, or continued exploration results when carrying out its proposed exploration activities at the Rekovac exploration licence (as achieved by Jadar). Until the Company is able to realise value from its Projects, it is likely to incur ongoing operating losses.	
Exploration and operating	The Projects are "greenfields" exploration project areas covering regions that are considered prospective for borates with associated lithium and other elements hosted by Neogene lacustrine sediments. The mineral exploration licences comprising the Projects are at various stages of exploration with two of the three Projects having had no exploration conducted to date (as a result of comprising newly granted exploration licences only), and potential investors should understand that mineral exploration and development are high-risk undertakings. There has been no mine production on any of the Project areas to date and no JORC Mineral Resources or Ore Reserves have been delineated. There can be no assurance that future exploration of the exploration licences, or any other mineral licences that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.	

Item	Summary	Further information
	The future exploration activities of the Company may be affected by a range of factors beyond the Company's control, including geological conditions, weather conditions, unanticipated operational and technical difficulties, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, changing government regulations.	
Tenure and renewal risk	The exploration licences comprising the Projects are subject to the applicable mining acts and regulations in Serbia. Accordingly, the Company is required to comply with Serbian land access laws, water rights acts, and environmental laws among others (as is the case for exploration projects located in Australia). Compliance with these laws and regulations requires consultation with the respective parties and government officials. There is a risk that for an unforeseen reason, compliance with these laws and regulations may lead to delays or changes to proposed work programs, thus having the ability to materially impact upon the Company's operations and financial circumstances. Under Serbian mining law, an exploration licence can be revoked upon the occurrence of specified events that are not remedied within prescribed periods. Such events include but are not limited to not conducting exploration activities in accordance with the approved programme, conducting exploration activities outside of the permit area, failing to submit annual reports, failing to undertake adequate rehabilitation works and failing to comply with occupational health and safety laws. The Company considers the likelihood of tenure forfeiture, delays or changes to work programs to be low given the laws and regulations governing exploration in Serbia, the ongoing expenditure budgeted for by the Company, the Company and its management's previous experience operating in Serbia (via current parent company, Jadar) and because Jadar has successfully been granted a first renewal of its Rekovac exploration licence (being, one of the licenses comprising the Rekovac Project). However, the consequence of such an occurrence for reasons beyond the control of the Company could be significant. Further, mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authorities in Serbia. Please refer to the Solicitor's Report on Tenements at Annexure B for further detail regarding the exploration licences comprising the Projects and the conditions of those licences.	

Item	Summary	Further information
Additional requirements for capital	The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Public Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.	
Other risks	For additional specific risks please refer to Section 7.2. For other risks with respect to the industry in which the Company operates and general investment risks, many of which are largely beyond the control of the Company and its Directors, please refer to Sections 7.3 and 7.4.	Sections 7.2, 7.3 and 7.4
E. Directors and Key Management Personnel		
Who are the Directors and Proposed Directors?	The Board currently consists of: (a) Mr Ross Cotton – Managing Director; (b) Mr Luke Martino – Non-Executive Director; and (c) Mr Adrian Paul – Non-Executive Director. Upon being admitted to the Official Quotation, the composition of the Board will change with the resignation of Mr Adrian Paul and the appointment of Mr Sean Murray and Mr Milos Bosnjakovic as Directors. Accordingly, at listing, the Board will comprise: (a) Mr Sean Murray – Non-Executive Chairman; (b) Mr Ross Cotton – Managing Director; (c) Mr Luke Martino – Non-Executive Director; and (d) Mr Milos Bosnjakovic – Non-Executive Director. The profiles of each of the Directors and Proposed Directors are set out in Section 8.1.	Section 8.1

<table>
<tr><th>Item</th><th>Summary</th><th>Further information</th></tr>
<tr><td>What are the significant interests of Directors and Proposed Directors in Jadar?</td><td>At the date of this Prospectus, the Directors and Proposed Directors have the following interests in the securities of Jadar:
<table><tr><th>Name</th><th>Shares</th><th>Options</th><th>Performance Rights</th></tr><tr><td>Sean Murray</td><td>–</td><td>–</td><td>–</td></tr><tr><td>Ross Cotton</td><td>–</td><td>–</td><td>–</td></tr><tr><td>Luke Martino</td><td>8,740,741</td><td>5,000,000[1]</td><td>–</td></tr><tr><td>Milos Bosnjakovic</td><td>–</td><td>–</td><td>–</td></tr><tr><td>Adrian Paul</td><td>64,211,473</td><td>–</td><td>10,000,000[2]</td></tr></table>Note:
1. Exercisable at $0.02 each, on or before 31 May 2023.
2. Vesting is subject to satisfaction certain milestones, on or before 15 January 2022.</td><td></td></tr>
<tr><td>What are the significant interests of Directors and Proposed Directors in the Company?</td><td>At the date of this Prospectus, the Directors and Proposed Directors have no interests in the Company. However, upon listing, the Directors and Proposed Directors will have the following interests in the securities of the Company:
<table><tr><th>Name</th><th>Shares</th><th>Options</th><th>Performance Rights</th></tr><tr><td>Sean Murray</td><td>–</td><td>500,000</td><td>–</td></tr><tr><td>Ross Cotton</td><td>–</td><td>1,750,000</td><td>1,800,000</td></tr><tr><td>Luke Martino</td><td>–</td><td>500,000</td><td>–</td></tr><tr><td>Milos Bosnjakovic</td><td>–</td><td>500,000</td><td>–</td></tr><tr><td>Adrian Paul[1]</td><td>–</td><td>–</td><td>–</td></tr></table>Note:
1. Sunshore Holdings Pty Ltd (ACN 085 692 468) (an entity controlled by Mr Paul) intends to subscribe for $200,000 of Shares under the Public Offer.</td><td>Section 8.3</td></tr>
<tr><td>What are the significant interests of advisors to the Company?</td><td>At listing, the Company's Lead Manager, Co-Lead Manager and Corporate Advisor will have the following interests in the securities of the Company:
<table><tr><th>Name</th><th>Shares</th><th>Options</th><th>Performance Rights</th></tr><tr><td>Sixty Two Capital</td><td>–</td><td>–</td><td>–</td></tr><tr><td>ARQ Capital</td><td>–</td><td>–</td><td>–</td></tr><tr><td>Clayton Capital</td><td>2,500,000</td><td>–</td><td>–</td></tr></table>The Company notes Clayton Capital is not receiving any other fees (in cash or securities) for corporate advisory services provided to the Company.</td><td>Sections 4.5, 9.1.2, 9.1.3 and 9.1.4</td></tr>
</table>

Item	Summary	Further information
What other allocations will be made under the Public Offer?	The Company, Jadar and Sandfire Resources Limited (ACN 105 154 185) (**Sandfire**) have entered into a subscription and collaboration agreement (**Subscription Agreement**) pursuant to which Sandfire has agreed to subscribe for, and the Company has agreed to issue, 10,000,000 Shares (which constitutes approximately a 22% interest in the Company) pursuant to the Public Offer. No other allocations have been agreed by the Company.	Section 9.1.1
Has the Company adopted an employee incentive scheme?	The Company has adopted an employee incentive scheme titled "Employee Performance Rights and Option Plan" (**Plan**). The objective of the Plan is to: (a) assist in the reward, retention and motivation of eligible participants, which includes employees (including executive directors), non-executive directors and key contractors of the Company; (b) link the reward of eligible participants to Shareholder value creation; and (c) align the interests of eligible participants with Shareholders by providing an opportunity to eligible participants to receive an equity interest in the Company in the form of securities. A summary of the key terms and conditions of the Plan is set out in Section 10.5.	Section 10.5
What related party agreements are the Company party to?	The Company has entered into the following related party agreements: (a) a consultancy services agreement with Skyflake Investments Pty Ltd ATF Skyflake Trust (an entity controlled by Mr Ross Cotton) under which Mr Ross Cotton is appointed as Managing Director; (b) letters of appointment with Messrs Sean Murray, Luke Martino (in his personal capacity and via Indian Ocean Consulting Group Pty Ltd (ACN 609 873 207) (**Indian Ocean**) and Milos Bosnjakovic under which Messrs Murray, Martino and Bosnjakovic are, or will be, appointed as Non-Executive Directors; (c) Deeds of Indemnity, Insurance and Access with each of the Directors and Proposed Directors; and (d) administrative services agreements with Indian Ocean (an entity of which Director, Mr Luke Martino is also a director and shareholder) for the provision of company secretarial and accounting services by Indian Ocean to the Company on standard arm's length commercial terms. Refer to Section 9.3 for further detail.	Section 9.3

Item	Summary	Further information
F. Financial Information		
How has the Company been performing?	A summary of the audited and reviewed historical financial information of the Company, Centralist and Jadar Serbia is set out in Section 6. Due to the nature of the Company's operations, the Company has included its statement of profit and loss, statement of cash flows and statement of financial position for the financial years ended 30 June 2019 and 30 June 2020 and half year ended 31 December 2020. A pro-forma balance sheet for the Company showing the Company's financial position after completion of the Public Offer is set out in Section 6.7.	Section 6 and Annexure C
What is the financial outlook for the Company?	Given the current status of the Company's Projects and the speculative nature of its business, the Directors do not consider it appropriate to forecast future earnings. The long-term financial prospects of the Company is largely dependent upon the outcome of its exploration activities. Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.	Section 6 and Annexure C
G. Offers		
What is the Public Offer?	The Public Offer is an offer of 32,500,000 Shares at an issue price of $0.20 per Share to raise $6,500,000 (before costs).	Section 4.1.1
Is there a minimum subscription under the Public Offer?	The minimum amount to be raised under the Public Offer is $6,500,000.	Section 4.2
What are the purposes of the Public Offer?	The purposes of the Public Offer are to facilitate an application by the Company for admission to the Official List and, to position the Company to seek to achieve the objectives stated at Section B of this Investment Overview.	Section 4
Is the Public Offer underwritten?	No, the Public Offer is not underwritten.	Section 4.4
Who are the lead managers to the Public Offer?	The Company has appointed Sixty Two Capital as lead manager to the Public Offer (the **Lead Manager**). The Company has also appointed ARQ Capital as co-lead manager to the Public Offer (the **Co-Lead Manager**). The Lead Manager will receive a fee of 6% of the total amount raised by it under the Public Offer and the Co-Lead Manager will receive a fee of 6% of the total amount raised by it under the Public Offer (being, up to an aggregate amount of $390,000 plus GST). As set out above and Sections 4.5, 9.1.2 and 9.1.3, the Lead Manager and Co-Lead Manager will not receive any securities in consideration for services provided to the Company..	Sections 4.5, 9.1.2 and 9.1.3

Item	Summary	Further information
Who is eligible to participate in the Public Offer?	This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in Jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.	Section 4.12
How do I apply for Shares under the Public Offer?	Applications for Shares under the Public Offer must be made by completing the Application Form attached to this Prospectus in accordance with the instructions set out in the Application Form.	Section 4.8
What is the allocation policy?	The Company retains an absolute discretion to allocate Shares under the Public Offer and will be influenced by the factors set out in Section 4.9. There is no assurance that any applicant will be allocated any Shares, or the number of Shares for which it has applied.	Section 4.9
What is the Options Offer?	The Options Offer is an offer of 3,500,000 Options, exercisable at $0.50 each, on or before the date that is three years from the date of issue of the Options, to certain existing and proposed management of the Company. Only specified persons will be entitled to participate in the Options Offer, all of whom will be approached directly by the Company.	Section 4.1.2
What is the Performance Rights Offer?	The Performance Rights Offer is an offer of 2,400,000 Performance Rights (comprising 800,000 Class A, 800,000 Class B and 800,000 Class C Performance Rights) to existing and proposed management of the Company. Only specified persons will be entitled to participate in the Performance Rights Offer, all of whom will be approached directly by the Company.	Section 4.1.3
What will the Company's capital structure look like on completion of the Offers?	The Company's capital structure on a post-Offers basis is set out in Section 5.6.	Section 5.6
What are the terms of the Securities offered under the Offers?	A summary of the material rights and liabilities attaching to the Shares offered under the Public Offer are set out in Section 10.2. A summary of the material rights and liabilities attaching to the Options offered under the Options Offer are set out in Section 10.3. A summary of the material rights and liabilities attaching to the Performance Rights offered under the Performance Rights Offer are set out in Section 10.4.1.	Sections 10.2, 10.3 and 10.4.1

Item	Summary	Further information
Will any Shares be subject to escrow?	None of the Shares issued under the Public Offer will be subject to escrow. However, subject to the Company complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Public Offer, it is anticipated that: (a) all of the Shares held by Jadar (being, 10,000,000 Shares) will be subject to 24 months escrow from listing; (b) all of the Shares to be issued to Clayton Capital (being, 2,500,000 Shares) will be subject to 24 months escrow from listing; and (c) all of the Options and Performance Rights to be issued to the Directors, Proposed Directors and the Company Secretary (being, an aggregate of 3,500,000 Options and 2,400,000 Performance Rights) will be subject to 24 months escrow from listing. During the period in which restricted Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner. The Company will announce to ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Shares commencing trading on ASX. The Company's 'free float' (being the percentage of Shares not subject to escrow and held by Shareholders that are not related parties of the Company (or their associates) at the time of admission to the Official List) will be approximately 72%, other than Shares subject to ASX imposed escrow or held by Directors, Proposed Directors or promoters.	Section 5.8
Who are the current Shareholders of the Company and on what terms were their Shares issued?	Jadar currently holds 100% of the Shares on issue in the Company (being, 10,000,000 Shares). 2 of these Shares were issued on incorporation of the Company for $2.00 and 9,999,998 Shares were issued on 29 April 2021 in consideration for Jadar assigning its right to receive amounts outstanding from Jadar Lithium D.O.O (an entity incorporated in Serbia) (Jadar Serbia) pursuant to intercompany loan agreements.	Section 5.6

<table>
<tr><th>Item</th><th>Summary</th><th>Further information</th></tr>
<tr><td>Who will be the substantial Shareholders of the Company?</td><td>Following completion of the Public Offer, the following shareholders are expected to hold 5% of more of the total number of Shares on issue (on an undiluted basis):<table><tr><th>Shareholder</th><th>Shareholding (%)</th></tr><tr><td>Jadar Resources Limited</td><td>22.2%</td></tr><tr><td>Sandfire Resources Limited</td><td>22.2%</td></tr><tr><td>Clayton Capital Pty Ltd</td><td>5.6%</td></tr></table></td><td>Section 5.7</td></tr>
<tr><td>Will the Securities be quoted on ASX?</td><td>Application for quotation of all Shares to be issued under the Public Offer will be made to ASX no later than 7 days after the date of this Prospectus.
The Options and Performance Rights to be issued under the Options Offer and Performance Rights Offer will not be quoted on ASX. However, the Company will apply for quotation of all Shares issued on exercise or conversion of the Options and Performance Rights will be offered under the Options Offer and Performance Rights Offer (respectively).</td><td>Section 4.10</td></tr>
<tr><td>What are the key dates of the Offers?</td><td>The key dates of the Offers are set out in the indicative timetable in the Key Offer Information Section.</td><td>Section 2</td></tr>
<tr><td>What is the minimum investment size under the Public Offer?</td><td>Applications under the Public Offer must be for a minimum of $2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of $500 worth of Shares (2,500 Shares).</td><td>Section 4.8</td></tr>
<tr><td>Are there any conditions to the Public Offer?</td><td>The Public Offer is conditional on:
(a) the Company raising the Minimum Subscription; and
(b) ASX granting conditional approval for the Company to be admitted to the Official List;
(together, the Conditions).
The Public Offer will only proceed if all Conditions are satisfied. Further details are set out in Section 4.6.</td><td>Section 4.6</td></tr>
<tr><td colspan="3">H. Use of funds</td></tr>
<tr><td>How will the proceeds of the Public Offer be used?</td><td>The Public Offer proceeds and the Company's existing cash reserves will be used for:
(a) implementing the Company's business objectives and exploration programs as set out in Part C of Investment Overview;
(b) evaluating potential project acquisitions;
(c) repayment of funds drawn under the existing loan facility provided to the Company by Jadar;
(d) expenses of the Public Offer;
(e) administration and corporate costs; and
(f) working capital,
further details of which are set out in Section 5.5.</td><td>Section 5.5</td></tr>
</table>

Item	Summary	Further information
Will the Company be adequately funded after completion of the Public Offer?	The Directors are satisfied that on completion of the Public Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.	Section 5.5
I. Additional information		
Is there any brokerage, commission or duty payable by applicants?	No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Public Offer. However, the Company will pay to the Lead-Manager and Co-Lead Manager an aggregate amount of 6% (ex GST) of the total amount raised under the Prospectus.	Sections 9.1.2 and 9.1.3
Can the Public Offer be withdrawn?	The Company reserves the right not to proceed with the Public Offer at any time before the issue or transfer of Shares to successful applicants. If the Public Offer does not proceed, application monies will be refunded (without interest).	Section 4.15
What are the tax implications of investing in Securities?	Holders of Securities may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Securities subscribed for under this Prospectus. The tax consequences of any investment in Securities will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Securities offered under this Prospectus.	Section 4.14
What is the Company's Dividend Policy?	The Company anticipates that significant expenditure will be incurred in the evaluation and development of the Projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least, the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.	Section 5.10
What are the corporate governance principles and policies of the Company?	To the extent applicable, in light of the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council (**Recommendations**). Prior to listing on the ASX, the Company will announce its main corporate governance policies and practices and the Company's compliance and departures from the Recommendations.	Section 8.5

Item	Summary	Further information
Where can I find more information?	(a) By speaking to your sharebroker, solicitor, accountant or other independent professional adviser; (b) By contacting the Company Secretary, on +61 8 6489 0600; or (c) By contacting the Share Registry on +61 8 9389 8033.	

This Section is a summary only and is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

4 DETAILS OF THE OFFERS

4

DETAILS OF THE OFFERS

4.1 The Offers

4.1.1 The Public Offer

The Public Offer is an initial public offering of 32,500,000 Shares at an issue price of $0.20 per Share to raise $6,500,000 (**Maximum Subscription**).

The Shares issued under the Public Offer will be fully paid and will rank equally with all other existing Shares currently on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 10.2.

4.1.2 The Options Offer

The Options Offer is an offer of 3,500,000 Options, exercisable at $0.50 each, on or before the date that is three (3) years from the date of issue of the Options, to Messrs Cotton, Murray, Martino, Bosnjakovic and Spindler, who are existing and proposed management of the Company.

The Options issued under the Options Offer will be issued on the terms and conditions set out in Section 10.3. The Options issued under the Options Offer will not be quoted, however the Company will apply for quotation of all Shares issued upon exercise of the Options.

Only Messrs Cotton, Murray, Martino, Bosnjakovic and Spindler may accept the Options Offer. A personalised Application Form in relation to the Options Offer will be issued to Messrs Cotton, Murray, Martino, Bosnjakovic and Spindler together with a copy of this Prospectus.

All Options are expected to be restricted from trading for 24 months from the date of Official Quotation in accordance with the ASX Listing Rules. A summary of the anticipated application of escrow to the Company's Securities is set out in Section 5.8.

4.1.3 The Performance Rights Offer

The Performance Rights Offer is an offer of 2,400,000 Performance Rights (comprising 800,000 Class A, 800,000 Class B and 800,000 Class C Performance Rights) to Messrs Cotton and Spindler, who are existing management of the Company.

The Performance Rights issued under the Performance Rights Offer will be issued on the terms and conditions set out in Section 10.4.1. The Performance Rights issued under the Performance Rights Offer will not be quoted, however the Company will apply for quotation of all Shares issued upon exercise of the Performance Rights.

Only Messrs Cotton and Spindler may accept the Performance Rights Offer. A personalised Application Form in relation to the Performance Rights Offer will be issued to Messrs Cotton and Spindler together with a copy of this Prospectus.

All Performance Rights are expected to be restricted from trading for 24 months from the date of Official Quotation in accordance with the ASX Listing Rules. A summary of the anticipated application of escrow to the Company's Securities is set out in Section 5.8.

4.2 Minimum subscription

The minimum subscription for the Public Offer is $6,500,000 (32,500,000 Shares) (**Minimum Subscription**).

If the Minimum Subscription has not been raised within four (4) months after the date of this Prospectus or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

4.3 Oversubscriptions

No oversubscriptions above the Maximum Subscription will be accepted by the Company under the Public Offer.

4.4 Not Underwritten

The Public Offer is not underwritten.

4.5 Lead Managers

The Company has appointed Sixty Two Capital (the **Lead Manager**) and ARQ Capital (the **Co-Lead Manager**) as lead managers to the Public Offer. The Lead Manager and Co-Lead Manager will receive an aggregate fee of 6% of the total amount raised under the Public Offer. For further information in relation to the appointment of the Lead Manager and Co-Lead Manager, please refer to Sections 9.1.2 and 9.1.3.

4.6 Conditions of the Public Offer

The Public Offer is conditional upon the following events occurring:

(a) the Minimum Subscription to the Public Offer being reached; and

(b) ASX granting conditional approval for the Company to be admitted to the Official List,

(together the Conditions).

If these Conditions are not satisfied then the Public Offer will not proceed and the Company will repay all application monies received under the Public Offer within the time prescribed under the Corporations Act, without interest.

4.7 Purpose of the Public Offer

The primary purposes of the Public Offer are to:

(a) assist the Company to meet the admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules;

(b) provide the Company with additional funding for:

  (i) the proposed exploration programs at the Projects (as further detailed in Section 5.4):

  (ii) considering acquisition opportunities that may be presented to the Board from time to time;

  (iii) repayment of funds drawn under the intercompany loan facility provided by Jadar; and

  (iv) the Company's working capital requirements while it is implementing the above; and

(c) remove the need for an additional disclosure document to be issued upon the sale of any Securities that are to be issued under the Offers.

The Company intends on applying the funds raised under the Public Offer together with its existing cash reserves in the manner detailed in Section 5.5.

4.8 Applications under the Public Offer

Applications for Shares under the Public Offer must be made by using the relevant Application Form as follows:

(a) using an online IPO Portal at https://www.advancedshare.com.au/IPO-Offers and pay the application monies electronically; or

(b) completing a paper-based application using the relevant Application Form attached to, or accompanying, this Prospectus or a printed copy of the relevant Application Form attached to the electronic version of this Prospectus.

By completing an Application Form, each applicant under the Public Offer will be taken to have declared that

all details and statements made by them are complete and accurate and that they have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

Applications for Shares under the Public Offer must be for a minimum of $2,000 worth of Shares (10,000) Shares and thereafter in multiples of 2,500 Shares and payment for the Shares must be made in full at the issue price of $0.20 per Share.

Completed Application Forms and accompanying cheques, made payable to "**Balkan Mining and Minerals Limited – IPO ACCT**" and crossed "**Not Negotiable**", must be mailed or delivered to the address set out on the Application Form by no later than 5:00pm (WST) on the Closing Date, which is scheduled to occur on 29 June 2021.

If paying by BPAY®, please follow the instructions on the IPO Portal. A unique reference number will be quoted upon completion of the online application. Your BPAY reference number will process your payment to your application electronically and you will be deemed to have applied for such Shares for which you have paid. Applicants using BPAY should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is process by their financial institution on or before the day prior to the Closing Date of the Public Offer. You do not need to return any documents if you have made payment via BPAY.

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

The Company reserves the right to close the Public Offer early.

4.9 Allocation policy under the Public Offer

The Company retains an absolute discretion to allocate Shares under the Public Offer and reserves the right, in its absolute discretion, to allot to an applicant a lesser number of Shares than the number for which the applicant applies or to reject an Application Form. If the number of Shares allotted is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

No applicant under the Public Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors (in conjunction with the Lead Manager) will be influenced by the following factors:

(a) the number of Shares applied for;

(b) the overall level of demand for the Public Offer;

(c) the desire for a spread of investors, including institutional investors; and

(d) the desire for an informed and active market for trading Shares following completion of the Public Offer.

The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

4.10 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. However, applicants should be aware that ASX will not commence Official Quotation of any Shares until the Company has complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be admitted to the Official List. As such, the Shares may not be able to be traded for some time after the close of the Public Offer.

If the Shares are not admitted to Official Quotation by ASX before the expiration of three 3 months after the date of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of

the merits of the Company or the Securities now offered for subscription.

The Company will not apply for quotation of the Options offered under the Options Offer or the Performance Rights offered under the Performance Rights Offer. However, will apply for quotation of any Shares issued upon exercise or conversion of the Options and Performance Rights.

4.11 Issue

Subject to the to the Conditions set out in Section 4.6 being met, the issue of Securities offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

The Directors (in conjunction with the Lead Managers) will determine the recipients of the issued Shares in their sole discretion in accordance with the allocation policy detailed in Section 4.9. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Holding statements for Shares issued to the issuer sponsored subregister and confirmation of issue for Clearing House Electronic Subregister System (CHESS) holders will be mailed to applicants being issued Shares pursuant to the Public Offer as soon as practicable after their issue.

4.12 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Securities or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Securities pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

4.13 Commissions payable

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

The Lead Manager and Co-Lead Manager will be responsible for paying all commission that they and the Company agree with any other licensed securities dealers or Australian financial services licensees out of the fees paid by the Company to the Lead Manager and Co-Lead Manager under the Lead Manager Mandates.

4.14 Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential

applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus or the reliance of any applicant on any part of the summary contained in this Section.

No brokerage, commission or duty is payable by applicants on the acquisition of Securities under the Public Offer.

4.15 Withdrawal of Offers

The Offers may be withdrawn at any time. In this event, the Company will return all application monies (without interest) in accordance with applicable laws.

5 COMPANY AND PROJECTS OVERVIEW

5

COMPANY AND PROJECTS OVERVIEW

5.1 Background

The Company was incorporated on 18 December 2020 as a wholly owned subsidiary of Jadar. Jadar is an ASX listed exploration company (ASX:JDR) with a strategically diversified asset portfolio across gold, silver, lithium and borate, with projects at varying stages of exploration across Peru, Mexico, Serbia and Austria. At the date of this Prospectus, the Company remains a wholly owned subsidiary of Jadar (refer to the group structure chart below).

On 24 February 2021, Jadar announced that, following a strategic review, it would demerge its assets located in Serbia (being, the Projects) via the Company (**Demerger**). On 19 April 2021, Jadar obtained shareholder approval in accordance with ASX Listing Rule 11.4.1(b) for the Demerger (the **Shareholder Approval**) and subsequently undertook the following restructure:

(a) Jadar transferred all of the issued capital in its wholly owned subsidiary, Centralist Pty Ltd (ACN 618 766 715) (**Centralist**) (which in turn holds all of the issued capital of Jadar Lithium D.O.O (an entity incorporated in Serbia) (**Jadar Serbia**), 100% owner of the Projects) to the Company; and

(b) Jadar assigned its right to receive amounts owing from Jadar Serbia under intercompany loan agreements of approximately $1.44 million to the Company in consideration for the Company issuing 9,999,998 Shares to Jadar.

Accordingly, the Company presently has two wholly owned subsidiaries and has a 100% legal and beneficial interest in the exploration licences comprising the Projects, as further detailed in Section 5.2 below, the Independent Technical Assessment Report in Annexure A and the Solicitor's Report on Tenements in Annexure B.

The group structure as at the date of this Prospectus is as follows:

In conjunction with the Demerger, the Company is undertaking the Public Offer pursuant to this Prospectus to raise $6,5000,000 and seek an admission to the Official List.

5.2 Overview of BMM and the Projects

BMM is focused on the early-stage exploration through to development of borate and associated lithium in the Balkans. The Company's Projects comprise the Rekovac Project, the Dobrinja Project and the Pranjani Project. The three Project areas are located within the Republic of Serbia and cover three Neogene aged sedimentary basins in the north-west trending portion of the Vadar Zone (as set out in Figure 1 below).

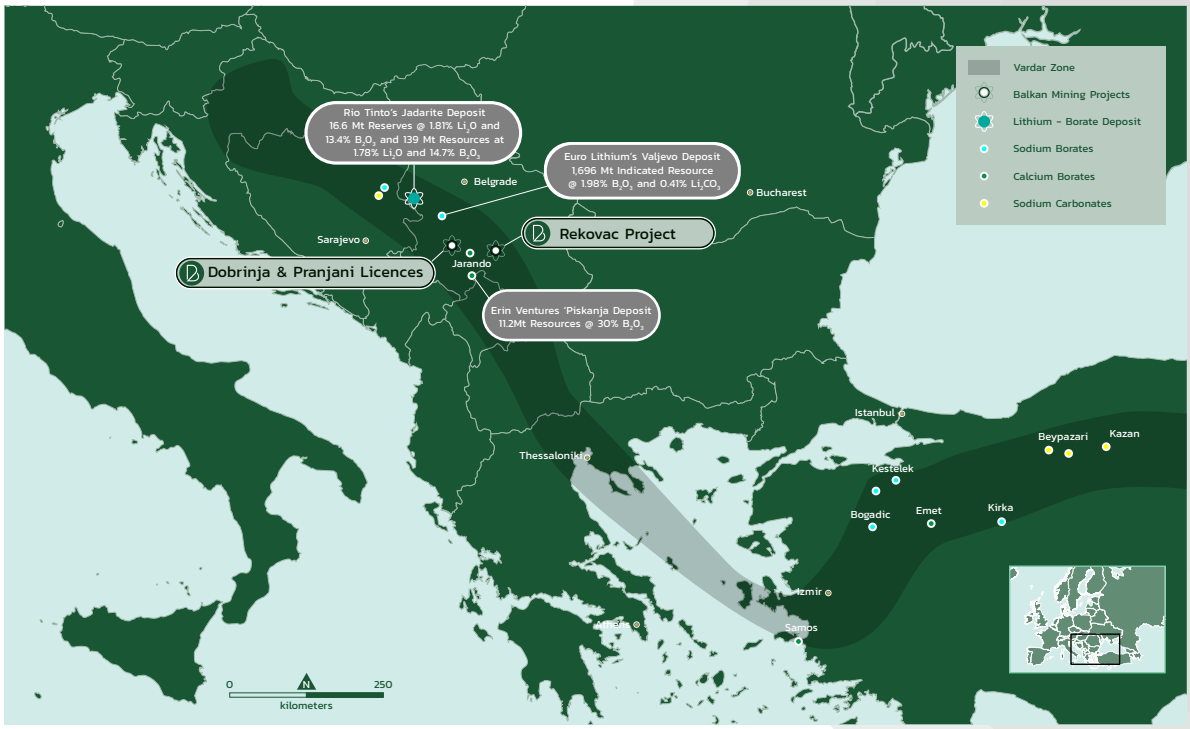

Figure 1: Location of the Company's Projects

The Vardar Zone forms part of the Vardar-Izmir-Ankara Suture which stretches from Iran to Bosnia and host to numerous borate deposits of which a number are mined in Turkey, which is the second largest producer of borates and the largest borate reserves globally. Currently none of the borate deposits in Serbia are mined. In addition to the borate potential, a number of lithium-boron deposits have been identified and are focus of exploration in recent years, mainly within Serbia. These include Rio Tinto Limited's (ASX: RIO) Jadar Deposit discovered in 2004, which has a JORC complaint Probable Ore Reserve of 16.6 Mt at 1.81% lithium oxide (Li_2O) and 13.4% boron trioxide (B_2O_3), and a Mineral Resource comprising 55.2 Mt of Indicated Resource at 1.68% Li_2O and 17.9% B_2O_3 with an additional 84.1 Mt of Inferred Resource at 1.84% Li_2O and 12.6% B_2O_3[1] and ranks as one of the largest unmined lithium-boron resources globally.

The Rekovac Project comprises three contiguous exploration licences – namely, the Rekovac, Ursule and Siokovac exploration licences. The Rekovac Project is located within the Pomoravlje district of Šumadija and Western Serbia. The licences cover an area of 273 km2 and are located about 20 km south-west of Jagodina, the administrative centre and 120 km south-southeast of the capital, Belgrade. The town of Rekovac is located in the centre of the Rekovac Project area.

1 Refer to Rio Tinto Limited (ASX: RIO) ASX Announcement 'Rio Tinto declares maiden Ore Reserve at Jadar' dated 10 December 2020.

The Dobrinja and Pranjani Projects each comprises a single exploration licence in the territories of Gornji Milanovac and Požega, respectively. The Dobrinja exploration licence covers an area of 37.5km^2 and the Pranjani exploration license covers an area of 25.9km^2. These Projects are located within the Moravica district of Šumadija and Western Serbia. The village of Dobrinja is located within the Dobrinja exploration licence and the village of Pranjani within the Pranjanji exploration licence. The two licences are located about 15–20 km northwest of the city of Čačak.

Please refer to the Solicitor's Report on Tenements in Annexure B for further details in respect to the Company's interests in the Projects.

5.2.1 The Rekovac Project

The three exploration licences that comprise the Rekovac Project are underlain by more than 700m of continental sedimentary rocks in a Neogene age basin approximately 10km wide and 25km long. The basin is elongated in shape and roughly limited by two deep-seated parallel faults forming a northeast-southwest trending shallow sag-basin and is filled with lower Miocene (**M_1**), lower-middle Miocene (**$M_{1,2}$**) aged lacustrine sediments and younger middle Miocene (**M_2**) marine sediments.

The recent exploration drilling by Jadar within the Rekovac exploration licence, targeting the gravity low (representing the deeper part of the basin), identified several broad zones of borate-bearing sediments, an upper zone characterised by irregular crystalline aggregates, patches and veinlets of searlesite and a lower zone by disseminated searlesite grains.

Two drillholes, REK_001 and REK_002 were completed by Jadar in early 2020 and drilled to depths of 600.1m and 638m, respectively into the borate-bearing sediments of the $M_1/M_{1,2}$ sediments. The drillholes intersected numerous zones with high boron concentrations contained within searlesite (a sodium borosilicate and confirmed by x-ray diffraction) (refer to Table 8.1 of the Independent Technical Assessment Report at Annexure A).

Drillhole REK_001 was collared in younger middle Miocene sediments and intersected over 195m of elevated borate values from 405m within the lower and two better mineralised boron intervals in the form of irregular veinlets and millimetre-sized radial crystals of searlesite constrained in the parallel layers from 515.9m.

These two intervals are summarised below:

(a) 0.6 m at 16,454 ppm B_2O_3 and 474 ppm Li_2O from 515.9m

(b) 1.9 m at 12,349 ppm B_2O_3 and 484 ppm Li2O from 578.5 m.

REK_002 was collared, 1.8 km to the south of REK_001, directly on the older early Miocene sediments and intercepted elevated boron (as searlesite) and lithium values from 35 m, averaging 10,550 ppm B_2O_3 over 368.4 m from 35 m with up 969 ppm Li_2O in an individual sample (sample 35405).

Refer to Table 8.2 and Figure 8.5 of the Independent Technical Assessment Report at Annexure A for further detail regarding the drill collars and Appendix B of the Independent Technical Assessment Report for further detail regarding the REK_001 and REK_002 drillhole results.

Due to their recent granting, neither the Company nor Jadar has carried out any exploration work on the Ursule and Siokovac exploration licences (the two northern exploration licences which form part of the three exploration licences comprising the Rekovac Project).

The Company's proposed programme for the Rekovac Project includes acquisition and interpretation of regional and high-resolution geophysical data over the newly acquired Ursule and Siokovac licences, geological mapping, review of drill core and ultimately drill testing of targets as explained in further detail below.

5.2.2 Dobrinja and Pranjani Projects

The Dobrinja and Pranjani Projects are comprised of two exploration licenses underlain by Miocene sedimentary rocks of the Pranjani Basin in the north and as yet unnamed southern "Dobrinja Basin", respectively. The sediments are intruded by dacites and quartz latites, with volcaniclastic equivalents interbedded with the

lacustrine and alluvial sediments as well as lamproites. They are located along strike to the northwest of the northwest orientated Cacak-Kraljevo Basin.

The Pranjani Basin covers an area of approximately 40 km^2 and is 7km long and 6km wide. It is orientated along a northwest axis, parallel to the regional trend of the Vardar Zone and larger Cacak Basin 7km to the south-east. The basement to this basin comprises late Palaeozoic shales, sandstones and limestones, early Triassic limestones, marls and sandstones intruded by Triassic porphyry breccias and tuffs with porphyry lenses and Jurassic age rocks related to the Western Vardar Ophiolites comprising harzburgites, serpentinites, diabases and gabbro, Cretaceous oolitic limestones.

The Miocence sedimentary rocks within the basin comprises two distinct sequences, namely a lower, older marginal facies and a younger, late lower-middle Miocene age inter-basinal facies as described in further detail below.

The first distinct sequence is a lower, older marginal facies approximately 100m thick in the west. It comprises a lower sequence of coarse to medium grained alluvial sediments formed as a result of gravitational slumping and flows from the surrounding hills to the lake margins. This is succeeded by alluvial fans in the west and detritic/evaporitic magnesites in the south of the basin. These sequences are transgressively overlain by lacustrine sediments (known as the "motley series") with bituminous marly limestones and dolomites. Although mapped as Miocene in age by the YGS fossil assemblages indicate it is late Oligocene-Lower Miocene (approximately 23 million years ago (**Ma**)) in age, while some authors have dated the base of unit as early Oligocene (~34 Ma). This unit would correlate to M_1 (early Miocene) as mapped by the Yugoslavia Geological Survey (**YGS**).

The second distinct sequence is a younger, late lower-middle Miocene age, (approximately 20m thick in the east) inter-basinal facies comprising conglomerates, sandstones, marls, mudstones with coal interbeds, oil shales, marly limestones, dolomites, tuffs, and tuffaceous sandstones.

These sediments are folded about north-west to south-east orientated fold axes with dips of the sedimentary layering in the south-western side of the basin dipping between 10° and 40° towards the north-east and in the centre of the basin dip up to 30° to the south-west and the north-east. Outcrops of basement gabbros occur in the centre of the basin suggest significant variations in the thickness of the Miocene rocks over short distances.

Younger recent alluvial sediment deposits cover the Miocene rocks along the present-day river channels.

Historically a number of samples of oil shales were analysed from a number of basins in Serbia including Pranjani, Jadar Deposit and Valjevo. The results of analysis show that the boron and lithium values within the Pranjani basin are comparable to those in basins like Jadar Deposit and Valjevo, both of which contain known boron-lithium deposits.

No exploration work has been conducted on the Pranjani licence. As described below, the Company's proposed exploration program will focus on target generation using regional geophysics, geological mapping and surface sampling followed by drill testing of the targets, if warranted.

The Dobrinja Basin covers an area of approximately 73km2 and is about 15km long and 6.5km wide. It is orientated along a northwest axis, parallel to the regional trend of the Vardar Zone and larger Cacak Basin 7km to the southeast. The Pranjani Basin is situated approximately 10 km to the northeast.

The basement to this basin comprises late Palaeozoic shales, phyllite and argillaceous limestones into the south, early to middle Triassic limestones, marls, shales, and sandstones in the southeast and Jurassic age rocks related to the Western Vardar Ophiolites comprising serpentinites, peridotites, and diabase breccias to the east and north and early Cretaceous limestones to the west.

The Miocence sedimentary rocks dip at between 15° and 30° towards the centre of the basin. The lithostratigraphy within the basin, from oldest to youngest, comprises:

(a) basal conglomerates of the early Miocene ($^1M_1$);

(b) sandstones, marls, clays with coal seams, marly limestones, tuff sandstones of the middle Miocene ($^2M_2$);

(c) marly limestones, marls, sandstone, sandstones and mudstone with coal interbeds, sandstone and conglomerate of the upper Miocene (M_3); and

(d) younger recent alluvial and deluvial sediment deposits cover the Miocene rocks along the present-day river channels and floodplains.

No exploration work has been conducted on the Dobrinja licence. As described below, the Company's proposed exploration program will focus on target generation using regional geophysics, geological mapping and surface sampling followed by drill testing of the targets, if warranted.

Please refer to the Independent Technical Assessment Report in Annexure A for further details about the geology, location and mineral potential of the Company's Projects.

5.3 Business Model

BMM is focused on mineral exploration and development. Following completion of the Public Offer, the Company's main objective will be to systematically explore and seek to develop the Company's Projects, in particular, the flagship Rekovac Project. The Company proposes to undertake the exploration program described below and further explained in the Independent Technical Assessment Report in Annexure A.

The results of the exploration programs will determine the economic viability and possible timing for commencement of further activities including pre-feasibility studies and commencement of mining operations at the Projects (if any).

The Company also proposes to:

(a) focus on mineral exploration or resource opportunities that have a potential to deliver growth for Shareholders; and

(b) continue to pursue other acquisitions that have a strategic fit for the Company.

The key dependencies of the Company's business model include:

(a) maintaining title to the Projects;

(b) exploration success and the delineation of JORC Mineral Resources and Ore Reserves;

(c) retaining and recruiting key personnel skilled in the mining and resources sector;

(d) sufficient worldwide demand for lithium and borates; and

(e) the market price of lithium and borates remaining higher than the Company's costs of any future production (assuming successful exploration by the Company).

5.4 Exploration Program and Budget

A summary of the proposed exploration budget of the Company for the two-year period following listing is set out below.

Licence	Activity	Year 1 (A$)	Year 2 (A$)	Total Budget (A$)
Rekovac	Detail geological mapping and sampling	3,483	-	3,483
	Detail geophysical survey	29,604	-	29,604
	Diamond drilling	359,256	493,292	852,547
	Assay (surface and drill core samples)	70,528	90,368	160,896
	Tenement costs	10,686	11,035	21,721
	Subtotal (A$)	**473,557**	**594,695**	**1,068,252**
Ursule, Siokovac, Dobrinja and Pranjani	Reconnaissance mapping and sampling	7,105	-	7,105
	Regional geophysical data acquisition and interpretation	20,897	-	20,897
	Diamond drilling	-	646,512	646,512
	Assay (surface and drill core samples)	12,712	115,995	128,707
	Tenement costs	37,173	38,389	75,562
	Subtotal (A$)	**77,888**	**800,895**	**878,783**
Serbian in country operating costs	Field, operational costs	647,722	708,612	1,356,334
	Capex, plant and equipment	70,161	17,460	87,622
	Subtotal (A$)	**717,883**	**726,072**	**1,443,955**
Total Serbian Project Exploration Funds		**1,269,328**	**2,121,662**	**3,390,990**

BMM has planned a systematic exploration program to be undertaken following completion of the Public Offer which focuses on expanding the exploration work already completed on the Rekovac exploration licence by Jadar and early-stage exploration activities on the newly granted exploration licences (described below).

The Ursule and Siokovac exploration licences cover the northeast extension of the Rekovac Basin and are contiguous with the Rekovac exploration licence, whilst the Dobrinja and Pranjani exploration licences each cover separate Neogene-aged basins to the west of the Rekovac exploration licence.

Please refer to Sections 5.4.1 and 5.4.2 and section 10 of the Independent Technical Assessment Report at Annexure A for further detail regarding the proposed exploration program and budget of the Company.

5.4.1 Proposed Exploration at Rekovac Project

(a) Rekovac Licence

The exploration work on the Rekovac licence will expand on the work completed by Jadar in 2019 and 2020. The proposed exploration program will aim at identifying vectors to higher-grade borate and lithium mineralisation hosted in the Neogene sediments of the Rekovac Basin. The proposed exploration program

over the two years includes:

(i) planning, acquisition of and interpretation of new detailed gravity and magnetic data;

(ii) detailed geological mapping and relogging of drilling core including mineralogy and lithofacies mapping; and

(iii) drilling to test targets developed during the exploration campaign.

(b) **Ursule and Siokovac Licences**

The newly granted Ursule and Siokovac exploration licences are contiguous with the Rekovac exploration licence and the underlying Neogene sediments form part of the same sedimentary basin which confirmed, in the 2019–2020 exploration program on the Rekovac licence, the presence of borate and lithium mineralisation.

Detail of the proposed exploration program over the two years on the Ursule and Siokovac exploration licences includes:

(i) acquisition and interpretation of gravity and magnetic geophysical data;

(ii) reconnaissance geological mapping and surface sampling; and

(iii) drilling testing of exploration targets developed during the reconnaissance exploration campaign.

Since these licences cover the northeast extension of the Rekovac Basin and are contiguous with the Rekovac licence, it is envisaged that the exploration within these two licences will to some extent be guided by the results of the activities within the Rekovac licence.

5.4.2 Proposed Exploration at Dobrinja and Pranjani Projects

The proposed exploration work on the newly granted exploration licences comprising the Dobrinja and Pranjani Projects will focus on early-stage reconnaissance activities aimed at determining the potential for borate and lithium mineralisation with the Neogene sediments of the respective sedimentary basins. Details of the proposed exploration program over the two years on these two exploration licences includes:

(a) acquisition and interpretation of gravity and magnetic geophysical data;

(b) reconnaissance geological mapping and surface sampling;

(c) drilling testing of exploration targets developed during the reconnaissance exploration campaign.

5.5 Use of funds

The Company intends to apply funds raised from the Public Offer over the first two years following admission of the Company to the Official List of ASX as follows:

Funds available	Full Subscription ($) ($6,500,000)	Percentage of Funds (%)
Funds raised from the Public Offer	6,500,000	100.0
Allocation of funds		
Serbian Project Exploration[1]	3,391,000	52.2
Project evaluation	500,000	7.7
Repayment of Intercompany Facility Agreement[2]	277,000	4.3
Expenses of the Public Offer[3]	527,000	8.1
Administration costs[4]	1,354,000	20.8
Working capital[5]	451,000	6.9
Total	**6,500,000**	**100.0**

Notes:

1. Refer to Section 5.4 above and the Independent Technical Assessment Report in Annexure A for further details with respect to the Company's proposed exploration programs at the Projects.

2. The Company notes that of these funds, $95,000 has been paid towards the costs of the Public Offer and the balance of $182,000 has been paid towards exploration and other operating costs in Serbia. Refer to Section 9.2.1 for a summary of the Intercompany Facility Agreement entered into between the Company and Jadar.

3. Refer to Section 10.9 for further details regarding the expenses of the Public Offer.

4. Administration costs include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs.

5. To the extent that:

   (a) the Company's exploration activities warrant further exploration activities; or

   (b) the Company is presented with additional acquisition opportunities,

   the Company's working capital will fund such further exploration and acquisition costs (including due diligence investigations and expert's fees in relation to such acquisitions). Any amounts not so expended will be applied toward administration costs for the period following the initial 2-year period following the Company's quotation on ASX.

It is anticipated that the funds raised under the Public Offer will enable 2 years of full operations (if the Minimum Subscription is raised). It should be noted that the Company may not be fully self-funding through its own operational cash flow at the end of this period. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding. Future capital needs will also depend on the success or failure of the Projects. The use of further debt or equity funding will be considered by the Board where it is appropriate to fund additional exploration on the Projects or to capitalise on acquisition opportunities in the resources sector.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Directors consider that following completion of the Public Offer, the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in Section 7.

5.6 Capital structure

The capital structure of the Company following completion of the Public Offer (assuming full Subscription of $6,500,000 under the Public Offer) is summarised below:

Shares[1]

	Full Subscription ($6,500,000)
Shares currently on issue[2]	10,000,000
Shares to be issued pursuant to the Public Offer[3]	32,500,000
Shares to be issued pursuant to the Options Offer	Nil
Shares to be issued pursuant to the Performance Rights Offer	Nil
Shares to be issued to the Corporate Advisor[4]	2,500,000
Total Shares on completion of the Offers	**45,000,000**

Notes:

1. The rights attaching to the Shares are summarised in Section 10.2.
2. Held by Jadar (current parent company of the Company).
3. 32,500,000 Shares to be issued at an issue price of $0.20 per share to raise $6,500,000 under the Public Offer. This includes 10,000,000 Shares to be issued to Sandfire under the Public Offer in accordance with the Subscription Agreement summarised in Section 9.1.1.
4. 2,500,000 Shares to be issued to Clayton Capital for corporate advisory services provided to the Company under the Corporate Advisory Mandate summarised in Section 9.1.4.

Options

	Full Subscription ($6,500,000)
Options currently on issue	Nil
Options to be issued pursuant to the Public Offer	Nil
Options to be issued pursuant to the Options Offer[1]	3,500,000
Options to be issued pursuant to the Performance Rights Offer	Nil
Total Options on completion of the Offers[2]	**3,500,000**

Notes:

1. 3,500,000 Options exercisable at $0.50 each, on or before the date that is three (3) years from the date of issue of the Options. These Options are being issued to existing and proposed management of the Company as an incentive-based component of their remuneration. Refer to Section 10.3 for the full terms and conditions of the Options and Section 8.3 for further detail regarding the number of Options to be issued to the Directors.

2. The Company may consider offering Shareholders loyalty Options approximately 6 months after its admission to the Official List. The details of such an offer would be considered at the appropriate time.

Performance Rights

	Full Subscription ($6,500,000)
Performance Rights currently on issue	Nil
Performance Rights to be issued pursuant to the Public Offer	Nil
Performance Rights to be issued pursuant to the Options Offer	Nil
Performance Rights to be issued to pursuant to the Performance Rights Offer[1]	2,400,000
Total Performance Rights on issue after completion of the Offers	**2,400,000**

Notes:

1. These Performance Rights are being issued to one of the Directors (Mr Ross Cotton) and the Company Secretary (Mr Harry Spindler) as a sign-on bonus and an incentive-based component of their remuneration. Refer to Section 10.4.1 for a summary of the terms and conditions of the Performance Rights and Section 10.4.2 for additional information relating to the issue of the Performance Rights.

5.7 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Public Offer are set out in the respective tables below.

As at the date of the Prospectus

Shareholder	Shares	Options	Performance Rights	Percentage (%) (undiluted)	Percentage (%) (fully diluted)
Jadar Resources Limited	10,000,000	Nil	Nil	100%	100%

Notes:

1. The Company is currently a wholly owned subsidiary of Jadar.

On completion of the issue of Shares under the Public Offer (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Public Offer)

Shareholder	Shares	Options	Performance Rights	Percentage (%) (undiluted)	Percentage (%) (fully diluted)
Jadar Resources Limited	10,000,000	Nil	Nil	22.2%	19.6%
Sandfire Resources Limited[1]	10,000,000	Nil	Nil	22.2%	19.6%
Clayton Capital Pty Ltd[2]	2,500,000	Nil	Nil	5.6%	4.9%

Notes:

1. The Company has entered into the Subscription Agreement with Sandfire under which Sandfire has agreed to subscribe for $2,000,000 worth of Shares under the Public Offer. Refer to Section 9.1.1 for a summary of the key terms and conditions of the Subscription Agreement.

2. The Company has agreed to issue Clayton Capital $500,000 worth of Shares at the price at which Shares are issued under the Public Offer for corporate advisory services provided to the Company. Refer to Section 9.1.4 for a summary of the key terms and conditions of the Corporate Advisory Mandate.

The Company will announce to the ASX details of its top-20 Shareholders following completion of the Public Offer prior to the Shares commencing trading on ASX.

5.8 Restricted Securities

Subject to the Company being admitted to the Official List and completing the Public Offer, certain Securities will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

While the ASX has not yet confirmed the final escrow position applicable to the Company's Shareholders, the Company anticipates that the following Securities will be subject to escrow:

(a) 10,000,000 of the Shares held by Jadar will be subject to 24 months escrow from listing;

(b) all of the Shares to be issued to Clayton Capital in consideration for corporate advisory services provided to the Company (being, 2,500,000 Shares) will be subject to 24 months escrow from listing; and

(c) all of the Options and Performance Rights to be issued to the Directors, Proposed Directors and the Company Secretary (being, an aggregate of 3,500,000 Options and 2,400,000 Performance Rights) will be subject to 24 months escrow from listing.

The number of Securities that are subject to ASX imposed escrow are at ASX's discretion in accordance with the ASX Listing Rules and underlying policy. The above is a good faith estimate of the Securities that are expected to be subject to ASX imposed escrow.

The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Shares commencing trading on ASX (which admission is subject to ASX's discretion and approval).

5.9 Additional Information

Prospective investors are referred to and encouraged to read in its entirety both the:

(a) the Independent Technical Assessment Report in Annexure A for further details about the geology, location and mineral potential of the Company's Projects;

(b) the Solicitor's Report on Tenements in Annexure B for further details in respect to the Company's interests in the Tenements; and

(c) the Independent Accountant's Report in Annexure C for further details about the financial position of the Company.

5.10 Dividend policy

The Company anticipates that significant expenditure will be incurred in the evaluation and development of the Company's Projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least, the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

6 FINANCIAL INFORMATION

6 FINANCIAL INFORMATION

6.1 Introduction

This Section sets out the consolidated historical financial information of the Company and Centralist Pty Ltd (**Centralist**) (including its Serbian subsidiary, Jadar Lithium D.O.O (an entity incorporated in Serbia) (**Jadar Serbia**)). The Directors are responsible for the inclusion of all financial information in the Prospectus. The purpose of the inclusion of the financial information in this Section is to illustrate the effects of the Offer on the Company.

The Company was incorporated on 18 December 2020 as a special purpose vehicle to facilitate the spin-out of the Serbian lithium and borate assets of Jadar Resources Limited (ASX:JDR). Post 31 December 2020, the Company underwent a restructure which resulted in it acquiring all the shares of Centralist, which (via Centralist's wholly owned subsidiary, Jadar Serbia) owns a number of exploration licences in the Republic of Serbia. Due to its newly incorporation, the historical financial information of the Company is limited.

PKF Perth Pty Ltd (**PKF**) has prepared an Independent Limited Assurance Report in respect of the historical financial information and the pro forma historical financial information, a copy of which is set out in Annexure C of this Prospectus.

All information present in this Section should be read in conjunction with the balance of this Prospectus, including

(a) the risk factors described in Section 7;

(b) the description of the use of proceeds of the Public Offer described in Section 5.5; and

(c) the Independent Limited Assurance Report in Annexure C.

Please note that past performance is not an indication of future performance.

6.2 Forecast financial information

There are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of the Company's growth strategies and the general nature of the industry in which the Company will operate, as well as uncertain macro market and economic conditions in the Company's markets, the Company's performance in any future period cannot be reliably estimated. On this basis and after considering ASIC Regulatory Guide 170, the Directors do not believe they have a reasonable basis to reliably forecast future earnings and accordingly forecast financials are not included in this Prospectus.

6.3 Basis of preparation

The historical financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards and the accounting policies adopted by the Company as detailed in note 1 of Section 6.8. The pro forma financial information has been derived from the historical financial information and assumes completion of the pro forma adjustments as set out in note 2 of Section 6.8 as if those adjustments had occurred as at 31 December 2020.

The financial information contained in this Section is presented in an abbreviated form and does not contain all the disclosures that are provided in a financial report prepared in accordance with the Corporations Act and Australian Accounting Standards and Interpretations.

The historical financial information comprises the following (collectively referred to as the **Historical Financial Information**):

(a) the historical statement of profit or loss and other comprehensive income for the Company for the period 18 December 2020 (date of incorporation) to 31 December 2020;

(b) the historical statement of profit or loss and other comprehensive income for Centralist on a consolidated basis for the half year ended 31 December 2020 and the financial years ended 30 June 2020 and 30 June 2019 (inclusive of Jadar Serbia);

(c) the historical statement of financial position of the Company as at 31 December 2020;

(d) the historical statement of financial position of Centralist on a consolidated basis as at 31 December 2020, 30 June 2020 and 30 June 2019 (inclusive of Jadar Serbia);

(e) the historical statements of cash flows for the Company for the period 18 December 2020 to 31 December 2020; and

(f) the historical statements of cash flows for the Centralist on a consolidated basis for the half year ended 31 December 2020 and the financial years ended 30 June 2020 and 30 June 2019 (inclusive of Jadar Serbia).

The pro forma financial information comprises (collectively referred to as the **Pro Forma Financial Information**):

(a) the pro forma statement of financial position as at 31 December 2020, prepared on the basis that the pro forma adjustments detailed in Note 2 of Section 6.8 had occurred as at 31 December 2020; and

(b) the notes to the pro forma financial information set out in Section 6.8.

The Historical Financial Information and Pro Forma Financial Information is collectively referred to as the **Financial Information**.

The Historical Financial Information of Centralist has been extracted from the audited historical financial statements for 30 June 2019 and 30 June 2020 and the reviewed historical financial statements for 31 December 2020. The financial reports for Centralist were audited by Grant Thornton (WA) in accordance with Australian Auditing Standards. An unqualified audit opinion was issued for 30 June 2020 and 31 December 2020 with a material uncertainty surrounding the ability of the entity to continue as a going concern. The 30 June 2019 audit opinion includes a qualification with regards to the 2018 cash flow statement as a consequence of the 2017 financial report being unaudited. The qualification over the 2018 cash flow statement has no impact on the amounts reported as at 30 June 2019 or for the 2019 financial year. The 2019 audit report also included a material uncertainty surrounding the ability of the entity to continue as a going concern.

6.4 Historical statement of profit or loss and other comprehensive income

The table below sets out the Company's statement of profit and loss for the period 18 December 2020 to 31 December 2020.

	Reviewed 18 Dec to 31 Dec 2020 $
Other Income	-
Expenses	-
Loss for the period	**-**
Other comprehensive income:	-
Total Comprehensive loss for the period	**-**
Loss attributable to owners of the Company	**-**
Total comprehensive loss attributable to owners of the Company	**-**

The table below sets out Centralist's consolidated statement of profit and loss for the half year ended 31 December 2020 and the financial years ended 30 June 2020 and 30 June 2019.

	Reviewed Half year 31 Dec 2020 $	Audited Full year 30 Jun 2020 $	Audited Full year 30 Jun 2019 $
Other Income	–	860	–
Government Grants	928	–	–
Depreciation	(791)	–	–
Exploration written off	–	(530,394)	(282,585)
Professional fees	(13,864)	(35,721)	(37,562)
Interest expense	(56,096)	(85,554)	(49,205)
Other expenses	(33,944)	(30,800)	(15,887)
Loss before income tax expense	(103,767)	(681,609)	(385,239)
Income tax expense	–	–	–
Loss for the period	**(103,767)**	**(681,609)**	**(385,239)**
Other comprehensive income:			
Exchange differences on translating foreign operations	4,676	(3,118)	(860)
Total other comprehensive income for the year	4,676	(3,118)	(860)
Total Comprehensive loss for the period	**(99,091)**	**(684,727)**	**(386,099)**
Loss attributable to owners of the Company	**(103,767)**	**(681,609)**	**(385,239)**
Total comprehensive loss attributable to owners of the Company	**(99,091)**	**(684,727)**	**(386,099)**

6.5 Historical Statement of Financial Position

The table below sets out the Company's statement of financial position at 31 December 2020.

	Reviewed 31 Dec 2020 $
Current Assets	
Cash & cash equivalents	2
Total Assets	**2**
Total Liabilities	**–**
Net Assets/ (liabilities)	**2**
Equity	
Issued capital	2
Accumulated losses	–
Total Equity	**2**

The table below sets out Centralist's consolidated statement of financial position at 31 December 2020, 30 June 2020 and 30 June 2019.

	Reviewed 31 Dec 2020 $	Audited 30 Jun 2020 $	Audited 30 Jun 2019 $
Current Assets			
Cash & cash equivalents	4,028	39,979	25,320
Trade & other receivables	592	2,879	10,320
Other current assets	118	3,475	122
Total Current Assets	**4,738**	**46,333**	**35,762**
Non-Current Assets			
Plant and equipment	1,072	1,881	-
Exploration asset	509,138	505,494	614,168
Total Non-Current Assets	**510,210**	**507,375**	**614,168**
Total Assets	**514,948**	**553,708**	**649,930**
Current Liabilities			
Trade & other payables	1,193	45,449	1,203
Borrowings	755,834	518,556	-
Total Current Liabilities	**757,028**	**564,005**	**1,203**
Non-Current Liabilities			
Borrowings	518,575	660,681	741,528
Total Non-Current Liabilities	**518,575**	**660,681**	**741,528**
Total Liabilities	**1,275,603**	**1,224,686**	**742,731**
Net Assets/ (liabilities)	**(760,655)**	**(670,978)**	**(92,801)**
Equity			
Issued capital	100,010	100,010	100,010
Reserves	331,013	316,923	213,491
Accumulated losses	(1,191,678)	(1,087,911)	(406,302)
Total Equity	**(760,655)**	**(670,978)**	**(92,801)**

6.6 Historical statement of Cash Flows

The table below sets out the Company's statement of cash flows for the period 18 December 2020 to 31 December 2020.

	Reviewed 18 Dec to 31 Dec 2020 $
Cash Flows from Operating Activities	**-**
Cash Flows from Investing Activities	**-**
Cash Flows from Financing Activities	
Proceeds from issue of shares	2
Net cash provided by financing activities	**2**
Net (decrease)/ increase in cash and cash equivalents	2
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	**2**

The table below sets out Centralist's consolidated statement of cash flows for the half year ended 31 December 2020 and the financial years ended 30 June 2020 and 30 June 2019.

	Reviewed Half year 31 Dec 2020 $	Audited Full year 30 Jun 2020 $	Audited Full year 30 Jun 2019 $
Cash Flows from Operating Activities			
Government grants	928	860	-
Payments to suppliers and employees	(24,521)	(41,124)	(23,255)
Interest received/(paid)	-	474	(486)
Net cash (used in) operating activities	**(23,593)**	**(39,790)**	**(23,741)**
Cash Flows from Investing Activities			
Payments for property, plant and equipment	-	(1,881)	-
Payments for exploration and evaluation	(40,203)	(388,516)	(557,005)
Net cash (used in) investing activities	**(40,203)**	**(390,397)**	**(557,005)**
Cash Flows from Financing Activities			
Proceeds from issue of shares	-	-	-
Proceeds from borrowings	48,491	458,231	507,641
Net cash provided by financing activities	**48,491**	**458,231**	**507,641**
Net (decrease)/ increase in cash and cash equivalents	(15,305)	28,044	(73,105)
Cash and cash equivalents at the beginning of the period	39,979	25,320	99,879
Foreign exchange	(20,646)	(13,385)	(1,454)
Cash and cash equivalents at the end of the period	**4,028**	**39,979**	**25,320**

6.7 Historical and Pro Forma Statement of Financial Position

The table below sets out the historical consolidated statement of financial position of the Company and Centralist as at 31 December 2020, extracted without adjustment from the respective company's audited financial statements, and the Pro Forma Statement of Financial Position assuming full subscription under the Public Offer.

The Pro Forma Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position.

	Notes	Reviewed Centralist 31 Dec 2020 $	Reviewed BMM 31 Dec 2020 $	Pro forma adjustments $	Pro-forma Balance 31 Dec 2020 $
Current Assets					
Cash & cash equivalents	3	4,028	2	5,666,097	5,670,127
Trade & other receivables		592	–	–	592
Other current assets		118	–	–	118
Total Current Assets		**4,738**	**2**	**5,666,097**	**5,670,837**
Non-Current Assets					
Plant and equipment		1,072	–	–	1,072
Exploration asset	4	509,138	–	929,801	1,438,939
Total Non-Current Assets		**510,210**	**–**	**929,801**	**1,440,011**
Total Assets		**514,948**	**2**	**6,715,699**	**7,110,848**
Current Liabilities					
Trade & other payables		1,193	–	–	1,193
Borrowings		755,834	–	(755,834)	–
Total Current Liabilities		**757,028**	**–**	**–**	**1,193**
Non-Current Liabilities					
Borrowings	5	518,575	–	(518,575)	–
Total Non-Current Liabilities		**518,575**	**–**	**(1,418,410)**	**–**
Total Liabilities		**1,275,603**	**–**	**–**	**1,193**
Net Assets/ (liabilities)		**(760,655)**	**2**	**8,128,962**	**7,109,655**
Equity					
Issued capital	6	100,010	2	7,943,795	8,043,807
Reserves	6	331,013	–	(30,783)	300,230
Accumulated losses	6	(1,191,678)	–	(42,705)	(1,234,383)
Total Equity		**(760,655)**	**2**	**8,128,962**	**7,109,654**

6.8 Notes to and Forming Part of the Historical Financial Information

Note 1: Summary of significant accounting policies

(a) **Basis of Preparation**

The historical financial information has been prepared in accordance with the measurement and recognition (but not the disclosure) requirements of Australian Accounting Standards, Australian Accounting Interpretations and the Corporations Act 2001.

The financial report have been prepared on an accruals basis and are based on historical cost, modified, where applicable, by the measurement at fair value of selected non-current assets, financials assets and financial liabilities. Cost is based on the fair value of the consideration given in exchange for assets.

The pro forma Statement of Financial Position as at 31 December 2020 represents the reviewed financial position and adjusted for the transactions discussed in note 2 of this Section. The Statement of Financial Position should be read in conjunction with the notes set out in this Section.

The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted. The Financial Information has been prepared on a going concern basis.

(b) **Going Concern Basis of Preparation**

The financial report has been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Whilst acknowledging the inherent uncertainties of progressing to profitable mining operations and managing working capital requirements, the Directors consider this to be appropriate.

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital, the successful exploitation of its mineral tenements and progression of its exploration activities into a successful production stage and managing cash flow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

COVID-19 Impact

COVID-19, which is a respiratory illness caused by a new virus, was declared a world-wide pandemic by the World Health Organisation in March 2020. COVID-19, as well as measures to slow the spread of the virus, have since had a significant impact on the likelihood of normal business operating conditions. This creates a level of uncertainty about the future trading outlook for all organisations globally and the Company is no exception. It is not possible to reliably assess the potential impacts at the present time which may cast a significant doubt as to whether the Company will be able to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. As a consequence of COVID-19, the management has reviewed the annual budget forecast and communicated with external consultants for government subsidies where eligibilities are met.

(c) **Principles of Consolidation**

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as the respective dates. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

All transactions and balances between Group companies are eliminated on consolidation in full. Where

unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

(d) **Income Tax**

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(e) **Plant & Equipment**

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Plant & Equipment

The cost of fixed assets constructed within the consolidated entity includes the cost of materials, direct labor, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future consolidated benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	**Depreciation Rate**
Office Furniture	6% - 40%
Office Equipment	12.5% - 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

(f) **Leases**

With the exception of leases with terms of less than 12 months and leases relating to low-value assets, right-of-use assets and lease liabilities are recognised in relation to all leases. The lease liabilities are recognised at the present value of the lease payments that are remaining to be paid and include, where applicable, any payments applicable under extension options expected to be exercised. The right-of-use assets are initially recognised as the amount of the initial lease liability adjusted for any lease payments made at or before commencement, lease incentives received, initial direct costs incurred, and an estimate of costs of dismantling, removing or restoring the asset that are required to be incurred under the terms of the lease. The right-of-use asset is then depreciated on a straight-line basis over the term of the lease.

(g) **Financial Instruments**

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is recognized when it is extinguished, discharged, cancelled or expires.

Classification and measurement

i. Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments accounted for at amortised

cost or fair value through profit or loss (**FTVPL**).

Financial assets are measured at amortised cost if the objective of the financial asset is to hold and collect its contractual cash flows and contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition, these are measured using the effective interest method.

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorized at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interests are accounted for a FTVPL.

ii. Financial liabilities

The Group's financial liabilities include trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

(h) **Derivative financial instruments**

Derivative financial instruments are accounted for at fair value through profit and loss (FTVPL) except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet the following requirements:

- There is an economic relationship between the hedged item and the hedging instrument
- The effect of credit risk does not dominate the value changes that result from that economic relationship
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

(i) **Impairment of Non-Financial Assets**

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(j) **Exploration and evaluation**

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

i. *the rights to tenure of the area of interest are current; and*

ii. *at least one of the following conditions is also met:*

a. the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

b. exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest is continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(k) **Foreign Currency Transactions and Balances**

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary consolidated environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- Income and expenses are translated at average exchange rates for the period; and
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.

(l) **Employee Entitlements**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled wholly within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(m) **Revenue**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Government grants relating to the COVID-19 stimulus package are recognised at their fair value. Government grants, including non-monetary grants at fair value, shall not be recognised until there is reasonable assurance that the entity will comply with the conditions attaching to them and that the grants will be received.

All revenue is stated net of the amount of goods and services tax (GST).

(n) **Trade and Other Creditors**

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) **Contributed Equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(p) **Earnings Per Share**

Basic earnings per share: Basic earnings per share are determined by dividing the net loss attributable to equity holders of the Company, by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share: Diluted earnings per share adjusts the figures used in the determination of 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 shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(q) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(r) **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(s) **Critical Accounting Estimates and Judgements**

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical knowledge and experience, best available information and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The critical accounting estimates and judgements applicable to this financial report are as follows:

Exploration and evaluation expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recovered or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at reporting date at nil value.

Acquisition of subsidiaries

The acquisition of subsidiaries that do not constitute a business as defined by AASB 3 Business Combinations are accounted for as an acquisition of an asset. In making these assessments, judgement is applied with regards to whether inputs, processes and outputs are associated with these acquisitions.

Share-based payment transactions:

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using appropriate valuation models.

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using appropriate valuation models taking into account the terms and conditions upon which the instruments were granted.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company. The Group's sole operating segment is consistent with the presentation of these consolidated financial statements.

(t) **Equity-settled compensation**

Share-based payments to employees are measured at the fair value of the instruments issued. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of share-based payments is determined using the appropriate pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

(u) **Business combinations**

The Company assesses its business combination transactions under AASB 3 – Business Combinations. In defining whether an acquisition meets the relevant definition criteria of the purchase of a business, the

Company makes reference to whether the three elements of a business as per the Standards are met – whether the acquiree possesses the relevant Input, Process and Output in paragraphs B7 of Appendix B of AASB 3.

In the case where the definition of a business is not met, the Company accounts for an acquisition as an asset purchase and therefore measures the transaction in-line with the relevant policies for the classification of asset being purchased. For the pro forma adjustments that consolidate Centralist Pty Ltd, the Company has determined that this acquisition is an asset purchase with the underlying asset meeting the definition of an Evaluation and Exploration Asset the accounting treatment of which is described in Policy j above. All transaction costs and consideration have been capitalised to Evaluation and Exploration Assets accordingly.

Note 2: Actual and Proposed Transactions to Arrive at the Pro-Forma Financial Information

The pro-forma historical financial information has been prepared by adjusting the statement of financial position of the Company as at 31 December 2020 to reflect the financial effects of the following subsequent events which have occurred since 31 December 2020:

(a) the restructuring of intergroup loans receivable from Jadar Serbia of $1,443,555, effected by way of an assignment of such loan receivables from Jadar to the Company in consideration for the issue of the issue of 9,999,998 Shares by the Company to Jadar; and

(b) the acquisition of Centralist by BMM resulting in the consolidation of the Company Group,

and the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the capital raising:

(c) the issue of 32,500,000 Shares at $0.20 per Share to raise $6,500,000 before costs under the Public Offer and payment of $622,367 (excluding GST and VAT) being the expenses of the Public Offer either paid directly by the Company or reimbursement to Jadar of expenses paid by it;

(d) the issue of 2,500,000 Shares at a deemed issue price of $0.20 per Share to Clayton Capital in consideration for fees of $500,000 payable to Clayton Capital for corporate advisory services provided to the Company;

(e) the issue of 3,500,000 incentive Options exercisable at $0.50 with a term of 3 years as set out in Section 10.3 under the Options Offer to Directors, Proposed Directors and the Company Secretary;

(f) the issue of 2,400,000 Performance Rights with those terms and conditions as set out in Section 10.4.1 to a Director and the Company Secretary under the Performance Rights Offer; and

(g) the repayment of the Jadar Intercompany Facility.

Note 3: Cash & Cash Equivalents

	Pro-forma balance 31 Dec 2020 $
Cash and cash equivalents	**5,670,127**
Centralist balance as at 31 Dec 2020	4,028
BMM balance as at 31 Dec 2020	2
Pro-forma adjustments:	
Proceeds from Shares issued under the Public Offer	6,500,000
Payment of Jadar loan	(277,483)
Expenses of the Public Offer	(556,420)
Total	**5,670,127**

Note 4: Exploration assets

	Pro-forma balance 31 Dec 2020 $
Exploration assets	**1,438,939**
Centralist balance as at 31 Dec 2020	509,138
BMM balance as at 31 Dec 2020	-
Pro-forma adjustments:	
Increase incurred on acquisition of Centralist	929,801
Total	**1,438,939**

Note 5: Borrowings

	Pro-forma balance 31 Dec 2020 $
Borrowings	**-**
Centralist balance as at 31 Dec 2020 (current & non-current)	1,274,409
BMM balance as at 31 Dec 2020	-
Pro-forma adjustments:	
Acquisition of Centralist, consolidation accounting	(1,274,409)
Total	**-**

Note 6: Equity

	#	Pro-forma balance 31 Dec 2020 $
(a) Issued capital		**8,043,807**
Centralist balance as at 31 Dec 2020		100,010
BMM balance as at 31 Dec 2020	2	2
Pro-forma adjustments:		
Issue of Shares under the Public Offer	32,500,000	6,500,000
Issue of Shares to Corporate Advisor	2,500,000	500,000
Issue of Shares in consideration for assignment of loans owed to Jadar to the Company	9,999,998	1,443,555
Expenses of the Public Offer	-	(399,750)
Acquisition of Centralist, consolidation accounting	-	(100,010)
Total issued capital	**45,000,000**	**8,043,807**

	#	Pro-forma balance 31 Dec 2020 $
(b) Reserves		**300,230**
(i) Option reserve		
Centralist balance as at 31 Dec 2020	-	-
BMM balance as at 31 Dec 2020	-	-
Pro-forma adjustments:		
Issue of incentive Options	3,500,000	300,230
Total option Reserve	**3,500,000**	**300,230**

(ii) Foreign exchange translation reserve	
Centralist balance as at 31 Dec 2020	9,024
BMM balance as at 31 Dec 2020	-
Pro-forma adjustments:	
Acquisition of Centralist, consolidation accounting	(9,024)
Total foreign exchange translation reserve	**-**

(iii) Capital contribution reserve	
Centralist balance as at 31 Dec 2020	340,037
BMM balance as at 31 Dec 2020	-
Pro-forma adjustments:	
Acquisition of Centralist, consolidation accounting	(340,037)
Total capital contribution reserve	**-**
Total reserves	**300,230**

	Pro-forma balance 31 Dec 2020 $
(c) Accumulated losses	**(1,234,383)**
Centralist balance as at 31 Dec 2020	(1,191,678)
BMM balance as at 31 Dec 2020	-
Pro-forma adjustments:	
Expenses of the Public Offer	(156,670)
Repayment of Jadar loan	(277,483)
Issue of incentive Options	(300,230)
Issue of incentive Performance Rights	-
Advisor expense	(500,000)
Acquisition of Centralist, consolidation accounting	1,191,678
Total	**(1,234,383)**

Note 7: Related Parties

Refer to Section 8.3 of the Prospectus for the details regarding Board Interests.

7 RISK FACTORS

7 RISK FACTORS

7.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks that have a direct influence on the Company, its Projects and activities are set out in Section 3. Those key risks as well as other risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 7, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. This Section 7 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 7, together with all other information contained in this Prospectus.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 7 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

7.2 Company specific risks

Risk Category	Risk
Limited history	The Company was only recently incorporated on 18 December 2020 and has only limited operating history and limited historical financial performance. Exploration (although limited) has previously been conducted by Jadar on one of the five exploration licences comprising the Projects, however, the Company is yet to conduct its own exploration activities and will not commence these activities until the Company has been admitted to the Official List. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its Projects, or continued exploration results when carrying out its proposed exploration activities at the Rekovac exploration licence (as achieved by Jadar). Until the Company is able to realise value from its Projects, it is likely to incur ongoing operating losses.

Risk Category	Risk
Exploration and operating risks	The mineral exploration licences comprising the Projects are at various early stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. The Projects are "greenfields" exploration project areas covering regions that are considered prospective for borates with associated lithium and other elements hosted by Neogene lacustrine sediments. There has been no mine production on any of the Project areas to date and no JORC Mineral Resources or Ore Reserves have been determined on any of the Project areas to date. The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that cost estimates and underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability. Further, even though Jadar has carried out some exploration works (including the drilling of two (2) exploration drill holes) on the Rekovac exploration licence, there can be no assurance that future exploration of the exploration licences comprising the Rekovac Project or exploration of the licences comprising the Dobrinja and Pranjani Projects, or any other mineral licences that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited. The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, changing government regulations and many other factors beyond the control of the Company. The success of the Company will also depend upon the Company being able to maintain title to the mineral exploration licences comprising the Projects and obtaining all required approvals for their contemplated activities. In addition, the success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital and movement in the price of commodities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Projects a reduction in the cash reserves of the Company and possible relinquishment of one or more of the mineral exploration licences comprising the Projects.

Risk Category	Risk
Tenure and renewal risk	**Tenure** The exploration licences comprising the Projects are subject to the applicable mining acts and regulations in Serbia. Accordingly, the Company is required to comply with Serbian land access laws, water rights acts, and environmental laws among others (as is the case for exploration projects located in Australia). Compliance with these laws and regulations requires consultation with the respective parties and government officials. There is a risk that for an unforeseen reason, the Company may not be granted the required licence, permit or consent to carry out the proposed works, which could lead to delays or changes to proposed work programs, thus having the ability to materially impact upon the Company's operations and financial circumstances. Under Serbian mining law, an exploration licence can be revoked upon the occurrence of specified events that are not remedied within prescribed periods. Such events include but are not limited to not conducting exploration activities in accordance with the approved programme, conducting exploration activities outside of the permit area, failing to submit annual reports, failing to undertake adequate rehabilitation works and failing to comply with occupational health and safety laws. Refer to the Solicitor's Report on Tenements contained in Annexure B for further details. The Company considers the likelihood of tenure forfeiture, delays or changes to work programs to be low given the laws and regulations governing exploration in Serbia, the ongoing expenditure budgeted for by the Company, the Company and its management's previous experience operating in Serbia (via current parent company, Jadar) and because Jadar has successfully been granted a first renewal of its Rekovac exploration licence (being, one of the licenses comprising the Rekovac Project). However, the consequence of forfeiture or involuntary surrender of granted tenements for reasons beyond the control of the Company could be significant. **Renewal** Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authorities in Serbia. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company. There is also no assurance that delays will not occur in connection with obtaining all necessary renewals of licences / permits from the existing operations, additional licences / permits for any possible future changes to operations, or additional permits associated with new legislation.
Processing and treatment	In the event lithium and borate deposits and associated elements are discovered on the Projects, possible future development of a mining operation at any of the projects is dependent on a number of factors, including the adoption of an economically viable method of processing and treating. There is a risk that the Company will have to develop its own processing technologies not protected by intellectual property rights. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

Risk Category	Risk
Operational risks	The operations of the Company may be affected by various factors, including: (a) failure to obtain consent to access the exploration areas; (b) failure to locate or identify mineral deposits; (c) failure to achieve predicted grades in exploration and mining; (d) operational and technical difficulties encountered in mining; (e) insufficient or unreliable infrastructure, such as power, water and transport; (f) difficulties in commissioning and operating plant and equipment; (g) mechanical failure or plant breakdown; (h) unanticipated metallurgical problems which may affect extraction costs; and (i) adverse weather conditions. In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected.
Climate risk	There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include: (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.
Metallurgy	Metal and/or mineral recoveries are dependent upon the metallurgical process, and by their nature contain elements of significant risk such as: (a) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate; (b) developing an economic process route to produce a metal and/or concentrate; and (c) changes in mineralogy in the deposit can result in inconsistent metal/mineral recovery, affecting the economic viability of the project.

Risk Category	Risk
COVID-19 risk	The outbreak of the coronavirus disease (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. The COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access and the Company's ability to freely move people and equipment to and from exploration projects and may cause delays or cost increases. The effects of COVID -19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders. The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. If any of these impacts appear material prior to close of the Public Offer, the Company will notify investors under a supplementary prospectus.
Enforcing liabilities against assets outside of Australia may be difficult	The Company's Projects are located in Serbia. As a result, it may be difficult to enforce judgments obtained in Australian courts against those assets. In addition, there is uncertainty as to whether the courts of Serbia or any other jurisdictions in which the Company operates would recognise or enforce judgments of Australian courts obtained against the Company based on provisions of the laws of Australia. Furthermore, because the majority of the Company's assets are or will be located outside Australia, it may also be difficult to access those assets to satisfy an award entered against the Company in Australia. As a result of all of the above, Shareholders may have more difficulty in protecting their interests in the face of actions taken by management, the Board or controlling Shareholders than they would as shareholders of a company with assets in Australia.

7.3 Industry specific risks

Risk Category	Risk
Exploration costs	The exploration costs of the Company as summarised in Section 5.4 and in the Independent Technical Assessment Report in Annexure A are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely impact the Company's viability.
Resource and reserves and exploration targets	The Company has identified a number of targets based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. Insufficient data however, exists to provide certainty over the extent of the mineralisation. Whilst the Company intends to undertake additional exploratory work with the aim of defining a mineral resource, no assurances can be given that additional exploration will result in the determination of a mineral resource on any of the exploration targets identified. Even if a mineral resource is identified no assurance can be provided that this can be economically extracted. Ore Reserve and Mineral Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature Mineral Resource and Ore Reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.
Grant of future authorisations to explore and mine	If the Company discovers an economically viable mineral deposit that is then intends to develop, it will, among other things, require various approvals, licence and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licenses and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.
Mine development	Possible future development of mining operations at the Projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. If the Company commences production on one of the Projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fire, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development of the Projects. The risks associated with the development of a mine will be considered in full should the Projects reach that stage and will be managed with ongoing consideration of stakeholder interests.

Risk Category	Risk
Environmental	The operations and proposed activities of the Company are subject to Serbian laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations. The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities
Regulatory Compliance	The Company's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, cultural heritage, taxation, employee relations, worker health and safety, waste disposal, protection of the environment, and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities. While the Company believes that it is in substantial compliance with all material current laws and regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company's current operations or planned development projects. Obtaining necessary permits can be a time-consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the exploration licences comprising the Projects.

7.4 General risks

Risk Category	Risk
Additional requirements for capital	The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Public Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.
Reliance on key personnel	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment. The Company may not be able to replace its senior management or key personnel with persons of equivalent expertise and experience within a reasonable period of time or at all and the Company may incur additional expenses to recruit, train and retain personnel. Loss of such personnel may also have an adverse effect on the performance of the Company.
Economic	General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. If activities cannot be funded, there is a risk that the Projects may have to be surrendered or not renewed. General economic conditions may also affect the value of the Company and its valuation regardless of its actual performance.
Competition risk	The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business. It is reasonable to assume that another Serbian lithium borate mineral producer could impede a new entrant as a competitor for qualified people, services and materials. Market share is determined by individually priced sales, so a competitor's advantage is based on its ability to produce a saleable product at the lowest possible cost.

Risk Category	Risk
Currently no market	There is currently no public market for the Company's Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares will develop or continue after the Public Offer. The price at which the Company's Shares trade on ASX after listing may be higher or lower than the issue price of Shares offered under this Prospectus and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors. There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase. There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.
Market conditions	Share market conditions may affect the value of the Company's Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: • general economic outlook; • introduction of tax reform or other new legislation; • interest rates and inflation rates; • changes in investor sentiment toward particular market sectors; • the demand for, and supply of, capital; and • terrorism or other hostilities. The market price of Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company. Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the Shares regardless of the Company's performance. Further, after the end of the relevant escrow periods affecting Securities in the Company, a significant sale of then tradeable Shares (or the market perception that such a sale might occur) could have an adverse effect on the Company's Share price. Please refer to Section 5.8 for further details on the Securities likely to be classified by the ASX as restricted securities.

Risk Category	Risk
Commodity price volatility and exchange rate risks	If the Company achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors. Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Australian, Serbian and European currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar, the Australian dollar, the Serbian dinar and the European euro as determined in international markets.
Government policy changes	Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Serbia and the broader Balkan region may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.
Insurance	There are significant exploration and operating risks associated with exploring for lithium and borates, including adverse weather conditions, environmental risks and fire, all of which can result in injury to persons and damage to or destruction of the extraction plant, equipment, production facilities and other property. Whilst the Company has not presently obtained insurance in respect of its operations, the Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.
Force Majeure	The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.
Taxation	The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.
Litigation Risks	The Company is exposed to possible litigation risks including tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, reputation, financial performance and financial position. The Company is not currently engaged in any litigation.

7.5 Investment speculative

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

8

BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

8

BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

8.1 Directors and key personnel

The Board of the Company consists of:

(a) **Mr Sean Murray (B.A (Hons) and M.A (Economics and Business Management))** – Proposed Non-Executive Chairman

Mr Sean Murray has an Honours degree in modern languages and a post graduate Master's degree in Business Management and Economics from the Manchester Business School, part of the University of Manchester Institute of Science and Technology, in the United Kingdom. Mr Murray has more than 40 years' experience worldwide in the chemicals and mining industries, including non-ferrous metals and minerals and industrial minerals. His successful executive management career includes senior roles with Australian Mining and Smelting (CRA), Pasminco Europe and Pasminco Inc and Rio Tinto plc where he became Managing Director of Borax Europe and then Deputy Chief Executive, Rio Tinto Borax in the 1990s and early 2000s.

Mr Murray has also served on the boards of Rio Tinto operating companies either as president or as an executive director in the USA (California), Argentina, France, Germany, Holland, Spain and Italy. He has been a Vice-President of the European Zinc Institute (The Hague), and an Industry Advisor on non-ferrous metals and minerals to the UK government at the International Lead Zinc Study Group, (United Nations). He was a Vice-President of the Industrial Minerals Association and President of the European Borates Association in Brussels where he became involved in Public Relations and Sustainable Development.

Since 2005, Mr Murray has provided consulting services on marketing, planning and strategy to the industrial minerals sector in Europe, Australia and the Americas and has held non-executive directorships on the boards of AIM and ASX listed copper, gold, tungsten, potash and fluorspar companies including, Fluormin plc (formerly LSE:FLOR and Potash Minerals Ltd (formerly (ASX:POK)). He was a senior partner in a New York based LLP developing minerals businesses in the former Soviet Union. Mr Murray is fluent in a number of European languages including German and Spanish.

Mr Murray has British and Irish citizenship and lives in Surrey in the United Kingdom.

The Board considers that Mr Murray will be an independent Director.

(b) **Mr Ross Cotton** – Managing Director

Mr Ross Cotton has over 15 years of experience in the securities and mining industries and has been instrumental in both the financing and management of mining and resource companies globally.

Mr Cottons' experience in investment banking and equity capital markets has provided him with detailed experience in corporate transaction management and execution. In these roles, Mr Cotton has been integral in the recapitalisation and restructuring of companies, including managing of initial public offerings and reverse takeovers. In addition to a number of managerial roles with ASX listed companies, Mr Cotton has also provided corporate advisory services to listed companies on strategy, acquisitions as well as financing via both debt and equity for a number of years.

Mr Cotton currently manages a private mining strategy and finance consulting business and utilises his networks established in investment banking, mining and management to provide solutions for the effective implementation of business strategies and management solutions.

The Board does not consider that Mr Cotton is an independent Director.

(c) **Mr Luke Martino (FCA, Bcom, UWA)** – Non-Executive Director and Chair of Audit and Risk Committee

Mr Luke Martino is a Fellow of the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors, having worked for over 30 years with major accounting firms, where he held senior leadership positions and Board memberships including Lead Partner of Deloitte's Growth Solutions practice in Perth until 2007 when he left to establish boutique corporate advisory and accounting firm, Indian Ocean Advisory Group.

Mr Martino has extensive experience in mining and resources, property and hospitality industries and is a specialist in corporate and growth consulting.

Mr Martino currently acts as a Chairman of Jadar Resources Limited (ASX: JDR) and is also Executive Director of Indian Ocean Consulting Group Pty Ltd. Mr Martino's previous roles have included acting as Non-Executive Director of Skin Elements Ltd (ASX: SKN), Pan Asia Corporation Limited (ASX: PZC), Non-Executive Chairman and Director of Central Asia Resources Limited (ASX: CVR) and former Company Secretary of Blackgold International Holdings Limited (ASX: BGG).

The Board does not consider that Mr Martino is an independent Director.

(d) **Mr Milos Bosnjakovic (LLB & Registered Building Certification)** – Proposed Non-Executive Director

Mr Milos Bosnjakovic is a lawyer by profession with strong links and experience in the Balkan countries of the former Yugoslavia Republics, Australia and New Zealand. He has been involved in the resources industry in Australia and the Balkans for almost 20 years and has considerable corporate experience within the industry.

Mr Bosnjakovic is a dual national of Australia and Bosnia and Herzegovina and was also the co-founder of ASX-listed Sultan Corporation Limited which became Balamara Resources Limited, which held the Monty Zinc Project in Montenegro. Milos was co-founder of ASX-listed Adriatic Metals PLC (ASX: ADT) and his previous roles have also included acting as Non-Executive Director and Country Manager of Adriatic Metals PLC.

The Board considers that Mr Bosnjakovic will be an independent Director.

(e) **Mr Adrian Paul (Bcom)** – Non-Executive Director

Mr Adrian Paul has over 30 years of experience in the securities industry and was previously a partner in the Australian stockbroking firm D.J. Carmichael & Co. Mr Paul has held various non-executive directorships of public companies listed on ASX such as Chrysalis Resources Limited.

Mr Paul currently acts a Managing Director of Jadar Resources Limited (ASX: JDR) and manages a private investment company and utilises his extensive networks established in stockbroking and investment banking.

The Board considers that Mr Paul is an independent Director. However, notes that Mr Paul will resign as a Director upon the listing of the Company.

8.2 Key management

Mr Dejan Jovanovic – General Manager, Exploration

Mr Jovanovic is a geologist with over 14 years of experience in managing complex geological projects focusing on exploration and development.

Mr Jovanovic has held numerous positions throughout his career including notable roles with Rio Tinto (Serbia) where he worked on Rio Tinto's jadar lithium-borate deposit, senior exploration roles with Lithium Li Ltd and Pan Global Resources Inc. serving as a key leadership capacity for exploration programs in the Balkans. Mr Jovanovic has also acted as a consulting geologist to various clients including European Lithium and he has extensive experience working with a variety of mineral commodities including lithium, borates, gold, cobalt, nickel and rare earths. Currently, Mr Jovanovic is General Manager Exploration Serbia for Jadar Resources

Limited (ASX:JDR) having been appointed in October 2019.

Mr Jovanovic holds a Master of Science in geology from the University of Belgrade, and a member of the EurGeol Professional Geologist (CP), and a Serbian State Certified Professional Geologist (QP).

The Company is aware of the need to have sufficient management to properly supervise its operations and the Company has, or will in the future have, an interest and the Board will continually monitor the management roles in the Company. As the Company's Projects require an increased level of involvement the Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Projects.

8.3 Disclosure of interests

Remuneration

Given the Company was incorporated on 18 December 2020, the Directors did not receive any remuneration for the financial year ended 30 June 2020.

The remuneration the Directors and Proposed Directors will receive following admission of the Company to the ASX is set out in the table below.

Name	Remuneration for the year ended 30 June 2020[1]	Remuneration for the year ending 30 June 2021[2]	Remuneration for the year ending 30 June 2022
Mr Sean Murray[3]	Nil	$5,375	$64,500
Mr Ross Cotton	Nil	$20,000	$240,000
Mr Luke Martino	Nil	$4,117	$50,000[4]
Mr Milos Bosnjakovic	Nil	$4,117	$50,000
Mr Adrian Paul[5]	Nil	Nil	Nil

Notes:

1. The Company was incorporated on 18 December 2020.
2. Includes per annum base salary or directors' fees (as applicable), pro-rated for one month (assuming an admission date of 1 June 2021) to 30 June 2021.
3. Per annum base salary £36,000, assumed exchange rate AUD:GPBP of 1:0.5581.
4. The Company notes that in addition to the fees Mr Luke Martino will receive for services provided as Non-Executive Director of the Company (being, $50,000), Indian Ocean Consulting Group Pty Ltd (ACN 609 873 207) (**Indian Ocean**) (an entity of which Director, Mr Luke Martino, is also a director and shareholder) will receive additional fees for administrative and secretarial services provided to the Company on standard arm's length commercial terms. Refer to Sections 9.3.4 and 9.3.5 of this Prospectus for further detail regarding the fees payable to Indian Ocean for such services.
5. Mr Paul will resign upon the Company's admission to Official Quotation.

Interests in Securities

None of the Directors and Proposed Directors hold any securities in the Company as at the date of this Prospectus.

Following completion of the Offers (assuming Full Subscription), the Directors and Proposed Directors will hold securities in the Company as set out in the able below.

Name	Shares	Options	Performance Rights	Percentage (%) (Undiluted)	Percentage (%) (Fully Diluted)
Mr Sean Murray	Nil	500,000	Nil	0%	1.0%
Mr Ross Cotton	Nil	1,750,000	1,800,000	0%	7.0%
Mr Luke Martino	Nil	500,000	Nil	0%	1.0%
Mr Milos Bosnjakovic	Nil	500,000	Nil	0%	1.0%
Mr Adrian Paul	Nil[1]	Nil	Nil	0%	0%

Notes:

1. Sunshore Holdings Pty Ltd (ACN 085 692 468) (an entity controlled by Mr Paul) intends to subscribe for $200,000 of Shares under the Public Offer

The Company's constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors is $500,000 per annum although may be varied by ordinary resolution of the Shareholders in general meeting.

The remuneration of any executive director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee.

8.4 Agreements with Directors and related parties

The Company's policy in respect of related party arrangements is:

(a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and

(b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The agreements between the Company and related parties are summarised in Sections 9.3.

8.5 Corporate governance

(a) **ASX Corporate Governance Council Principles and Recommendations**

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (4th Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website www.balkanmin.com.

(b) **Board of Directors**

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

(i) maintain and increase Shareholder value;

(ii) ensure a prudential and ethical basis for the Company's conduct and activities consistent with the Company's stated values; and

(iii) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board, with the assistance of its committees, assumes the following responsibilities:

(i) leading and setting the strategic direction, values and objectives of the Company;

(ii) appointing the Chairman of the Board, Managing Director or Chief Executive Officer and approving the appointment of senior executives and the Company Secretary;

(iii) overseeing the implementation of the Company's strategic objectives, values, code of conduct and performance generally;

(iv) approving operating budgets, major capital expenditure and significant acquisitions and divestitures;

(v) overseeing the integrity of the Company's accounting and corporate reporting systems, including any external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);

(vi) establishing procedures for verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor, to ensure that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions;

(vii) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;

(viii) reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and

(ix) approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

(c) **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting, subject to the following:

(i) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and

(ii) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives and values of the Company as well as to deal with new and emerging business and governance issues.

The Board currently consists of three Directors (two non-executive Directors and one executive Director). As at listing, the Board will consist of four Directors (three non-executive Directors and one executive Director)

of whom Mr Sean Murray and Milos Bosnjakovic are considered independent).

The Board considers the current balance of skills and expertise to be appropriate given the Company for its currently planned level of activity.

To assist in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board intends to maintain a Board Skills Matrix to ensure that the Board has the skills to discharge its obligations effectively and to add value.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director or senior executive.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors, which is tailored to their existing skills, knowledge and experience. The purpose of this program is to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity, and to enable new directors to gain an understanding of the Company's policies and procedures.

The Board maintains oversight and responsibility for the Company's continual monitoring of its diversity practices. The Company's Diversity and Inclusion Policy provides a framework for the Company to achieve enhanced recruitment practices whereby the best person for the job is employed, which requires the consideration of a broad and diverse pool of talent.

(d) **Identification and management of risk**

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(e) **Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards and to conducting all of the Company's business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations. In particular, the Company and the Board are committed to preventing any form of bribery or corruption and to upholding all laws relevant to these issues as set out in in the Company's Anti-Bribery and Anti-Corruption Policy. In addition, the Company encourages reporting of actual and suspected violations of the Company's Code of Conduct or other instances of illegal, unethical or improper conduct. The Company and the Board provide effective protection from victimisation or dismissal to those reporting such conduct as set out in its Whistleblower Protection Policy.

(f) **Independent professional advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(g) **Remuneration arrangements**

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

In accordance with the Constitution, the total maximum remuneration of non-executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed $500,000 per annum.

In addition, a Director may be paid fees or other amounts for example, and subject to any necessary Shareholder approval, non-cash performance incentives such as Options or Performance Rights) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having regard to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(h) **Securities trading policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its employees. The policy generally provides that, the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading by the Company's key management personnel (**KMP**). The policy also stipulates closed periods during which KMP are prohibited from trading in the Company's securities, except in exceptional circumstances as set out in the policy.

(i) **External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company. From time to time, the Board will, with the assistance of the Company's Audit and Risk Committee review the scope, performance and fees of those external auditors.

(j) **Board committees**

The Board has established three committees to facilitate and assist the Board in fulfilling its responsibilities. The Board may also establish other committees from time-to-time to assist in the discharge of its responsibilities.

Each committee has the responsibilities described in the relevant committee charter adopted by the Company (which have been prepared having regard to the ASX Corporate Governance Principles). A copy of the charters for the committees is available on the Company's website at www.balkanmin.com.

Audit and risk committee

At listing, the Company will have a separate audit and risk committee which will carry out the following duties (amongst others):

(i) monitoring and reviewing any matters of significance affecting financial reporting and compliance;

(ii) verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor;

(iii) monitoring and reviewing the Company's financial control system, risk management systems; and

(iv) management of the Company's relationships with external auditors.

Nomination committee

At listing, the Company will have a separate nomination committee which will carry out the following duties (amongst others):

(i) assisting the Board in examining the selection and appointment practices of the Company;

(ii) ensuring the Board is of an effective composition, size and commitment to adequately discharge its responsibilities and duties;

(iii) undertake appropriate checks before appointing a Director or senior executive;

(iv) ensure that shareholders are provided with information relevant to a decision on whether or not to elect or re-elect a Director;

(v) reviewing Board succession plans and Board renewal;

(vi) reviewing the processes for evaluating the performance of the Board, its committees and individual Directors; and

(vii) prepare and maintain a Board skills matrix setting out the measurable mix of skills and diversity of the Board to ensure the Board has the skills to discharge its obligations effectively and to ensure the Board has the ability to deal with new and emerging business and governance issues.;

Remuneration committee

At listing, the Company will have a separate remuneration committee which will carry out the following duties (amongst others):

(i) review and approve the Company's recruitment, retention and termination policies and procedures for executive directors and senior executives to enable the Company to attract and retain executives and Directors who can create value for shareholders;

(ii) monitor the on-going appropriateness and relevance of the executive remuneration policy with the aim of ensuring that remuneration policies fairly and responsibly reward executives having regard to the performance of the Company; and

(iii) review and approve the design and implementation of any executive and employee incentive plans;

(iv) monitoring and reviewing any matters of significance affecting the Company's remuneration policies.

(k) **Diversity and inclusion policy**

The Company is committed to workplace diversity. The Company is committed to inclusion at all levels of the organisation, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience.

The Board has adopted a diversity and inclusion policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

(l) **Departures from Recommendations**

Under the ASX Listing Rules, the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's compliance and departures from the Recommendations will also be announced prior to admission to the Official List of the ASX.

9 MATERIAL CONTRACTS

9 MATERIAL CONTRACTS

Set out below is a brief summary of the certain contracts to which the Company is a party and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Securities.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

9.1 Capital raising agreements

9.1.1 Subscription and Collaboration Agreement – Sandfire Resources Limited

The Company, Jadar and Sandfire Resources Limited (ACN 105 154 185) (**Sandfire**) have entered into a subscription and collaboration agreement (**Subscription Agreement**) pursuant to which Sandfire has agreed to subscribe for, and the Company has agreed to issue, 10,000,000 Shares under the Public Offer (which constitutes approximately a 22% interest in the Company) (the **Subscription**) on the following terms and conditions:

Subscription	Subject to the terms and conditions of the Subscription Agreement, the Company must issue Sandfire 10,000,000 Shares (**Subscription Shares**) for an aggregate amount of $2,000,000 (**Subscription Amount**), free of any security interest and otherwise pursuant to the terms and conditions of the Public Offer.
Completion	Completion will take place on the date Shares are issued under the Public Offer (**Completion**). At Completion and subject to receipt of the Subscription Amount in cleared funds and completion of the Public Offer, the Company must: (a) issue to Sandfire 10,000,000 Shares at a price of $0.20 per Share; and (b) register the Shares in the Company's register of members in the name of Sandfire, free from any third-party or security interest.
Conditions Precedent	The Subscription and issue of Shares to Sandfire is subject to satisfaction (or waiver) of the following outstanding conditions on or before 31 July 2021: (a) no material adverse change to the Company occurring; (b) the form and content of the Prospectus (as it relates to Sandfire, the Projects and use of funds raised from the Public Offer) is acceptable to Sandfire acting reasonably; (c) the Company receiving valid applications in an amount, when aggregated with the Subscription Amount, exceeds the minimum subscription of the Public Offer; and (d) the Company being granted conditional admission to the official list of the ASX prior to 30 June 2021.
Demerger	Jadar and the Company must take all reasonable steps to implement and complete the Demerger by 13 July 2021 (unless otherwise agreed between the parties).

Termination	Sandfire may terminate this agreement without liability at any time before Completion by notice in writing to Jadar and the Company if: (a) the Company is unable to issue or allot the Subscription Shares on the Completion Date due to court or government authority order; (b) Jadar or the Company commits a material breach of the Subscription Agreement; (c) at any time following execution of the Subscription Agreement the S&P / ASX200 Index falls 15% or more below its level at the close of business on the last trading day immediately prior to the date of the Subscription Agreement; and (d) Completion has not occurred prior to 31 July 2021.
Technical Advisory Committee	(a) Following Completion, the Company and Sandfire will form a technical committee (**Technical Advisory Committee**) for the purpose of jointly collaborating in connection with the Company's assets and operations and sharing information to identify the best options to advance those assets and operations. (b) The Technical Advisory Committee will consist of four members in total (including up to two representatives of Sandfire provided that Sandfire has voting power of at least 10% in the Company).

The Subscription Agreement contains such other terms considered standard for an agreement of its nature (including Company and Jadar undertakings, representations and warranties and confidentiality provisions).

9.1.2 Lead Manager Mandate – Sixty Two Capital

The Company has entered into a mandate (**Lead Manager Mandate**) with Sixty Two Capital Pty Ltd (ACN 611 480 169) (**Sixty Two Capital**) pursuant to which Sixty Two Capital has agreed to act as Lead Manager for the Public Offer on the following terms and conditions:

Services	Sixty Two Capital will provide the Company with the following services under the Lead Manager Mandate: (a) providing advice as to the appropriate timing, pricing and structuring of the Public Offer; (b) in conjunction with the Company's professional advisers, assisting with dealings with ASIC and ASX in relation to the Public Offer; (c) assisting the Company with its due diligence process in respect of the Public Offer; (d) assisting and providing input on the framework and content of the Prospectus; (e) liaising as reasonably necessary with the Company's legal, accounting, taxation and other regulatory advisers; (f) determining the allocation policy in connection with the Public Offer and co-ordinating the allocation process; (g) assisting in preparation of investor presentation materials and the marketing of the Public Offer; (h) holding and maintaining all necessary licences and authorisations, including an AFSL, necessary for the Lead Manager to conduct the Mandate; (i) conducting detailed internal sales briefings; (j) organising pre-Prospectus lodgement investor roadshow presentations; (k) assisting in the Public Offer application process and other administration aspects; (l) providing strategic market advice as required during the Public Offer; and (m) providing such other assistance to the Company in connection to the Public Offer as agreed in writing from time to time.

Reasonable efforts	(a) Sixty Two Capital agrees that it will use reasonable efforts to find investors to participate in the Public Offer and sufficient investors to satisfy the spread requirements under the ASX Listing Rules. (b) Sixty Two Capital will not be liable to the Company, and the Company agrees not to seek any recourse against Sixty Two Capital, in the event that its endeavours are unsuccessful and the Lead Manager Mandate or Public Offer do not proceed or successfully complete.
Fees	(a) In consideration for performing the services under the Lead Manager Mandate, the Company will pay to Sixty Two Capital a capital raising fee of 6.0% of the gross amount raised under the Public Offer excluding the amounts raised by ARQ Capital (**Capital Raising Fee**). (b) The Capital Raising Fee is to be paid on completion of the Public Offer. (c) Sixty Two Capital will determine the amount of, and will be responsible for paying, any fees to be paid to other participating brokers.
Expenses	The Company will reimburse Sixty Two Capital for all reasonable expenses incurred in the provision of the services, subject to the prior written consent of the Company being obtained for expenses in excess of $2,000.
Break Fee	If the Company terminates this Lead Manager Mandate as a result of entering into an agreement with an alternative lead manager or enters into an agreement with an alternative lead manager within 60 days of terminating this Mandate, the Company must pay Sixty Two Capital a break fee of $100,000
Termination	The Lead Manager Mandate may be terminated by Sixty Two Capital or the Company by written notice without cause upon 7 days' written notice to the other party.

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.1.3 Co-Lead Manager Mandate – ARQ Capital

The Company has entered into a co-lead manager mandate (**Co-Lead Manager Mandate**) with ARQ Capital Pty Ltd (ACN 135 397 796) (**ARQ Capital**) pursuant to which ARQ Capital has been engaged to act as Co-Lead Manager and provide services as Co-Lead Manager in respect of the Public Offer on the following terms and conditions:

Term	(a) The term of the Co-Lead Manager Mandate is 6 months commencing on 28 April 2021. (b) The term of the Co-Lead Manager Mandate may be further extended by mutual agreement of the parties in writing.

Scope	(a) ARQ Capital will co-lead manage the Public Offer and settlement processes on a best endeavour's basis. (a) The work that ARQ Capital will undertake in consultation with and as instructed by the Company from time to time will comprise: (i) providing advice as to the appropriate timing, pricing and structuring of the Public Offer; (ii) assisting with dealings with ASIC and ASX in relation to the Public Offer; (iii) assisting the Company with its due diligence process; (iv) assisting and providing input on the framework and content of the Prospectus; (v) liaising as reasonably necessary with the company's legal, accounting, taxation and other regulatory advisers; (vi) subject to the satisfaction of the company's spread requirements under the ASX Listing Rules, determining the allocation policy in connection with the Public Offer and co-ordinating the allocation process; (vii) assisting in preparation of investor presentation materials and the marketing of the Public Offer; (viii) holding and maintaining all necessary licences and authorisations, including an AFSL, necessary for the Co-Lead Manager to conduct the agreement; (ix) conducting detailed internal sales briefings; (x) organising pre-prospectus lodgement investor roadshow presentations; (xi) assisting in the Public Offer application process; (xii) providing strategic market advice; and (xiii) providing such other assistance to the Company as agreed in writing from time to time. (b) ARQ Capital agrees that it will use reasonable efforts to find investors to participate in the Public Offer and sufficient investors to satisfy the spread requirements under the ASX Listing Rules. (c) ARQ Capital does not and will not give tax, legal, regulatory, accounting or other specialist or technical advice or services and the Company should obtain its own advice on these matters. (d) ARQ Capital will not be liable to the Company in the event that its endeavours are unsuccessful or the Public Offer does not proceed.
Fees	(a) The Company agrees to pay to ARQ Capital 6% of the gross proceeds under the Public Offer for funds raised by ARQ Capital, excluding funds raised by Sixty Two Capital. (b) ARQ Capital shall pay advisor handling fees to any third party for funds raised under the Co-Lead Manager Mandate within 14 days of receiving fees from the Company.
Expenses	The Company will reimburse ARQ Capital for all reasonable expenses incurred in the provision of the services, subject to the prior written consent of the Company being obtained for a single expense exceeding $500 or aggregate expenses exceeding $1,500.

Termination	(a) Either party may terminate ARQ Capital's role upon giving one month's written notice. (b) Upon termination by the Company, ARQ Capital may retain: (i) the ARQ Capital Fees; and (ii) if the Company or related body corporate of the Company within a period of 6 months following termination reaches financial close on a capital raising or similar transaction contemplated by this Agreement, then ARQ Capital will be entitled to the Co-Lead Manager Fee.

The Co-Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.1.4 Corporate Advisory Mandate – Clayton Capital

The Company has entered into a mandate with Clayton Capital Pty Ltd (**Clayton Capital**) (**Corporate Advisory Mandate**) pursuant to which Clayton Capital has agreed to act as corporate adviser to the Company in relation to the Demerger and Public Offer (**Transaction**) on the following terms and conditions:

Services	Clayton Capital will provide the Company with the following services under the Corporate Advisory Mandate: (a) co-ordinate and manage the Transaction together with the Company and its third party advisors; (b) assist in the due diligence process (including participation in working group and due diligence committee meetings) as required in relation to the Transaction; (c) assist in the preparation and review of the Prospectus; (d) provide advice in relation to the capital structure, Public Offer structure, allocation policy, board structure and composition, escrow, vendor ownership levels and employee incentive plans; (e) prepare a detailed timetable in relation to the Transaction; (f) provide other advice to the Company in relation to the Transaction from time to time; and (g) assist in determining the size, structuring and pricing of the Offer, the preparation of presentation materials, obtaining the required Shareholder spread and free float, and managing potential investors.
Fees	In consideration for performing the services under the Corporate Advisory Mandate, the Company will pay Clayton Capital an advisory fee of $500,000, which will be satisfied via an issue of Shares at a deemed issue price equal to the price at which Shares are offered under the Offer (being, 2,500,000 Shares) (**Advisory Shares**).
Expenses	The Company will reimburse Clayton Capital for all reasonable expenses incurred in the provision of the services, subject to the prior written consent of the Company being obtained for expenses in excess of $2,000.

The Corporate Advisory Mandate contains such other terms considered standard for an agreement of its nature (including Company undertakings).

9.2 Finance Agreement

9.2.1 Intercompany Facility Agreement – Jadar Resources Limited

The Company has entered into an intercompany facility agreement (**Facility Agreement**) with Jadar pursuant to which Jadar has agreed to lend a facility of up to $300,000 to the Company (**Facility**) on the following terms and conditions:

Facility	(a) Jadar agreed to lend to Company the Facility of up to $300,000 to the Company, of which approximately $277,000 has been drawn as at the date of the Prospectus. (b) Jadar shall provide advances under the Facility to the Company (**Advances**) in multiple draw downs on each date agreed to between the parties (**Draw Date**). (c) The Company must apply the Advances towards the Public Offer and listing (or as otherwise agreed between the Company and Jadar).
Interest	(a) Interest on the Advances will accrue daily from either: (i) each Draw Date; or (ii) the date the fees are deemed to have accrued, and will be calculated on daily balances of a 365 day year and on the amount outstanding under the Facility at an interest rate mutually agreed between the parties of 10.00%. (b) Interest is payable quarterly in arrears.
Repayment	(a) The Outstanding Monies shall be repaid in whole or part (at the election of Jadar) by the Company to Jadar on a date to be agreed in writing between the parties. (b) Subject to (c) below, if any of the following occur: (i) the sale of all or substantially all the assets of the Company; (ii) any merger, consolidation or acquisition of the Company with another corporation, entity or person; (iii) or any change in the ownership of more than twenty-five percent (25%) of the voting capital stock of the Company in one or more related transactions, (**Change of Control**), the Outstanding Monies shall be immediately (and fully) repaid by the Company to Jadar prior to completion of the Change of Control. (c) The Company and Jadar have agreed that in the event that a Change of Control occurs as a result of completion of the Public Offer, the payment obligations referred to under (b) will be deferred until the Company's admission to the Official List.
Services	(a) Each party (the **Providing Party**) has agreed to provide the other party (the **Recipient Party**) with operational services and support, including management, financial, taxation and administrative services on an ongoing basis. (b) The Recipient Party will pay the Providing Party a fee equal to all expenses, direct and indirect, on cost-recovery basis without the application of overhead costs or profits. (c) The parties have agreed that: (i) fees accrued in respect of services provided by Jadar will be Advances and shall be repayable under the Facility Agreement; and (ii) fees accrued in respect of services provided by the Company will reduce the quantum of Outstanding Monies by the amount equal to the accrued fees.
No security	The Facility is unsecured and, in the event of insolvency, Jadar shall rank as an unsecured creditor of the Company.

The Facility Agreement otherwise contains provisions considered standard for an agreement of its nature (including assignment and variation provisions).

9.3 Agreements with Directors, management and related parties

9.3.1 Consultancy Services Agreement – Ross Cotton

The Company has entered into a consultancy agreement (**Consultancy Agreement** or **Agreement**) with Skyflake Investments Pty Ltd ATF Skyflake Trust (**Consultant**) and Mr Ross Cotton under which Ross Cotton has been appointed as Managing Director of the Company and has agreed to perform services as Managing Director on behalf of the Consultant. The material terms and conditions of the Consultancy Agreement are as follows:

Commencement	The engagement of Ross Cotton pursuant to the Consultancy Agreement commences on 18 December 2020 and will continue until the earlier of: (a) 18 December 2022; or (b) the date the Consultancy Agreement is validly terminated in accordance with its terms.
Services	The parties agree that the Consultant and Ross Cotton will provide the service of managing and performing the business of the Company (and its related bodies corporate) including, without limitation: (a) implementing the strategic duties of the CEO, tactical plans and managing operational functions delivering to achieve the Company's goals and outcomes in accordance with the requirements of any budget or business plan agreed by the Company's board of directors; and (b) formulating strategies to promote and improve the financial performance of the Company. (together, the **Services**).
Fee	The Company will pay the Consultant a fee of $20,000 per month (exclusive of GST) (**Fee**) for providing the Services commencing on and from the date the Company is admitted to the Official List.
Incentives	The Company has agreed to issue the Consultant (or its nominee) the following securities as a sign-on bonus and an incentive component of the remuneration payable under the Consultancy Agreement: (a) 1,750,000 Options exercisable at $0.50 each, on or before the date that is three years from the date of issue of the Options (refer to Section 10.3 for the full terms and conditions); and (b) 1,800,000 Performance Rights, comprising: (i) 600,000 Class A Performance Rights; (ii) 600,000 Class B Performance Rights; and (iii) 600,000 Class C Performance Rights, on the terms set out in Section 10.4.1.

Termination by Company	(a) The Company may terminate the Consultancy Agreement: (i) if the Consultant goes into liquidation, makes an arrangement with creditors or takes advantage of any statute for the relief of insolvent debtors; (ii) if the Consultant or Ross Cotton is convicted of a major criminal offence, commits a breach of the provisions of the Consultancy Agreement that is not remedied, is absent or incompetent with regard to the performance of duties under the Consultancy Agreement, is guilty of grave misconduct or is of unsound mind; or (iii) by giving written notice to the Consultant. (b) Where the Company terminates the Agreement within 2 years of the 18 December 2020, and: (i) the Agreement is terminated in accordance with (a)(i) or (a)(iii) above, all Performance Rights issued to the Consultant will automatically vest and all Options issued to the Consultant that have not already been exercised will continue to be held and be exercisable by the Consultant; or (ii) the Consultancy Agreement is terminated in accordance with (a)(ii) above, all Performance Rights and Options issued to the Consultant (which have not been converted or exercised into Shares) will automatically lapse.
Termination by Consultant	(a) The Consultant may terminate the Consultancy Agreement: (i) without cause by giving the Company 6 months' notice that the termination is effective at the end of the 6-month notice period, unless the Company elects to pay the Consultant the equivalent of the Fee that would overwise have been payable to the Consultant during that period and terminate the Agreement immediately; or (ii) within one month of a material reduction in the Fee or a material diminution in the responsibilities or powers assigned to the Consultant or Ross Cotton (**Material Change**) by giving notice to the Company that termination is effective immediately. The Company must pay to the Consultant the equivalent of the Fee that would otherwise be payable to the Consultant at the date of termination by the Consultant if the agreement had not been terminated due to the Material Change. (b) Where the Consultant terminates the Agreement within 2 years of 18 December 2020, all Performance Rights and Options (which have not converted or been exercised into Shares) will automatically lapse.

The Consultancy Agreement contains such other terms and conditions as are considered standard for agreement of this nature (including representations and warranties).

9.3.2 Engagement Letter for Non-Executive Director Services – Indian Ocean Consulting Group Pty Ltd

The Company has entered into a letter agreement (**IOC NED Mandate**) with Indian Ocean Consulting Group Pty Ltd (ACN 609 873 207) (**Indian Ocean**) (an entity of which Director, Mr Luke Martino is also a director and shareholder) under which Indian Ocean will provide non-executive director services to the Company on the following terms and conditions:

Director	Mr Luke Martino will act as a Non-Executive Director for the Company.
Scope of work	Indian Ocean's services under the IOC NED Mandate as performed by Luke Martino, will include the following: (a) acting as a Non-Executive Director for the Company; (b) providing assistance to the Company's Managing Director and Board with formulating strategies to promote and improve and in the financial performance of the Company; (c) attendance and preparation for meetings of directors and standard meetings of members; and (d) attendance to duties as Non-Executive Director.
Conflict of interest	(a) Luke Martino is aware of his obligations to notify all parties of a potential conflict and will continue to monitor this matter during the course of his engagement due to his appointment to the boards of Jadar and the Company. (b) Indian Ocean is not aware of any other existing conflict of interest and believes that it is free to act in the Company's best interests given the procedures and protocols which will be implemented. (c) Indian Ocean will not act for any other client during the course of the IOC NED Mandate if doing so raises the reasonable expectation that a conflict of duties may arise, without the Company's express approval. (d) If a conflict of interest arises as a result of a change in the scope of the IOC NED Mandate, Indian Ocean will advise the Company in writing within 7 days of the conflict arising. (e) Unless otherwise agreed, Indian Ocean's obligations in relation to conflict of interest will cease with completion or termination of the Martino NED Letter or, if the IOC NED Mandate is not formally terminated, 90 days after the last day significant work is formed under the IOC NED Mandate.
Fees and disbursements	(a) The fees payable to Indian Ocean under the IOC NED Mandate are $50,000 (excluding GST) per annum, commencing on and from the date the Company is admitted to the Official List and are reviewable annually and billed monthly. (b) Disbursements, where not paid directly by the Company, will also be billed monthly.
Authorisations	(a) Indian Ocean has the authority as corporate advisers to act on the Company's behalf in relation to all matters necessary or incidental to the IOC NED Mandate and to incur all reasonable expenses necessary for the proper conduct of the IOC NED Mandate. (b) Any expenses incurred by Indian Ocean in exercising under this authority are to the Company's account. Indian Ocean will obtain the Company's approval before incurring any unusual expenses (in excess of $2,000), other than in cases of urgency.
Termination	(a) The IOC NED Mandate automatically terminates upon Mr Martino ceasing to be a Director of the Company. (b) Any representation, warranty, indemnity, condition, undertaking or obligation under the IOC NED Mandate which is of a continuing nature or is not fully satisfied upon termination will endure in favour of the party to which it is given or owed and continue and remain in full force and effect.

The IOC NED Mandate contains such other terms considered standard for an agreement of its nature (including indemnities and warranties).

9.3.3 Employment Agreement – Dejan Jovanovic

The Company has entered into an employment agreement with Dejan Jovanovic (**Employment Agreement**) pursuant to which Mr Jovanovic will be employed as General Manager, Exploration on the following terms and conditions:

Term	(a) The Employment Agreement will commence on the day that the Company is admitted to the Official List of the ASX. (b) The Employment Agreement will continue for an initial term of three (3) months and may be extended by the parties. If the parties agree to extend the term beyond the initial term, the term of the Employment Agreement will become unlimited in time.
Remuneration and benefits	(a) The Company will pay Mr Jovanovic a monthly gross salary of EUR 5,357.14 which shall be paid fourteen (14) times per year of employment. The Company has agreed to pay the monthly salary for: (i) the 13th month together with the salary for the month of June; and (ii) the 14th month together with salary for the month of November. (b) The Company has agreed to provide Mr Jovanovic with a Company-owned laptop, mobile and vehicle access. Mr Jovanovic will receive an allowance of EUR 50.00 to be paid fourteen (14) times per year of employment to cover running costs incurred with the use of these benefits. (c) Mr Jovanovic is also entitled to be paid a bonus by the Company, at the Company's discretion.
Termination	The Company or Mr Jovanovic may terminate the Employment Agreement by providing three (3) months written notice.
Second occupation and non-competition	(a) Mr Jovanovic shall not pursue any second occupation during the period of this Employment Agreement. (b) Mr Jovanovic undertakes not to: (i) for a period of one (1) year after termination of this Employment Agreement: (A) become employed or self-employed in the Company's area of business; or (B) enter into an independent or permanent business relationship with any client of the Company; or (ii) induce other employees of the Company to terminate their employment with the Company in order to establish a working relationship with another employer mediated by Mr Jovanovic, (together, the **Non-Compete Clauses**). (c) The parties agree that, if Mr Jovanovic breaches a Non-Compete Clause, Mr Jovanovic will pay the Company a penalty of three (3) months' Salary.

The Employment Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.3.4 Engagement Letter for Secretarial Services – Indian Ocean Consulting Group Pty Ltd

The Company has entered into an agreement (**IOC Secretarial Mandate**) with Indian Ocean (an entity of which Director, Mr Luke Martino is also a director and shareholder) under which Indian Ocean will provide corporate secretarial services to the Company on the following terms and conditions:

Director	Mr Harry Spindler will act as company secretary for the Company.
Scope of work	Indian Ocean's services under the IOC Secretarial Mandate, as performed by Harry Spindler, will include the following: (a) acting as the Company Secretary for the Company; (b) assistance to the Company's Managing Director and Board with ASX compliance management together with lodging periodic returns, announcements and notices; (c) ASIC compliance management; (d) managing meetings of directors and standard meetings of members; (e) updating and maintaining minute books and statutory registers; (f) handling of related correspondence received by us as the registered office; and (g) managing shareholder queries and relationships with share registry.
Conflict of interest	(a) Indian Ocean is not aware of any existing conflict of interest and believes that it is free to act in the Company's best interests given the procedures and protocols which will be implemented. (b) Indian Ocean will not act for any other client during the course of the IOC Secretarial Mandate if doing so raises the reasonable expectation that a conflict of duties may arise, without the Company's express approval. (c) If a conflict of interest arises as a result of a change in the scope of the IOC Secretarial Mandate, Indian Ocean will advise the Company in writing within 7 days of the conflict arising. (d) Unless otherwise agreed, Indian Ocean's obligations in relation to conflict of interest will cease with completion or termination of the IOC Secretarial Mandate or, if the IOC Secretarial Mandate is not formally terminated, 90 days after the last day significant work is formed under the IOC Secretarial Mandate.
Fees and disbursements	(a) The fees payable to Indian Ocean under the IOC Secretarial Mandate are $3,500 (excluding GST) per month commencing on and from the date the Company is admitted to the Official List and are reviewable annually and billed monthly. (b) Indian Ocean's may charge an additional fee of up to $2,000 (excluding GST) for each assistance with Shareholder notice of meetings and attendance and preparation for Shareholder meetings.
Authorisations	(a) Indian Ocean has the authority as corporate advisers to act on the Company's behalf in relation to all matters necessary or incidental to the IOC Secretarial Mandate and to incur all reasonable expenses necessary for the proper conduct of the IOC Secretarial Mandate. (b) Any expenses incurred by Indian Ocean in exercising under this authority are to the Company's account. Indian Ocean will obtain the Company's approval before incurring any unusual expenses (in excess of $2,000), other than in cases of urgency.

Termination	(a) Each party may terminate the IOC Secretarial Mandate upon providing one (1) month's written notice to the other party. (b) Any representation, warranty, indemnity, condition, undertaking or obligation under the IOC Secretarial Mandate which is of a continuing nature or is not fully satisfied upon termination will endure in favour of the party to which it is given or owed and continue and remain in full force and effect.

The IOC Secretarial Mandate contains such other terms considered standard for an agreement of its nature (including indemnities and confidentiality provisions).

9.3.5 Accounting Services Mandate – Indian Ocean Consulting Group Pty Ltd

The Company entered into an agreement (**IOC Accounting Services Mandate**) with Indian Ocean (an entity of which Director, Mr Luke Martino is also a director and shareholder) pursuant to which Indian Ocean has agreed to provide the Company with ongoing accounting support and assistance on the following terms and conditions:

Services	(a) Indian Ocean will provide monthly management account preparation, including advice and support in relation to: (i) book-keeping services; (ii) entering and update of accruals and prepayments; (iii) GST payment entry; (iv) inter-entity loan reconciliations; (v) maintenance of fixed asset register; (vi) update of depreciations schedule; (vii) preparing financial statements, conducting financial reporting services, and preparing quarterly cash flow to be included in Appendix 5B; (viii) liaison with ATO, auditor, banks, Company Secretary and Board; (ix) undertake a monthly payment run of transactions; (x) review of ATO running balance account; and (xi) Business Activity Statement preparation and lodgement, (together, the **Services**). (b) Indian Ocean may also provide other corporate advisory services which are outside the scope of the Services for an additional fee agreed between the parties.
Fees and disbursements	(a) Indian Ocean's fees under the IOC Accounting Services Mandate are $4,500 plus GST per month commencing on and from the date the Company is admitted to the Official List and billed monthly. (b) Indian Ocean may: (i) charge an additional fee of up to $10,000 plus GST for each assistance with half yearly and full year financial reports; (ii) bill the Company for "out of scope" services; and (iii) bill the Company for out of pocket expenses associated with the engagement, including travel, accommodation, meals, taxis and incidental expenses.

Subcontractors	(a) Indian Ocean may use subcontractors to perform or assist with performing the services. (b) Despite being able to use subcontractors, Indian Ocean remains solely responsible for the services.
Termination	(a) Each party may terminate the IOC Accounting Services Mandate upon providing at least 3 months' written notice to the other party. (b) If there is a change in law or other circumstances beyond Indian Ocean's reasonable control that results in Indian Ocean ceasing to be independent of an audit client, Indian Ocean may terminate the IOC Accounting Services Mandate immediately by giving the Company written notice. (c) The Company must pay Indian Ocean for all services performed before termination within 30 days of receipt of the invoice.

The IOC Accounting Services Mandate contains such other terms considered standard for an agreement of its nature (including indemnities and confidentiality provisions).

9.3.6 Non-Executive Director Appointments

Mr Luke Martino and Mr Milos Bosnjakovic have entered into appointment letters with the Company, pursuant to which they have been appointed as Non-Executive Directors. Mr Sean Murray has entered into an appointment letter with the Company, pursuant to which he has been appointed as Non-Executive Chairman. These Directors will receive the remuneration set out in Section 8.3.

The Company, notes for the avoidance of doubt, that Mr Martino is not entitled to additional fees under his appointment letter with the Company to those to be paid from the date the Company is admitted to the Official List pursuant to the IOC NED Letter (refer to Section 9.3.2 above).

9.3.7 Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company will agree to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company will also be required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.

10 ADDITIONAL INFORMATION

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ADDITIONAL INFORMATION

10.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

10.2 Rights attaching to Shares

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **General meetings:** Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) **Voting rights:** Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

(i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

(iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited). Amounts paid in advance of a call are ignored when calculating the proportion.

(c) **Dividend rights:**

(i) Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid or credited as paid is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

(ii) The Directors may from time to time pay to the Shareholders any interim dividends as they believe to be justified subject to the requirements of the Corporations Act. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

(iii) Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement on such terms and conditions as the Directors think fit, (a) a dividend reinvestment plan which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares and (b) a dividend reinvestment plan permitting holders of Shares to the extent that the Shares are fully paid, to have the

option to elect to forego the right to share in any dividends (whether interim or otherwise) payable in respect of such Shares and to receive instead an issue of Shares credited as fully paid up to the extent as determined by the Directors.

(d) **Winding-up:** If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Shareholder liability:** As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**: Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) **Variation of rights:** Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares. If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution:** The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

10.3 Terms and Conditions of Options to be issued under Options Offer

(a) **Entitlement:** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price:** Subject to paragraph (j) the amount payable upon exercise of each Option will be $0.50 (**Exercise Price**).

(c) **Expiry Date:** Each Option will expire at 5:00 pm (WST) on the date that is three (3) years from the date of issue of the Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period:** The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise:** The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**: A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise:**

Within 5 Business Days after the latter of the following:

(i) Exercise Date; and

(ii) When excluded information in respect to, the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

But in any case, not later than 20 Business Days after the Exercise Date, the Company will:

(iii) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under 11.3(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise:** Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise:** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **Reconstruction of capital:** If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues:** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price:** An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Transferability:** The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

10.4 Performance Rights to be issued under Performance Rights Offer

10.4.1 Terms and Conditions of Performance Rights

Set out below are the terms and conditions of the Performance Rights:

(a) **Vesting Conditions:** The Performance Rights will vest as follows:

(i) **Class A:** Class A Performance Rights will vest upon the Company achieving a volume weighted average price (**VWAP**) of Shares of at least $0.60, calculated over 20 consecutive trading days on which the Company's Shares have traded Class A Performance Rights will lapse 2 years after the date of grant;

(ii) **Class B:** Class B Performance Rights will vest upon the Company achieving a VWAP of Shares of at least $1.20, calculated over 20 consecutive trading days on which the Company's Shares have traded; and

(iii) **Class C:** Class C Performance Rights will vest upon the Company achieving a VWAP of Shares of at least $1.80, calculated over 20 consecutive trading days on which the Company's Shares have traded, Class B and C Performance Rights will lapse 3 years after the date of grant,

(each, a **Milestone**). Upon vesting, each Performance Right will, at the election of the holder, convert to one Share (subject to compliance with the ASX Listing Rules and Corporations Act).

(b) **Notification to holder:** The Company shall notify the holder in writing when the Milestone has been satisfied.

(c) **Conversion:** Subject to paragraph (m), upon vesting, each Performance Right will, at the election of the holder, convert into one Share.

(d) **Share ranking:** All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.

(e) **Application to ASX:** The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.

(f) **Transfer of Performance Rights:** The Performance Rights are not transferable.

(g) **Lapse of a Performance Right:** If the Milestone attached to the relevant Performance Right has not been satisfied within the relevant time period set out in paragraph 1, the relevant Performance Rights will automatically lapse.

(h) **Participation in new issues:** A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(i) **Reorganisation of capital:** If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

(j) **Adjustment for bonus issue:** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Right will be increased by the number of Shares or other securities which the holder would have received if the holder had converted the Performance Right before the record date for the bonus issue.

(k) **Dividend and Voting Rights:** The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(l) **Change in Control:** Subject to paragraph (m), upon:

(i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:

(A) having received acceptances for not less than 50.1% of the Company's Shares on issue; and

(B) having been declared unconditional by the bidder.

(ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

then, to the extent Performance Rights have not converted into Shares due to satisfaction of the Milestone, Performance Rights will accelerate vesting conditions and will automatically convert into Shares on a one-for-one basis.

(m) **Deferral of conversion if resulting in a prohibited acquisition of Shares:** If the conversion of a Performance Right under paragraph (c) or (l) would result in any person being in contravention of section 606(1) of the Corporations Act 2001 (Cth) (General Prohibition) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention

of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

(i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and

(ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (m)(i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

(n) **No rights to return of capital:** A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(o) **Rights on winding up:** A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(p) **Good Leaver and Bad Leaver:**

(i) Where the holder becomes a Good Leaver:

(A) unless the Board in its sole and absolute discretion determines otherwise:

(I) any and all vested Performance Rights held by the holder which have not been exercised will continue in force and remain exercisable; and

(II) the Board may determine, in its sole and absolute discretion, the manner in which any unvested Performance Rights held by the holder will be dealt with, including but not limited to:

a. allowing some or all of those unvested Performance Rights to continue to be held by the holder, and be subject to existing vesting conditions; and

b. requiring that any remaining unvested Performance Rights automatically lapse.

(ii) Where the holder becomes a Bad Leaver, unless the Board in its sole and absolute discretion determines otherwise:

(A) any and all vested Performance Rights held by the holder which have not been exercised will:

(I) continue in force and remain exercisable until 1 month after the holder's employment or appointment terminates; and

(II) thereafter, will automatically lapse; and

(B) any and all unvested Performance Rights held by the holder will automatically lapse.

(q) **No other rights:** A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

10.4.2 Additional Information regarding Performance Rights

The following additional information is provided in respect of the Performance Rights proposed to be issued to Mr Ross Cotton (Managing Director) and Mr Harry Spindler (Company Secretary) (together, the **Recipients**):

(a) 1,800,000 Performance Rights are proposed to be issued to Mr Cotton (comprising, 600,000 Class A, Class B and Class C Performance Rights) 600,000 Performance Rights are proposed to be issued to Mr Spindler

(comprising 200,000 Class A, Class B and Class C Performance Rights) on the terms and conditions set out in Section 10.4.1 above.

(b) the Performance Rights are being issued to the Recipients as a sign on bonus and as part of their respective remuneration packages, in order to link part of the remuneration payable to the Recipients to specific performance milestones (set out in Section 10.4.1) and to align the goals of the Recipients with Shareholders. As such, the Performance Rights are not ordinary course of business remuneration securities.

(c) a summary of the consultancy services agreement for Mr Cotton and the letter of engagement of Mr Spindler (via Indian Ocean) is included at Sections 9.3.1 and 9.3.4 (respectively).

As an executive Director, Mr Cotton will play a key role in establishing and executing the Company's business strategy (as set out in Section 5.3), which is directly aligned with the performance milestones for the Performance Rights.

In addition, as Managing Director, Mr Cotton will be responsible for (amongst other things):

(i) directing the operations of the Company, formulating the Company's strategic direction and providing recommendations of a strategic nature to Board members;

(ii) reviewing, approving, implementing and monitoring the business plan and annual budget;

(iii) contribution to the development of Board and organisational policies;

(iv) ensuring compliance with legal and regulatory requirements;

(v) monitoring risks facing the Company and its operations;

(vi) identifying skills required by the Board and potential candidates; and

(vii) seeking new opportunities that will fit into the Company's strategy and with the support of the Board, completing any transactions and integrating the new business or product into the Company's operations.

As Company Secretary, Mr Spindler will be responsible for (amongst other things):

(i) assisting with the successful implementation of the Demerger and the Public Offer and any other transactions which the Company enters into;

(ii) ensuring the continued good governance of the Company;

(iii) acting as the Company's primary contact for ASX and ASIC to ensure timely disclosure and resolution of any regulatory queries;

(iv) maintaining the Company's policies, procedures and corporate secretarial volumes in accordance with best practice guidelines; and

(v) preparation of the Board and Shareholder meeting notices and information packs.

(d) details of the existing total remuneration package of Messrs Cotton and Spindler are set out in Sections 8.3 and 9.3.4 (respectively).

(e) details of the security holdings of Mr Cotton assuming completion of the Public Offer) is set out in Section

8.3. The Options and Performance Rights will be issued to Mr Cotton as a sign-on bonus and as an incentive component of Mr Cotton's remuneration package.

(f) details of the security holdings of Mr Spindler assuming completion of the Public Offer) are as follows:

	Shares	Options	Performance Rights
Harry Spindler	Nil[1]	250,000[2]	600,000[3]

Notes:

1. The Company notes that Mr Spindler intends to subscribe for $10,000 worth of Shares under the Public Offer.
2. Exercisable at $0.50 each, on or before the date that is 3 years from the date of issue.
3. Comprising 200,000 of each of Class A, Class B and Class C Performance Rights.

The Options and Performance Rights will be issued to Mr Spindler as a sign-on bonus and an incentive component of Mr Spindler's remuneration package.

(g) The Company considers it necessary and appropriate to further remunerate and incentivise the Recipients to achieve the applicable performance milestones for the following reasons:

(i) the issue of Performance Rights to the Recipients will further align the interests of the Recipients with those of Shareholders;

(ii) the Performance Rights are unlisted therefore, the grant of the Performance Rights has no immediate dilutionary impact on Shareholders;

(iii) the issue of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Recipients; and

(iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights on the terms proposed.

(h) The number of Performance Rights to be issued to each of the Recipients was determined by the Board following arm's length negotiations with each of the Recipients, and having regard to:

(i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;

(ii) the number of securities proposed to be held by the Recipients;

(iii) the remuneration of the Recipients; and

(iv) incentives to attract and retain the service of the Recipients, who have the appropriate knowledge and expertise, while maintaining the Company's cash reserves.

In addition to the above, regard was also had to the principles and guidance articulated in ASX Guidance Note 19 with respect to the issue of performance linked securities.

(i) The Board considers the number of Performance Rights to be appropriate and equitable for the following reasons:

(i) the Performance Rights are consistent with ASX's policy regarding the base requirements for performance securities, which are detailed in section 9 of ASX Guidance Note 19;

(ii) the number of Shares into which the Performance Rights will convert if the milestones are achieved

is fixed (one for one) which allows investors and analysts to readily understand and have reasonable certainty as to the impact on the Company's capital structure if the milestones are achieved. The maximum number of Shares which may be issued if the Performance Rights are converted into Shares (following satisfaction of the milestones) is 2,400,000 Shares (refer to paragraph (vi) below for further detail regarding the dilutive effect);

(iii) there is an appropriate link between the milestones and the purposes for which the Performance Rights are being issued and the conversion milestones are clearly articulated by reference to objective criteria;

(iv) there is an appropriate link to the benefit of Shareholders and the Company at large through the achievement of the milestones, which have been constructed so that satisfaction of the milestones will be consistent with increases in the value of Company's business;

(v) the milestones for the Performance Rights are appropriately linked to the Company's growth (an increase in the Company's Share price);

(vi) the Performance Rights which are proposed to be issued represent a small proportion of the Company's issued capital upon listing, representing approximately 5.33% in aggregate on an undiluted basis and 4.72% on a fully diluted basis (assuming the Full Subscription is raised under the Public Offer); and

(vii) the Performance Rights have an expiry date by which the milestones are to be achieved and, if the milestones are not achieved by that date, the Performance Rights will lapse.

10.5 Employee Incentive Option and Performance Rights Plan

The Company has adopted an Employee Incentive Option and Performance Rights Plan (**Plan**) to allow eligible participants to be granted Options and Performance Rights in the Company. The material terms of the Plan are summarised below:

(a) **Eligibility:** Participants in the Plan may be:

(i) a Director (whether executive or non-executive) of the Company and any Associated Body Corporate of the Company (each, a **Group Company**);

(ii) a full or part time employee of any Group Company;

(iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (Class Order); or

(iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,

who is declared by the Board to be eligible to receive grants of Options or Performance Rights (**Awards**) under the Plan (**Eligible Participant**).

(b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant to apply for Awards, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines.

(c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Awards offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.

(d) **Issue price:** Performance Rights granted under the Plan will be issued for nil cash consideration. Unless the

Options are quoted on the ASX, Options issued under the Plan will be issued for no more than nominal cash consideration.

(e) **Exercise price:** The Board may determine the Option exercise price (if any) for an Option offered under that Offer in its absolute discretion. To the extent the Listing Rules specify or require a minimum price, the Option exercise price must not be less than any minimum price specified in the Listing Rules.

(f) **Vesting conditions:** An Award may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Awards (**Vesting Conditions**).

(g) **Vesting:** The Board may in its absolute discretion (except in respect of a change of control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Awards have been granted under the Plan or their nominee where the Awards have been granted to the nominee of the Eligible Participant (**Relevant Person**)), resolve to waive any of the Vesting Conditions applying to Awards due to:

(i) special circumstances arising in relation to a Relevant Person in respect of those Awards, being:

(A) a Relevant Person ceasing to be an Eligible Participant due to:

(I) death or total or permanent disability of a Relevant Person; or

(II) retirement or redundancy of a Relevant Person;

(B) a Relevant Person suffering severe financial hardship;

(C) any other circumstance stated to constitute "special circumstances" in the terms of the relevant offer made to and accepted by the Participant; or

(D) any other circumstances determined by the Board at any time (whether before or after the offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant,

(**Special Circumstances**), or

(ii) a change of control occurring; or

(iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

(h) **Lapse of an Award:** An Award will lapse upon the earlier to occur of:

(i) an unauthorised dealing, or hedging of, the Award occurring;

(ii) a Vesting Condition in relation to the Award is not satisfied by its due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to vest the Award in the circumstances set out in paragraph (g) or the Board resolves, in its absolute discretion, to allow the unvested Awards to remain unvested after the Relevant Person ceases to be an Eligible Participant;

(iii) in respect of unvested Awards only, a Relevant Person ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Award in the circumstances set out in paragraph (g) or the Board resolves, in its absolute discretion, to allow the unvested Awards to remain unvested after the Relevant Person ceases to be an Eligible Participant;

(iv) in respect of vested Awards only, a Relevant Person ceases to be an Eligible Participant and the Award granted in respect of that Relevant Person is not exercised within a one (1) month period (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;

(v) the Board deems that an Award lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;

(vi) the Company undergoes a change of control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Award; and

(vii) the expiry date of the Award.

(i) **Not transferrable:** Subject to the Listing Rules, Awards are only transferrable in Special Circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death, to the Participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.

(j) **Shares:** Shares resulting from the exercise of the Awards shall, subject to any Sale Restrictions (refer paragraph (k)) from the date of issue, rank on equal terms with all other Shares on issue.

(k) **Sale restrictions:** The Board may, in its discretion, determine at any time up until exercise of Awards, that a restriction period will apply to some or all of the Shares issued to a Participant on exercise of those Awards (**Restriction Period**). In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such Restriction Period.

(l) **Quotation of Shares:** If Shares of the same class as those issued under the Plan are quoted on the ASX, the Company will, subject to the Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any Restriction Period applying to the Shares ends.

(m) **No participation rights:** There are no participation rights or entitlements inherent in the Awards and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Awards without exercising the Award.

(n) **Change in exercise price of number of underlying securities:** An Award does not confer the right to a change in exercise price or in the number of underlying Shares over which the Award can be exercised.

(o) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a Participant are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation.

(p) **Amendments:** Subject to express restrictions set out in the Plan and complying with the Corporations Act, Listing Rules and any other applicable law, the Board may, at any time, by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Award granted under the Plan including giving any amendment retrospective effect.

(q) **Maximum Number of Securities:** The maximum number of equity securities proposed to be issued under the Plan is 4,500,000 (being, 10% of the issued capital of the Company following completion of the Offers). It is not envisaged that the maximum number of Securities will be issued immediately.

10.6 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offers; or

(c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

(d) as an inducement to become, or to qualify as, a Director; or

(e) for services provided in connection with:

(i) the formation or promotion of the Company; or

(ii) the Offers.

10.7 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

(a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;

(b) promoter of the Company; or

(c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(d) the formation or promotion of the Company;

(e) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offers; or

(f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(g) the formation or promotion of the Company; or

(h) the Offers.

CSA Global Pty Ltd has acted as Independent Expert and has prepared the Independent Technical Assessment Report which is included in Annexure A. The Company estimates it will pay CSA Global Pty Ltd a total of $30,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, CSA Global Pty Ltd has not received fees from the Company for any other services.

PKF Perth Pty Ltd has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included in Annexure C. The Company estimates it will pay PKF Perth Pty Ltd a total of $10,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, PKF Perth Pty Ltd has not received fees from the Company for any other services.

PKF Perth Pty Ltd has acted as auditor and has reviewed the financial information of the Company contained in Section 6. PKF Perth Pty Ltd will not receive any additional fees to those stated above for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, PKF Perth Pty Ltd has not received fees from the Company for any audit services.

Grant Thornton Audit Pty Ltd has acted as auditor and has audited financial information of Centralist (and its controlled entities) contained in Section 6. The Company estimates it will pay Grant Thornton Audit Pty Ltd a total of $20,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Grant Thornton Audit Pty Ltd has not received fees from the Company for any audit or other services.

Sixty Two Capital will receive 6% of the total amount raised by Sixty Two Capital under the Prospectus (plus GST) following the successful completion of the Public Offer for its services as Lead Manager to the Public Offer. Sixty Two Capital will be responsible for paying all capital raising fees that Sixty Two Capital and the Company agree with any other financial service licensees. Further details in respect to the Lead Manager Mandate with Sixty Two Capital are summarised in Section 9.1.2. During the 24 months preceding lodgement of this Prospectus with the ASIC, Sixty Two Capital has not received fees from the Company for any other services.

ARQ Capital will receive 6% of the total amount raised by ARQ Capital under the Prospectus (plus GST) following the successful completion of the Public Offer for its services as Co-Lead Manager to the Public Offer. ARQ Capital will be responsible for paying all capital raising fees that ARQ Capital and the Company agree with any other financial service licensees. Further details in respect to the Co-Lead Manager Mandate with ARQ Capital are summarised in Section 9.1.3. During the 24 months preceding lodgement of this Prospectus with the ASIC, ARQ Capital has not received fees from the Company for any other services.

Steinepreis Paganin has acted as the Australian legal advisers to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin $85,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received fees from the Company for any other services.

JPM Janković Popović Mitić (**JPM**) has acted as the Serbian legal advisers to the Company in relation to the Public Offer and has prepared the Serbian Solicitor's Report on Tenements which is included in Annexure B. The Company estimates it will pay JPM $10,550 (excluding VAT) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, JPM has not received fees from the Company for any other services.

10.8 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offer or of the Shares), the Directors, any persons named in the Prospectus with their consent as proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;

(b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and

(c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

CSA Global Pty Ltd has given its written consent to being named as Independent Expert in this Prospectus, the inclusion of the Independent Technical Assessment Report in Annexure A in the form and context in which the report is included.

PKF Perth Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Independent Limited Assurance Report in Annexure C in the form and context in which the information and report is included.

PKF Perth Pty Ltd has given its written consent to being named as auditor of the Company in this Prospectus and the inclusion of the audit reviewed financial information of the Company contained in Section 6 of this Prospectus and the Independent Limited Assurance Report included in Annexure C to this Prospectus in the form and context in which it appears.

Grant Thornton Audit Pty Ltd has given its written consent to being named as auditor of Centralist in this Prospectus and the inclusion of the audited financial information of Centralist contained in Section 6 of this Prospectus and the Independent Limited Assurance Report included in Annexure C to this Prospectus in the form and context in which it appears.

Steinepreis Paganin has given its written consent to being named as the Australian legal advisers to the Company in relation to the Public Offer in this Prospectus.

JPM has given its written consent to being named as the Serbian legal advisers to the Company in relation to the Public Offer in this Prospectus and the inclusion of the Serbian Solicitor's Report on Tenements included in Annexure B to this Prospectus in the form and context in which it appears.

Sixty Two Capital has given its written consent to being named as a Lead Manager to the Company in this Prospectus.

ARQ Capital has given its written consent to being named as a Co-Lead Manager to the Company in this Prospectus.

Advanced Share Registry Ltd has given its written consent to being named as the share registry to the Company in this Prospectus.

10.9 Expenses of the Public Offer

The total expenses of the Public Offer (excluding GST and VAT) are estimated to be approximately $622,367 and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Full Subscription ($)
ASIC fees	3,206
ASX fees	71,355
Lead Managers' Fees[1]	390,000
Legal Fees[2]	95,550
Independent Expert's Fees	30,000
Investigating Accountant's Fees	10,000
Auditor's Fees	20,000
Miscellaneous	2,256
TOTAL[3]	**622,367**

Notes:

1. Refer to Sections 9.1 for further detail regarding the fees payable to the Lead Managers.
2. Includes fees payable to the Company's Australian and Serbian legal counsel.
3. The Company has paid an aggregate amount of approximately $95,000 of the costs of the Public Offer as at the date of lodgement of the Prospectus. This forms part of the Facility to be repaid by the Company to Jadar post listing of the Company pursuant to the Intercompany Facility Agreement (refer to Section 9.2.1 for further detail regarding the Intercompany Facility Agreement).

11 DIRECTORS' AUTHORISATION

11

DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director and Proposed Director has consented to the lodgement of this Prospectus with the ASIC.

Sean Murray
Incoming Non-Executive Chairman
For and on behalf of
Balkan Mining and Minerals Limited

12 GLOSSARY

12

GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

$ means an Australian dollar.

Application Form means the application form attached to or accompanying this Prospectus relating to the Public Offer, Options Offer or Performance Rights Offer (as the context requires).

ARQ Capital means ARQ Capital Pty Ltd (ACN 135 397 796).

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

Bad Leaver means, unless otherwise determined by the Board in its sole and absolute discretion, a holder who ceases employment in any of the following circumstances:

(a) a holder resigns from their employment or office;

(b) the employment of a holder is terminated due to poor performance; or

(c) a holder's employment is terminated, or the holder is dismissed from their office, for any of the following reasons:

(i) the holder has committed any serious or persistent breach of the provisions of any employment contract entered into by the holder with the Company;

(ii) the holder has been guilty of fraudulent or dishonest conduct in the performance of the holder's duties, which in the reasonable opinion of the Company, effects the holder's suitability for employment with the Company, or brings the holder or the Company into disrepute;

(iii) the holder has been convicted of any criminal offence which involves fraud or dishonesty;

(iv) the holder has committed any wrongful or negligent act or omission which has caused the Company substantial liability;

(v) the holder has become disqualified from managing corporations in accordance with Part 2D.6 of the Corporations Act or has committed any act that may result in the holder being banned from managing a corporation under the Corporations Act; or

(vi) the holder has committed serious or gross misconduct, wilful disobedience or any other conduct justifying termination of employment without notice.

Board means the board of Directors as constituted from time to time.

Business Days means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other eday that ASX declares is not a business day.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Centralist means Centralist Pty Ltd (ACN 618 766 715), a wholly owned subsidiary of the Company.

Clayton Capital means Clayton Capital Pty Ltd (ACN 634 738 935).

Closing Date means the closing date of the Public Offer as set out in the indicative timetable in the Key Offer

Information Section (subject to the Company reserving the right to extend the Closing Date or close the Public Offer early).

Co-Lead Manager means ARQ Capital.

Co-Lead Manager Mandate means the agreement with the Co-Lead Manager summarised in Section 9.1.3.

Company means Balkan Mining and Minerals Limited (ACN 646 716 681).

Company Group means BMM, Centralist and Jadar Serbia.

Conditions has the meaning set out in Section 4.6.

Constitution means the constitution of the Company.

Corporate Advisor means Clayton Capital.

Corporations Act means the Corporations Act 2001 (Cth).

CSA Global Pty Ltd means CSA Global Pty Ltd (CAN 077 165 532).

Directors means the directors of the Company at the date of this Prospectus.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

Good Leaver means a holder who ceases employment or office with the Company and is not a Bad Leaver.

Incoming Directors or Proposed Directors mean Messrs Sean Murray and Milos Bosnjakovic, who are to be appointed as Directors upon the Company being admitted to Official Quotation.

Jadar means Jadar Resources Limited (ACN 009 144 503).

Jadar Serbia means Jadar Lithium D.O.O (an entity incorporated in Serbia), a wholly owned subsidiary of the Company.

JORC Code has the meaning given in the Important Notice Section.

Lead Manager means Sixty Two Capital.

Lead Manager Mandate means the agreement with the Lead Manager summarised in Section 9.1.1.

Lead Manager Mandates means the Lead Manage Mandate and Co-Lead Manager Mandate.

Lead Managers means the Lead Manager and Co-Lead Manager.

Maximum Subscription means the maximum amount to be raised under the Public Offer, being $6,500,000.

Minimum Subscription means the minimum amount to be raised under the Public Offer, being $6,500,000.

Options Offer means the offer of 3,500,000 Options, exercisable at $0.50 each on or before the date that is three (3) years from the date of issue of the Options, to certain existing and proposed management of the Company as set out in Section 4.1.2.

Public Offer means the offer of Shares pursuant to this Prospectus as set out in Section 4.1.1.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Performance Right means a performance right convertible into a Share.

Performance Rights Offer means the offer of 2,400,000 Performance Rights, to certain existing and proposed management of the Company as set out in Section 4.1.3.

PFK Perth Pty Ltd means PKF Perth Pty Ltd (ACN 611 910 895).

Prospectus means this prospectus.

Recommendations has the meaning set out in Section 8.5.

Secondary Offers means the Options Offer and Performance Rights Offer.

Section means a Section of this Prospectus.

Securities means Shares, Options and Performance Rights.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Sixty Two Capital means Sixty Two Capital Pty Ltd (ACN 611 480 169).

Tenements means the mining tenements in which the Company has an interest as set out in Section 5.2 and further described in the Independent Technical Assessment Report at Annexure A and the Solicitor's Tenement Report at Annexure B or any one of them as the context requires.

WST means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE A

INDEPENDENT TECHNICAL ASSESSMENT REPORT

CSA Global
Mining Industry Consultants
an ERM Group company

Balkan Mining and Minerals Limited Lithium-Boron Projects, Republic of Serbia

Independent Technical Assessment Report

REPORT Nº R191.2021
19 May 2021

Report prepared for

Client Name	Balkan Mining and Minerals Ltd
Project Name/Job Code	Jadar Resources Limited's Lithium-Boron Projects/BMMITA01
Contact Name	Ross Cotton
Contact Title	Director
Office Address	SUBIACO 6008, Western Australia, Australia

Report issued by

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Division	Corporate

Report information

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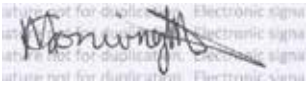
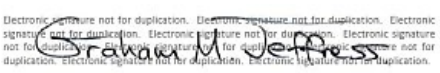
Author and Reviewer Signatures

Coordinating Author	Michael Cronwright M.Sc., Pr.Sci.Nat., FGSSA, MSEG	
Peer Reviewers	Chris Williams B Sc (Hons) Exploration and Mining Geology Ivy Chen BAppSc (Geology), Postgrad Dip. Nat Res., FAusIMM, GAICD	
CSA Global Authorisation	Graham Jeffress BSc (Hons) Applied Geology, RPGeo (Mineral Exploration), FAIG, FAusIMM, FSEG, MGSA	

Executive Summary

CSA Global Pty Ltd (CSA Global), an ERM Group company, was engaged by ("BMM" or the "Company") to prepare an Independent Technical Assessment Report (ITAR) for use in a prospectus in respect of an initial public offering of shares in BMM to be undertaken to facilitate an admission to the official list of the ASX. The ITAR relates to BMM's three lithium-boron projects in the Republic of Serbia (the "Projects") based on its recent exploration data, historical exploration data and reports provided. The funds raised under the prospectus will be used for the purpose of exploration and evaluation of the project areas.

The three project areas, namely the Rekovac Project comprising three contiguous exploration licences (Rekovac, Ursule, and Siokovac); the Dobrinja Project and the Pranjani Project, each of which comprise individual exploration licences. The granted licences are all held by Jadar Lithium d.o.o., a 100% owned entity of BMM. BMM is presently a wholly owned subsidiary of Jadar Resources Limited. The Ursule, Siokovac, Dobrinja and Pranjani licences were granted in March 2021 and have thus not had any systematic exploration conducted on them to date. The Rekovac licence has been held by the Company since 2017 and is currently in its first renewal period.

This report describes the prospectivity of the Company's exploration licences with respect to sediment hosted boron and lithium mineralisation as well as the exploration work conducted to date by Jadar Resources Limited ("Jadar Resources"), the parent company of BMM, within the Rekovac licence. Historical mapping and public domain data and a discussion on the results obtained are summarised and discussed.

The Company's projects cover three Neogene age (24-12 Ma) sedimentary basins within the Vardar Zone, namely the Rekovac, Pranjani and Dobrinja basins. The Vardar Zone forms part of the Vardar-Izmir-Ankara Suture which stretches from Iran to Bosnia. The Vardar Zone is host to numerous borate deposits of which a number are mined in Turkey, which is the second largest producer of borates and the largest borate reserves globally. Currently none of the borate deposits in Serbia are mined. In addition to the borate potential a number of lithium-boron deposits have been identified and are focus of exploration in recent years, mainly within Serbia. These include Rio Tinto's (ASX: RIO) Jadar Deposit, which ranks as one of the largest unmined lithium-boron resources globally. Other deposits include the Jarandol Li-B and Piskanja Boron deposits (Erin Ventures, TSXV:EV) and state owned Pobrdje Boron mine all in the Jarandol Basin and the Valjevo Li-B deposit (privately owned Euro Lithium) all of which are located in Serbia and the Lopare Li-B deposits in Republika Srpska.

The Vardar Zone is a complex tectonic unit, comprising a series of tectonically interleaved nappes, formed during Mesozoic (253-66 Ma) tectono-depositional evolution of Neotethys ocean and the adjoining continental margins. These basins, formed as a series of separate or interconnected basins along the Vardar Zone, are long and narrow graben like structures (usually half grabens), highly variable in size, shape and sedimentary history. They formed in a tectonically active extensional regime associated with collision of the Adria and Europe plate boundaries.

The basins are filled with continental, shallow water lacustrine, swamp, alluvial and mudflat environments and resulting lithologies comprise mainly alternating layers of fine grained pelitic sediments, as well as evaporites, carbonates, conglomerates, sandstones and lignite and usually accompanied by calc-alkaline volcanics (which includes andesites, dacites and rhyolites) and tuffs. The boron and lithium mineralisation are usually hosted with in the sediments of lower to middle Miocene age and is thought to be derived from the associated hydrothermal mineral springs and/or the alteration of the volcanic tuff layers.

The Rekovac, Donbrinja and Pranjani basins all contain the prospective lower to middle Miocene age sediments and intrusive and/or volcanic rocks of potential calc-alkaline affinity and thus considered to be prospective for lithium-boron mineralisation. Historical investigations of the oil shales in the Pranjani Basin reported elevated boron and lithium values suggesting potential mineralisation within the basin.

Recent exploration work conducted by the Company has only focussed on 1.8 km of strike on the southwestern end of the Rekovac licence within the larger Rekovac Project area (25 km x 10 km) served to

confirm the exploration model with the identification of boron and lithium mineralisation on surface and in drill holes targeting the lower to middle Moicene sediments. On the basis of these results additional exploration work is warranted and should focus on testing the larger project area as well as identified vectors to higher, potentially economic mineralisation.

The proposed programme for the Rekovac Project includes acquisition and interpretation of regional and high-resolution geophysical data over the newly acquired licence, geological mapping, review of drill core and ultimately drill testing of targets.

No modern exploration work has been conducted on the Dobrinja and Pranjani licences. The proposed exploration will focus on target generation using regional geophysics, geological mapping and surface sampling followed by drill testing of the targets if warranted.

CSA Global concludes that the Company's projects have the potential for the discovery of potentially significant economic borate or lithium-borate mineralisation. Mineral exploration is inherently high risk. However, the following points highlight mitigation of this risk and the potential of the Company's projects:

- They are located in a well-endowed terrane with Turkey currently producing about half the global boron supply and contains 60-88% of the global boron reserves and a number of notable discoveries of boron and lithium-boron mineralisation in Serbia (i.e. the lithium-boron deposits of Jadar, Jarandol and Valjevo Li-B deposits and the boron deposits of Piskanja and Pobrdje).
- Ground selection based on prospective early- to mid- Miocene age host rocks and associated calc-alkaline intrusive and volcanic rocks.
- Confirmation of the exploration model with the identification of lithium-boron mineralisation within the Rekovac licence.

The exploration and evaluation programmes for the first two years post IPO summarised in the ITAR amount to a total expenditure of A$3.4 million of which the Company intends to spend A$1.1 million on the Rekovac licence, A$0.9 million on the recently granted Ursule, Siokovac, Dobrinja and Pranjani licences and A$1.4 million to cover the field operations and equipment required to service this exploration.

The total expenditure in the first year will be approximately A$1.3 million and in the second year A$2.1 million. The Company intends to raise A$6.5 million under the IPO.

At least half the liquid funds held, or funds proposed to be raised by the Company are understood to be committed to the exploration, development and administration of the mineral properties, satisfying the requirements of the ASX Listing Rules 1.3.2(b) and 1.3.3(b). CSA Global understands that the Company has sufficient working capital to carry out its objectives, satisfying the requirements of ASX Listing Rule 1.3.3(a).

The Company has prepared staged exploration and evaluation programmes, specific to the potential of the projects, which are consistent with the budget allocation, and warranted by the exploration potential of the projects. CSA Global considers that the relevant areas have sufficient technical merit to justify the proposed programmes and associated expenditure, satisfying the requirements of ASX Listing Rule 1.3.3(a).

The proposed exploration budgets also exceed the anticipated minimum annual statutory expenditure for work commitments on the various licences.

CSA Global considers that the proposed exploration program and expenditure proposed by BMM for the next two years is appropriate for the early-stage of exploration and to assess and develop the potential of the Company's Projects.

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No table of figures entries found.

1 Introduction

1.1 Context, Scope and Terms of Reference

CSA Global Pty Ltd (CSA Global), an ERM Group company, was engaged by ("BMM" or the "Company") to prepare an Independent Technical Assessment Report (ITAR) for use in a prospectus prepared in respect of an initial public offering (IPO) of shares in BMM to be undertaken to facilitate an admission to the official list of the Australian Securities Exchange (ASX). The ITAR relates to BMM's three lithium-boron projects in the Republic of Serbia (the "Projects"). This ITAR is a summary and review of BMM's recent exploration data, historical exploration data, and reports provided.

The three project areas, namely the Rekovac Project comprising three contiguous exploration licences (Rekovac, Ursule, and Siokovac); the Dobrinja Project and the Pranjani Project, each of which comprise individual exploration licences. The granted licences are all held by Jadar Lithium d.o.o., a 100% owned entity of BMM. BMM is presently a wholly owned subsidiary of Jadar Resources Limited (Jadar Resources).

This ITAR details the three principal projects, reflecting tenements groups spatially and by similar geology. The Projects comprise early-stage exploration opportunities, one, the Rekovac being drill-ready.

This ITAR subject to the Code for the Technical Assessments and Valuation of Mineral and Petroleum Assets and Securities for Independent Experts Reports 2015 ("VALMIN[1] Code"). In preparing this ITAR, CSA Global:

- Adhered to the VALMIN Code, with clarifications provided when it is not practical or possible to do so.
- Took due note of the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and the ASX, including ASIC Regulatory Guide 111 – Content of Export Reports and ASIC Regulatory Guide 112 – Independence of Experts.
- Relied on the accuracy and completeness of the data provided to it by BMM, and that the Company has made CSA Global aware of all material information in relation to the Projects.
- Relied on BMM's representation, and the Independent Solicitor's Report in the Prospectus, that it will hold adequate security of tenure for exploration and assessment of the Projects to proceed.
- Required that BMM provide an indemnity to the effect that the Company would compensate CSA Global in respect of preparing the report against any and all losses, claims, damages and liabilities to which CSA Global or its Associates may become subject under any applicable law or otherwise arising from the preparation of the Report to the extent that such loss, claim, damage or liability is a direct result of BMM or any of its directors or officers knowingly providing CSA Global with any false or misleading information, or the Company, or its directors or officers knowingly withholding material information.
- Required an indemnity that BMM would compensate CSA Global for any liability relating to any consequential extension of workload through queries, questions, or public hearings arising from the reports.

1.2 Compliance with the VALMIN and JORC Code

This document is prepared in accordance with the VALMIN Code, which is binding upon Members of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM), the JORC[2] Code and the rules and guidelines issued by such bodies as the ASIC and the ASX that pertain to Independent Experts Reports.

[1] Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (The VALMIN Code), 2015 Edition, prepared by the VALMIN Committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. <http://www.valmin.org>

[2] Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code), 2012 Edition. Prepared by: The Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientist and Minerals Council of Australia (JORC). <http://www.jorg.org>

1.3 Principal Sources of Information and Reliance on Other Experts

CSA Global has based the review of the Projects on information made available to the principal author by BMM, along with technical reports prepared by consultants, government agencies and previous tenement holders, and other relevant published and unpublished data. CSA Global has also relied upon discussions with BMM's management for information contained within this assessment. This ITAR has been based upon information available up to and including 31 March 2021.

There is a paucity of data that can be easily validated and verified, given the early stages of certain of the Projects' areas. Of necessity, the data for some areas has been gleaned from public domain sources, government data and old reports. CSA Global has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy, and completeness of the technical data upon which this ITAR is based. Unless otherwise stated, information and data contained in this ITAR or used in its preparation has been provided by BMM. A listing of the principal sources of information is included in Section 12 (References) of this ITAR.

BMM was provided a final draft of this ITAR and requested to identify any material errors or omissions prior to its lodgement.

1.4 Authors of the Report

CSA Global is a privately owned, mining industry consulting company headquartered in Perth, Western Australia. CSA Global provides geological, resource, mining, management, and corporate consulting services to the international resources sector and has done so for more than 30 years.

This ITAR has been prepared by a team of consultants sourced from CSA Global's Perth and Johannesburg offices. The individuals who have provided input to the ITAR have extensive experience in the mining industry and are members in good standing of appropriate professional institutions. The consultants preparing this ITAR are specialists in the field of geology and exploration.

The following individuals, by virtue of their education, experience, and professional association, are considered Competent Persons, as defined on the JORC Code (2012), for this ITAR. The Competent Person's individual areas of responsibility are presented below:

- Principal author – Mr Michael Cronwright (Principal Geologist and Battery Metals Coordinator with CSA Global in Johannesburg, South Africa) is responsible for the entire ITAR.
- Peer reviewer – Mr Chris Williams (Principal Geologist) is responsible for Sections 2 to 9, excepting Section 4, and Ms Ivy Chen (Principal Geologist and Manager Corporate) is responsible for the entire ITAR.

Mr Cronwright is a geologist with 22 years' experience in African geology and exploration throughout Africa and parts of the Middle East. He has broad commodity experience in platinum group metals, chrome, gold, base metals, coal, gold, and zirconium. Mr Cronwright has significant experience in lithium, tin and columbo-tantalite mineralisation, pegmatite and vein-hosted mineralisation types. He is qualified as a Competent Person/Qualified Person for pegmatite hosted mineralisation in terms of international reporting codes (JORC, SAMREC, NI 43-101). Mr Cronwright is a Member of the South African Council for Natural Scientific Professions and a Fellow of the Geological Society of South Africa. He has lectured to the Exploration Geology, Master of Science course at Rhodes University on the topic of Exploration Geochemistry and most recently Pegmatites.

Mr Williams is a geologist with approximately 25 years' experience in exploration, evaluation, and resource estimation. He has experience in gold and iron ore exploration and resource projects across Australia, Africa, and Europe, has led field development and regional field studies teams in unconventional oil and gas projects in Texas and Louisiana, and has conducted technical audits, assessments, and due diligence studies. Mr Williams is a member of the AIG and is qualified to and performed the role of Competent Person for the reporting of Exploration Results and Resources under the JORC Code.

Ms Chen is a corporate governance specialist, with over 30 years' experience in mining and resource estimation. She served as the national geology and mining adviser for ASIC from 2009 to 2015. Ms Chen's experience in the mining industry in Australia and China, as an operations and consulting geologist includes open pit and underground mines for gold, manganese and chromite, and as a consulting geologist she has conducted mineral project evaluation, strategy development and implementation, through to senior corporate management roles. Recent projects completed include listings and other commercial transactions on the Australian, Singapore, Hong Kong, and United Kingdom stock exchanges. Ms Chen is a member of the VALMIN Committee.

1.5 Independence

Neither CSA Global, nor the authors of this ITAR, has or has had previously, any material interest in BMM or the mineral properties in which BMM has an interest. CSA Global's relationship with BMM is solely one of professional association between client and independent consultant.

CSA Global is an independent geological consultancy. Fees are being charged to BMM at a commercial rate for the preparation of this ITAR, the payment of which is not contingent upon the conclusions of the ITAR. The fee for preparation of this ITAR is A$33,000.

No member or employee of CSA Global is, or is intended to be, a director, officer or other direct employee of BMM. No member or employee of CSA Global has, or has had, any shareholding of BMM.

There is no formal agreement between CSA Global or BMM as to the Company providing further work for CSA Global.

1.6 Declarations

1.6.1 Purpose of this Document

This report has been prepared by CSA Global at the request of, and for the sole benefit of BMM. Its purpose is to provide an ITAR of the Company's Serbian Projects.

The ITAR is to be included in its entirety or in summary form within a prospectus to be prepared by BMM in connection with its IPO. It is not intended to serve any purpose beyond that stated and should not be relied upon for any other purpose.

The statements and opinions contained in this ITAR are given in good faith and in the belief that they are not false or misleading. The conclusions are based in the reference date 19 May 2021 and could alter over time depending on exploration results, mineral prices, and other relevant market factors.

1.6.2 Competent Person's Statement

The information in this ITAR that relates to Technical Assessment of the Mineral Assets, Exploration Targets, or Exploration Results is based on information compiled and conclusions derived by Mr Michael Cronwright, a Competent Person who is a Fellow of the Geological Society of South Africa, a Member of the Society of Economic Geologists, and registered as Pr.Sci.Nat. in South Africa, and acknowledged and recognised in Australia as a Member of a Recognised Registered Professional Organisation. Mr Cronwright is employed by CSA Global. Mr Cronwright has sufficient experience that is relevant to the technical assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 Edition of the "Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets", and as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Cronwright consents to the inclusion in the ITAR of the matters based on his information in the form and context in which it appears.

1.6.3 Site Inspection

No site visits were made to the Project areas. Travel to the Project areas was difficult due to international travel restrictions in response to the COVID-19 pandemic. CSA Global has determined that there would be little additional material information to be gained from conducting site visits due to the relatively early stage of the Projects. In CSA Global's professional judgement, sufficient information is available that a site visit is not likely to add materially to its understanding of the prospectivity of the tenements.

1.7 About this Report

This ITAR describes the prospectivity of BMM's five tenements, comprising three projects located in the central Balkan country of the Republic of Serbia and are distributed in the centre and west of the country. They are the Rekovac Project which comprises three licences covering an area of 273 km^2, the Dobrinja Project comprising one licence and covering 37.58 km^2, and the Pranjani Project comprising one licence and covering 25.96 km^2. The Dobrinja and Pranjani projects lie approximately 80 km to the west of the Rekovac Project (Figure 2-1).

The geology and mineralisation for each tenement or project area is discussed, as well as the previous and current exploration work completed, and a discussion of the results obtained there from. The information relating to the data and quality assurance/quality control (QAQC) for the exploration results reported is drawn from information provided by BMM and Mr Dejan Jevanovic (M.Sc. Eur. Geol., General Manager Exploration for BMM).

2 Property Description and Location

The three project areas (Rekovac, Dobrinja and Pranjani) are located within the Republic of Serbia (Figure 2-1) in the Šumadija and Western Serbia Province (Figure 2-2). The Projects cover three Neogene aged sedimentary basins that constitute three separate projects in the northwest trending portion of the Vadar Zone. The Vadar Zone, which is considered highly prospective for boron and lithium-boron mineralisation, extends from Turkey the south, where it is host to numerous boron deposits, to Serbia in the north where it is host to Rio Tinto's lithium-borate Jadar deposit.

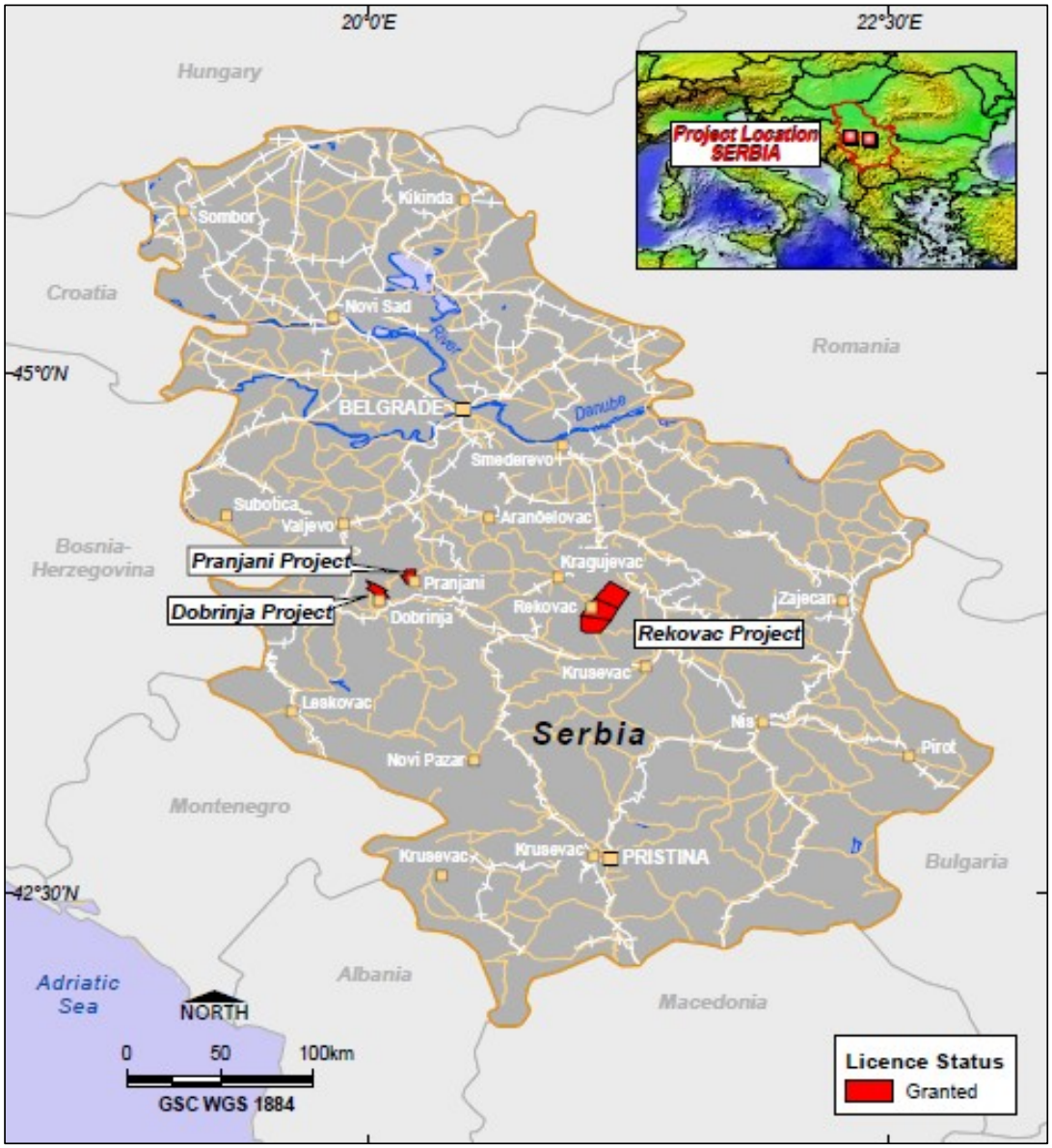

Figure 2-1: Map of Serbia within the broader Balkans region showing the location of the three Projects
Source: www.vidiani.com/maps-of-serbia/

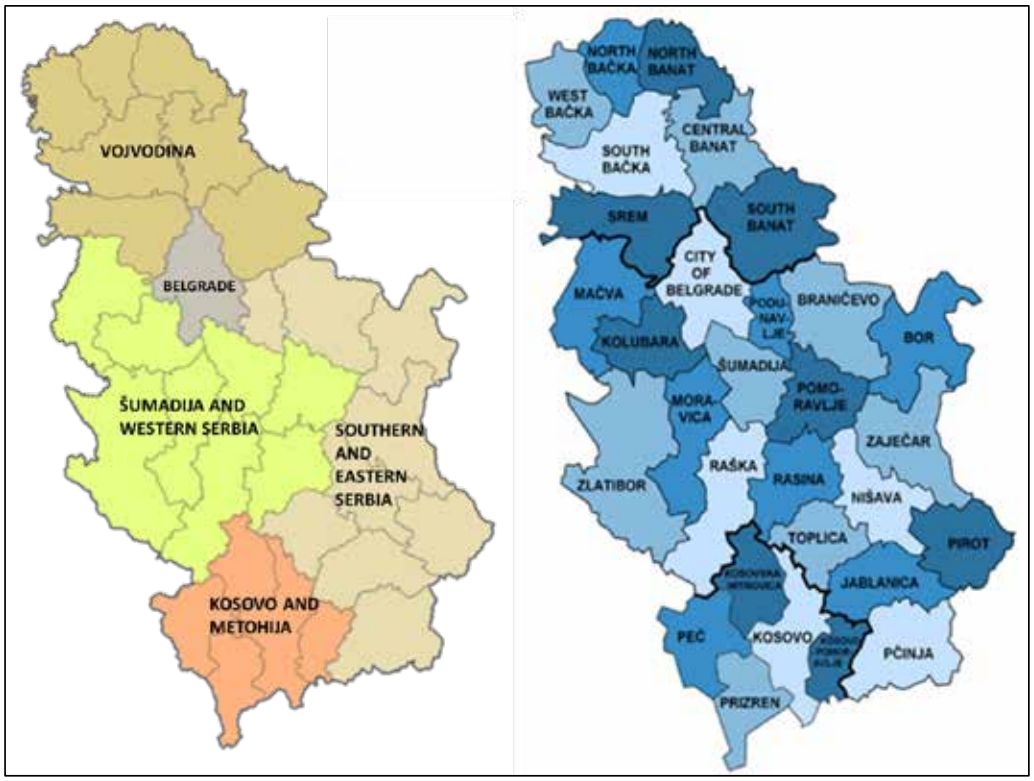

Figure 2-2: Provinces and administrative subdivisions of Serbia
Source: en.wikipedia.org/wiki/

The Rekovac Project comprises three contiguous licences – namely, the Rekovac, Ursule and Siokovac licences. The Rekovac Project is located within the Pomoravlje district of Šumadija and Western Serbia (Figure 2-2). The licences cover an area of 273 km^2 and are located about 20 km southwest of Jagodina, the administrative centre and 120 km south-southeast of the capital, Belgrade (Figure 2-1). The town of Rekovac is located in the centre of the project area.

The Dobrinja and Pranjani projects each comprises a single licence in the territories of Gornji Milanovac and Požega, respectively. These projects are located within the Moravica district of Šumadija and Western Serbia (Figure 2-2). The village of Dobrinja is located within the Dobrinja licence and the village of Pranjani within the Pranjanji licence. The two licences are located about 15–20 km northwest of the city of Čačak (Figure 2-1).

The exploration licences held by BMM are considered to be "exploration projects" that are intrinsically speculative in nature. However, they are considered by CSA Global to have been identified and acquired on sound technical merit. Current exploration by Jadar Resources for lithium-borate mineralisation has focused only on the southern Rekovac licence within the Rekovac Project. The results of this exploration have demonstrated the potential for lithium-borate mineralisation and warrants further exploration. The other four licences were only recently granted (in March 2021), but are considered sufficiently prospective to warrant further exploration and assessment of their economic potential consistent with the proposed exploration programs.

2.1 Mineral Tenure, Permitting, Rights and Agreements

The following is a summary of the laws for "Conducting Explorations" (Exploration Permits) and Exploitation Permits in Serbia. Further details on the tenements (agreements, royalties etc.) are provided in the Independent Solicitor's Report (JPM, 2021) elsewhere in the Prospectus. CSA Global makes no other assessment or assertion as the legal title of the tenements and is not qualified to do so.

Approvals for Conducting Explorations (Exploration Permits) and Exploitation Permits in the Republic of Serbia are administered by the Ministry of Mining and Energy ("Ministry") and governed by the Law on Mining and Geological Exploration (Official Gazette of the Republic of Serbia no. 101/2015) (the "new mining law"), which came into force on 16 December 2015.

Exploration Permits are issued for an initial period of three years and renewable twice, the first for a period of up to three years and then for a period up to two years. In the event that the exploration holder of mineral resources in the second extension of the exploration period develops the project study on reserves and resources of mineral raw materials and in the same project study due to lack of data presents only the mineral resources, the proof of mineral resources represents the basis for obtaining of an approval for additional extension of the exploration period for a further two years in order of collecting of the data necessary to determine and classify of mineral reserves or the transformation of mineral resources into the ore reserves (Article 38 – Law on Mining and Geological Research ("Official Gazette of RS", no. 101/2015)). Serbian Law requires the exploration company to submit annual reports of the work completed which evidence that not less than 75% of the planned work has been completed.

Exploration and exploitation permits may be assigned onto another company, legal entity, or entrepreneur in accordance with the new mining law. In the event of such a transfer, all the rights and obligations attached to the respective licences are also transferred (JPM, 2021). The relevant documentation for such a transfer is provided in the Independent Solicitor's Report (JPM, 2021).

Other significant changes with the new mining law include[3]:

- Corporate bodies are now allowed to apply for and receive Exploration Permits; previously only individuals were allowed.
- The maximum size of an Exploration Permit that can be applied for is limited to 100 km^2, except for the exploration of oil and gas (up to 5,000 km^2), underground waters and mineral resources (up to 10 km^2), and non-metallic mineral resources used for production of construction and industrial materials (up to 2 km^2).
- The amount of material that can be removed from a permit for sampling during exploration is limited to 2,000 tonnes for metallic mineral resources, and 500 tonnes for non-metallic mineral resources, coal, and oil shale, etc. Boron and lithium ore are limited to 2,000 tonnes.
- The introduction of a number of mineral resources of strategic importance including boron and lithium.

The application for the renewal of an Exploration Permit has to be submitted at least 30 days prior to the expiry of the permit (Article 39 – Law on Mining and Geological Research ("Official Gazette of RS", no. 101/2015).

The entity conducting exploration is required to pay an annual royalty fee of RSD 10,282 (EUR87/A$134) per square kilometre within each licence (JPM, 2021).

2.1.1 State of BMM's Tenure

The current Exploration Permits are held by Jadar Lithium d.o.o., a wholly owned entity of BMM which is presently a wholly owned subsidiary of Jadar Resources.

The three projects comprise five exploration licences and are summarised below and in Figure 2-3 and Table 2-1. The Rekovac Project comprises three exploration licences – namely, Rekovac, Ursule, and Siokovac (Figure 2-3). The Dobrinja and Pranjani projects comprise the Dobrinja exploration licence and the Pranjani exploration licence, both of which were granted on 22 March 2021 (Figure 2-4).

[3] www.kinstellar.com/insights/detail/301/new-mining-regulatory-framework-in-serbia

Figure 2-3: Map showing the corner points if the licences that make up the Rekovac Project

Table 2-1: Summary of the exploration licences held by BMM

Project	Licence name	Exploration area no.	Area (km²)	Issue date	Date exploration permitted from	Expiry date	Resolution no.
Rekovac	Rekovac	2224	75.42	28/02/2017 (date of extension decision 19/05/2020)	05/11/2020* (first renewal)	05/11/2023	310-02-01852/ 2016-02
	Ursule	2429	99.36	01/03/2021	18/03/2021	18/03/2024	310-02-836/ 2019-02
	Siokovac	2430	98.54	01/03/2021	22/03/2021	22/03/2022	310-02-837/ 2019-2
Dobrinja	Dobrinja	2428	37.58	01/03/2021	22/03/2021	22/03/2022	310-02-1923/ 2019-02
Pranjani	Pranjani	2427	25.96	01/03/2021	22/03/2021	22/03/2022	310-02-1922/ 2019-02

**Original period from 28 April 2017 to 27 April 2020. First licence renewal/extension period valid for three years.*
Source: JPM (2021) and Jadar Resources

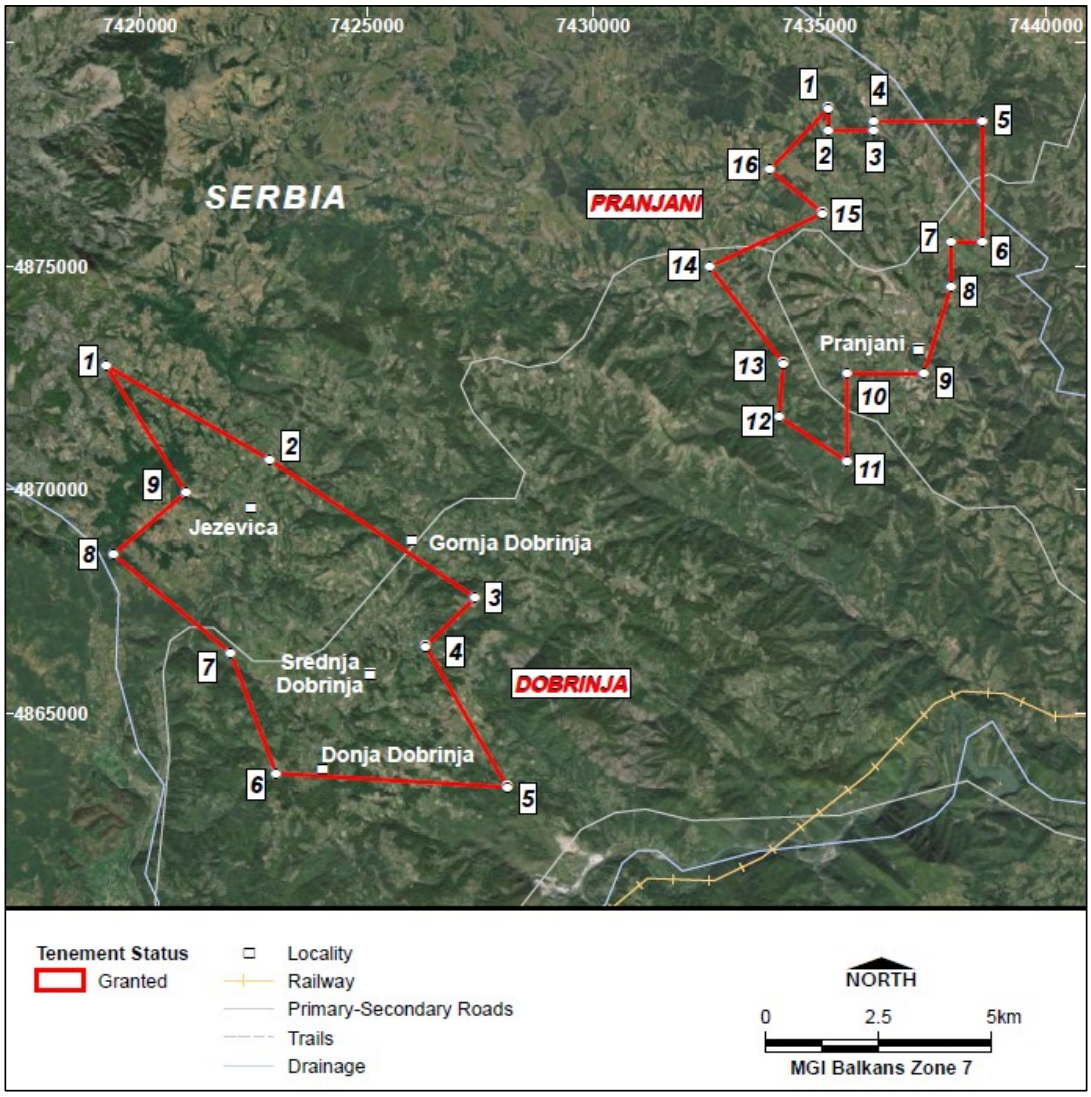

Figure 2-4: Map showing the corner points if the licences that make up the Dobrinja and Pranjani projects

The surface rights over the licences are held by private individuals and by local/state governments. Land access therefore is negotiated with the individual landowners.

3 Accessibility, Infrastructure, Climate, Local Resources and Physiography

The Republic of Serbia is a landlocked country in the central Balkans and is situated at the crossroads of Central and Southeast Europe in the southern Pannonian Plain and the central Balkans. It shares borders with Hungary in the north, Croatia to the northwest, Bosnia and Herzegovina to the west, Montenegro and Albania in the southwest, Macedonia in the south, Bulgaria to the southeast, and Romania to the east (Figure 2-1). Serbia is subdivided into five statistical regions, including the autonomous provinces of Vojvodina in the north and Kosovo and Metohija in the south, and is further subdivided into 29 administrative districts (Figure 2-2).

During the breakup of Yugoslavia in the 1990s, Serbia formed a union with Montenegro in 1992 known as the Federal Republic of Yugoslavia. In 2003, it became known as the State Union of Serbia and Montenegro, which dissolved peacefully in 2006, when Serbia re-established its independence (Jones, 2017; www.infoplease.com/world/countries/serbia).

It has a population of 6.93 million, according to a 2020 estimate (www.stat.gov.rs/en-US), excluding the Autonomous Province of Kosovo and Metahija, of which ~55% live in urban areas (World Bank, 2015). The capital, Belgrade is one of the oldest and largest cities in south-eastern Europe, with a population of 1.7 million people living within the administrative limits of the City of Belgrade, a quarter of the total population of Serbia.

Serbia is a member of numerous organisations such as the United Nations (UN), Council of Europe (CoE), Organization for Security and Co-operation in Europe (OSCE), Partnership for Peace (PfP), Organization of the Black Sea Economic Cooperation (BSEC), Central European Free Trade Agreement (CEFTA), and acceding to the World Trade Organization. A European Union (EU) membership candidate since 2012, Serbia has been negotiating its EU accession since January 2014 with the aim of joining the EU in 2025.

Serbia adheres to a policy of military neutrality. The country provides universal health care and free primary and secondary education to its citizens. It is an emerging and transitional market economy and in the upper to middle income range with a dominant service sector (www.cia.gov/the-world-factbook/countries/serbia).

3.1 Accessibility and Infrastructure

Serbia has a good network of roads and motorways the connect Serbia to its neighbours. The main motorway along the Morava Valley is an important route to provides easy access from continental Europe through to Asia Minor and the Near East (Figure 2-1 and Figure 3-1). The bulk of the traffic in Serbia is carried on the road network which has a total length of 45,419 km, of which 962 km are motorways, 4,517 km are national roads, 10,941 km are regional roads, and 23,780 are classed as municipal roads. The road network, except for the motorways, are of comparatively lower quality to the Western European standards due of lack of financial resources for their maintenance in the last 20 years.

Serbia has two main international airports. The Nikola Tesla Airport in Belgrade served over 6 million passengers in 2019 and only 1.9 million in 2020 due to the COVID-19 pandemic; it is also the main hub for Air Serbia. The Niš Constantine the Great Airport caters mainly to the low-cost airlines and also serving as secondary Air Serbia hub. The Morava Airport, between Čačak and Kraljevo and largely a military airport, recently opened to civilian airlines in 2019 but currently see very little civilian traffic.

Serbia's rail network comprises 3,819 km of rail tracks, of which 1,279 are electrified and 283 km are double track and is a major mode for freight transportation. Belgrade is the major rail hub followed by Niš. Significant routes include the high-speed Belgrade-Subotica-Budapest route, as well as routes to Montenegro, Croatia, Bulgaria, and Greece. Rail services are operated by the national carriers Srbija Vos for passengers and the freight service by Srbija Kargo; however, lack of maintenance of the infrastructure has resulted in lowering of speeds on the lines.

In addition to the road, rail and air networks, Serbia also has a well-developed inland water transport network comprising 1,716 km of navigable inland waterways (1,043 km of navigable rivers and 673 km of navigable canals), which are almost all located in the northern third of the country. The Danube River is the most significant, and together the Sava, Tisza, Begej and Timiş rivers which also provide important navigable routes provide access to most of Europe. In 2018, over 8 Mt of cargo were transported on Serbia's waterways. The largest ports include Novi Sad, Belgrade, Pančevo, Smederevo, Prahovo and Šabac (Jones, 2017; en.wikipedia.org/wiki/Serbia).

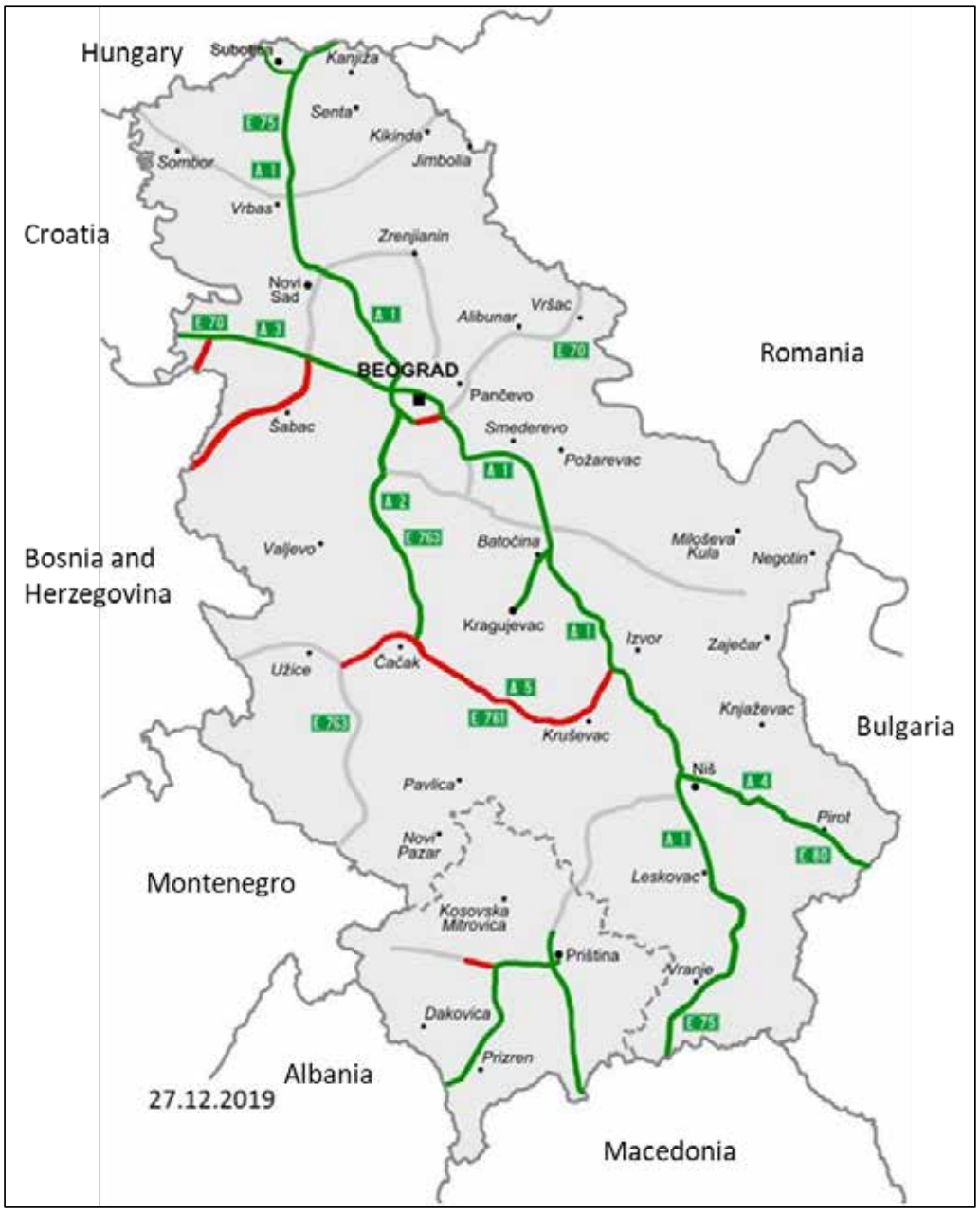

Figure 3-1: Serbia's existing and planned motor network (green – existing; red – under construction; grey – planned)
Source: https://commons.wikimedia.org/wiki/File:Map_of_motorways_in_Serbia_decembar27.jpg

Access to the Rekovac Project is by road from Belgrade is via the A1/E75 to Jagodina. From Jagodina, a network of regional, municipal and unpaved secondary roads provide access along the river valleys and ridges to the villages, hamlets and farmlands within the licences.

Access to the Dobrinja and Pranjani projects is by road from Belgrade is via the A2/E763 to Čačak. Access from Čačak into the two licences is via the network of regional, municipal and unpaved secondary roads.

3.2 Climate

Serbia's climate is influenced by the landmass of Eurasia and the Atlantic Ocean and Adriatic and Aegean seas and can be classified as a warm-humid continental or humid subtropical.

The climate in northern Serbia is a moderate continental climate with cold dry winters and warm humid summers and variable rainfall patterns (Cfa and Dfa under the Köppen-Geiger climate classification, Figure 3-2), largely shaped by the air masses from northern and western Europe. In the southern more mountainous areas, there is a Mediterranean influence with drier hot summers and relatively cold wet winters and heavy snowfalls in the mountainous regions (Dfb under the Köppen-Geiger climate classification, Figure 3-2). However, Dinaric Alps and other mountain ranges also contribute to the cooling down of the warm airmasses resulting the harsh winters .

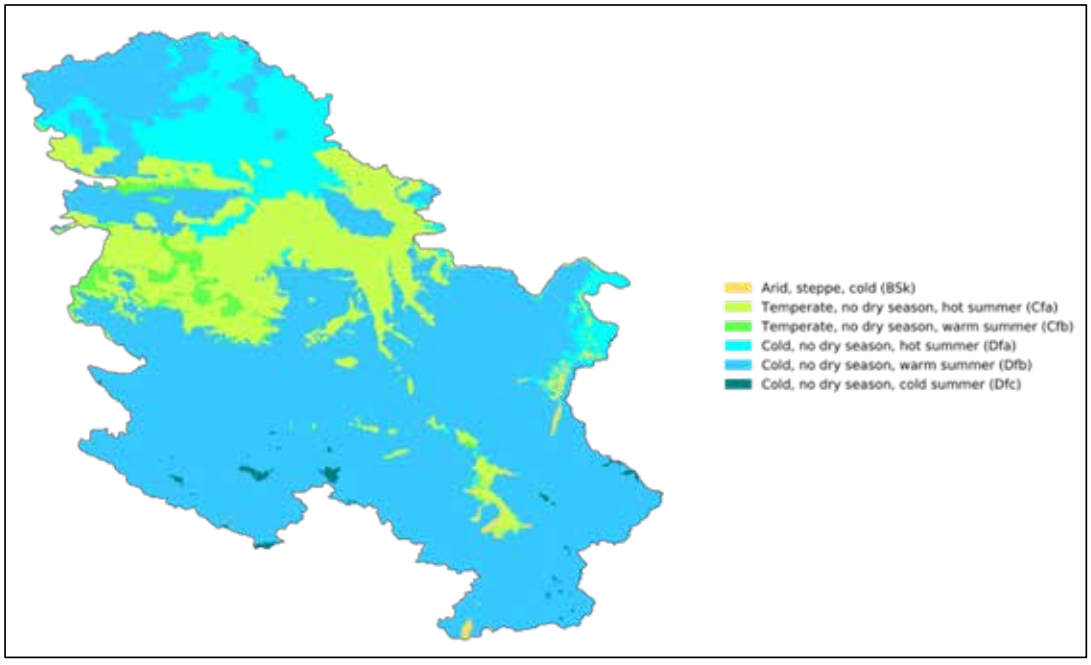

Figure 3-2: Köppen-Geiger climate classification map for Serbia (1980–2016) showing the more temperate climate in the north and colder more Mediterranean climate in the south
Source: Beck et al. (2018)

Serbia has four well defined seasons: winter from December to March; spring from April to May; summer from June to August, the hottest months being July and August; and autumn, which sees a rapid drop in temperature, from September to November.

The annual precipitation rises with elevation. The lower regions receive between 540 mm and 820 mm and areas above 1,000 m elevation between 700 mm and 1,000 mm precipitation per year, with some mountain summits receiving up to 1,500 mm precipitation per year. Most of Serbia, except for the south-western parts, receives its precipitation in the warmer parts of the year with June the rainiest month with 12–13% of the annual precipitation falling, and February and October being the driest months. The south-western parts receive most precipitation in autumn. Snow cover is synonymous with the coldest part of the year, from

November to March, with January being the month with the most snow cover (http://www.hidmet.gov.rs/eng/meteorologija/klimatologija_srbije.php).

Average annual temperature for areas below 300 m above mean sea level (AMSL) is 11.6°C. The areas between 300 m and 500 m AMSL have an average temperature of approximately 11°C, and at elevations above 1,000 m AMSL annual temperatures average 7.5°C.

Areas of central Serbia (~16,000 km^2) are at risk of flooding with the most recent being in 2014. The country is also prone to earthquakes, storms, and droughts.

3.2.1 Rekovac Project

In the city of Jagodina, 20 km to the northeast of the Rekovac Project, the hottest month is August with average annual minima and maxima of 18°C and 29°C, the coldest month being January with average annual minima and maxima of -3°C and 4°C (Table 3-1). On average, Jagodina has 91 days and 707 mm of precipitation per year, with the wettest month being May with 77 mm and nine days of rain, and August the driest month receiving only 48 mm of precipitation. January has the most days of snowfall – 11 days (Table 3-2).

Table 3-1: Average temperature in Jagodina

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maximum (°C)	4	7	12	18	22	26	28	29	23	17	12	5
Minimum (°C)	-3	-2	2	7	12	16	18	18	13	8	4	-1

Source: en.climate-data.org/europe/serbia/jagodina/jagodina-34744/

Table 3-2: Average monthly precipitation in Jagodina

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Precipitation (mm)	55	51	59	68	77	73	61	48	54	50	51	60
Rain days	8	8	8	9	9	9	7	6	6	6	6	9
Snow days*	11	8	3	0	0	0	0	0	0	0	1	7

*Sources: en.climate-data.org/europe/serbia/jagodina/jagodina-34744/ and *-www.besttimetovisit.co.za/serbia/jagodina-3223361/*

The average monthly sunshine per day is presented in Table 3-3, with the sunniest months being July and August. The climate over the Rekovac Project is likely to be slightly cooler with potentially higher annual precipitation due to the higher elevations of ~250–500 m AMSL, compared to Jagodina which is 120 m AMSL.

Table 3-3: Average daily hours of sunshine per month in Jagodina

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Hours	4	4	6	10	10	11	12	12	9	7	6	5

Source: www.besttimetovisit.co.za/serbia/jagodina-3223361/

3.2.2 Dobrinja and Pranjani Project

For the city of Čačak, located approximately 15–20 km southeast of the Dobrinja and Pranjani projects, the hottest month is August with average annual minima and maxima of 16°C and 28°C; the coldest month being January with average annual minima and maxima of -4°C and 4°C (Table 3-4). On average, Čačak has 139 days and 799 mm of precipitation per year, with the wettest month being May with 92 mm and 10 days of rain, and November the driest month receiving only 54 mm of precipitation. January has the most days of snowfall – 12 days (Table 3-5).

Table 3-4: Average temperature in Čačak

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maximum (°C)	4	6	11	17	21	24	27	27	22	17	12	5
Minimum (°C)	-4	-3	0	5	10	14	16	16	12	7	2	-2

Source: en.climate-data.org/europe/serbia/cacak/cacak-25938/

Table 3-5: Average monthly precipitation in Čačak

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Precipitation (mm)	55	55	71	76	92	85	79	55	60	55	54	62
Rain days	8	8	9	9	10	9	8	6	7	6	7	9
Snow days*	12	9	4	1	0	0	0	0	0	0	2	9

*Sources: en.climate-data.org/europe/serbia/cacak/cacak-25938/ and *-www.besttimetovisit.co.za/serbia/cacak-3222804/*

The average monthly sunshine per day is presented in Table 3-6, with the sunniest months being July and August. The climate over the project area is slightly cooler with similar annual precipitation due to the higher elevations of ~400–600 m AMSL, compared to Čačak which is 241 m AMSL.

Table 3-6: Average daily hours of sunshine per month in Čačak

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Hours	4	4	6	9	10	11	12	12	9	7	6	5

Source: www.besttimetovisit.co.za/serbia/cacak-3222804/

3.3 Local Resources

The local and regional road networks are well developed for access to the two project areas as well as to regional centres. Its location within Europe also allows easy access into continental Europe and Asia Minor and the Near East.

Power in Serbia is generated largely from fossil fuels (65%), hydroelectric plants account for 32% of the power generation, and ~3–4% from other renewables (i.e. geothermal, wind, solar, and biomass). The entire population has access to electricity (www.cia.gov/the-world-factbook/countries/serbia/) and around 90% have access to piped potable water.

The mobile telecommunication networks have a very high penetration of 96 per 100 persons and fixed lines only a penetration of 29 per 100 persons. Between the three mobile operators in Serbia, 3G and 4G/LTE network coverage is good along most of the major roads and in villages. However, in the more remote and mountainous areas, coverage is likely to be patchy (www.benchmark.ratel.rs/en/radio-coverage and www.nperf.com/en/map/RS/).

Unemployment is low compared to other Balkan states at ~16%, but well above the European average (www.cia.gov/the-world-factbook/countries/serbia/). Average gross wages (in 2020) were RSD 90849 per month (or approximately US$925 per month) (www.stat.gov.rs/en-US/oblasti/trziste-rada/zarade). According to the World Bank, gross domestic product (GDP) growth in 2019 was 4.2%; however, a decline in 2020 of 3% was experienced due to the impact of COVID-19.

3.3.1 Rekovac Project

The city of Jogodina lies about 10 km northeast of the Rekovac Project (Figure 3-3) and is the administrative centre of the Pomoravlje district with about 77,000 inhabitants in the administrative area. The economy of the Rekovac municipality consists of manufacturing, mining, construction, trade, agriculture, and forestry and is home to the Cable Factory Jagodina (FKS) which employs about 8,000 workers and produces around 50% of Serbia's electrical cable.

Mining in the Rekovac district is mainly for construction materials including quartz sand, tuffs and marl northwest and construction stone. Occurrences of graphite are located south of Sekurič, and in the pegmatites at Juhor. Minor metallic occurrences of nickel, copper, cobalt and vanadium have also been identified.

Most of the agricultural land is used for the production of wheat as well as vineyards, fodder for livestock, forestry and fruit orchards.

Other industries in the city include a brewery, meat factory, cable accessories, construction, and a defunct onyx mine. Manufacturing is the largest employer in the city followed by wholesale and retail trade, health, education, and public administration.

An electric double-track railway passes through Jagodina which connects Central Europe with Southern Europe and Asia. A local airport with a grass airstrip of 660 m services ultralight, sport, business, and agricultural aircraft weighing up to 5.7 tonnes.

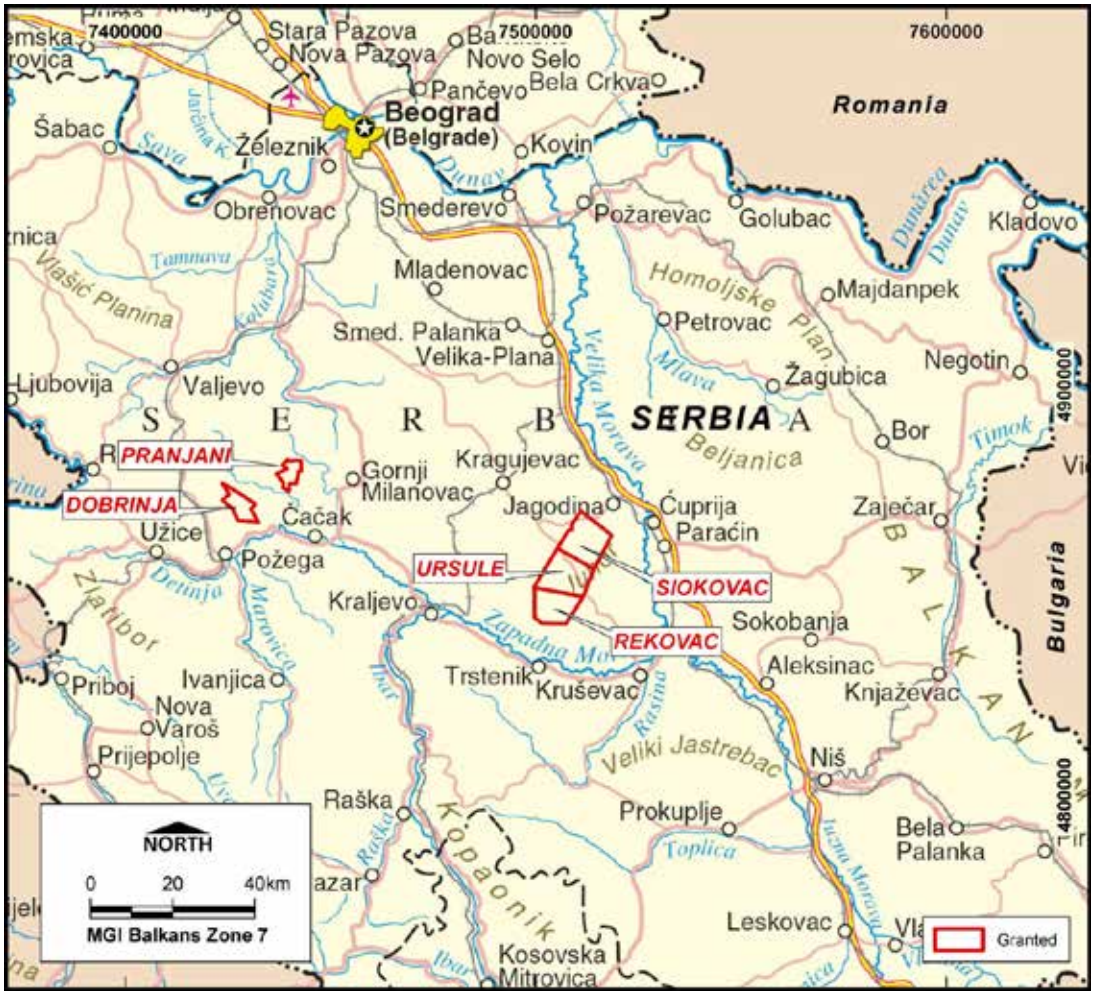

Figure 3-3: Map showing the cities, towns and road network and around the project areas
Source: www.vidiani.com/maps-of-serbia/

3.3.2 Dobrinja and Pranjani Projects

The city of Čačak, the administrative centre of the Moravica district, lies 15-20 km southeast of the Dobrinja and Pranjani projects (Figure 3-3), and the administrative area comprises about of 115,000 inhabitants (www.energy-cities.eu/members/city-of-cacak). The local economy is composed of services and trade, industry, and agriculture. The main industries being production of paper, home appliances, non-metals, chemical industry products and a well-developed lumber and agricultural industry.

Power is supplied by the Serbian Electro Energy system and within the territory of the city there are two existing hydroelectric power plants (HE "Ovčar Spa" and HE "Međuvršje"). A railway from Kraljevo to Požega passes through Čačak, connecting the city with Belgrade–Bar railway (one of country's main railways).

The main road through the Dobrinja licence is the 177 which connects the town of Dobrinja in the north of the licence to the town of Pranjani in the east of the Pranjani licence and through to the A2/E763 highway to Belgrade.

Dobrinja is located in the municipality of Požega, which lies within the Zlatibor district of western Serbia and its economy relies mainly on manufacturing.

The village of Pranjani the municipality of Gornji Milanovac is located in the Moravica district of central Serbia and its economy relies mainly on manufacturing.

3.4 Physiography

Serbia has a rich ecosystem and species diversity, despite only covering only 1.9% of the whole European territory it is home to 39% of European vascular flora species, 51% of European fish fauna species, 40% of European reptile and amphibian fauna species, 74% of European bird fauna species, and 67% European mammal fauna species. Its abundance of mountain and riverine habitats make it an ideal environment for a variety of animals, many of which are protected including wolves, lynx, bears, foxes, and stags.

Forest covers 2,252,000 ha or approximately 29.1% of Serbia. The most common trees are oak, beech, pines, and firs.

There are 380 protected areas in Serbia, encompassing 4,947 km^2. Those protected areas include five national parks (Đerdap, Tara, Kopaonik, Fruška Gora and Šar Mountain), 15 nature parks, 15 "landscapes of outstanding features", 61 nature reserves, and 281 natural monuments.

Air pollution is a significant problem in the Bor area (in the east of Serbia), due to emissions from a large copper mining and smelting complex, and at Pančevo where an oil and petrochemical industry is based. Some cities suffer from water supply problems due to mismanagement and low investments in the past, as well as industrial water pollution or the presence of natural arsenic in underground waters in Zrenjanin (north of Belgrade).

Poor waste management was previously identified as one of the most important environmental problems in Serbia However in recent years Serbia made a huge effort to align the environment laws and regulations with European legislation.

Most of Serbia's rivers drain into the Danube which drains into the Black Sea. The Danube represents a major source of fresh water for Serbia and 21% (588 km) of its overall length passes through Serbia. The Great Morava, Sava and Tisza rivers of Serbia represent the Danube's largest tributaries (Figure 3-4). The Pčinja River which flows south into the Aegean is one exception. A number of hydroelectric dams have been built along the rivers in Serbia, the largest being Đerdap (Iron Gates) (253 km^2) on the Danube with 163 km^2 on the Serbian side and balance in Romania.

Figure 3-4: Topographic map of Serbia
Source: http://www.maphill.com/serbia-and-montenegro/3d-maps/physical-map/

The Rekovac terrain is characterised by alternating mountains and intervening lowlands having the appearance of a funnel, hence the historic place name Levac (Serbian: funnel). High slopes of the Gledić Mountains rise from the west and the Juhor Hills from the southeast. Within the tenement area, the elevations range from approximately 120 m AMSL in Belica River valley in the north of the project to 700 m AMSL in the southwest.

The Dobrinja and Pranjani licences are separated by a series of northwest trending ridges comprising the Western Vardar Ophiolites with peaks over 800 m.

The Dobrinja licence area is characterised by a moderate relief between 400 m and 550 m AMSL, with the rivers draining southwest into larger tributaries of the Zapadna Morava River which runs through the city of Cacak to the east. Most of the land outside of the villages and town comprise cultivated fields and meadows and some forests on the higher ridges.

The topography in the Pranjani licence is characterised by a series of northwest orientated ridges and valleys ranging from about 350 m and 550 m AMSL in elevation and can be traced across the licence area. The rivers in the valleys flow to the southeast and into the Cemernica River a large tributary of the Zapandna Morava River. Most of the land outside of the villages and town comprised cultivated fields and meadows and some forests on the higher ridges.

4 Boron and Lithium Markets

4.1 Boron Market

Boron (B), the fifth element in the periodic table, does not occur in nature as a free element but is always combined with oxygen to form inorganic salts called borates. Although trace amounts of borates are found all over the world in rock, soil and water there are very few commercial boron mineral deposits. The two major deposits are in the Mojave desert in California owned by Rio Tinto (RIO) and in Turkey owned by the Turkish state. The only other as yet undeveloped large boron mineral deposit is Rio Tinto's Jadar resource in Serbia.

The most commonly mined boron minerals are tincal (sodium borate) and colemanite (calcium borate). Other boron minerals that are commercially exploited include ulexite and kernite. Borates also occur in a number of other minerals such as jadarite and searlesite. Tincal is the main source mineral for refined pentahydrate borax ($Na_2B_4O_7.5H_2O$) about 48% B_2O_3 and colemanite for the production of boric acid (H_3BO_3) about 56.3% B_2O_3.Kernite is used to produce borax decahyrate and boric acid .Ulexite ores produced from South American salars are dried and screened and used mainly in agriculture and as a feed for boric acid production. Borate minerals are exploited from evaporite deposits hosted by continental, lacustrine sedimentation of Neocene age. In this environment, borate minerals are often hosted with lithium minerals typically in the form of smectite clays or when boron and lithium elements are bonded together forming a lithium borosilicate minerals phase, named jadarite (Stanley, 2007). These minerals are exploited primarily from non-marine sediment-hosted evaporite deposits (Helvaci and Palmer, 2017) and may also associated with lithium mineralisation.

The processing of borate minerals depends on the scale of the operation and ore type with the final product either an upgraded ore or refined mineral or boric acid. Boron products are priced and sold based on their boric oxide (B_2O_3) content, varying by ore and compound and by the absence or presence of calcium and sodium and usually traded as borax pentahydrate ($Na_2B_4O_75H_2O$) or boric acid (H_3BO_3)

Compounds of boron have been known for centuries and possibly millenia when borax was used as a flux in the manufacture of jewellery in Mesopotamia (modern-day Iraq) some 4000 years ago . Commercial production of borates started in the 1800s in Chile, the south western United States and Turkey. Use of borax dates back >4,000 years in Babylon (in Mesopotamia, now modern-day Iraq) where it was used as a flux in the manufacture of jewellery. The Egyptians used borax in the mummification process and around 300 A.D. the Chinese and Arabs (300 years later) were using borax glazes. Around the 13th century the main sources of borax where Tibet and Kashmir, followed by Italy in the 1700's. Commercial mining of borates started in Chile in the 1800's and was followed by Clear Lake in the United States. In Turket borate mining dates back to Roman times and modern mining there began in the second half of the 1800's (Helvaci and Palmer, 2017)..

Today, the USA and Turkey account for over 80% of global production with contributions from Argentina, Chile, Peru, China, and Russia. Rio Tinto's (ASX:RIO) boron mine in California and Turkey's state owned Eti Maden mines account for ~70% of global boron output (American Pacific Borates Ltd, 2021; Stockhead, 2019). Eti Maden's mines, in the southern end of the Vardar Zone (Figure 5-1), alone produces about half the global supply (http://www.etimine.com/boron-in-the-world/) and contains between 60% and 88% of the global reserves (USGS, 2020; Helvaci and Palmer, 2017).

Borates are used in more than 300 applications many of them essential. The main applications include agriculture, ceramics, detergents and personal care products, fibreglass, borosilicate glass, polymer additives and wood treatments. More than three-quarters of world consumption was used in borosilicate glasses and ceramics, fertilizers (micronutrients) and detergents (Figure 4-1). Some of these applications are critical to global de-carbonisation such as borates in insulation fibreglass the single largest use of borates globally, boron nitride in hydrogen storage and boron in rare earth magnets used in electric vehicles.(USGS, 2021). Geographically the primary consumers are China, North America and Central/South America and Asia which accounted for more than 75% of global consumption in 2018 (Figure 4-2).

The global market in 2018 was over 2 million t B_2O_3 (equivalent), compared to 1.5 million t in 2010, and expected to grow at between 3% and 4.5% CAGR by 2025 (Stockhead, 2019 and Orocobre, 2018). Going forward the key demand drivers are expected to be urbanisation (including insulation and ceramic tiles for the global housing market), micronutrients for the production of sustainable food supply and electrification of transport and clean energy production (which includes NdFeB permanent magnets, fibreglass insulation, wind turbine blades and solar PV modules) (Orocobre, 2018). Of these markets the fertiliser market is expected to see the largest growth in the coming years with a forecast growth rate of 8.3 % CAGR though to 2025 (Stockhead, 2019).

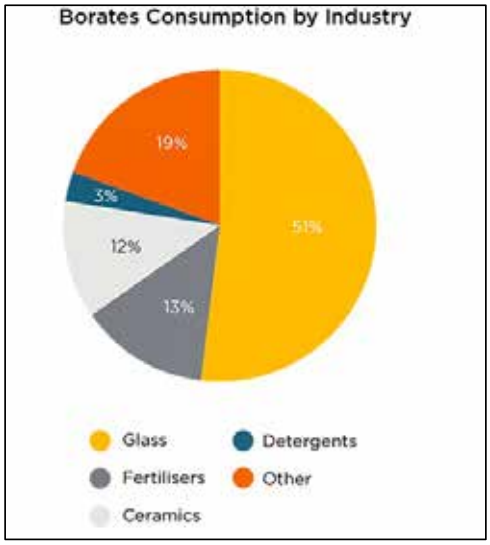

Figure 4-1: Global boron market by application
Source: www.orocobre.com/the-markets/boron-market/

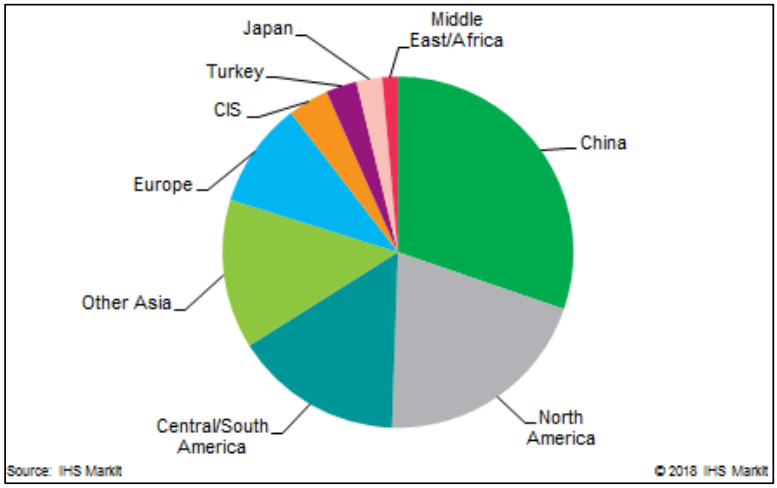

Figure 4-2: Global boron consumption in 2018
Source: https://ihsmarkit.com/products/boron-minerals-chemical-economics-handbook.html

4.2 Lithium Market

Lithium (symbol Li) is the third and lightest element on the periodic table . It does not occur in its elemental state in nature but as lithium minerals or salts and is mined either from salars/continental brine deposits or lithium-caesium-tantalum (LCT) pegmatite deposits. Other potential future sources of lithium include sediment-hosted evaporite deposits that contain hectorite clay or jadarite mineralisation, which are often associated with boron mineralisation, and geothermal and oil field brines. Figure 4-3 shows the distribution of the global lithium reserves by deposit type. Currently, production is from either salars or pegmatites (conventional minerals).

Commercially the most important lithium minerals are spodumene and petalite (Table 4-1) mined from LCT pegmatites and lithium carbonate which is produced from the continental brines (salar deposits). Currently about 50% of global production comes from Australia as spodumene concentrates and 30% from the lithium brine deposits in South America (Figure 4-4). Global lithium production has been steadily increasing over the last 15 years, with a decrease in 2020 to 437kt Lithium Carbonate Equivalent (LCE) from 458kt LCE in 2019 (and excludes US production) (USGS, 2021) as a result of oversupply and resultant price drops, conversion capacity issues and the impact of COVID-19. The market is expected to continue to grow at between 13-17% CAGR through to 2027 (SQM, 2018) and would require a doubling of production in the next 4-5 years.

Table 4-1: List of principal boron and lithium minerals and associated deposits types

Mineral name	Composition	B (B_2O_3) content	Li (Li_2O) content	Deposit type
Tincal (Borax)	$Na_2(B_4O_5)(OH)_4\ 8H_2O$	11.34% (36.51%)		Bedded borate deposit (non-marine evaporite)
Kernite	$Na_2[B_4O_6(OH)_2]\ 3H_2O$	14.90% (47.97%)		
Colemanite	$Ca[B_3O_4(OH)_3]\ H_2O$	15.78% (50.81%)		
Ulexite	$NaCa[B_5O_6(OH)_6]\ 5H_2O$	13.34% (42.95%)		
Searlesite	$NaBSi_2O_5(OH)_2$	5.30% (17.06%)		
Jadarite	$LiNaB_3SiO_7(OH)$	14.63% (47.12%)	3.38% (7.28%)	
Ezcurrite	$Na_4B_{10}O_{17}•7(H_2O)$	18.07% (58.19%)		
Hectorite	$Na0.3(Mg,Li)_3Si_4O_{10}(OH)_2$		0.54% (1.17%)	Hydrothermal alteration of volcaniclastic rocks
Polylithionite	$KLi_2AlSi_4O_{10}(F,OH)_2$		3.00% (6.45%)	
Spodumene	$LiAlSi_2O_6$		3.73% (8.03%)	LCT pegmatite
Petalite	LiAlSi4O10		2.09% (4.50%)	

Sources: www.mindat.com and www.webmineral.com

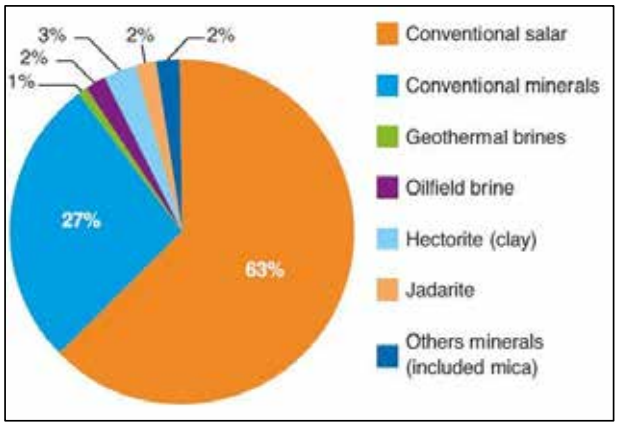

Figure 4-3: Global lithium reserves by deposit type
Source: www.ifpenergiesnouvelles.com/article/what-level-criticality-lithium-electrification-global-automobile-fleet

As a result of forecast demand, explorers and miners have been looking beyond traditional lithium geographies, with lithium exploration focused on Africa and Europe, including the Balkan region, and the traditional mineral deposits types, with an increased focus on sediment-hosted evaporite deposits (e.g. Jadar) and geothermal and oil field brines. In addition to this, many electric vehicle (EV) manufacturers are looking to get directly involved in the exploration and mining process to secure supply, e.g. Tesla (www.ft.com/content/b13f316f-ed85-4c5f-b1cf-61b45814b4ee).

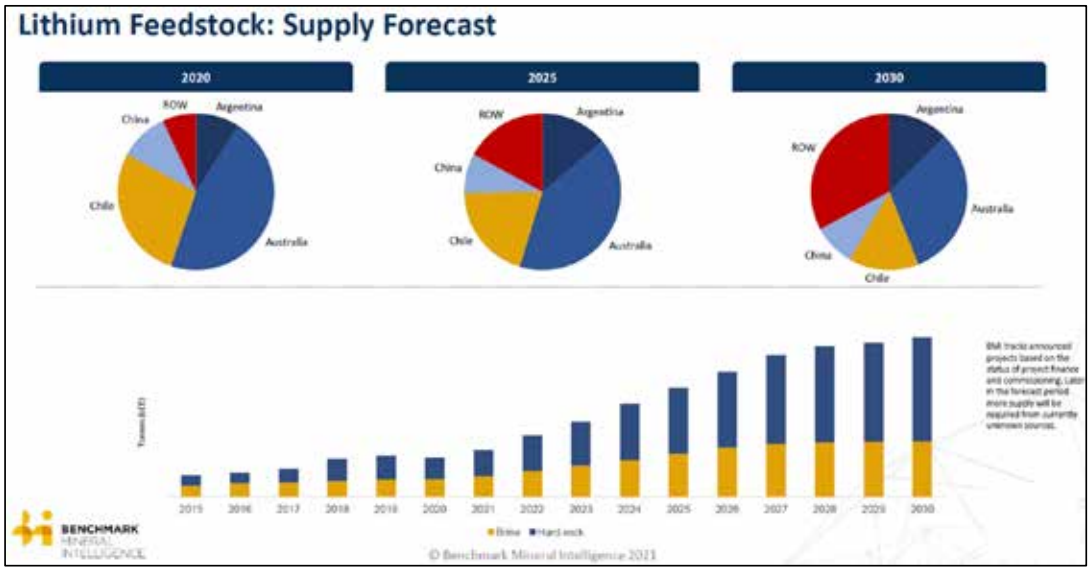

Figure 4-4: Current and future lithium supply by geography (top) and deposit type (bottom)
Source: www.benchmarkminerals.com

Lithium minerals are priced and sold based on the lithium oxide (Li_2O) content of the mineral concentrate as well as the deleterious elements as specified by the convertor, this includes but is not limited to iron and phosphorous.

The global lithium industry is dominated by a few major mining companies with Albermale, SQM, Ganfeng, Tianqi and Livent accounting 75% of the global lithium supply (Figure 4-5). Majority of the conversion/refining and battery cell capacity currently resides in China, while the battery assembly largely takes place in Japan

and South Korea (source: www.bloomberg.com). However, with strong forecast demand from lithium-ion batteries for EVs and storage applications, there are looming lithium supply, chemical conversion and battery manufacturing capacity issues. As a result, many manufacturers are looking at expanding capacity in the USA and Europe as well as China, Japan, and South Korea.

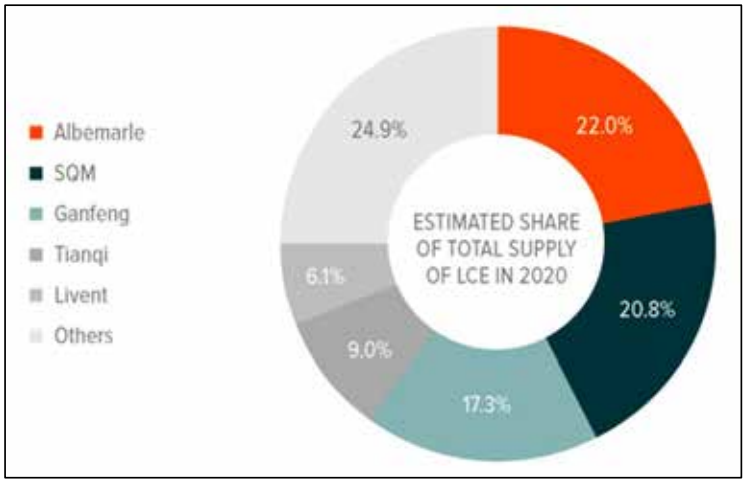

Figure 4-5: Global lithium supply by company
Source: RK Equity and www.globalxetfs.com/four-companies-leading-the-rise-of-lithium-battery-technology/

Lithium is used primarily in lithium-ion batteries, glass and ceramics, greases, and air purification (Figure 4-6). Over the last four years, lithium-ion batteries market share has increased from 42% in 2016 to 67% in 2020 (www.benchmarkminerals.com) and is set to continue increasing its market share with the forecast increased market penetration of EVs into automobile sales.

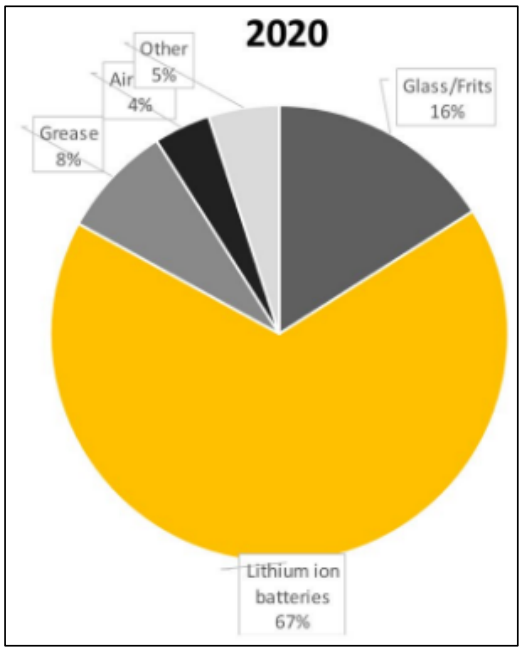

Figure 4-6: Lithium market by application in 2020
Source: www.benchmarkminerals.com

Currently, Serbia does not mine any lithium or boron minerals. Environmental, social and governance (ESG) issues are receiving much greater emphasis in the industry which together with stronger demand forecast and supply security concerns are likely to lead to more localisation of supply chains especially in Europe and North America. If BMM's Jadar lithium-borate project and other similar projects can be developed as planned, Serbia has the potential to become a lithium and boron producer in the future (Renaud, 2019).

5 Discovery and Exploration History

Historically, the Neogene aged basins were mapped by the Yugoslavia Geological Survey (YGS) and have been explored for clay, halite, uranium, and coal. There is no record of any historical exploration within the licences of the Rekovac, Pranjani or Dobrinja Projects. The discovery of the boron and lithium mineralisation in the Rekovac Project was by Jadar Resources in 2020 (ASX Release, 20 May 2020).

However, in the late 1990s and early 2000s, as part of Rio Tinto's ongoing evaluation of Neogene continental sediments and trona (sodium carbonate) exploration along the greater Vardar Zone in the Balkans, including Serbia, a number of other basins were mapped, sampled and drilled. Bore holes drilled in certain of the basins including the Lopare Basin in Republika Srpska (Bosnia and Herzegovina) identified borate mineralisation Kistler, 2013) and boreholes in the Valjevo Basin (Serbia) identified strata containing anomalous lithia concentrations (Puritch, 2020). The most significant discovery of this exploration was that of the Jadar lithium-boron deposit in 2004 where subsequent exploration by Rio Tinto has defined one of the largest lithium-boron resources in the world and comprises:

- A Probable Ore Reserve of 16.6 Mt at 1.81% Li_2O and 13.4% B_2O_3 and a Mineral Resource comprising 55.2 Mt of Indicated Resource at 1.68% Li_2O and 17.9% B_2O_3 with 84.1 Mt of Inferred Resource at 1.84% Li_2O and 12.6% B_2O_3 (Rio Tinto, 2020).

More recently, many of the other less well-explored Neogene-aged basins in the region have been the focus of some successful exploration by a number of junior exploration companies (Figure 5-1), including:

- Erin Ventures Piskanja deposit is located within the Jarandol Basin with a Mineral Resource of 7.8 Mt at 31% B2O3 in the Indicated category and 3.4 Mt at 28.6 % B_2O_3 in the Inferred category (reported at a cut-off of 12% B_2O_3) (SRK, 2019).
- Euro Lithium's Valjevo lithium-boron deposit reported a Mineral Resource of 1,696 Mt at 0.41% Li_2CO_3 and 1.98% B_2O_3 (at a cut-off of 0.25% Li_2CO_3 equivalent) (Puritch, 2020).
- Lopare Basin in Republika Srpska where exploration by LithiumLi identified outcropping borate mineralisation with assays up to 9.98% B_2O_3 and drilling intersected broad zones of evaporite mineralisation containing searlesite (a borosilicate mineral) (Pan Global Resource, 2013).

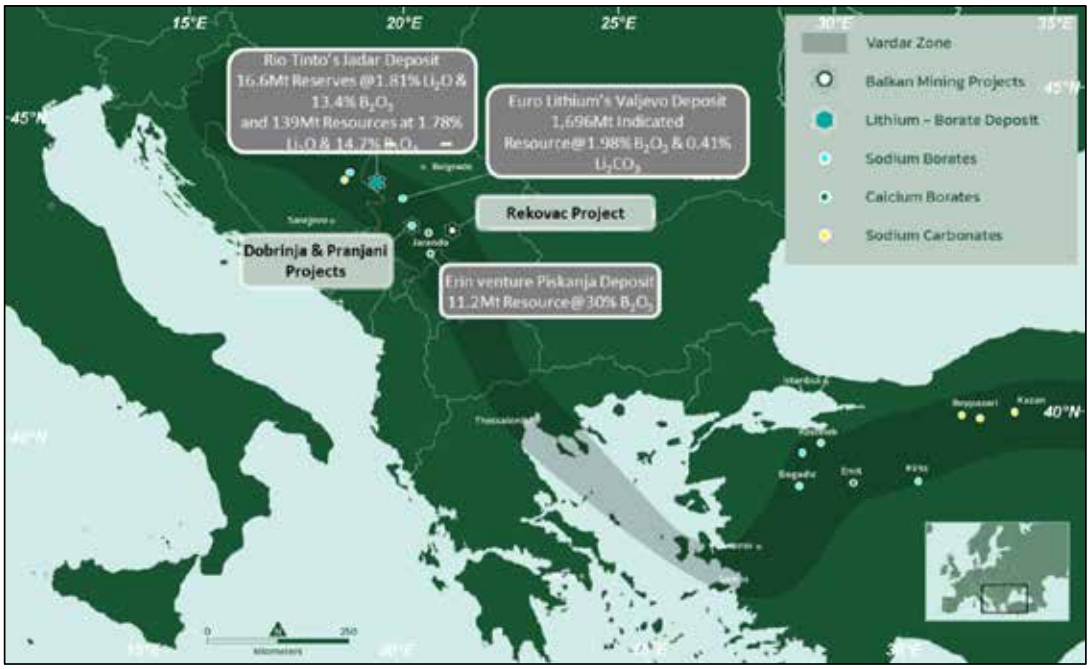

Figure 5-1: Map showing the extent of the Vardar Zone and associated mineralisation
Source: Jadar Resources; Rio Tinto, 2020; Puritch et al, 2020 and SRK, 2019

6 Geological Setting

6.1 Regional Geology

The geology of Serbia can be subdivided into five broad geotectonic zones – namely, the Dinarides (or Dinaric Alps), the Vardar Zone, the Serbo-Macedonian Massif, the Carpatho-Balkanides (each composed of several terranes), and the Neogene sediments (including the Pannonian) which cover the older tectonic units (Figure 6-1).

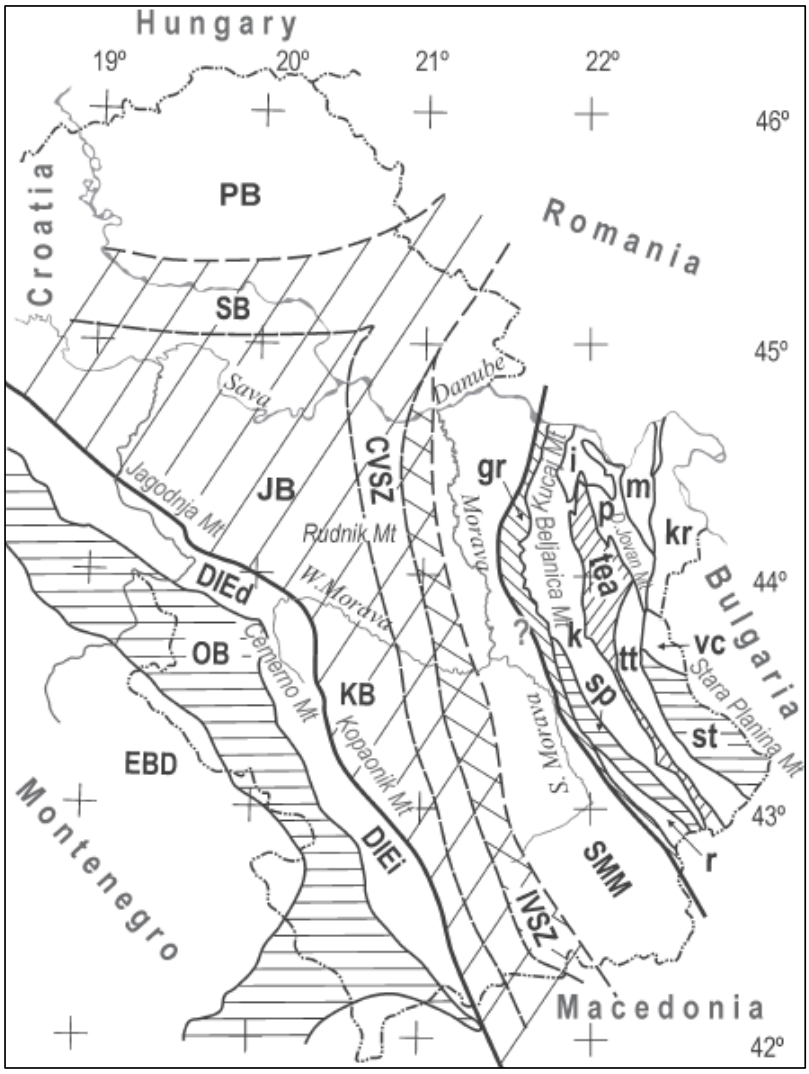

Figure 6-1: The main geotectonic framework of Serbia

***Dinarides** comprising: EBD – East Bosnian-Durmitor, OB – Ophiolite Belt, DIE – Drina Ivanjica Element (d – Drina block, i – Ivanjica block). **Vardar zone** comprising: External Vardar Subzone: SB – Srem block, JB – Jadar block, KB – Kopaonik block; CVSZ – Central Vardar Subzone; IVSZ – Internal Vardar Subzone; **SMM – Serbo-Macedonian massif**. **Carpatho-Balkanides** comprising: gr – Gornjak-Ravanica Zone, r – Ruj Zone, sp – Stara Planina Zone, k – Kučaj Zone, i – Liškova (Homolje) metamorphites, tea – Timok eruptive area, tt – Tupižnica-Tepoš Zone, p – Poreč Unit, m – Miroč Zone, st – Suva Planina, kr – Krajina Unit. **PB – Pannonian Basin**.*

Source: Jelenkovic et al. (2008)

A brief description (Jones, 2017) of the five zones is provided:

- Dinaric Alps occupy western part of Central Serbia, stretching in general northwest-southeast direction
- Vardar Zone is a belt east of the Dinaric Alps, continuing into central Republic of Macedonia. It consists of three parts: Srem, Jadar and Kopaonik blocks, separated by ophiolites.
- Serbian-Macedonian Massif is a belt stretching in north-south direction along the Great and South Morava valleys, into western Republic of Macedonia and northern Greece (north of Chalkidiki peninsula).
- Carpatho-Balkanide covers Eastern Serbia, in the shape of an arc. Its northern part, Serbian Carpathians is an extension of Carpathian range, and it joins the western parts of Balkan Mountains, whose main massif is in Bulgaria.
- Pannonian Plain, occupying the northern part of the country (Vojvodina province) and associated Neogene basins that formed either on the marginal parts of the Pannonian sea or within the intramountain valleys in Vardar Zone (Obradovic et al., 1994)

The Projects cover three Neogene age sedimentary basins within the Vardar Zone (of which there are several in the region hosting boron-lithium mineralisation), namely the Rekovac, Pranjani and Dobrinja basins (Figure 6-2). The Vardar Zone forms part of the Vardar-Izmir-Ankara Suture which stretches from Iran to Bosnia and is truncated by the Alpine lithologies (Kistler, 2013; Helvaci, 2015) and situated between the Serbo-Macedonian Massif (SMM) on the east and the Dinarides on the west (Figure 6-1).

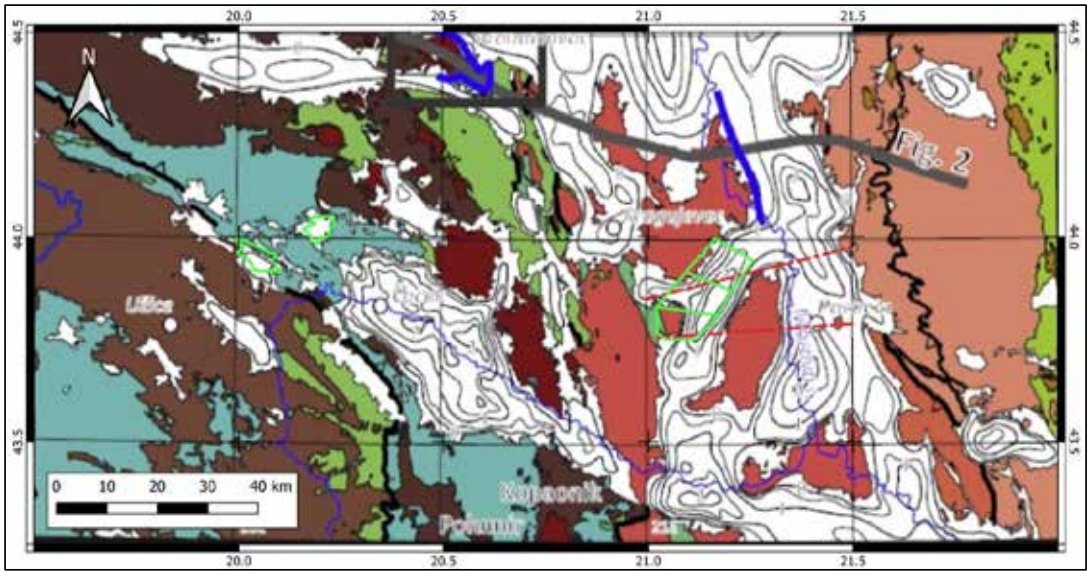

Figure 6-2: Regional map showing the location of the project areas within the regional tectonic setting of Serbia; the white contoured areas represent the Neogene sedimentary basins
Source: Modified after Stojandinovic et al. (2016)

The Vardar Zone is a complex tectonic unit, comprising a series of tectonically interleaved nappes, that was formed during Mesozoic (253–66 Ma) tectono-depositional evolution of Neotethys ocean and the adjoining continental margins. It comprises crystalline schists, Carboniferous Veles Beds, Jurassic-age ultramafics, hemipelagic and eupelagic Triassic sediments, diabase-chert formation, Jurassic granitoids, Lower and Upper Cretaceous flysch and Tertairy alkaline volcano-intrusive complexes. It can be subdivided into the three tectonic units characterised by contrasting lithostratigraphic and structural features. Going from west towards east, these are (Toljic et al., 2019):

- Western Vardar Zone which represents the basin of the Adriatic passive margin
- Central Vardar Zone which represents the subduction trench
- Eastern Vardar Zone which represents the forearc basin of the European active margin.

The late Cretaceous–Paleogene saw the final stages of closure in the Neotethys along the Western Vardar Zone and led to the formation of suture between Adriatic- and European- derived continental units. Following this a younger phase of Oligocene–Miocene extension structurally overprinted the former continental collision deformation and led to formation of the various Neogene basins which are host to the boron-lithium and coal/lignite deposits in the region including the Pannonian Basin (Figure 6-3). In the late Miocene, this was, again, exposed to tectonic inversion (Jelenkovic et al., 2008; Toljic et al., 2019). A schematic illustration showing the evolution of the final closure of the Neotethys to form the Vardar Zone and subsequent Neogene extension resulting in the formation of the basins that are the target of Jadar Resources exploration is provided in Figure 6-3.

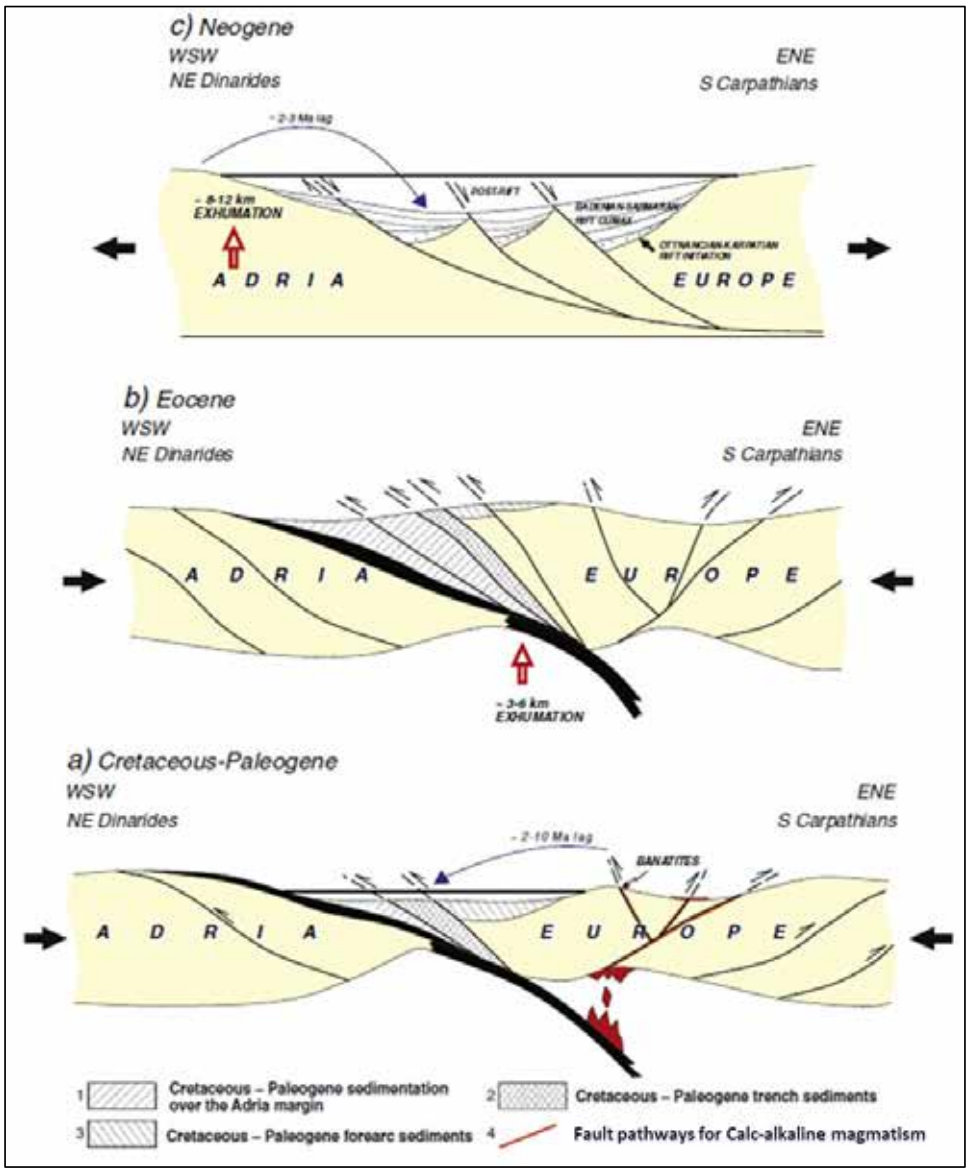

Figure 6-3: Schematic cross-section showing the regional evolution of the Vardar Zone from a) late Cretaceous-Paleogene (~65–60 Ma); b) Middle to Late Eocene (between ~45 Ma and 35 Ma); and c) Miocene (between ~24 Ma and 12 Ma)

Source: Modified after Stojadinovic et al. (2016)

6.1.1 Neogene Basins

These Neogene-aged (24–12 Ma) basins formed as a series of separate or interconnected basins along the Vardar Zone. The lacustrine basins are long and narrow graben like structure (usually half grabens), highly variable in size, shape and sedimentary history and formed in a tectonically active extensional regime associated with collision of the Adria and Europe plate boundaries (Kistler, 2013; Helvaci, 2015; Obradovic, 1994). These basins contain material deposited in continental, shallow water lacustrine, swamp, alluvial and mudflat environments and resulting lithologies comprise mainly alternating layers of fine grained pelitic sediments, as well as evaporites, carbonates, conglomerates, sandstones and lignite and usually accompanied by calc-alkaline volcanics (which includes andesites, dacites and rhyolites) and tuffs (Jadar Lithium, 2019; Kistler, 2013; Obradovic et al., 1994). The boron and lithium are thought to be derived from the associated hydrothermal mineral springs and/or the alteration of the tuff layers (Puritch et al., 2020).

The sediments within these basins have been subdivided, primarily on fossil content by the former Yugoslavian Geological Survey, into three broad zones M_1, M_2 and M_3 from oldest to youngest. Locally, these are usually broken down into additional subdivisions based on rock types. The sediments of the upper M_1 (lower Miocene) and lower M_2 (midde Miocene) are usually prospective with respect to boron and lithium. The bituminous coal deposits of many of these basins has been explored for and mined in the past and very few are still being mined.

The stratigraphy of these basins is complex and the result of the interaction of tectonics, climate, water and sediment influx as well as paleorelief and contemporaneous calc-alkaline volcanism. During more humid periods with limited clastic sediment influx swamp environments and associated vegetation provided material that led to the formation of the coal and lignite deposits, during periods when the water levels in the basins rose and the lake area increased the swamp facies were succeeded by lacustrine facies. Drier periods with limited water and sediment inflows gave rise to more saline lake water and environments suitable for the formation of evaporites. Cycles of these process was often repeated during the evolution of these basins (Obradovic et al., 1994). Active tectonism during the formation of these basins may have resulted in the development of one or more of the following: soft sediment deformation structures, intra-basinal faulting, steepening of bedding close to the basin edges or syn and post -depositional faulting.

Despite the local geological complexity, the development of these basins is considered to have taken place in three stages:

- The earliest stage is dominated by clastic sediments from alluvial fans, fluvio-lacustrine and debris flow deposits; followed by:
  - the development of a lacustrine facies and the deposition of carbonates, oil-shales, and pyroclastics.
- The final stage saw the development of a mudflat environment and the development of evaporites.

The lake waters in these basins would have been subject to prolonged and frequent periods of permanent stratification (meromictic lakes) and significant inputs of volcaniclastic materials and reworked volcaniclastics (Obradovic et al., 1992).

6.2 Regional Prospectivity and Metallogeny

The approximately 2,500 mineral deposits and occurrences in Serbia occur in four north-northwest trending regional metallogenic belts namely: the Dinaric metallogenic province (DMP) covering western Serbia; the Carpatho-Balkanian metallogenic province (CBMP) in the north-eastern part of the Serbia; the Serbo-Macedonian metallogenic province (SMMP) in the central part of the Serbia, covering the terrains of the Vardar Zone, the Serbo-Macedonian Massif and eastern part of Dinarides; and the Dacian metallogenic province (DcMP) that includes an extremely small area in the far north-eastern part of Serbia (Jelenkovic et al., 2008).

The most important group of metallic mineral resources of Serbia includes copper, lead-zinc, gold, silver, tin, manganese, uranium, molybdenum, titanium, tungsten, cobalt, antimony, and iron ores. The important group of industrial mineral resources include: bentonite, boron minerals (that may or may not be associated

with lithium mineralisation), refractory clay, gypsum and anhydrite, diatomite, dolomite, zeolite, kaoline, quartz sand, cement marl, ceramic clay, limestone, magnesite, phosphates, chrysotile-asbestos, building industry sand and aggregates (natural and crushed) and decorative stone. Serbia also has significant resources of fossil fuels, particularly coal and oil shale (Jelenkovic et al., 2008).

As described in Section 6.1, the three Projects occur within the Vardar Zone (Figure 5-1 and Figure 6-4) which forms part of the SMMP and is host to the numerous sediment hosted evaporite-hydrothermal borate-lithium deposits in the region. The deposits are hosted lacustrine sediments that accumulated in a series of separate or possibly interconnected Neogene age basins. The most significant of these being the borate deposits in Turkey which has the second largest producer of borates and the largest borate reserves globally. Currently, none of the borate deposits in Serbia are mined.

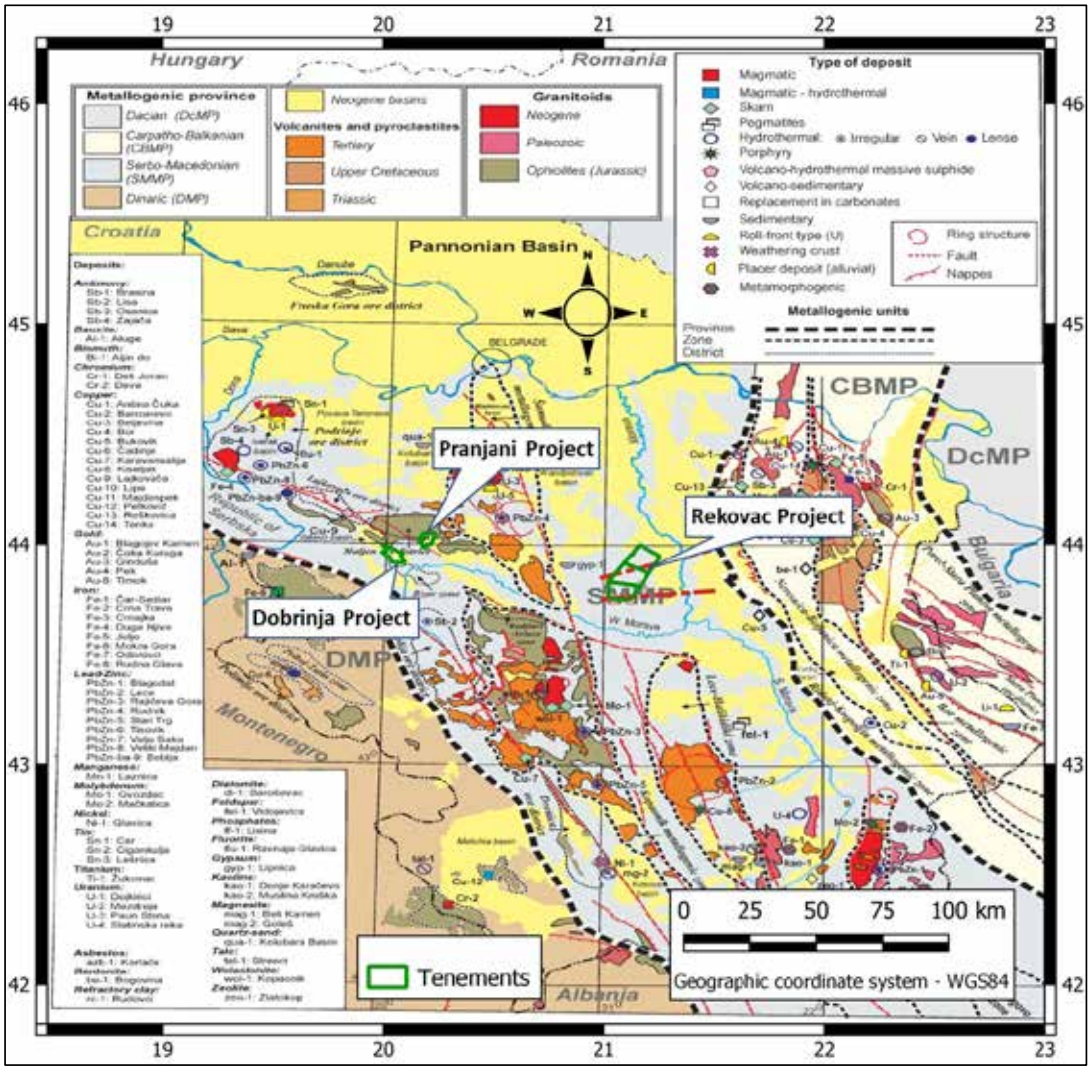

Figure 6-4: BMM's tenements and the metallogenic provinces of Serbia
Source: Jelenkovic et al. (2008)

In addition to the borate potential and as described, in Section 4, a number of lithium-boron deposits have been identified and are focus of exploration in recent years, mainly within Serbia. These include Rio Tinto's (ASX: RIO) Jadar deposit, which ranks as one of the largest unmined lithium-boron resources globally. Other

deposits include the Jarandol lithium-borate and Piskanja boron deposits (Erin Ventures, TSXV:EV) and the state owned Pobrdje boron mine all in the Jarandol Basin, and the Valjevo lithium-borate deposit (privately owned Euro Lithium), all of which are located in Serbia, and the Lopare lithium-borate deposits in Republika Srpska (Figure 5-1).

These basins are also host to salt, trona, magnesite and oil shale deposits; as well as coal deposits, some of which are mined in in the region to supply the local power stations.

7 Deposit Type and Mineralisation Style

7.1 Boron Mineralisation

Borate deposits are primarily hosted in non-marine evaporite deposits that develop in arid climates within closed intracontinental, inner-montane pull apart, sedimentary basins and associated with contemporaneous acid volcanic lavas and tuffs (Brioche, 2020; Orris, 1992; Helvaci, 2005). Most boron deposits of Neogene age (<23 Ma) (Orris, 1992; Helvaci and Alonso, 2000; Helvaci and Palmer, 2017(?)) are formed in long narrow basins in back-arc settings (Figure 7-1), i.e. extensional regions associated with collisional plate boundaries (Helvaci, 2015).

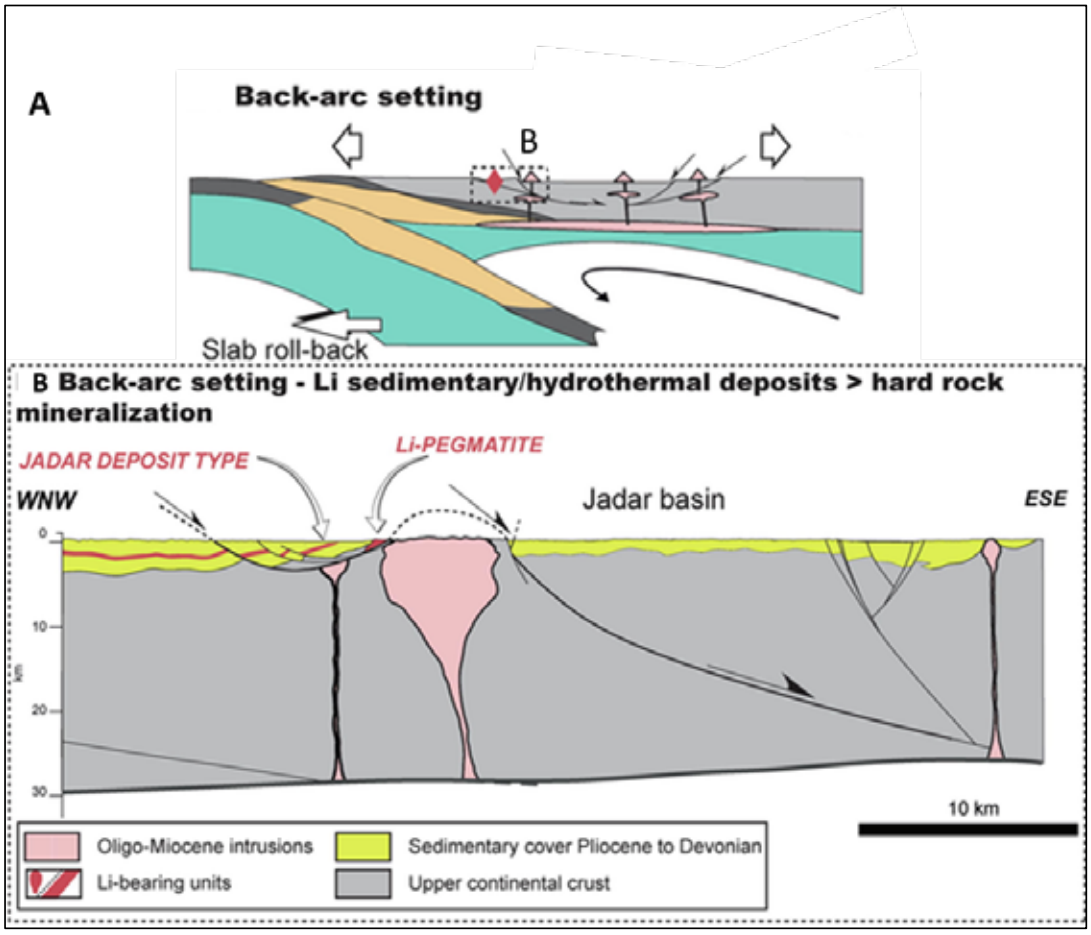

Figure 7-1: Back-arc tectonic setting favourable for the formation of sedimentary B and sedimentary/hydrothermal B-Li deposits like Jadar
Source: Gourcerol et al. (2019)

The thermal springs and hydrothermal activity related to the volcanism (usually of calc-alkaline affinity – which includes andesites, dacites, latites and rhyolites) as well as leaching of the volcanic rocks is thought to be the source of the soluble boron minerals within the basin. The volcanic rocks often also contain elevated lithium, and as a result some boron deposits are associated with elevated lithium contents. The basins are often fault bounded or develop with volcanic calderas and can be up to 20 km in diameter (Figure 7-2 and Figure 7-3).

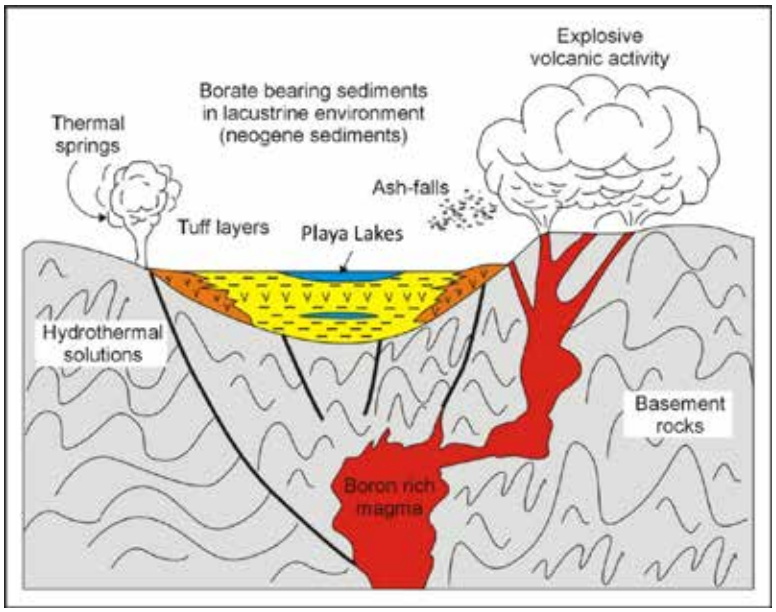

Figure 7-2: Schematic playa-lake in western Anatolia, Turkey – a depositional model for borate deposits
Source: Helvaci and Palmer, 2017

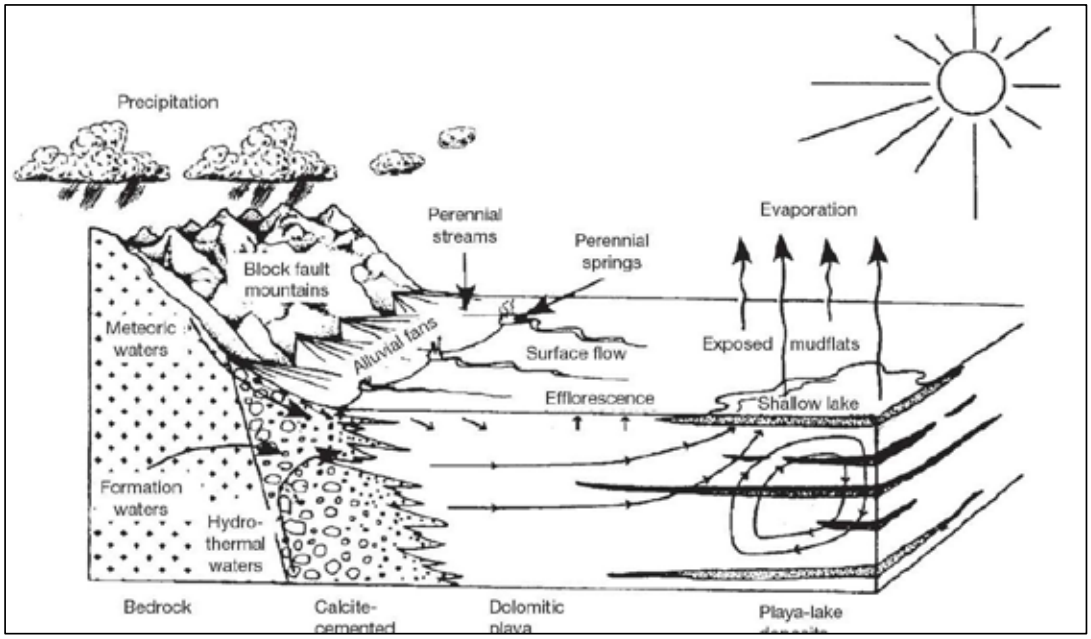

Figure 7-3: The Kramer Borax deposit, USA – a schematic playa-lake palaeo-depositional environment and model
Source: After Eugster and Hardie (1975)

The boron mineralisation that precipitates from saline continental brines is usually hosted in shaly units representing shallow water lacustrine and mudflat evaporite environments and can be up to approximately 100 m thick. They are usually interbedded with conglomerates, sandstones, tuffs, tuffites, claystones, marls and limestones. The mineralised beds are often capped by impervious less-soluble evaporite salts like gypsum and anhydrite or enveloped by, or grade into, limestone or claystone and subsequent burial results in the preservation of these soluble borates minerals.

The four main boron minerals associated with these deposits and account for approximately 90% of the borates used by industry are the sodium borates tincal and kernite, the calcium borate colemanite, and the sodium-calcium borate ulexite (Table 4-1) (Brioche, 2020). The distribution of these minerals within a deposit is a function of the saline brine chemistry from which they precipitated and may vary from shallow lake edge to deeper water environments and subsequent interaction with subsurface waters rich in calcium and silica. Searlesite (Table 4-1), a sodium borosilicate is often a minor mineral constituent of boron deposits and is often the result of hydrothermal alteration and may be associated with lithium mineralisation. Searlesite is the primary boron-bearing mineral in the Rhyolite Ridge deposit, the Lopare deposit and also found intergrown with jadarite in the Jadar deposit.

Other less important styles of borate mineralisation include (Helvaci, 2015):

- Older skarn deposits related to continental volcanic sources
- Marine borate deposits resulting from the evaporations of seawater in restricted basins and associated with a seafloor exhalative source.

7.2 Lithium Mineralisation

Sedimentary-hosted lithium deposits occur in similar geological environments to borate deposits and are associated with economic boron mineralisation (e.g. Jadar, Valjevo, and Rhyolite Ridge). This style of lithium mineralisation represents a potential lithium source that is currently not exploited commercially. Rio Tinto has also recently discovered potential lithium mineralisation in the waste material at the Kramer Lake borate deposit in the USA from which it intends recovering the lithium.

The boron-bearing minerals in these deposits often include borosilicates (e.g. searlesite) in addition to soluble borate salts (Table 4-1). The lithium is hosted primarily in hectorite clay (e.g. Thacker Pass lithium deposit in McDermitt caldera and Rhyolite Ridge lithium-boron deposit, both in Nevada), polylithionite (e.g. Sonora lithium deposit, Mexico) and the borosilicate jadarite (discovered in the Jadar boron-lithium deposit in Serbia and also reportedly identified in the Lopare deposit in BiH and the Valjevo deposit in Serbia (Gourcerol et al., 2019)) (Table 4-1). The source of the lithium is likely related to leaching of the acid volcanic rocks by meteoric water and hydrothermal activity as well as degassing of the lithium-rich magmatic fluids within the basin followed by hydrothermal alteration and lithium enrichment of the host rocks (Benson et al., 2017). Gourcerol et al. (2019) also note that the basement geology to some of the basins in Serbia and BiH contain LCT-type pegmatites and contemporaneous (Cretaceous-Miocene aged) granitic intrusions suggesting localised lithium enrichment.

Helvaci (2015) considers the following criteria as essential for the formation of potentially economically viable borate (-lithium) deposits in playa-lake volcano-sedimentary sediments:

1) Formation of playa-lake environment.
2) Concentration of boron in the playa lake, sourced from andesitic to rhyolitic volcanics, direct ash fall into the basin, or hydrothermal solutions along graben faults.
3) Thermal springs near the area of volcanism.
4) Arid to semi-arid climatic conditions.
5) Lake water with a pH of between 8.5 and 11.

These conditions are also similar to those associated with the formation of the lithium-brine deposits currently being mined in Chile and Argentina and the borate spring deposits in South America. Many of these conditions are considered to have being present at some stage during the evolution of the sedimentary basins and deposits in the Vardar Zone and could thus be considered fossilised analogues of the South American lithium-brine and borate deposits.

7.3 Jadar Deposit Style Mineralisation

The Jadar deposit is the deposit model for BMM's lithium-boron Projects in Serbia (Figure 7-1B). It was discovered in 2004 by Rio Sava, a subsidiary of Rio Tinto, and is hosted in a large, 20 km long, intra-montane palaeo- lacustrine, evaporite basin. The Miocene age sediments comprising dolomite, marble, siliciclastic, pyroclastic and oil shales unconformably overly an older basement comprising Cretaceous sedimentary rocks, granites, and Miocene intrusions.

The lithium and boron mineralisation occurs in 1.5–3.0 m (up to 50 m) thick stratiform lenses in three gently dipping tabular zones (i.e. the Lower Jaderite Zone, Middle Jaderite Zone and the Upper Jaderite Zone) (Figure 7-4A) that extend over an area of 3 km x 2.5 km within a 400–500 m thick sedimentary unit comprising calcareous claystone, siltstone, sandstone and other clastic rock, and a number of thin tuff layers serve as important stratigraphic markers (Rio Tinto, 2020).

The mineralisation comprises jadarite-bearing siltstone and mudstone layers interbedded with sodium borate lenses (ezcurrite, kernite and borax). The jaderite occurs as white and rounded microcrystalline grains, nodules and concretions, 1–10 mm in size in the siltstone-mudstone matrix (Figure 7-4B) with various amounts of calcite, dolomite, K-feldspar, rutile, albite, pyrite, muscovite and ilmenite (Gourcerol et al., 2019). The jadarite is considered to have nucleated and grown at the brine-sediment interface or within the soft sediments (Rio Tinto, 2020) and possibly involved the hydrothermal devitrification of tuffaceous material or clay minerals (Kesler et al., 2012).

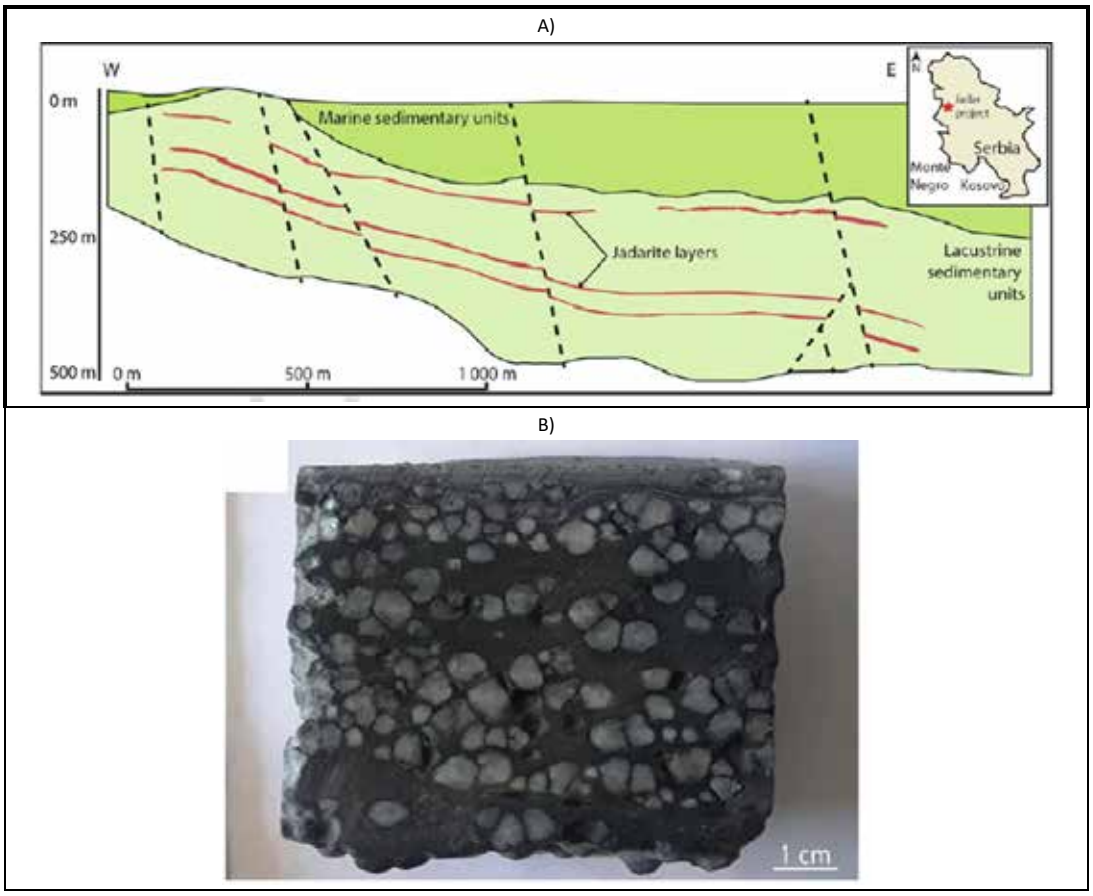

Figure 7-4: A) Schematic cross-section of the Jadar deposit; B) Jadarite mineralisation (Jadar Basin, Serbia) in mudstone

Source: Gourcerol et al. (2019)

The geological framework within the project areas is considered prospective for lithium and/or boron mineralisation.

Despite the broad regional similarities between the Neogene basins, differences in geological setting and basin evolution will result in significant variations in the size, grades, and mineralogy of the mineralisation and thus lithium-boron prospectivity of these basins.

8 Project Descriptions and Exploration

8.1 Rekovac Project

The three exploration licences that make up the Rekovac Project are underlain by more than 700 m of continental sedimentary rocks in a Neogene age basin approximately 10 km wide and 25 km long. The basin is elongated in shape and roughly limited by two deep-seated parallel faults forming a northeast-southwest trending shallow sag-basin and is filled with lower Miocene (M_1), lower-middle Miocene ($M_{1,2}$) aged lacustrine sediments and younger middle Miocene (M_2) marine sediments (Figure 7-4 and Figure 8-1).

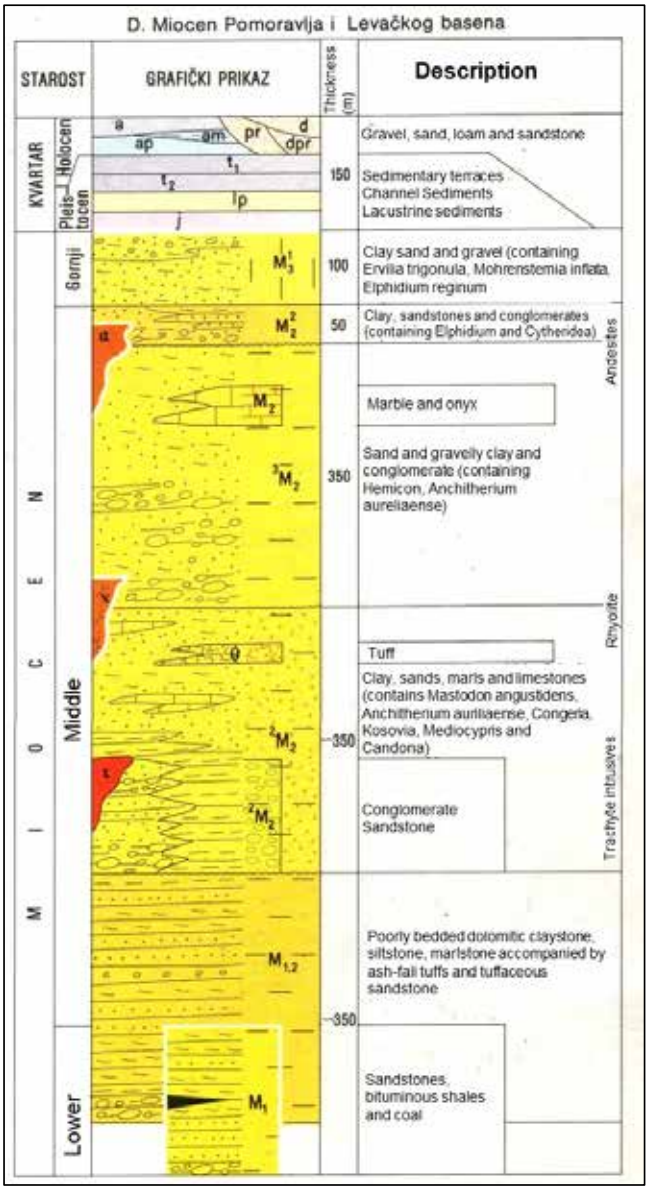

Figure 8-1: Generalised stratigraphy of the Miocene sediments within the Rekovac Basin (see Figure 8-2 for geological map)
Source: Modified after YGS map

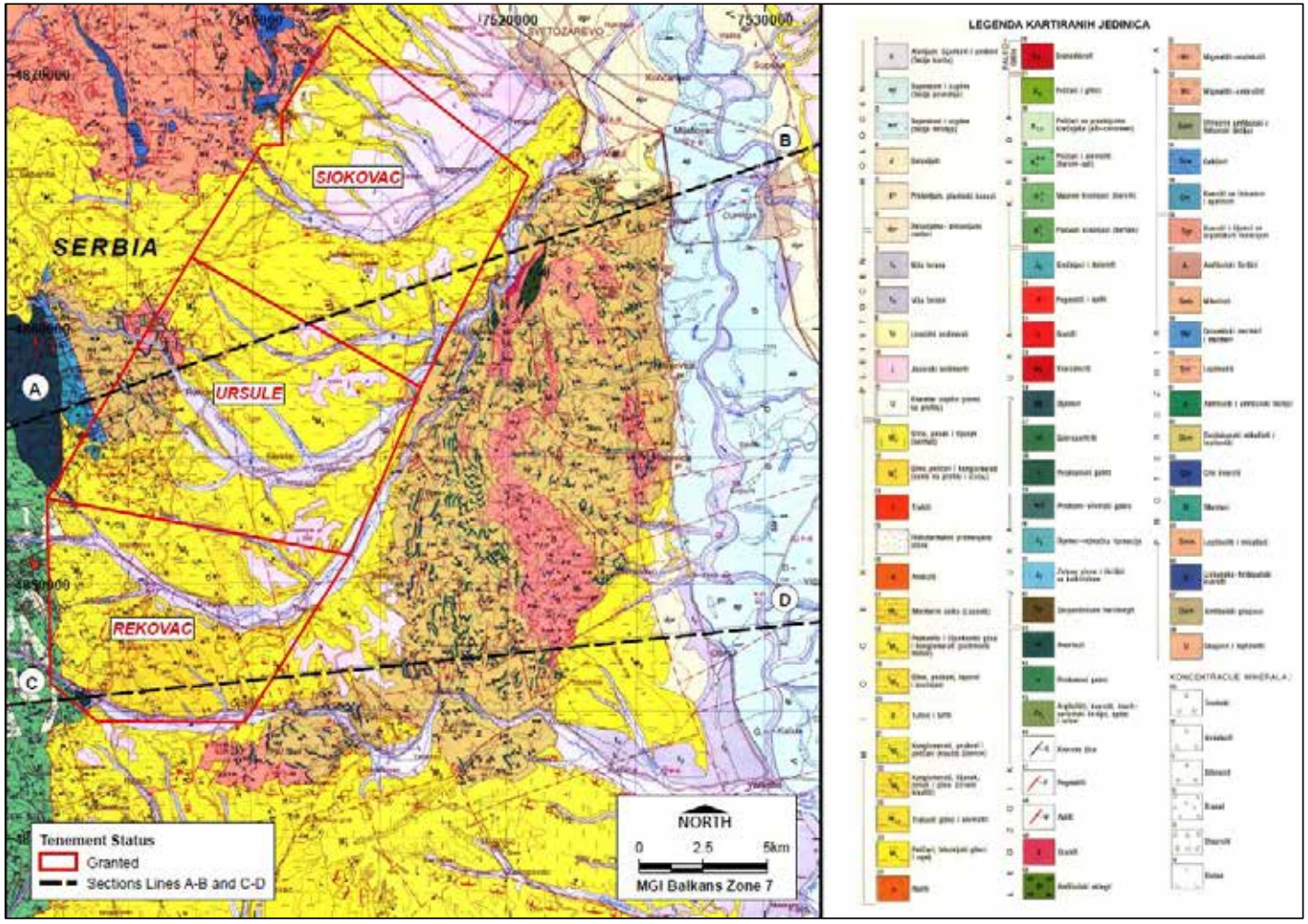

Figure 8-2: Geological map of the Rekovac Project (section lines A–B and C–D are presented in Figure 8-6)

The interpretation of historical gravity and magnetic data (see Section 8.1.3) over the licence shows a fault bound northeast orientated the basin that is open and deepening to the northeast. A blind volcanic centre in the south of the Rekovac licence has been interpreted from the magnetic data. The sediment thicknesses, interpreted from the gravity data, are over 1,000 m (Figure 8-3) (Centurion Metals, 2019). The basement rocks comprise of ophiolites, older metasedimentary sequences, and cretaceous flysch sediments.

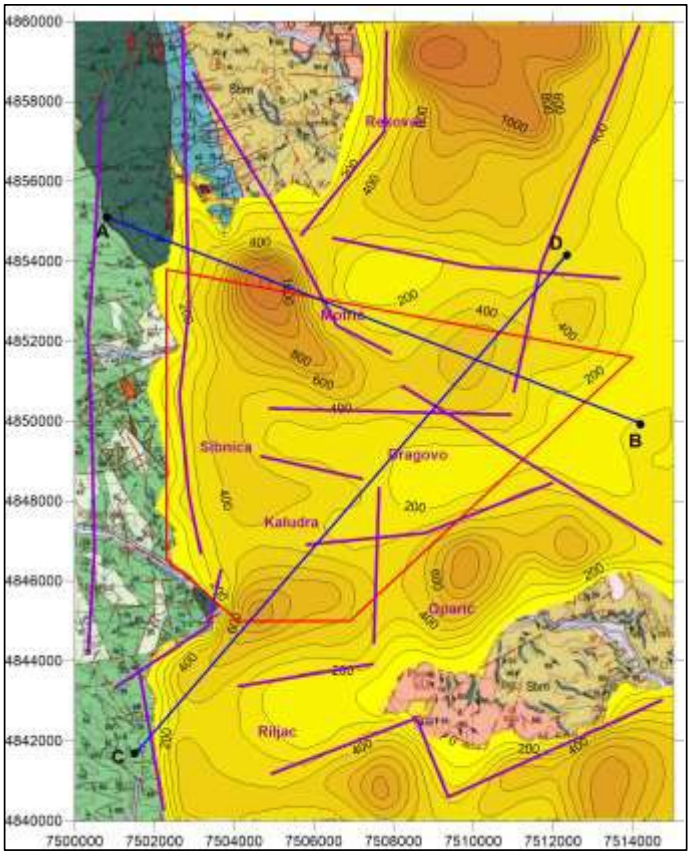

Figure 8-3: Isopach and structural map interpreted from gravity and geomagnetic data coverage over the Rekovac Project showing the northeast orientated axis of the basin
Source: Centurion Metals (2019)

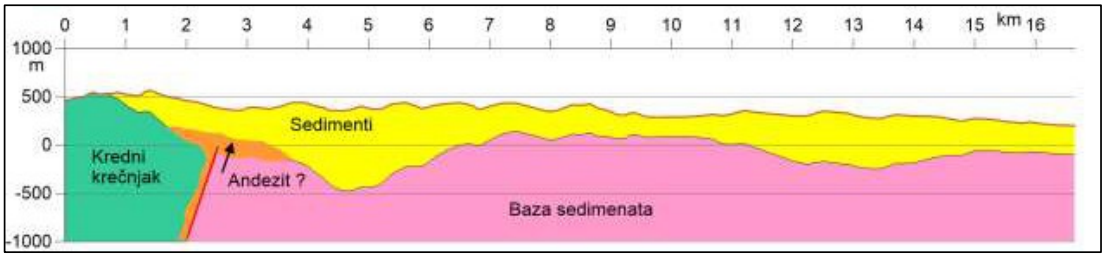

Figure 8-4: Interpreted west looking section C-D (see Figure 8-3) based on the processed the gravity and geomagnetic data showing the interpreted volcanic centre in the south
Source: Centurion Metals (2019)

The lower to middle Miocene borate-bearing strata ($M_1/M_{1,2}$) concordantly overly basement formation and have good surface exposures in the southern and central parts of the Rekovac licence dipping to the north

east under the younger M_2 sediments, comprising marine fossiliferous siltstones, sandstones, and coarse clastic sequences (Figure 8-5 and Figure 8-1). In the east of the Rekovac licence, conglomerates and debris flow (diamictite) of the lower Miocene (M_1) are exposed.

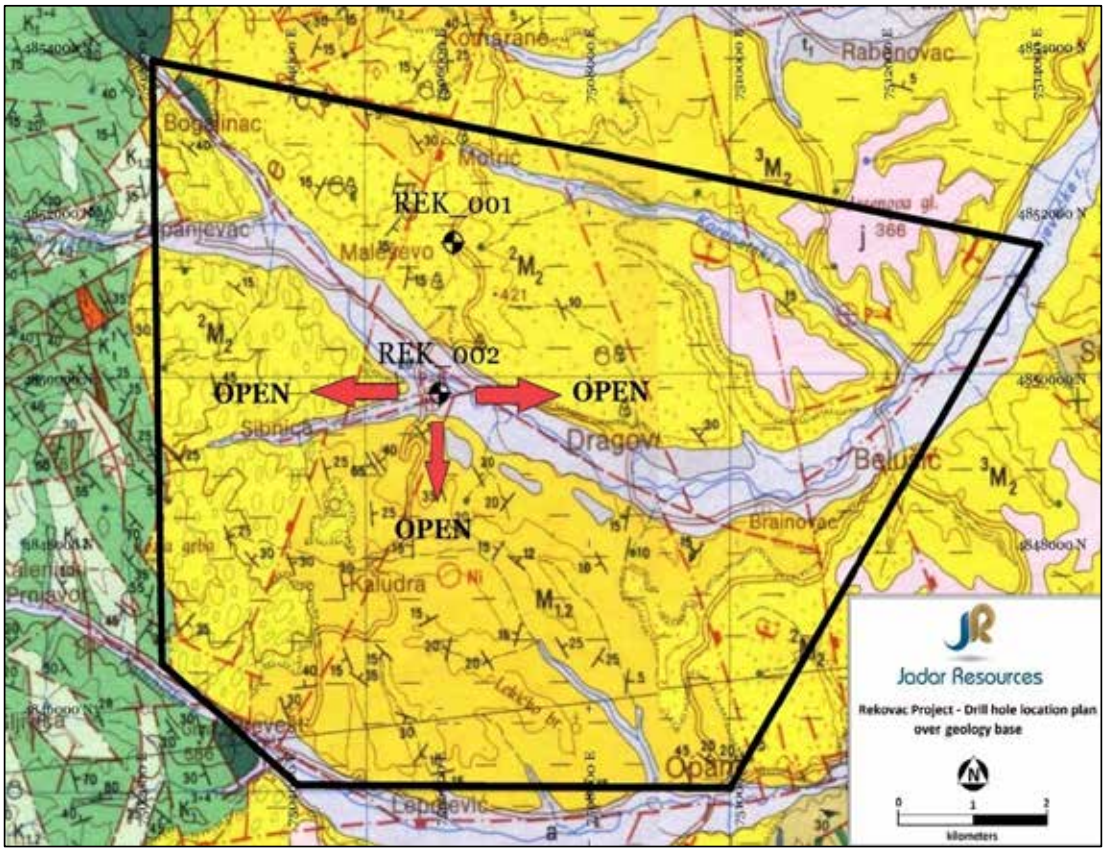

Figure 8-5: Geological map of the Rekovac licence showing the location of REK_001 and REK_002 drilled by Jadar Resources in 2020 (see Figure 8-2 for legend)
Source: Jadar Resources, 2020[1]

The dominantly sedimentary sequence of the older $M_1/M_{1,2}$ comprises mostly laminated to poorly bedded dolomitic claystone, siltstone, marlstone accompanied by ash-fall tuffs and tuffaceous sandstones. Fine pelitic sediments are frequently associated with dolomite and analcime (Jadar Resources, 2020[1]). Miocene age rhyolite (χ), andesite (α) and trachyte (τ) volcanics also form part of this succession (see Figure 8-1).

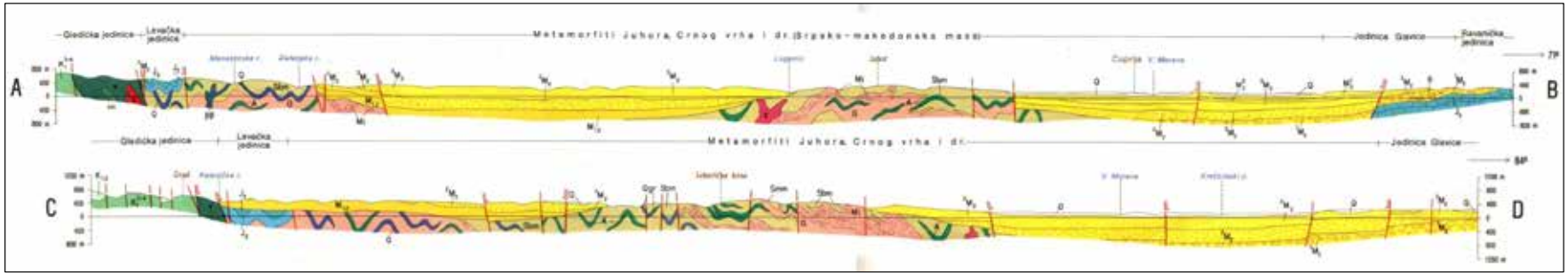

Figure 8-6: Northwest looking cross sections through the Rekovac basin (see Figure 8-5 for location of sections and Figure 8-2 for legend)

Source: Modified from YGS map

No new or material exploration results have been reported, all results have previously been reported in accordance with the JORC Code on Jadar Resources Limited (ASX:JDR) ASX platform (see References 12).

The recent exploration drilling by Jadar Resources within the Rekovac licence, targeting the gravity low (representing the deeper part of the basin), identified several broad zones of borate-bearing sediments, an upper zone characterised by irregular crystalline aggregates, patches and veinlets of searlesite and a lower zone by disseminated searlesite grains.

Two drillholes, REK_001 and REK_002 (Figure 8-5) were completed in early 2020 and drilled to depths of 600.1 m and 638 m respectively into the borate-bearing sediments of the $M_1/M_{1,2}$ sediments (Figure 8-9).

The drillholes intersected numerous zones with high boron concentrations contained within searlesite (a sodium borosilicate and confirmed by x-ray diffraction – XRD).

Drillhole REK_001 was collared in younger middle Miocene sediments and intersected over 195 m of elevated borate values from 405 m within the lower and two better mineralised boron intervals in the form of irregular veinlets and millimetre-sized radial crystals of searlesite constrained in the parallel layers from 515.9 m. These two intervals are summarised below (see Appendix B for the complete set of results):

- 0.6 m at 16,454 ppm B_2O_3 and 474 ppm Li_2O from 515.9 m
- 1.9 m at 12,349 ppm B_2O_3 and 484 ppm Li_2O from 578.5 m.

REK_002 was collared, 1.8 km to the south of REK_001, directly on the older early Miocene sediments and intercepted elevated boron (as searlesite) and lithium values from 35 m, averaging 10,550 ppm B_2O_3 over 368.4 m from 35 m with up to 969 ppm Li_2O in an individual sample (sample 35405). Figure 8-7 and Figure 8-8 shows some of the searlesite hosted boron mineralisation and textures from REK_002.

Current exploration has only focused on 1.8 km of strike in the southwest end of the 25 km long x 10 km wide Rekovac Basin and has confirmed the exploration model.

CSA Global considers the results positive and that further exploration within the Rekovac Project is warranted. Further exploration should be aimed at:

- Testing the larger of the Rekovac project area (i.e. the Ursule and Siokovac licences)
- At the same time explore possible vectors to higher grade, potentially economic mineralisation within the Rekovac licence.

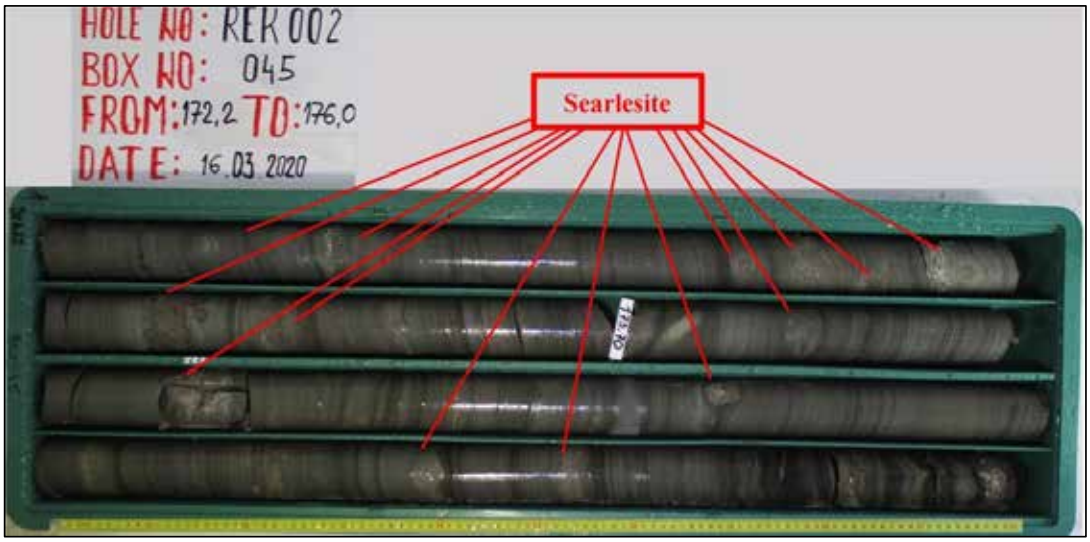

Figure 8-7: Photograph of searlesite mineralisation within laminated shales encountered in REK_002 (14 samples for XRD analysis were taken from this intersection – see Section 8.1.7)

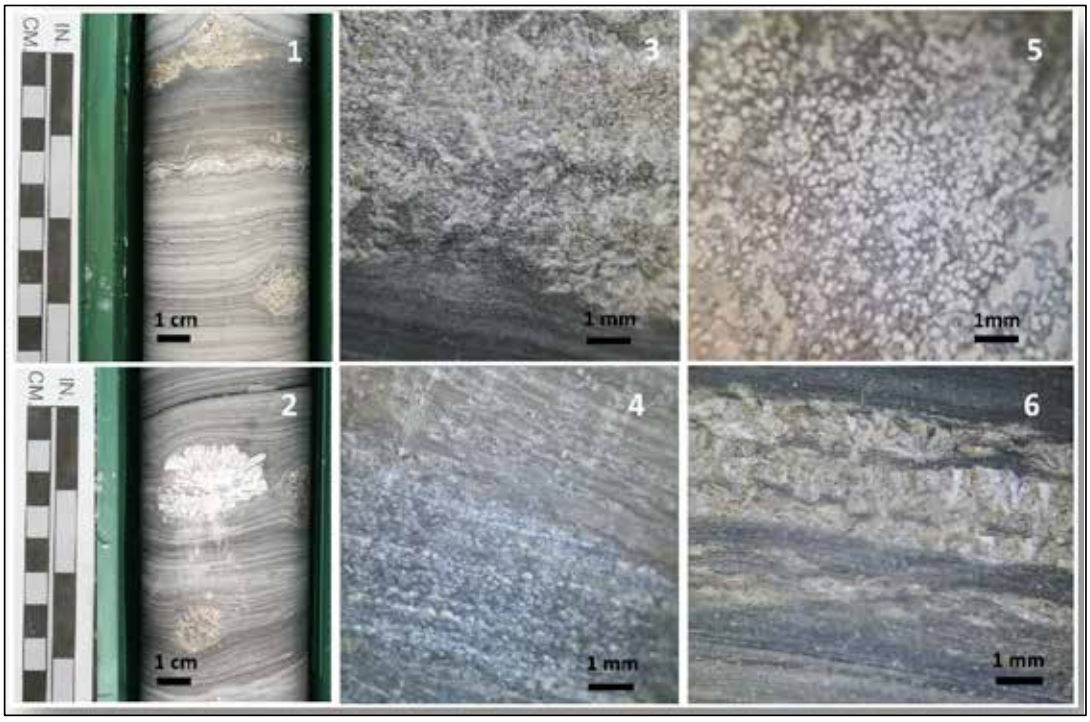

Figure 8-8: Close-up photographs of some of the searlesite crystals and textures from REK_002
Source: Jadar Resources (2020[1])

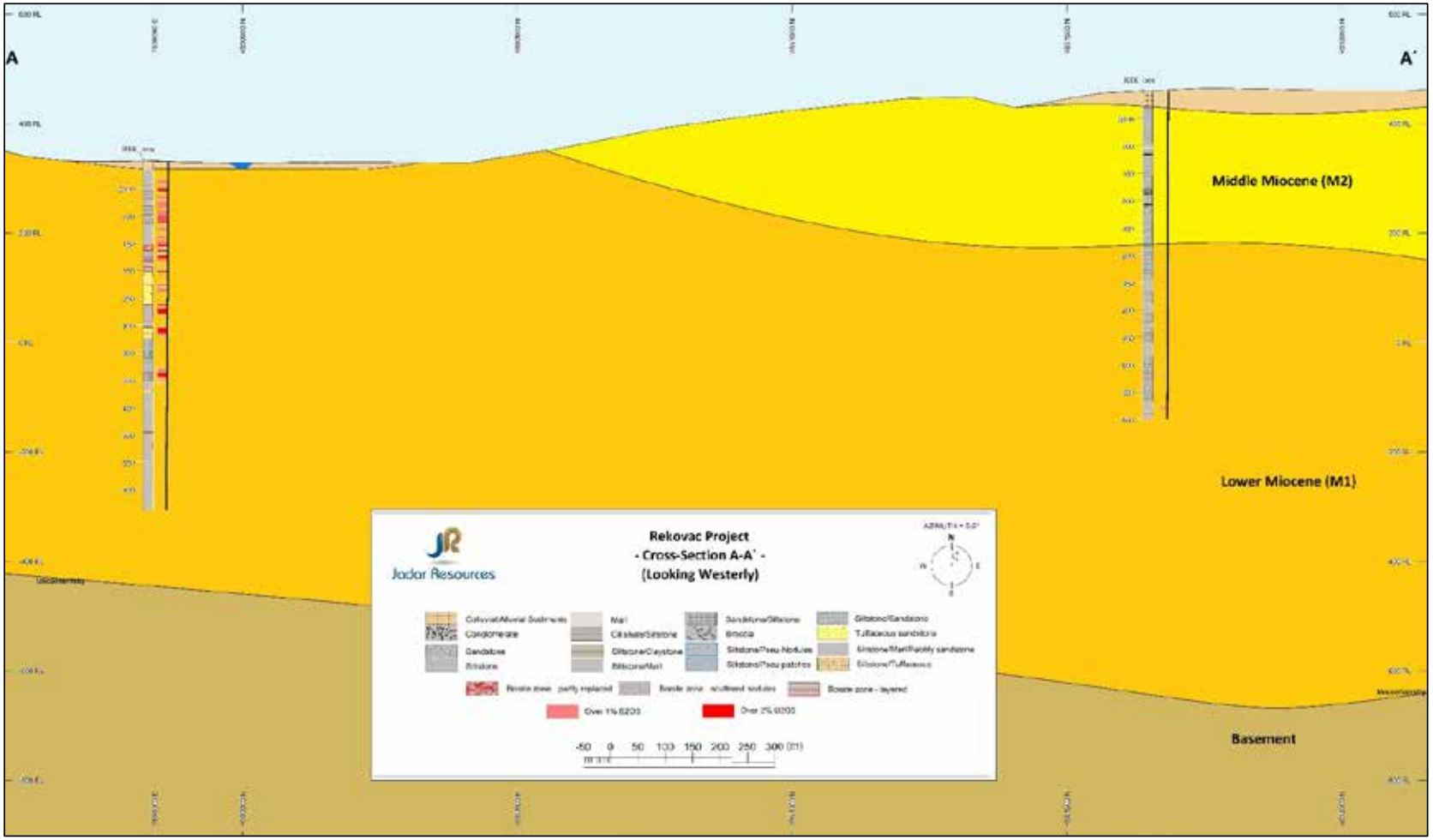

Figure 8-9: Cross section looking west showing the results of REK001 and REK002 (see Figure 8-5 for position of drillholes)

Source: Jadar Resources (2020[1])

8.1.1 Exploration

To date, the exploration conducted has been on the Rekovac licence (#2224). The other four licences were only recently granted, in March 2021, and no exploration has yet been conducted.

The exploration activities on the Rekovac licence includes modelling of historical gravity and geomagnetic data to better understand the morphology and geology of the Rekovac Basin and assist with drill targeting. This was followed by a two-hole drilling campaign, assay of the drill core, including XRD of selected drill core samples. The details of the drilling and methods are summarised in Section 8.1.8.

8.1.2 Geophysical Surveys

Jadar Lithium d.o.o. (formerly known as Centurion Metals d.o.o.) (a wholly owned subsidiary of BMM, who is in turn a wholly owned subsidiary of Jadar Resources) commissioned Vekom GEO d.o.o. in May 2019 to acquire and interpret regional historical gravity and magnetic survey data acquired in the 1980s by the YGS. A summary of the work and results, taken from Jadar Resources (2019) and Centurion Metals (2019), is presented below.

8.1.3 Historical Gravity Data Interpretation

The interpretation of the gravity data was done with the aim of defining the basin geometry and any deep-seated structures which may have acted as potential pathways for mineralising fluids into the basin. The historical gravity dataset comprised 206 points collected at a nominal 1,000 m station spacing across the basin underlying the Rekovac licence (Figure 8-10).

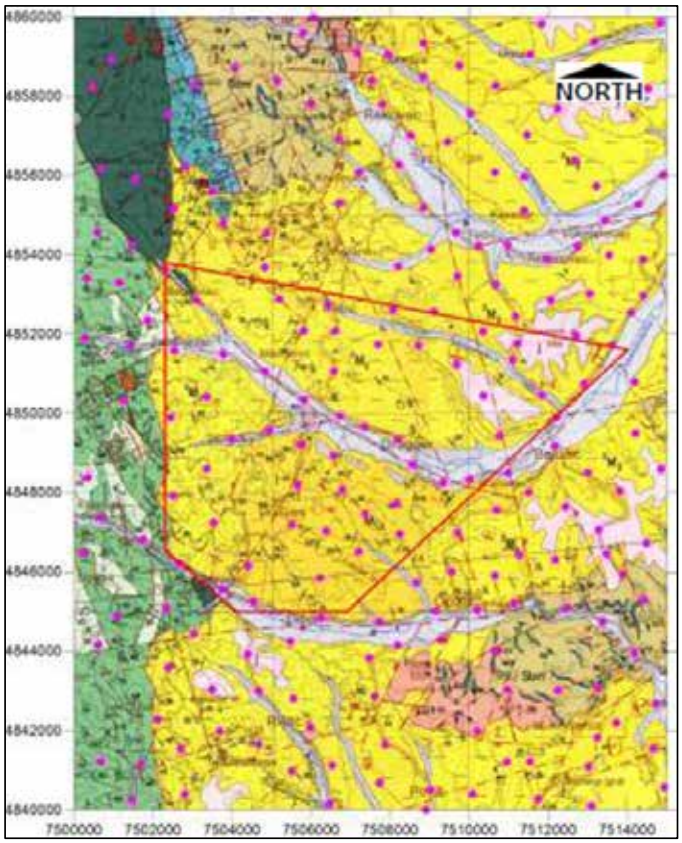

Figure 8-10: Location of the 206 gravity data points
Source: Centurion Metals (2019)

The final Bouguer anomaly map (Figure 8-11) of the processed data allowed for the interpretation of the basin geometry, sediment thickness and mapping of local faults. It delineated a north-south trending elongate basin with steep fault bounded eastern and western sides.

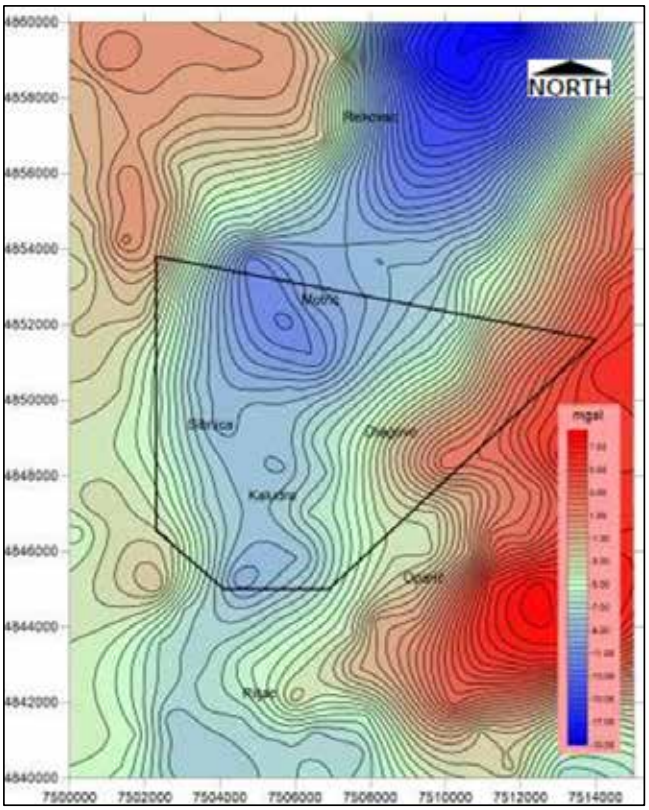

Figure 8-11: Map of the processed gravity data showing the Bouguer anomalies with a density of 2.20 g/cm³ for the for Rekovac licence within the Rekovac Project
Source: Centurion Metals (2019)

8.1.4 Historical Regional Magnetic Data Interpretation

The aim of the interpretation of the magnetic data was to identify and define potential calc-alkaline volcanic and associated rocks since the volcanic activity associated with their formation is considered important in the formation of sediment hosted boron and boron-lithium deposits. The historical magnetic dataset comprised 55 points collected at a nominal 2,000 m station spacing across the basin underlying the Rekovac licence (Figure 8-12).

The processed magnetic data identified the magnetic low in the southern end of the Rekovac licence which is interpreted as potential blind volcanic centre (Figure 8-13).

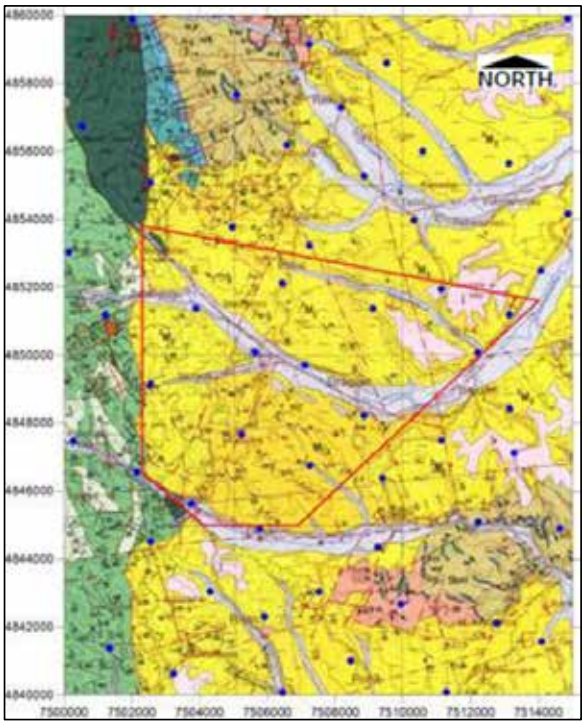

Figure 8-12: Location of the 55 geomagnetic data points
Source: Centurion Metals (2019)

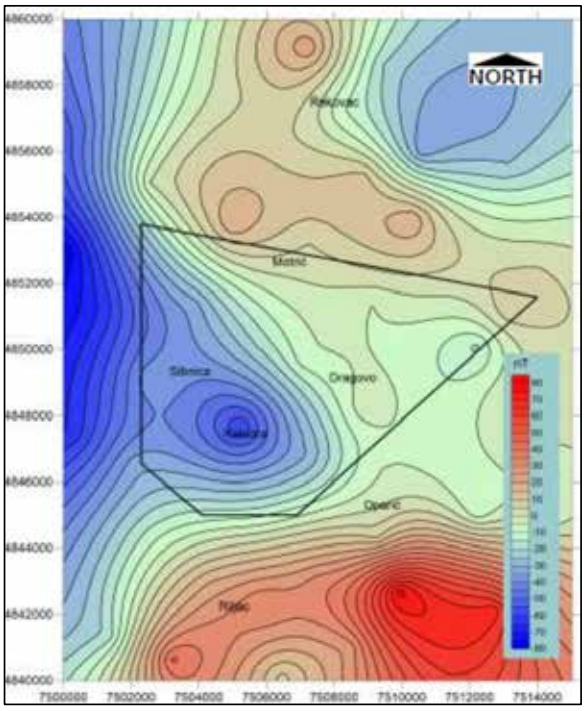

Figure 8-13: Map of the processed magnetic data for Rekovac licence within the Rekovac Project
Source: Centurion Metals (2019)

8.1.5 Final Interpretation of the Geophysical Data

Using the processed gravity and magnetic data a final interpretation of the basin depth, fault locations and volcanic centre was completed. The exiting geological map (Figure 8-5) was used to guide this final interpretation (Figure 8-3 and Figure 8-4).

8.1.6 Rekovac Soil and Rock Sampling Program

In 2019, Jadar Resources completed two soil sampling programs over the Rekovac licence. The assays returned elevated lithium and boron values up to 342 ppm of boron (ranging from <5 ppm to 342 ppm B) and up to 149 ppm (ranging from 20 ppm to 149 ppm Li) within the central and southern portion of the Rekovac licence. Following this, 26 rock samples collected for geochemical analysis returned boron values ranging from <50 ppm to 100 ppm and lithium values ranging from 50 ppm to 280 ppm. The highest boron and lithium values are concentrated in the centre of the licence and confirmed the soil sampling results (Figure 8-14 and Figure 8-15). The sampling focused on the outcropping lower and middle Miocene sedimentary lithologies which are known to be prospective for lithium and boron mineralisation in the region and the sample confirmed the prospective nature of the licence (Jadar Resources, 2019).

During the rock sampling, scattered spherical nodules and pseudomorphs of evaporite minerals in fine-grained pelitic samples where noted. XRD analysis of selected samples identified the presence of dolomite and analcime which are considered to be associated with saline-alkaline environments.

The assay data also showed elevated magnesium levels within the target area, suggesting the dolomitic nature of the sediments and is considered another indicator for the prospective nature of the sedimentary succession for hosting lithium and boron (Jadar Resources, 2019).

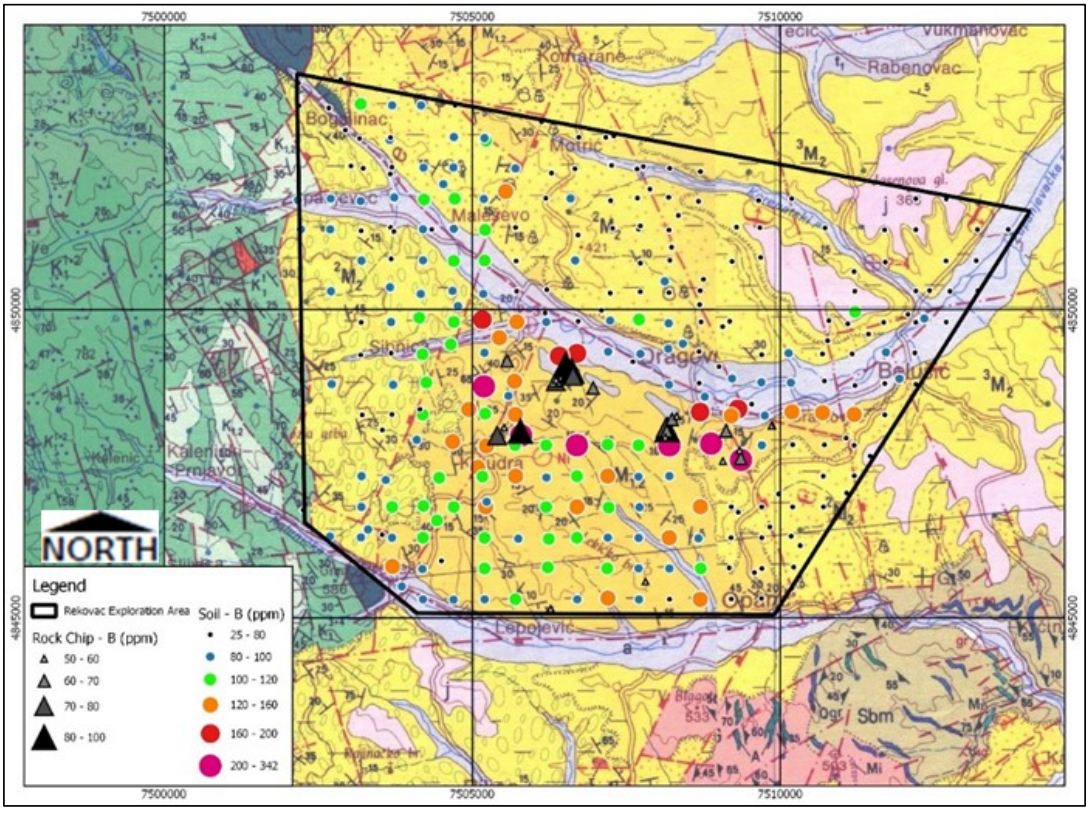

Figure 8-14: Rekovac licence geology map with soil and rock sampling positions and boron values
Source: Jadar Resources (2019)

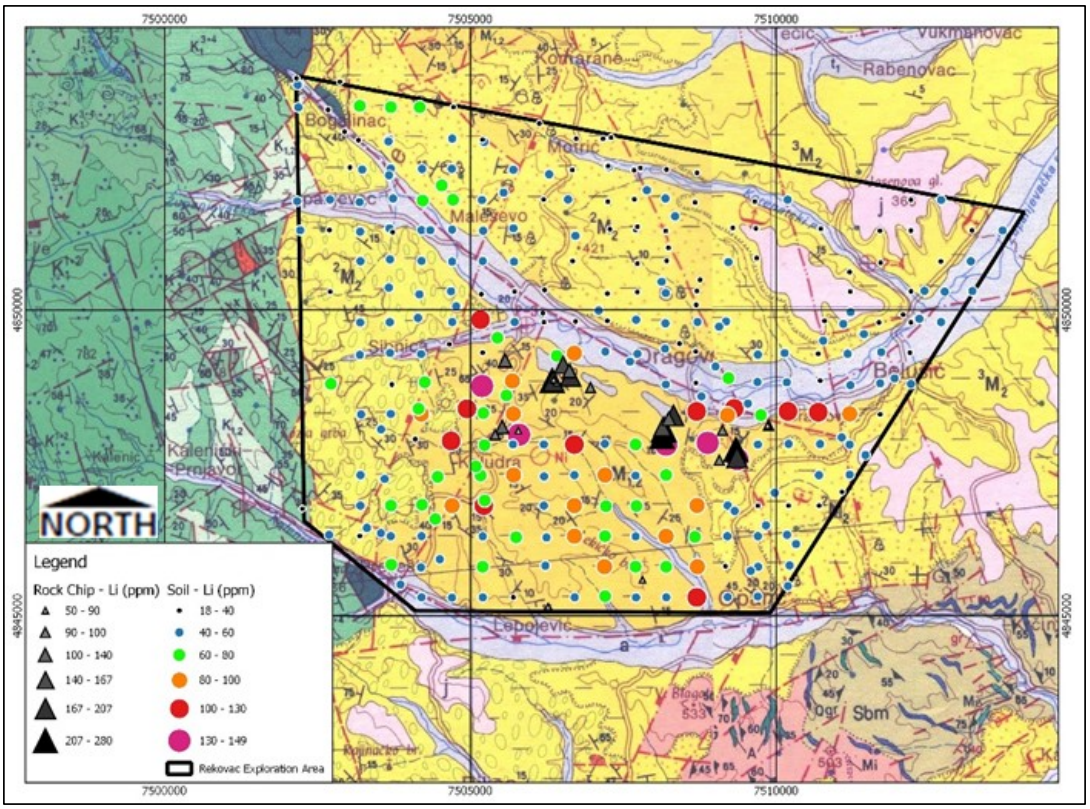

Figure 8-15: Rekovac licence geology map with soil and rock sampling positions and lithium values
Source: Jadar Resources (2019)

8.1.7 X-Ray Diffraction Analysis of Drill Core Samples

A number of drill core samples were submitted for XRD analysis in order to determine the minerals hosting the boron and lithium mineralisation intersected in drillholes REK_001 and REK_002.

Two labs were used for the XRD analysis. An initial batch of two samples (samples 32560-32561) from drillhole REK_001 were sent ITNMS based in Belgrade in March 2020 and a second batch of 13 samples (samples 53577–35380 and 35500) from drillhole REK_002 to ALS Metallurgy in Perth in May 2020.

Table 8-1 summarises the results from the two laboratories.

The results from the two samples submitted it ITNMS reported searlesite as the main mineral phase in sample 32560; eucryptite ($LiAlSiO_4$), analcime ($NaAlSi_2O_6.H_2O$) and dolomite as the main mineral phases in 32561.

The presence of eucryptite in sample 32561 is considered peculiar as the material sampled was a fine-grained pelite. Eucryptite is usually associated with LCT-pegmatites and spodumene mineralisation.

It is recommended that this sample be re-analysed at another laboratory and an accompanying chemical assay be done to either confirm this result.

The analysis of the 14 samples from REK_002 at ALS Metallurgy confirmed that searlesite is the main boron bearing mineral phase and potentially lithium-bearing. Other potential lithium bearing minerals include mica, chlorite, and analcime (Winter, 2020).

Table 8-1: Results summary of the REK_001 samples sent to ITNMS and the 14 samples from REK_002 analysed at ALS Perth

Drillhole ID	Sample ID	From	To	Searlesite	Analcime	Dolomite	Mica	Chlorite	Quartz	K-feldspar	Plagioclase	Clay mineral	Pyrite	Magnesite -siderite	Borax	Eucryptite
REK_001	35260	515.9	515.95	dominant												
REK_001	35261	518.25	518.26		major	major										major
REK_002	35377	152.52	152.53	dominant	minor-trace	trace	minor	trace								
REK_002	35378	156.02	156.03	major	minor	minor	minor	trace	minor			minor	trace		trace?	
REK_002	35379	166.4	166.41	dominant	trace	trace	trace									
REK_002	35380	171.08	171.09	dominant	trace	trace	minor		trace			minor		trace		
REK_002	35381	174.2	174.22	dominant	trace	trace								minor		
REK_002	35382	177.15	177.16	dominant	trace	trace	trace	trace	trace	minor	minor		trace	trace	trace?	
REK_002	35383	186.6	186.61	minor	minor	minor	minor	trace-minor	minor	minor	minor	minor				
REK_002	35384	193.41	193.42	major	major-dominant				trace				trace			
REK_002	35385	205.57	205.58	minor	minor	minor	minor	minor		trace	minor	minor-major				
REK_002	35386	206.6	206.61	minor	minor	trace	minor	minor	trace	minor	minor	minor				
REK_002	35387	208.55	208.56	minor-major	minor	trace	minor	trace		minor	minor-major	minor				
REK_002	35388	389.97	389.98	major	trace	trace	minor	minor		trace	major					
REK_002	35389	520	520.01	minor	minor-major	trace-minor	minor	trace	trace	minor	trace	minor	trace	trace		
REK_002	35500	263.15	263.55	dominant	trace	trace	trace-minor	trace	trace	trace-minor	minor	trace				

Key for REK_002 samples: ***dominant*** *- >50% w/w;* ***major*** *- >20% and <50% w/w;* ***minor*** *- >5% and <20% w/w;* ***trace*** *- <5% w/w.*
Source: Jadar Resources, 2020[1]

8.1.8 Drilling

Two drillholes totalling 1,238.1 m were drilled targeting the searlesite boron mineralisation on the Rekovac licence in 2020. Figure 8-5 shows the location of the drillholes. The drilling successfully intersected a broad zone of boron mineralisation in the early to middle Miocine ($M_1/M_{1,2}$) sediments of the Rekovac Basin. The results are discussed in more details in Section 8.1. The drilling of REK_001 (Figure 8-16) commenced in February 2020 (Jadar Resources, 2020[3]) and completed with the completion of REK_002 in late March 2020 (Jadar Resources, 2020[2]).

Figure 8-16: Drill rig at REK001 site in February 2020

Both holes were wireline drilled vertically using HQ3 triple tube sized core to maximise core recovery. On completion the drillhole was surveyed using a DeviCo single-shot tool at 50 m intervals down the hole.

Table 8-2: Summary of the drill collars

Drillhole ID	Easting GK (m)	Northing GK (m)	Dip/Azimuth (°)	RL (m)	Final depth (m)
REK_001	7506181	4851638	-90/0	460	600.1
REK_002	7505996	4849819	90/0	332	638

Coordinates in Serbian Gauss Kruger coordinate system, Zone 7.
Source: Jadar Resources (2020[1])

Core recoveries were measured and logged for each drill run and were in excess of 98%. Most losses occurring in the top few metres of each drill (<30 m depth) hole through the unconsolidated soils and weathered bedrock.

The drill core was transported daily to Jadar Resources secure core shed and storage facility in Rekovac where the core was marked up and logged and photographed.

8.1.9 Sample Preparation, Analyses and Security

Soil and Rock Chip Sampling (2019)

The rock chip samples, weighing between 0.5 kg and 1 kg, were collected from fresh fine grained pelitic outcrops. The soil samples were collected into Ziploc bags by sieving, to remove organic matter and pebbles, approximately 2 kg of soil material. The location data (defined by a handheld global positioning system – GPS), host rock, date and sample ID were recorded on a soil sample log sheet and subsequently captured into a Microsoft Excel spreadsheet.

All samples were prepared by ALS in Bor, Serbia and submitted for analysis to ALS, Ireland for assay. All samples where they were dried at a maximum temperature of 60°C. Soil samples were sieved to -180 µm. The samples were then analysed for a 53-element suite by method ME-MS89L which uses a sodium peroxide fusion and analysis by ICP-MS.

The rock samples were prepared by method PREP-31Y by crushing to 70% passing 2 mm and approximately 250 g of the crushed material was split using a rotary splitter. The sample split was then pulverised to 75 µm. The samples were then analysed by method ME-ICP41a which used an aqua-regia digest and analysis of a 36-element suit by ICP-AES. Table 8-3 provides a summary of the analytical method used.

Table 8-3: Summary of analytical methods used for the soil and rock chip samples

Method	Description	Elements	Detection limits
ME-MS89L (for soil samples)	0.2 g sample digested by sodium peroxide fusion and analysis by inductively coupled plasma-mass spectrometry (ICP-MS). Uses glassless labware to eliminate boron contamination.	Ag, As, B, Ba, Be, Bi, Ca, Cd, Ce, Co, Cs, Cu, Dy, Er, Eu, Fe, Ga, Gd, Ge, Ho. In, K, La, Li, Lu, Mn, Mo, Nb, Nd, Ni, Pb, Pr, Rb, Re, Sb, Se, Sm, Sn, Sr, Ta, Tb, Te, Th, Ti, Tl, Tm, U, V, W, Y, Yb, Zr	B: 8–25,000 ppm Li: 2–25,000 ppm
ME-ICP41a (for rock chip samples)	0.4 g sample digested by aqua regia digestion and analysis by inductively coupled plasma-atomic emission spectroscopy (ICP-AES).	Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, Hg, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sr, Th, Ti, Tl, U, V, W, Zn, B, Li	B: 50–50,000 ppm Li: 50–50,000 ppm

No QAQC samples were submitted with the soil and rock chip samples.

One sample was sent to the mineralogy department at Belgrade University for mineralogical analysis by XRD.

Diamond Core Drilling (2020)

Once the core had been transported to the core shed and storage facility was cleaned, labelled, depths marked up and logged (recovery, rock quality designation (RQD), and geology). A photographic record was made of all the core by photographing each core box (Figure 8-17 below).

Both drilled holes were geologically logged and data regarding rock type, colour, texture, minerals and structure was captured directly into pre-prepared Microsoft Excel logging templates.

Sampling was guided by the logging and only the older lower and lower Middle Miocene unit sampled (M_2/M_{12}). For REK_001, the core from 284.6 m to the end of hole and REK_002 all the core below the surficial material was sampled (i.e. from 14.7 m to the end of hole).

Samples were split in half using a diamond saw and the one half then split again into two quarters, of which one was sent for assay and the remainder of the core retained and stored at the core facility in Rekovac. The sample lengths varied from 0.3 m to 5 m, most being >1 m in length.

A total of 359 samples (including the internal reference samples), in three batches, were submitted and prepared by ALS in Bor, Serbia and sent for analysis to ALS, Ireland. The samples were prepared by method PREP-31Y and then analysed by method ME-ICP41a (Table 8-3 above).

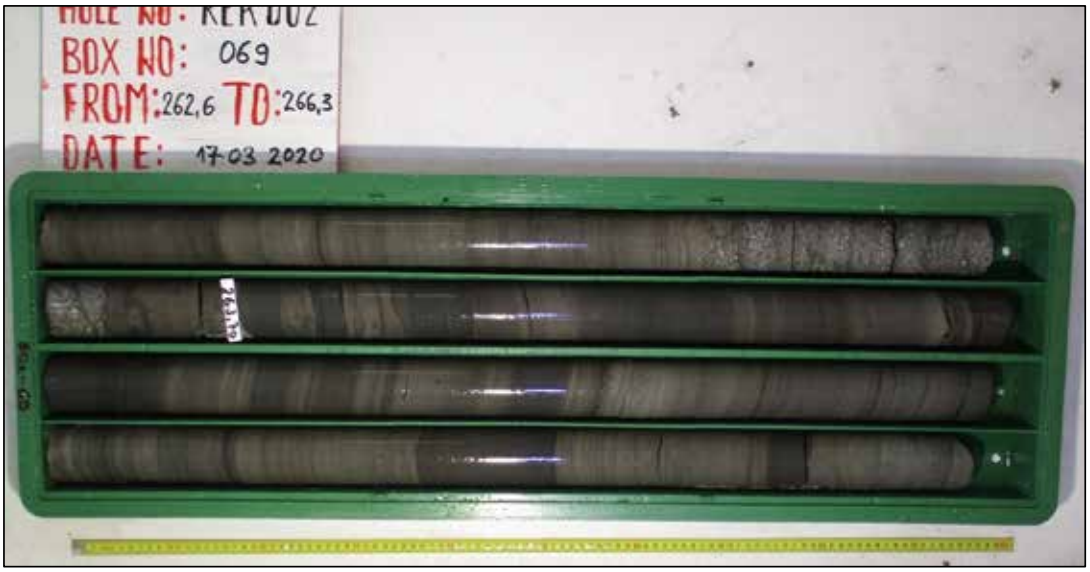

Figure 8-17: Example of the photographic record of core from REK_002 (262.6–266.3 m)
Note: The interval 263.15–263.55 m assayed 6.08% B (or 18.6% B_2O_3).

Quality Assurance/Quality Control

An internally prepared reference material was included into the sample stream at a frequency of 1 reference sample for approximately every 20 core samples, resulting in a total of 19 samples being submitted in the three sample batches. Figure 8-18 a plot of the lithium and Figure 8-19 is a plot of the boron values reported by ALS for these samples. The mean and standard deviations used in the plots are calculated from the 19 samples analysed and for both boron and lithium plot within 10% of the calculated mean and show an acceptable level of precision in the results reported. The batch effects evident in both the boron and lithium results and instrument drift in the boron results are not considered material.

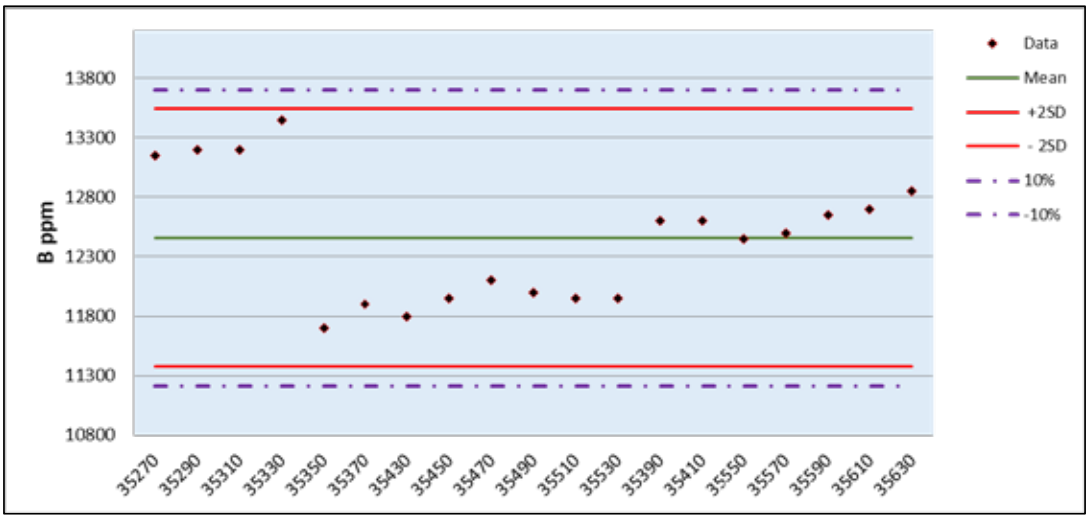

Figure 8-18: Internal reference sample results for B (n=19)

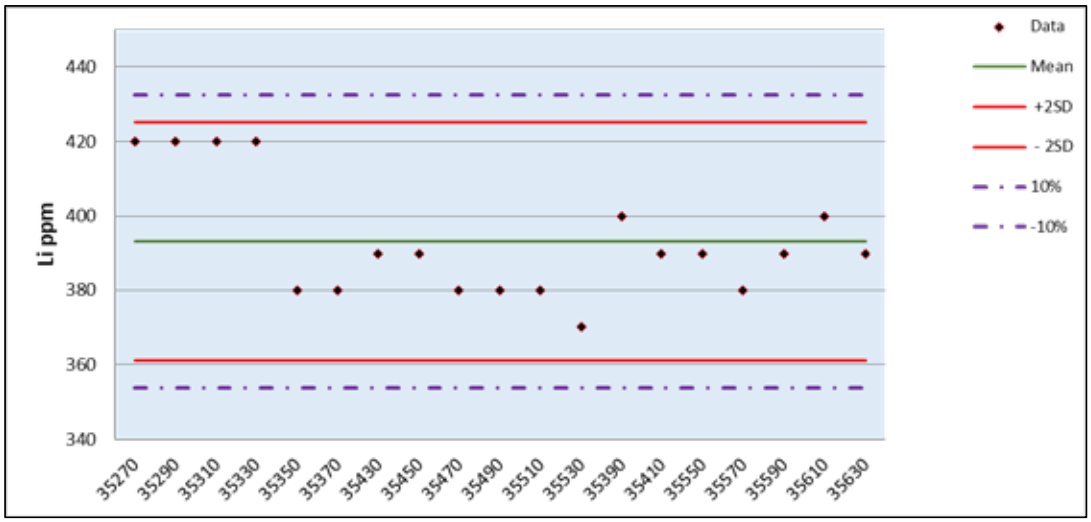

Figure 8-19: Internal reference sample results for Li (n=19)

No blanks or duplicate samples were analysed included in the sample batches.

No samples were submitted by BMM for check assays at a second laboratory, so no independent verification as to the accuracy of the results was possible.

However, ALS' internal QAQC protocols include certified reference materials (CRMs), blank and duplicate samples in the batches assayed and the results thereof indicate an acceptable level of accuracy and precision in the results reported.

It is CSA Global's opinion that the QAQC protocols were appropriate for the early-stage nature of the exploration activities performed by Jadar Resources on the Rekovac licence.

The results of the QAQC program indicate the drill core sample assay results are representative of the mineralisation present.

However, as the Project advances a more rigorous independent QAQC program is recommended and should include blank and duplicate samples into the sample batches as well as check laboratory assays. In addition, round-robin testing of the internal reference material should be done or a suitable commercially CRM sourced.

8.2 Dobrinja and Pranjani Projects

The Dobrinja and Pranjani exploration licences that comprise the two projects are underlain by Miocene sedimentary rocks of the Pranjani Basin in the north and as yet unnamed southern "Dobrinja Basin" respectively (Figure 8-20). The sediments are intruded by intruded by dacites and quartz latites, with volcaniclastic equivalents interbedded with the lacustrine and alluvial sediments as well as lamproites. They are located along strike to the northwest of the northwest orientated Cacak-Kraljevo Basin (Figure 6-2).

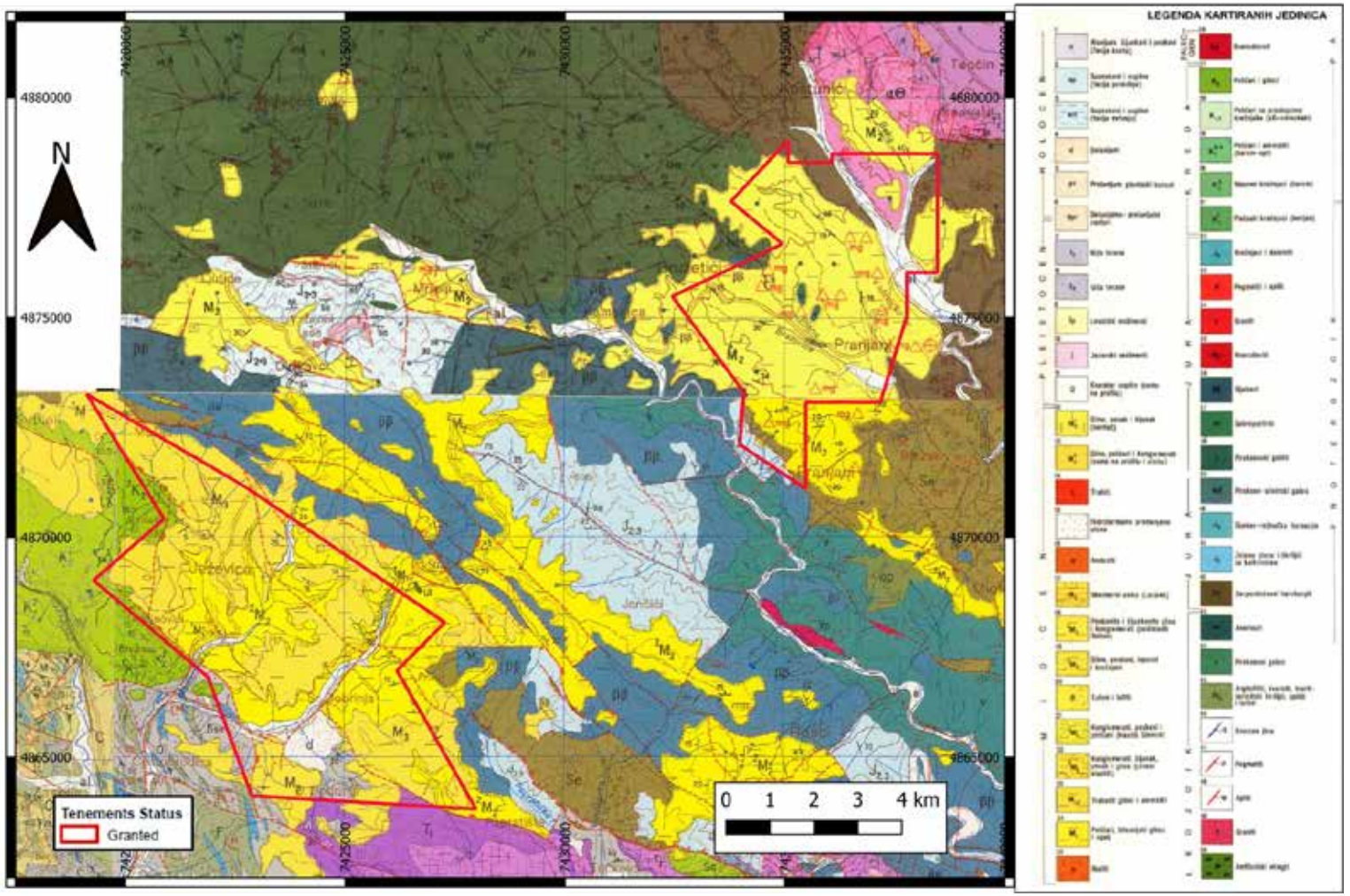

Figure 8-20: Geological map of the Dobrinja and Pranjani projects

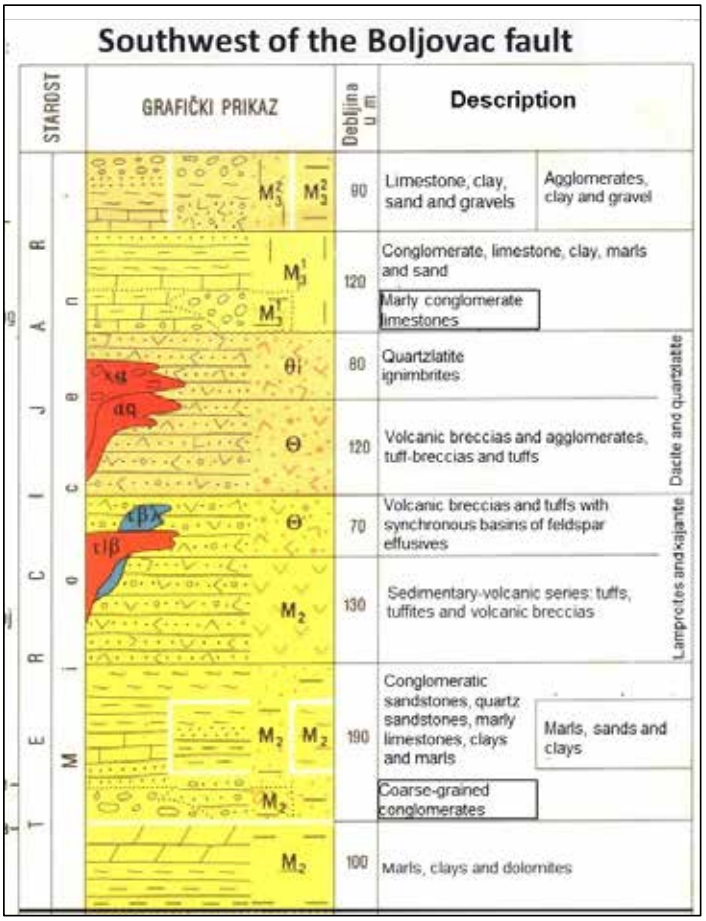

Figure 8-21: Generalised stratigraphy of the Miocene sediments within the Prajani and Dobrinja basins (see Figure 8-20 for geological map)
Source: Modified after YGS map

8.2.1 Pranjani Basin

The Pranjani Basin covers an area of approximately 40 km^2 and is 7 km long and 6 km wide. It is orientated along a northwest axis, parallel to the regional trend of the Vardar Zone and larger Cacak Basin 7 km to the southeast (Figure 6-2).

The basement to this basin comprises late Palaeozoic shales, sandstones and limestones, early Triassic limestones, marls and sandstones intruded by Triassic porphyry breccias and tuffs with porphyry lenses and Jurassic age rocks related to the Western Vardar Ophiolites comprising harzburgites, serpentinites, diabases and gabbro, Cretaceous oolitic limestones (Figure 8-20).

The Miocence sedimentary rocks within the basin comprises two distinct (Obradovic et al., 1994) sequences (Figure 8-22 and Figure 8-23), namely:

- A lower, older marginal facies approximately 100 m thick in the west. It comprises a lower sequence of coarse- to medium- grained alluvial sediments formed as a result of gravitational slumping and flows from the surrounding hills to the lake margins. This is succeeded by alluvial fans in the west and detritic/evaporitic magnesites in the south of the basin. These sequences are transgressively overlain by lacustrine sediments (known as the "motley series") with bituminous marly limestones and dolomites. Although mapped as Miocene in age by the YGS fossil assemblages indicate it is late Oligocene-Lower

Miocene (~23 Ma) in age, while some authors have dated the base of unit as early Oligocene (~34 Ma) (Mihajlovic and Dolic, 1995). This unit would correlate to M_1 (early Miocene) as mapped by the YGS.

- A younger, late lower-middle Miocene (M_2 in Figure 8-21) age, (approximately 20 m thick in the east) interbasinal facies comprising conglomerates, sandstones, marls, mudstones with coal interbeds, oil shales, marly limestones, dolomites, tuffs, and tuffaceous sandstones.

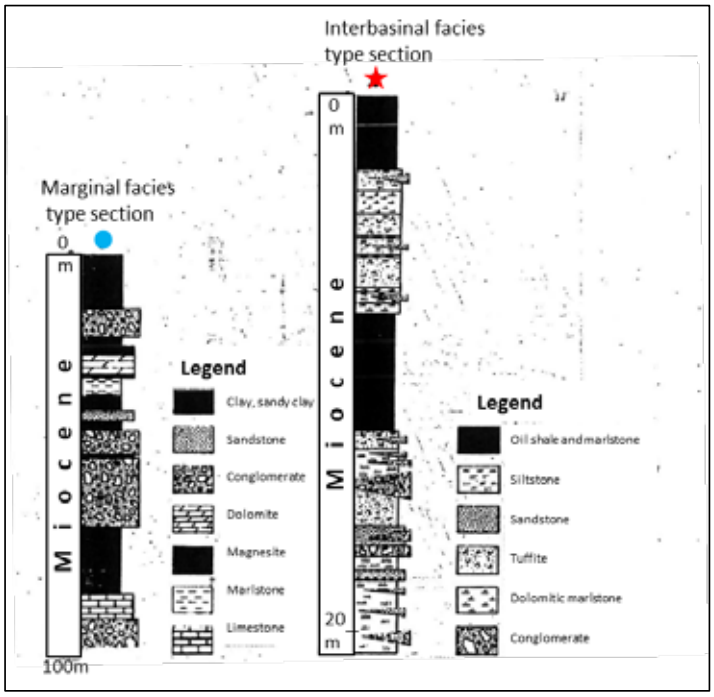

Figure 8-22: Stratigraphy of the marginal and interbasinal facies sections (see Figure 8-23)
Source: Obradovic et al. (1994)

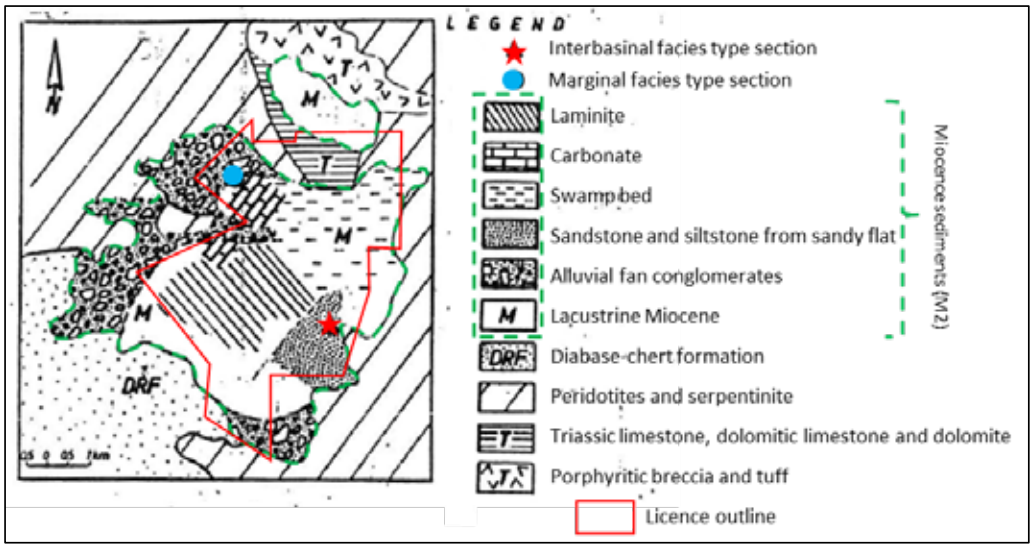

Figure 8-23: Geological sketch map of the Pranjani Basin showing the broad lithological subdivisions of the Miocene sediments (also see Figure 8-20)
Source: Modified after Obradovic et al. (1994)

These sediments are folded about northwest-southeast orientated fold axes with dips of the sedimentary layering in the southwestern side of the basin dipping between 10° and 40° towards the northeast and in the centre of the basin dip up to 30° to the southwest and the northeast. Outcrops of basement gabbros occur in the centre of the basin suggest significant variations in the thickness of the Miocene rocks over short distances.

Younger recent alluvial sediment deposits cover the Miocene rocks along the present day river channels.

Obradovic et al. (2000) analysed a number of samples of oil shales from a number of basins in Serbia including Pranjani, Jadar and Valjevo. Table 8-4 summarises these results which show that the boron and lithium values within the Pranjani basin are comparable to those in basins like Jadar and Valjevo, both of which contain known boron-lithium deposits.

Table 8-4: Concentrations of selected elements in the oil shales from various Neogene basins in Serbia

Element (ppm)	Valjevo-Mionica	Aleksinac (Pannonian Basin)	Vranje	Zlatokop	Pranjani	Jadar
As (ppm)	20–138	20–35	10–338	<20	20–54	27–334
B (ppm)	50–200; 1.66%	19–146	10–28	51	41–585	46–146
Ca (%)	3.30–8.90	2.75–10.47	0.42–16.7	2.46	10.00–13.30	5.04–25.20
Cl (ppm)	27–80	17–38	28	22	28–35	29–46
F (ppm)	-	-	5	-	5	5–13
Li (ppm)	38–349	8–47	12–192	156	145–478	192–1,010
Mg (%)	0.81–6.92	0.51–5.75	0.71–8.15	2.14	8.48–10.40	4.07–8.77
Na (ppm)	0.40–6.30	700–7,000	105–2,705	920	606–4,270	423–801
K (ppm)	1,322–6,702	1,479–8,577	3.05%	6,486	1,770–2,870	2,790–6,000
Sr (ppm)	200–1,140	250–606	31–1,340	384	895–1,330	-
SO_4 (ppm)	30-507	36–11,500	102	102	51–90	-

Source: Obradovic et al. (2000)

Based on the presence of early Miocene sedimentary rocks within the Pranjani basin, which are regionally prospective for boron-lithium mineralisation, and the range of boron-lithium values reported from the oil shales (Table 8-4), as well as the intrusive and volcanic rocks of potential calc-alkaline affinity, suggests this basin is prospective for lithium-borate mineralisation. An early stage of exploration would be warranted.

8.2.2 Dobrinja Basin

The Dobrinja Basin covers an area of approximately 73 km^2 and is about 15 km long and 6.5 km wide. It is orientated along a northwest axis, parallel to the regional trend of the Vardar Zone and larger Cacak Basin 7 km to the southeast (Figure 6-2). The Pranjani Basin is situated approximately 10 km to the northeast.

The basement to this basin comprises late Palaeozoic shales, phyllite and argillaceous limestones in to the south, early to middle Triassic limestones, marls, shales, and sandstones in the southeast and Jurassic age rocks related to the Western Vardar Ophiolites comprising serpentinites, peridotites, and diabase breccias to the east and north and early Cretaceous limestones to the west.

The Miocence sedimentary rocks dip at between 15° and 30° towards the centre of the basin (Figure 8-20). The lithostratigraphy within the basin, from oldest to youngest, comprises:

- Basal conglomerates of the early Miocene ($^1M_1$)
- Sandstones, marls, clays with coal seams, marly limestones, tuff sandstones of the middle Miocene ($^2M_2$)
- Marly limestones, marls, sandstone, sandstones and mudstone with coal interbeds, sandstone and conglomerate of the upper Miocene (M_3).

Younger recent alluvial and deluvial sediment deposits cover the Miocene rocks along the present-day river channels and floodplains.

There is no record and any systematic exploration having been conducted within this basin nor any occurrences of boron or lithium mineralisation recorded. However, the early Miocene sedimentary rocks in these Neogene basins in the Balkans are known to be prospective for lithium-borate mineralisation. In addition. the intrusive and volcanic rocks of potential calc-alkaline affinity would suggest the potential for boron, and possible lithium mineralisation. A phase of early-stage exploration is warranted.

9 Technical Risks and Opportunities

Mineral exploration is inherently high risk and the probability of making a discovery containing economic mineralisation is low. However, this risk is mitigated by conducting exploration in geological terranes with known mineralisation.

BMM's Projects are all located within the Vardar Zone which is host to numerous Neogene age sedimentary basins which contain the world's largest boron resources in Turkey as well as recent discoveries of boron at Piskanja and boron-lithium mineralisation the Jadar and Valjevo deposits.

CSA Global has reviewed the exploration data for the Rekovac Project and considers the exploration completed to date appropriate for the early-stage nature of this project. The results have served to confirm the presence of lithium and borate mineralisation and thus confirmed the conceptual exploration model for this style of mineralisation in the region. Further exploration is warranted, and BMM intends to focus on identifying vectors to possible higher-grade mineralisation followed by the delineation of any high-grade zone(s).

The addition of the Ursule and Siokovac licences of the Rekovac Project serves to improve BMM's odds of a discovery within this project area.

With no current or known historical exploration data available for the Dobrinja and Pranjani projects, CSA Global is unable to provide much commentary on their prospectivity for borate and lithium-borate mineralisation beyond the fact the project areas are underlain by similar geology which is host to the mineralisation at Rekovac and other similar deposits in a geologically prospective terrane. The key opportunities with these projects would be the identification of boron-lithium mineralisation within the licences using a similar approach to that used in the Rekovac licence.

CSA Global considers the selection of these licences based on the prospectivity for this style of mineralisation within the regional geological setting reasonable and that further exploration is warranted. In addition, it is recommended that BMM attempt to source any additional what regional geological information relevant to the Company's Projects . The existence and potential access to such data may have a material impact on the considered mineral potential of these Projects, positive or negative.

The thickness of the sediments in these basins can be considerable (>1,000 m) and it is recommended exploration be focused on shallower prospective portions of these basins, i.e. shallower than ~600 m as potential discoveries at depths beyond this may prove uneconomic.

With the forecast growth of the boron and lithium markets on the back of growth in the green energy, EV and agriculture sectors as well as manufacturers looking to secure and regionalise supply chains, Serbia is well located to capitalise. As such, local mining and potentially exploration companies (including BMM) could benefit through either direct or indirect investments into projects that speak to this theme.

10 Proposed Exploration Program and Budget

BMM has provided CSA Global with its exploration strategy, proposed work program, and expenditure for its Projects for an initial two-year period following listing on the ASX.

Table 10-1 provides a summary of the expenditure as an indication of use of funds related to the individual licence for the two years post-IPO.

Table 10-1: BMM's proposed use of fund for years 1 and 2 post-IPO

Proposed IPO raising				**A$6,500,000**
Licence	**Activity**	**Year 1 (A$)**	**Year 2 (A$)**	**Total budget (A$)**
Rekovac	Detail geological mapping and sampling	3,483	-	3,483
	Detail geophysical survey	29,604	-	29,604
	Diamond drilling	359,256	493,292	852,547
	Assay (surface and drill core samples)	70,528	90,368	160,896
	Tenement costs	10,686	11,035	21,721
	Subtotal (A$)	**473,557**	**594,695**	**1,068,252**
Ursule, Siokovac, Dobrinja and Pranjani	Reconnaissance mapping and sampling	7,105	-	7,105
	Regional geophysical data acquisition and interpretation	20,897	-	20,897
	Diamond drilling	-	646,512	646,512
	Assay (surface and drill core samples)	12,712	115,995	128,707
	Tenement costs	37,173	38,389	75,562
	Subtotal (A$)	**77,888**	**800,895**	**878,783**
Serbian in country operating costs	Field, operational costs	647,722	708,612	1,356,334
	Capex, plant and equipment	70,161	17,460	87,622
	Subtotal (A$)	**717,883**	**726,072**	**1,443,955**
Total Serbian Project Exploration Funds		**1,269,328**	**2,121,662**	**3,390,990**
Other costs and working capital		1,705,852	1,403,158	3,109,010
TOTAL (BUDGET) (A$)		**2,975,180**	**3,524,820**	**6,500,000**

BMM has planned a systematic exploration program focusing on expanding the exploration work already completed on the Rekovac licence and early-stage exploration activities on the newly granted exploration licences. The Ursule and Siokovac licences cover the northeast extension of the Rekovac Basin and are contiguous with the Rekovac Licence; the Dobrinja and Pranjani licences each cover separate Neogene-aged basin to the west of Rekovac. The planned programs are discussed in more detail below.

10.1 Rekovac Licence

The exploration work on the Rekovac licence will expand on the work completed in 2019 and 2020, which served to confirm the presence of borate and lithium mineralisation. The exploration planned for the next two years will aim at identifying vectors to higher-grade borate and lithium mineralisation hosted in the Neogene sediments of the Rekovac Basin. The planned program over the two years includes:

- Planning, acquisition of and interpretation of new detailed gravity and magnetic data
- Detailed geological mapping and relogging of drilling core including mineralogy and lithofacies mapping
- Drilling to test targets developed during the exploration campaign.

10.2 Ursule and Siokovac Licences

The Ursule and Siokovac licences are contiguous with the Rekovac licence and the underlying Neogene sediments form part of the same sedimentary basin which BMM confirmed, in the 2019–2020 exploration

program on the Rekovac licence, the presence of borate and lithium mineralisation. Detail of the planned exploration program over the two years on these two licences includes:

- Acquisition and interpretation of gravity and magnetic geophysical data
- Reconnaissance geological mapping and surface sampling
- Drilling testing of exploration targets developed during the reconnaissance exploration campaign.

Since these licences cover the northeast extension of the Rekovac Basin and are contiguous with the Rekovac licence, it is envisaged that the exploration within these two licences will to some extent be guided by the results of the activities within the Rekovac licence.

10.3 Dobrinja and Pranjani Licences

The exploration work on these newly granted licences will focus on early-stage reconnaissance activities aimed at determining the potential for borate and lithium mineralisation with the Neogene sediments of the respective sedimentary basins. Details of the planned exploration program on these two licences includes:

- Acquisition and interpretation of gravity and magnetic geophysical data
- Reconnaissance geological mapping and surface sampling
- Drilling testing of exploration targets developed during the reconnaissance exploration campaign.

10.4 CSA Global Opinion

The proposed budgets are considered appropriate for the early-stage nature of BMM's Projects and adequate to cover the costs of the proposed exploration programs.

At least half the liquid assets held, or funds proposed to be raised by BMM under the IPO, are understood to be committed to the exploration, development and administration of the mineral properties, satisfying the requirements of ASX Listing Rules 1.3.2(b) and 1.3.3(b). CSA Global understands BMM has sufficient working capital to carry out its stated objectives, satisfying the requirements of ASX Rule 1.3.3(a).

BMM has prepared staged exploration and evaluation programs, specific to the potential of the Projects, which are consistent with the budget allocation, and warranted by the exploration potential of the Projects. CSA Global considers that the relevant areas have sufficient technical merit to justify the proposed programs and associated expenditure, satisfying the requirements of ASX Listing Rule 1.3.3(a).

11 Conclusions

CSA Global concludes that BMM's Projects have the potential for the discovery of potentially economic borate or lithium-borate mineralisation in a region, the Vardar Zone, that is known to be prospective for this style of mineralisation. The prospectivity of the regional geological setting has been demonstrated by the discoveries of Rio Tinto and more recently, Euro Lithium and Erin Ventures. BMM has also successfully confirmed the presence of lithium-borate mineralisation within its Rekovac licence and more recently, secured the adjoining exploration licences, Ursule and Siokovac, to the northeast covering the remainder of the Rekovac Basin.

The Dobrinja and Pranjani licences each cover areas underlain by Neogene basins containing lower Miocene sediments which are regionally highly prospective for lithium and borate mineralisation and are considered to have been selected on sound technical merit, despite the lack of exploration data in the public domain.

The assessment of the individual project areas has been discussed in Section 8.

The proposed exploration program and expenditure provided to CSA Global by BMM for the next two years is considered appropriate for early-stage nature and assessment of the potential of the Company's Projects.

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13 Glossary

For brevity and conciseness in this prospectus please refer to internet sources such as Wikipedia (www.wikipedia.com) for commonly used geological terms.

acid volcanic lavas	Extrusive rock rich in quartz and felsdspar minerals formed from felsic magmas (e.g. rhyolite).
active margin	Refers to an active continental margin is found on the leading edge of the continent where it collides with an oceanic plate (e.g. the west coast of South America). Active margins are commonly the sites of tectonic activity: earthquakes, volcanoes, mountain building, and the formation of new igneous rock.
alkaline	Part of the calc-alkaline rock series in which the chemical content of the alkalies (i.e. higher sodium and potassium than other igneous rocks), such that sodium and potassium bearing minerals to form like feldspathoids, alkali pyroxenes or alkali amphibole.
alluvial or alluvium	A deposit of clay, silt, and sand left by flowing floodwater in a river valley or delta.
analcime or analcite	A white, grey, or colourless tectosilicate mineral. Its chemical formula is $NaAlSi_2O_6{\cdot}H_2O$. Minor amounts of potassium and calcium substitute for sodium.
andesite	An extrusive volcanic rock of intermediate composition, i.e. its composition is between basalt and rhyolite. It is fine-grained (aphanitic) to porphyritic in texture and is composed predominantly of sodium-rich plagioclase plus pyroxene or hornblende.
anhydrite ($CaSO_4$)	An evaporite mineral that occurs in extensive layered deposits in sedimentary basins where large volumes of sea water have been evaporated. It is typically interbedded with rocks that include halite, gypsum, and limestone.
argillaceous from argillite	A fine-grained sedimentary rock composed predominantly of indurated clay particles. Argillaceous rocks are basically lithified muds and oozes. They contain variable amounts of silt-sized particles.
back-arc setting	Tectonic setting adjacent to a volcanic arc formed above a subduction zone. The back arc setting is on the opposite side of the volcanic/island arc from the trench at which oceanic crust is consumed in a subduction zone.
bituminous coal	Bituminous coal or black coal is a relatively soft coal containing a tarlike substance called bitumen.
breccia	A rock composed of broken fragments of minerals or rock cemented together by a fine-grained matrix that can be similar to or different from the composition of the fragments. Often form along faults.
calc-alkaline	The calc-alkaline magma series is one of two main subdivisions of the subalkaline magma series, the other subalkaline magma series being the tholeiitic series. A magma series is a series of compositions that describes the evolution of a mafic magma, which is high in magnesium and iron and produces basalt or gabbro, as it fractionally crystallizes to become a felsic magma, which is low in magnesium and iron and produces rhyolite or granite. Calc-alkaline rocks are rich in alkaline earths (magnesia and calcium oxide) and alkali metals and make up a major part of the crust of the continents.
Carboniferous	The Carboniferous geologic period and system of the Paleozoic from the end of the Devonian Period 358.9 million years ago (Ma), to the beginning of the Permian Period, 298.9 Ma.

Competent Person	A Competent Person must be a Member or Fellow of a "Recognised Professional Organisation" such as The Australasian Institute of Mining and Metallurgy, or of the Australian Institute of Geoscientists. A Competent Person must have a minimum of five years' experience working with the style of mineralisation or type of deposit under consideration and relevant to the activity which that person is undertaking.
Cretaceous (Lower and Upper)	The Cretaceous is a geological period that lasted from about 145 Ma to 66 Ma. Lower refers to early Cretacous from 145 Ma to 100.5 Ma. And upper refers to late Cretaceous from 100.5 Ma to 66 Ma.
debris flow deposits	These are deposits formed from debris flows. A debris flow is a moving mass of loose mud, sand, soil, rock, water, and air that travels down a slope under the influence of gravity with at least 50% of the material sand-size particles or larger.
deluvial	Also known as glacial drift/glacial sediment which is a general term applied to all rock material (clay, silt, sand, gravel, boulders) transported by a glacier and deposited directly by or from the ice, or by running water emanating from a glacier.
diabase (or dolerite)	A dark-coloured igneous rock of basaltic composition and texturally between a gabbro and basalt. It occurs mostly in shallow intrusions (dikes and sills).
diamond core drilling	A core drill is a drill specifically designed to remove a cylinder of material using a diamond encrusted bit. The rock core is collected in the hollow drill rods.
eupelagic sediment	Fine-grained marine sediment that accumulates as the result of the settling of particles to the floor of the open ocean, far from land. Particles consist primarily of either the microscopic, calcareous, or siliceous shells of phytoplankton or zooplankton; clay-size siliciclastic sediment; or some mixture of these.
evaporite deposits	A water-soluble mineral sediment that results from concentration and crystallisation by evaporation from an aqueous solution in arid environments where evaporation exceeds water inflow into the basin. There are two types of evaporite deposits: marine, which can also be described as ocean deposits, and non-marine, which are found in standing bodies of water such as lakes.
facies	A facies is a body of rock with specified characteristics that can used to distinguish them from other rocks.
fluvio-lacustrine	Relating to sedimentation partly in lake and partly in stream/river waters or to deposits laid down under alternating or overlapping lacustrine and fluviatile conditions.
flysch	A sequence of sedimentary rock layers that progress from deep-water and turbidity flow deposits to shallow-water shales and sandstones. It is deposited when a deep basin forms rapidly on the continental side of a mountain building episode.
forearc basin	Forearc basins are marine depositional basins on the trench side of arcs, and they vary in size and abundance with the evolutionary stage of an arc.
gabbro	A coarse-grained mafic intrusive igneous rock formed from the slow cooling of magnesium-rich and iron-rich magma. It is a dense, greenish or dark-coloured and contains pyroxene, plagioclase, and minor amounts of amphibole and olivine.
Geological Society of South Africa	(or GSSA) A learned society for geological science that was founded in 1895. It is a member of the Australian Securities Exchange Recognised Overseas Professional Organisation (ROPO) list.

geomagnetic data	A common type of geophysical survey carried out using a magnetometer either land based or aboard or towed behind an aircraft. The magnetometer measures and records the total intensity of the magnetic field at the sensor, which is a combination of the magnetic field generated in the Earth (as well as tiny variations due to the temporal effects of the constantly varying solar wind and the magnetic field of the survey aircraft). It allows much larger areas of the Earth's surface to be covered quickly for regional reconnaissance. The aircraft typically flies in a grid-like pattern with height and line spacing determining the resolution of the data (and cost of the survey per unit area).
geophysics/geophysical survey	Geophysics is a subject of natural science concerned with the physical processes and physical properties of the Earth and its surrounding space environment, and the use of quantitative methods for their analysis.
geothermal	Refers to heat emanating from within the Earth's crust.
global positioning system	(or GPS) A handheld device that provides geolocation and time information to a GPS receiver anywhere on or near the Earth where there is an unobstructed line of sight to four or more GPS satellites.
graben	A valley with a distinct escarpment on each side caused by faultings and the displacement of a block of land downward. Graben often occur side-by-side with horsts. Horst and graben structures indicate tensional forces and crustal stretching.
granite (or granitoid)	A coarse-grained igneous rock composed mostly of quartz, alkali feldspar, and plagioclase. It forms from magma with a high content of silica and alkali metal oxides that slowly solidifies underground.
gravity data	Data generated from a gravity survey whereby small variations in the density of the Earth's crust are measured.
gypsum	A soft sulphate mineral composed of calcium sulphate dihydrate, with the chemical formula $CaSO_{4}{\cdot}_{2}H_{2}O$. Formed in arid environments and associated with evaporite deposits.
harzburgites	An ultramafic, igneous rock, and a variety of peridotite consisting mostly of the olivine and low-calcium pyroxene (enstatite). It also commonly contains a few percent chromium-rich spinel as an accessory mineral.
hemipelagic sediment	A type of marine sediment that consists of clay and silt-sized grains that are terrigenous and some biogenic material derived from the landmass nearest the deposits or from organisms living in the water.
HQ3 triple tube sized core	A type of drill tube used in diamond core drilling to prevent loss of core material when drilling friable or soluble rock types. Diameter of the core produced is 63.5 mm and the hole diameter 96 mm.
island/volcanic arc environment	An island arc is a chain or group of islands that forms from volcanic activity along a subduction zone.
JORC Code (2012)	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("the JORC Code") is a professional code of practice that sets minimum standards for Public Reporting of minerals Exploration Results, Mineral Resources and Ore Reserves. The JORC Code provides a mandatory system for the classification of minerals Exploration Results, Mineral Resources and Ore Reserves according to the levels of confidence in geological knowledge and technical and economic considerations in Public Reports. The JORC Code is produced by the Australasian Joint Ore Reserves Committee ("the JORC Committee"). The latest edition was released in 2012.
Jurassic	A geologic period and system that spanned 56 million years from the end of the Triassic Period 201.3 Ma to the beginning of the Cretaceous Period approximately 145 Ma.

lacustrine	Relating to or associated with lakes. Lacustrine deposits are sedimentary rock formations which formed in the bottom of ancient lakes.
lamproites	Lamproite is an ultrapotassic mantle-derived volcanic or subvolcanic rock. It has low CaO, Al_2O_3, Na_2O, high K_2O/Al_2O_3, a relatively high magnesium oxide content and extreme enrichment in incompatible elements. May contain diamond-bearing rock fragments.
latites	Latite is an igneous, volcanic rock, with aphanitic-aphyric to aphyric-porphyritic texture. Its mineral assemblage is usually alkali feldspar and plagioclase in approximately equal amounts. Quartz is less than 5% and is absent in a feldspathoid-bearing latite, and olivine is absent in a quartz-bearing latite.
lignite	Also referred to as brown coal, is a soft, brown, combustible, sedimentary rock formed from naturally compressed peat. It is considered the lowest rank of coal due to its relatively low heat content.
lithium carbonate equivalent	(or LCE) A method of reporting lithium content in a lithium deposit by converting lithium (Li) to an equivalent lithium carbonate content. The conversion is Li*5.323 = Li_2CO_3 (or LCE) or Li_2O*2.473 = Li_2CO_3 (or LCE).
lithology	A description of a rock's physical characteristics visible at outcrop, in hand or core samples, or with low magnification microscopy. Physical characteristics include colour, texture, grain size, and composition.
lithostratigraphic	The study of strata or rock layers focusing on geochronology, comparative geology, and petrology.
magnesite	Magnesite is a magnesium carbonate mineral with a chemical composition of $MgCO_3$. It usually forms during the alteration of magnesium-rich rocks or carbonate rocks by metamorphism or chemical weathering but may also form in evaporitic environments.
marls	Also known as marlstone is a carbonate-rich mud or mudstone which contains variable amounts of clays and silt.
meromictic lakes	A meromictic lake is a lake which has layers of water that do not intermix. In ordinary, holomictic lakes, at least once each year, there is a physical mixing of the surface and the deep waters.
Mesozoic	The middle of the three geological eras of the Phanerozoic Eon. It lasted from about 252–66 Ma.
metallogenic belts	A group of mineral deposits that formed in a specific geological terrane. Metallogeny is the study of the genesis and regional-to-global distribution of mineral deposits, with emphasis on their relationship in space and time to regional petrologic and tectonic features of the Earth's crust.
metasedimentary	A metamorphosed sedimentary rock.
Miocene	The Miocene is the first geological epoch of the Neogene Period and extends from about 23.03–5.333 Ma.
nappes	A nappe or thrust sheet is a large sheetlike body of rock that has been moved above a thrust fault from its original position. Nappes form in compressional tectonic settings like continental collision zones or on the overriding plate in active subduction zones.
Neogene	The Neogene is a geologic period and system that spans 20.45 million years from the end of the Paleogene Period 23.03 Ma to the beginning of the present Quaternary Period 2.58 Ma. It is subdivided into two epochs, the earlier Miocene and the later Pliocene.

Neotethys ocean	An ocean that formed during the Mesozoic Era located between the ancient continents of Gondwana and Laurasia, prior the opening of the Indian and Atlantic oceans during the Cretaceous Period.
oil field brines	Connate waters (water trapped in the pores of rocks during the rocks formation) associated with oil fields. Often contain high concentrations of sodium and calcium salts and trace amounts of lithium.
oil-shales	An organic-rich fine-grained sedimentary rock containing kerogen (a solid mixture of organic chemical compounds) from which liquid hydrocarbons can be produced.
Oligocene	A geologic epoch of the Paleogene Period and extends from about 33.9–23 Ma.
oolitic limestones	A limestone comprising mostly oolites. An oolite or oölite is a sedimentary rock formed from ooids (0.25–2 mm in diameter) which are spherical grains composed of concentric layers of calcium carbonate ($CaCO_3$).
ophiolite (ophiolitic)	An ophiolite is a section of Earth's oceanic crust and the underlying upper mantle that has been uplifted and exposed above sea level and often emplaced onto continental crustal rocks. They are common in orogenic belts of Mesozoic age, similar to those formed by the closure of the Tethys Ocean. Often comprise black shales and various mafic rocks ranging from pillow lavas, sheeted dolerite dyke complexes, gabbros, peridotites, and harzburgites.
Palaeogene	A geological Era that includes the Palaeocene, Eocene and Oligocene and extends from 66-23 Ma
paleorelief	Refers to an ancient landscape that has since been buried.
Pannonian Plain	The geomorphological term Pannonian Plain is more widely used for roughly the same region as the Pannonian Basin (or Carpathian Basin) but usually refers to the only the lowlands or the plain that remained when the Pliocene (5.333–2.58 Ma) Epoch Pannonian Sea dried out.
passive margin	A passive margin is the transition between oceanic and continental lithosphere that is not an active plate margin. A passive margin forms by sedimentation above an ancient rift, now marked by transitional lithosphere.
pelitic	Refers to a metamorphosed fine-grained sedimentary rock, i.e. mudstone or siltstone.
peridotite	A peridotite is a dense, coarse-grained ultramafic igneous rock consisting mostly of the silicate minerals olivine and pyroxene. It contains less than 45% silica. It is high in magnesium (Mg^{2+}), with high proportions of magnesium-rich olivine, with significant iron.
phyllite	Phyllite is a type of foliated metamorphic rock created from slate that is further metamorphosed so that very fine-grained white mica achieves a preferred orientation. It is primarily composed of quartz, sericite mica, and chlorite.
polylithionite	A mica group mineral. It is a dark lithium-rich mica, often an unusual brown, found in some granitic pegmatites. Chemical formula is $KLi_2AlSi_4O10(F,OH)_2$.
Professional Natural Scientist	(also PrSciNat) Professional Natural Scientist registered with the South African Council for Natural Scientific Professionals (SACNASP). SACNASP is the legislated regulatory body for natural science practitioners in South Africa, and a Recognised Overseas Professional Organisation (ROPO) recognised association along with Australasian Institute of Mining and Metallurgy, and the Canadian Institute of Mining, Metallurgy and Petroleum.
pyroclastics or pyroclastic rock	Pyroclastic rocks are clastic rocks composed of rock fragments produced and ejected by explosive volcanic eruptions. Pyroclastic rocks are a type of volcaniclastic deposit.

quality assurance/quality control	(also QAQC) QAQC procedure covers everything from sample handling at all levels of exploration and processing as well as defined protocols for insertion of standards/blanks and duplicates. Quality control samples inserted into the sample stream include blanks, refence materials and duplicate samples and used to monitor contamination, accuracy and precision of the assay laboratory.
rhyolite	An extrusive igneous rock with a very high silica content. It is usually pink or grey in colour with grains so small that they are difficult to observe without a hand lens. Rhyolite is made up of quartz, plagioclase, and sanidine, with minor amounts of hornblende and biotite.
Royalty	A payment made by one party to another that owns a particular asset, for the right to ongoing use of that asset.
sag-basin	Interior cratonic sag basins are thick accumulations of sediment, generally more or less oval in shape. The develop in a depressed, persistent, low area located entirely in the interiors of continental masses
schist	A medium-grade metamorphic rock formed from mudstone or shale. Schist has medium to large, flat, sheet-like grains in a preferred orientation. It is defined by having more than 50% platy and elongated minerals, often finely interleaved with quartz and feldspar.
sedimentary basin	Sedimentary basins form as a result of long-term subsidence creates accommodation space for accumulation of sediments. As the sediments are buried, they are subject to increasing pressure and begin the processes of compaction and lithification that transform them into sedimentary rock.
serpentinites	Serpentinite is a rock composed of one or more serpentine group minerals which are rich in magnesium and water, light to dark green, greasy looking and slippery feeling. They are formed by serpentinisation, a hydration and metamorphic transformation of ultramafic rocks.
skarn deposits	Skarns are hard, coarse-grained metamorphic rocks that form by a process called metasomatismand tend to be rich in calcium-magnesium-iron-manganese-aluminium silicate minerals, which are also referred to as calc-silicate minerals. These minerals form as a result of alteration that occurs when hydrothermal fluids interact with a host rock of either igneous or sedimentary origin. In many cases, skarns are associated with the intrusion of a granitic pluton found in and around faults or shear zones that intrude into a carbonate layer composed of either dolomite or limestone. They may host to copper, silver, gold, molybdenum, and tungsten deposits.
sodium carbonate (trona)	Trona is a non-marine evaporite mineral. It is mined as the primary source of sodium carbonate in certain parts of the world.
soil samples	(or geochemical sampling) Soils or rock sampling, usually done on a grid over an area to gather geochemical information on the bedrock.
stratigraphy	Stratigraphy is a branch of geology concerned with the study of rock layers (strata) and layering (stratification). It is primarily used in the study of sedimentary and layered volcanic rocks.
subduction trench	These oceanographic features are the deepest parts of the ocean floor and a distinctive morphological feature of convergent plate boundaries, along which lithospheric plates move towards each other at rates that vary from a few millimetres to over ten centimetres per year. A trench marks the position at which the flexed, subducting slab begins to descend beneath another lithospheric slab. Trenches are generally parallel to a volcanic island arc, and about 200 km from a volcanic arc.

tectonic inversion	Tectonic or structural inversion or basin inversion relates to the relative uplift of a sedimentary basin or similar structure as a result of crustal shortening. Many structural features formed during the extension period of the basin's formation are reactivated and normal faults become reverse faults.
tectonic unit	A tectonic unit is defined as a rigid or quasi-rigid unit of continental lithosphere bounded by faults, or, in few cases, by folds, with an independent tectonic history during the considered time interval.
terrane	In geology, a terrane is a fragment of crustal material formed on, or broken off from, one tectonic plate and accreted or "sutured" to crust lying on another plate. The crustal block or fragment preserves its own distinctive geologic history, which is different from that of the surrounding areas.
trachyte	An extrusive igneous rock that light coloured is composed mostly of alkali feldspar with minor amount of dark coloured minerals such as biotite, amphibole, or pyroxene. Trachyte is the volcanic equivalent of rock Syenite.
Triassic	The Triassic is a geologic period and system which spans 50.6 million years from the end of the Permian Period 251.902 Ma, to the beginning of the Jurassic Period 201.36 Ma. The Triassic is the first and shortest period of the Mesozoic Era.
tuff	A type of rock made of volcanic ash ejected from a vent during a volcanic eruption. Following ejection and deposition, the ash is lithified into a solid rock. Rock that contains greater than 75% ash is considered tuff, while rock containing 25% to 75% ash is described as tuffaceous.
ultramafics	Ultramafic rocks are igneous and meta-igneous rocks with a very low silica content (less than 45%), generally >18% MgO, high FeO, low potassium, and are composed of usually greater than 90% mafic minerals (dark coloured, high magnesium and iron content). The Earth's mantle is composed of ultramafic rocks.
volcanoclastic	Undisturbed deposits of volcanic materials are called volcanoclastic, the term sediment is added when the material is reworked and redeposited by marine, fluvial, or aeolian currents.
x-ray diffraction	(or XRD) An analytical technique used to identify minerals using the phenomenon in which the atoms of a crystal, by virtue of their uniform spacing, cause an interference pattern of the waves present in an incident beam of x-rays.

14 Abbreviations and Units of Measurement

°	degrees
°C	degrees Celsius
2011 Law	2011 Law on Mining and Geological Exploration
A$	Australian dollars
AIG	Australian Institute of Geoscientists
AMSL	above mean sea level
As	arsenic
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AusIMM	Australasian Institute of Mining and Metallurgy
B	boron
B_2O_3	boric oxide
BMM	
BSEC	Organization of the Black Sea Economic Cooperation
Ca	calcium
CAGR	compound annual growth rate
CBMP	Carpatho-Balkanian metallogenic province
CEFTA	Central European Free Trade Agreement
Cl	chlorine
CoE	Council of Europe
Company	
CRM	certified reference material
CSA Global	CSA Global Pty Ltd
DcMP	Dacian metallogenic province
DMP	Dinaric metallogenic province
EU	European Union
EV	electric vehicle
F	fluorine
g/cm^3	grams per cubic centimetre
GDP	gross domestic product
GPS	global positioning system
ha	hectares
ICP-AES	inductively coupled plasma with atomic emission spectroscopy
ICP-MS	inductively coupled plasma with mass spectrometry
IPO	initial public offering
ITAR	Independent Technical Assessment Report

K	potassium
kg	kilograms
km, km^2	kilometres, square kilometres
kt	kilo-tonnes (thousand tonnes)
LCE	lithium carbonate equivalent
LCT	lithium-caesium-tantalum
Li	lithium
Li_2O	lithia
m	metre(s)
Ma	million years ago
Mg	magnesium
Ministry	Ministry of Mining and Energy
mm	millimetres
Mt	million tonnes
Na	sodium
new mining law	Law on Mining and Geological Exploration (Official Gazette of the Republic of Serbia no. 101/2015)
OSCE	Organization for Security and Co-operation in Europe
PfP	Partnership for Peace
ppm	parts per million
PV	photovoltaic
QAQC	quality assurance/quality control
RQD	rock quality designation
SMMP	Serbo-Macedonian metallogenic province
Sr	strontium
UN	United Nations
USA	United States of America
WTO	World Trade Organization
XRD	x-ray diffraction
YGS	Yugoslavia Geological Survey

Appendix A JORC Code Table 1 for Exploration Results

Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	**Soil sampling** Sampling process itself includes the following steps: • The sample location was defined by handheld global positioning system (GPS) and cross-checked on sampling location map • The soil profile is exposed using a shovel and removing vegetation, surface debris and loose organic matter • Sample pit was cleaned, and pebbles and decomposed leaf matter removed • Approximately 2,000 g material was sieved using a stainless-steel sieve to remove any larger roots, pebbles and sieved into a plastic bucket • Sieved material was placed in a plastic Ziploc bag • The sample number was written on the sample bag which is carefully rolled closed to removing excess air from the bag, and sealed securely. The soil sample information was recorded in the "soil sampling log sheet" which contains the following information: Sample ID; coordinates (easting, northing, elevation); sampling depth; host rock; date of sampling. On completion, the sample site was backfilled, and vegetation was placed back. **Rock chip sampling** The rock chips samples were collected directly from fresh unweathered fine pelitic sediments along exposed outcrops. The samples were large enough to be considered representative for sedimentary lithology, and generally ranged from 0.5 kg to 1 kg. The sample is placed into the sampling container, which is labelled according to the attributed unique sample number. All relevant information with regards to the outcrop was recorded. Sample for x-ray diffraction (XRD) was taken from exposed white scattered nodules within the sedimentary basin. **Geophysics** Regional gravity survey stations were accomplished within a grid with nominal station spacing of about 1,000 m. The regional gravity data were acquired using a WORDEN gravity meter. Regional magnetic survey stations were accomplished within a grid with station spacing of about 2,000 m. The regional magnetic data were acquired using magnetometer, which is measuring the vertical magnetic component of the geomagnetic field. **Drilling** Diamond drilling of HQ3 diameter core was employed for sample collection. Samples were split with a diamond saw on half than second half on two quarters from which one quarter has been sent for sample preparation and analyses. Sample lengths ranged from 0.3 m to 5 m.

Criteria	JORC Code explanation	Commentary
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	HQ3 triple tube diamond drilling technique was used for material collection. Both drillholes were vertical, and the drill core was not orientated. All holes were downhole surveyed by the drilling contractor using DeviCo single-shot tool. Surveys were conducted at every 50 m down-hole.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Depths are checked against the depth on the core blocks. Core recovery was logged for each drilling run against drilling length, and the data has been recorded into the recovery log. HQ3 wire-line inner barrel with the split-tube was employed to maximise core recovery. The recovery was considered acceptable with core recovery over 98%.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* *The total length and percentage of the relevant intersections logged.*	**Soil and rock chip sampling** Information about sampling location, rock type being sampled, the attitude of sedimentary formation and reaction with hydrochloric acid have been recorded in field book and subsequently transferred in a Microsoft Excel spreadsheet. **Drilling** For lithology, logging descriptions were done over the full length of drill core and entered in previously prepared logging templates. Qualitative logging of drill core includes but not limited to, rock type, colour, texture, minerals, structures characteristics, mineralogy. Individual photographs of each core box were taken. To ensure consistency of the scale, a frame to photograph the core boxes from a fixed height was used so that each core box completely filled the field of view.
Subsampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all subsampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	The samples have been prepared in the ALS laboratory in Bor, Serbia. **Soil samples** After drying samples below 60°C sample are sieved down to 180 µm (80 mesh). After sample preparation, samples have been dispatched to ALS laboratory in Ireland for geochemical analyses Samples are analysed using ME-MS89L – Na2O2 digestion and analysed by inductively coupled plasma with mass spectrometry (ICP-MS). **Rock chip samples** After drying below 60°C, all the samples were crushed to 70% passing 2 mm. Approximately 250 g of crushed material was split off by a rotary splitter. After splitting samples were pulverised down to 75 µm. Following sample preparation, sample pulps were dispatched to ALS laboratory in Ireland for geochemical analyses. Sample pulps were analysed by high-grade aqua regia inductively coupled plasma with atomic emission spectroscopy (ICP-AES). The ALS method is ME-ICP41a, comprising a 35-element suite of elements including lithium and boron. The lower and upper detection range for lithium and boron by this method are 50 ppm and 50,000 ppm, respectively.

Criteria	JORC Code explanation	Commentary
		Drilling Cutting of the core is performed at the coreshed after logging and sample labelling. Drill core was cut in half along the core axis and then one of the halves split into half again, creating two quarter-core samples from which one was submitted for assay while the other retained for future tests. The remaining one half of core has been retained as a reference. Samples with visible mineralisation were taken based on visual mineral content, and lithology control. Sample widths ranged from 0.3 m to 5 m. All remaining core after sampling is stored at Rekovac core shed.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	**Soil and rock chip sampling** ALS has thorough internal quality control measures including the use of certified lithium standards, blanks, and duplicates. No field duplicates were collected during the sampling program. Internal lab duplicates were prepared by the laboratory to check the preparation process and the precision of the instrument determination. **XRD** XRD results are considered to be semi-quantitative. Check samples are not usually included in samples submitted for XRD analysis. A kernite check sample was included in the batch of two samples from REK_001 sent to the mineralogy department at Belgrade University for XRD analysis. The results confirmed it as kernite. The presence of eucryptite in the one sample analysed by Belgrade University is questionable and needs to be checked. The batch of 14 samples from REK_002 sent to ALS for XRD analysis included no check samples. **Geophysics** Acquired regional gravity and magnetic survey were undertaken by Yugoslav Geological Survey during the 1980s. There is no detail information about quality control from that time, but the data provider stated that data have been checked in recent years and that there is no significant deviation observed. **Drilling** The quality assurance/quality control (QAQC) protocols implemented to provide adequate confidence in data collection and processing are discussed in the report. All sample preparation was undertaken by ALS Bor and assays were conducted by ALS Ireland. Samples were prepared using ALS procedure PREP31Y (crushing and milling). The analysis consists of a multi-spectral ICP-AES (protocol ME-ICP41a) suite of 36 elements including boron and lithium. The samples are digested by aqua regia and analysed by ICP-MS. The analytical methods are considered to be partial, and (BMM) is planning to submit remaining pulp reject (for samples with >10,000 ppm B_2O_3) to analyse boron and lithium using by NaOH fusion/ICP - high-grade analysis. XRD analyses were undertaken by ALS Metallurgy Mineralogy in WA and ITNMS lab at Belgrade University in Serbia. In-house reference material was introduced every 20 samples. ALS implemented internal quality control protocols including preparation duplicates, blanks, and certified reference materials.

Criteria	JORC Code explanation	Commentary
		The QAQC reports have been reported to BMM as a part of the assays data. Acceptable levels of accuracy and precision for standard reference materials were established.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	No independent verification logging or sample of the intersections was done. All the primary data was transferred into standardised Microsoft Excel spreadsheet templates. Both boron and lithium assays are reported in ppm and converted to boric oxide and lithia using the following conversion formula: • Li ppm * 2.153 = Li_2O ppm • B ppm * 3.22 = B_2O_3 ppm. All the data, including collar information, hole diameter, lithology logs, sampling, QAQC, and core recovery, are kept in Microsoft Excel spreadsheets, and are maintained by Jadar Resources. The original reports are also maintained by Jadar Resources.
Location of data points	*Accuracy and quality of surveys used to locate drillholes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	Soils and rock chip samples were located using handheld GPS with an expected accuracy of ±5 m. At that time the coordinates of the points were determined from the topographic maps 1:10,000 scale where 1 mm on the map corresponds to 10 m in nature. Elevation has been surveyed by tachometer and levelling instruments. Drillhole collars were surveyed by handheld GPS to accuracy ±3 m. This level of accuracy is considered and appropriate for the exploration stage. All coordinates are tied into the state triangulation network and provided in the Serbian Gauss Kruger coordinate system. 25K government topographic maps were used for topographic control.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	**Soil and rock chip sampling and geophysical data** No regular spacing was used. The samples were collected from restricted outcrops. The geophysics survey involved the acquisition of regional gravity and magnetic data with a spacing of about 1,000 m for gravity and 2,000 m for a magnetic survey. The data spacing and distribution is not sufficient to establish the degree of geological and grade continuity appropriate for Mineral Resource estimation purposes. No compositing applied. **Drilling** Taking into account the size of Rekovac licence size (75 km^2), the distance between REK_001 and REK_002 drillholes as well as the size of the entire Rekovac basin, two drillholes were not sufficient to establish the degree of geological and grade continuity but have confirmed the presence of lithium-borate mineralisations. No compositing has been applied.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	The soil and rock chip samples were taken directly from outcropping fine pelitic sedimentary strata to represent potential hosts of mineralisation that BMM is targeting. Both drillholes were vertical (-90°) intersecting bedding attitude at very steep angle of between 90° and 75°. No sampling bias was introduced.

Criteria	JORC Code explanation	Commentary
Sample security	*The measures taken to ensure sample security.*	**Soil and rock chip samples** Company geologist supervised all sampling and subsequent storage in the field. **Drilling** The measures taken to ensure sample security include the following: • Drill core was transported daily by BMM personnel from the drill site to the secure Company core shed (core storage) facility in Rekovac. • Core awaiting logging was stored in the core shed until it was logged and sampled, at which time it was stored in secured ship containers within a fenced and locked core storage facility on site. • Samples were sealed in poly-woven sample bags, labelled with a pre-numbered tag, and securely stored until shipped to or delivered off at the ALS laboratory in Bor. • Chain of custody forms were maintained by BMM and ALS.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No verification performed at this stage.

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Mineral tenement and land tenure status</td><td>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.
The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</td><td>Jadar Resources Limited's 100% owned subsidiary in Serbia, Jadar Lithium d.o.o. is the holder of the five exploration licences discussed in the report.
<table>
<tr><th>Project</th><th>Licence name</th><th>Exploration area no.</th><th>Area (km²)</th><th>Issue date</th><th>Date exploration permitted from</th><th>Expiry date</th><th>Resolution no.</th></tr>
<tr><td rowspan="3">Rekovac</td><td>Rekovac</td><td>2224</td><td>75.42</td><td>28/02/2017 (date of extension decision 19/05/2020)</td><td>05/11/2020* (first renewal)</td><td>05/11/2023</td><td>310-02-01852/ 2016-02</td></tr>
<tr><td>Ursule</td><td>2429</td><td>99.36</td><td>01/03/2021</td><td>18/03/2021</td><td>18/03/2024</td><td>310-02-836/ 2019-02</td></tr>
<tr><td>Siokovac</td><td>2430</td><td>98.54</td><td>01/03/2021</td><td>22/03/2021</td><td>22/03/2022</td><td>310-02-837/ 2019-2</td></tr>
<tr><td>Dobrinja</td><td>Dobrinja</td><td>2428</td><td>37.58</td><td>01/03/2021</td><td>22/03/2021</td><td>22/03/2022</td><td>310-02-1923/ 2019-02</td></tr>
<tr><td>Pranjani</td><td>Pranjani</td><td>2427</td><td>25.96</td><td>01/03/2021</td><td>22/03/2021</td><td>22/03/2022</td><td>310-02-1922/ 2019-02</td></tr>
</table>
*Original period from 28 April 2017 to 27 April 2020. First licence renewal/extension period valid for three years.
BMM submitted its year-end report for Rekovac to the Ministry of Mining and Energy in 2020, and at the same time, its application for exploration licence renewal for a three-year term.
There are no known impediments to BMM accessing its licences and operating in the area.</td></tr>
<tr><td>Exploration done by other parties</td><td>Acknowledgment and appraisal of exploration by other parties.</td><td>Historical work has been conducted on all the project areas by various Serbian and Yugoslav state geological agencies.
There is no available information that any previous exploration work has been done related to the type and style of mineralisation that Jadar Resources is looking for.
Rio Tinto conducted regional exploration for trona (sodium carbonate) hosted in Neogene continental sediments along the greater Vardar zone in the late 1990s and early 2000s. Some drilling was done on a number of the Neogene basins; however, it is unknown whether any drilling was done on any of BMM's projects.</td></tr>
<tr><td>Geology</td><td>Deposit type, geological setting and style of mineralisation.</td><td>Neogene lithium-borate deposits of the type being explored are typically found in tectonically active zones associated with deep-seated faulting. Lithium and borate deposits are formed as a stratiform chemical precipitates in closed basins with buried saline-alkaline mudflat environments, usually with a large areal extent (3–5 km²). The deposits are typically accompanied by fine pelitic stratas enriched in sodium, magnesium, strontium, and ash flow tuffs, dolomite, analcime and travertine an indications of spring apron accumulations.</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
Drillhole information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:* • *easting and northing of the drillhole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar* • *dip and azimuth of the hole* • *downhole length and interception depth* • *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	All information regarding drillholes is tabulated in the drillhole collar table included in this report. Both drillholes were vertical, designed to intercept sedimentary formation perpendicular to bedding.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts*	No data aggregation was done on the soil and rock chip samples. No cut-off grades were used. No metal equivalent values are being reported.

Criteria	JORC Code explanation	Commentary
	incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known').*	As the geochemical results presented in the report were collected by Jadar Lithium are from surface, any potential depths of mineralisation or orientations can only be inferred from geological observations on the surface and hence are speculative in nature. The drillholes were perpendicular to the dip of the mineralisation and the sedimentary formation, and all intersections are considered as true widths.

Criteria	JORC Code explanation	Commentary
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.*	Appropriate plan maps and sections are included in the report.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	The report is believed to include all representative and relevant information and is believed to be comprehensive.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	BMM acquired historical gravity and ground magnetic survey data from a local contractor. Gravity readings taken and recorded in the field go through several processing steps to generate absolute gravity values. These steps include: converting the meter reading to milligals (using the calibration tables unique to each meter) and referencing them to the gravity base value, correcting for solar and lunar tides and meter drift, and correcting for the height of the meter above ground level. Absolute gravity (also known as observed gravity) values represent the change in the strength of gravity due to changes in latitude, elevation, earth density and terrain effects. Accuracy of gravimeter was - 0.1mGal. The vertical component of the geomagnetic field was converted into a total vector by a special mathematical method, taking into account the magnetic inclination and declination as well as the calculation of the normal geomagnetic field. The accuracy of the magnetometer at that time was 5 nT. All material information has been reported previously by BMM.

Criteria	JORC Code explanation	Commentary
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	BMM is planning to conduct further exploration at Rekovac, including Ursule and Siokovac licences which are contiguous to the north, to test the target which is still laterally open to the east, west, north and south well as at depth. Early-stage exploration for the Dobrinja and Pranjani licences is also planned and the program presented in the report.

Section 3 Estimation and Reporting of Mineral Resources

Not included as no Mineral Resources are reported.

Section 4 Estimation and Reporting of Ore Reserves

Not included as no Ore Reserves are reported.

Appendix B Assay results for REK001 and REK002

HoleID	Sample ID	Sample From (m)	Sample To (m)	Sample Thickness (m)	B (ppm)	B_2O_3 (ppm)	Li (ppm)	Li_2O (ppm)
REK001	35263	284.6	285.2	0.6	100	322	60	129
REK001	35264	285.2	287.9	2.7	150	483	100	215
REK001	35265	287.9	290.5	2.6	130	419	90	194
REK001	35266	290.5	293	2.5	140	451	90	194
REK001	35267	293	295.6	2.6	150	483	110	237
REK001	35268	295.6	297	1.4	290	934	150	323
REK001	35269	297	298.4	1.4	320	1030	140	301
REK001	35271	298.4	300.2	1.8	330	1063	160	344
REK001	35272	300.2	303.2	3	200	644	180	388
REK001	35273	303.2	306.2	3	160	515	160	344
REK001	35274	306.2	309.2	3	160	515	160	344
REK001	35275	309.2	312.2	3	180	580	130	280
REK001	35276	312.2	314.5	2.3	160	515	170	366
REK001	35277	314.5	316.9	2.4	220	708	120	258
REK001	35278	316.9	317.7	0.8	160	515	200	431
REK001	35279	317.7	319.2	1.5	140	451	210	452
REK001	35280	319.2	320.8	1.6	200	644	180	388
REK001	35281	320.8	322.2	1.4	120	386	190	409
REK001	35282	322.2	323.7	1.5	120	386	220	474
REK001	35283	323.7	325.3	1.6	120	386	280	603
REK001	35284	325.3	326.9	1.6	110	354	300	646
REK001	35285	326.9	328.5	1.6	90	290	300	646
REK001	35286	328.5	329.8	1.3	110	354	250	538
REK001	35287	329.8	330.9	1.1	130	419	300	646
REK001	35288	330.9	332	1.1	110	354	390	840
REK001	35289	332	332.9	0.9	60	193	50	108
REK001	35291	332.9	336.8	3.9	160	515	200	431
REK001	35292	336.8	340.7	3.9	750	2415	190	409
REK001	35293	340.7	344.7	4	110	354	230	495
REK001	35294	344.7	348.6	3.9	110	354	240	517
REK001	35295	348.6	352.5	3.9	130	419	240	517
REK001	35296	352.5	356.4	3.9	80	258	150	323
REK001	35297	356.4	357.9	1.5	130	419	240	517
REK001	35298	357.9	361.9	4	120	386	240	517
REK001	35299	361.9	365.9	4	130	419	270	581
REK001	35300	365.9	370.1	4.2	80	258	190	409
REK001	35301	370.1	374.3	4.2	90	290	220	474
REK001	35302	374.3	378.5	4.2	80	258	160	344
REK001	35303	378.5	382.2	3.7	110	354	140	301
REK001	35304	382.2	386	3.8	100	322	160	344

HoleID	Sample ID	Sample From (m)	Sample To (m)	Sample Thickness (m)	B (ppm)	B_2O_3 (ppm)	Li (ppm)	Li_2O (ppm)
REK001	35305	386	389.7	3.7	110	354	190	409
REK001	35306	389.7	392.4	2.7	90	290	210	452
REK001	35307	392.4	392.7	0.3	150	483	100	215
REK001	35308	392.7	396.8	4.1	140	451	320	689
REK001	35309	396.8	400.9	4.1	130	419	160	344
REK001	35311	400.9	405	4.1	230	741	260	560
REK001	35312	405	409	4	1840	5925	280	603
REK001	35313	409	413	4	230	741	220	474
REK001	35314	413	417	4	230	741	230	495
REK001	35315	417	421	4	2580	8308	240	517
REK001	35316	421	425.1	4.1	780	2512	170	366
REK001	35317	425.1	429.2	4.1	230	741	180	388
REK001	35318	429.2	433.4	4.2	290	934	170	366
REK001	35319	433.4	437.5	4.1	680	2190	180	388
REK001	35320	437.5	441.6	4.1	2450	7889	220	474
REK001	35321	441.6	445.8	4.2	750	2415	200	431
REK001	35322	445.8	449.9	4.1	290	934	200	431
REK001	35323	449.9	453.5	3.6	620	1996	200	431
REK001	35324	453.5	457.1	3.6	920	2962	240	517
REK001	35325	457.1	460	2.9	290	934	270	581
REK001	35326	460	463	3	1670	5377	340	732
REK001	35327	463	467.1	4.1	1850	5957	380	818
REK001	35328	467.1	471.2	4.1	880	2834	280	603
REK001	35329	471.2	475.4	4.2	610	1964	250	538
REK001	35331	475.4	479.6	4.2	670	2157	250	538
REK001	35332	479.6	483.9	4.3	1940	6247	260	560
REK001	35333	483.9	487.9	4	800	2576	230	495
REK001	35334	487.9	491.9	4	990	3188	190	409
REK001	35335	491.9	495.9	4	1990	6408	170	366
REK001	35336	495.9	499.9	4	1660	5345	200	431
REK001	35337	499.9	503.9	4	270	869	180	388
REK001	35338	503.9	507.9	4	500	1610	220	474
REK001	35339	507.9	511.9	4	610	1964	150	323
REK001	35340	511.9	514.9	3	1910	6150	210	452
REK001	35341	514.9	515.9	1	2050	6601	210	452
REK001	35342	515.9	516.5	0.6	5110	16454	220	474
REK001	35343	516.5	517.1	0.6	730	2351	290	624
REK001	35344	517.1	517.7	0.6	590	1900	290	624
REK001	35345	517.7	518.3	0.6	2460	7921	240	517
REK001	35346	518.3	519.3	1	1330	4283	210	452
REK001	35347	519.3	521.3	2	1050	3381	170	366
REK001	35348	521.3	523.3	2	290	934	140	301

HoleID	Sample ID	Sample From (m)	Sample To (m)	Sample Thickness (m)	B (ppm)	B_2O_3 (ppm)	Li (ppm)	Li_2O (ppm)
REK001	35349	523.3	526.2	2.9	260	837	130	280
REK001	35351	526.2	530.2	4	790	2544	190	409
REK001	35352	530.2	534.2	4	540	1739	190	409
REK001	35353	534.2	538.2	4	270	869	190	409
REK001	35354	538.2	542.2	4	310	998	190	409
REK001	35355	542.2	546.2	4	330	1063	190	409
REK001	35356	546.2	548.2	2	310	998	170	366
REK001	35357	548.2	550	1.8	260	837	160	344
REK001	35358	550	551.7	1.7	270	869	220	474
REK001	35359	551.7	555.8	4.1	1430	4605	250	538
REK001	35360	555.8	559.9	4.1	790	2544	290	624
REK001	35361	559.9	564.1	4.2	480	1546	240	517
REK001	35362	564.1	568.3	4.2	380	1224	210	452
REK001	35363	568.3	571.4	3.1	340	1095	230	495
REK001	35364	571.4	574.5	3.1	450	1449	290	624
REK001	35365	574.5	576	1.5	320	1030	290	624
REK001	35366	576	577.5	1.5	300	966	210	452
REK001	35367	577.5	578.5	1	830	2673	230	495
REK001	35368	578.5	579.5	1	4330	13943	210	452
REK001	35369	579.5	580.4	0.9	3340	10755	240	517
REK001	35371	580.4	581.4	1	310	998	260	560
REK001	35372	581.4	585.3	3.9	270	869	200	431
REK001	35373	585.3	588.7	3.4	260	837	70	151
REK001	35374	588.7	592.7	4	250	805	60	129
REK001	35375	592.7	596.4	3.7	260	837	210	452
REK001	35376	596.4	600.1	3.7	710	2286	280	603
REK002	35391	14.7	18.9	4.2	1410	4540	340	732
REK002	35392	18.9	23.1	4.2	830	2673	210	452
REK002	35393	23.1	27.3	4.2	460	1481	220	474
REK002	35394	27.3	31.5	4.2	2370	7631	230	495
REK002	35395	31.5	35	3.5	2880	9274	320	689
REK002	35396	35	38.1	3.1	3180	10240	300	646
REK002	35397	38.1	43.1	5	4550	14651	150	323
REK002	35398	43.1	47.2	4.1	2210	7116	130	280
REK002	35399	47.2	51.5	4.3	3230	10401	150	323
REK002	35400	51.5	55.8	4.3	6240	20093	170	366
REK002	35401	55.8	60.3	4.5	920	2962	160	344
REK002	35402	60.3	64.8	4.5	990	3188	150	323
REK002	35403	64.8	69.5	4.7	4620	14876	180	388
REK002	35404	69.5	73.8	4.3	1300	4186	280	603
REK002	35405	73.8	78.2	4.4	3150	10143	450	969
REK002	35406	78.2	82.5	4.3	4280	13782	320	689

HoleID	Sample ID	Sample From (m)	Sample To (m)	Sample Thickness (m)	B (ppm)	B_2O_3 (ppm)	Li (ppm)	Li_2O (ppm)
REK002	35407	82.5	86.5	4	3390	10916	210	452
REK002	35408	86.5	90.5	4	1890	6086	190	409
REK002	35409	90.5	94.5	4	3790	12204	220	474
REK002	35411	94.5	97.8	3.3	3760	12107	190	409
REK002	35412	97.8	98.8	1	6270	20189	180	388
REK002	35413	98.8	100.5	1.7	4990	16068	180	388
REK002	35414	100.5	102.2	1.7	7520	24214	170	366
REK002	35415	102.2	103.9	1.7	3170	10207	210	452
REK002	35416	103.9	105.9	2	6450	20769	180	388
REK002	35417	105.9	108	2.1	5830	18773	190	409
REK002	35418	108	110.2	2.2	6060	19513	170	366
REK002	35419	110.2	112.4	2.2	6460	20801	160	344
REK002	35420	112.4	114.5	2.1	6240	20093	160	344
REK002	35421	114.5	118	3.5	1290	4154	210	452
REK002	35422	118	121.5	3.5	440	1417	170	366
REK002	35423	121.5	124.9	3.4	3830	12333	170	366
REK002	35424	124.9	128.3	3.4	4530	14587	160	344
REK002	35425	128.3	132.5	4.2	1240	3993	190	409
REK002	35426	132.5	136.7	4.2	1050	3381	150	323
REK002	35427	136.7	141	4.3	4210	13556	220	474
REK002	35428	141	145.2	4.2	2560	8243	350	754
REK002	35429	145.2	149.2	4	4240	13653	170	366
REK002	35431	149.2	151.5	2.3	4990	16068	150	323
REK002	35432	151.5	152.5	1	4140	13331	140	301
REK002	35433	152.5	153.6	1.1	3140	10111	150	323
REK002	35434	153.6	154.8	1.2	6480	20866	130	280
REK002	35435	154.8	156.80	2	3230	10401	140	301
REK002	35436	156.80	158.8	2	730	2351	160	344
REK002	35437	158.8	160.8	2	2480	7986	150	323
REK002	35438	160.8	162.8	2	1730	5571	150	323
REK002	35439	162.8	164.0	1.2	5750	18515	130	280
REK002	35440	164.0	165.6	1.6	7520	24214	120	258
REK002	35441	165.6	167.2	1.6	5350	17227	120	258
REK002	35442	167.2	168.8	1.6	1140	3671	110	237
REK002	35443	168.8	170.4	1.6	5220	16808	130	280
REK002	35444	170.4	172	1.6	6230	20061	130	280
REK002	35445	172	173.6	1.6	7130	22959	130	280
REK002	35446	173.6	175.2	1.6	6810	21928	130	280
REK002	35447	175.2	176.6	1.35	6370	20511	130	280
REK002	35448	176.6	177.2	0.6	8250	26565	120	258
REK002	35449	177.2	178.6	1.45	4750	15295	230	495
REK002	35451	178.6	179.8	1.2	3920	12622	290	624

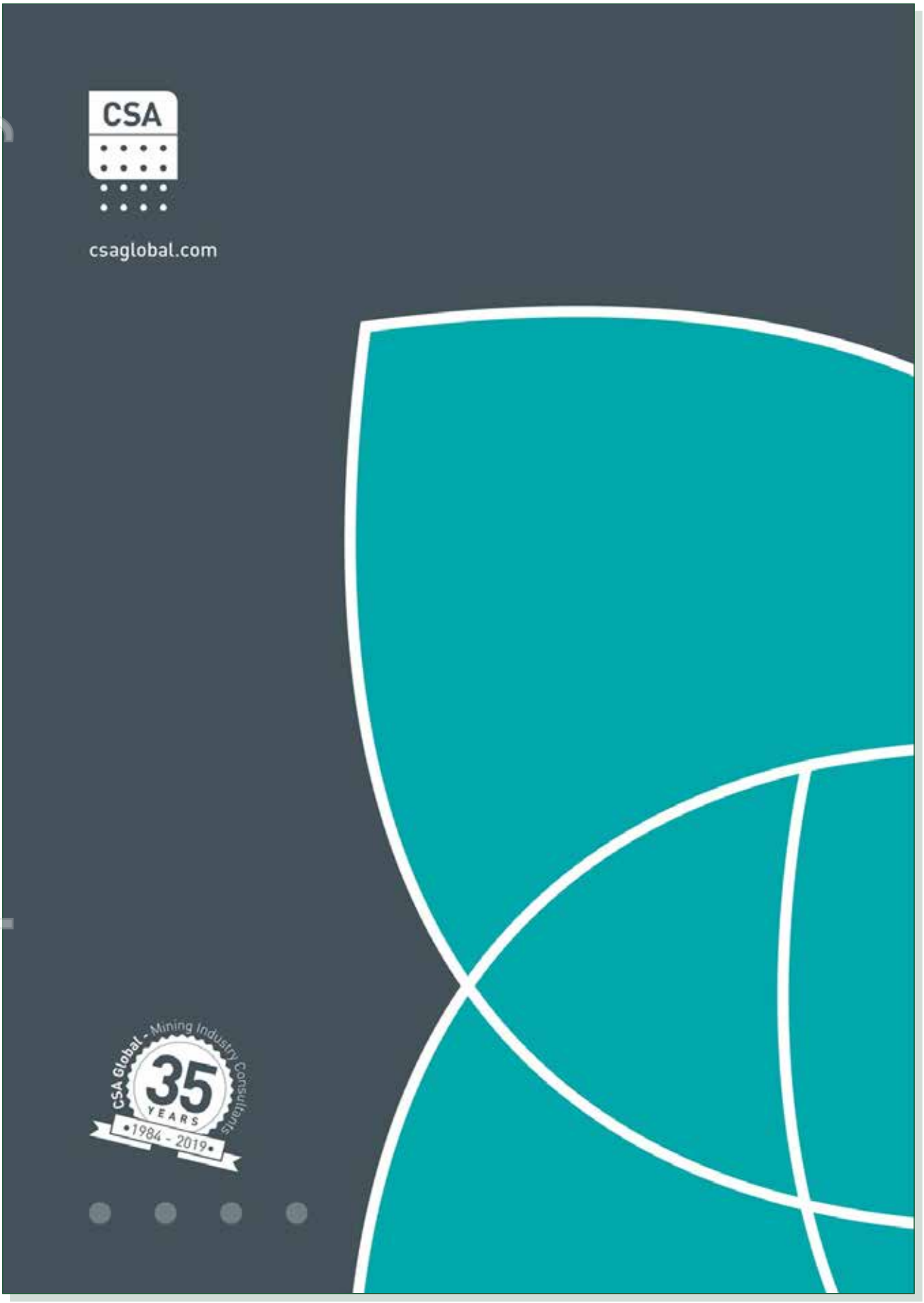
HoleID	Sample ID	Sample From (m)	Sample To (m)	Sample Thickness (m)	B (ppm)	B_2O_3 (ppm)	Li (ppm)	Li_2O (ppm)
REK002	35452	179.8	180.8	1	3600	11592	290	624
REK002	35453	180.8	182.4	1.6	4280	13782	250	538
REK002	35454	182.4	183.9	1.5	1220	3928	160	344
REK002	35455	183.9	185.4	1.5	380	1224	150	323
REK002	35456	185.4	186.6	1.2	2550	8211	150	323
REK002	35457	186.6	187.8	1.2	2540	8179	130	280
REK002	35458	187.8	190.6	2.8	330	1063	130	280
REK002	35459	190.6	193.4	2.8	1620	5216	160	344
REK002	35460	193.4	195.3	1.9	3940	12687	160	344
REK002	35461	195.3	197.4	2.1	1040	3349	190	409
REK002	35462	197.4	199.3	1.9	630	2029	230	495
REK002	35463	199.3	201.2	1.9	5460	17581	190	409
REK002	35464	201.2	202.9	1.7	7680	24730	130	280
REK002	35465	202.9	204.1	1.2	1040	3349	210	452
REK002	35466	204.1	205.3	1.2	320	1030	190	409
REK002	35467	205.3	206.5	1.2	1440	4637	220	474
REK002	35468	206.5	207.7	1.2	3390	10916	170	366
REK002	35469	207.7	208.9	1.2	2710	8726	200	431
REK002	35471	208.9	210.1	1.2	3000	9660	130	280
REK002	35472	210.1	212.1	2	730	2351	100	215
REK002	35473	212.1	214.1	2	680	2190	70	151
REK002	35474	214.1	216.1	2	1120	3606	70	151
REK002	35475	216.1	218.1	2	3890	12526	70	151
REK002	35476	218.1	220.1	2	4920	15842	90	194
REK002	35477	220.1	222.1	2	2390	7696	150	323
REK002	35478	222.1	224.1	2	2090	6730	160	344
REK002	35479	224.1	226.0	1.9	3740	12043	160	344
REK002	35480	226.00	228.30	2.3	4810	15488	180	388
REK002	35481	228.30	230.30	2	730	2351	170	366
REK002	35482	230.30	232.30	2	330	1063	220	474
REK002	35483	232.30	234.30	2	1370	4411	250	538
REK002	35484	234.30	236.40	2.1	4660	15005	180	388
REK002	35485	236.40	238.40	2	5940	19127	170	366
REK002	35486	238.40	240.40	2	4160	13395	230	495
REK002	35487	240.40	242.40	2	2600	8372	280	603
REK002	35488	242.40	244.40	2	2540	8179	320	689
REK002	35489	244.40	246.40	2	820	2640	280	603
REK002	35491	246.40	248.40	2	1260	4057	280	603
REK002	35492	248.40	250.50	2.1	860	2769	270	581
REK002	35493	250.50	252.10	1.6	1620	5216	100	215
REK002	35494	252.10	253.60	1.5	1190	3832	110	237
REK002	35495	253.60	255.60	2	2070	6665	130	280

HoleID	Sample ID	Sample From (m)	Sample To (m)	Sample Thickness (m)	B (ppm)	B_2O_3 (ppm)	Li (ppm)	Li_2O (ppm)
REK002	35496	255.60	257.60	2	2410	7760	150	323
REK002	35497	257.60	259.80	2.2	2040	6569	190	409
REK002	35498	259.80	261.80	2	1740	5603	170	366
REK002	35499	261.80	263.15	1.35	1780	5732	130	280
REK002	35500	263.15	263.55	0.4	18900	60858	50	108
REK002	35501	263.55	266.60	3.05	3750	12075	120	258
REK002	35502	266.60	269.60	3	2560	8243	230	495
REK002	35503	269.60	272.60	3	6560	21123	290	624
REK002	35504	272.60	275.60	3	6740	21703	200	431
REK002	35505	275.60	277.80	2.2	6620	21316	190	409
REK002	35506	277.80	279.30	1.5	6030	19417	210	452
REK002	35507	279.30	283.80	4.5	5790	18644	200	431
REK002	35508	283.80	286.70	2.9	2320	7470	240	517
REK002	35509	286.70	287.30	0.6	420	1352	230	495
REK002	35511	287.30	289.60	2.3	2280	7342	210	452
REK002	35512	289.60	291.10	1.5	280	902	200	431
REK002	35513	291.10	293.10	2	240	773	60	129
REK002	35514	293.10	295.10	2	260	837	60	129
REK002	35515	295.10	296.70	1.6	260	837	60	129
REK002	35516	296.70	298.30	1.6	240	773	70	151
REK002	35517	298.30	301.30	3	240	773	230	495
REK002	35518	301.30	303.00	1.7	220	708	230	495
REK002	35519	303.00	304.60	1.6	2940	9467	160	344
REK002	35520	304.60	305.35	0.75	3020	9724	60	129
REK002	35521	305.35	305.70	0.35	8450	27209	110	237
REK002	35522	305.70	307.80	2.1	8980	28916	140	301
REK002	35523	307.80	311.10	3.3	8010	25792	210	452
REK002	35524	311.10	314.50	3.4	12400	39928	100	215
REK002	35525	314.50	315.95	1.45	5340	17195	160	344
REK002	35526	315.95	318.00	2.05	4530	14587	230	495
REK002	35527	318.00	320.00	2	4810	15488	290	624
REK002	35528	320.00	322.60	2.6	1410	4540	340	732
REK002	35529	322.60	325.20	2.6	230	741	190	409
REK002	35531	325.20	328.20	3	200	644	110	237
REK002	35532	328.20	331.20	3	280	902	130	280
REK002	35533	331.20	334.20	3	130	419	120	258
REK002	35534	334.20	337.20	3	100	322	100	215
REK002	35535	337.20	340.20	3	100	322	70	151
REK002	35536	340.20	343.20	3	100	322	90	194
REK002	35537	343.20	344.00	0.8	100	322	90	194
REK002	35538	344.00	344.70	0.7	910	2930	100	215
REK002	35539	344.70	345.70	1	280	902	100	215

HoleID	Sample ID	Sample From (m)	Sample To (m)	Sample Thickness (m)	B (ppm)	B_2O_3 (ppm)	Li (ppm)	Li_2O (ppm)
REK002	35540	345.70	348.70	3	690	2222	70	151
REK002	35541	348.70	351.70	3	180	580	90	194
REK002	35542	351.70	354.70	3	870	2801	70	151
REK002	35543	354.70	357.70	3	880	2834	60	129
REK002	35544	357.70	360.00	2.3	580	1868	80	172
REK002	35545	360.00	365.00	5	2030	6537	110	237
REK002	35546	365.00	370.00	5	1950	6279	120	258
REK002	35547	370.00	375.00	5	800	2576	110	237
REK002	35548	375.00	380.00	5	2660	8565	140	301
REK002	35549	380.00	383.50	3.5	4660	15005	150	323
REK002	35551	383.50	387.00	3.5	5710	18386	160	344
REK002	35552	387.00	388.90	1.9	8600	27692	200	431
REK002	35553	388.90	390.70	1.8	10150	32683	160	344
REK002	35554	390.70	394.30	3.6	9010	29012	100	215
REK002	35555	394.30	397.90	3.6	3760	12107	150	323
REK002	35556	397.90	401.80	3.9	1160	3735	190	409
REK002	35557	401.80	402.40	0.6	600	1932	260	560
REK002	35558	402.40	403.40	1	3750	12075	300	646
REK002	35559	403.40	404.40	1	480	1546	250	538
REK002	35560	404.40	405.25	0.85	1180	3800	230	495
REK002	35561	405.25	406.30	1.05	1130	3639	180	388
REK002	35562	406.30	409.30	3	840	2705	180	388
REK002	35563	409.30	412.30	3	1040	3349	160	344
REK002	35564	412.30	416.30	4	1180	3800	140	301
REK002	35565	416.30	418.55	2.25	2310	7438	140	301
REK002	35566	418.55	419.60	1.05	510	1642	180	388
REK002	35567	419.60	420.70	1.1	560	1803	210	452
REK002	35568	420.70	424.40	3.7	1490	4798	200	431
REK002	35569	424.40	429.40	5	730	2351	190	409
REK002	35571	429.40	434.40	5	350	1127	190	409
REK002	35572	434.40	439.40	5	360	1159	140	301
REK002	35573	439.40	444.40	5	270	869	140	301
REK002	35574	444.40	449.40	5	290	934	170	366
REK002	35575	449.40	451.20	1.8	290	934	190	409
REK002	35576	451.20	452.50	1.3	820	2640	180	388
REK002	35577	452.50	457.00	4.5	360	1159	120	258
REK002	35578	457.00	458.00	1	250	805	120	258
REK002	35579	458.00	460.00	2	730	2351	130	280
REK002	35580	460.00	462.00	2	440	1417	120	258
REK002	35581	462.00	464.00	2	580	1868	150	323
REK002	35582	464.00	468.00	4	390	1256	140	301
REK002	35583	468.00	472.00	4	490	1578	90	194

HoleID	Sample ID	Sample From (m)	Sample To (m)	Sample Thickness (m)	B (ppm)	B_2O_3 (ppm)	Li (ppm)	Li_2O (ppm)
REK002	35584	472.00	476.00	4	250	805	100	215
REK002	35585	476.00	479.50	3.5	260	837	120	258
REK002	35586	479.50	480.90	1.4	260	837	140	301
REK002	35587	480.90	482.00	1.1	980	3156	160	344
REK002	35588	482.00	486.00	4	360	1159	130	280
REK002	35589	486.00	490.00	4	350	1127	110	237
REK002	35591	490.00	492.10	2.1	310	998	120	258
REK002	35592	492.10	494.10	2	210	676	110	237
REK002	35593	494.10	496.10	2	290	934	100	215
REK002	35594	496.10	498.10	2	390	1256	100	215
REK002	35595	498.10	500.10	2	1590	5120	100	215
REK002	35596	500.10	502.10	2	230	741	120	258
REK002	35597	502.10	506.30	4.2	240	773	150	323
REK002	35598	506.30	510.50	4.2	2100	6762	140	301
REK002	35599	510.50	512.50	2	340	1095	130	280
REK002	35600	512.50	514.50	2	1490	4798	110	237
REK002	35601	514.50	516.50	2	1360	4379	120	258
REK002	35602	516.50	518.50	2	1120	3606	110	237
REK002	35603	518.50	520.50	2	490	1578	100	215
REK002	35604	520.50	522.50	2	600	1932	110	237
REK002	35605	522.50	524.50	2	960	3091	110	237
REK002	35606	524.50	526.80	2.3	700	2254	90	194
REK002	35607	526.80	528.80	2	210	676	100	215
REK002	35608	528.80	533.80	5	180	580	130	280
REK002	35609	533.80	538.80	5	170	547	150	323
REK002	35611	538.80	543.80	5	200	644	150	323
REK002	35612	543.80	548.80	5	160	515	110	237
REK002	35613	548.80	552.00	3.2	160	515	130	280
REK002	35614	552.00	555.00	3	180	580	150	323
REK002	35615	555.00	558.00	3	140	451	50	108
REK002	35616	558.00	562.10	4.1	160	515	50	108
REK002	35617	562.10	567.10	5	170	547	100	215
REK002	35618	567.10	572.10	5	180	580	80	172
REK002	35619	572.10	576.30	4.2	180	580	120	258
REK002	35620	576.30	580.30	4	170	547	120	258
REK002	35621	580.30	584.30	4	160	515	110	237
REK002	35622	584.30	589.00	4.7	150	483	90	194
REK002	35623	589.00	594.00	5	140	451	70	151
REK002	35624	594.00	599.00	5	160	515	80	172
REK002	35625	599.00	604.00	5	180	580	80	172
REK002	35626	604.00	609.00	5	150	483	120	258
REK002	35627	609.00	614.00	5	140	451	90	194

HoleID	Sample ID	Sample From (m)	Sample To (m)	Sample Thickness (m)	B (ppm)	B_2O_3 (ppm)	Li (ppm)	Li_2O (ppm)
REK002	35628	614.00	619.00	5	160	515	80	172
REK002	35629	619.00	624.00	5	140	451	80	172
REK002	35631	624.00	629.00	5	140	451	100	215
REK002	35632	629.00	634.00	5	90	290	100	215
REK002	35633	634.00	638.00	4	90	290	80	172



ANNEXURE B

SOLICITOR'S REPORT ON TENEMENTS

JPM | JANKOVIĆ POPOVIĆ MITIĆ

The Directors
Balkan Mining and Minerals Limited
SUBIACO 6008, Western Australia
Australia

Matter Number: 41125-1
24 May 2021

Dear Sirs,

Balkan Mining and Minerals Limited

Legal Report – Mining Tenements

This report (**Report**) has been prepared for inclusion in a prospectus to be issued by Balkan Mining and Minerals Limited (**Client**) in respect of an initial public offering of shares in the capital of the Client (**Prospectus**) and lodged with the Australian Securities and Investments Commission (**ASIC**).

1. Scope

The scope of Report includes preparation of a legal report which verifies the ownership and the status of the five (5) issued exploration licenses held by Jadar Lithium d.o.o. Beograd-Čukarica (**Company**) located in Serbia. Jadar Lithium d.o.o. Beograd-Čukarica is a wholly owned subsidiary of the Client (who in turn, is presently a wholly owned subsidiary of Jadar Resources Limited).

2. Opinion

As a result of our review of the provided documents by the Company, and subject to the assumptions, qualifications and exceptions set out in this Report, we are of the opinion that the Company was issued with five (5) resolutions of the Ministry of Mining and Energy set out below in Section 3 in the procedure prescribed by the Law on Mining and Geological Explorations ("*Official Gazette of RS*" no. 101/2015, 95/2018 other law and 40/2021) (hereinafter referred to as the "**Law on Mining**") and that, based on the documentation provided by the Company, there is nothing that has come to our attention that causes us to believe that the resolutions are not in good standing.

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Tax Indentification Number:
(PIB):104774509

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3. Executive Summary

The main registered activity of the Company is Exploitation of ores, black, non-ferrous, precious and other metals.

The Company obtained five (5) Approvals for Conducting Explorations for boron and lithium and accompanying association of elements:

(i) Resolution, i.e. Decision on conducting explorations issued by the Ministry of Mining and Energy, No. 310-02-01852/2016-02, as of 27 February 2017, for the exploration area no. 2224 with the surface area of 75.42 square kilometres in the area of Rekovac on the territory of Rekovac (hereinafter referred to as the "**Rekovac Decision**"), which resolution and the exploration period have been extended by additional resolution of the Ministry of Mining and Energy, No. 310-02-1852/2016-02 as of 19 May 2020 (hereinafter referred to as the "**Rekovac Decision on Extension**");

(ii) Resolution, i.e. Decision on conducting explorations issued by the Ministry of Mining and Energy, no. 310-02-836/2019-02, as of 01 March 2021, for the exploration area no. 2429 with the surface area of 99,36 square kilometres in the area of Ursule on the territory of Rekovac (hereinafter referred to as "**Ursule**");

(iii) Resolution, i.e. Decision on conducting explorations issued by the Ministry of Mining and Energy, No. 310-02-1922/2019-02, as of 01 March 2021, for the exploration area no. 2427 with the surface area of 25.96 square kilometres in the area of Pranjani-Pranjanski basin on the territory of Gornji Milanovac (hereinafter referred to as "**Pranjani**");

(iv) Resolution, i.e. Decision on conducting explorations issued by the Ministry of Mining and Energy, No. 310-02-1923/2019-02, as of 01 March 2021, for the exploration area no. 2428 with the surface area of 37.58 square kilometres in the area of Dobrinje – Dobrinjski basin on the territory of Požega (hereinafter referred to as "**Dobrinje**"); and

(v) Resolution, i.e. Decision on conducting explorations issued by the Ministry of Mining and Energy, No. 310-02-837/2019-2, as of 01 March 2021, for the exploration area no. 2430 with the surface area of 98.54 square kilometres in the area of Siokovac on the territory of Jagodina (referred to as "**Siokovac**"),

(the resolutions referred to above from (ii) to (v) are hereinafter referred to as "the **Decisions**" or "**ACEs**").

Rekovac area

Pursuant to the Rekovac Decision, the Company has performed geological exploration works on the Rekovac area for the period of three (3) years commencing 28 April 2017 and pursuant to the Rekovac Decision on Extension, the Company has also extended the

exploration period for additional three (3) years commencing 05 November 2020, as explained below in this Report.

Ursule, Pranjani, Dobrinje and Siokovac exploration areas

Pursuant to the Decisions, the Company is entitled to perform geological exploration works on the Ursule, Pranjani, Dobrinje and Siokovac exploration areas for the maximum period of three (3) years from 18 March 2021 for Ursule exploration area and from 22 March 2021 for Pranjani, Dobrinje and Siokovac exploration areas, with the possibility of prolonging the deadline, as explained below in the Report.

4. **Key Licenses and Permits required under the Law on Mining**

Pursuant to the Law on Mining, in order for a company to perform its main activity of exploitation of raw materials, it is necessary to fulfil certain steps and obtain other permits before commencing the exploitation.

This procedure consists of two phases:

(i) the exploration phase, in course of which the Approval for Conducting Explorations (the **"ACE"**) in the form of the Decision issued by the Ministry of Mining and Energy is obtained and exploration works are performed; and

(ii) the exploitation phase, in course of which the Approval for Conducting Exploitation is obtained and exploitation works are performed.

Exploration phase status

The Company is currently in the exploration phase, which means the Company has obtained five (5) ACEs issued by the Ministry of Mining and Energy for exploration areas: i) Rekovac, ii) Ursule, iii) Pranjani, iv) Dobrinje and v) Siokovac.

The Company is in first extension of the exploration period/phase for the specified exploration area Rekovac. The Company performed the geological explorations for three (3) years from the date of receiving of the Rekovac Decision/ACE on the exploration area Rekovac and has consequently extended the validity of the ACE for an additional three (3) years pursuant to the Rekovac Decision on Extension, as defined above. The first extension of the exploration period/phase for Rekovac will expire on 05 November 2023 (unless further extended).

As for the remaining four (4) exploration areas, the Company is in an early stage of the exploration phase since it has only recently obtained Decisions for the Ursule, Pranjani, Dobrinje and Siokovac exploration areas but has not commenced conducting exploration works in those areas, as explained in this Report.

A. Approval for Conducting Explorations

(i) **Authority**

An ACE authorises the holder to perform exploration works, which are works performed with the aim of determining mineral resources and reserves and geological conditions for their exploitation. Pursuant to the Law on Mining, in the course of the exploration, up to a maximum of 2,000 tonnes for boron and lithium can be excavated for exploration purposes.

(ii) **Term and extension**

The term of validity of ACE is three (3) years as of the date of delivery of ACE to the holder.

Pursuant to the newest amendments of the Law on Mining as of 28 April 2021, the exploration term starts from the day of delivery of the ACE to a company and lasts until the expiration of the last day of the term, except when the ACE holder has submitted a complete request for extension no later than 30 days before the expiration of the exploration term, in which case the ACE and the exploration term remains in force even after the expiration of the exploration term, until the Decision on extension of the ACE is delivered to the holder of the ACE.

Pursuant to the Law on Mining, the exploration term can be extended two times in continuity, whereby the duration of the first exploration term could be up to three (3) years and of the second duration period up to two (2) years.

In the event that the holder of an ACE of mineral resources, in the second extension of an exploration period, develops a project study on reserves and resources of mineral raw materials and in the same project study presents only mineral resources due to lack of data, the proof of mineral resources represents the basis for obtaining of an approval for additional extension of the exploration period for a further two (2) years in order to enable the holder to collect the data necessary to determine and classify of mineral reserves or the transformation of mineral resources into ore reserves.

The request for extension shall be submitted not later than 30 days before the expiration of exploration term determined by the ACE, provided that at least 75% of the planned scope under the Project for Geological Exploration ("**PGE**") is conducted.

The main document that forms the basis on which the ACE is issued is the PGE related to the exploration area. The Law on Mining sets out the mandatory content and the form of the PGE that must contain all of the following: (i) certificates relating to qualifications of individuals and legal entities executing the necessary documentation; (ii) written part and graphic explanations of the content prescribed by the Government Resolution on PGE Content; (iii) certificate of conditions for executing the project and conducting explorations

from environmental protection and cultural heritage protection authorities (this certificate is an integral part of the PGE).

In addition to the request for extension referred to above, the following documentation should be submitted:

1) A topographic map in a scale 1: 25,000, or an appropriate scale, with drawn border and coordinates of the exploration area for continuation of exploration;
2) The new PGE for the extended exploration period;
3) reports and certificates on completed technical control of the project of the PGE;
4) final report and the project study on engineering-geological-geotechnical conditions for construction of facilities, in case of explorations for the needs of construction of the infrastructure facilities (high dams, hydropower plants, etc.) of strategic importance for the Republic of Serbia, as well as the explorations for the needs of construction and rehabilitation the facilities of mining infrastructure; and
5) proof of payment of the republic administrative fee i.e. provincial and administrative fee if the exploration is carried out on the territory of province in the amount of RSD 21,160 (cca. EUR 180/AUD 283 calculated at middle exchange rate of the National Bank of Serbia on 20 May 2021).

Pursuant to the newest amendments of the Law on Mining, the report on the fulfillment of the conditions referred to in the previous paragraph shall be issued by the Geological Survey of Serbia on the basis of documentation (PGE and report) submitted by the Ministry of Mining and Energy to the Survey.

Surface of exploration area for the extension of exploration term shall be determined by the PGE. The surface of exploration area may remain the same or it can be reduced regarded to the surface determined by the ACE, in accordance with the request of the company.

The decision on extension of the ACE can be issued by the Ministry of Mining and Energy or the autonomous province, depending on whether the exploration is to be conducted on the territory of an autonomous region/province. In the case when the decision regarding an extension of the ACE is within the competence of the Ministry, the respective decision is final and the company is entitled to file a lawsuit to the Administrative Court to appeal the decision. However, when the decision regarding the extension of the ACE is within the competence of the autonomous province, the company can submit an appeal against the decision of the autonomous province then the Minister of the Ministry of Mining and Energy.

Rekovac area state of play

The Ministry of Mining and Energy issued an ACE to the Company for the Rekovac exploration area by rendering Resolution no. 310-02-01852/2016-02, as of 27 February 2017, with an exploration period of three (3) years which commenced on 28 April 2017 and expired on 28 April 2020 (the Rekovac Decision as defined above).

The Company submitted an application for extension of the exploration period with all of the abovementioned supporting documentation and proof that 75% of the planned scope under the PGE had been conducted.

The Company was granted an extension of the ACE, i.e. of the exploration period, by the Ministry of Mining and Energy pursuant to its Resolution no. 310-02-1852/2016-02, as of 19 May 2020 (the Rekovac Decision on Extension as defined above), for the exploration area Rekovac of the surface are of 75.42 square kilometres limited with the following coordinates:

	X	Y
1.	4.853 830	7.502 150
2.	4.851 600	7.514 050
3.	4.845 050	7.509 900
4.	4.845 080	7.504 100
5.	4.846 550	7.502 280

The additional exploration period for exploration works on the Rekovac exploration area shall be three (3) years as of the delivery of the Decision on Extension to the Company. The Company received the subject Decision on Extension on 05 November 2020, hence the first extended exploration period for the Rekovac exploration area shall expire on 05 November 2023. The Company is entitled to conduct exploration works during this period.

After the expiration of the first extended period, the exploration term can be extended only one more time, whereby the maximum duration of the second extension period is two (2) years as of the receipt of the decision on extension rendered by the Ministry of Mining and Energy.

Ursule area state of play

The Ministry on Mining and Energy issued an ACE to the Company for the Ursule exploration area by rendering Resolution no. 310-02-836/2019-02 as of 01 March 2021, for the exploration area no. 2429 with the surface area of 99,36 square kilometres in the area of Ursule on the territory of Rekovac, limited with the following coordinates:

	X	Y
1.	4 851 600	7 514 050
2.	4 853 830	7 502 150
3.	4 863 300	7 507 800
4.	4 858 200	7 516 800

The Company received the subject resolution on 18 March 2021, hence the term of the exploration works to be performed in the Ursule area shall expire on 18 March 2024.

The Company has not started conducting exploration works in the subject area, the initiation of which is subject to fulfillment of additional conditions, explained in more detail in section (v) (Conducting exploration works) of this Report. Accordingly, the Company shall be obliged to comply with all the conditions stipulated by the Law on Mining (as explained below in section (v)), once it starts conducting exploration works in the Ursule exploration area.

Pranjani area state of play

The Ministry on Mining and Energy issued an ACE to the Company for the Pranjani exploration area by rendering Resolution no. 310-02-1922/2019-02, as of 01 March 2021, for the exploration area no. 2427, with surface area of 25.96 square kilometres in the area of Pranjani-Pranjanski basin on the territory of Gornji Milanovac limited with the following coordinates:

	X	Y
1.	4.871 000	7.435 900
1.	4.873 050	7.435 900
2.	4.873 050	7.437 600
3.	4.875 000	7.438 200
4.	4.876 000	7.438 200
5.	4.876 000	7.438 900
6.	4.879 100	7.438 900
7.	4.880 750	7.436 550
8.	4.876 600	7.431 500
9.	4.875 000	7.430 500

The Company received the subject resolution on 22 March 2021, hence the term of the exploration works to be performed in the Pranjani area shall expire on 22 March 2024.

The Company has not started conducting exploration works in the subject area, the initiation of which is subject to fulfillment of additional conditions, explained in more detail in section (v) (Conducting exploration works) of this Report. Accordingly, the Company shall be obliged to comply with all the conditions stipulated by the Law on Mining (as explained in section (v)), once it starts conducting exploration works in the Pranjani exploration area.

Dobrinje area state of play

The Ministry on Mining and Energy issued an ACE to the Company for the Dobrinje exploration area by rendering Resolution no. 310-02-1923/2019-02, as of 01 March 2021, for the exploration area no. 2428 with the surface area of 37.58 square kilometers in the area of Dobrinje – Dobrinjski basin on the territory of Požega limited with the following coordinates:

	X	Y
1.	4.873 235	7.419 540
2.	4.870 400	7.421 300
3.	4.869 000	7.419 700
4.	4.866 800	7.422 300
5.	4.864 100	7.423 300
6.	4.863 800	7.428 400
7.	4.866 950	7.426 599
8.	4.868 043	7.427 691
9.	4.871 125	7.423 154

The Company received the subject resolution on 22 March 2021, hence the term of the exploration works to be performed in the Dobrinje area shall expire on 22 March 2024.

The Company has not started conducting exploration works in the subject area, the initiation of which is subject to fulfillment of additional conditions, explained in more detail in section (v) (Conducting exploration works) of this Report. Accordingly, the Company shall be obliged to comply with all the conditions stipulated by the Law on Mining (as explained in section (v)), once it starts conducting exploration works in the Dobrinje exploration area.

Siokovac area state of play

The Ministry on Mining and Energy issued an ACE to the Company for the Siokovac exploration area by rendering Resolution no. 310-02-837/2019-2, as of 01 March 2021, for the exploration area no. 2430 with the surface area of 98.54 square kilometres in the area of Siokovac on the territory of Jagodina limited with the following coordinates:

	Y	X
1.	4,866,500	7,521,000
2.	4,858,200	7,516,800
3.	4,863,300	7,507,800
4.	4,867,700	7,510,540
5.	4,867,700	7,511,359
6.	4,869,000	7,511,359
7.	4,872,400	7,513,500

The Company received the subject resolution on 22 March 2021, hence the term of the exploration works to be performed in the Siokovac area shall expire on 22 March 2024.

The Company has not started conducting exploration works in the subject area, the initiation of which is subject to fulfillment of additional conditions, explained in more detail in section (v) (Conducting exploration works) of this Report. Accordingly, the Company shall be obliged to comply with all the conditions stipulated by the Law on Mining (as explained in section (v)), once it starts conducting exploration works in the Siokovac exploration area.

(iii) **Transfer**

The ACE and Exploitation Permit and/or AEF (**"respective licenses"**) may be assigned onto another company or another legal entity and entrepreneur, in accordance with the conditions set forth by the Law on Mining and its by-laws. By assigning the respective licenses onto another company or another legal entity and entrepreneur, all the rights and obligations based on the respective license are transferred as well.

The documentation necessary to be submitted for the transfer of respective licenses is:

1) the respective licenses;
2) proof on the ownership or use, lease and/or approval or easement for the surface on which the construction of facilities and realization the mining operations is planned for at least five (5) years, and in the case of exploitation the mineral raw materials that are of strategic importance for the Republic of Serbia, a special act of the Government shall be submitted on establishing the public interest for a period of five years of exploitation, except in the case of transfer the approval for exploitation field;
3) report on execution the obligations related to: rehabilitation and reclamation of the area; management of mining waste; involvement of people with appropriate qualifications on the activities of technical management; technical supervision and safety and health at work; timely reporting to the competent authorities and inspection services on performance of works on carrying out the geological exploration and/or exploitation;
4) proof of the fee payment in the amount of RSD 37,670 (cca. EUR 320 / AUD 503 calculated at middle exchange rate of the National Bank of Serbia on 20 May 2021);
5) data on the qualification structure of employees and engaged technical staff of the new holder of approval/transferee, if the approval transfer relates to the exploitation field and/or approval for exploitation the mineral resources;
6) data on the technical facilities and capacity of the new holder of approval if the approval transfer relates to the exploitation field and/or approval for exploitation the mineral resources; and
7) a written statement of the new holder of approval on acceptance the approval transfer with all rights and obligations arising from it.

Company's state of play

The Company did not transfer or acquire any of the five (5) ACEs.

(iv) **Revoking and Suspension of ACE**

a) Revocation of the ACE

An ACE shall be revoked where one of the following events occurs and the company holding the ACE does not remedy the deficiency within the prescribed deadline:

1) exploration is not conducted as envisaged by the PGE;
2) expert monitoring is not organized on the performing of the exploration works;
3) exploration is conducted outside of the exploration area;
4) the Annual Explorations Report is not submitted within the deadlines prescribed by the Law on Mining;
5) instead of explorations, the exploitation of mineral raw materials, ground water and geothermal resources is performed;
6) the land is not returned to its previous condition, i.e. recultivation is not performed;
7) if the prescribed occupational health and safety measures, measures necessary to protect property, people's health and environment and protection of cultural assets and assets that enjoyed previous protection are not implemented;
8) applicable exploration fees are not settled;
9) the documents based on which the ACE was issued are determined to be false;
10) if the exploration endangers the already existing use or research of groundwater and geothermal energy;
11) fails to report the commencement of exploration works within the deadline of 15 days prescribed by the Law on Mining;
12) does not start the exploration works within 90 days from the day of receiving of the ACE;
13) if the Annual Explorations Report determines that the exploration works are not performed in accordance with the PGE ;and or
14) if it fails to submit collaterals, i.e. letter of intent of the bank or a company from the group on issuance of a bank guarantee or corporate guarantee for company's obligations within 30 days from the date of receipt of the ACE for exploration of metallic mineral raw materials, lithium and boron or a company statement that it will provide a promissory note within that period.

b) Suspension of ACE validity

ACE shall cease to be valid: 1) upon request of the Company; 2) by suspension of explorations based on the report of geological inspector; 3) by expiry of the exploration period.

c) Remediation of the area

In the cases of ACE revocation or suspension, the Company shall remediate the area in which the exploration was performed and to implement, in the case of performing the exploration of underground mining works, the measures for maintenance of the underground rooms, facilities and installations upon completion of the exploration works.

Company's state of play

The ACEs of the Company have neither been revoked nor suspended and the Company has confirmed it is not aware of any circumstance, matter or thing, which would result in revocation or suspension of the ACEs held by the Company.

(v) **Conducting exploration works**

In order for the Company to conduct exploration works, it is necessary to fulfil other conditions prescribed in the Law on Mining, as follows.

Before commencement of exploration works, the Company is obliged to procure:

1) appropriate title to the land on the exploration area (ownership, lease, right to use);
2) certificate of the environment/culture heritage protection bodies on measures of technical protection of the exploration; and
3) information from the municipal urbanism authorities on the limitations of the exploration works due to urban planning provisions/documents.

These certificates are the same certificates of environmental protection and cultural heritage protection authorities, which are required for the PGE to be executed. Taking that into account, there is a possibility of using the same certificates for meeting requirements for commencement of exploration works. The certificates expire in one (1) year as of their issuance and can be used in this exploration phase, if still valid.

15 days prior exploration works commencement the Company shall notify the following authorities:

1) the local municipal authorities;
2) the entity which issued the ACE (Ministry of Mining and Energy or autonomous province);
3) geological and/or mining inspection; and
4) cultural heritage/environment protection authorities in case of exploration on protected areas.

With respect to obtaining appropriate title to the land on the exploration area (ownership, lease, right to use), in practice, this condition is generally met by obtaining the simple consent of the owner of the land. It is also common practice that ACE holders only consider the option of purchasing the land the subject of the exploration area only after obtaining the results on the reserves and resources. Where landowner consent is withheld, the Law on Mining provides for the possibility of expropriation in favour of exploration/exploitation rights holders of strategic raw materials, including oil and natural gas, coal, copper and gold ore, lead and zinc ore, boron and lithium ore and oil shales. Pursuant to the Law on Mining, an exploration/exploitation rights holder bears the cost of such expropriation i.e. it must compensate previous owners for expropriated land under market conditions and bear expenses of the expropriation procedure.

Pursuant to the Law on Mining, conducting of the geological explorations can be performed by a company, i.e. another legal entity and entrepreneur, which is inscribed in the Commercial register of the Business Registers Agency of the Republic of Serbia.

In accordance with the provisions of the Law on Mining that were in force prior to 28 April 2021, conducting of geological explorations had to be performed by a person with a university degree in second degree studies (master's academic studies, master's vocational studies, specialist academic studies and specialist vocational studies) in the field of geological engineering within the educational-scientific field: technical-technological sciences, with authorization and license to perform these works and that has at least three (3) years of work experience in performing appropriate works, whilst the person responsible for geological exploration works needs to meet all of the previous requirements and have five (5) years of work experience in performing appropriate works. Authorization to perform activities was acquired by passing the professional exam before the commission formed by the Ministry of Mining and Energy, i.e. the competent body of the Autonomous Province for candidates from the territory of the Autonomous Province. The Company's compliance with these requirements is described below.

Pursuant to the newest amendments of the Law on Mining, conducting of geological explorations has to be performed by a person with a university degree of at least seventh level, sub-level one (level VII-1) of the national qualifications framework, which is acquired by completing integrated academic studies in the range of 300 to 360 ECTS credits (master of academic studies, master of vocational studies), i.e. undergraduate studies lasting for at least five years, of appropriate educational profile and module in the field of geological engineering within the educational-scientific field: technical-technological sciences, with authorization and license to perform those tasks and who has at least three (3) years of work experience in performing appropriate tasks, whilst the person responsible for geological exploration works needs to meet all of the previous requirements and have five (5) years of work experience in performing appropriate works and the competent person needs to have ten (10) years of experience. Authorization to perform activities referred to in the previous sentence shall be acquired by passing the professional exam before the commission formed by the Chamber of Mining and Geological Engineers of Serbia.

However, the Chamber of Mining and Geological Engineers of Serbia will be established within six months from 28 April 2021, i.e. until 28 October 2021. Until the incorporation of the Chamber, the professional examination for authorization to perform technical management, professional supervision, design and other professional activities determined by the Law on Mining, shall be submitted to a commission formed by the Ministry of Mining and Energy, i.e. the competent body of the autonomous province for candidates from the territory of the autonomous province.

Breach of these provisions represents criminal offence with a fine ranging from RSD 1,500,000 (cca. EUR 12,757/AUD 20,000 calculated at middle exchange rate of the National Bank of Serbia on 20 May 2021) to RSD 3,000,000 (cca. EUR 25,513/AUD 40,132 calculated at middle exchange rate of the National Bank of Serbia on 20 May 2021) for company.

Rekovac area state of play

The first exploration period

Prior to commencement of the exploration works in the first exploration period based on the Rekovac Decision, the Company informed the Ministry of Mining and Energy, the Institute for protection of Environment of Republic of Serbia, the Institute for protection of cultural heritage of Kragujevac and the Municipality of Rekovac on 30 March 2018 of the commencement of exploration works (with the exploration works starting from 02 April 2018). Whilst the Company did not act in the prescribed deadline (which required the Company to inform the mentioned authorities at the latest 15 days prior to commencement of exploration works), the ability of the regulatory body to enforce the non-compliance of the Company with the prescribed deadline has lapsed.

The subject statement of the Company for the commencement of exploration works confirmed that the exploration works were to be performed by Skarnore Resources d.o.o. Beograd – Čukarica (**Skarnore**), and the expert supervision performed by Geo Consulting Studio doo Beograd (**Geo Consulting**).

The Company entered into an agreement with Skarnore on 01 March 2018, which agreement was mutually terminated by the parties on 16 February 2021. The subject of the agreement was the provision of services of conducting of exploration works on the granted exploration area for the first three (3) years of exploration works, which Skarnore was qualified to provide.

In addition, the Company executed a drilling agreement for the year 2020 with Geops Balkan Drilling Services d.o.o. Bor (**Geops**) for the Rekovac exploration area on 27 January 2020, which expired on 31 December 2020. The subject of the agreement executed between the Company and Geops was performance of core drilling and other related services conducted on sites for the year 2020.

During the Company's conducting of exploration works in the first three (3) years of the exploration phase, the Ministry of Mining and Energy performed an inspection control on 13 March 2020, whereas pursuant to the minutes of the inspection supervision no. 310-07-000342/2020-02 as of 19 March 2020, the Company was ordered with following measures:

1) Providing the geological inspection with the proof the person for conducting of supervision over geological explorations is appointed;
2) Providing the geological inspection with the proof the person for conducting of geological explorations is appointed;
3) Providing the geological inspection with the agreement/document on business-technical cooperation with the subcontractor authorized for performing of drilling;
4) To clean and recultivate drill site REK001 and to bring the terrain to its original purpose, to dispose the drilling mud, bury the drilling according to the legislations and submit evidence to the geological inspection in the form of pictures and

5) To plug and mark the drill hole REK001 in the prescribed manner and submit evidence to the geological inspection in the form of pictures.

The Company submitted the Notice on 05 October 2020 to the Ministry of Mining and Energy, in respect of the Inspection supervision and minutes above stating it has complied with the issued measures and providing the Ministry with the accompanying documents:

1) Decision of Vučić Veljko (defined below) from 11 May 2018 on appointing of Mr. Veljko Vučić as the responsible person for conducting of supervision over geological explorations;
2) Decision of Skarnore from 01 March 2018 on appointing of Mr. Saša Arsić as the responsible person for conducting of geological explorations;
3) Drilling agreement for the year 2020 with Geops for the exploration area Rekovac on 27 January; and
4) Statement on fulfillment of other measures and requests from the minutes.

First extended exploration period

Prior to commencement of the exploration works in the first extended exploration period based on the Rekovac Decision on Extension, the Company has acted in the prescribed deadline and on 23 February 2021 informed the Ministry of Mining and Energy, the Institute for Protection of Environment of Republic of Serbia, the Institute for Protection of Cultural Heritage of Kragujevac and the Municipality of Rekovac of the commencement of exploration works (which exploration works commenced from 10 March 2021) under which it stipulated that the exploration works shall be performed by the Company itself, whilst the expert supervision shall be performed by Vučić Veljko Pr Agencija Geowolf Beograd (an entrepreneur agency) (**Vučić Veljko**).

In addition, the Company has appointed Mr. Dejan Jovanović as the responsible person for conducting of geological explorations. The Company informed the Ministry of Mining and Energy on the change of the responsible person from Mr. Saša Arsić from Skarnore to Mr. Dejan Jovanović from the Company on 26 January 2021.

The Company further provided the following documents as the proof that the person responsible for conducting of geological explorations meets all the requirements prescribed by the Law on Mining and has passed the professional exam before the commission formed by the Ministry of Mining and Energy:

1) Diploma of completed higher education and obtaining of the title of the graduate engineer of geology of Mr. Dejan Jovanović from 28 December 2007;
2) Certification of Mr. Dejan Jovanović as the European Geologist issued by the European federation of Geologists from 23 July 2014; and
3) The License issued by the Ministry of Mining and Energy on passing of the professional exam from 05 March 2010 no. 1205/Ge.

Pursuant to the newest amendments of the Law on Mining as of 28 April 2021, authorization to perform activities referred to in the previous sentence shall be acquired by

passing the professional exam before the commission formed by the Chamber of Mining and Geological Engineers of Serbia. However, the Chamber of Mining and Geological Engineers of Serbia will be established within six months from 28 April 2021, i.e. until 28 October 2021. Accordingly, once the Chamber of Mining and Geological Engineers of Serbia is established, it shall be necessary for Mr. Jovanović to verify his licence before the Chamber of Mining and Geological Engineers of Serbia.

(vi) ***Minimum scope of*** **exploration** ***works required***

During the validity of the exploration period of the ACE (three (3) years), as well as during the first extended exploration period (three (3) years), the company must perform at least 75% of the works included in the PGE. In the event that the company fails to perform at least 75% of the works, the company shall not be permitted to undergo the following steps in the procedure, meaning that it will be prohibited for applying for the exploitation permit.

In the event that the type and volume of the exploration works are not determined by the PGEs for each exploration year, or when in course of undertaking the exploration works it becomes necessary to change the type and scope envisaged by the PGE by more than 25%, the company is obliged to prepare amendments to PGE with the overview of newly projected works ("**Amended PGE**") and submit the Amended PGE to the Ministry of Mining and Energy, before the works envisaged by such amendments are initiated by the company. If the amendments are executed for the last year of the exploration term, the scope of the entire project must not be decreased.

Rekovac area

As previously stipulated, for the first three (3) years of explorations, the Company has performed 75% of works envisaged by the PGE in the Rekovac exploration area and it has been granted with the first extension of the exploration period. In case the Company intends to apply for the second extension period, it shall be necessary for the Company to perform at least 75% of the works included in the PGE during the first extension period of three (3) years.

(vii) ***Limitations and monitoring obligations***

Pursuant to the Law on Mining:

1) Maximum of 2,000 tonnes for boron and lithium can be excavated for exploration purposes; and
2) An expert monitoring of geological explorations must be organized during the entire time of exploration works. The expert supervision can neither be performed by a legal entity that is the holder of the ACE and which conducts explorations, nor by a person who has prepared reports on geological explorations, except for explorations of oil and gas.

Rekovac area state of play

Pursuant to the statement on commencement of geological exploration works from 30 March 2018, the expert supervision of the exploration works was intended to be performed by Geo Consulting. Pursuant to the statement on commencement of geological exploration works from 25 February 2021, supervision of the first extended exploration period works is to be performed by Vučić Veljko.

However, as set out above, the Company has executed an agreement on technical control of geological explorations on 01 June 2018 with Vučić Veljko, hence the supervision of exploration works for the period starting from 01 June 2018 (the first exploration period), as well as for the extended exploration period starting from 05 November 2020 shall be performed by Vučić Veljko.

The subject of the agreement is performance of technical control which includes control of application of modern achievements of geological science and technics, as well as the control over the compliance: i) with the Law on Mining and other applicable laws, ii) with conditions of competent institutes for protection of the environment and cultural heritage, iii) of the project with technical legislation, as well as the application of safety and health measures at work, fire protection measures and environmental protection. They terms of the agreement with Vučić Veljko are as follows:

		Execution date
Title	Agreement on technical control of geological explorations	01 June 2018
Subject	Performing of technical control which includes control of application of modern achievements of geological science and technics, as well as the control over the compliance: i) with the Law on Mining and other applicable laws, ii) with conditions of competent institutes for protection of the environment and cultural heritage, iii) of the project with technical legislation, as well as the application of safety and health measures at work, fire protection measures and environmental protection	
Exploration area	All exploration areas for which the Company obtained an ACE in the area of Vranje jug, Rekovac, Cer, Krajkovac and Bukulja, which includes exploration area no. 2224 with the surface area of 75.42 square kilometres in the area of Rekovac	
Legal entity performing technical control	Vučić Veljko Pr Agencija Geowolf Beograd (entrepreneur agency)	
Pricing	The price is not stipulated and shall be determined depending on the performed activities.	
Payment methods	Depending on the dynamic of performed works	
Termination/termination costs	15 days termination notice prior to termination of the agreement.	
Expiration date	Once the geological explorations have been finalized	

(viii) ***Reporting duties***

During the performance of the exploration works, the Company must prepare and submit the following reports/studies:

1) Annual Explorations Report which is prepared after each year of conducting explorations or after project abandonment and delivered to the Ministry of Mining and Energy within 30 days of the expiry of a period of a year of explorations or project abandonment; and
2) Final Explorations Report which is prepared after completion of the geological explorations envisaged by the PGE.

The Annual Explorations Report and the Final Explorations Report are compulsory, subject to technical control and are accompanied by a report on expert monitoring. The Final Explorations Report is delivered to the Ministry of Mining and Energy within 30 days of the expiry of the ACE/license or in case the license has been extended, within 30 days of the expiry of extended period of the license.

Rekovac area state of play

The Company has complied with the provisions of the Law on Mining and submitted the Annual Explorations Report of the applied geological exploration results.

The Company has also prepared and provided the Final report on the results of applied geological explorations no. 01/20 from 26 March 2020 prepared by Skarnore, as well as the completed technical control report of the PGE prepared on 22 March 2020 by Geowolf doo Beograd, which were prepared and submitted to the Ministry of Mining and Energy in the procedure for extension of the exploration period.

(ix) **Summary of general duties of the Company during exploration works**

During exploration works, the Company shall:

1) provide the required financial assets for performing the licensed geological explorations and undertake all other necessary measures and activities and commence performing of explorations in accordance with determined schedule;
2) obtain a proof of the right to use, lease, the owner's consent, concerning easements on the land as well as on the conditions for taking the measures of technical protection by the competent institution for protection of cultural heritage monuments, where it intends to carry out the projected exploration works (exploration drill hole, trenches, exploration levels, exploration mining activities, etc.), before the start of performing of such works;
3) perform the type and volume of prospecting works according to the PGE, with maximum permitted variations from the approved volume and type of works up to 25%;

4) report commencement of the exploration works;
5) ensure the expert supervision over the execution of exploration works;
6) pay a fee for approved exploration works;
7) submit the Annual Explorations Report and Final Explorations Report on the results of explorations;
8) implement the prescribed measures of safety and health at work, necessary measures to secure the property, health of people and environmental protection;
9) return the land on which the exploration works are performed to its original state;
10) record the other mineral raw materials and geological resources if they shall be found within the approved exploration area and notify thereof the authority which issued the ACE;
11) keep in the prescribed manner, in the course of exploration, the reports and project studies on the results of geological explorations and other geological documentation, as well as the cores of prospecting drill holes and samples and analyses relating to all exploration works and, if necessary, make them available for insight by the Ministry or the competent authority of the autonomous province for the purposes of checking the exploration results;
12) comply while exploring the cores of geological prospecting holes and other samples with the positive geological practice for such testing and thus ensure verification of the obtained testing results;
13) secure and protect extracted amounts of mineral raw materials intended for technological tests on an industrial scale from decay and keep tidy records of the available quantities;
14) allow the geological inspector to enter the business and site premises or inspect the projects and plans, reports and other documentation on the status of geological works;
15) in case of negative impact on existing sources during the performance of applied geological explorations of groundwater, suspend the exploration works and inform the competent authority and the competent local self-government;
16) conserve the well if groundwater is found that will not be used immediately;
17) upon completion or suspension of geological explorations in the area where the works were performed, implement all security measures that will permanently exclude the occurrence of danger to people and property, as well as the environment and bring the terrain to its original purpose and inform the competent authority that issued the ACE, as well as the local self-government on whose territory the works were performed; and
18) start the exploration works no later than 90 days from the day of receiving the ACE.

(x) **Study of resources and reserves**

Pursuant to the Law on Mining, any ore or other geological resource found during exploration, but not encompassed by the project, must be reported to the entity which issued the ACE. The explored resources and reserves are reflected in the study of resources and reserves (the "**SRR**"). The Company conducting exploration works must inform the Ministry of Mining and Energy on all mineral resources and/or oil and gas reserves it

discovers in a form of an appropriate SRR. The Ministry of Mining and Energy reviews and registers the reported resources and reserves with assistance of specialized working groups. The explored resources and reserves are determined by the confirmation of reserves and/or resources issued by a decision of the Ministry of Mining and Energy, i.e. the entity that issued the ACE, upon the submission of the application for confirmation on resources and reserves of the Company (the "**ACCR**").

The application for confirmation on resources and reserves includes:

1) copy of the ACE or confirmation of retaining the right to exploration area or exploitation permit or the exploitation field confirmation.
2) map of the breaking points of the established resources and reserves;
3) SRR;
4) report on expert assessment of the SRR; and
5) proof of payment of administrative fees and of right to use third party sourced data/materials.

For a period of six (6) years, the holder of the ACCR shall have the right to, amongst other rights:

1) obtain a decision on approval for exploitation and/or exploitation field;
2) exclusively use and dispose of geological data and items and documents derived from applied geological explorations (reports and studies on the results of geological explorations and other geological documentation, as well as the core of exploration wells and samples and analyses from all exploration works, etc.); and
1. the right to transfer it to a third party; and
2. other rights.

If the holder of the ACCR does not submit a request for approval for exploitation and/or exploitation field within six (6) years from its issuance, the Republic of Serbia becomes the holder of that ACCR and thus acquires all rights they derive from it in accordance with the Law on Mining.

An ACE remains in force until the expiry of the period for which it was issued regardless of whether ACCR was requested and/or granted, and the exploration works may continue under such ACE until expiry of its validity period. In addition, the ACE also remains in force until the expiry of the period for which it was issued regardless of whether approval for the exploration field and/or application for Exploitation Permit were filed.

However, should the approval of exploration field and/or application for Exploitation Permit not be filed and/or the other requirements prescribed by the Law on Mining are not fulfilled, such as 75% of the scope of work foreseen in the PGE is not performed, any further works cannot be performed on the exploration areas after the expiry of the Exploration Permits. Please note that if a company files for approval of an exploration field and/or application for Exploitation Permit after the expiry of an exploration permit, this would not jeopardize rights on the subject area since the applicant (for exploitation field and/or exploitation permit) has right of priority for the area encompassed by the aforementioned requests.

B. Exploitation phase

In case that during performance of exploration works, the Company finds boron and lithium in the subject exploration areas and all the aforementioned conditions have been fulfilled, the next phase for performing the main activity of the Company is obtaining the Approval for Conducting Exploitation, as explained below.

(i) **Approvals for Conducting Exploitation**

Pursuant to the Law on Mining, exploitation of mineral reserves is conducted based on the following approvals:

1) Exploitation Permit or approval for exploitation fields (the "**AEF**");
2) Approval for constructing mining facilities/conducting mining works; and
3) Approval for using mining facilities.

Requests for approvals for constructing mining facilities/conducting mining works and the Exploitation Permit can be submitted along with the request for AEF. The requests are submitted to the Ministry of Mining and Energy. The company which submits the requests for the abovementioned permits/approvals for the subject exploration area first, shall have priority against all other applicants.

The request for AEF/Exploitation Permit includes:

1) proof of payment of administrative fees;
2) planimetric map of the scale of 1:2500 or of some other adequate scale with chartered border lines of the exploitation field and with contours of the determined reserves of the mineral raw material, public traffic lines and other facilities located in such field;
3) a copy of the ACCR;
4) certificate of incorporation and licenses of the requesting company;
5) feasibility study for exploiting the mineral reserves;
6) confirmation from the municipal urban planning authorities that the exploitation works are in compliance with urban planning provisions/documents; and
7) a geodetic plan in the scale of 1:1,000 or an overview topographic map in the appropriate scale with the marked border and coordinates of the reduced exploration area, if the applicant intends to keep the reduced approved exploration area from which the exploitation field is excluded.

Prior to execution of feasibility study for exploiting the mineral reserves, the Company is obliged to obtain:

1) Certificate of conditions for environmental impact assessment by the applicable environmental protection body;
2) Certificate of conditions from the culture heritage protection body; and
3) Certificate of conditions from the ministry in charge of water infrastructure.

Only the holder of the ACCR is used as basis for applying for the Exploitation Permit and/or AEF.

The request for AEF shall be rejected if the requesting company does not remedy the deficiencies or short comings in the documents within 30 days of the Ministry of Mining and Energy requiring the company to do so. After the AEF is issued, the exploitation field borders can be changed by filling the amended request to the Ministry of Mining and Energy.

(ii) **Exploitation field**

The AEF/Exploitation Permit shall, inter alia, contain:

1) the position of the exploitation field; and
2) the deadline for conducting preparatory works and acquiring approvals for constructing mining facilities/conducting mining works (if such approvals are not requested with the AEF), and which cannot be longer than 2 years; and
3) limitations to exploitation works in accordance with the decisions of other public bodies.

The Ministry of Mining and Energy or the competent autonomous province body shall revoke AEF if a company:

1) fails to obtain approval for constructing mining facilities/conducting mining works within the specified period that cannot be longer than two (2) years;
2) performs mining works and/or works on construction of mining facilities without approval, i.e. which are not in accordance with the Approval for constructing mining facilities/conducting mining works;
3) by conducting exploitation endangers the life and health of people and the environment, and other measures and other regulations are not sufficient to prevent it;
4) endangers the cultural property, its protected environment or space of cultural-historical, architectural and archaeological significance by exploitation;
5) fails to submit to the Ministry of Mining and Energy, i.e. to the competent authority of the autonomous province the annual operational plan for the next calendar year and the annual business report for the previous calendar year within the period specified in the written warning;
6) does not pay the fee for the use of mineral resources;
7) does not perform the recultivation procedure in accordance with the approved project documentation and annual operational plans;
8) does not comply with the conditions defined by acts of other bodies and institutions in the field of environmental protection, water management and protection of cultural property; and or
9) in due time fails to submit to the Ministry of Mining and Energy, i.e. to the competent authority of the autonomous province, a bank guarantee or a bill of exchange or a corporate guarantee for the rehabilitation and recultivation of degraded land due to exploitation.

The AEF/Exploitation Permit shall determine the surface area of the exploitation field, inter alia based on the finds on the mineral reserves in ACCR. The company conducting the exploitation works (the "**Exploiting Company**") is authorized to conduct mining works (under the conditions set out in the remaining part of this section) only on the exploitation field and in the scope of reserves determined in ACCR. The exploitation field is determined so that the reserves determined by ACCR are completely within the boundaries of the exploitation field.

The exploitation field is surrounded by a protection field ("**Protection Field**") which is meant to reserve the land surrounding the exploitation field against other entities, and allow the Exploiting Company to extend its exploitation field if new reserves are found under surrounding land.

In this phase of the process the companies are usually considering on regulating the title on the exploration field by buying the land on which the exploration area and Protection Field are located. The boundaries of the land depend on the technology of the exploitation, i.e. in case of underground mining pits/mines the company shall be obliged solely to purchase the land surrounding the entrance into the underground pit/mine along with the land required for any activity performed above surface; on the other hand, in case of ground pits, the company must be the owner of the entire field in which the ground works are performed.

Exploration works are conducted during mining works (since the AEF/Exploitation Permit also allows exploration works to be conducted on the exploitation field), and if reserves exceeding those determined by the previous ACCR are found, an application for a new ACCR is filed for the new reserves. If the newly discovered reserves go outside the boundaries of the exploitation field, an application for extension of the AEF/Exploitation Permit to the land under which the new reserves are located can be filed based on the new ACCR. If the AEF/Exploitation Permit is extended, the Protection Field is extended as well.

Based on the new ACCR (and, if applicable, the extended AEF/Exploitation Permit) new mining projects are prepared and licenses for constructing, and later for using, the new mining facilities, needed to exploit the enhanced reserves, are acquired.

(iii) **Investment-technical documentation**

In addition, all of the preparation for and conducting of exploitation works must be based on investment-technical documentation (the "**ITD**"), which shall include the following:

1) preliminary justification study;
2) exploitation of mineral ore feasibility study;
3) long-term exploitation program;
4) mining projects (main mining project, supplementary mining project, technical mining project, mining project for exploration of hard mineral ore and simplified mining project all of which are subject to technical control); and
5) annual operating plan.

The ITD must comply with the appropriate technical, health and safety, urbanistic, water, cultural heritage and fire safety legislation.

(iv) **Constructing of mining facilities/conducting mining works**

The request for approval for constructing mining facilities/conducting mining works is subject to the provision of the following documents:

1) proof on payment of the fee;
2) mining project certified by the holder of the AEF and technical control with the specified ACCR on the basis of which it was made;
3) consent of the holder of AEF;
4) confirmation by the municipal urban planning authorities that the documentation was executed in accordance with the urban plans/documents;
5) appropriate title to the land on the exploration area (ownership, lease, right of use);
6) ACCR;
7) consent for environmental impact assessment by the applicable environmental protection body;
8) consent from the cultural heritage protection body;
9) consent from the ministry in charge of water infrastructure;
10) certificate of compliance with the fire safety legislation issued by the appropriate public body (the "**Location Certificate**");
11) promissory note or a bank guarantee or a corporate guarantee for the execution of the work of remediation and re-cultivation of degraded land due to exploitation for the benefit of the Republic of Serbia, issued for the purpose of ensuring the proper settlement of the obligation to carry out the work of rehabilitation and re-cultivation of degraded land due to exploitation; and
12) other approvals which may be prescribed by special laws.

The approval for constructing mining facilities/conducting mining works shall stipulate a period in which the mining works can be conducted, all based on the title under which the subject entity is using the land. The period can be renewed and the request to do so must be filed no later than 30 days before the end of the previously approved period.

If the construction of mining facilities has been approved and conducting of mining works has not yet been approved, the subject entity shall have five (5) years for securing an approval for commencement of mining works.

The Ministry of Mining and Energy or the competent autonomous province body shall revoke approval for constructing mining facilities/conducting mining works if a company:

1) by conducting exploitation, endangers the life and health of people and the environment, and other measures and other regulations are not sufficient to prevent it;
2) endangers the cultural property, its protected environment or space of cultural-historical, architectural and archaeological significance by exploitation;

3) does not pay the fee for the use of mineral resources;
4) does not perform the recultivation procedure in accordance with the approved project documentation;
5) does not comply with the conditions defined by acts of other bodies and institutions in the field of environmental protection, water management and protection of cultural property;
6) fails to obtain proof of the right to use, lease, consent of the owner, ie servitude on the land, in the area where it performs mining works, except in the case of underground exploitation due to which according to the applied exploitation technology there is no impact on land; and or
7) due time fails to submit to the Ministry of Mining and Energy, i.e. to the competent authority of the Autonomous Province, a bank guarantee or a bill of exchange or a corporate guarantee for the rehabilitation and recultivation of degraded land due to exploitation.

Mining facilities can be used after acquiring approval from the Ministry of Mining and Energy (the "**Use Permit**"), approval from the fire safety authority, as well as other authorities required to do so under special laws. In order for the Use Permit to be issued, the facility must comply with the, previous mining approvals and documentation, appropriate technical, health and safety, urbanistic, water, cultural heritage and fire safety legislation. Appropriate plotting/re-plotting procedures shall be conducted if needed.

The fulfilment of the abovementioned conditions is inspected through a technical inspection (conducted by a licensed entity) and may be subject to a trial period of up to six (6) months.

(v) **Conducting Exploitation**

The last phase of performing the Company's main activity is conducting the exploitation works after fulfilment of all the aforementioned requirements.

As prescribed by the Law on Mining, expert monitoring must be conducted during mining and exploitation works and can be organized by the company conducting the works or subcontracted to a licensed entity.

Supplementary mining projects are submitted in case of any significant innovation/change in the mining operations (e.g. change of scope, introduction of new technologies or mining facilities, temporary halt of mining operations).

The technical mining project is compiled for execution of specific mining operations. The simplified mining project is executed for minor variations from the main and supplementary mining projects and other minor works.

Works envisaged by the technical and simplified mining projects are performed after notifying the Ministry of Mining and Energy. Appropriate notifications must also be made

to the mining inspector, municipal authority, and appropriate heritage protection authority at least 15 days before commencement of works. Annual operating plans (at the latest until 31 January for the current year) as well as reports on business operations for the previous year (executed until 28 February and delivered by 31 March) must be delivered to the Ministry of Mining and Energy. Exploration within the boundaries of the exploitation field is conducted without special permit, but the entity which issued the Exploitation Permit must be previously notified thereof.

C. Royalties

Pursuant to the Mining Law and the Law on Compensation for Use of Public Goods ("*Official Gazette of RS"* no. 95/2018 and 86/2019 adjusted dinar amount and 156/2020 adjusted dinar amount), the following royalties are payable:

(i) A fee for applied geological research for the current year for all ACEs of an exploration area.

An entity that performs a mineral exploration activity must pay an annual royalty fee for the use of the geological research that it has produced in respect of the relevant exploration area approved in the ACE. The fee is calculated and payable starting from the date the ACE is delivered to the company. The fee amount is determined by multiplying the sum of RSD 10,282 (EUR 87/AUD 137 calculated at middle exchange rate of the National Bank of Serbia on 20 May 2021) by the number of km^2 assigned by each ACE, except where the relevant exploration area is less than 0.5 km^2, in which case the fee in respect of this exploration area will be RSD 5,141 (EUR 43/AUD 69 calculated at middle exchange rate of the National Bank of Serbia on 20 May 2021).

Rekovac area state of play

Accordingly, the Company paid the following royalties for the Rekovac exploration area for each year of exploration works:

Competent authority	Number of the Decision	Exploration Area number with its surface	The location of the exploration area	The amount of paid geological research fee
Ministry of Mining and Energy	310-02-01852/2016-02 and 310-02-1852/2016-02	Area no. 2224 with the surface area of 75.42 square kilometres	Area of Rekovac on the territory of Rekovac	2018 year RSD 754,200 (EUR 6,414/AUD 10,089 calculated at middle exchange rate of the National Bank of Serbia on 20 May 2021)
				2019 year RSD 755,000 (EUR 6,421/AUD 10,100 calculated at middle exchange rate of the National Bank

				of Serbia on 20 May 2021)
				For the period from 01 January 2020 until 28 April 2020[1] RSD 247,670 (EUR 2,106/AUD 3,313 calculated at middle exchange rate of the National Bank of Serbia on 20 May 2021)
				For the period from 05 November 2020 until 31 December 2021[1] RSD 915,000 (EUR 7,781/AUD 12,240 calculated at middle exchange rate of the National Bank of Serbia on 20 May 2021)

Note:

1. No exploration work was conducted between 28 April 2020 (being, when the initial exploration period for Rekovac lapsed) and 05 November 2020 (being, when the first extended exploration period commenced), as such, no royalty was payable during this period.

(ii) The exploiting company whose mining works have been approved has to pay a royalty for the use of mineral ores and geothermal resources as follows:

- radioactive ores - 2% of the revenue derived from the relevant exploitation activity; and
- metallic ores:
  - untreated (ditched) or treated by preparation - 5% of the revenue derived from the relevant exploitation activity;
  - exposed pyro, hydro, or electro-metallurgical procedure - 5% of the net revenue derived from the relevant exploitation activity;
  - technogenic ores created by mining or processing ores - 1% of the revenue derived from the relevant exploitation activity; and
  - non-metallic ores, save for non-metallic ores for the production of building materials:
    - untreated (ditched) or treated by preparation - 5% of the revenue derived from the relevant exploitation activity;
    - exposed pyro, hydro, or electro-metallurgical procedure - 5% of the net revenue derived from the relevant exploitation activity;
    - all types of salts and salt waters - 1% of the revenue derived from the relevant exploitation activity; and
    - groundwater used to create useful ores as well as groundwater related to mining technology and gases therein - 3% of the revenue derived from the relevant exploitation activity.

Calculation of the revenues derived from such activities is stipulated in the Law on Compensation for Use of Public Goods.

(iii) an entity that uses data and documentation produced on the basis of basic geological explorations (i.e. explorations that are performed in the public interest and paid for from the budget of the Republic of Serbia), as well as data and documentation produced on the basis of a geological exploration that has become public (state) property under the terms of a concession agreement, is obliged to pay a royalty fee amounting to 5% of the value of the conducted exploration, which is determined by the Ministry by applying the annual growth rate of consumer prices to the value of the geological exploration that has been conducted.

Non-payment of the abovementioned royalties may result in the revocation of the ACE and/or AEF by the Ministry or the competent authority of the autonomous province, as the case may be.

The collection and calculation of royalties is carried out by the competent tax authority in accordance with the procedure set out in the tax code.

5. Environmental pre-conditions in exploration phase

The following approvals should be obtained prior to issuance of the ACE:

- Resolution on environment protection requirements for the purposes of composing geological research project, which issues the Serbian Institute for Environment Protection;
- Opinion on compliance of the project with the requirements for environment protection, which issues the Serbian Institute for Environment Protection;
- Decision on conditions for undertaking technical protection measures for the purpose of geological exploration, which issues local Institute for Protection of Cultural Heritage; and
- Resolution on approval of the project for geological explorations, which issues local Institute for Protection of Cultural Heritage.

The above-mentioned resolutions are issued pursuant to the Law on nature protection ("*Official Gazette of RS*", no. 36/2009, 88/2010, 91/2010 – corr.., 14/2016 and 95/2018 – other law) and Law on cultural goods protection ("*Official Gazette of RS*", no. 71/94, 52/2011 – other laws, 99/2011 – other law and 6/2020 – other law).

The competent environmental inspector performs the supervision and compliance with the Law on nature protection. In general, failure to comply with the provisions of the said law may represent:

- the Commercial offence (to be fined in amount ranging from RSD 1,500,000 (cca. EUR 12,757/AUD 20,000 calculated at middle exchange rate of the National Bank of Serbia on 20 May 2021) up to RSD 3,000,000 (cca. EUR 25,513/AUD 40,132 calculated at middle exchange rate of the National Bank of Serbia on 20 May 2021) for the Company and with a fine in amount ranging from RSD 100,000 (cca. EUR 850/AUD 1,337 calculated at middle exchange

rate of the National Bank of Serbia on 20 May 2021) to RSD 200,000 (cca. EUR 1,700/AUD 2,675 calculated at middle exchange rate of the National Bank of Serbia on 20 May 2021) for responsible person or

- the Misdemeanor (to be fined in amount ranging from RSD 500,000 (cca. EUR 4,252/AUD 6,688 calculated at middle exchange rate of the National Bank of Serbia on 20 May 2021) to RSD 2,000,000 (cca. EUR 17,000/AUD 26,755 calculated at middle exchange rate of the National Bank of Serbia on 20 May 2021) for the Company and with a fine in amount ranging from RSD 25,000 (cca. EUR 212/AUD 334 calculated at middle exchange rate of the National Bank of Serbia on 20 May 2021) up to RSD 150,000 (cca. EUR 1,275/AUD 2,006 calculated at middle exchange rate of the National Bank of Serbia on 20 May 2021) for responsible person). Protective measures such as ban of business activity may be imposed in duration up to 10 (ten), i.e. 3 (three) years.

In general, failure to comply with the provisions of the Law on cultural goods may represent a misdemeanour (the fines therein are expressed in old RSD currency, in which case the general provision on Law on Misdemeanours shall apply, stating that minimum fine is RSD 50,000 (cca. EUR 425/AUD 668 calculated at middle exchange rate of the National Bank of Serbia on 20 May 2021).

Below is the summary of the presented environmental related resolutions that the Company obtained for the issuance of ACEs.

I. Rekovac area

Conditions for protection of environment

Pursuant to the Resolution on environment protection requirements for the purposes of composing geological research project issued by the Serbian Institute for Environment Protection on 09 August 2016, the Rekovac area is not inside of a protected natural good, a registered natural good or a good for which a protection procedure has been initiated, as well as an area that is known as part of an international or national ecological network. Accordingly, the conditions of nature protection are issued:

1. Exclude from the proposed exploration area the immediate and narrower zone of water supply sources or sources for other purposes;
2. Do not plan or perform exploration works during the night;
3. If during preparation and exploration works the material that can serve as a good shelter for reptiles or other animals must be disposed, the disposal time must be shortened as much as possible;
4. It is not allowed to kill, catch and / or collect all species of animals, their youngs and other forms of their development form, destruction or damage to their habitats and litters;
5. In the selection of the micro-location exploration wells and when performing preparatory works, avoid or minimize the need for cutting of high vegetation;

6. If it is necessary to cut down trees during the conduction of exploration and preparation works, it is obligatory to obtain a remittance from the competent public authority – JP "Srbijašume";
7. For access to locations where exploration works are being carried out, envisage the use of the existing road network, i.e., try to avoid the construction of new access roads;
8. It is forbidden to capture springs for the needs of providing water for exploratory drilling. Provide the amount of water for the needs of exploratory drilling and deposit it in appropriate containers or pools. The pools should be constructed in such a way as to prevent the outflow and spillage of water and / or mud on the surface of the terrain, into the land and watercourses;
9. The humus layer and the soil from the excavation for the pool should be deposited nearby, preserved, and used after competition of the works for the rehabilitation of the terrain;
10. After the completion of drilling, free discharge of water/mud into the land or existing water surfaces is prohibited, but it must be removed on site and under the conditions prescribed by the competent communal service;
11. As soon as possible, to perform mapping and testing the core;
12. During the work or a malfunction of the drilling rig, fuel, machine and other oils must not be directly discharged into the land and watercourses, but they must be adequately collected and evacuated to the prescribed location. If that still happens, it is necessary to immediately rehabilitate the terrain by removing the contaminated land;
13. When manipulating fuels, lube, and oils, apply adequate soil protection measures, installation of appropriate containers, foils, etc. which would collect any spilled matter. Materials from the container, from the foil, etc. treat appropriately (prepare for re-use or dispose of in a legally prescribed manner and location). The same goes for oil and lube packaging;
14. All excess material must be removed from the location to a place determined by the competent communal service. It is forbidden to deposit any material or temporarily dispose of it in and out of watercourses, in the area of protected natural assets and in the area of the ecological network;
15. If during the works, geological or paleontological documents (fossils, minerals, crystals, etc.) are found that could represent a protected natural good, the finder is obliged to report to the Ministry of Environmental Protection and take measures to protect against destruction, damage, or theft until arrival of authorized person; and
16. Incorporate these conditions into the exploration project.

<u>Conditions for protection of cultural heritage</u>

Pursuant to the Decision on conditions for undertaking technical protection measures for the purpose of geological exploration issued by Institute for Protection of Cultural Heritage of Kragujevac on 02 August 2016, it is determined that within the submitted boundaries of the Rekovac area, there are the following immovable cultural goods and goods that enjoy prior protection:

1. Immovable cultural property – Cultural monuments:
    - Županjevački grad – remains of a medieval town in Županjevac; and
    - Old school in Dragovo – Dragovo.

2. Goods which are subject of prior protection:
    - 7 Archaeological sites;
    - 3 buildings of architectural heritage – sacral architecture;
    - 2 buildings of architectural heritage – profane architecture;
    - 14 buildings of architectural heritage – rural architecture (folk architecture);
    - 10 memorial busts and memorials; and
    - 1 Sepulchral monument.

For all listed cultural property and goods the subject of prior protection, the following protection measures are determined:

Measures for the protection of immovable cultural property:

Cultural property may not be damaged or destroyed or altered without the consent of the competent protection service;

1. All interventions (interior and exterior), which would be performed on cultural property, must have the conditions and consent of the competent Institutes for the Protection of Cultural Monuments;
2. Cultural property may not be alienated without exercising the pre-emptive right established by law in favour of the competent protection service;
3. The owner or user of a cultural property has no right to excavate, demolish, alter, rebuild, or perform any work that may lead to damage to the cultural property or impair its properties;
4. The owner, i.e. the user of a cultural property is obliged to keep and maintain it with exceptional care and to implement the established protection measures, as well as to inform the competent Institute about all legal or physical changes related to the cultural property or its protected environment;
5. The owner or user of a cultural property has no right to use or use the cultural property for purposes that are not in accordance with its nature, purpose and significance;
6. The user is obliged to perform continuous ongoing maintenance of the cultural property, while maintaining the authentic appearance of the buildings;
7. The user of the building is obliged to notify the competent services in a timely manner of any damage to the building and its surroundings;
8. Conservation - restoration studies containing exploration works, methodology of interventions, manner of storage and presentation of immovable cultural property, must be prepared under the conditions and professional supervision of the protection service; and
9. Photographic or film recording of immovable cultural property that requires the installation of scaffolding, scenery or other technical equipment, use of cranes, use of lighting fixtures with a total power over two kilowatts or special intervention on the cultural property or its protected environment, can be done only on the basis of the competent institution for the protection of cultural monuments.

General measures for the protection of the protected environment of immovable cultural property:

1. Works which may disturb the stability of immovable cultural property, such as geomechanical, sounding tests or other excavations of any kind, shall be prohibited;

2. Complete arrangement of the protected environment, as well as the entire area of the protected environment, in accordance with the prescribed conditions of the service for the protection of cultural property, the Institute for Nature Protection and other competent institutions;
3. Landscaping projects must contain data and details on the design of free green areas, paving of all paths and accesses, lighting of various types, urban furniture with some kind of equipment, etc;
4. Mandatory planning of areas for stationary traffic (intended for facilities from, above, the area), as well as revision of the traffic scheme in general, to improve access and connections;
5. It is necessary to continuously maintain the entire environmental protection zone, and by the competent services, under the conditions, regulations, and supervision of the competent protection service;
6. All elements of urban furniture that are placed in the protected environment of cultural monuments (paving, benches, lighting ...) must obtain the conditions and consent of the competent protection service; and
7. Any construction in this zone is subject to special conditions and approvals of the competent protection service.

Measures for the protection of registered archaeological sites:

At all archaeological sites, the presence of experts from the competent Institute is mandatory during the execution of all earthworks. The costs of supervising the execution of works shall be borne by the company. The company is obliged to notify the Institute for the Protection of Cultural Monuments in Kragujevac 15 days before the beginning of the planned works.

In other areas, if archaeological sites or archaeological objects are found during the works, the company is obliged to immediately, without delay, stop the works and inform the competent Institute for the Protection of Cultural Monuments and to take measures not to destroy the find. and does not damage and be preserved in the place and position in which it was discovered.

General measures for the protection of sacral buildings:

Preservation of the original appearance of the exterior architecture and interior, horizontal and vertical dimensions, shape and slope of the roof, all structural and decorative elements, original materials, functional characteristics and original inscriptions:

1. The owner is obliged to update the condition and maintain the structural - static system, roof covering, all facades, interior and correctness of installations;
2. Work that may compromise static safety is prohibited;
3. Construction of infrastructure is allowed only with prior provision of protective archaeological excavations and adequate presentation of findings;
4. Removal of construction and other structures whose existence endangers the protection and use of valorised structures;
5. The construction of structures which, by their architecture, dimensions and height, endanger valorised structures shall be prohibited;
6. The construction of buildings that are not in the function of valorised buildings is prohibited;

7. Storage of materials and creation of landfills in the vicinity of valorised buildings shall not be permitted; and
8. It is prohibited to spill, dispose of, and temporarily or permanently dispose of waste and harmful substances chemically aggressive, explosive, toxic, radioactive, etc ... Near to valorised buildings.

General measures for the protection of buildings of profane architecture:

The authentic appearance, original materials, horizontal and vertical dimensions, structural and decorative elements and functional characteristics of the building must be preserved. Buildings may not be damaged or destroyed, nor may their purpose be altered without the consent of the competent protection service. The owner or user has no right to excavate, demolish, alter, partition, rebuild or perform any work that may lead to damage to the building or impair its properties. The owner or user has no right to use or use the building for purposes that are not in accordance with its nature, purpose and significance. The user is obliged to perform continuous ongoing maintenance of the building, while maintaining the authentic appearance.

Conservation - restoration studies containing exploration works, intervention methodology, manner of storage and presentation shall be prepared by the protection institution or other authorized company under the conditions and professional supervision of the protection service. It is prohibited to build buildings of a permanent or temporary character, which, with their architecture and dimensions, endanger the valorised buildings.

Complete landscaping may be carried out only in accordance with the prescribed conditions of the service for the protection of cultural property, the Institute for Nature Protection and other competent institutions; landscaping projects must contain data and details on the design of free green areas, paving of all paths and driveways, lighting of various types, urban furniture with a kind of equipment, etc.

General measures of protection of objects of folk architecture:

It is necessary to preserve the authentic appearance, original materials, structural and decorative elements and functional characteristics of the architectural heritage object:

1. Architectural heritage objects may not be damaged or destroyed or change their purpose without the consent of the competent protection service;
2. The owner or user of the building has no right to excavate, demolish, alter, partition, rebuild or perform any work that may lead to its damage or impair its properties;
3. The user is obliged to perform continuous ongoing maintenance of the building, while maintaining the authentic appearance of the buildings;
4. Conservation - restoration studies containing exploration works, intervention methodology, manner of storage and presentation of buildings shall be prepared by the protection institution or other authorized company under the conditions and professional supervision of the protection service;

5. The construction of buildings of a permanent or temporary character, which by their architecture and dimensions endanger the objects of national construction, shall be prohibited;
6. Complete landscaping may be carried out only in accordance with the prescribed conditions of the service for the protection of cultural property, the Institute for Nature Protection and other competent institutions; landscaping projects must contain data and details of the design of free green areas, paving of all paths and driveways, lighting of various types, urban furniture with a kind of equipment, etc;
7. All interventions (in interior and exterior), which would be performed on architectural heritage sites, must have the conditions and consents of the competent institutions; and
8. The user of the building is obliged to notify the competent services in a timely manner of any damage to the facility and its surroundings.

General measures for protection of busts and memorials:

Before carrying out any interventions, it is necessary to obtain the conditions and consents of the competent Institution for the protection of cultural monuments in Kragujevac;

1. All planned works carried out on public monuments and memorials (memorial busts and memorial plaques) and in their immediate vicinity must not jeopardize their authentic appearance; and
2. It is necessary to keep up to date with the condition of all memorials with mandatory ongoing maintenance.

General measures for the protection of sepulchral monuments:

Before carrying out any capital interventions, it is necessary to obtain the conditions and consents of the competent institution for the protection of cultural monuments in Kragujevac;

1. All planned works carried out on and in the immediate vicinity of sepulchral monuments must not jeopardize their authentic appearance; and
2. Regular maintenance of cemeteries and tombstones is necessary, which includes cleaning weeds, restoring letters and ornaments.

II. Ursule area

Conditions for protection of environment

Pursuant to the Resolution on environment protection requirements for the purposes of composing geological research project issued by the Serbian Institute for Environment Protection on 13 January 2021, Ursule exploration area is not located in the protected area for which the procedure for protection has been performed or initiated and it is not within the spatial scope of the environmental network of Republic of Serbia,

Consequently, according to the respective Resolution, the following conditions for environment protection have to be met by the Company when performing exploration works:

1. If material that can serve as a good shelter for reptiles or other animals must be disposed of during the preparatory and exploratory works, the disposal time must be shortened as much as possible and their safe return to nature must be ensured. Catching and/or killing them is prohibited;
2. If it is necessary to cut down trees during the conduction of exploratory and preparatory works, it is obligatory to obtain a remittance from the competent public authority – JP "Srbijašume". At the same time, it is also necessary to take care not to cut down trees of larger dimensions.
3. If during the removal of high vegetation active nests of birds with a diameter of 50 cm and bigger can be seen or an active nest with clutch of eggs or young birds is encountered, it is necessary to temporarily suspend the works at that location and inform the Institute for Nature Protection of Serbia;
4. During the conduction of exploration works, the level of noise, vibration and air pollution must not exceed the limit values for the working environment;
5. It is forbidden to perform works in the watercourses zone which can lead to continuous blur of watercourses longer than five days;
6. Do not plan and perform works in the immediate and narrow zone of water supply sources or sources for other purposes;
7. When making small excavations for geochemical testing, after the test, it is necessary to rehabilitate the soil;
8. Provide and deposit the amount of water needed for exploratory drilling in appropriate containers or pools. The pools should be constructed in such a way as to prevent water and/or mud from leaking and spilling over the surface of the terrain, in the soil and water;
9. The humus layer and the soil from the excavation for the pool should be deposited nearby, preserved, and used after competition of the works for the rehabilitation of the terrain;
10. During the exploratory drilling, it is necessary to note the occurrence and level of groundwater;
11. After the completion of explorations drilling, as soon as possible, to perform mapping and take samples for laboratory testing;
12. After the completion of explorations drilling free discharge of mud into the soil is prohibited, but it must be removed on site and under the conditions prescribed by the competent communal service;
13. In case of geoelectric testing, take care not to over-discharge the current into the soil;
14. It is not allowed to plan or perform works at night in forest complexes and near residence buildings;
15. For access to locations where exploration works are being carried out, envisage the use of the existing road network, i.e., try to avoid the construction of new access roads;
16. To plan the amount of samples from the natural shoots in accordance with applicable legislation;
17. After the completion of the exploration works, rehabilitate all surfaces that were used on any basis during the exploration works;
18. Provide for the obligation to collect municipal waste in appropriate containers and their regular evacuation;
19. If during the works, geological or paleontological documents (fossils, minerals, crystals, etc.) are found that could represent a protected natural good, the finder is obliged to report to

the Ministry of Environmental Protection and take measures to protect against destruction, damage or theft until arrival of authorized person.

Conditions for protection of cultural heritage

Pursuant to the Decision on conditions for undertaking technical protection measures for the purpose of geological exploration issued by Institute for Protection of Cultural Heritage of Kragujevac on 28 December 2020, it has been determined that the following immovable cultural heritage – monuments are located in Ursule exploration area:

1. The house of Kadeva Milojevic in the village Ursule; and
2. Church of Saint Nikola in Velika Krusevica.

The mentioned Resolution also determined there are 32 archaeological sites located in exploration area Ursule.

The Company shall be obliged to comply with the following technical protection measures while using the exploration area for protection of cultural monuments:

General measures for the protection of immovable cultural heritage:

1. Immovable cultural heritage must not be damaged or destroyed nor reconfigure without the consent of the competent services;
2. All interventions (in the interior and exterior), which would be performed on cultural heritage, must have the conditions and approvals of the competent Institute for the Protection of Cultural Monuments in Kragujevac;
3. Cultural heritage may not be alienated without exercising the pre-emptive right established by law in favour of the competent protection service;
4. The owner or user of a cultural heritage has no right to excavate, demolish, alter, rebuild or perform any work that may lead to damage to the cultural heritage or impair its properties;
5. The owner, ie the user of a cultural heritage is obliged to keep and maintain it with exceptional care and to implement the established protection measures, as well as to inform the competent Institute about all legal or physical changes related to the cultural heritage or its protected environment;
6. The owner, ie the user of a cultural heritage has no right to use or use the cultural heritage for purposes that are not in accordance with its nature, purpose and significance;
7. The user is obliged to perform continuous ongoing maintenance of the cultural property, while maintaining the authentic look of the buildings;
8. The user of the building is obliged to inform the competent services in time about possible damage to the building and its surroundings;
9. Conservation-restoration studies containing exploration works, methodology of interventions, manner of storage and presentation of immovable cultural heritage, must be prepared under the conditions and professional supervision of the protection service;
10. Photographic or film recording of immovable cultural heritage that requires the installation of scaffolding, scenery or other technical equipment, use of cranes, use of lighting fixtures with a total power of over two kilowatts or special intervention on the cultural heritage or its

protected environment, can be done only competent institute for the protection of cultural monuments.

General measures for the protection of the protected environment of immovable cultural heritage:

1. Works which may disturb the stability of immovable cultural heritage, such as geomechanical, sounding tests or other excavations of any kind, shall be prohibited;
2. Complete arrangement of the protected environment, as well as the entire area of the protected environment, in accordance with the prescribed conditions of the service for the protection of cultural property, the Institute for Nature Protection and other competent institutions;
3. Landscaping projects must contain data and details on the design of free green areas, paving of all paths and driveways, lighting of various types, urban furniture with a kind of equipment, etc;
4. Mandatory planning of areas for stationary traffic (intended for buildings from abovementioned area), as well as revision of the traffic scheme in general, in order to improve access and connections;
5. It is necessary to continuously maintain the entire area of environmental protection, and by the competent services, under the conditions, regulations and supervision of the competent protection service;
6. All elements of urban furniture that are placed in the protected environment of cultural monuments (paving, benches, lighting ...) must obtain the conditions and consent of the competent protection service;
7. Eventual construction in this area is subject to special conditions and consents of the competent protection service.

Measures for protection of the registered archaeological sites:

1. At all archaeological locations, the presence of experts from the competent Institute for Protection of Cultural Heritage of Kragujevac is mandatory during the execution of all earthworks;
2. The costs of supervision on exploration works shall be borne by the Investor, i.e., by the Company;
3. The Company shall be obliged to inform the Institute for Protection of Cultural Heritage of Kragujevac 15 days before the commencement of planned works; and
4. The Company shall stop all exploration works and inform the Institute in case a non-evidenced archaeological location or archaeological objects from the past or movable material are discovered beneath the surface while performing exploration works.

III. Pranjani area

Conditions for protection of environment

Pursuant to the Resolution on environment protection requirements for the purposes of composing geological research project issued by the Serbian Institute for Environment

Protection on 12 January 2021, Pranjani exploration area is not located in the protected area for which the procedure for protection has been performed or initiated. The exploration area is also located on a part of national ecological network area "Valjevske planine", and it is part of ecological network of Republic of Serbia.

Consequently, according to the respective Resolution, the following conditions for environment protection have to be met by the Company when performing exploration works:

1. If material that can serve as a good shelter for reptiles or other animals must be disposed of during the preparatory and exploratory works, the disposal time must be shortened as much as possible and their safe return to nature must be ensured. Catching and/or killing them is prohibited;
2. If it is necessary to cut down trees during the conduction of exploratory and preparatory works, it is obligatory to obtain a remittance from the competent public authority – JP "Srbijašume". At the same time, it is also necessary to take care not to cut down trees of larger dimensions;
3. If, during the removal of high vegetation, bird nests over 0.5 cm in diameter are observed, or an active nest with a laying or young birds is encountered, it is necessary to suspend the works and inform the Institute for Nature Protection of Serbia;
4. During the conduction of exploration works, the level of noise, vibration and air pollution must not exceed the limit values for the working environment;
5. It is forbidden to perform any works in watercourses, which can lead to turbidity of watercourses for more than 5 days in a row;
6. Do not plan and perform works in the immediate and narrow zone of water supply sources or sources for other purposes;
7. When making small excavations for geochemical sampling, after taking the test, rehabilitate the location;
8. Provide and deposit the amount of water needed for exploratory drilling in appropriate containers or pools. The pools should be constructed in such a way as to prevent water and/or mud from leaking and spilling over the surface of the terrain, in the soil and water;
9. The humus layer and the soil from the excavation for the pool should be deposited nearby, preserved, and used after competition of the works for the rehabilitation of the terrain;
10. During the exploratory drilling, it is necessary to note the occurrence of groundwater;
11. After the completion of drilling as soon as possible, to perform mapping sampling for laboratory tests;
12. Free discharge of water/mud into the land or existing water surfaces is prohibited, but it must be removed on site and under the conditions prescribed by the competent communal service;
13. During geoelectrical tests, do not release an excessive amount of electricity into the ground;
14. Do not plan and do not carry out exploration works at night in a forest complexes and near residential buildings;
15. For access to locations where exploration works are being carried out, envisage the use of the existing road network, ie try to avoid the construction of new access roads;
16. Plan the amount of samples from natural shoots in accordance with applicable legislation;
17. After the completion of the exploration works, rehabilitate all surfaces that were used on any basis during the exploration works;

18. Provide for the obligation to collect municipal waste in appropriate containers and their regular evacuation; and
19. If during the works, geological or paleontological documents (fossils, minerals, crystals, etc.) are found that could represent a protected natural good, the finder is obliged to report to the Ministry of Environmental Protection and take measures to protect against destruction, damage or theft until arrival of authorized person.

Conditions for protection of cultural heritage

Pursuant to the Decision on conditions for undertaking technical protection measures for the purpose of geological exploration issued by Institute for Protection of Cultural Heritage of Kraljevo on 29 December 2020, it has been determined that the following immovable cultural heritage – monuments and a property that enjoys prior protection on the basis of the Law on Cultural Heritage are located in Pranjani exploration area:

1. Gavrovića čardak – Cultural heritage - Monument Veranda in Pranjani;
2. Wooden church in Pranjani - Cultural heritage – Monument; and
3. Allied airport from the Second World War on Galovića polje in Pranjani.

It is forbidden to perform any works in the mentioned locations are or their immediate surroundings without special conditions of the Institute for Protection of Cultural Heritage of Kraljevo.

The mentioned Resolution also determined there are nine archaeological sites located in the Pranjani basin.

The Company shall be obliged to comply with the following technical protection measures while using the exploration area for protection of cultural monuments:

1. It is forbidden to perform exploration or exploitation works on the above specified cultural heritage locations i.e., any non-authorized digging of land or taking the stones, without obtaining special conditions from the Institute for Protection of Cultural Heritage of Kraljevo;
2. During its regular activities the Institute for Protection of Cultural Heritage of Kraljevo can record new heritage that enjoys prior protection, and the Institute shall inform the competent urbanistic department as well as the interested parties;
3. The Company shall stop all exploration works and inform the Institute in case a non-evidenced archaeological location or archaeological objects from the past or movable material are discovered beneath the surface while performing exploration works;
4. The Company shall take measures to ensure that the cultural heritage is not destroyed or damaged;
5. After gaining insight into the material, the expert of the Institute has the right to prescribe an additional measure of protective archaeological research or the continuation of work with archaeological monitoring;
6. The costs of supervision, protective archaeological research, conservation of movable and immovable material shall be borne by the Investor, i.e., by the Company,
7. The supervision over the compliance with the measures is conducted by the Institute for Protection of Cultural Heritage of Kraljevo as the territorially competent institution;

8. The Company shall be obliged to inform the Institute for Protection of Cultural Heritage of Kraljevo on the commencement and finalization of works in timely manner, to check on the spot whether the works are performed in accordance with these Conditions;
9. The Institute for Protection of Cultural Heritage of Kraljevo is authorized to issue measure of prohibition of works if it is determined that the conditions are not fulfilled; and
10. If there is any change in the exploration area, it is necessary for the company to obtain additional conditions from the Institute for Protection of Cultural Heritage of Kraljevo.

IV. Dobrinje area

Conditions for protection of environment

Pursuant to the Resolution on environment protection requirements for the purposes of composing geological research project issued by the Serbian Institute for Environment Protection on 05 January 2021, Dobrinjski basin exploration area is not located in the protected area for which the procedure for protection has been performed or initiated and it is not within the spatial scope of the environmental network of Republic of Serbia.

Consequently, according to the respective Resolution, the following conditions for environment protection have to be met by the Company when performing exploration works:

1. Take measures to ensure the prevention, i.e., reduction, control, and rehabilitation of all forms of pollution;
2. It is not allowed to perform exploration works, in the diameter of 10 m of the location where the protected species of orchids have been recorded (Appendix 1. Position of the exploration area in relation to the habitats of protected plant species);
3. If it is necessary to cut down trees during the conduction of exploratory and preparatory works, it is obligatory to obtain a remittance from the competent public authority – JP "Srbijašume". At the same time, it is also necessary to take care not to cut down trees of larger dimensions;
4. During the conduction of works, it is forbidden to perform activities that can lead to the invasion and spread of invasive species from the environment.
5. The works must be performed at a distance of at least 300 m from individual trees, poles or objects on which nests of birds of prey with a diameter of 50 cm and bigger can be seen, in the nesting period from March 15 to July 15;
6. Removal of trees with bird nests is not allowed. If the works are planned in the immediate proximity of the birds' nest, they should be carried out only when the nests are not active, i.e., when there are no eggs or young birds in the nest;
7. If during the execution of works, an active nest with clutch of eggs or young birds is encountered, it is necessary to temporarily suspend the works at that location and inform the Institute for Nature Protection of Serbia;
8. It is not allowed to perform works at night;
9. If material that can serve as a good shelter for reptiles or other animals must be disposed of during the preparatory and exploratory works, the disposal time must be shortened as much as possible and their safe return to nature must be ensured. Catching and/or killing them is prohibited;

10. During the conduction of exploration works, the level of noise, vibration and air pollution must not exceed the limit values for the working environment;
11. Removal of riparian vegetation is prohibited;
12. It is not allowed to take water from watercourses;
13. During the conduction of works, it is prohibited to block watercourses;
14. Works in the watercourses zone should be performed in such a way that the hydrological regime is not disturbed and there is no continuous blur of watercourses caused by the works;
15. Do not plan and perform works in the immediate and narrow zone of water supply sources or sources for other purposes;
16. Provide and deposit the amount of water needed for exploratory drilling in appropriate containers or pools. The pools should be constructed in such a way as to prevent water and/or mud from leaking and spilling over the surface of the terrain, in the soil and water;
17. The humus layer and the soil from the excavation for the pool should be deposited nearby, preserved, and used after competition of the works for the rehabilitation of the terrain;
18. During the exploratory drilling, it is necessary to note the occurrence and level of groundwater;
19. During the exploratory excavations, the material from the exploratory excavations should be deposited nearby and protected from water and wind dispersion;
20. Material for laboratory and technological testing should be provided from the core of exploratory wells and exploratory excavations;
21. To plan the amount of samples from the natural shoots in accordance with applicable legislation;
22. To plan geophysical testing using geoelectric, magnetic and curettage methods. In doing so, to take care not to over-discharge the current into the soil;
23. After the completion of drilling and construction of each excavation, as soon as possible, to perform mapping and testing, and then perform rehabilitation (backfilling of excavations and closing of wells) in the prescribed manner, and remove excess material from the site, under the conditions of the competent communal service;
24. After the completion of drilling, deposit the water or mud necessary for drilling in appropriate impermeable basins or vessels. Free discharge of water/mud into the land or existing water surfaces is prohibited, but it must be removed on site and under the conditions prescribed by the competent communal service;
25. For access to locations where exploration works are being carried out, envisage the use of the existing road network, i.e., try to avoid the construction of new access roads;
26. After the completion of the exploration works, rehabilitate all surfaces that were used on any basis during the exploration works;
27. Provide for the obligation to collect municipal waste in appropriate containers and their regular evacuation; and
28. If during the works, geological or paleontological documents (fossils, minerals, crystals, etc.) are found that could represent a protected natural good, the finder is obliged to report to the Ministry of Environmental Protection and take measures to protect against destruction, damage or theft until arrival of authorized person.

Conditions for protection of cultural heritage

Pursuant to the Decision on conditions for undertaking technical protection measures for the purpose of geological exploration issued by Institute for Protection of Cultural Heritage of Kraljevo on 31 December 2020, it has been determined that the following immovable cultural heritage – monuments are located in Dobrinjski basin exploration area:

1. Monuments in Gornja Dobrinja: church, veranda, few tombstones and memorials in the place of birth of Prince Miloš; and
2. Church of Saint Peter and Paul in Gornja Dobrinja.

It is forbidden to perform any works in the mentioned locations are or their immediate surroundings without special conditions of the Institute for Protection of Cultural Heritage of Kraljevo.

The mentioned Resolution also determined there are 23 archaeological sites located in the Dobrinjski basin.

The Company shall be obliged to comply with the following technical protection measures while using the exploration area for protection of cultural monuments:

1. It is forbidden to perform exploration or exploitation works on the above specified cultural heritage locations, i.e. any non-authorized digging of land or taking the stones, without obtaining special conditions from the Institute for Protection of Cultural Heritage of Kraljevo;
2. During its regular activities the Institute for Protection of Cultural Heritage of Kraljevo can record new heritage that enjoys prior protection from point (i) and the Institute shall inform the competent urbanistic department as well as the interested parties;
3. The Company shall stop all exploration works and inform the Institute in case a non-evidenced archaeological location or archaeological objects are discovered beneath the surface while performing exploration works;
4. The Company shall take measures to ensure that the cultural heritage is not destroyed or damaged;
5. After gaining insight into the material, the expert of the Institute has the right to prescribe an additional measure of protective archaeological research or the continuation of work with archaeological monitoring;
6. The costs of supervision, protective archaeological research, conservation of movable and immovable material shall be borne by the Investor, i.e. by the Company;
7. In case of any change of the exploration area, new Conditions need to be obtained;
8. The supervision over the compliance with the measures is conducted by the Institute for Protection of Cultural Heritage of Kraljevo as the territorially competent institution;
9. The Company shall be obliged to inform the Institute for Protection of Cultural Heritage of Kraljevo on the commencement and finalization of works in timely manner; and
10. The Institute for Protection of Cultural Heritage of Kraljevo is authorized to issue measure of prohibition of works if it is determined that the conditions are not fulfilled.

V. Siokovac area

Conditions for protection of environment

Pursuant to the Resolution on environment protection requirements for the purposes of composing geological research project issued by the Serbian Institute for Environment Protection on 31 December 2020, Siokovac exploration area is not located in the protected area and it is not part of ecological network of Republic of Serbia for which the procedure for protection has been performed or initiated.

Consequently, according to the respective Resolution, the following conditions for environment protection have to be met by the Company when performing exploration works:

1. If material that can serve as a good shelter for reptiles or other animals must be disposed of during the preparatory and exploratory works, the disposal time must be shortened as much as possible and their safe return to nature must be ensured. Catching and/or killing them is prohibited;
2. If it is necessary to cut down trees during the conduction of exploratory and preparatory works, it is obligatory to obtain a remittance from the competent public authority – JP "Srbijašume". At the same time, it is also necessary to take care not to cut down trees of larger dimensions;
3. During the conduction of exploration works, the following protection measures must be observed:
    - it is forbidden to perform activities that can lead to the invasion and spread of invasive species from the environment; and
    - Take measures to ensure the prevention, ie reduction, control and rehabilitation of all forms of pollution;
4. The works must be performed at a distance of at least 300 m from individual trees, poles, or objects on which nests of birds of prey with a diameter of 50 cm and bigger can be seen, in the nesting period from March 15 to July 15;
5. Removal of trees with bird nests and natural nesting holes is not allowed. If the works are planned in the immediate proximity of the birds' nest, they should be carried out only when the nests are not active, i.e., when there are no eggs or young birds in the nest;
6. If, during the removal of high vegetation, an active bird nest with a laying or young birds is encountered, it is necessary to suspend the works and inform the Institute for Nature Protection of Serbia;
7. If material that can serve as a good shelter for reptiles or other animals must be disposed of during the preparatory and exploratory works, the disposal time must be shortened as much as possible and their safe return to nature must be ensured. Catching and/or killing them is prohibited;
8. During the conduction of exploration works, the level of noise, vibration and air pollution must not exceed the limit values for the working environment;
9. It is forbidden to perform any works in watercourses, which can lead to turbidity of watercourses for more than 5 days in a row;
10. Do not plan and perform works in the immediate and narrow zone of water supply sources or sources for other purposes;

11. During geophysical exploration, do not release an excessive amount of electricity into the ground;
12. Provide and deposit the amount of water needed for exploratory drilling in appropriate containers or pools. The pools should be constructed in such a way as to prevent water and/or mud from leaking and spilling over the surface of the terrain, in the soil and water;
13. The humus layer and the soil from the excavation for the pool should be deposited nearby, preserved, and used after competition of the works for the rehabilitation of the terrain;
14. During the exploratory drilling, it is necessary to note the occurrence of groundwater;
15. After the completion of drilling as soon as possible, to perform mapping sampling for laboratory tests;
16. Free discharge of water/mud into the land or existing water surfaces is prohibited, but it must be removed on site and under the conditions prescribed by the competent communal service;
17. During geoelectrical tests, do not release an excessive amount of electricity into the ground;
18. Do not plan and do not carry out exploration works at night in a forest complexes and near residential buildings;
19. For access to locations where exploration works are being carried out, envisage the use of the existing road network i.e., try to avoid the construction of new access roads;
20. Plan the amount of samples from natural shoots in accordance with applicable legislation;
21. After the completion of the exploration works, rehabilitate all surfaces that were used on any basis during the exploration works;
22. Provide for the obligation to collect municipal waste in appropriate containers and their regular evacuation; and
23. If during the works, geological or paleontological documents (fossils, minerals, crystals, etc.) are found that could represent a protected natural good, the finder is obliged to report to the Ministry of Environmental Protection and take measures to protect against destruction, damage or theft until arrival of authorized person.

Conditions for protection of cultural heritage

Pursuant to the Decision on conditions for undertaking technical protection measures for the purpose of geological exploration issued by Institute for Protection of Cultural Heritage of Kragujevac on 22 December 2020, it has been determined that there are 10 archaeological sites located in the Siokovac exploration area.

The Company shall be obliged to comply with the following technical protection measures while using the exploration area for protection of cultural monuments and areas:

1. At all archaeological locations, the presence of experts from the competent Institute for Protection of Cultural Heritage of Kragujevac is mandatory during the execution of all earthworks;
2. The costs of supervision on exploration works shall be borne by the Investor, i.e., by the Company;
3. The Company shall be obliged to inform the Institute for Protection of Cultural Heritage of Kragujevac 15 days before the commencement of planned works; and

4. The Company shall stop all exploration works and inform the Institute in case a non-evidenced archaeological location or archaeological objects from the past or movable material are discovered beneath the surface while performing exploration works.

6. Risk factors

Rekovac area

The Company is in the first extended exploration period of exploration works since it has obtained the Rekovac Decision on Extension.

No risks have been determined based on the provided documentation by the Company.

Decisions

As for the remaining four (4) Decisions, the Company is in an early stage since it has only recently obtained the Decisions and has not commenced any exploration works.

Once the Company commences exploration works, it shall be obliged to comply with all the requirements stipulated by the Law on Mining as summarised above.

7. Qualifications and assumptions

This is a high-level Report covering material legal issues affecting the Rekovac Decision, Rekovac Decision on Extension and the Decisions and does not purport to cover all possible issues which may affect the Rekovac Decision, Rekovac Decision on Extension and the Decisions. This Report is based on, and subject to, the following qualifications and assumptions (in addition to any assumptions expressed elsewhere in this Report):

(a) we have relied upon information provided by Company, being accurate, current and complete as at the date of its receipt by us;

(b) statements made in respect of the standing of the Rekovac Decision, Rekovac Decision on Extension and the Decisions are based only on the information contained in the relevant documents provided by the Company; and

(c) as far as we are aware, there have been no material changes in the standing of the Rekovac Decision, Rekovac Decision on Extension and the Decisions since the date of this Report.

8. Conclusion

JPM Jankovic Popovic Mitic has prepared this Report for the purposes of the Prospectus only, and for the benefit of the Client, the directors of the Client in connection with the issue of the Prospectus and users of the Prospectus, and the Report is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

We consider that the information contained within this Report provides an accurate statement as to the status of the Rekovac Decision, Rekovac Decision on Extension and the Decisions as at 24 May 2021.

JPM Jankovic Popovic Mitic consents to the inclusion of this Report in the Prospectus in the form and context in which it appears and has not withdrawn its consent as at the date of lodgement of the Prospectus with the ASIC.

Yours sincerely

JPM Jankovic Popovic Mitic

Schedule 1 – Overview of the Decisions

No.	Competent Authority	Decision Number	Date of Issue	Date Exploration Permitted From	Expiry	Exploration Area Number with its Surface Area	The location of the Exploration Area
1	Ministry of Mining and Energy	310-02-01852/2016-02	27 February 2017 Date of Extension of the Decision is 19 May 2020	First exploration period starting from 28 April 2017 First extended exploration period starting from 05 November 2020	05 November 2023	no. 2224 with the surface area of 75,42 square kilometres	area of Rekovac on the territory of Rekovac
2	Ministry of Mining and Energy	310-02-836/2019-02	01 March 2021	18 March 2021	18 March 2024	no. 2429 with the surface area of 99,36 square kilometres	area of Ursule on the territory of Rekovac
3	Ministry of Mining and Energy	310-02-1922/2019-02	01 March 2021	22 March 2021	22 March 2024	no. 2427 with the surface area of 25,96 square kilometres	area of Pranjani on the territory of Gornji Milanovac
4	Ministry of Mining and Energy	310-02-1923/2019-02	01 March 2021	22 March 2021	22 March 2024	no. 2428 with the surface area of 37,58 square kilometres	area of Dobrinje on the territory of Požega
5	Ministry of Mining and Energy	310-02-837/2019-02	01 March 2021	22 March 2021	22 March 2024	no. 2430 with the surface area of 98,54 square kilometres	area of Siokovac on the territory of Jagodina

ANNEXURE C

INDEPENDENT LIMITED ASSURANCE REPORT

PKF Perth

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24 May 2021

The Board of Directors
Balkan Mining and Minerals Limited
311-313 Hay Street
SUBIACO WA 6008

Dear Directors,

INVESTIGATING ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION AND PRO FORMA HISTORICAL STATEMENT OF FINANCIAL POSITION

INTRODUCTION

We have been engaged by Balkan Mining and Minerals Limited ("Balkan" or "the Company") to report on the historical financial information of the Company and pro forma historical consolidated statement of financial position of the Company for inclusion in Annexure C of the prospectus ("Prospectus") to be dated on or about 24 May 2021, and to be issued by Balkan in respect of its offer of 32,500,000 shares at an issue price of $0.20 per share to raise $6,500,000 before costs by way of an Initial Public Offering ("the Offer").

The Company, in conjunction with the Offer, has acquired all of the issued capital of Centralist Pty Ltd ("Centralist"). This transaction has been accounted for on a proforma basis for the purposes of this report.

Expressions and terms defined in the Prospectus have the same meaning in this Report.

This Report has been prepared to provide information and a conclusion on the historical results of Centralist for the years ended 30 June 2019 and 30 June 2020, and 6 months ended 31 December 2020 and on pro forma financial information as at 31 December 2020. The Company results are also presented from the date of incorporation to 31 December 2020. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than for which it was prepared.

SCOPE OF REPORT

You have requested PKF Perth to perform a limited assurance engagement in relation to the historical and pro forma historical information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested PKF Perth to review the following historical financial information (together the 'Historical Financial Information') of the Company included in Section 6 of the Prospectus;

- the historical Statement of Profit or Loss and Other Comprehensive Income for the Company for the period 18 December 2020 (date of incorporation) to 31 December 2020;

- the historical Statement of Profit or Loss and Other Comprehensive Income for Centralist on a consolidated basis for the half year ended 31 December 2020 and the financial years ended 30 June 2020 and 30 June 2019;
- the historical Statement of Financial Position of the Company as at 31 December 2020;
- the historical Statement of Financial Position of Centralist on a consolidated basis as at 31 December 2020, 30 June 2020 and 30 June 2019;
- the historical Statements of Cash Flows for the Company for the period 18 December 2020 to 31 December 2020; and
- the historical Statements of Cash Flows for the Centralist on a consolidated basis for the half year ended 31 December 2020 and the financial years ended 30 June 2020 and 30 June 2019.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

The Historical Financial Information has been extracted from the financial reports of Centralist for the years ended 30 June 2019 and 30 June 2020 (audited), and 6 months ended 31 December 2020 (reviewed), by Grant Thornton Audit Pty Ltd ("Grant Thornton") in accordance with Australian Auditing Standards. Grant Thornton issued unqualified audit opinion for 30 June 2020 and unqualified review opinion for 31 December 2020 with a material uncertainty surrounding the ability of the entity to continue as a going concern for both year and half-year. The 30 June 2019 audit opinion includes a qualification with regards to the 2018 cash flow statement as a consequence of the 2017 financial report being unaudited. The qualification over the 2018 cash flow statement has no impact on the amounts reported as at 30 June 2019 or for the 2019 financial year. The 2019 audit report also included a material uncertainty surrounding the ability of the entity to continue as a going concern.

Pro Forma Historical Financial Information

You have requested PKF Perth to review the following pro forma historical financial information (the 'Pro Forma Historical Financial Information') of the Company and Centralist ("Group") included in Section 6.7 of the Prospectus:

- The pro forma historical Consolidated Statement of Financial Position as at 31 December 2020.

The Pro Forma Historical Financial Information has been derived from the historical financial information of the Group as at 31 December 2020 after adjusting for the effects of the subsequent events described below and the pro forma adjustments detailed in Section 6.8.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Section 6.8, as if those event(s) or transaction(s) had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by the Group to illustrate the impact of the events or transactions described in Section 6.8 on the Group's financial position as at 31 December 2020. As part of this process, information about the Group's financial position has been extracted by the Group from the Group's financial statements for the period ended 31 December 2020.

DIRECTORS' RESPONSIBILITY

The directors of the Group are responsible for the preparation and presentation of the Historical Financial Information and the Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

OUR RESPONSIBILITY

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Australian Standard on Assurance Engagement (ASAE) 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

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

Our engagement did not involve updating or re-issuing any previously issued audit report or limited assurance reports on any financial information used as a source of the financial information.

CONCLUSIONS

Historical Financial Information
Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in this Report, and comprising:

- the historical Statement of Profit or Loss and Other Comprehensive Income and Statement of Cashflows for the period 18 December 2020 (date of incorporation) to 31 December 2020 for Balkan;
- The audited historical Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Statement of Cashflows for the years ended 30 June 2019 and 30 June 2020, and reviewed historical Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Statement of Cashflows for the periods ended 31 December 2020 for Centralist;
- the historical Statement of Financial Position of the Company as at 31 December 2020 for Balkan; and

- The audited historical Consolidated Statement of Financial Position as at 30 June 2019 and 30 June 2020, and reviewed historical Consolidated Statement of Financial Position as at 31 December 2020 for Centralist.

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 6.3.

Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in this Report, and comprising:

- The pro forma historical Consolidated Statement of Financial Position of the Group as at 31 December 2020;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 6.3.

SUBSEQUENT EVENTS

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the directors, to the best of our knowledge and belief no other material transaction or events outside the ordinary business of the Company, not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

ASSUMPTIONS ADOPTED IN COMPILING THE PRO-FORMA STATEMENT OF FINANCIAL POSITION

The pro forma historical Statement of Financial Position as described in Section 6.7 has been prepared based on the financial statements of the Group as at 31 December 2020, the subsequent events set out above, and the pro forma adjustments detailed at Section 6.8.

INDEPENDENCE OR DISCLOSURE OF INTEREST

PKF Perth does not have any interest in the outcome of this Offer, other than in connection with the preparation of this Report for which normal professional fees will be received. PKF Perth is the auditor of the Company, for which normal professional fees are received.

DISCLOSURES

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

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RESTRICTION ON USE

Without modifying our conclusions, we draw attention to the purpose of the financial information which is for inclusion in the Prospectus. As a result the financial information may not be suitable for use for another purpose.

CONSENT

PKF Perth consents to the inclusion of this Report in the Prospectus in the form and context in which it is included. This consent has not been withdrawn as at the date of the Prospectus. However, PKF Perth were not involved in the preparation of any other part of the Prospectus, and accordingly, make no representation regarding, and takes no responsibility for, any other statements or material in or omissions in the Prospectus.

Yours faithfully

PKF Perth

PKF PERTH

SIMON FERMANIS
AUDIT PARTNER

24 MAY 2021

APPLICATION FORM

BALKAN MINING AND MINERALS LIMITED
ACN 646 716 681

Share Registrars use only	Broker/Dealer stamp only

Public Offer Application Form

This is an Application Form for Shares in Balkan Mining and Minerals Limited (**Company**) and relates to the offer to the public of 32,500,000 Shares at an issue price of $0.20 per Share to raise $6,500,000 (**Public Offer**). The Public Offer is scheduled to close at 5:00pm (WST) on 29 June 2021 (**Closing Date**) unless extended, closed early or withdrawn. Applications must be received before that time to be valid. A person who gives another person access to this Application Form must at the same time give the other person access to the Prospectus and any additional supplementary prospectuses (if applicable).

The Prospectus contains important information relevant to your decision to invest and you should read the entire Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser.

1 Number of Shares you are applying for

, ,

2 Total amount payable (multiply box 1 by $0.20 per share)

A$, , .

Applications for Shares must be a minimum of $2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of $500 worth of Shares (2,500 Shares).

3 Write the name(s) you wish to register the Shares in (see reverse for instructions)

Name of Applicant 1

Name of Applicant 2 or <Account Designation>

Name of Applicant 3 or <Account Designation>

4 Write your postal address here – to be registered against your holding

Number/Street

Suburb/Town | State | Postcode

5 CHESS Participants only – Holder Identification Number (HIN)

X

Note: *if the name and address details in sections 3 & 4 above do not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.*

6 **EMAIL ADDRESS** (*see reverse of form – this is for all communications legally permissible and despatched by the Company*)

7 **TFN/ABN/EXEMPTION CODE**

Applicant 1 | Applicant #2 | Applicant #3

If NOT an individual TFN/ABN, please note the type in the box
C = Company; P = Partnership; T = Trust; S = Super Fund

8 **PAYMENT DETAILS**

You may elect to pay your Application Monies via either BPAY®or cheque (further details overleaf). Please indicate which payment option you have chosen by marking the relevant box below.

Cheques must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "**BALKAN MINING AND MINERALS LIMITED – IPO ACCT**" crossed "**NOT NEGOTIABLE**" and forwarded to Advanced Share Registry to arrive no later than the Closing Date.

		Drawer	Bank	Branch	Amount
☐	**Payment By Cheque:** Please enter cheque, bank draft or money order details				$
OR					
☐	**Payment by BPAY® (if selected, your Application Form does not need to be completed and returned):** To pay via BPAY® please complete the online form available at www.advancedshare.com.au/IPO-Offers and payment details will then be emailed to your nominated email address.				

9 **CONTACT DETAILS**

Please use details where we can contact you between the hours of 9:00am and 5:00pm should we need to speak to you about your application.

Telephone Number ( ) | Contact Name (PRINT)

10 **DECLARATION AND STATEMENTS**

By lodging this Application Form:

- I/We declare that I/we have received a copy of the Prospectus dated 25 May 2021 issued by the Company and that I/we are eligible to participate in the Offer.
- I/We declare that all details and statements made by me/us are complete and accurate.
- I/We agree to be bound by the terms and conditions set out in the Prospectus and by the Constitution of the Company.
- I/We acknowledge that the Company will send me/us a paper copy of the Prospectus free of charge if I/we request so during the currency of the Prospectus.
- I/we authorise the Company to complete and execute any documentation necessary to effect the issue of Shares to me/us; and
- I/We acknowledge that returning this Application Form with the application monies will constitute my/our offer to subscribe for Shares in the Company and that no notice of acceptance of this Application will be provided.

INSTRUCTIONS FOR COMPLETION OF THIS APPLICATION FORM

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM

Please complete all relevant sections of this Application Form using BLOCK LETTERS.

The below instructions are cross-referenced to each section of the Application Form.

1 Number of Shares

Insert the number of Shares you wish to apply for in section 1. Your application must be a minimum of $2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of $500 worth of Shares (2,500 Shares).

2 Payment Amount

Enter into section 2 the total amount payable. Multiply the number of Shares applied for by $0.20 – the application price per Share.

3 Name(s) in which the Shares are to be registered

Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person.

CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Trust
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample < Food Help Club A/C>	Food Help Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

4 Postal Address

Enter into section 4 the postal address to be used for all written correspondence. Only one address can be recorded against a holding. With exception to annual reports, all communications to you from the Company will be mailed to the person(s) and address shown. Annual reports will be made available online when they are released. Should you wish to receive a hard copy of the annual report you must notify the Share Registry. You can notify any change to your communication preferences by visiting the registry website – www.advancedshare.com.au

5 CHESS Holders

If you are sponsored by a stockbroker or other participant and you wish to have your allocation directed into your HIN, please complete the details in section 5.

6 Email Address

The Company's annual report and company information will be available at www.balkanmin.com. You may elect to receive all communications despatched by Balkan Mining and Minerals Limited electronically (where legally permissible) such as a notice of meeting, proxy form and annual report via email.

7 TFN/ABN/Exemption

If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details in section 7. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application.

8 PAYMENT DETAILS

By making your payment, you confirm that you agree to all of the terms and conditions of the Offer as outlined on this Application Form and within the Prospectus.

Payment by Cheque

If Paying by Cheque, your cheque should be made payable to "**BALKAN MINING AND MINERALS LIMITED – IPO ACCT**" in Australian currency, crossed "**NOT NEGOTIABLE**" and drawn on an Australian branch of a financial institution. Please complete your cheque with the details overleaf and ensure that you submit the correct amount as incorrect payments may result in your Application being rejected.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Application Form. Cash will not be accepted. A receipt for payment will not be forwarded.

If the amount you pay is insufficient to pay for the number of Shares you apply for, you will be taken to have applied for such lower number of Shares as that amount will pay for, or your Application will be rejected.

Payment by BPAY®

If paying by BPAY, please complete the online form available at www.advancedshare.com.au/IPO-Offers and payment details will then be emailed to your nominated email address.

9 Contact Details

Please enter contact details where we may reach you between the hours of 9:00am and 5:00pm should we need to speak to you about your Application Form.

10 Declaration

Before completing the Application Form the Applicant(s) should read the Prospectus in full. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares in the Company upon and subject to the terms of the Prospectus agrees to take any number of Shares equal to or less than the number of Shares indicated in Section 1 that may be issued to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign this Application Form.

HOW TO LODGE YOUR APPLICATION FORM

Mail or deliver your completed Application Form with your cheque to the following address.

Mailing Address
Balkan Mining and Minerals Limited
C/- Advanced Share Registry Limited
PO Box 1156
NEDLANDS WA 6909

Hand Delivery
Balkan Mining and Minerals Limited
C/- Advanced Share Registry Limited
110 Stirling Highway
NEDLANDS WA 6009