



**Balkan**  
Mining and Minerals Limited

## ASX ANNOUNCEMENT

7 February 2022

### BMM TO EXPAND ITS BALKAN PORTFOLIO

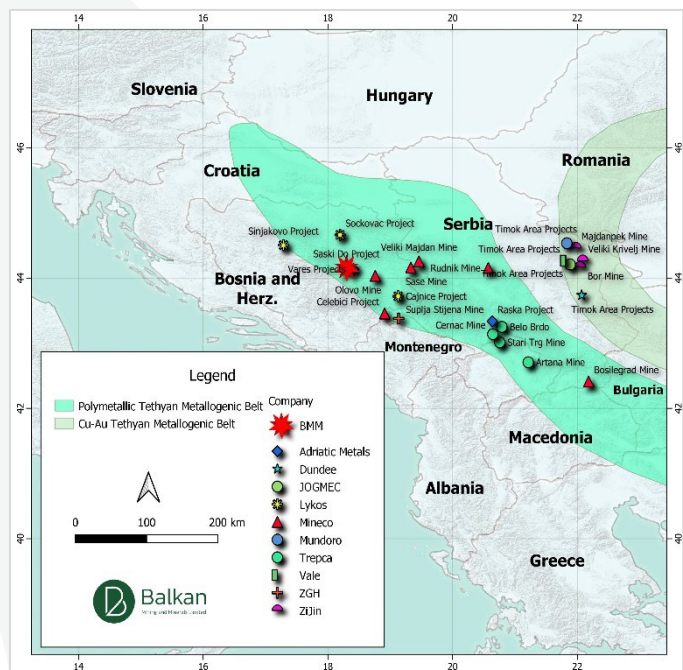
#### HIGHLIGHTS

- BMM has entered into a conditional agreement to acquire Sandfire's Bosnian and Herzegovinian exploration concession application over the prospective Triassic sedimentary sequence proximal to historic mining operations (the **Saski do Application**).
- The Saski do Application lies adjacent to Adriatic Metals Plc's Semizova Ponikva concession (Vares project) and covers the same lithological and structural setting as Adriatic's Rupice and Veovaca deposits<sup>1</sup>.
- The Saski do Application is located within the prolific Tethyan metallogenic belt and is considered to be prospective for base and EV related mineralisation.
- Acquisition price of \$250,000 is payable in 641,503 BMM shares at \$0.38971 per share (based on the recent 5 day VWAP).

**Balkan Mining and Minerals Ltd (BMM or the Company) (ASX: BMM)** is pleased to announce that it has entered into an agreement to acquire Sandfire Resources Limited's (ASX: SFR) (**Sandfire, Vendor**) "Saski do" exploration permit application in Bosnia and Herzegovina. The acquisition strategically expands the Company's Balkan portfolio of critical green metal assets to service the battery technology, high growth electronics sectors.

The Saski do Application is located in the Vares municipality of the Zenica-Doboj Canton (approx. 30 km north of Sarajevo) in Bosnia and Herzegovina with part of the Project's northern boundary lying adjacent to Adriatic Metals Plc's Vares project (Semizova Ponikva).

The Saski do Application covers an area of 1.28km<sup>2</sup> of the highly prospective polymetallic Tethyan Metallogenic Belt and is considered prospective for base and precious green metals. The Tethyan belt is a host to a number of Tier-1 deposits, attracting significant investment from mining entities such as Vale, Dundee Precious Metals, Zijin Mining, Mineco, Mundoro, and Fortuna Silver.



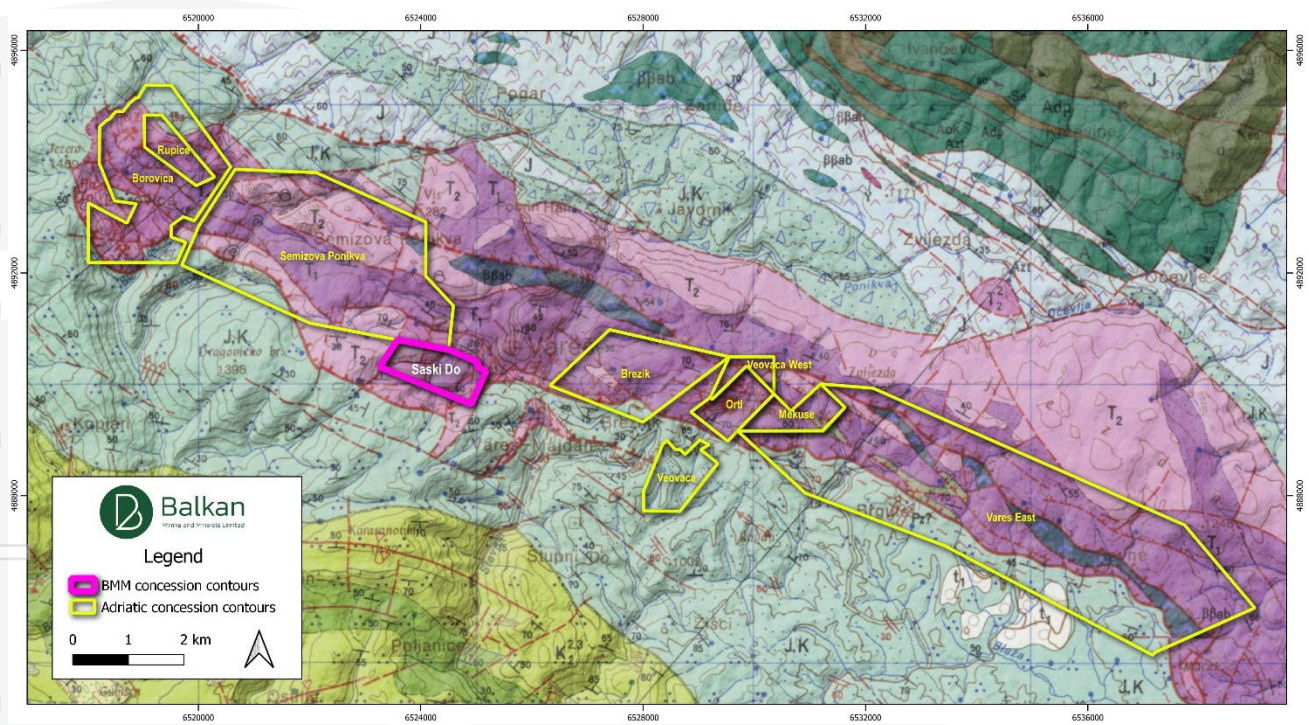
<sup>1</sup> Refer to <https://www.adriaticmetals.com/downloads/corporate-presentations/vares-project-geology-presentation-2021-v1.1.pdf>

The Saski do Application's northern boundary is adjacent to the historic Smreka iron ore open cut mine. According to the historic data Ag, Zn, Pb, BaSO<sub>4</sub> and Au massive sulphide occurrences had been identified in the vicinity of the Smreka iron ore deposit hosted in a dark grey Triassic sediments.

**Project Geology**

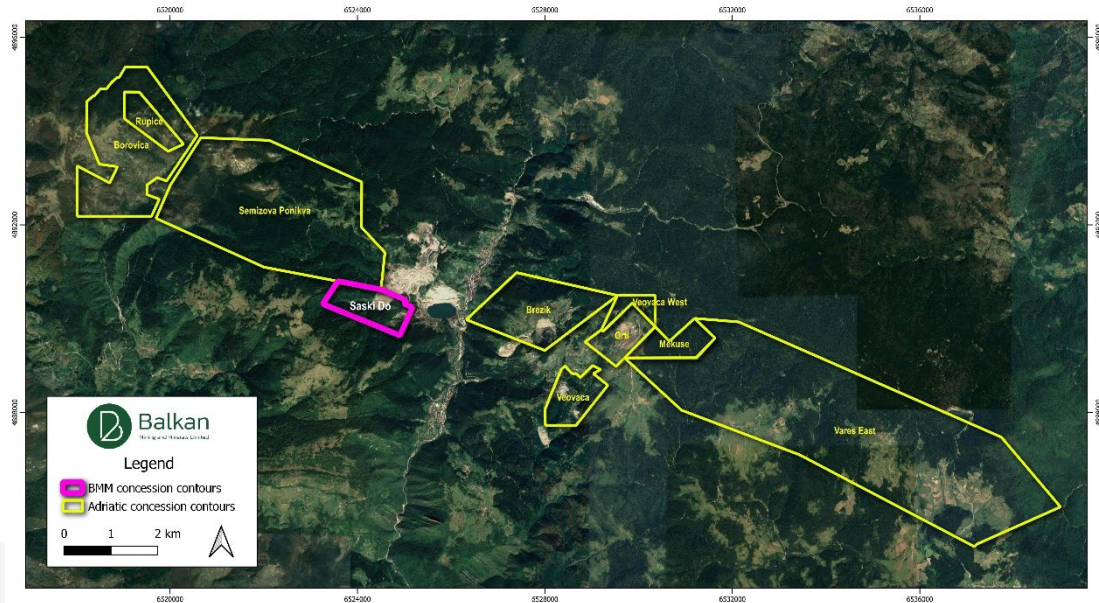
The Saski do Application is located in the highly prospective polymetallic Tethyan Metallogenic Belt and regionally belongs to Borovica – Vareš - Čevljanovici Metallogenic zone, an emerging polymetallic district.

Massive sulphide Ag, Zn, Pb, BaSO<sub>4</sub>, Au and Cu mineralisation hosted by Triassic stratiform brecciated dolomite and carbonate sediments. The ore deposits of these formations belong to the sedimentary exhalative type (SEDEX) and formed as a result of the advanced rifting stage. Rift magmatism hereby produced spilites, basalts, keratophyres and diabbases, interlayered with Ladinian sedimentary rocks.



**Figure 1 – Saski Do application location over geology map**

Massive sulphide occurs in the upper part of Lower Triassic sediments (T<sub>1</sub>) and relate to the Middle Triassic volcanism, which overlays the mineralisation. The perspective layers with mineralisation are wrapped by Middle Triassic limestones (T<sub>2</sub>) and Jurassic diabase – spilite – chert formation. The footwall of mineralised sequences is strongly pyritized Upper Palaeozoic metasediments.



**Figure 2 – Saski Do application location over satellite image**

### Exploration methodology

Surface sampling and geochemistry methods using pathfinder elements are helpful in identifying indicative prospective alteration system to outline target sediments that may host potential mineralisation. Additionally, detail gravity is used to identify high density zones and IP geophysical responses are associated with massive sulphide mineralisation and associated alteration.

### Transaction Terms

Pursuant to the Sale and Purchase Agreement entered into with Sandfire, BMM has conditionally agreed to acquire 100% of the issued shares of EMEA (BIH) Pty Ltd (a wholly owned subsidiary of Sandfire) ("EMEA"). EMEA holds all of the issued shares in Triassic Resources d.o.o (Bosnian and Herzegovinian subsidiary company), which in turn owns the Sasaki do Application and all technical information relating to the Project.

In consideration for the acquisition, BMM has agreed to issue Sandfire \$250,000 worth of fully paid ordinary shares in the capital of BMM, with the shares issued at a price per share of \$0.38971, equating to 641,503 fully paid shares (share price is equal to the recent 5 day VWAP of BMM shares).

Sandfire currently holds an interest of approximately 21.72% in BMM. Assuming, all conditions precedent to the acquisition are satisfied and completion occurs, Sandfire's interest in the Company would increase to 22.79%. BMM confirms that the consideration shares will be issued under the Company's existing Listing Rule 7.1 placement capacity. Shareholder approval is not required (including for the purposes of Chapter 6 of the Corporations Act).



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The Parties are only obliged to complete the transaction if the following conditions precedent are satisfied or waived by the respective party before 31 March 2022:

- the granting of the Saski do mining concession pursuant to the Saski do Application; and
- receipt of all approvals required for the transaction contemplated by the agreement to proceed (including all approvals required from any Government Agency in Australia or Bosnia and Herzegovina in relation to the transactions contemplated by this agreement).

**Managing Director Ross Cotton, commented:**

"We are pleased to have strengthened our Balkan focussed portfolio with the addition of the Saski do Application in Bosnia and Herzegovina. The application lies within the highly prospective Tethyan belt which is home to a number of globally significant operators and projects.

The agreement is also significant to the Company from a collaborative perspective with our major shareholder, Sandfire Resources, acting as vendor. The working relationship between the two companies has been further strengthened and we look forward to continuing to build on these solid foundations into the future."

***For further information please contact:***

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**Authorised for release by the Board of Balkan Mining and Minerals Limited**

**-ENDS-**

**ABOUT BALKAN MINING AND MINERALS**

Balkan Mining and Minerals is an ASX listed company focused on the early-stage exploration through to the development of borate and associated lithium in the Balkans. The Company's Projects comprise the Rekovac, Dobrinja and Pranjani Lithium-Borate Projects which are located within the Republic of Serbia.

**Competent Person Statement**

The information in this report that relates to Exploration Targets or Exploration Results is based on information compiled by Mr Dejan Jovanovic, a Competent Person who is a Member of the European Federation of Geologist (EurGeol). The European Federation of Geologists is a Joint Ore Reserves Committee (JORC) Code 'Recognised Professional Organisation' (RPO). An RPO is an accredited organisation to which the Competent Person under JORC Code Reporting Standards must belong in order to report Exploration Results, Mineral Resources, or Ore Reserves through the ASX. Mr Jovanovic is the General Manager, Exploration and is a full-time employee of the Company. Mr Jovanovic has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr



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Jovanovic consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## Forward-looking Statements

Certain statements included in this release constitute forward-looking information. Statements regarding BMM's plans with respect to its mineral properties and programs are forward-looking statements. There can be no assurance that BMM's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that BMM will be able to confirm the presence of additional mineral resources, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of BMM's mineral properties. The performance of BMM may be influenced by a number of factors which are outside the control of the Company and its Directors, staff, and contractors.

These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of exploration sample, mapping and drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves and resources, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the company's prospects, properties and business strategy.

There is continuing uncertainty as to the full impact of COVID-19 on BMM's business, the Australian economy, share markets and the economies in which BMM conducts business. Given the high degree of uncertainty surrounding the extent and duration of the COVID-19 pandemic, it is not currently possible to assess the full impact of COVID-19 on BMM's business or the price of BMM securities.

Except for statutory liability which cannot be excluded, each of BMM, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in these forward-looking statements and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in forward-looking statements or any error or omission. BMM undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events other than required by the Corporations Act and ASX Listing Rules. Accordingly, you should not place undue reliance on any forward-looking statement.