



Balkan
Mining and Minerals Limited

Quarterly Activities Report December 2022

Lithium portfolio continues to grow in Canada by consolidating land interests in Ontario to a total ~79kms² and securing new prospects in Quebec covering ~22km². Balkan Mining is poised for growth during 2023 with exploration programs planned across the entire portfolio. Key strategic and operational milestones were achieved during the period, outlined below.

HIGHLIGHTS

- Highly experienced mining executive Karl Simich agreed to join the Board as a Director, tasked with a particular focus on strategy, corporate development and growth.
- Two projects, Corvette North and Corvette Northwest, covering ~22km² and situated in the emerging lithium district of James Bay in Quebec, were staked by the Company.
- The Gorge lithium project (situated in the Georgia Lake Area, Ontario) returned high-grade lithium assays from channel samples taken at the Koshman and Nelson pegmatite showings, including 1.8m @ 3.75% Li₂O confirming the significant potential of the project.
- 5 new additional claims totalling ~22km² were included into the Gorge lithium Project area. The new claims increased the Gorge Project land size to ~43.0km².
- Balkan Mining secured an exclusive option to acquire 100% of the Tango Lithium Project located in the Georgia Lake Area, Ontario, covering ~9km².
- Initial mapping identified a new pegmatite field at Tango lithium Project.
- Heliborne geomagnetic survey completed over the Tango lithium project.
- The Arrel lithium project was acquired, covering a further ~27km² in the Georgia Lake lithium district, situated in between the Company's Gorge and Tango projects, further solidifying the Company's strong presence in the region.

Balkan Mining and Minerals, Managing Director, Ross Cotton commented:

"Our CY22 finished in a great way with the transformative acquisitions of Tango, Arrel, Corvette North and Northwest and the doubling of the Gorge land position to 43km². Additionally, with Karl Simich agreeing to join the board and taking an active role in the strategy and development of Balkan Mining and its assets is something that we believe will help to deliver significant value for shareholders in 2023 and beyond".



Balkan Mining and Minerals Ltd (ASX: BMM; "Balkan Mining" or "the Company") provides the Company's quarterly activities report for three months ending 31 December 2022 ("Quarter"). Following the diversification strategy via the strategic earn-in agreement on the Gorge Lithium exploration project located in the Georgia Lake Area, Thunder Bay North Mining District of Ontario, Canada (the "Gorge Lithium Project" or "Gorge Project"), Balkan Mining continued to solidify its interest in prospective projects across both Ontario, with Tango and Arrel and also Quebec, with Corvette North and Corvette Northwest. Field work carried out during the Quarter included mapping and sampling at Gorge and Tango, airborne geophysics at Tango and channel sampling at Gorge which returned Li₂O values reaching 1.8m @3.75% (see announcement 16 December 2022), following on from the sampling grades returned at 5.75% and 6.80% Li₂O during the September Quarter (see announcement 28 September 2022).

Highly experienced mining executive Mr Karl Simich agreed to join the Board as a Director, with a particular focus on strategy and development. Mr Simich's tenure will begin on the satisfactory completion of the resolutions to be considered at the Company's General Meeting of shareholders being held on Monday, February 13.

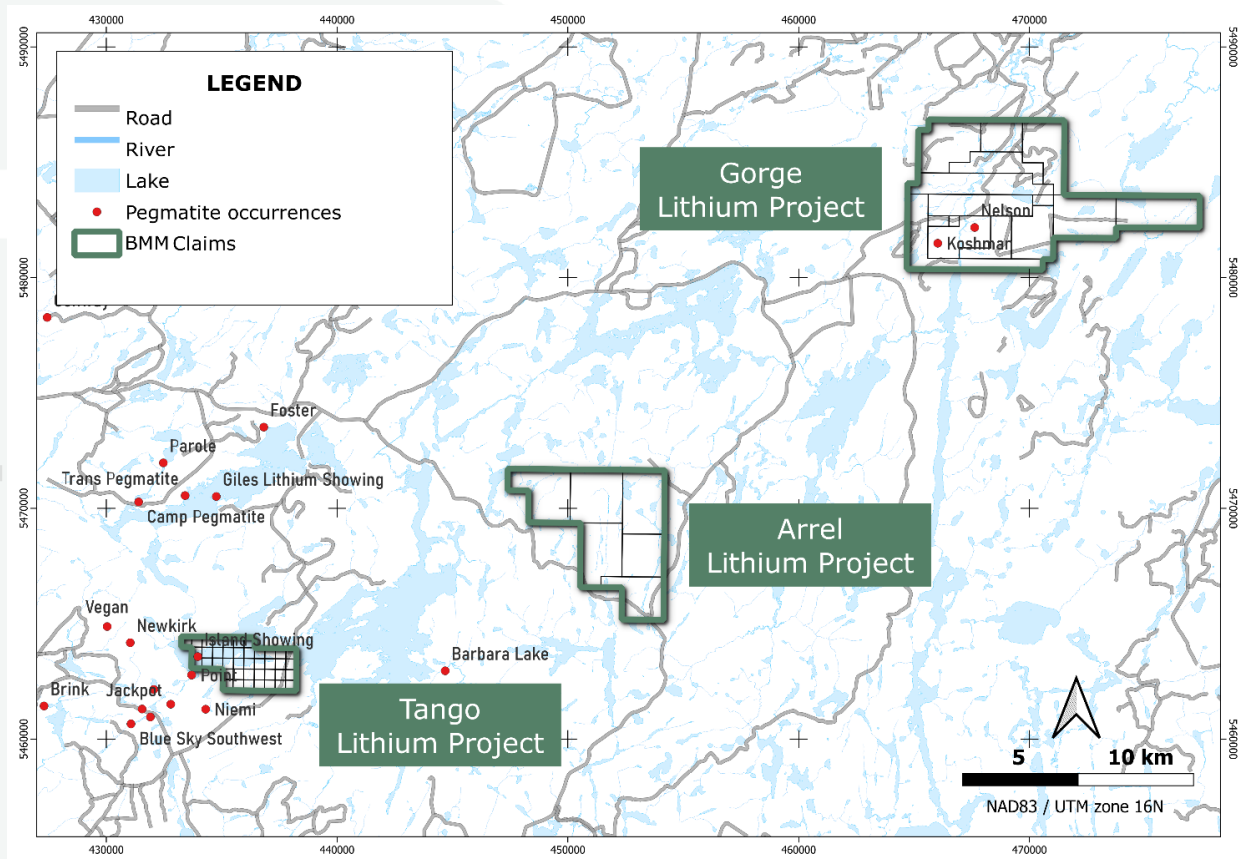


Figure 1 – Arrel, Gorge & Tango Projects Location Map



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ASX ANNOUNCEMENT

31 January 2023

Above shows the Company's Ontario lithium projects, and below the broader Thunder Bay mining district.

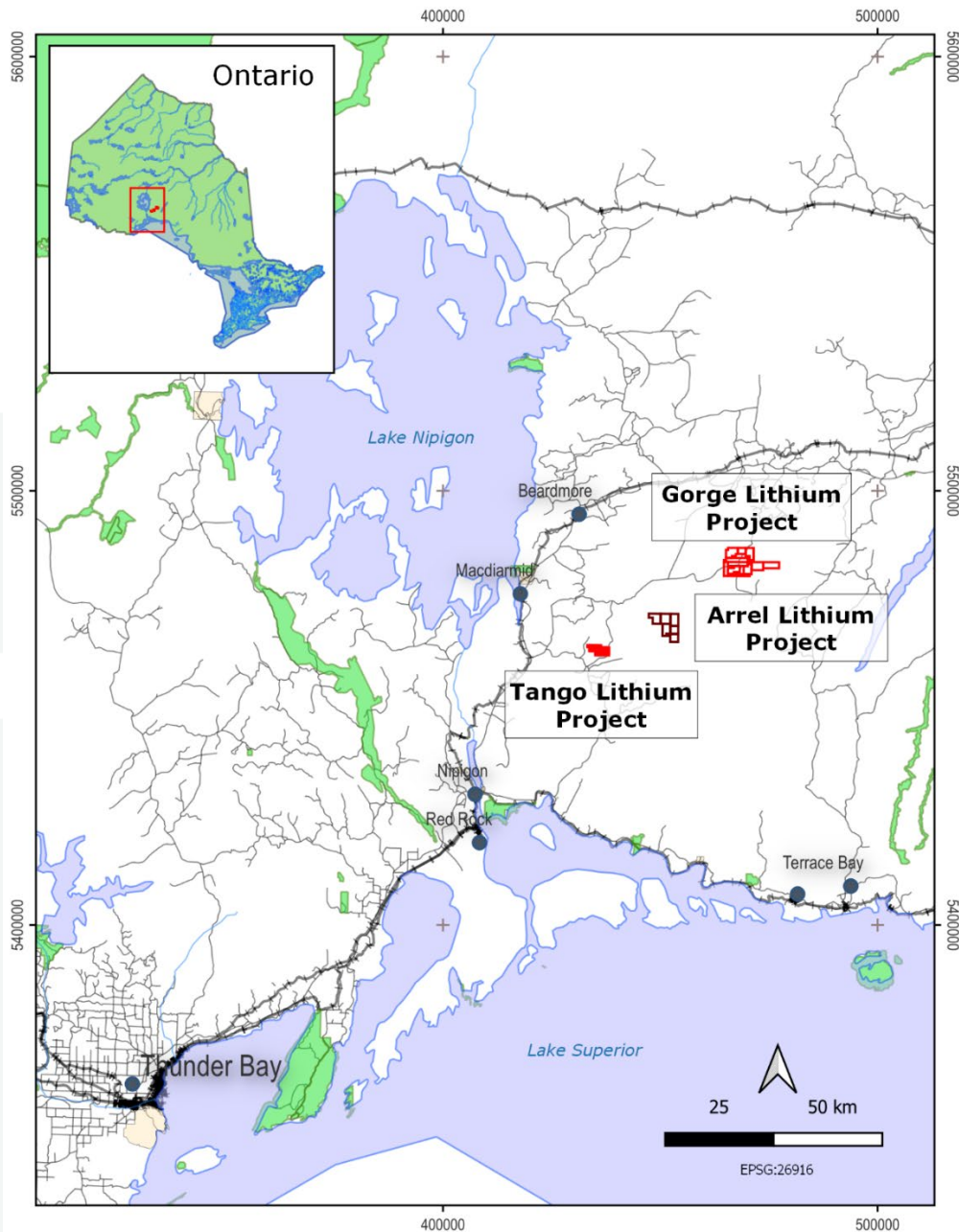


Figure 2 – Ontario Projects Location Map



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Corvette North and Corvette Northwest Lithium Projects (Quebec, 100%)

During the Quarter, Balkan Mining directly staked two projects, Corvette North and Corvette Northwest, in the emerging lithium district of James Bay in Quebec, Canada.

The two projects consist of 42 cells and cover approximately 22km² (Refer to Figures 3 and 4).

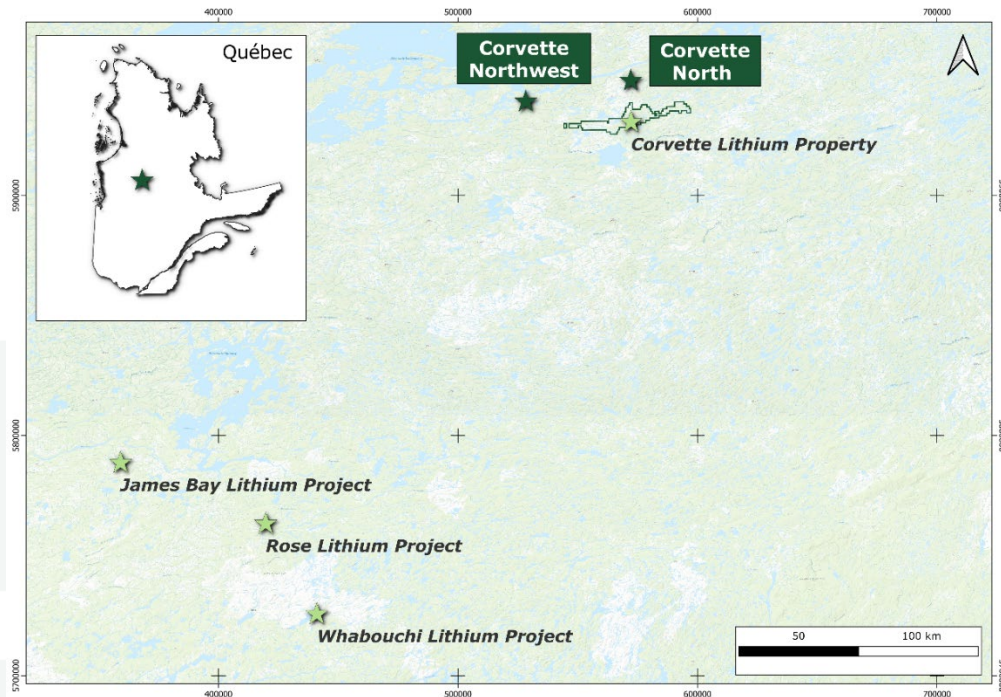


Figure 3 – Projects Location Map

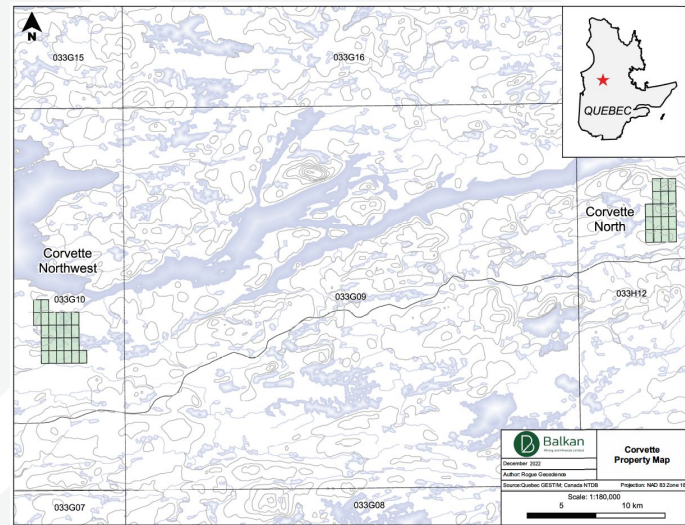


Figure 4 – Licence Location Map



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31 January 2023

Corvette North and Corvette Northwest are in the upper James Bay area with all weather road access. The ground was staked for nominal application costs.

The projects are proximal to notable existing James Bay Lithium Deposits, namely:

- James Bay – Probable Reserves 37.2Mt at 1.3% Li₂O¹
- Whabouchi – Proven & Probable Reserves – 27.9Mt at 1.33% Li₂O²
- Rose – Probable Reserve – 26.8 Mt at 0.85% Li₂O & 133ppm Ta₂O₅³
- Moblan – Proven & Probable Reserves – 10.7Mt at 1.40% Li₂O⁴
- Patriot Battery Metals Corvette Property (PMT.AX)

Gorge Lithium Project (Ontario, Option Earn-In to Acquire 100%)

A channel sampling program was completed at the Gorge Lithium Project testing lithium-bearing spodumene mineralisation. Previous sampling had identified high-grade spodumene-bearing pegmatite dykes⁵. In total, five channels were taken from Koshman totalling 14.01m (CH-001-22 to CH-005-22) and two from Nelson totalling 7.22m (CH-006-22 to CH-007-22) pegmatite dykes.

Assay result highlights are summarised in the following table, and full results are presented in Appendix A of the Company's announcement dated 16 December 2022.

| Channel ID | Pegmatite widths and grades |
|------------|------------------------------|
| CH-001-22 | 2.5m@0.52% Li ₂ O |
| including | 0.5m@1.68% Li ₂ O |
| CH-002-22 | 2.1m@1.23% Li ₂ O |
| including | 1.1m@2.20% Li ₂ O |
| CH-003-22 | 3.8m@0.25% Li ₂ O |
| including | 1.1m@0.61% Li ₂ O |
| CH-004-22 | 1.1m@0.61% Li ₂ O |
| including | 0.55m@0.85%Li ₂ O |
| Channel ID | Pegmatite widths and grades |
| CH-005-22 | 3.5m@0.14% Li ₂ O |
| including | 0.5m@0.27%Li ₂ O |
| CH-006-22 | 2.7m@0.87% Li ₂ O |
| including | 1.5m@1.30% Li ₂ O |
| CH-007-22 | 1.8m@3.75% Li ₂ O |

¹ Allkem Limited (ASX/TSX: AKE), "James Bay Lithium project Feasibility Study & Maiden Ore Reserve 21 December 2021

² Nemaska Lithium Inc, NI43-1010 Technical Report Aug 2019

³ Critical Elements Lithium Corp NI43 – 101 Technical Report Nov 29, 2017

⁴ Guo Ao Feasibility Study Report 2019

⁵ See Announcement dated 28 September 2022



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Mining and Minerals Limited

ASX ANNOUNCEMENT

31 January 2023

The most encouraging result for Balkan Mining from the channel sampling was 1.8m at 3.75% Li₂O from a single Nelson spodumene-bearing pegmatite dyke. The spodumene crystals are randomly oriented in a matrix of variably coarse-grained microcline and albite feldspars. It has been found that the dykes at Nelson pegmatite occurrences plunge to the southeast, as demonstrated in Figure 5.

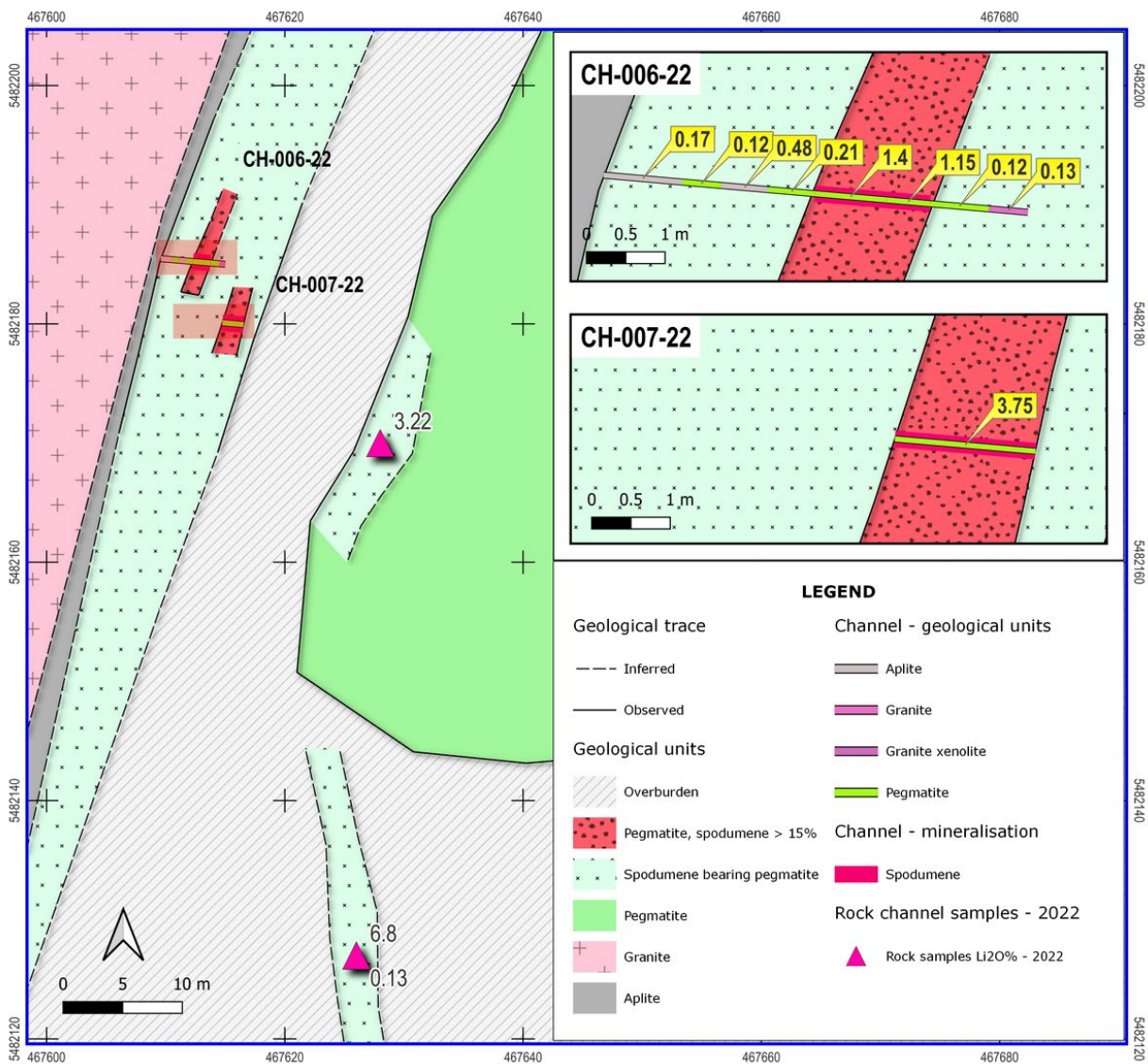


Figure 5 - Nelson pegmatite locations and channel samples

The best result from the Koshman channel sampling returned 2.1m of 1.23% Li₂O, including 1.1m @ 2.2% Li₂O. During the program at the Koshman area, the Company identified a new area of evolved surface pegmatite dyke and extended the historically known dykes.



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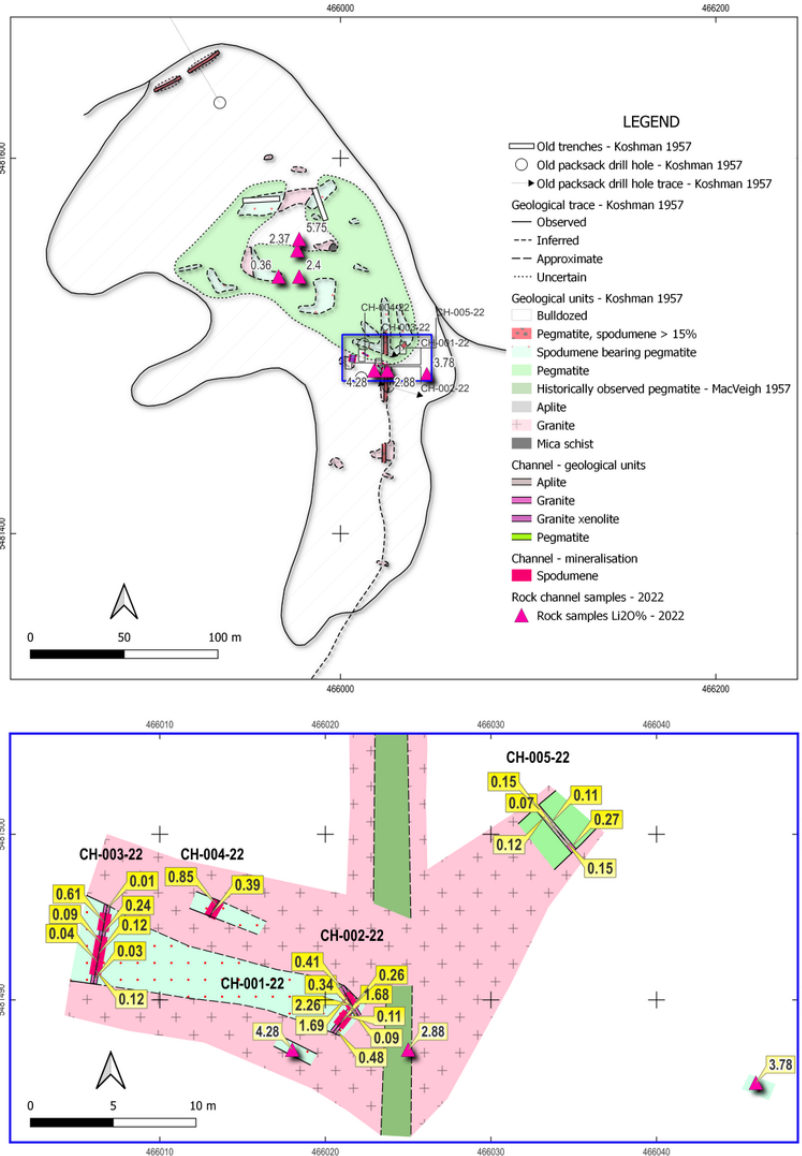


Figure 6 – Koshman pegmatite locations and channel samples

As the pegmatite at both Koshman and Nelson remains open along strike, the Company plans to conduct stripping and channel sampling to identify extensions to define drilling targets during 2023.

Gorge Lithium Project Expansion

Due to the encouraging results from the Gorge project, the Company and the Company’s partner, Ombabika Group Inc, secured an additional 5 new claims in the surrounding area to the Gorge Project in Ontario, Canada, increasing the Project earn-in area to approximately 43km², refer to Figure 7, below.



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ASX ANNOUNCEMENT

31 January 2023

The additional claims are positioned directly to the north and east of the existing Gorge Project area. While exploration is limited across these claims, the Company will continue to plan a larger and scalable exploration program during 2023.

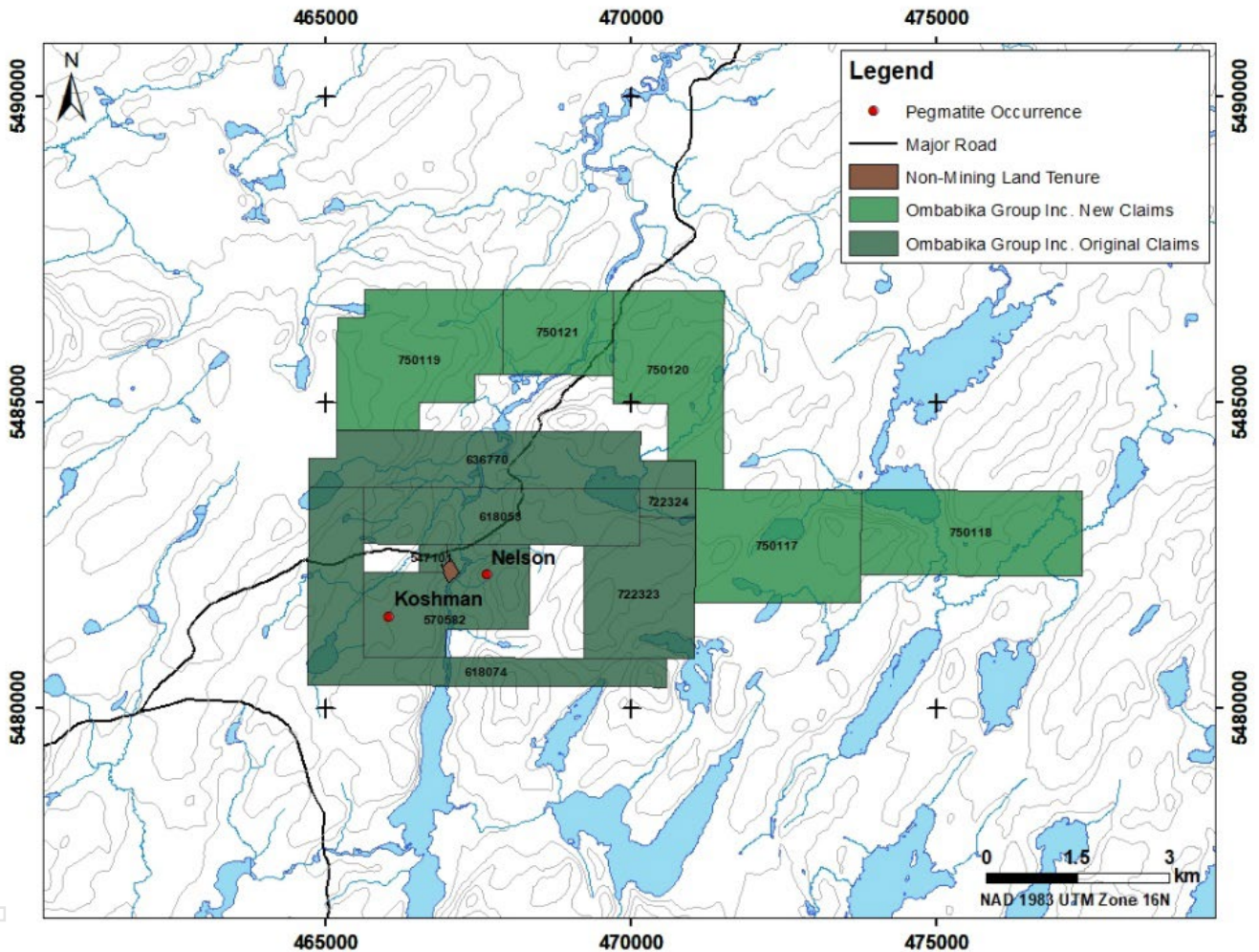


Figure 7: Gorge Project Location Map

Tango Lithium Project (Ontario, Option to Acquire 100%)

Balkan Mining entered into an exclusive option to acquire the 8.64km² Tango lithium project which covers known pegmatite occurrences within the highly prospective Georgia Lake pegmatite field. The transaction allowed the Company to expand its footprint in Ontario, specifically near the Company's Gorge project.



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Historical work was conducted by the Ontario Lithium Company. Sixty-six trench samples each weighing 2.0 kg were taken across 0.3m widths. These samples indicated an average grade of 1.2% Li₂O. A trench sample, described in the historic records as a bulk sample, weighed 213.2 kg and yielded 1.4% Li₂O. In the summer of 1957, 3 drill holes totalling 68.6 m were drilled. These drill holes showed that the pegmatite has a thickness of approximately 5.4m to 15.1m and that its lower surface strikes north-south and dips about 35°E.⁶

Weather did not permit access to this high priority target for the Company over the field program conducted during the Quarter. The Company plans to have follow-up work on this target commenced as soon as practicable during 2023.

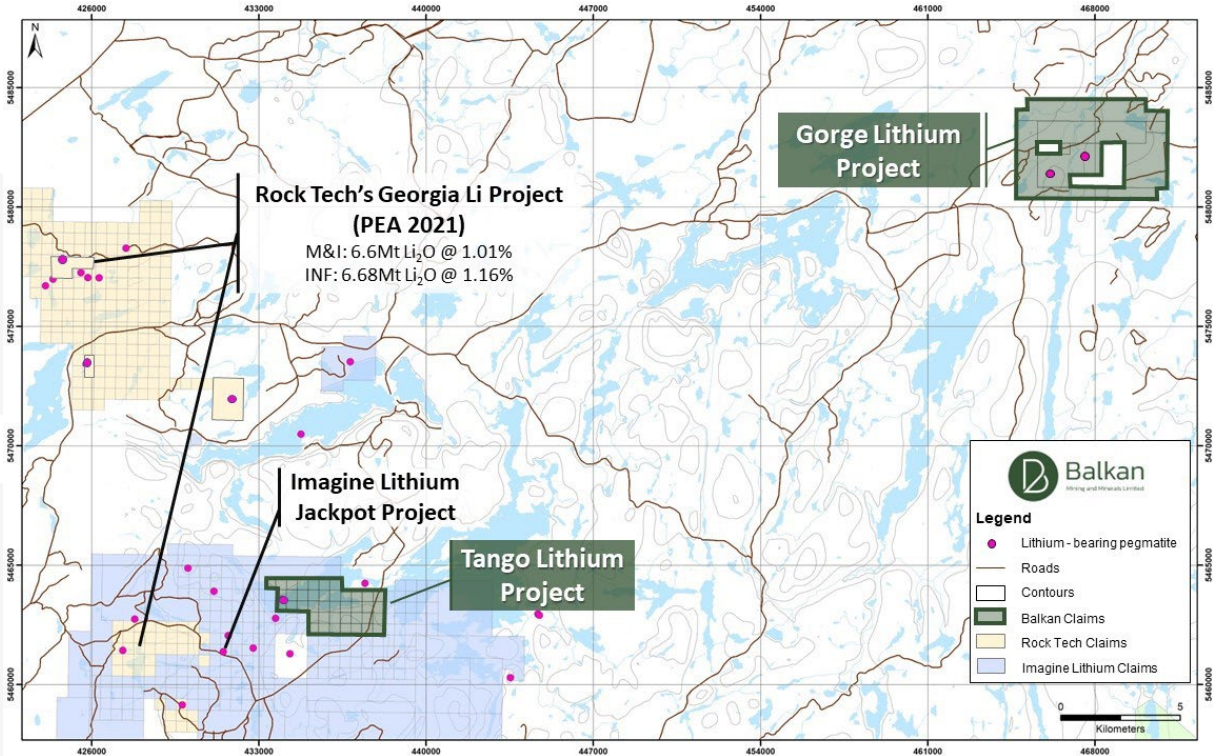


Figure 8 – Location of Gorge and Tango Projects in relation to other operating projects and prospects.

⁶ See Announcement dated 31 October 2022



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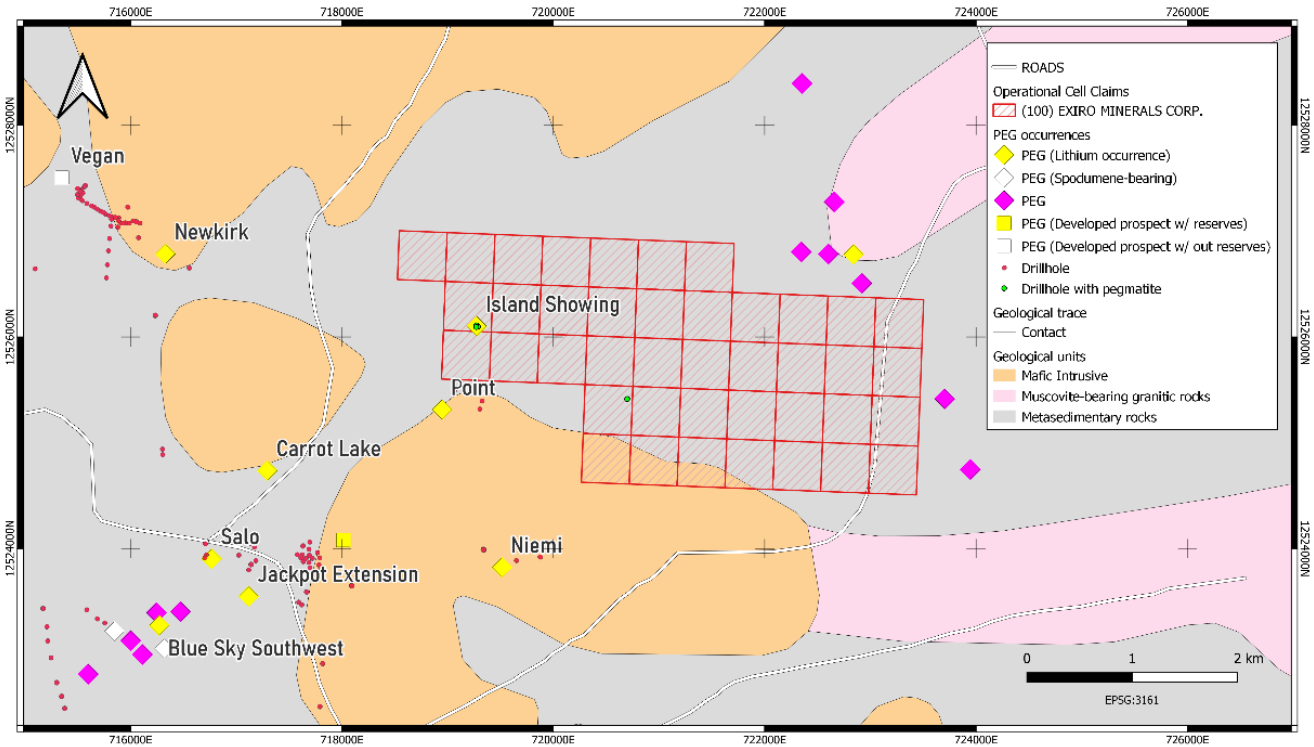


Figure 9 – Tango Lithium Project Geology Map

Additionally, Balkan Mining announced the discovery of a new pegmatite dyke field as part of the field exploration program carried out over the eastern portion of Tango project. In total 15 surface grab samples were collected from various locations and submitted to ALS Minerals for geochemical analyses, results of which are pending.⁷

One hundred outcrops, ranging from 1-10m² in size were discovered during fieldwork which resulted in the discovery of three new pegmatite dykes.

Subsequently, the Company completed a high-resolution heliborne magnetic survey conducted by Prospectair Geoservices from Gatineau, Québec and the data was processed by Dynamic Discover Geoscience from Ottawa, Ontario.

Interpretation of the survey identified structural features offsetting observed magnetic lineaments that caused abrupt interruption of the magnetic response. These features are typically caused by faults, fractures and shear zones and are considered by the Company to be favourable structures in the exploration context of the Tango project.⁸

⁷ See Announcement dated 8 November 2022

⁸ See Announcement dated 22 December 2022



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Mining and Minerals Limited

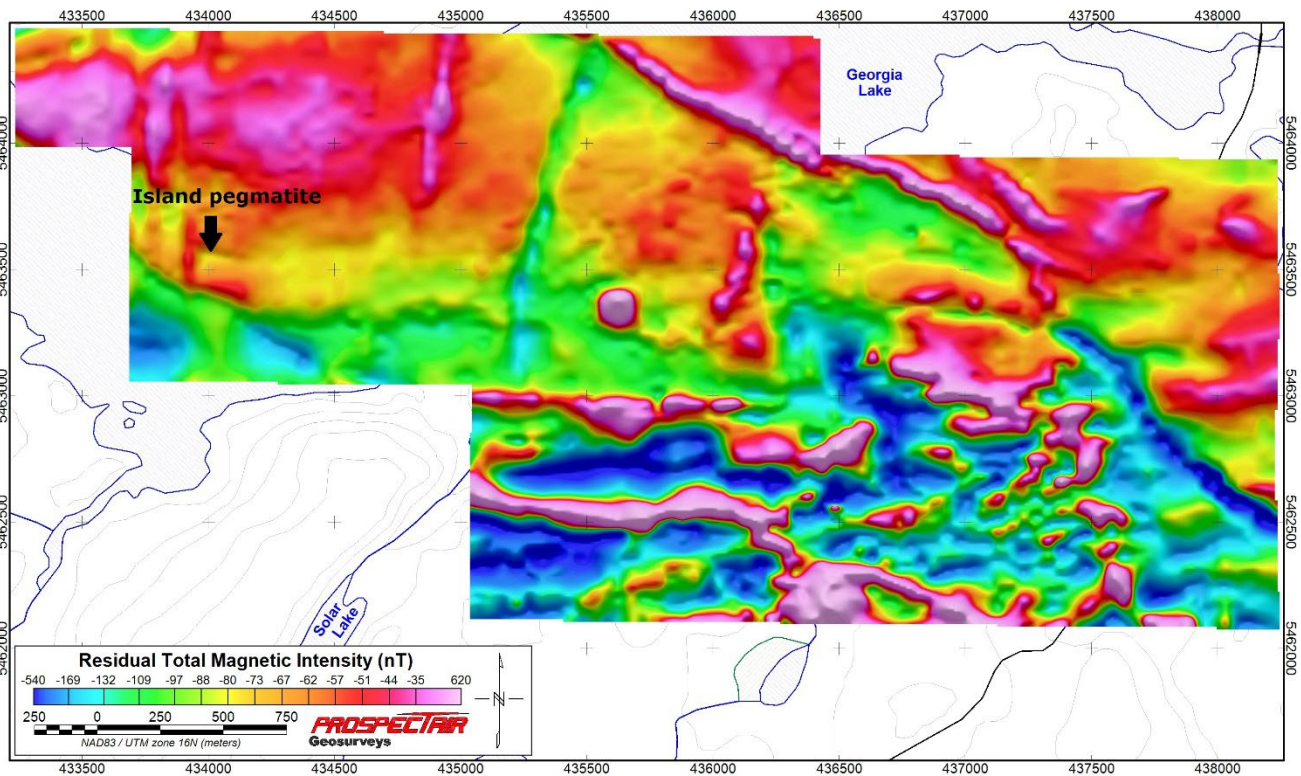


Figure 10 – Residual Total Magnetic Intensity with equal area colour distribution

This data has assisted in the planning of exploration activities throughout 2023.

Arrel Lithium Project (Ontario, 100%)

The Arrel project, consisting of 6 multi-cell claims (129 cells) totaling 27.05km², situated in between the Gorge and Tango projects, was acquired during the Quarter. This development further solidified the Company's presence in the region.

The Arrel Project is located approximately 15km southwest of the Gorge Project, 158km northeast of Thunder Bay and 30km south of Beardmore (Refer Figure 1). The property is accessible by Highway 11 north of Nipigon and then via logging and sealed dirt roads to the property.

The Company did note during the Quarter that there had been minimal modern exploration completed on the project. However, the project is directly situated in the Company's area of interest (please refer to Figure 1).

Serbian Lithium-Borate Projects (Serbia, 100%)

The Company announced in September 2022, that it had deferred its planned drilling program at its Rekovac project due to events that were announced by an international copper producer operating in Serbia.



Balkan
Mining and Minerals Limited

ASX ANNOUNCEMENT

31 January 2023

The Company has completed an internal risk review and has been actively engaging with Government and law enforcement agencies. After the formation of the new cabinet in October, six months post the April election results, Balkan Mining has been in direct contact with ministers relevant to Balkan Mining's activities.

The Company confirms it holds all regulatory licenses and approvals.

Business Development

Consistent with the Company's objectives, further strategic opportunities were reviewed during the Quarter, and as previously mentioned and noted above, several strategic deals were completed.

Further value accretive opportunities in Lithium and associated critical minerals have continued to be assessed in both Canada and the Balkans in-line with the Company's strategic objectives. Regardless of monthly market and commodity fluctuations, Balkan Mining continues to believe that the long-term outlook for these minerals, especially in the US and European markets, remains strong.

Corporate

Frankfurt Stock Exchange Listing

Later in the Quarter, Balkan Mining dual-listed on the Frankfurt Stock Exchange ("FSE") under the code "7JL".

The Frankfurt listing enlarges the Company's investor reach and increases its exposure to European investor markets.

Board Appointment

Highly experienced mining executive Karl Simich agreed to join the Company's Board as a Director, tasked with a particular focus on strategy, corporate development and growth.

Mr Simich stepped down as Managing Director of Sandfire Resources (ASX: SFR) ("Sandfire") at the end of September 2022, after 15 years at the company's helm, having overseen its transformational growth from a junior micro-cap to a successful mid-tier producer with a global footprint.

He is familiar with the Balkan Mining team and assets from his time at Sandfire, which helped incubate the Company as part of its Sandfire Ventures investment division.

Mr Simich has more than three decades of experience with publicly listed mining and exploration companies (see below) and brings a wealth of strategic and corporate knowledge, including in exploration, resource development, mine financing, development, operations and M&A across multiple jurisdictions.

As a Director of Balkan Mining, he will provide input and advice on strategy, corporate and business development and stakeholder relations.

12

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Balkan
Mining and Minerals Limited

ASX ANNOUNCEMENT

31 January 2023

Mr Simich has 36 years' experience with publicly listed mining and exploration companies on the ASX, TSX and LSE, most recently as the founder, Managing Director and CEO of Sandfire Resources (ASX: SFR) between 2006 and September 2022.

During this time, he guided Sandfire through the discovery, financing, development and successful 10-year operation of the highly profitable DeGrussa Copper Operations in Western Australia.

He also oversaw the implementation of Sandfire's international expansion strategy to become a globally significant copper miner, including the US\$1.865 billion acquisition of the MATSA copper operations in Spain. At the end of his tenure, Sandfire had mining operations and development projects spanning three continents.

Throughout his career, Mr Simich has overseen the financing and development more than 10 mines in Australia, New Zealand and Africa, including base, precious and industrial metals spanning small to large-scale open pit, underground and alluvial operations.

Prior to his role with Sandfire, Mr Simich held senior leadership positions with Churchill Resources, Union Gold Mining, Macraes Mining (now Oceania Gold), Kimberley Diamonds, Namakwa Diamonds and Blina Diamonds.

Mr Simich is focused on value creation through the delivery of future-facing metals and minerals, with a demonstrated commitment to the highest standards of corporate governance.

The Company has agreed, subject to obtaining ASX and shareholder approval, to issue Mr Simich (or his nominee), 5,800,000 incentive performance rights. Mr Simich's appointment is conditional and will be effective on and from the date on which shareholder approval for the issue of these performance rights is obtained.

The Company is holding a shareholder meeting on 13 February 2023 to approve these performance rights.

Serbian Stakeholder Developments

As stated in previous announcements, the Company noted an apparent anti-mining sentiment by groups towards certain companies operating in Serbia, and specifically towards Lithium which became more apparent in the recent events which occurred in Bor, as noted above. This appears to have originated from certain political interests in Serbia.

The Company has elected not to speculate on other companies' operations nor act as a political commentator. The company continues to monitor the situation and focus its resources on stakeholder engagement, including the Ministry of Mines, Government, its Serbian workforce, contractors, consultants and advisors.



Balkan
Mining and Minerals Limited

ASX ANNOUNCEMENT

31 January 2023

Appendix 5B

The Appendix 5B quarterly cashflow report for the quarter is submitted separately.

The Company had a cash balance of \$3,591k as at 31 December 2022. Exploration expenditure during the quarter totalled \$425k.

Capital Raisings

In conjunction with the Gorge Lithium Project Transaction, and as approved by Shareholders on 23 September 2022, on 6 October 2022, the Company completed a capital raising of \$1.5 million (before costs) to be used towards funding of the acquisition of the Gorge Lithium Project, exploration expenditure on the Gorge Lithium Project, exploration on the Company's existing projects and for general working capital purposes.

The capital raising was undertaken via an issue of 10,000,000 shares at an issue price of 15 cents each to sophisticated and professional investors, with each of the Company's cornerstone investors, Sandfire Resources Limited (ASX: SFR) and EV Resources Limited (ASX: EVR) participating in the capital raising.

Secondly, in conjunction with the Tango Project transaction, the Company completed a capital raising of \$400k (before costs) to be used toward funding the acquisition of the Tango Lithium Project, exploration expenditure on the Tango Lithium Project, exploration on the Company's existing projects and for general working capital purposes. This capital raising was undertaken via an issue of 1,333,333 shares at an issue price of 30 cents each to sophisticated and professional investors.

Use of Funds

A comparison of the Company's actual expenditure since admission to the Official List of ASX to 31 December 2022 against estimated expenditure in the Use of Funds statement in the Prospectus dated 25 May 2021 ("Prospectus") is set out below:

| Use of funds | Prospectus estimate (2 years) | Use until 31 Dec 22 |
|---|----------------------------------|------------------------|
| Serbian project exploration | 3,391,000 | 1,468,000 |
| Project evaluation | 500,000 | 411,000 |
| Administration Costs | 1,354,000 | 1,199,000 |
| Repayment of Intercompany facility agreement | 277,000 | 285,000 |
| Expenses of the Public Offer | 527,000 | 638,000 |
| Working capital | 451,000 | 402,000 |
| Capital Raisings (net of capital raising costs) | - | (1,661,000) |
| Acquisition of Canadian project interests | - | 191,000 |
| Canadian project exploration | - | 99,000 |
| Total | 6,500,000 | 3,032,000 |

14



Balkan
Mining and Minerals Limited

ASX ANNOUNCEMENT

31 January 2023

Use of funds variance explanations are outlined below:

- Variances on operational expenditures are as a result of higher than estimated operational expenditures, and delays with the Company's planned drilling operations at the Serbian projects. Additionally, the Company acquired additional Lithium projects consistent with the Company's strategic objectives.
- Since estimating the balance of the Intercompany Facility as set out in the Prospectus, the Company borrowings increased by an additional \$152k, of which \$76k was applied to Expenses of the Public Offer, \$60k utilised for Serbian project expenditure and \$16k utilised for administration costs and repaid \$8k of interest.
- Variances in expenses of the offer relate to higher than estimated audit fees, investigating accountant fees and legal fees.

Related Parties

As outlined in Section 6 of the attached Appendix 5B, during the December quarter approximately \$126k in payments were made to related parties and/or their associates as director's remuneration.

Capital Structure

The Capital Structure at the end of the December quarter was as follows:

- 58,072,014 Ordinary Shares on issue;
- 6,000,000 Unlisted Options on issue; and
- 2,100,000 Performance Rights on issue

During the Quarter, the Company issued 11,333,333 ordinary shares to raise \$1.9 million in funds, issued 130,378 shares to Ombabika as part consideration for the Initial 25% interest in the Gorge Project, 130,378 shares in payment for corporate advisory fees, issued 397,925 ordinary shares to Exiro Mineral Corp as first part option consideration for the Tango Project, 30,000 ordinary shares in consideration for professional consulting services and 2,000,00 options (exe \$0.30, exp 06/10/25) in satisfaction of lead manager fees.

Balkan Mining's exploration tenement interests as at 31 December 2022

| | Tenement ID | BMM Indirect Interest |
|--------------------|--------------------|-----------------------|
| Rekovac | | |
| - Rekovac | 2224 | 100% |
| - Ursule | 2429 | 100% |
| - Siokovac | 2430 | 100% |
| Pranjani | 2427 | 100% |
| Dobranja | 2428 | 100% |
| Arrel | 752866 to 752871 | 100% |
| Corvette Northwest | 2700709 to 2700732 | 100% |
| Corvette North | 2700733 to 2700750 | 100% |

15

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Balkan
Mining and Minerals Limited

ASX ANNOUNCEMENT

31 January 2023

* Balkan Mining's interest in these tenements are held indirectly through its subsidiary corporate structure. These tenements are held by Balkan Istraživanja d.o.o, Balkan Mining's Serbian subsidiary.

** As announced, the Company satisfied the conditions precedent to the transaction with Ombabika Group Inc and commenced its first work program at the Gorge Project in Canada. Under the transaction, the Company has the option to acquire 100% in the Gorge Project via four equal 25% interested staged earn-in acquisition, over a period of 3.5 years by satisfying agreed staged consideration payments and satisfying staged project spending requirements. Please refer to Notice of General Meeting dated 22 August 2022 for further details. The Gorge Project tenements include claim numbers 547101, 570582, 618053, 618074, 636770, 722323 & 722324. During the Quarter, the parties added additional claim numbers 750117, 750118, 750119, 750120 & 750121 to the project area.

*** As originally announced on 31 October 2022, the Company acquired the exclusive option to acquire 100% of the Tango Lithium exploration project in Canada. Pursuant to the exclusive option agreement, the Company has a 3 year option to purchase 100% interest in the Tango Project by satisfying agreed staged consideration payments. Should Balkan Mining elect not to proceed with this transaction during the period, the Company's right to earn an interest in the project will be extinguished. The Tango Project tenements include claim numbers 563300 through to 563329 and 563331 through to 563341.

For further information, please contact:

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Managing Director

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

-ENDS-

Compliance Statement

This quarterly report contains information on the Rekovac, Dobrinja and Pranjani Projects extracted from ASX market announcements dated 20 August 2021, 6 October 2021, 7 October 2021, 11 October 2021, 29 October 2021, 1 November 2021, 15 November 2021, 23 November 2021, 10 December 2021, 21 January 2022 31 January 2022, 2 May 2022, and 27 September 2022 and reported by the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2012 JORC Code) and available for viewing at www.balkanmin.com. Balkan Mining confirms that it is not aware of any new information or data that materially affects the information included in any original ASX market announcement.

This quarterly report contains information on the Gorge Project extracted from ASX market announcements dated 4 July 2022, 28 September 2022, 6 October 2022, 14 November 2022, 22 November 2022 and 16 December 2022 and reported by the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2012 JORC Code) and available for viewing at www.balkanmin.com. Balkan Mining confirms that it is not aware of any new information or data that materially affects the information included in any original ASX market announcement.

This quarterly report contains information on the Tango Project extracted from ASX market announcements dated 31 October 2022 and 8 November 2022 and reported by the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2012 JORC Code) and available for viewing at www.balkanmin.com. Balkan Mining confirms that it is not aware of any new information or data that materially affects the information included in any original ASX market announcement.

16



Balkan
Mining and Minerals Limited

ASX ANNOUNCEMENT

31 January 2023

This quarterly report contains information on the Arrel Project extracted from ASX market announcements dated 9 December 2022 and reported by the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2012 JORC Code) and available for viewing at www.balkanmin.com. Balkan Mining confirms that it is not aware of any new information or data that materially affects the information included in any original ASX market announcement.

This quarterly report contains information on the Corvette Northwest and Corvette North Projects extracted from ASX market announcements dated 19 December 2022 and reported by the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2012 JORC Code) and available for viewing at www.balkanmin.com. Balkan Mining confirms that it is not aware of any new information or data that materially affects the information included in any original ASX market announcement.

Forward-looking Statements

Certain statements included in this release constitute forward-looking information. Statements regarding Balkan Mining's plans concerning its mineral properties and programs are forward-looking statements. There can be no assurance that Balkan Mining's strategies for developing its mineral properties will proceed as expected. There can also be no assurance that Balkan Mining can 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 Balkan Mining's mineral properties. The performance of Balkan Mining may be influenced by several factors 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 Company's control, which 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 Balkan Mining's business, the Australian economy, share markets and the economies in which Balkan Mining 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 Balkan Mining's business or the price of Balkan Mining securities.

Except for statutory liability, which cannot be excluded, each of Balkan Mining, 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 any person may suffer as a consequence of any information in forward-looking statements or any error or omission. Balkan Mining 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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Balkan Mining and Minerals Limited

ABN

67 646 716 681

Quarter ended ("current quarter")

31 December 2022

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (121) | (236) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (200) | (322) |
| (e) administration and corporate costs | (427) | (827) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | - | - |
| 1.5 Interest and other costs of finance paid | (1) | (2) |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (749) | (1,387) |

| | | |
|--|-------|-------|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | (12) | (40) |
| (d) exploration & evaluation | (304) | (353) |
| (e) investments | - | - |
| (f) other non-current assets | - | (49) |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | (316) | (422) |
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 1,777 | 1,900 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | (117) | (117) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.10 | Net cash from / (used in) financing activities | 1,660 | 1,783 |
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 2,972 | 3,616 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (749) | (1,387) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (316) | (422) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 1,660 | 1,783 |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 4.5 | Effect of movement in exchange rates on cash held | 23 | (20) |
| 4.6 | Cash and cash equivalents at end of period | 3,591 | 3,591 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|------------|--|----------------------------|-----------------------------|
| 5.1 | Bank balances | 3,591 | 3,591 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 3,591 | 3,591 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|---|---|----------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 126 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | |
| <i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> | | |

| 7. | Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|-----|---|---|--|
| 7.1 | Loan facilities | - | - |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (please specify) | - | - |
| 7.4 | Total financing facilities | - | - |
| 7.5 | Unused financing facilities available at quarter end | | |
| 7.6 | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| | | | |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| 8. | Estimated cash available for future operating activities | \$A'000 |
|-------|---|---------|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (749) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (304) |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (1,053) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 3,591 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 3,591 |
| 8.7 | Estimated quarters of funding available (item 8.6 divided by item 8.3) | 3.4 |
| | <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> | |
| 8.8 | If item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 8.8.1 | Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| | Answer: | |
| 8.8.2 | Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| | Answer: | |
| 8.8.3 | Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? | |
| | Answer: | |
| | <i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i> | |

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2023

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

- This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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