

Quarterly Activities Report March 2023

Lithium portfolio continues to expand in Canada having secured a new prospect in Ontario covering ~42km². BMM is poised for growth during 2023, with exploration programs planned across the entire portfolio consisting of ~22km² in the emerging lithium district of James Bay in Quebec and ~120km² of highly prospective ground in Ontario, with the addition of the Barbara Lake Project. Key strategic and operational milestones were achieved during the period, outlined below.

HIGHLIGHTS

- BMM entered into agreement to acquire 100% ownership of the Barbara Lake Project, covering ~42km² and situated in the well-known Georgia Lake spodumene-bearing pegmatite district of Thunder Bay North Mining District of Ontario, Canada, in Quebec. Acquisition completed in April 2023.
- This acquisition has expanded BMM's Ontario portfolio footprint to ~120km².
- Expansion of management team with the appointment of Karl Simich as a director of the Company in February 2023.
- Canadian visit by senior management inclusive of site visits, stakeholder and investor engagement.

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

"The strategic acquisition of the Barbara Lake Project fits in almost perfectly with planned field programs at our northwest Ontario and Quebec projects. Furthermore, the Barbara Lake acquisition enhances the prospectivity of exploration planned across our northwestern Ontario portfolio which will include modern investigation of these previously mapped areas in the 1950s and 1960s, techniques which have lead to recent significant discoveries in the region."

Balkan Mining and Minerals Ltd (ASX: BMM; "BMM" or "the Company") provides the Company's quarterly activities report for three months ending 31 March 2023 ("Quarter").

Canadian Projects (Ontario and Quebec)

Following the diversification strategy incorporating the strategic earn-in agreement on the Gorge Lithium exploration project and option agreement secured over the Tango Lithium exploration project located in the Georgia Lake Area, Thunder Bay North Mining District of Ontario, Canada,

BMM continued to increase its interest in prospective projects in Canada, securing a new prospect in Ontario, the Barbara Lake Project, adding a further ~42km² to the Company's Canadian project portfolio.

The Barbara Lake Project is in the central portion of the Barbara Lake Area and encompasses the southwestern part of Georgia Lake. The Project is located approximately 37 km northeast of Nipigon and 150 km northeast of Thunder Bay, Ontario.

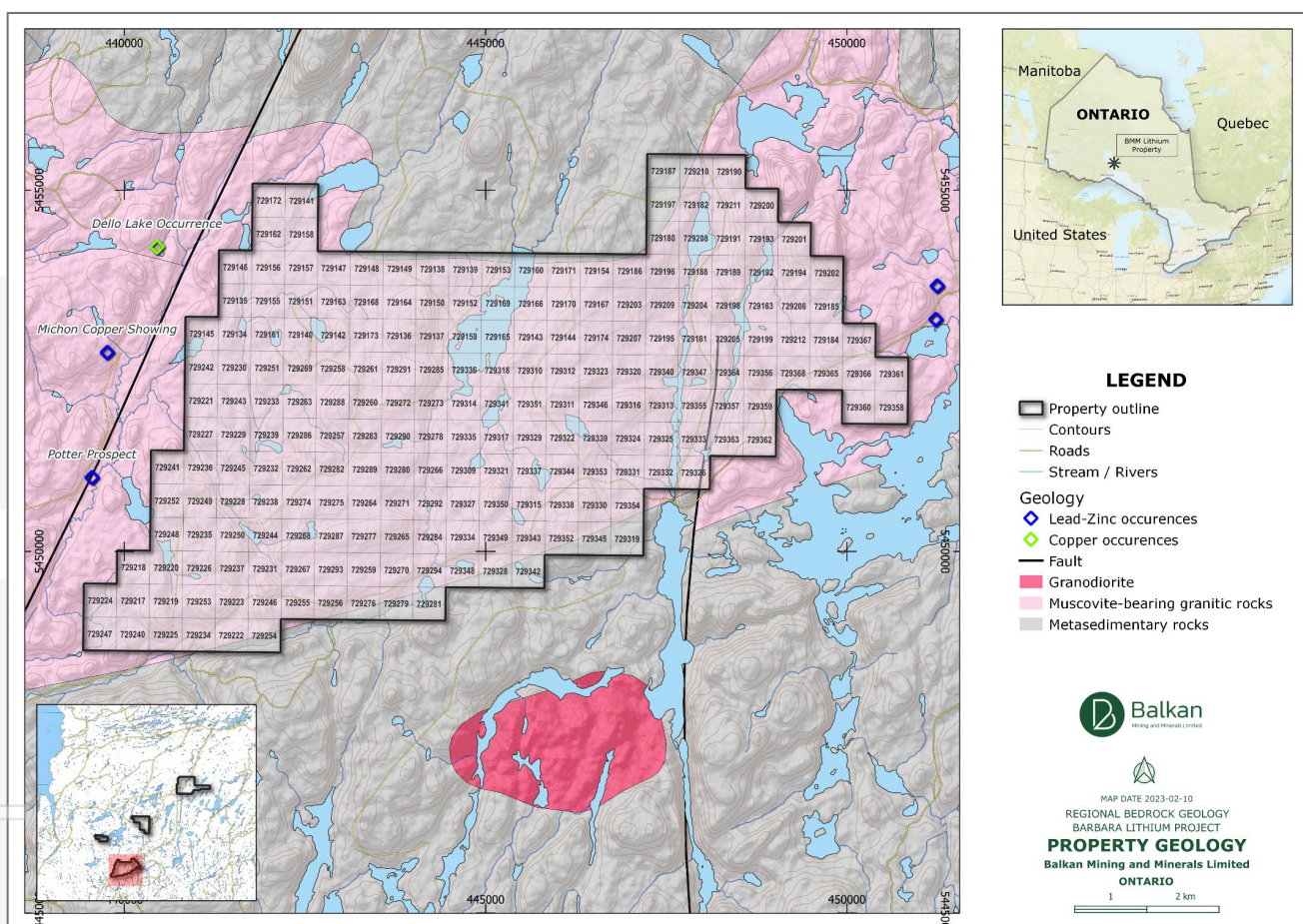


Figure 1 – Barbara Lake Project Geology Map

Above shows the geology map of the newly acquired Barbara Lake Project, and below the Company's broader Ontario Projects and Thunder Bay mining district (excluding Corvette North and Northwest Projects which are located in Quebec).

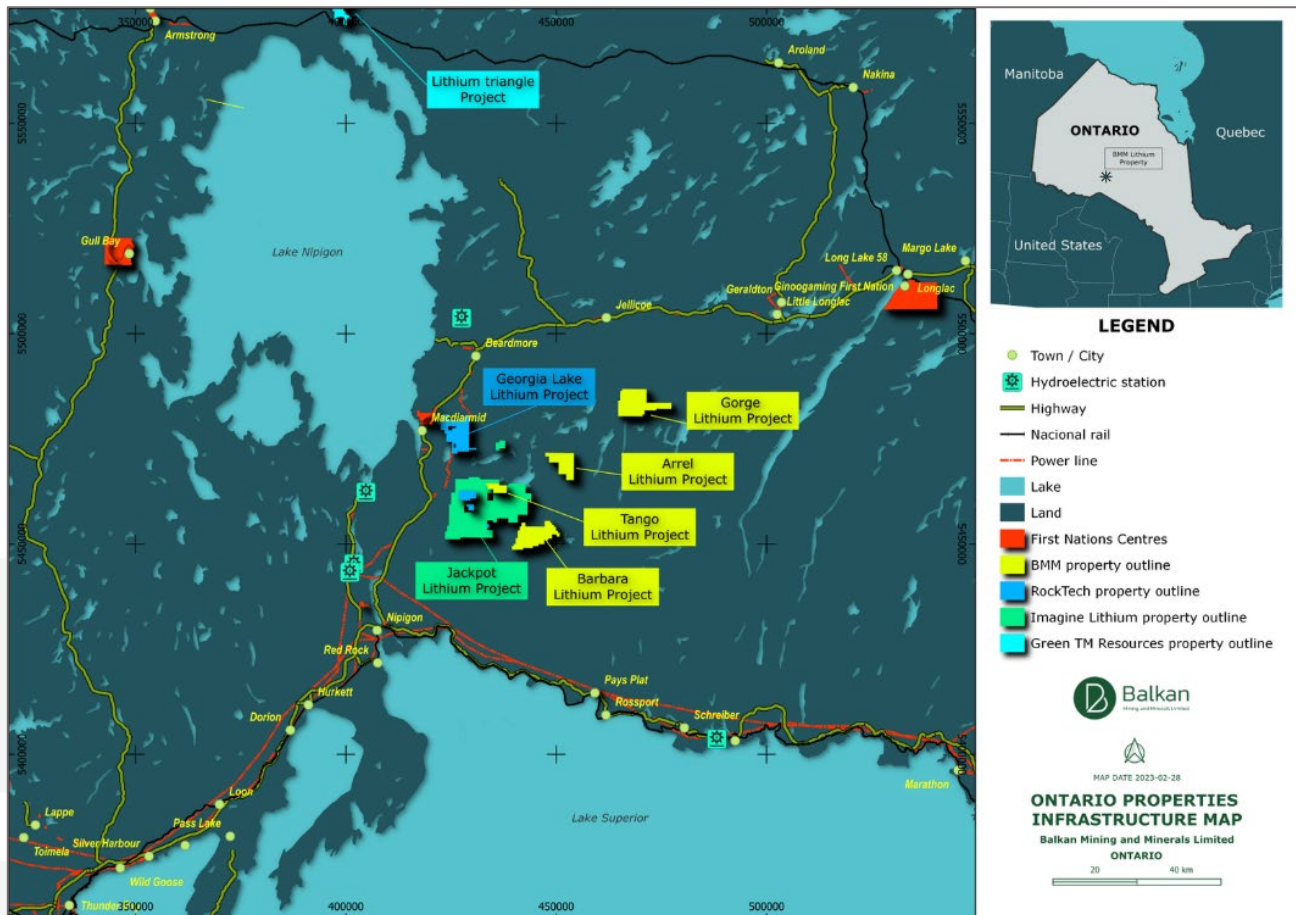


Figure 2 – Ontario Projects Location Map

During the Quarter, the Company continued its analysis of data collected on its expanded Canadian project portfolio (including Gorge, Tango, Arrel, Corvette North & Northwest projects). With weather conditions improving in recent weeks, the Company accelerated its planning for the proposed follow-up field work programs on high priority targets identified at the Gorge and Tango projects and to initiate preliminary exploratory works on newly acquired Barbara Lake, Arrel and Corvette North and Northwest Projects.

Senior management visited Canada over a period of 3 weeks during the Quarter. This visit included a site visit to the Gorge, Tango and Arrel projects in preparation for proposed upcoming planned field programs.

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



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operating in Serbia and potentially inflammatory social media posts regarding the Company's operations.

The Company continues to engage with relevant authorities with regards to BMM's Serbian activities and continues monitoring the situation.

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 have been completed, including the recent Barbara Lake Project as announced on 9 March 2023 and completed post Quarter end on 11 April 2023.

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. BMM continues to believe that the long-term outlook for these minerals, especially in the US and European markets, remains strong.

Corporate

Board Appointment

Highly experienced mining executive Karl Simich joined the Company's Board as a Director in February. Mr Simich will provide input and advice on strategy, corporate and business development and stakeholder relations.

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 between 2006 and September 2022.

Investor Engagement

The Company was also represented at PDAC 2023 in Toronto where it exhibited at the Toronto Metro Convention Centre.

Serbian Stakeholder Developments

As stated in previous announcements, the Company noted some anti-mining sentiment by groups towards certain companies operating in Serbia, and 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 acting as a political commentator. The company continues to monitor the situation and to focus its resources on stakeholder engagement, including the Government of Serbia, the Ministry of Mines, the Company's Serbian workforce, external contractors, consultants and advisors.

Appendix 5B

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

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The Company had a cash balance of \$2,866k as at 31 March 2023. Exploration expenditure during the quarter totalled \$157k.

Use of Funds

A comparison of the Company's actual expenditure since admission to the Official List of ASX to 31 March 2023 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 Mar 23 |
|---|----------------------------------|------------------------|
| Serbian project exploration | 3,391,000 | 1,688,000 |
| Project evaluation | 500,000 | 421,000 |
| Administration Costs | 1,354,000 | 1,424,000 |
| Repayment of Intercompany facility agreement | 277,000 | 285,000 |
| Expenses of the Public Offer | 527,000 | 638,000 |
| Working capital | 451,000 | 535,000 |
| Capital Raisings (net of capital raising costs) | - | (1,661,000) |
| Acquisition of Canadian project interests | - | 191,000 |
| Canadian project exploration | - | 236,000 |
| Total | 6,500,000 | 3,757,000 |

Use of funds variance explanations are outlined below:

- Variances on operational expenditures are as a result of higher than estimated operational expenditures, acquisition and staking of additional projects in Canada, and delays with the Company's planned drilling operations at the Serbian projects as noted herein. Furthermore, the Company acquired additional Lithium projects consistent with the Company's strategic objectives.
- Variances on administration and working capital costs result from higher than anticipated administrative, travel, consulting fees arising from the expansion of operations and Frankfurt dual listing and additional administrative costs associated with the same.
- 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 March quarter approximately \$123k in payments were made to related parties and/or their associates as director's remuneration.



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Capital Structure

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

- 58,072,014 Ordinary Shares on issue;
- 6,000,000 Unlisted Options on issue; and
- 10,900,000 Performance Rights on issue

During the Quarter, as approved by shareholders on 13 February 2023, the Company issued 8,800,000 performance rights to Mr Cotton and Mr Simich. Please refer to the Company's Notice of Meeting dated 13 January 2023 for further details on these Performance Rights.

The Company recognizes the importance of delivering appropriately structured incentives to directors and management to align their interests with those of Shareholders of the Company. The Company's recent performance rights have been designed to align performance to the Company's strategic objectives, and to retain and reward over the longer term.

BMM's exploration tenement interests as at 31 March 2023

| | Tenement ID | BMM 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% |

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



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For further information, please contact:

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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. BMM 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. BMM 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. BMM 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 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. BMM 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 6 February 2023 and 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. BMM 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 Barbara Project extracted from ASX market announcements dated 9 March 2023 and 11 April 2023 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. BMM confirms that it is not aware of any new information or data that materially affects the information included in any original ASX market announcement.



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Forward-looking Statements

Certain statements included in this release constitute forward-looking information. Statements regarding BMM's plans concerning its mineral properties and programs are forward-looking statements. There can be no assurance that BMM's strategies for developing its mineral properties will proceed as expected. There can also be no assurance that BMM 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 BMM's mineral properties. The performance of BMM 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.

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 any person may suffer 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.

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 March 2023

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (69) | (307) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (175) | (495) |
| (e) administration and corporate costs | (405) | (1,232) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | - | - |
| 1.5 Interest and other costs of finance paid | (1) | (4) |
| 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 | (650) | (2,038) |

| | | |
|--|------|-------|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | (4) | (44) |
| (d) exploration & evaluation | (88) | (441) |
| (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 (9 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 | (92) | (534) |

| | | | |
|-------------|---|----------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | 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) |
| 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 | - | 1,783 |

| | | | |
|-----------|--|-------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 3,591 | 3,616 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (650) | (2,038) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (92) | (534) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | 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 (9 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 4.5 | Effect of movement in exchange rates on cash held | 17 | 39 |
| 4.6 | Cash and cash equivalents at end of period | 2,866 | 2,866 |

| 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 | 2,866 | 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) | 2,866 | 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 | 123 |
| 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. | | |
| | | | |

| 8. | Estimated cash available for future operating activities | \$A'000 |
|-------|---|---------|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (650) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (88) |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (738) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 2,866 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 2,866 |
| 8.7 | Estimated quarters of funding available (item 8.6 divided by item 8.3) | 3.9 |
| | <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: n.a | |
| 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: n.a | |
| 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: n.a | |
| | <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

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

Date: 28 April 2023

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

Notes

- 1 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.
- 2 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.