



**Balkan**  
Mining and Minerals Limited

## **December 2023 Quarterly Activities Report**

The maiden 2,500m diamond drilling program undertaken at the highly prospective the Gorge Lithium Project in Ontario, Canada with visual spodumene observed across campaign and laboratory assays pending. Key strategic and operational milestones were achieved during the quarter, outlined below.

### **HIGHLIGHTS**

- **Diamond drilling undertaken at the Gorge Lithium Project with for a program of 2,500m with spodumene bearing pegmatites encountered in several holes drilled**
- **Drill program currently awaiting assays for approximately 180 samples**
- **Clearing and stripping work undertaken in preparation for the drill program reveals previously unmapped pegmatites and extensions to some known pegmatite occurrences at Gorge, further underlining the project's potential**
- **Balkan remains committed to evaluating new project opportunities**
- **Mr Karl Simich appointed Non-Executive Chairman**

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

*"The maiden diamond drilling activity conducted at our flagship Gorge Lithium Project in Ontario, Canada has revealed a widespread and prolific pegmatite hosted spodumene geology. We eagerly anticipate assays from the 2,500m program which will inform our next steps in advancing this exciting lithium-focused opportunity.*

*Whilst we remain extremely upbeat on the prospectivity of Gorge, the Board is continually reviewing opportunities to improve and diversify our project portfolio and will advise our shareholders of any new potentialities if and when appropriate.*

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



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## ASX ANNOUNCEMENT

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### Gorge Lithium Project (Ontario, Canada)

During the quarter, Balkan primarily focussed on exploration activities associated with the Company's Gorge Lithium Project in Ontario, Canada.

In October, Balkan announced that visual spodumene mineralisation had been observed in the first holes drilled at the Nelson pegmatite occurrence at Gorge (refer to **ASX Announcement dated 16 October 2023**). As the program was progressed, spodumene mineralisation has been visually identified in 8 of the first 10 holes completed in the program at both the Nelson and Koshman pegmatite prospects (refer to **ASX Announcement dated 12 December 2023**). The Company currently awaits assays on approximately 180 samples taken from the program and will inform the market as they come to hand.

The stripping and clearing associated with drilling preparation exposed extensions to known pegmatite occurrences at surface with the Nelson pegmatite strike now extending more than 200m. In addition, a new pegmatite dyke north east of Nelson, SP-23-2 was revealed to extend some 50m in strike length with widths at surface ranging from 2.6-5m thick and visual spodumene between 5-15% content.

The diamond drilling program was briefly paused during October after the observation of the traditional hunting season of the region's First Nation peoples. Shortly after the resumption of drilling, the Company took the decision to engage global drilling house Major Drilling Group International Inc to complete the program with a fit-for-purpose drill rig which led to substantial improvements in drilling rates and efficiency.

Whilst Balkan is awaiting the assays from the diamond drilling program, the Company notes that the most recently reported drilling included hole KS-23-009, which encountered 16.8m of spodumene mineralisation from 5.8m depth.

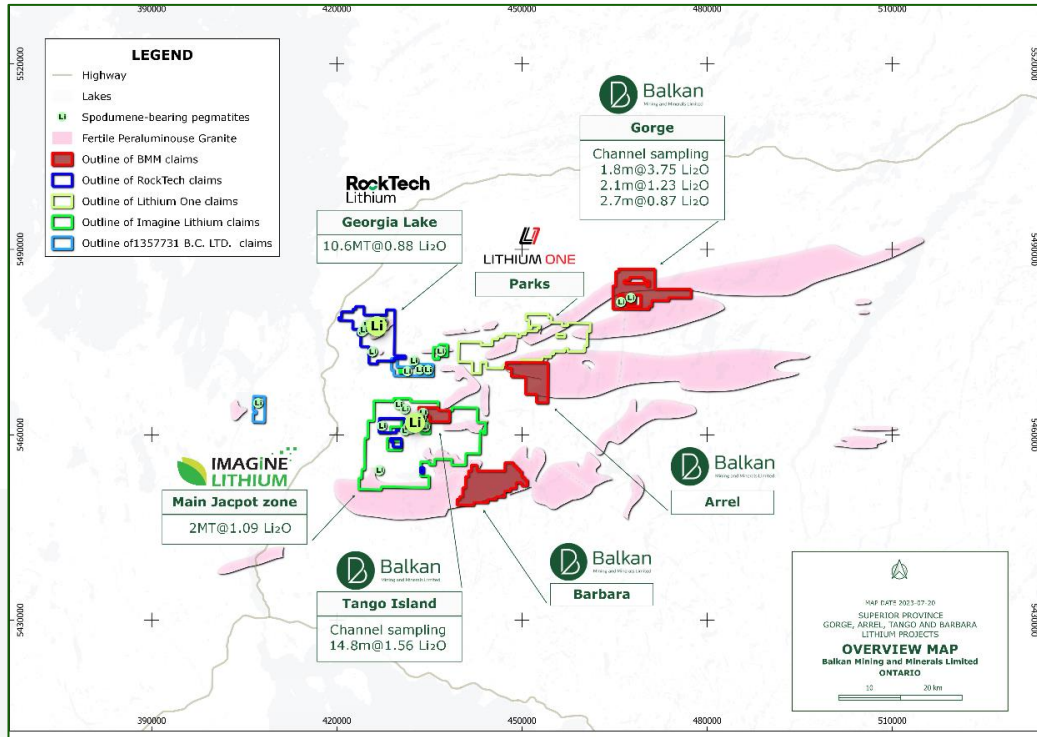
During the quarter, the Company made the payment of AU\$60,000 cash and AU\$100,000 in BMM shares to the vendor of the Gorge Lithium Project to move to 50% beneficial ownership of the project (for full details, refer to **ASX Announcement dated 4 July 2022**).

At a local level, Balkan continues to engage with relevant stakeholders including First Nations communities, land holders and regulatory agencies and authorities.



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Ex-Gorge Canadian Projects



**Figure 1 – BMM's Ontario Projects Location Map**

During the quarter, the Company continued its analysis of data collected on its expanded Canadian project portfolio (Tango, Arrel, Corvette North & Northwest projects). The Company has continued its planning for the proposed follow-up field work programs on high priority targets identified at the Tango Project, where the Company made the payment of CA\$25,000 in cash and CA\$75,000 in BMM shares to retain the exclusive option to move to 100% ownership of the project (for full details, refer to **ASX Announcement dated 31 October 2022**). The Company also continued preliminary exploratory works on the Barbara Lake, Arrel and Corvette North and Northwest Projects.



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### Serbian Lithium-Borate Projects (Serbia)

The Company announced in September 2022, following the deferral of its planned drilling program at its Rekovac project due to events that were announced by an international copper producer 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 impacting the Serbian mining sector.

### Business Development

Consistent with the Company's objectives, further strategic opportunities were regularly reviewed during the quarter.

Further value accretive opportunities in critical minerals have continued to be assessed in-line with the Company's strategic objectives. BMM continues to believe that the long-term outlook for these minerals, especially in the North American and European markets, remains strong.

### Corporate

In October, the Company advised the appointment of Ms Melanie Ross as Company Secretary and Mr Simon Acomb as Chief Financial Officer and Joint Company Secretary following the resignation of Mr Harry Spindler.

Shortly after the Company's AGM, which was held on 29 November 2023, Mr Sean Murray advised of his intention to retire from the Board, with Mr Karl Simich moving into the Non-Executive Chairman's role after serving as a Non-Executive Director since February 2023.

The Company wishes to thank Sean and Harry for their valuable service and contribution.

### ASX Listing Rule Disclosures

#### Exploration Expenditure

In accordance with ASX Listing Rule 5.3.1, the Company spent \$838,000 on exploration work during the quarter, which comprised of assays, drilling and field work.

#### Mining Production and Development Expenditure

In accordance with ASX Listing Rule 5.3.2, there were no substantive mining production and development activities during the quarter.

#### Payments to Related Parties

In accordance with ASX Listing Rules 5.3.5, the Company advises that the payment to the related parties of the Company and their associates, as advised in the Appendix 5B, for the quarter ended 31 December 2023 was \$175,000, related to director's remuneration.



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### Tenement Information

In accordance with ASX Listing Rule 5.3.3, the Company advises the following:

- (1) There were no mining tenements acquired or disposed of during the quarter;
- (2) The mining tenements held by the Company as at 31 December 2023 are set out in the table below;
- (3) There were no farm-in or farm-out agreements entered into during the quarter; and
- (4) The Company held no beneficial percentage interests in farm-in or farm-out agreements as at the end of the quarter.

	Tenement ID	BMM Interest
<i>Canadian Projects</i>		
Arrel	752866 to 752871	100%
Corvette Northwest	2700709 to 2700732	100%
Corvette North	2700733 to 2700750	100%
	729134 to 729174	
Barbara	729180 to 729212	100%
	729217 to 729294	
	729309 to 729368	
<i>Serbian Projects*</i>		
Rekovac		
- Rekovac	2224	100%
- Ursule	2429	100%
- Siokovac	2430	100%
Pranjani	2427	100%
Dobranja	2428	100%

\* BMM's interest in these tenements are held indirectly through its Serbian subsidiary, Balkan Istraživanja d.o.o.

\*\* 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. Subsequently, the parties have 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 a 100% interest in the Tango Project by satisfying agreed staged consideration payments. Should BMM elect not to proceed with this transaction during the option 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:**

**Ross Cotton**

Managing Director

Tel: +61 8 6109 6684

E: [Ross.Cotton@balkanmin.com](mailto:Ross.Cotton@balkanmin.com)

**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](http://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, 16 December 2022, 19 May 2023, 13 June 2023, 6 July 2023, 19 July 2023, 16 October 2023 and 12 December 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](http://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, 8 November 2022 and 25 May 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](http://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](http://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](http://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](http://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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### Competent Persons Statement

The information 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 Geologists (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 to report Exploration Results, Mineral Resources, or Ore Reserves through the ASX. Mr Jovanovic is the General Manager of 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' (the JORC Code 2012).

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements.

The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.

### 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 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	(1)
(b) development	-	-
(c) production	-	-
(d) staff costs	(187)	(403)
(e) administration and corporate costs	(392)	(701)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(579)</b>	<b>(1,105)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(838)	(1,180)
(e) investments	-	-
(f) other non-current assets	-	-



## 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(838)</b>	<b>(1,180)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	170	1,485
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	(4)	(100)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease repayments)	(13)	(29)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>153</b>	<b>1,356</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,457	2,121
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(579)	(1,105)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(838)	(1,180)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	153	1,356

## 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	(4)	(3)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>1,189</b>	<b>1,189</b>

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	1,189	2,457
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,189</b>	<b>2,457</b>

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	175
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*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.*

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	<b>Total financing facilities</b>	<b>-</b>	<b>-</b>
7.5	<b>Unused financing facilities available at quarter end</b>		<b>-</b>
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.		
	N/A		

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

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(579)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(838)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,417)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,189
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,189
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	0.84
<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: Yes, the Company expects to have negative operating cash flows for the time being as it is in the exploration stage and does not generate income. However, due to there being significant payments for exploration activities during the December quarter, namely for the Gorge Lithium Project drilling program, expenditure during the March quarter is expected to be significantly less than the previous quarter.	
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: Yes, the Company is considering its options with regards to raising additional funds. The Company believes it would be successful in raising sufficient funds to continue with the planned level of operations.	
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: Yes, the Company does expect to be able to continue its operations and meet its business objectives based on future expected successful capital raisings.	
<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: 31 January 2024

Authorised by: The Board of Balkan Mining and Minerals Limited  
(Name of body or officer authorising release – see note 4)

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**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.
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.