



## September 2023 Quarterly Activities Report

**Grassroots field work sets the stage for maiden diamond drilling program currently underway at the highly prospective Nelson and Koshman Pegmatite Prospects within the Gorge Lithium Project in Ontario, Canada. Key strategic and operational milestones were achieved during the quarter, outlined below.**

### HIGHLIGHTS

- **Diamond drilling at the Gorge Lithium Project, with upscaled capacity for a 3,000m funded program**
- **Spodumene bearing pegmatites encountered in the first hole drilled, with assays pending**
- **Clearing and stripping work undertaken in preparation for the drill program reveals previously unmapped pegmatites, enhancing the Gorge Project prospectivity and underscoring the under-explored nature of the project**
- **Soil sampling reveals anomalous lithium at surface**
- **Capital raising completed during September quarter enables funding of current drill program, with additional investment from Non-Executive Director, Mr Karl Simich**
- **North American critical minerals projects remain essential to the energy transition in the USA & Canada**

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

*"We are at an extremely exciting stage with current drilling activity at our flagship Gorge Lithium Project in Ontario, Canada likely to provide vital information about the potential for the project to become a company-maker for Balkan.*

*I wish to extend my gratitude to our exploration team who are working diligently to achieve a valuable outcome for shareholders via success at the drill-bit.*

*We are very hopeful that the pegmatite occurrences we see at surface at Nelson and Koshman, and indeed across the broader project area will provide the geological answer to the question of why we have identified lithium in soils at Gorge.*

*With a great deal of preliminary work under our belts, we believe we are drilling in highly prospective areas and have been greatly encouraged by the visual evidence from drilling to date. The team looks forward to updating shareholders as new information comes to hand."*



**Balkan Mining and Minerals Ltd (ASX: BMM; "BMM", "Balkan" or "the Company")** provides the Company's quarterly activities report for the three months ended 30 September 2023 ("Quarter").

## Gorge Lithium Project (Ontario, Canada)

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

In August, Balkan announced the receipt of grant of an exploration permit for the Gorge Lithium Project from the Ontario Ministry of Mines. The exploration permit is effective for a period of three years and allowed the Company to proceed with plans to conduct a maiden diamond drilling program at Gorge.

In September, Balkan announced the commencement of the Company's maiden drill program, the first sub-surface testing for lithium mineralisation at the Gorge Lithium Project where previous channel sampling results confirmed high grade lithium mineralisation at the surface, including 1.8m @ 3.75% Li<sub>2</sub>O. (*see ASX Announcement dated 16 December 2022*)

The diamond drill program was initially planned for circa 1000m over 12 holes, but may be expanded as required. Post the September quarter, Balkan reported that the first hole encountered pegmatites with visible spodumene from shallow depths over a 3.4m width at the Nelson outcropping prospect. This hole is currently awaiting assays.

During the course of site clearing and stripping at Nelson in preparation for the Company's maiden drill campaign, previously unmapped spodumene pegmatites were revealed, including the pegmatite outcrop currently named "SP-23-2", which extends some 200m along strike from Nelson and is, in parts approximately 50m in thickness at surface.

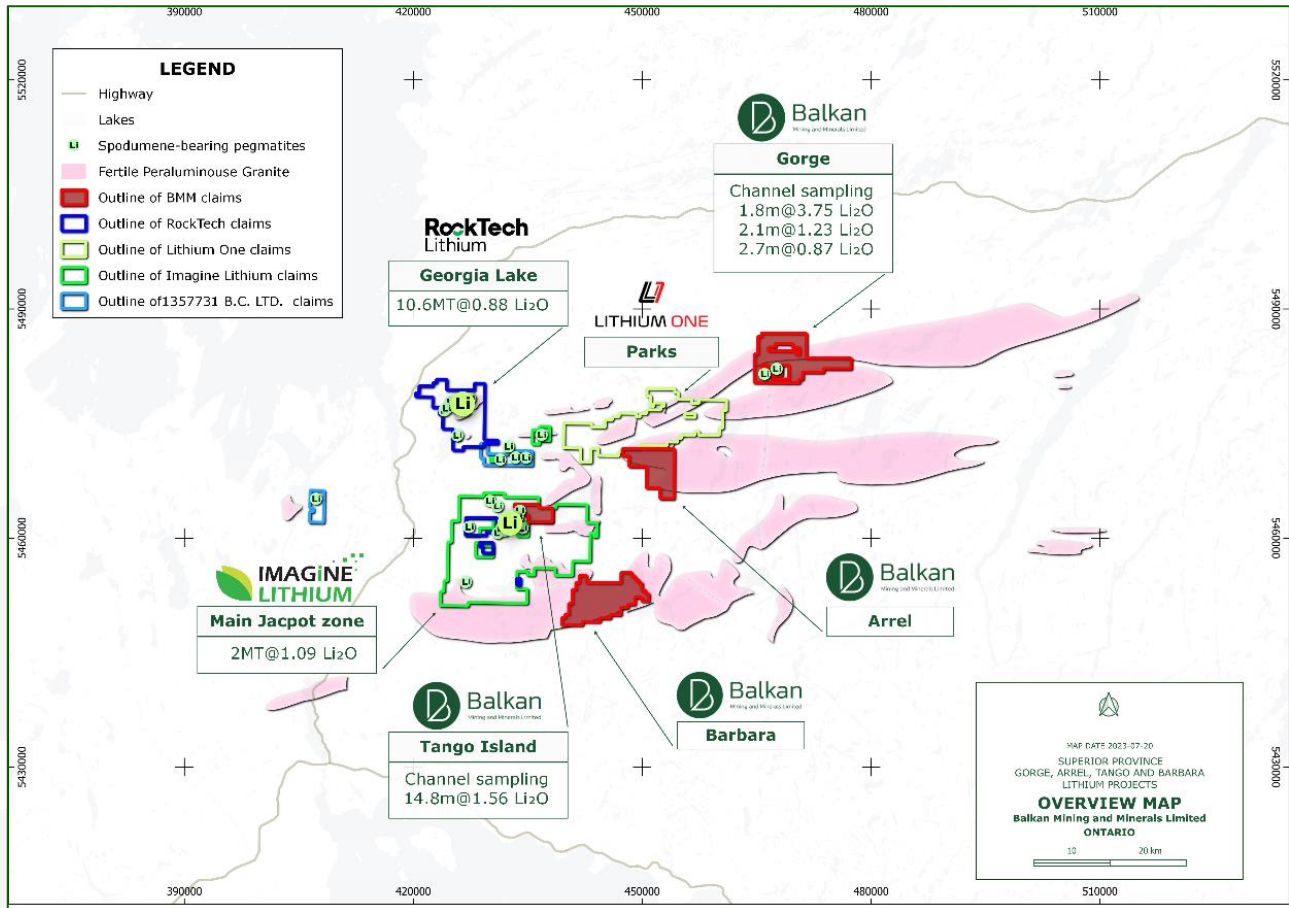
At the Koshman spodumene pegmatite occurrence, mechanical stripping for drilling also revealed several previously unknown pegmatite outcrops. Balkan's exploration team considers these newly identified pegmatite outcrops may indicate that the Gorge Project hosts a much larger spodumene pegmatite system than previously assumed.

During October, the maiden diamond drilling has continued after a brief recess to observe the First Nations peoples traditional hunting season. Preparations have been made to complete site works for potential year-round exploration drilling.

During all drilling and site clearance operations in the Gorge tenement all activities were carried out with scrupulous attention to the safety and well-being of our employees and contractors and the Company is pleased to announce there were zero accident or safety incidents.

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

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 Gorge and Tango projects and to initiate preliminary exploratory works on newly acquired Barbara Lake, Arrel and Corvette North and Northwest Projects.

**Serbian Lithium-Borate Projects (Serbia, 100%)**

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 reviewed during the Quarter. The highly encouraging exploration results over the quarter has seen the Company prioritise activities at the Gorge Lithium Project.

Further value accretive opportunities in Lithium and associated 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 US and European markets, remains strong.

## Corporate

### 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.

### Share Placement

During the September Quarter, Balkan raised \$1.47m via a share placement of 8,647,059 ordinary fully paid shares at a price of \$0.17 per share to sophisticated investors. Shaw and Partners Limited acted as sole lead manager to the placement. Non-Executive Director, Mr Karl Simich subscribed for a \$170,000 investment in the placement. The completion of the issue to Mr Simich is subject to shareholder approval at the Company's AGM scheduled on 29 November 2023.

### Appendix 5B

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

The Company had a cash balance of \$2.457m as at 30 September 2023. Exploration expenditure during the quarter totalled \$342k, which comprised of drilling mobilisation, geological consulting and other exploration services.

### Use of Funds

A comparison of the Company's actual expenditure since admission to the Official List of ASX to 30 September 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	1,838,000
Project evaluation	500,000	767,000
Administration Costs	1,354,000	2,081,000
Repayment of Intercompany facility agreement	277,000	285,000
Expenses of the Public Offer	527,000	638,000
Working capital	451,000	577,000
Capital Raisings (net of capital raising costs)	-	(2,880,000)
Acquisition of Canadian project interests	-	191,000
Canadian project exploration	-	672,000
<b>Total</b>	<b>6,500,000</b>	<b>4,169,000</b>

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 the greater number of work programs due to the Company project portfolio expansion together with 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 September quarter approximately \$132k in payments were made to related parties and/or their associates as director's remuneration.

#### Capital Structure

The Capital Structure as at 30 September 2023 was as follows:

- 68,807,174 Ordinary Shares on issue;
- 5,500,000 Unlisted Options on issue; and
- 10,500,000 Performance Rights on issue.



## BMM's exploration tenement interests as at 30 September 2023

	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 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.

### ***For further information, please contact:***

#### **Ross Cotton**

Managing Director

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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 and 19 July 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.



## 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")

30 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(216)	(216)
(e) administration and corporate costs	(309)	(309)
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>(525)</b>	<b>(525)</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	(342)	(342)
(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 (3 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>(342)</b>	<b>(342)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,315	1,315
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	(96)	(96)
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)	(15)	(15)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,204</b>	<b>1,204</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	2,121	2,121
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(525)	(525)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(342)	(342)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,204	1,204

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(1)	(1)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,457</b>	<b>2,457</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,457	2,121
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,457</b>	<b>2,121</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	132
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.*

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</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.		

## 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)	(525)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(342)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(867)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,457
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,457
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	2.83
<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: 31 October 2023

Authorised by: The Board of Balkan Mining and Minerals Limited  
(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.
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.