



ASX  
BMM

# Interim Financial Report

Half Year Ended 31 December 2023

[balkanmin.com](http://balkanmin.com)

ABN 67 646 716 681



**Balkan**

Mining and Minerals Limited

## CORPORATE DIRECTORY

### Directors

**Mr Karl Simich**

Non-Executive Chairman

**Mr Ross Cotton**

Managing Director

**Mr Luke Martino**

Non-Executive Director

### Company Secretaries

**Ms Melanie Ross**

**Mr Simon Acomb**

### Auditor

**PKF Perth**

Level 5, 35 Havelock Street, West Perth, WA, 6005

### Share Registry

**Automic Pty Ltd**

Level 5, 126 Phillip Street

Sydney NSW 2000

### Securities Exchange Listing

**Australian Securities Exchange (ASX)**

Code: BMM

### Registered Address

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# DIRECTORS' REPORT

The Directors' present their report together with the financial report of Balkan Mining and Minerals Limited (**BMM, Balkan** or the **Company**) (ASX: BMM) and its controlled entities (the **Group**, or **Consolidated Entity**) for the half year ended 31 December 2023.

## Directors

The following persons were Directors of Balkan Mining and Minerals Limited during the period up to the date of this report unless otherwise stated.

Karl Simich	Non-Executive Chairman
Ross Cotton	Managing Director
Luke Martino	Non-Executive Director
Sean Murray	Non-Executive Chairman ( <i>resigned 1 December 2023</i> )

## Principal activities

During the period, the Company's principal activities included mineral exploration in Canada.

## Significant changes in the state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group, which have not been disclosed elsewhere in this report.

## Dividends

No dividends were paid or declared during the period. No dividend has been recommended.

## Review of Operations

Balkan Mining and Minerals Limited is an ASX listed company focused on the exploration of highly prospective lithium and associated battery mineral projects in Canada and the Balkan region. The Company's Projects comprise Gorge, Tango, Arrel and Barbara (Ontario Lithium) exploration projects in Ontario, Corvette North and Corvette Northwest exploration projects (Quebec Lithium) and the Rekovac, Dobrinja, Pranjani Lithium-Borate projects located within the Republic of Serbia.

In the prior year, the Company secured a portfolio of highly prospective projects in a world-class lithium jurisdiction in the Georgia Lake pegmatite district, Thunder Bay North Mining District of Ontario, Canada and staked two projects in the emerging lithium district of James Bay in Quebec, Canada. The Ontario assets within the Georgia Lake region are located within the Quetico Subprovince of the Superior Province, bounded by the granite-greenstone Wabigoon Subprovince to the north and Wawa Subprovince to the south. Pegmatites in the wider Georgia Lake region are intimately associated with granite intrusions, often within a few hundred feet of the contact zone. The host rocks of spodumene pegmatites are metasediments, typically meta-sandstone described as muscovite schist with observed bedding. Various stages of metamorphism are present, including migmatisation imparting a gneissic texture. The Company's Quebec assets include rock types of the La Grande Greenstone Belt are dominated by amphibolite facies, mafic to ultramafic metavolcanic and intermediate to mafic paragneiss units.

# Directors' Report

The Company is focused on advancing a strategy of building a Canadian lithium supply for North America by becoming a leading lithium and associated battery minerals exploration company by developing a strategic portfolio and continuing its disciplined campaigns across its projects.

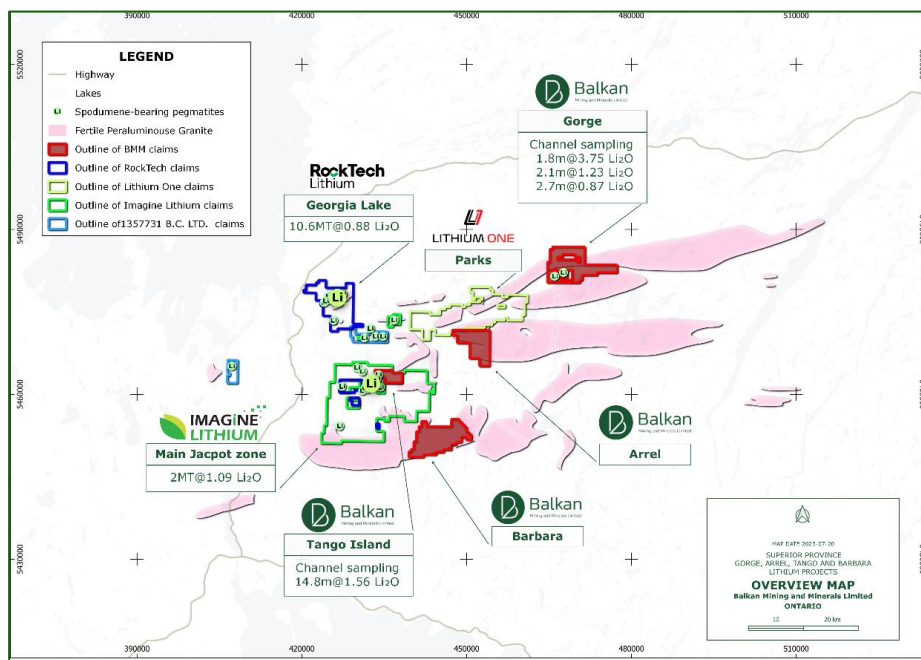


Figure 1 – BMM's Ontario Projects Location Map

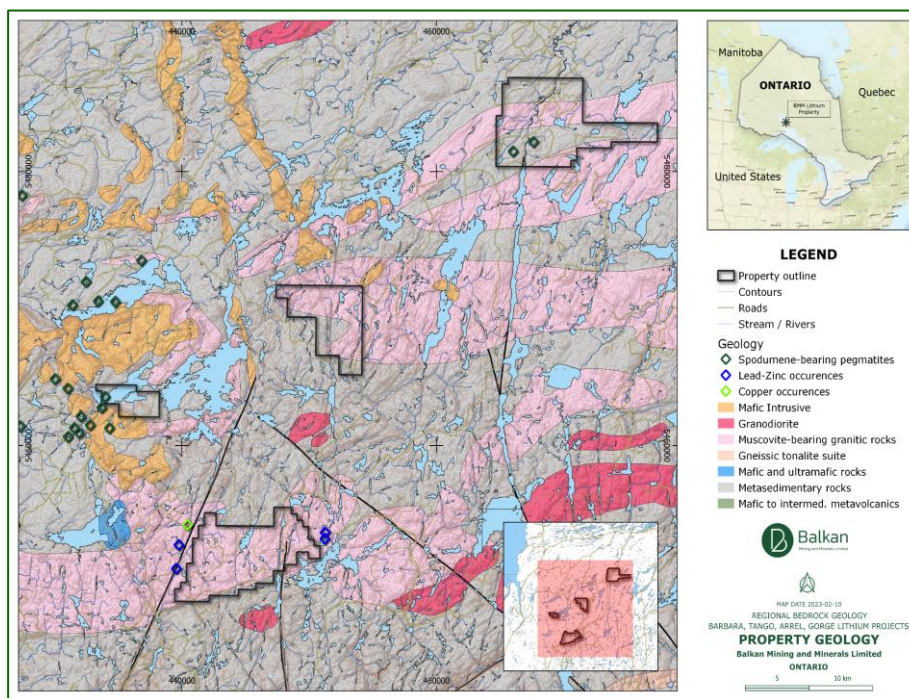


Figure 2 – Ontario Project Geology Map

### Canadian Projects

#### Lithium, Ontario & Quebec

##### Gorge Project

The Company secured an exclusive option to acquire up to 100% of the Gorge Project located in the Georgia Lake Area, Thunder Bay North Mining District of Ontario, Canada.

This project is located approximately 215km to the northeast of the City of Thunder Bay, comprising of 12 active multi-cell claims covering a total area of approximately 43 km<sup>2</sup>. The project area is accessible by bituminised highways and dirt roads from Thunder Bay, proximate to railway networks with an international airport located at Thunder Bay. The Port of Thunder Bay is a major facility that ships several commodities and general cargo via the Great Lakes.

The tenements comprising the Gorge Project are part of the larger Georgia Lake pegmatite district, which is known to host late-stage pegmatite mineralised deposit types that contain rare elements, including lithium, beryllium, tantalum, niobium, and tin, including Rock Tech Lithium Inc's (TSXV: RCK) Georgia Lake project and Imagine Lithium Inc's (TSX.V ILI) Jackpot Lithium project.

During the period, the Company primarily focussed on exploration activities associated with the 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 (refer to ASX announcement dated 9 August 2023).

In September, Balkan announced the commencement of the Company's maiden drilling 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. (refer to ASX Announcement dated 16 December 2022).

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 (see ASX Announcement dated 21 September 2023).

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.

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 (refer to ASX Announcement dated 16 October 2023).

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 (refer ASX Announcement dated 9 November 2023).

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.

## Directors' Report

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

### Tango Project

The Company secured an exclusive option to acquire the 8.64km<sup>2</sup> Tango 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.

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% Li<sub>2</sub>O. A trench sample, described in the historic records as a bulk sample, weighed 213.2 kg and yielded 1.4% Li<sub>2</sub>O. 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 (refer to ASX Announcement dated 31 October 2022).

The Company previously announced the discovery of a new pegmatite dyke field as part of the field exploration program carried out over the eastern portion of the Tango project. In total, 15 surface grab samples were collected from various locations and submitted to ALS Minerals for geochemical analyses (refer ASX Announcement dated 8 November 2022).

One hundred outcrops, ranging from 1-10m<sup>2</sup> 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 (refer ASX Announcement dated 22 December 2022). This data has assisted in the planning of future exploration activities.

During the December quarter, the Company made a payment of CAD\$25,000 in cash and CAD\$75,000 in BMM shares to the vendor of the Tango Project to retain the exclusive option to move to 100% ownership of the project (for full details, refer to ASX Announcement dated 31 October 2022).

### Arrel Project

The Arrel Project, consisting of 6 multi-cell claims (129 cells) totalling 27.05km<sup>2</sup>, situated between the Gorge and Tango Projects, and was acquired by the Company in early December 2022. This development further solidified the Company's presence in the region.

The Project is located approximately 15km southwest of the Gorge Project, 158km northeast of Thunder Bay and 30km south of Beardmore.

The property is accessible by Highway 11 north of Nipigon and then via logging and sealed dirt roads to the property.

Whilst minimal modern exploration had been completed on the project area, the project is directly situated in the Company's area of interest.

## Directors' Report

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### Barbara Project

The Company entered into a binding purchase and sale agreement to acquire 100% of the Barbara Lithium exploration project located in the Barbara Lake Area, Thunder Bay North Mining District of Ontario, Canada.

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

Previously, there was no systematic exploration for lithium over the Barbara Project. In total, eight diamond drill holes were drilled to the immediate east of the Project Property by Anglo American Nickel Mining Corporation Ltd in 1968. One hole intersected 26.5 m of copper mineralisation, averaging 1 % Cu over 5.82 m, while a second hole intersected 17.3 m of copper mineralisation grading 0.54 % Cu<sup>1</sup> (refer ASX Announcement 9 March 2023, Northern Miner, 1968c, p. 657).

On 11 April 2023, the Company announced completion of 100% ownership of the Barbara Lake Lithium Project further expanding BMM's Ontario portfolio footprint.

### Corvette North and Corvette Northwest Projects

The Company directly staked two projects, Corvette North, and Corvette Northwest, in the emerging lithium district of James Bay in Quebec, Canada, during the latter part of December 2022.

The two projects consist of 42 cells and cover approximately 22km<sup>2</sup>.

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, with this stratigraphy being analogous to Patriot Battery Metals Corvette property, where pegmatite intrusions are hosted within basalt-derived amphibolite rocks.

During the period, 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. The Company also continued preliminary exploratory works on the Barbara Lake, Arrel and Corvette North and Northwest Projects.

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

## Serbian Projects

### Serbian Lithium-Borate Projects

The Company's Serbian projects cover three Neogene aged sedimentary basins in the north-west trending portion of the Vadar Zone, forming part of the Vardar-Izmir-Ankara Suture, which stretches from Iran to Bosnia and host to numerous lithium and borate deposits, of which several lithium-boron deposits have been identified and are focused on exploration in recent years, mainly within 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 the Company's Serbian activities and continues monitoring the situation impacting the Serbian mining sector.



## Directors' Report

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### Financial Results

The total comprehensive loss for the Group, after providing for income tax for the period was \$1,708,569 (31 December 2022: \$1,504,812).

### Corporate Activity

#### Change of Company Secretary and Chief Financial Officer

On 13 October 2023, Ms Melanie Ross was appointed as Company Secretary and Mr Simon Acomb as Chief Financial Officer and Joint Company Secretary, following the resignation of Mr Harry Spindler.

#### Director Retirement – Mr Sean Murray

On 1 December 2023, Mr Sean Murray resigned as the non-executive Chairman of the Company. Following Mr Murray's retirement, non-executive Director, Mr Karl Simich, assumed the role of Chairman of the Board.

### Matters Subsequent to the End of the Period

There have been no matters of circumstances that have arisen since 31 December 2023 that have significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.



**Ross Cotton**

**Managing Director**

14 March 2024

## Directors' Report

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### COMPETENT PERSON 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.

### ASX Announcements referred to throughout Directors' Report

4 <sup>th</sup> July 2022	Balkan Secures Canadian Lithium Project
31 <sup>st</sup> October 2022	Balkan Secures Tango Lithium Project In Ontario
8 <sup>th</sup> November 2022	Tango Lithium Project Update
16 <sup>th</sup> December 2022	1.8M @ 3.75% LI20 Assays From Gorge Lithium Project
22 <sup>nd</sup> December 2022	Tango Magnetic Survey Completed & BMM Dual Lists on FSE
9 <sup>th</sup> March 2023	Barbara Lithium Acquisition Expanding Ontario Land Footprint
9 <sup>th</sup> August 2023	BMM Receives Exploration Permit For Gorge Lithium Project
21 <sup>st</sup> September 2023	Drilling Commences at the Gorge Lithium Project
16 <sup>th</sup> October 2023	Drilling at Gorge Lithium Project Intersects Spodumene
9 <sup>th</sup> November 2023	Major Drilling Engaged for Diamond Program at Gorge Lithium
12 <sup>th</sup> December 2023	Visual Spodumene From Koshman Prospect at Gorge

## DIRECTORS' DECLARATION

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In accordance with a resolution of the directors of Balkan Mining and Minerals Limited, I state that:

In the opinion of the directors:

1. The financial statements and notes of the Consolidated Entity are in accordance with the Corporations Act 2001, including:
  - (a) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and the performance for the half-year ended on that date.
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.



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**Ross Cotton**

**Managing Director**

14 March 2024



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## AUDITOR'S INDEPENDENCE DECLARATION

### TO THE DIRECTORS OF BALKAN MINING AND MINERALS LIMITED

In relation to our review of the financial report of Balkan Mining and Minerals Limited for the half-year ended 31 December 2023, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

*PKF Perth*

PKF PERTH

*Simon Fermanis*

SIMON FERMANIS

PARTNER

14 March 2024

WEST PERTH,

WESTERN AUSTRALIA

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2023

	Note	31 December 2023 \$	31 December 2022 \$
Other income		-	443
Compliance and regulatory expenses		(87,940)	(78,307)
Consulting and professional fees	2	(103,694)	(230,257)
Depreciation and amortisation		(38,083)	(30,512)
Employee benefits expenses		(414,585)	(308,438)
Exploration and evaluation expenses		(417)	(401,912)
Marketing and investor relations		(112,120)	(55,830)
Other expenses	3	(331,927)	(309,226)
Share based payments expense	7	(623,754)	(119,668)
<b>Loss before income tax</b>		<b>(1,712,520)</b>	<b>(1,533,707)</b>
Income tax expense		-	-
<b>Loss after income tax</b>		<b>(1,712,520)</b>	<b>(1,533,707)</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange difference on translation of foreign operations		3,951	28,895
<b>Other comprehensive loss for the period, net of tax</b>		<b>3,951</b>	<b>28,895</b>
<b>Total comprehensive loss for the period</b>		<b>(1,708,569)</b>	<b>(1,504,812)</b>
<b>Loss per share</b>			
Basic and diluted loss per share (cents)	8	(2.57)	(2.95)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

## Consolidated Statement of Financial Position

As at 31 December 2023

	Note	31 December 2023 \$	30 June 2023 \$
<b>Current Assets</b>			
Cash and cash equivalents		1,203,488	2,121,586
Trade and other receivables		362,041	141,248
Prepayments		66,192	81,052
Other current assets		-	615
<b>Total Current Assets</b>		<b>1,631,721</b>	<b>2,344,501</b>
<b>Non-Current Assets</b>			
Exploration assets	4	3,253,174	1,544,903
Plant and equipment		92,216	101,321
Right of use asset		44,027	73,808
<b>Total Non-Current Assets</b>		<b>3,389,417</b>	<b>1,720,032</b>
<b>Total Assets</b>		<b>5,021,138</b>	<b>4,064,533</b>
<b>Current Liabilities</b>			
Trade and other payables		889,282	380,391
Provision for employee entitlements		1,614	9,014
Lease liability		48,675	62,512
<b>Total Current Liabilities</b>		<b>939,571</b>	<b>451,917</b>
<b>Non-Current Liabilities</b>			
Lease liability		-	15,489
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>15,489</b>
<b>Total Liabilities</b>		<b>939,571</b>	<b>467,406</b>
<b>Net Assets</b>		<b>4,081,567</b>	<b>3,597,127</b>
<b>Equity</b>			
Issued capital	5	11,934,103	10,582,991
Reserves	6	2,222,372	1,519,857
Accumulated losses		(10,074,908)	(8,505,721)
<b>Total Equity</b>		<b>4,081,567</b>	<b>3,597,127</b>

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2023

		Issued capital	Share Based Payment Reserves	Foreign Currency Reserve	Accumulated Losses	Total
	Note	\$	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>		<b>8,292,437</b>	<b>587,016</b>	<b>(10,420)</b>	<b>(3,522,320)</b>	<b>5,346,713</b>
Loss for the period		-	-	-	(1,533,707)	(1,533,707)
Other comprehensive income		-	-	28,895	-	28,895
<b>Total Comprehensive loss for the period</b>		<b>-</b>	<b>-</b>	<b>28,895</b>	<b>(1,533,707)</b>	<b>(1,504,812)</b>
<b>Transactions with owners in their capacity as owners:</b>						
Issue of shares	5	2,123,204	-	-	-	2,123,204
Capital raising costs	5	(522,651)	-	-	-	(522,651)
Share based payments	6	-	525,668	-	-	525,668
<b>Balance at 31 December 2022</b>		<b>9,892,990</b>	<b>1,112,684</b>	<b>18,475</b>	<b>(5,056,027)</b>	<b>5,968,122</b>
<b>Balance at 1 July 2023</b>		<b>10,582,991</b>	<b>1,444,162</b>	<b>75,695</b>	<b>(8,505,721)</b>	<b>3,597,127</b>
Loss for the period		-	-	-	(1,712,520)	(1,712,520)
Other comprehensive income		-	-	3,951	-	3,951
<b>Total Comprehensive loss for the period</b>		<b>-</b>	<b>-</b>	<b>3,951</b>	<b>(1,712,520)</b>	<b>(1,708,569)</b>
<b>Transactions with owners in their capacity as owners:</b>						
Issue of shares	5	1,669,071	-	-	-	1,669,071
Capital raising costs	5	(317,959)	-	-	-	(317,959)
Share based payments	6	-	841,897	-	-	841,897
Transfer to accumulated losses on expiry of options	6	-	(143,333)	-	143,333	-
<b>Balance at 31 December 2023</b>		<b>11,934,103</b>	<b>2,142,726</b>	<b>79,646</b>	<b>(10,074,908)</b>	<b>4,081,567</b>

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

## Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2023

	31 December 2023	31 December 2022
	\$	\$
<b>Cash Flow from Operating Activities</b>		
Payments to suppliers	(703,005)	(827,465)
Payments for staff costs	(402,945)	(320,396)
Payments for exploration and evaluation	(449)	(237,946)
Interest paid	(4,074)	(2,879)
<b>Net cash flows used in operating activities</b>	<b>(1,110,473)</b>	<b>(1,388,686)</b>
<b>Cash Flow from Investing Activities</b>		
Payments for property plant and equipment	-	(39,694)
Payments for exploration and evaluation	(1,160,377)	(353,158)
Payments for other non-current assets	-	(49,000)
<b>Net cash flows used in investing activities</b>	<b>(1,160,377)</b>	<b>(441,852)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from issue of shares	1,484,977	1,900,000
Transaction costs related to issues of securities	(99,813)	(116,651)
Lease liability repayments	(28,835)	-
<b>Net cash flows provided by financing activities</b>	<b>1,356,329</b>	<b>1,783,349</b>
Net decrease in cash and cash equivalents	(914,521)	(47,189)
Effect of foreign exchange on cash on hand	(3,577)	22,496
Cash and cash equivalents at the beginning of the period	2,121,586	3,615,646
<b>Cash and cash equivalents at the end of the period</b>	<b>1,203,488</b>	<b>3,590,953</b>

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.



# Notes to and Forming Part of the Accounts

For the Half-Year Ended 31 December 2023

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## 1. Statement of Significant Accounting Policies

### (a) Reporting Entity

Balkan Mining and Minerals Limited (ASX: BMM) (the "Company", "BMM") is a listed public company, incorporated and domiciled in Australia. The company is a for-profit entity for the purpose of preparing financial statements. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2023, comprises the Company and its controlled entities (together referred to as the "Group", "Consolidated entity").

The financial report was authorised for issue by the Directors on 14 March 2024.

### (b) Statement of Compliance

The half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

These half-year financial statements do not include full disclosures of the type normally included in an annual financial report. Accordingly, it is recommended that these financial statements be read in conjunction with the annual financial report for the year ended 30 June 2023.

### (c) Basis of Preparation

The accounting policies adopted in the preparation of this half-year financial report are consistent with those followed in preparation of the Group's most recent annual consolidated financial statements.

#### ***New, revised or amending Accounting Standards and Interpretations adopted***

There were no new, revised or amended accounting standards adopted in the period.

#### ***Going concern basis of preparation***

The financial statements have been prepared on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the half-year ended 31 December 2023 the Group recorded a loss of \$1,712,520 (31 December 2022: \$1,533,707), a net working capital surplus of \$692,150 (30 June 2023: \$1,892,584) and had net cash outflows from operating activities of \$1,110,473 (31 December 2022; \$1,388,686).

The ability of the Company to pay its debts as and when they fall due and to continue its exploration and evaluation activities, hence the continued adoption of the going concern assumption, is dependent on the Company raising additional funding as and when required, full or partial divestment of assets, containing expenditure in line with available funding, or a combination thereof. The Company is working towards capital raising initiatives and the Directors are confident that it will receive sufficient additional funding from shareholders or other parties.

The Company has the ability to scale back exploration costs and reduce other discretionary expenditure to preserve cash reserves. The cash flow forecast indicates that, with additional funding, the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report.

## Notes to and Forming Part of the Accounts

For the Half-Year Ended 31 December 2023

### 2. Consulting and Professional fees

	Consolidated entity	
	31 December 2023	31 December 2022
	\$	\$
Consulting fees	(83,740)	(134,648)
Legal fees	(19,954)	(95,609)
	<u>(103,694)</u>	<u>(230,257)</u>

### 3. Other expenses

	Consolidated entity	
	31 December 2023	31 December 2022
	\$	\$
Travel expenses	(113,046)	(111,281)
Insurance expenses	(48,369)	(47,976)
Rental expenses	-	(27,793)
Interest expense	(4,074)	(3,881)
Other expenses	(91,231)	(111,764)
Foreign exchange loss	(75,207)	(6,531)
	<u>(331,927)</u>	<u>(309,226)</u>

### 4. Exploration Assets

	Consolidated entity	
	Half-Year Ended 31 December 2023	Year Ended 30 June 2023
	\$	\$
Opening balance	1,544,902	1,704,219
Asset acquisition	(a) 272,532	1,026,045
Exploration expenditure capitalised	1,400,635	740,840
Impairment expense	-	(1,977,054)
Unrealised FX movement	35,105	50,853
Closing balance	<u>3,253,174</u>	<u>1,544,903</u>

(a) During the period, the Group met its obligations under the Gorge Lithium Project binding agreement and Tango Lithium Project exclusive option agreement. For further detail on these agreements, refer to the 30 June 2023 annual report. During the period to 31 December 2023, the Group paid the following consideration to the vendors of the Projects:

#### Gorge Lithium Project

- Issue of 666,667 shares at a deemed issue price of \$0.15 in the Company to Ombabika; and
- \$60,000 in cash consideration.

#### Tango Lithium Project

- Issue of 566,672 shares at a deemed issue price of \$0.1484 in the Company to Exiro Minerals Corp; and
- \$28,438 (CAD25,000) in cash consideration.

## Notes to and Forming Part of the Accounts

For the Half-Year Ended 31 December 2023

### 5. Share Capital

	December 2023 Shares	December 2023 \$	June 2023 Shares	June 2023 \$
Ordinary shares – fully paid	71,040,513	11,934,103	61,072,014	10,582,991

#### Movements in ordinary share capital

	No. of shares	Issue price	\$
As at 1 July 2022	46,050,000		8,292,437
6 Oct 2022 – shares issued under placement	10,000,000	0.15	1,500,000
6 Oct 2022 – shares issued for asset acquisition	260,756	0.3835	100,000
22 Dec 2022 – shares issued under placement	1,333,333	0.30	400,000
22 Dec 2022 – shares issued for consulting services	30,000	0.30	9,000
22 Dec 2022 – shares issued for asset acquisition	397,925	0.287	114,204
<i>Less share issue costs</i>			<i>(522,651)</i>
As at 31 December 2022	58,072,014		9,892,990
As at 1 July 2023	61,072,014		10,582,991
30 Aug 2023 – shares issued under placement	7,735,160	0.17	1,314,977
6 Dec 2023 – shares issued under placement	1,000,000	0.17	170,000
6 Dec 2023 – shares issued for asset acquisition (a)	666,667	0.15	100,000
6 Dec 2023 – shares issued for asset acquisition (a)	566,672	0.1484	84,094
<i>Less share issue costs (b)</i>			<i>(317,959)</i>
As at 31 December 2023	71,040,513		11,934,103

(a) Refer to Note 4(a) for shares issued as part of asset acquisition.

(b) Refer to Note 7 for details of options issued to a broker in lieu of cash for capital raising services provided.

### 6. Reserves

	Consolidated entity	
	31 December 2023	30 June 2023
	\$	\$
<b>Reserves</b>		
Foreign currency reserve	(a) 79,646	75,695
Share based payment reserves:	(b)	
Option reserve	924,973	850,164
Performance right reserve	1,196,602	563,749
Performance bonus reserve	21,151	30,249
	2,222,372	1,519,857

## Notes to and Forming Part of the Accounts

For the Half-Year Ended 31 December 2023

### 6. Reserves (continued)

	Consolidated entity	
	31 December 2023	31 December 2022
<b>(a) Foreign Currency Reserve</b>		
At the beginning of reporting period	\$ 75,695	\$ (10,420)
Translation of foreign operations	3,951	28,895
At the end of reporting period	79,646	18,475
<b>(b) Share Based Payment Reserves</b>		
<b>Option Reserve</b>		
At beginning of the reporting period	\$ 850,164	\$ 420,209
Options issued	218,142	429,955
Transfer to accumulated losses on expiry of options	(143,333)	-
At the end of reporting period	924,973	850,164
	<b>No. of options</b>	<b>No. of options</b>
At beginning of the reporting period	6,000,000	4,000,000
Options issued	3,000,000	2,000,000
Expiry of options	(500,000)	-
At the end of reporting period	8,500,000	6,000,000
<b>Performance Right Reserve</b>		
At beginning of the reporting period	\$ 563,749	\$ 166,807
Vesting expense for the period	632,853	95,713
At the end of reporting period	1,196,602	262,520
	<b>No. of performance rights</b>	<b>No. of performance rights</b>
At beginning of the reporting period	10,900,000	2,100,000
Expiry of performance rights	(500,000)	-
At the end of reporting period	10,400,000	2,100,000

## Notes to and Forming Part of the Accounts

For the Half-Year Ended 31 December 2023

### 6. Reserves (continued)

#### Performance Bonus Reserve

	31 December 2023 \$	31 December 2022 \$
At beginning of the reporting period	30,249	-
Vesting expense for the period	(9,098)	-
At the end of reporting period	21,151	-

Refer to Note 7 for details on the valuation of share based payments for the period ended 31 December 2023.

### 7. Share Based Payments

Below are details of share based transactions made during the period.

#### (a) Options issued as share issue costs

On 6 December 2023, 3,000,000 options exercisable at \$0.30 with an expiry date of 5 December 2026 were issued to a broker in lieu of cash for capital raising services provided. The options vested immediately and the value of the options was capitalised to share issue costs. The fair value of the services could not be reliably measured and therefore, a Black-Scholes Option Pricing model was used to determine the value of the options, using the following inputs:

Valuation date:	29/11/2023	Expected volatility:	106%
No issued:	3,000,000	Risk free rate:	4.01%
Share price:	\$0.14	Dividend yield:	Nil
Exercise price	\$0.30	Fair value per instrument:	\$0.071
Expiry date:	5/12/2026	Total fair value of options:	\$218,142

#### (b) Performance rights issued as an incentive

In prior periods, performance rights were granted to Directors as an incentive for services provided and are being expensed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income over the vesting period. The fair value of the services could not be reliably measured and therefore, option pricing models were used to determine the value of the performance right issued during the prior periods.

Refer to the 30 June 2023 Annual Report for detailed inputs.

## Notes to and Forming Part of the Accounts

For the Half-Year Ended 31 December 2023

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### 7. Share based payments (continued)

The performance hurdles for each performance right is summarised below:

- a) 800,000 performance rights: Absolute shareholder return: Performance Rights to be convertible into shares, subject to satisfaction of the Company achieving a VWAP of Shares of at least \$1.20, calculated over 20 consecutive trading days on which the Company's Shares have traded;
- b) 800,000 performance rights: Absolute shareholder return: Performance Rights to be convertible into shares, subject to satisfaction of the Company achieving a VWAP of Shares of at least \$1.80, calculated over 20 consecutive trading days on which the Company's Shares have traded;
- c) 3,000,000 performance rights: Absolute shareholder return: Performance Rights to be convertible into shares, subject to the satisfaction of the Company achieving a market capitalisation of no less than \$40,000,000;
- d) 1,800,000 performance rights: Absolute shareholder return: Performance Rights to be convertible into shares, subject to the satisfaction of the Company achieving a market capitalisation of no less than \$80,000,000; and
- e) 4,000,000 performance rights: Operational: Performance Rights to be convertible into shares, subject to the Company achieving the successful return of a "commercial lithium drilling intersection". A commercial drilling intersection is defined to be an ore grade and width discovery metric of 4 meters (a standard underground continuous mining width) of mineralisation in the form of lithium mineral containing +1.0% Li<sub>2</sub>O.

The share based payment expense recognised for the period ended 31 December 2023 in respect of these performance rights was \$632,853.

(c) *Performance bonus issued to Director as an incentive*

In the prior period, on 13 February 2023, the Company granted a long term incentive Performance Bonus (LTI Performance Bonus) to director, Karl Simich.

The performance bonus is subject to vesting in the event the Company achieves a market capitalisation of AUD\$80,000,000 before 13 February 2026, in which case Mr Simich (or his nominees) will be entitled to a performance bonus to the value of 2,200,000 fully paid ordinary shares of the Company as at the date of the achievement of the vesting condition. The LTI Performance Bonus is payable by the Company to Mr Simich (or his nominees) in cash or (subject to Shareholder approval) by the issuing of the shares. The Company has the option to seek Shareholder approval by calling a Shareholder meeting no later than 40 days following the Achievement date. In the absence of Shareholder approval within the 40-day time period, the Company must pay the Performance Bonus in cash. Should the Company not achieve the Achievement within the relevant period, this Performance Bonus shall lapse.

In accordance *AASB 2 Share Based Payments*, the LTI Performance bonus has been treated as a cash settled share based payment transaction. The Company is to re-measure the fair value of the liability at the end of each reporting period until settlement, with any changes in fair value recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

## Notes to and Forming Part of the Accounts

For the Half-Year Ended 31 December 2023

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### 7. Share based payments (continued)

In determining the fair value of LTI Performance Bonus granted, the Company has applied a barrier up-and-in Trinomial pricing model with a Parisian barrier adjustment. As detailed above the Company re-measured the LTI Performance Bonus at 31 December 2023, using the following inputs:

Valuation date:	31/12/2023	Risk free rate:	3.61%
Implied No:	2,200,000	Dividend yield:	Nil
Share price:	\$0.11	Implied 20-day VWAP barrier:	\$1.13
Exercise price	Nil	Parisian price adjustment:	\$1.64
Expiry date:	13/02/2026	Fair value per instrument:	\$0.033
Expected volatility:	110%	Total fair value of LTI Performance Bonus:	\$72,219

The share based payment expense recognised for the period ended 31 December 2023 in respect of this performance bonus was (\$9,098).

### 8. Loss Per Share

	Consolidated entity	
	31 December 2023	31 December 2022
Basic and diluted loss per share (cents)	(2.57)	(2.95)
Loss used to calculate basic and diluted EPS	(1,708,569)	(1,504,812)
Weighted average number of ordinary shares used as the denominator in calculating basic and dilutive EPS	66,600,420	50,931,937

## Notes to and Forming Part of the Accounts

For the Half-Year Ended 31 December 2023

### 9. Segment Information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group's reportable segments have been identified around geographical areas and regulatory environments. The following table presents revenue and result information and certain asset and liability information regarding the relevant segments for the year ended 31 December 2023 for the consolidated entity.

<b>Half-Year to 31 December 2023</b>	<b>Serbia</b>	<b>Canada</b>	<b>Total</b>
<b>Segment Results</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Other income	-	-	-
Supplier, consulting, investor relations and other expenses	(161,533)	(5,897)	(167,430)
Employee benefit expenses	(16,626)	-	(16,626)
<b>Segment result</b>	<b>(178,159)</b>	<b>(5,897)</b>	<b>(184,056)</b>
Corporate expenses, net of other income			(1,528,464)
<b>Total</b>			<b>(1,712,520)</b>
<b>Segment assets and liabilities – at 31 December 2023</b>			
Cash at bank, trade & other receivables	1,290	241,262	242,552
Segment other assets	5,032	2,760	7,792
Segment property, plant & equipment	73,160	-	73,160
Segment exploration assets	-	3,253,174	3,253,174
Segment liabilities	(9,414)	(651,285)	(660,699)
<b>Segment total</b>	<b>70,068</b>	<b>2,845,911</b>	<b>2,915,979</b>
Corporate assets			1,444,460
Corporate liabilities			(278,872)
<b>Total</b>			<b>4,081,567</b>
<b>Half-Year to 31 December 2022</b>	<b>Serbia</b>	<b>Canada</b>	<b>Total</b>
<b>Segment Results</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Other income	69	-	69
Supplier, consulting, investor relations and other expenses	(305,088)	-	(305,088)
Employee benefit expenses	(13,359)	-	(13,359)
<b>Segment result</b>	<b>(318,378)</b>	<b>-</b>	<b>(318,378)</b>
Corporate expenses			(1,215,329)
<b>Total</b>			<b>(1,533,707)</b>



## Notes to and Forming Part of the Accounts

For the Half-Year Ended 31 December 2023

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### 9. Segment Information (continued)

<b>Segment assets and liabilities – at 30 June 2023</b>	<b>Serbia</b>	<b>Canada</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash at bank, trade & other receivables	4,448	83,448	87,896
Segment other assets	1,045	-	1,045
Segment property, plant & equipment	78,469	-	78,469
Segment exploration assets	-	1,544,903	1,544,903
Segment liabilities	(8,365)	(158,784)	(167,149)
<b>Segment total</b>	<b>75,597</b>	<b>1,469,567</b>	<b>1,545,164</b>
Corporate assets			2,352,221
Corporate liabilities			(300,258)
<b>Total</b>			<b>3,597,127</b>

### 10. Commitments and Contingencies

There are no material changes to the commitments and contingencies disclosed in the most recent annual financial report.

### 11. Events Subsequent to Balance Date

No matters or circumstances which have arisen since 31 December 2023 which significantly affected or could significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE MEMBERS OF BALKAN MINING AND MINERALS LIMITED

#### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Balkan Mining and Minerals Limited (the company) and controlled entities (consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, and notes to the financial statements, including material policy information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2023, or during the half year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Balkan Mining and Minerals Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

#### Material Uncertainty Related to Going Concern

Without qualifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the consolidated entity has incurred an operating loss of \$1,712,520 (2022: \$1,533,707) and cash outflows from operating activities of \$1,110,473 (2022: \$1,388,686) for the half-year ended 31 December 2023. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

### Independence

We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

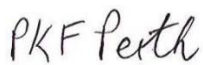
### Directors' Responsibility for the Interim Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



PKF Perth



Simon Fermanis  
Partner

14 March 2024  
West Perth,  
Western Australia





**Balkan**  
Mining and Minerals Limited

**[balkanmin.com](http://balkanmin.com)**

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