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2022 Annual Report

balkanmin.com
ABN 67 646 716 681



Balkan
Mining and Minerals Limited

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***“Building a Global Supply of Lithium for
European Markets”***

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REVIEW OF OPERATIONS

Balkan Mining and Minerals Limited (“BMM”, the “Company”) is an ASX listed company focused on the early-stage exploration through to development of lithium and associated battery minerals in Canada and the Balkan region. The Company’s Projects comprise the Gorge project in Ontario (under option), Canada and the Rekovac, Dobrinja, Pranjani Lithium-Borate projects located within the Republic of Serbia. The Serbian projects cover three Neogene aged sedimentary basins in the north-west trending portion of the Vadar Zone, while the Gorge project is highly prospective for spodumene pegmatite mineralisation.

The Vardar Zone forms part of the Vardar-Izmir-Ankara Suture which stretches from Iran to Bosnia and host to numerous borate deposits of which a number are mined in Turkey, which is the second largest producer of borates and the largest borate reserves globally. Currently none of the borate deposits in Serbia are mined. In addition to the borate potential, number of lithium-boron deposits have been identified and are the focus of exploration in recent years, mainly within Serbia. These include Rio Tinto Limited’s (ASX: RIO) Jadar Deposit discovered in 2004, which has a JORC compliant Probable Ore Reserve of 16.6 Mt at 1.81% lithium oxide (Li₂O) and 13.4% boron trioxide (B₂O₃), and a Mineral Resource comprising 55.2 Mt of Indicated Resource at 1.68% Li₂O and 17.9% B₂O₃ with an additional 84.1 Mt of Inferred Resource at 1.84% Li₂O and 12.6% B₂O₃ and ranks as one of the largest unmined lithium-boron resources globally¹.

The Company is advancing its strategy of becoming a leading Lithium and associated battery minerals exploration company by building a strategic portfolio and continuing its disciplined exploration campaigns across its assets.

Gorge Project Lithium, Canada (under option)

The Company announced (on 4 July 2022) it secured an exclusive option to acquire up to 100% of the Gorge Lithium exploration project located in the Georgia Lake Area, Thunder Bay North Mining District of Ontario, Canada (the “Gorge Lithium Project”).

The Gorge Lithium Project is located approximately 215km to the northeast of the City of Thunder Bay. The Project comprises of 7 active multi-cell mining claims covering a total area of approximately 20.8km² and is

located within the larger Georgia Lake pegmatite district which hosts potential for the discovery of lithium bearing pegmatites.

The Project area is accessible by bitumenised 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 a number of commodities and general cargo via the Great Lakes.

Historical workings carried out in 1955/56 identified up to 40 lithium and beryllium bearing pegmatites exposed in outcrop over an area of approximately 600km², referred to as the larger Georgia Lake Area.

Follow up field work was carried out in the larger Georgia Lake Area during 2008 with a focus on identifying rare-element pegmatite deposits. During this period, a new pegmatite group referred to as “Gathering Lake Pegmatite Group” was discovered containing both albite-spodumene-type and beryl-type pegmatites.

The more recent field program completed in 2018 confirmed the presence of lithium bearing mineralisation on the Project at the Koshman and Nelson occurrences (Figure 2 and 3). Five grab samples were collected and analysed for lithium and lithium values returned up to 3.22% Li₂O (and an average of 2.24% Li₂O).

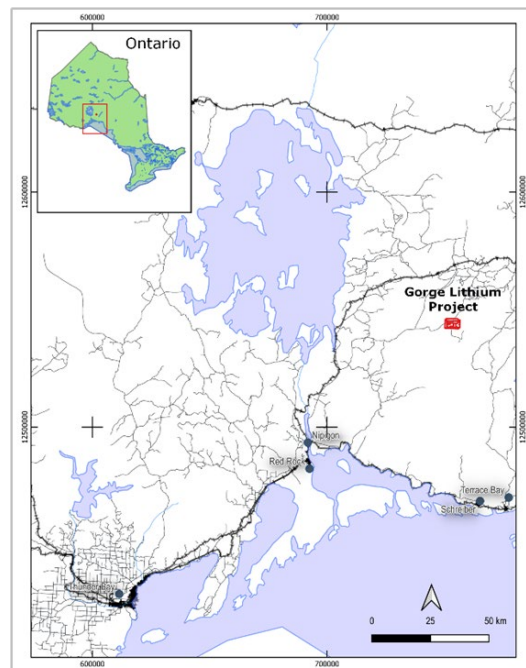


Figure 1 – Location of the Gorge Lithium Project

¹ Refer to Rio Tinto Limited (ASX: RIO) ASX Announcement ‘Rio

Tinto declares maiden Ore Reserve at Jadar’ 10/12,2020.

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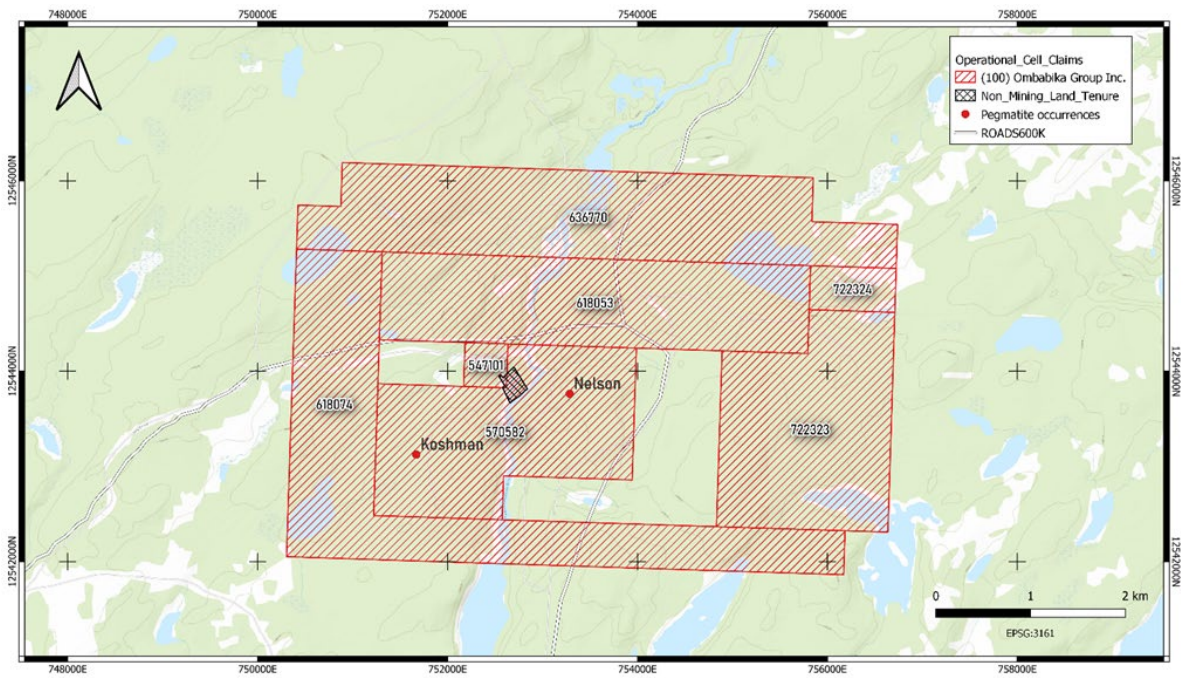


Figure 2 – Location of the Project exploration claims over topo map

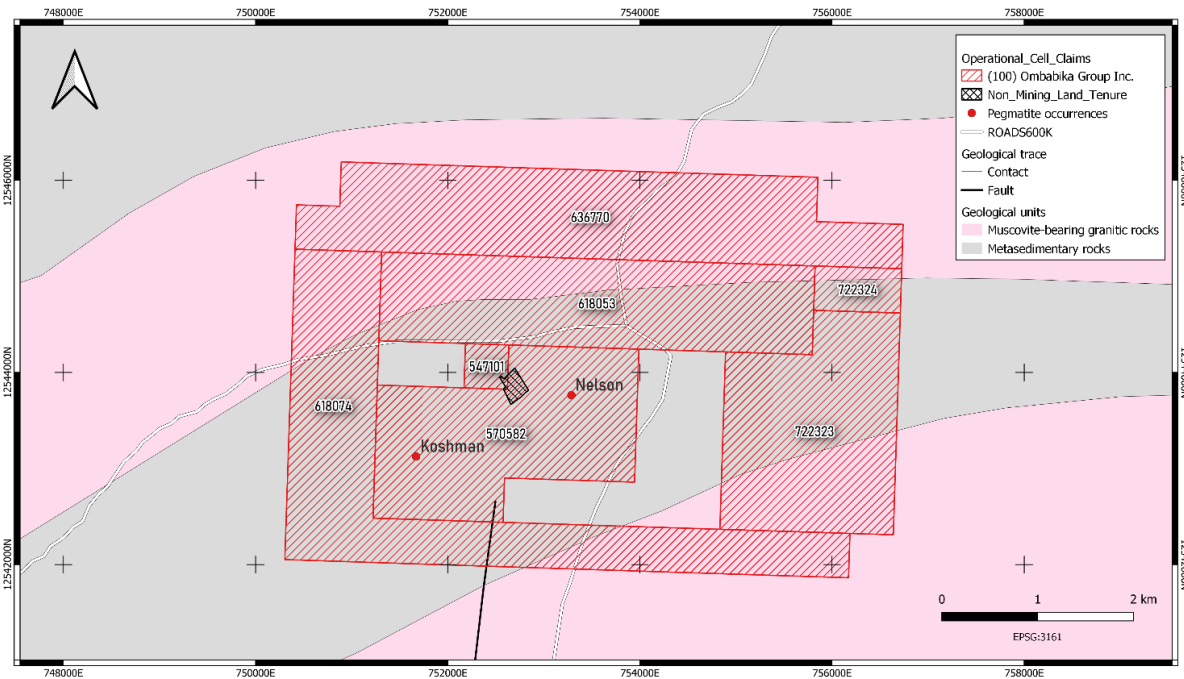


Figure 3 – Location of the Project exploration claims over geological map

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Review of Operations

Project Geology

The Georgia Lake area is located within the Quetico sub-province of the Superior Province of Ontario Canada. The Quetico sub-province is bounded by the granite-greenstone Wabigoon sub-province to the north and Wawa sub-province to the south. The Quetico sub-province is composed of predominantly metasediments consisting of wacke, iron formation, conglomerate, ultramafic wacke and siltstone, which deposited between 2.70 and 2.69 Ga. The igneous rocks in the Quetico sub-province include abundant felsic and intermediate intrusions, metamorphosed rare mafic and felsic extrusive rocks and an uncommon suite of gabbroic and ultramafic rocks.

There is an abundance of pegmatites close to and within the large masses of granitic rocks. A regional zoning is apparent and a genetic association of pegmatites and granite is indicated. The pegmatites occur in two geometries: as irregular-shaped bodies and as thin veins and attenuated lenses. The irregular bodies of pegmatite are intimately associated with the granite bodies often within a few hundred feet of the contact zone. They typically are medium- to coarse-grained, up to very coarse-grained and are made up of quartz, microcline, perthite and little muscovite. These would be classified as potassic pegmatites. Accessory minerals include biotite, tourmaline and garnet.

The pegmatite veins and lenses can be subdivided into rare-element pegmatites and granitic pegmatites. The rare-element pegmatites are of economic significance and they contain microcline or perthite, albite, quartz, muscovite and spodumene and minor amounts of beryl, columbite-tantalite and cassiterite. The granitic pegmatites are like the irregular pegmatites described above except that they contain more abundant plagioclase. Some of the pegmatites are parallel to the foliation or bedding of the metasediments, whereas others occur in joints in either the metasediments or granite. Contacts are usually sharp and, except where veins cut granitic rocks, often found to be marked by a thin border zone of aplite or granitoid composition. A few pegmatites are internally zoned with mica-rich or tourmaline-rich rock along or close to the walls and quartz cores.

Due Diligence

CSA Global was engaged by BMM to execute a Due Diligence assessment.

Five rock chip samples were collected by CSA Global and sent to ActLabs in Toronto for analysis. BMM is pleased to update shareholders, that from these five samples, four samples included Li₂O values above 3.78%, with the 2 highest results being returned at 5.75% and 6.80%. Full results are summarised in table 1¹.

The Thunder Bay region of Ontario has been the focus of lithium pegmatite exploration works with the delineation of hard rock lithium deposits including Rock Tech Lithium Inc's Georgia Lake project in 2021, and Imagine Lithium Inc's (TSX.V ILI) Jackpot Lithium project and works carried out by Ultra Lithium Inc (TSX.V-ULT) Georgia Lake and Forgan Lake Projects, to name a few.

Historical Data Review

The historical data review for the Project indicates that there is adequate historical information available to incorporate into a digital and georeferenced database for the purposes of planning initial exploration programs such as additional field mapping and prospecting, rock and chip sampling, and trenching and channel sampling of spodumene-bearing pegmatites in the project area.



Image 1: Koshman mineral occurrence

¹ Refer to BMM ASX announcement dated 28 September 2022.

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Access to Project

Access to the Koshman and Nelson mineral occurrence sites were ideal along foot access (path) points 1.4 km and 0.3 km from the Gathering Lake Outfitters wilderness/hunting camp. Access to the Project as indicated above is clear and close to Trans Canada Hwy 11 near the towns of Nipigon and Geraldton. A base camp for field and drilling crews could be set up either in Nipigon, Geraldton, or on the site itself at Gathering Lake Outfitters with permission from the owners. Travel from Thunder Bay, the nearest city with full services and an airport is approximately 2.5 hours by vehicle.

2022 Site Visit Summary

CSA Global representatives undertook a field verification and independent witness (IW) sampling program during the site visit to the Project to confirm the available historical information. The field verification process included verifying the locations of the 2018 rock and chip samples collected by a previous operator in the Koshman and Nelson lithium occurrences and pegmatites using a portable GPS and mapping software and finding evidence of spodumene mineralisation within the granitic pegmatite units on the property.

A total of five rock samples were collected by CSA at both spodumene-bearing mineral occurrences/pegmatites for independent laboratory testing of Li% and Li₂O% content and checking for reproducibility of the 2018 rock sampling results, returning grades of Li₂O of up to 6.8%. The site visit confirmed the existence of the outcrops.

Analyte Symbol	Li	Li ₂ O
Unit Symbol	%	%
Lower Limit	0.01	0.01
Method Code	FUS-Na2O2	FUS-Na2O2
3072	1.75	3.78
3073	1.99	4.28
3074	2.67	5.75
3075	0.06	0.13
3076	3.16	6.80

Table 1 – Gorge Project 2022 Due Diligence Sample results

Spodumene varying from disseminated (groundmass) to several centimetres wide in size were found within 30 to 50 cm wide pegmatite units in association with quartz, feldspar, hornblende, muscovite, beryl and other minerals. CSA confirmed that the locations of the 2018 rock and chip samples are correct based on their GPS map checks and field traverses and there was evidence of this historical sampling including broken float and pegmatitic boulders in the vicinity of the historical sample locations.



Image 2; Koshman mineral occurrence large spodumene phenocryst



Image 3: Koshman mineral occurrence (site for sample 3072 & 3073)



Image 4: Koshman mineral occurrence (site for sample 3074)

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Key Terms and Conditions of the Transaction

The Company entered into an exclusive option agreement with Ombabika Group Inc (**Ombabika**) (an entity incorporated in Ontario, Canada) under which it has a right to acquire up to 100% of the Gorge Lithium Project on the following key terms and conditions:

(a) **Exclusivity Fee:** BMM paid a AUD\$25,000 option exclusivity fee (the “**Exclusivity Fee**”) to Ombabika in consideration for Ombabika granting BMM an exclusive right to undertake due diligence on Ombabika and the Gorge Lithium Project with a view to entering into a definitive option and earn-in agreement (“**Option Agreement**”) during the Exclusivity Period (defined below).

(b) **Earn-in:** Subject to satisfaction of the Conditions (defined below), BMM (or its subsidiary nominee) will have the right to earn up to an 100% interest in the Gorge Lithium Project over a 4 staged earn-in (**Earn-In**) as follows:

(i) **Acquisition of 25% interest:** BMM will acquire an initial 25% interest in the Gorge Lithium Project (**Initial Interest**) by:

- a. making a cash payment of AUD\$50,000 to Ombabika;
- b. funding AUD\$100,000 to complete initial field work program focusing on high grade dykes; and
- c. issuing AUD\$50,000 worth of shares to Ombabika, with the number of shares to be calculated based on the volume weighted average price of BMM shares, calculated over the 10 trading days before the date of issue of the shares;

within six months from satisfaction of the Conditions Precident.

(ii) **Acquisition of 50% interest:** BMM will acquire a further 25% interest in the Gorge Lithium Project (such that it holds a 50% interest) (50% Interest) by:

- a. making a cash payment of AUD\$60,000 on or before the date that is 12 months after BMM (or its subsidiary nominee) earns the Initial Interest;
- b. funding exploration works of at least AUD\$250,000 on or before the date that is 12 months after BMM (or its subsidiary nominee) earns the Initial Interest; and

c. issuing AUD\$100,000 worth of shares to Ombabika, based on the volume weighted average price of BMM shares, calculated over the 10 trading days before the date of issue of the shares.

(iii) **Acquisition of 75% interest:** BMM will acquire a further 25% interest in the Gorge Lithium Project (such that it holds a 75% interest) (75% Interest) by:

- a. making a cash payment of AUD\$75,000 on or before the date that is 12 months after BMM (or its subsidiary nominee) earns the 50% Interest;
- b. funding exploration works totalling of at least AUD\$300,000 on or before the date that is 12 months after BMM (or its subsidiary nominee) earns the 50% Interest; and
- c. issuing AUD\$100,000 worth of shares to Ombabika, based on the volume weighted average price of BMM shares, calculated over the 10 trading days before the date of issue of the shares.

(iv) **Acquisition of 100% interest:** BMM will acquire a further 25% interest in the Gorge Lithium Project (such that it holds an 100% interest) by:

- a. making a cash payment of AUD\$100,000 on or before the date that is 12 months after BMM (or its subsidiary nominee) earns the 75% Interest;
- b. funding exploration works totalling of at least AUD\$500,000 on or before the date that is 12 months after BMM (or its subsidiary nominee) earns the 75% Interest; and
- c. issuing AUD\$150,000 worth of shares to Ombabika, based on the volume weighted average price of BMM shares, calculated over the 10 trading days before the date of issue of the shares.

(c) **NSR:** Ombabika will be granted a 2% Net Smelter Royalty on all lithium production from the Assets if BMM acquires a 100% interest in the Gorge Lithium Project. BMM will have the right, but not the obligation, to purchase back 1% of the NSR for AUD\$1,000,000.

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(d) **Conditions:** The transaction shall be subject to the satisfaction of various conditions precedent on or before 31 December 2022 (or such later date as is agreed), including:

- (i) BMM obtaining shareholder approval under ASX Listing Rule 7.1 in respect of a capital raising to raise up to \$1,500,000 through the issue of fully paid ordinary shares in the capital of BMM and completing that capital raising;
- (ii) the parties demonstrating that they have obtained the requisite board approvals to enter into the transaction;
- (iii) BMM obtaining all required legal, regulatory and shareholder approvals including pursuant to the requirements of the ASX Listing Rules and the applicable provisions of the Corporations Act. ASX has determined that the transaction requires shareholder approval and accordingly BMM will seek shareholder approval to the share issues under the Earn-In;
- (iv) BMM receiving confirmation from the ASX that the transaction does not constitute a significant change in the nature or scale of BMM's activities such that re-compliance with Chapters 1 and 2 of the ASX Listing Rules is required (which confirmation has been obtained); and
- (v) the parties obtaining all other necessary third party consents, waivers and approvals to give effect to the transaction (the costs of which shall be borne by the Party requiring consents, waivers and approvals),

(the **Conditions**).

The Company is pleased that in line with its growth strategy this transaction in a Tier 1 jurisdiction (Canada) has diversified its asset base across two important emerging lithium exploration provinces.

General Meeting & Results

A General Meeting of shareholders was held on 23 September 2022. The primary purpose was to consider the Gorge Lithium Project transaction. This transaction was conditional on, amongst other things, the Company obtaining all required legal, regulatory and shareholder approvals (including pursuant to the ASX Listing Rules) and the Company successfully raising up to \$1.5 million under the capital raising.

BMM confirmed that all Resolutions put to the General Meeting of the Company were passed by a poll in accordance with Listing Rule 3.13.2 and section 251AA of the Corporations Act.

Rekovac Project Lithium & Borate, Serbia (100%)

The Rekovac Project comprises three contiguous exploration licences – namely, the Rekovac, Ursule and Siokovac exploration licences. The Rekovac Project is located within the Pomoravlje district of Šumadija and Western Serbia. The licences cover an area of 273 km² and are located about 20 km south-west of Jagodina, the administrative centre and 120 km south-southeast of the capital, Belgrade.

In November the Company commenced gravity and magnetic geophysics within the southern tenement of the Rekovac Lithium-Borate Project before extending these activities to cover the entirety of the project area. Geophysics interpretation aids in defining basin geometry and identifying deep-seated fault zones within the project area, which may have acted as a potential conduit for mineralising fluids. With this additional data the Company is now progressing an internal review to prioritise drill sites for follow-up testing.

Gravity Interpretation Results

The Rekovac basin shape is elongated demonstrating a distinct NNE trend that parallels the regional tectonic grain of Tertiary arc-extensional structures. Based upon the linear configuration, the parallel sharp gradients on both NW and SE sides and the isolated and deep gravity anomaly it can be inferred that the basin was formed by faulting of basement rock. The symmetrical nature further suggests uniform displacement on both flanks of the basin with a similar history of sedimentary infill from those sides. Since the extension was most active in mid-Tertiary time, this was likely an active Miocene graben, its central low probably the locus of long-lived fine-grained sedimentation.

The Rekovac basin likely contains at least 20 mGal of gravity range representing a thick sedimentary section. The Rekovac gravity anomaly is at least as well confined, rising from -20 mGal in its central low to about +2 mGal at the first mapped basement outcrop, a comparable maximum difference of 22 mGal. A new estimation of the thickness of Rekovac Neogene Basin (depth to basement) was made based on a new compilation of gravity data, drill hole information, and outcrop geology.

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This provides a detailed image of the geometry of the basement surface cut by the fault, and thus an estimate of the vertical offset across the fault, at least since the Neogene sediments were deposited. Drilling data is used explicitly in the inversion to constrain the solution, and the inversion is fully 3-dimensional, thus providing much more detail in the map of sediment thickness and the geometry of the basement surface.

Magnetic Survey Interpretations

The purpose of the airborne magnetic survey interpretation was to gather data that would help identify areas with the presence of “blind” Calc – Alkaline volcanic formations that may serve as a source of the volatile elements. Growth faults are believed to have channelled mineral-rich fluids (brines) to the host strata during basin formation. The overall magnetic field over the northern portion of the project area has been found to be low to moderately low, with values diminishing to the north of the project area, probably due to the thickening of non-magnetic younger sediments cover. Within this relative low background, a slightly higher magnetic pattern (10nT above background) may indicate a spring source has been found in the northern central part of the project area. The spring water broadly discharged elevated elements into the lake waters

along faulted margins. That type of subaqueous springs has long been held as a preferred explanation for lithium borate origins

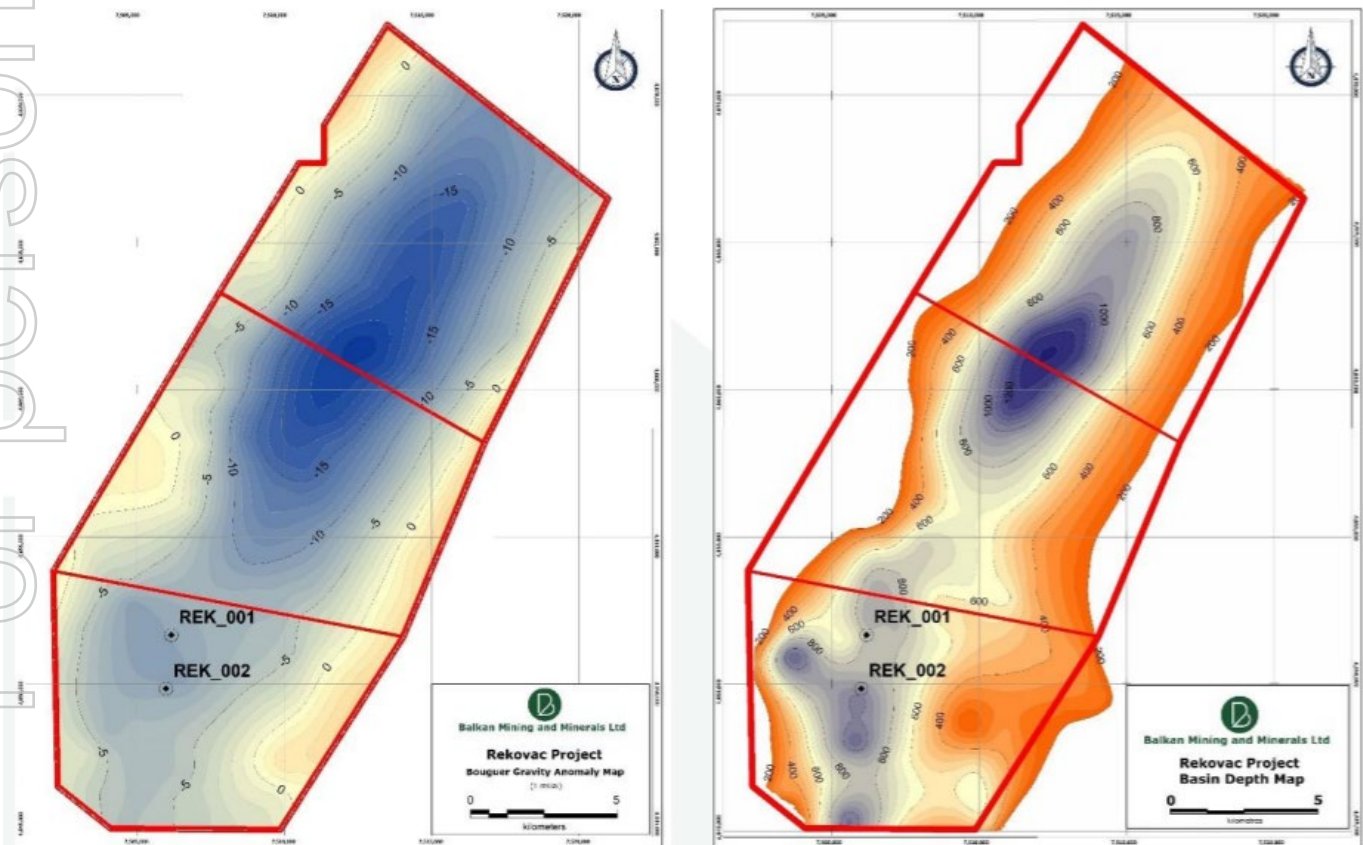
Geophysics Interpretation

The Company completed gravity and magnetic geophysics interpretation over the Rekovac Lithium-Borate Project². Geophysics interpretation aided in defining deep-seated fault zones within the project area.

With this data, the Company continued an aggressive progress review of drill sites for follow-up testing. This included the preparation of the planned drilling campaign, together with the continued stakeholder engagement and community consultation, aided by the assistance of Pasala Exploration and Mining and its wealth of Serbian mining knowledge and expertise.

Gravity Interpretation Results

The Rekovac basin likely contains a gravity range representing a thick sedimentary section. This information provided the Company with a detailed image of the geometry of the basement surface cut by the fault and thus an estimate of the vertical offset.



² ASX Announcements 1 Nov 2021 & 15 Nov 2021

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The boratiferous sediment section, which occupies the southwestern rim, likely extends to the northeast into a thick section of younger sedimentary cover.

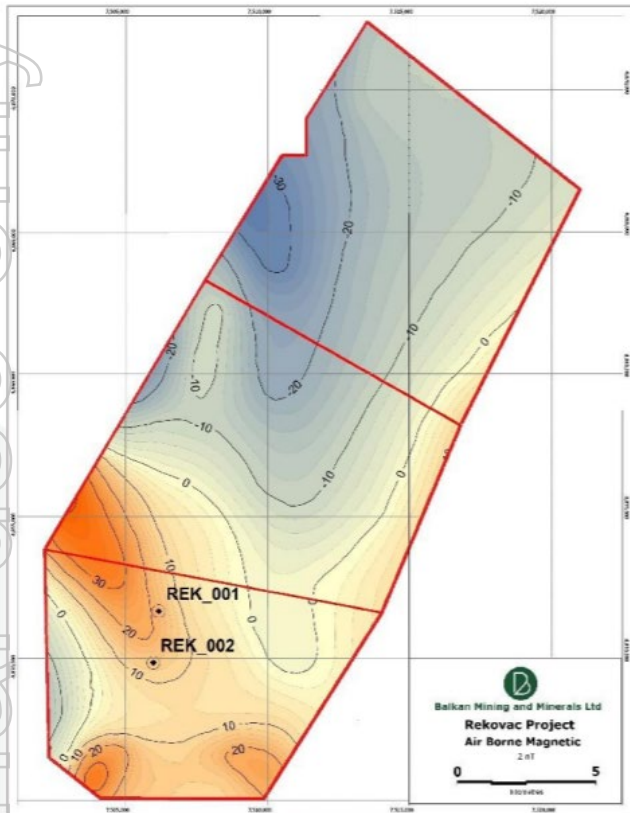


Figure 5 –Magnetic contour image contoured at 2nT

Dobrinja & Pranjani Projects

Lithium & Borate, Serbia (100%)

The Dobrinja and Pranjani Projects each comprise of a single exploration licence in the territories of Gornji Milanovac and Požega, respectively. The Dobrinja exploration licence covers an area of 37.5km² and the Pranjani exploration license covers an area of 25.9km². These Projects are located within the Moravica district of Šumadija and Western Serbia. The two licences are located about 15–20 km northwest of the city of Čačak.

The Dobrinja and Pranjani Project exploration licenses are underlain by Miocene sedimentary rocks of the Pranjani Basin in the north and as yet unnamed southern “Dobrinja Basin”, respectively. The sediments are intruded by dacites and quartz latites, with volcanoclastic equivalents interbedded with the lacustrine and alluvial sediments as well as lamproites. They are located along strike to the northwest of the northwest orientated Cacak-Kraljevo Basin.

The Pranjani Basin covers an area of approximately 40 km² and is 7km long and 6km wide. It is orientated along a northwest axis, parallel to the regional trend of the Vardar Zone and larger Cacak Basin 7km to the southeast. The basement to this basin comprises late Palaeozoic shales, sandstones and limestones, early Triassic limestones, marls and sandstones intruded by Triassic porphyry breccias and tuffs with porphyry lenses and Jurassic age rocks related to the Western Vardar Ophiolites comprising harzburgites, serpentinites, diabases and gabbro, Cretaceous oolitic limestones.

The Miocene sedimentary rocks within the basin comprises two distinct sequences, namely a lower, older marginal facies and a younger, late lower-middle Miocene age inter-basinal facies as described in further detail below.

The first distinct sequence is a lower, older marginal facies approximately 100m thick in the west. It comprises a lower sequence of coarse to medium grained alluvial sediments formed as a result of gravitational slumping and flows from the surrounding hills to the lake margins. This is succeeded by alluvial fans in the west and detritic/evaporitic magnesites in the south of the basin. These sequences are transgressively overlain by lacustrine sediments (known as the “motley series”) with bituminous marly limestones and dolomites. Although mapped as Miocene in age by the YGS fossil assemblages indicate it is late Oligocene-Lower Miocene (approximately 23 million years ago) in age, while some authors have dated the base of unit as early Oligocene (~34 Ma). This unit would correlate to M₁ (early Miocene) as mapped by the Yugoslavia Geological Survey (YGS).

The second distinct sequence is a younger, late lower-middle Miocene age, (approximately 20m thick in the east) inter-basinal facies comprising conglomerates, sandstones, marls, mudstones with coal interbeds, oil shales, marly limestones, dolomites, tuffs, and tuffaceous sandstones.

These sediments are folded about north-west to south-east orientated fold axes with dips of the sedimentary layering in the south-western side of the basin dipping between 10° and 40° towards the north-east and in the centre of the basin dip up to 30° to the south-west and the north-east. Outcrops of basement gabbros occur in the centre of the basin suggest significant variations in the thickness of the Miocene rocks over short distances.

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Younger recent alluvial sediment deposits cover the Miocene rocks along the present-day river channels.

The Dobrinja Basin covers an area of approximately 73km² and is about 15km long and 6.5km wide. It is orientated along a northwest axis, parallel to the regional trend of the Vardar Zone and larger Cacak Basin 7km to the southeast. The Pranjani Basin is situated approximately 10 km to the northeast.

The basement to this basin comprises late Palaeozoic shales, phyllite and argillaceous limestones into the south, early to middle Triassic limestones, marls, shales, and sandstones in the southeast and Jurassic age rocks related to the Western Vardar Ophiolites comprising serpentinites, peridotites, and diabase breccias to the east and north and early Cretaceous limestones to the west.

The Miocene sedimentary rocks dip at between 15° and 30° towards the centre of the basin. The lithostratigraphy within the basin, from oldest to youngest, comprises:

- (a) basal conglomerates of the early Miocene (1 M₁);
- (b) sandstones, marls, clays with coal seams, marly limestones, tuff sandstones of the middle Miocene (2 M₂);
- (c) marly limestones, marls, sandstone, sandstones and mudstone with coal interbeds, sandstone and conglomerate of the upper Miocene (M₃); and
- (d) younger recent alluvial and deluvial sediment deposits cover the Miocene rocks along the present-day river channels and floodplains.

Sampling and Assays Results

The Company conducted an extensive surface prospecting and a permit wide sampling program at Dobrinja, consisting of 97 outcrops being observed and the required information being obtained and recorded into the company database. Additionally, 61 samples of lacustrine-appearing sediments were taken for geochemical analysis.

The sampling program was conducted to identify prospective stratigraphy with elevated lithium and boron and to allow the inference of prospective sections. The field observations identified presences of evaporate mineralisation in form of analcime which is considered to be an indicator mineral of a saline-alkaline environment.

The assay results from samples taken from overlaying younger sediments (Middle and Upper Miocene) returned with relatively low to medium lithium and boron values which indicates that the target stratigraphic units on the project area are underlying younger sediments lithium and boron values which indicates that the target stratigraphic units on the project area are underlying younger sediments.

Gravity Interpretation Results

In tandem with the sampling program the Company also completed gravity survey at Dobrinja, the gravity interpretation indicates that the Dobrinja basin has an elongated shape having a distinct NNW trend that parallels the regional tectonic grain of Tertiary arc-extensional structures. This appears related to differential basement composition trends over a wider area and perhaps reflects a dominantly oceanic crust increase westwardly to the deep regional subduction-suture belt. This resulted in the complete Bouguer anomaly field depicted in Figure 4, with terrain corrections where the lowest values are displayed in green indicating relatively thick sedimentary sections. Geophysics has identified that the most prospective area for future testing includes the Miocene sedimentary section, appearing in the gravity low along the basing axes.

Sampling and Assays results

The Company received additional results from its 2021 surface prospecting and a permit wide sampling program³.

The preliminary mapping and sampling program was successful in providing strong evidence of permissive sediments buried by the younger sedimentary cover on the project area. 97 outcrops were observed and the required data was recorded in the company database. Additionally, 61 samples of lacustrine-appearing sediments were taken for geochemical analysis. Please refer to the Company's announcement of 10 December 2021 for details of these preliminary results.

After receiving initial results from ALS Ireland, the Company requested the laboratory submit the pulp rejects to the ALS laboratory in Vancouver for boron analysis by the B-ICP82 method. This is a single element (B) analysis method designed for "Evaluation of Low - Level Boron by Fusion – ICP - AES". The received results analysed by the B-ICP82 were expectably higher than those returned by ME-ICP41a due to the difference in digestion methodology. The B-ICP82 method is considered to represent the "total"

³ ASX Announcement 21 Jan 2022 – Dobrinja sampling assays yield encouraging results

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and it's the most appropriate method to analyse boron.

The additional results received during the quarter returned with up to 2,300 ppm of B_2O_3 (avg. 497 ppm B_2O_3) indicating a permissive environment for stratabound mineralisation.

The elevated boron values of >800 ppm of B_2O_3 coincide with middle Miocene units that overlay permissive saline-alkaline sediments. The target lower Miocene sediments (P1 and P2) are buried and therefore do not have any outcropping within the project area. A total of 6 samples were collected and returned with over 800 ppm of B_2O_3 (max 2,300 ppm). Refer to the Company's announcement of 21 January 2022 for a complete table for relevant assay results.

At the eastern part of the project area rock chip anomalies are adjacent to the northwest-southeast line with assays results that returned with 400-800 ppm B_2O_3 and extending over an area of approximately 4km.

The field observations identified presences of evaporate mineralisation in form of analcime which is an indicator mineral of a saline-alkaline environment. The assay results from samples taken from overlaying Middle and Upper Miocene sediments returned relatively low to medium lithium and boron values which is encouraging as it indicates that the target stratigraphic units on the project area are well preserved.

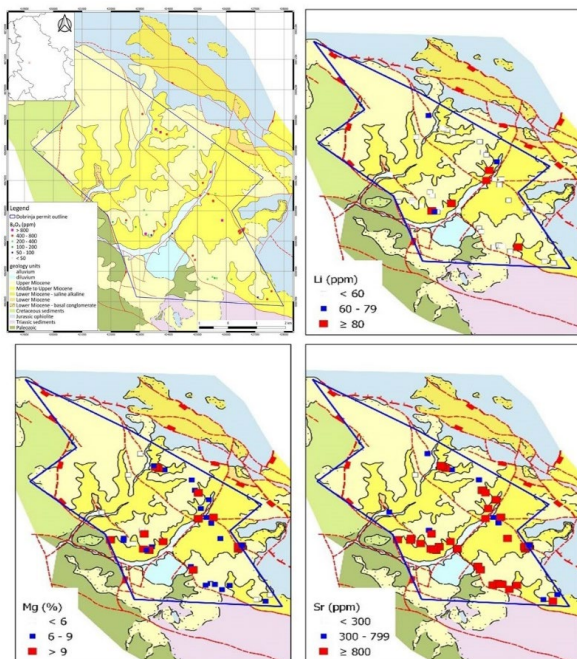


Figure 6 - Dobrinja geology map with rock sampling positions and Li, B, Mg & Sr values

Rekovac Operations Update

BMM updated the market on its Serbian operations on 27 September 2022. The Company deferred its planned drilling program at its Rekovac project due to events that were announced by an international copper producer operating in Serbia.

The copper producer informed the public on 25 September 2022 that one of their workers at their mine in Bor, Serbia, had been seriously assaulted and that company equipment worth over EUR500,000 was set on fire. The worker stated that the individuals responsible for the attack were armed.

BMM since become aware of some potentially inflammatory social media posts with regards to its contracted drill rig.

Considering those events, the Company began investigating including a full risk review and engaging with Government and law enforcement agencies to assess its options moving forward.

BMM stated that it intended to continue exploration, as it works towards resolving those matters by the end of FYQ3 2023. Further, the company confirmed it holds all regulatory licenses and approvals.

Corporate

Environmental, Social and Governance ("ESG")

Over the last 12 months, BMM identified ESG as an important factor to all stakeholders in the company. BMM views ESG as an important consideration, therefore engaged Parvate Collective to create a baseline of its current ESG position. Baselining against the World Economic Forum (WEF) - the most commonly used criteria for ESG metrics - BMM have set a goal of continuous improvement alongside our company goals and policies for the coming year and beyond. BMM are committed to shareholder value and see ESG as a positive in the long-term success of the company. BMM will be releasing further information on the ESG program in due course.

Management and Director Changes

During the reporting period the Company strengthened its management team with the appointment of a number of key representatives. This included the appointment of Mr Sean Murray as non-executive Chairman (commencing 12 July 2021) and Mr Milos Bosnjakovic as non-executive director (commencing 12 July 2021).

Mr Milos Bosnjakovic resigned as a non-executive director of the Company due to increased business commitments, on 18 May 2022.

Review of Operations

Mr Harry Spindler was appointed Chief Financial Officer 1 December 2021. Mr Spindler joined BMM in December 2020 as Company Secretary. Mr. Spindler is an experienced corporate professional with a broad range of finance, accounting, corporate governance and capital markets experience. He has provided consulting accounting services, held various company secretarial positions and has been involved with several public company listings, merger and acquisition transactions.

During November 2021, the company engaged Pasala Exploration and Mining D.O.O (Pasala) as the Company's technical consultant. Pasala provides the Company's growing team with additional resources in the development of its operations in the Balkans, assistance with the analysis and alignment of stakeholders' expectations, assistance with major stakeholder communication in the Balkan's region and to identify additional potential attractive opportunities for further investment in the region.

Puro.earth Agreement

A Marketplace Platform agreement was executed with Puro.earth in September for the identification of CO₂ Removal Certificates (CORCs) for its projects in Serbia.⁴ Puro.earth is the world's first B2B marketplace, standard and registry focused solely on carbon removal.

Under the agreement, Puro.earth will seek to identify CORCs for the company to purchase 2024 onwards. In support of our joint goals, Puro.earth has undertaken to refrain from entering into a Marketplace Agreement with any other Lithium/ Borate Company for the first year from signing the Marketplace Agreement.

The Company continues to review this arrangement as to whether it remains in the Company's medium term objectives.

Saski do Acquisition

During the year, the Company continued to actively review potential opportunities and partnerships that are a strategic fit for the Company and that have the potential to be value accretive for Shareholders.

These activities resulted in the Company entering into an agreement to acquire Sandfire Resources Limited's (ASX: SFR) (Sandfire, Vendor) "Saski do" exploration permit application in Bosnia and Herzegovina. The acquisition would have strategically expanded the Company's Balkan portfolio of critical green metal

assets and further highlighted the collaborative relationship with our major shareholder.

In late March 2022, Sandfire Resources Ltd advised that the Saski Do concession had been granted to a third party unrelated to its subsidiary company, Triassic Resources d.o.o. and that this condition precedent of the Saski do acquisition agreement was incapable of being satisfied prior to the condition precedent date of 31 March 2022. As a result, the Company was unable to proceed with the transaction.

Annual Mineral Resources Statement

As at 30 June 2022, the Group does not have any Mineral Resources Estimates

The Company's Projects do not have defined Mineral Resources or Ore Reserves. The Projects are early stage "greenfields" exploration projects covering regions that are considered prospective for lithium and borate minerals. There has been insufficient exploration works at the Company's Rekovac, Dobrinja and Pranjani Projects to define a Mineral Resource or Ore Reserve.

Compliance Statement

This Annual Report contains information extracted from ASX Market announcements reported in accordance with 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 balkamin.com. Balkan Mining & Minerals Limited confirms that it is not aware of any new information or data that materially effects the information included in the original ASX market announcement. Such ASX announcements are as follows: "Prospectus" 25 May 2021, "Surface Mapping at Rekovac Completed" 20 August 2021, "Surface Sampling Commences at Dobrinja & Pranjani Projects" 20 September 2021, "Completion of Sampling at Dobrinja Lithium-Borate Project" 6 October 2021, "Quarterly Activities Report" 29 October 2021, "Gravity and magnetic geophysics completed at Rekovac" 1 November 2021, "Gravity & Magnetic Survey Complete Over Entire Rekovac Project" 15 November 2021, "Initial Gravity Surveys Interpretation Completed at Dobrinja" 10 December 2021, "Dobrinja Sampling Assays yield Encouraging Results" 21 January 2022, "Quarterly Activity Report" 31 January 2022, "Half Yearly Report and Accounts" 15 March 2022, "Quarterly Activities Report" 2 May 2022, "Balkan Secures Canadian Lithium Project" 4 July 2022, "Rekovac Operations Update" 27 September 2022 and "Exceptional Rock Samples up to 6.8% Li₂O at Gorge Project" 28 September 2022.

⁴ ASX Announcement 24 September 2021 – Market Place Agreement Signed with Puro.earth

DIRECTORS' REPORT

The Directors' present their report together with the financial report of Balkan Mining & Minerals Limited (**BMM**, **Balkan** or the **Company**) (ASX: BMM) and its controlled entities (the **Group**, or **Consolidated Entity**) for financial year ending 30 June 2022.

BMM is a limited liability company that is incorporated in Australia. All amounts are presented in Australian Dollars (AU\$), unless noted otherwise.

Directors

The names and the particulars of the Directors who held office during or since the end of the financial year and until the date of this report are disclosed below.

Name	Status	Appointment/ Resignation
Mr Sean Murray	Non-Executive Chairman	Appointed on 12 July 2021
Mr Ross Cotton	Managing Director	Appointed on 18 December 2020
Mr Luke Martino	Non-Executive Director	Appointed on 18 December 2020
Mr Milos Bosnjakovic	Non-Executive Director	Appointed on 12 July 2021, resigned 18 May 2022
Mr Adrian Paul	Non-Executive Director	Appointed on 18 December 2020, resigned 12 July 2021

Principal activities

BMM is a mineral exploration company which is presently focused on the exploration of EV metals such as lithium and borates in the Balkans region of Serbia.

Significant changes in 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 the Annual Report.

Operating & financial review

The Group made a loss for the year ended 30 June 2022 of \$3,078,739 (2021: loss of \$443,581). As at 30 June 2022, the Group had cash and cash equivalents of \$3,615,646 (2021: \$1,152) and net assets of \$5,346,713 (2021: 996,143).

Refer to the management discussion and analysis contained in the Review of Operations on page 1 of the annual Report for a review of the result and operations, which forms part of this Directors' Report.

The Company was incorporated as a wholly owned subsidiary of EV Resources Ltd (**EVR**). In February 2021, following a strategic review by EVR of its assets, EVR announced that it would demerge its assets located in Serbia via the demerger of the Company (**Demerger**). In April 2021, and the Company undertook a capital restructure resulting in the Company acquiring 100% interest in the Group's Serbian projects.

25 May 2021, the Company lodged its Prospectus with the Australian Securities and Investments Commission to undertake a Public Offer to raise \$6,500,000 (before costs) and seek admission to the Official List of the Australian Securities Exchange (**ASX**). The Company completed its Public Offer and official quotation of BMM's ordinary shares commenced trading on 14 July 2021.

Dividends paid or recommended

There were no dividends paid or recommended during the financial year ended 30 June 2022 (2021: Nil).

Significant events after reporting date

Subsequent to the financial period end the following key events have occurred:

Directors' Report

- (a) In July 2022, the Company entered into a binding terms sheet with Ombabika Group Inc. (a company incorporated under the laws of Canada and an unrelated party of the Company) (Ombabika) to acquire 100% of the Gorge lithium exploration project located in the Georgia Lake area, Thunder Bay North Mining District of Ontario, Canada (the Gorge Lithium Project or the Project) (Transaction).

Under the Transaction, the Company has the option to acquire 100% in the Gorge Lithium Project via a staged earn-in acquisition over a period of up to 3.5 years from the Agreement Signing Date (defined below) (each a Stage) and by satisfying the following conditions (Stage Conditions):

- (a) Acquisition of 25% interest: The Company (or its subsidiary nominee) will acquire an initial 25% interest in the Project (Initial Interest) by: (i) making a cash payment of \$50,000 to Ombabika; (ii) funding \$100,000 to complete an initial field work program focusing on high grade dykes; and (iii) issuing \$50,000 worth of Shares to Ombabika, with the number of Shares based on the volume weighted average price (VWAP) of Shares, calculated over the 10 trading days before the date of issue of the Shares, subject to a floor price of \$0.15 (Floor Price) (such that a maximum of 333,333 Shares may be issued) (being, the subject of Resolution 2) within six months from the satisfaction of the Conditions Precedent, (together, Stage 1).
- (b) Acquisition of 50% interest: The Company (or its subsidiary nominee) will acquire a further 25% interest in the Project (such that it holds a 50% interest) (50% Interest) by: (i) making a cash payment of \$60,000 on or before the date that is 12 months after the Company (or its subsidiary nominee) earns the Initial Interest; (ii) funding exploration works of at least \$250,000 on or before the date that is 12 months after the Company (or its subsidiary nominee) earns the Initial Interest; and (iii) issuing \$100,000 worth of Shares to Ombabika, based on the VWAP of Shares, calculated over the 10 trading days before the date of issue of the Shares, subject to the Floor Price (such that a maximum of 666,667 Shares may be issued) (being, the subject of Resolution 3), (together, Stage 2).
- (c) Acquisition of 75% interest: The Company (or its subsidiary nominee) will acquire a further 25% interest in the Project (such that it holds a 75% interest) (75% Interest) by: (i) making a cash payment of \$75,000 on or before the date that is 12 months after the Company (or its subsidiary nominee) earns the 50% Interest; funding exploration works totalling of at least \$300,000 on or before the date that is 12 months after the Company (or its subsidiary nominee) earns the 50% Interest; and (ii) issuing \$100,000 worth of Shares to Ombabika, based on the VWAP of Shares, calculated over the 10 trading days before the date of issue of the Shares, subject to the Floor Price (such that a maximum of 666,667 Shares may be issued) (being, the subject of Resolution 4), (together, Stage 3).
- (d) Acquisition of 100% interest: The Company (or its subsidiary nominee) will acquire a further 25% interest in the Project (such that it holds an 100% interest) by: (i) making a cash payment of \$100,000 on or before the date that is 12 months after the Company (or its subsidiary nominee) earns the 75% Interest; (ii) funding exploration works totalling of at least \$500,000 on or before the date that is 12 months after the Company (or its subsidiary nominee) earns the 75% Interest; and (iii) issuing \$150,000 worth of Shares to Ombabika, based on the VWAP of Shares, calculated over the 10 trading days before the date of issue of the Shares, subject to the Floor Price (such that a maximum of 1,000,000 Shares may be issued) (being, the subject of Resolution 5), (together, Stage 4).

The Company can elect to withdraw from the Transaction at any time and at its sole and absolute discretion (including, for example where exploration results do not warrant further investment). If the Company elects to withdraw from the Transaction or does not satisfy the Stage Conditions in full, the Company will not retain any interest in the Project (and any interest acquired or deemed to have been acquired will be transferred back to Ombabika), any funds paid to Ombabika or expended on the Project pursuant to the Stage Conditions will not be refunded to the Company and any Shares issued to Ombabika pursuant to the Stage Conditions shall be retained by Ombabika and not subject to forfeiture or cancellation by the Company for any reason.

Upon the Company acquiring an 100% interest in the Gorge Lithium Project, Ombabika will be granted a 2% net smelter royalty (NSR) on all lithium production from the Project. The Company will have the right, but not the obligation, to purchase back 1% of the NSR for \$1,000,000.

In conjunction with the Transaction, BMM is to raise up to \$1.5 million. Sixty Two Capital has been appointed as lead manager to the capital raising.

Directors' Report

Completion of the Gorge Lithium Project transaction is conditional on, amongst other things, the Company obtaining all required legal, regulatory and shareholder approvals (including pursuant to the ASX Listing Rules) and the Company successfully raising up to \$1.5 million under the capital raising. Shareholders approved the Transaction and proposed capital raising at the Company's General meeting of shareholder convened on 23 September 2022.

- (b) On 27 September 2022, the Company announced the deferral of its planned drilling program at its Rekovac project due to events that have been announced by an international copper producer operating in Serbia. Considering these events, the Company is conducting an investigation including a full risk review and engaging with Government and law enforcement agencies. The Company intends on continuing exploration as it works towards resolving these matters by end of FYQ3 2023. Further, the Company confirms it holds all regulatory licences and approvals.
- (c) On 28 September 2022, the Company announced the results of its recent due diligence program, conducted by CSA, at the Gorge Lithium exploration project located in the Georgia Lake Area, Thunder Bay North Mining District of Ontario, Canada. Details of this program can be found in the Review of Operations include in this report.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian and Serbian Governments and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than operational results as detailed in the review of operations, there are no other significant matters subsequent to year end.

Information on Directors

Mr Sean Murray

Non-Executive Chairman (appointed on 12 July 2021)

Experience

Mr Murray has an Honours degree in modern languages and a post graduate Master's degree in Business Management and Economics from the Manchester Business School, part of the University of Manchester Institute of Science and Technology, in the United Kingdom. Mr Murray has more than 40 years' experience worldwide in the chemicals and mining industries, including non-ferrous metals and minerals and industrial minerals. His successful executive management career includes senior roles with Australian Mining and Smelting (CRA), Pasmenco Europe and Pasmenco Inc and Rio Tinto plc where he became Managing Director of Borax Europe and then Deputy Chief Executive, Rio Tinto Borax in the 1990s and early 2000s.

Mr Murray has also served on the boards of Rio Tinto operating companies either as president or as an executive director in the USA (California), Argentina, France, Germany, Holland, Spain and Italy. He has been a Vice-President of the European Zinc Institute (The Hague), and an Industry Advisor on non-ferrous metals and minerals to the UK government at the International Lead Zinc Study Group, (United Nations). He was a Vice-President of the Industrial Minerals Association and President of the European Borates Association in Brussels where he became involved in Public Relations and Sustainable Development.

Since 2005, Mr Murray has provided consulting services on marketing, planning and strategy to the industrial minerals sector in Europe, Australia and the Americas and has held non-executive directorships on the boards of AIM and ASX listed copper, gold, tungsten, potash and fluorspar companies including, Fluormin plc (formerly LSE:FLOR and Potash Minerals Ltd (formerly (ASX:POK)). He was a senior partner in a New York based LLP developing minerals businesses in the former Soviet Union. Mr Murray is fluent in a number of European languages including German and Spanish. Mr Murray has British and Irish citizenship and lives in Surrey in the United Kingdom.

The Board considers that Mr Murray is an independent Director.

Directors' Report

Information on Directors (continued)

Mr Sean Murray	Non-Executive Chairman (continued)
Interest in Shares and Options	nil ordinary fully paid shares 500,000 options nil performance rights
Special Responsibilities	Member of the Audit & Risk Committee, Chair of the Remuneration Committee and member of the Nomination Committee
Directorships held in other listed entities	Previously Non-executive Director of Fluorin plc (LSE) and Potash Minerals Ltd (ASX)

Ross Cotton	Managing Director (appointed on 18 December 2020)
Experience	<p>Mr Ross Cotton has over 15 years of experience in the securities and mining industries and has been instrumental in both the financing and management of mining and resource companies globally.</p> <p>Mr Cottons' experience in investment banking and equity capital markets has provided him with detailed experience in corporate transaction management and execution. In these roles, Mr Cotton has been integral in the recapitalisation and restructuring of companies, including managing of initial public offerings and reverse takeovers. In addition to a number of managerial roles with ASX listed companies, Mr Cotton has also provided corporate advisory services to listed companies on strategy, acquisitions as well as financing via both debt and equity for a number of years.</p> <p>Mr Cotton currently manages a private mining strategy and finance consulting business and utilises his networks established in investment banking, mining and management to provide solutions for the effective implementation of business strategies and management solutions.</p> <p>The Board does not consider Mr Cotton to be an independent Director.</p>
Interest in Shares and Options	600,000 ordinary fully paid shares 1,750,000 options 1,200,000 performance rights
Special Responsibilities	-
Directorships held in other listed entities	Not Applicable

Luke Martino	Non-Executive Director (appointed on 18 December 2020)
Experience	<p>Mr Martino holds a Bachelor of Commerce (BCom) is a Fellow of the Institute of Chartered Accountant Australia and New Zealand (FCA) and a member of the Institute of Company Directors (FAICD).</p> <p>His area of expertise includes corporate finance and business growth consulting advice to the mining and resources sector and a wide range of other industries. Mr Martino is Non-Executive Chairman of EV Resources and was a Director of Pan Asia Corporation Ltd and was a Non-Executive Director of Skin Elements Limited.</p> <p>The Board does not consider Mr Martino to be an independent Director.</p>
Interest in Shares and Options	nil ordinary fully paid shares 500,000 options nil performance rights
Special Responsibilities	Chair of the Audit & Risk Committee, member of the Remuneration Committee and member of the Nomination Committee
Directorships held in other listed entities	Non-executive Chairman of EV Resources Limited (ASX: EVR)

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Directors' Report

Information on Directors

Milos Bosnjakovic Non-Executive Director (appointed 13 May 2020, resigned 18 May 2022)

Experience	<p>Mr Milos Bosnjakovic is a lawyer by profession with strong links and experience in the Balkan countries of the former Yugoslavia Republics, Australia and New Zealand. He has been involved in the resources industry in Australia and the Balkans for almost 20 years and has considerable corporate experience within the industry.</p> <p>Mr Bosnjakovic is a dual national of Australia and Bosnia and Herzegovina and was also the co-founder of ASX-listed Sultan Corporation Limited which became Balamara Resources Limited, which held the Monty Zinc Project in Montenegro. Milos was co-founder of ASX-listed Adriatic Metals PLC (ASX: ADT) and his previous roles have also included acting as Non-Executive Director and Country Manager of Adriatic Metals PLC.</p> <p>The Board considers that Mr Bosnjakovic was an independent Director.</p>
Interest in Shares and Options	<p>nil ordinary fully paid shares</p> <p>500,000 options</p> <p>nil performance rights</p> <p>(as at resignation date)</p>

Adrian Paul Non-Executive Director (appointed on 18 December 2020, resigned 12 July 2021)

Experience	<p>Mr Paul has over 30 years of experience in the securities industry, and was previously a partner in the Australian stockbroking firm D.J. Carmichael & Co. Mr Paul has held various non-executive directorships of public companies listed on ASX such as Chrysalis Resources Limited.</p> <p>Mr Paul currently manages a private investment company and utilises his extensive networks established in stockbroking and investment banking.</p> <p>Mr Paul resigned as a director of the Company on 12 July 2021.</p>
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Information on Company Secretary

Harry Spindler

Mr. Spindler is an experienced corporate professional with a broad range of corporate governance and capital markets experience, having held various company secretary positions and been involved with several public company listings, merger and acquisition transactions and capital raisings for ASX-listed companies across a diverse range of industries over the past 22 years.

Harry is a member of the institute of Chartered Accountants Australia and New Zealand and a member of the Financial Services Institute of Australia. Mr Spindler began his career in corporate recovery and restructuring at one of Australia's leading independent financial advisory and restructuring providers Ferrier Hodgson (now KPMG) and has for the past 11 years worked for corporate advisory firm, through which he has advised a number of clients in a range of industries, as well as held positions as company secretary for a number of ASX-listed companies, including Sino Gas & Energy Holdings Ltd (ASX: SEH; ASX 300), an Australian energy company focused on developing gas assets in China.

Mr Spindler is also Company Secretary of Equinox Resources Limited, Pathfinder Resources Limited and Critical Resources Limited.

Directors' Report

Directors Meetings & Committee Meetings

The following table sets out the number of Directors' and Committee meetings held during the financial year and the number of meetings attended by each Director (while they were a Director or committee member) of the Company.

	Director's Meetings		Audit & Risk Committee Meetings		Nomination Committee Meetings		Remuneration Committee Meetings	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Sean Murray	7	7	2	2	1	1	2	2
Ross Cotton	7	7	-	-	-	-	-	-
Luke Martino	7	7	2	2	1	1	2	2
Milos Bosnjakovic	6	4	2	2	-	-	1	1
Adrian Paul	-	-	-	-	-	-	-	-

Members of the Audit & Risk and Nomination & Remuneration committees as at the date of this report are noted in the table below.

Audit & Risk Committee	Remuneration Committee	Nomination Committee
Luke Martino (chair)	Sean Murray (chair)	Sean Murray (Chair)
Sean Murray	Luke Martino	Luke Martino

Share Options

At the date of this report, the un-issued ordinary shares of Balkan Mining & Minerals Limited under option are as follows:

Issue Date	Expiry Date	Exercise Price	Number of shares under option
06/07/2021	06/06/2024	\$0.50	3,500,000
30/08/2021	31/08/2023	\$0.75	250,000
30/08/2021	31/08/2023	\$1.00	250,000
			4,000,000

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Movement in Options

During the year ended 30 June 2022, 4,000,000 options have been issued, nil have lapsed or been exercised. Since 30 June 2022, no options have been issued, lapsed or been exercised.

Performance Rights ("PR")

At the date of this report, the performance rights issued of Balkan Mining & Minerals Limited are as follows:

Issue Date	Expiry Date	Performance Condition	Number of performance rights
06/07/2021	06/07/2024	(a)	800,000
06/07/2021	06/07/2024	(b)	800,000
31/08/2021	31/08/2023	(c)	500,000
			2,100,000

Directors' Report

Movement in PRs

During the year ended 30 June 2022, 2,900,000 PR's were issued to directors, employees and consultants of the Group. On 2 September 2021, 800,000 performance rights were converted into fully paid ordinary shares upon the satisfaction of the performance milestone, the Company achieving a volume weighted average price (VWAP) of Shares of at least \$0.60, calculated over 20 consecutive trading days on which the Company's Shares have traded.

The issue of the Performance Rights is to appropriately incentivise directors, employees and consultants of the Group and to assist the Company in retaining their services and expertise in a manner which does not unduly impact on cash reserves. Each Performance Right will vest into one Share subject to the achievement of the following performance milestones:

- (a) Performance Rights will vest upon 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; and
- (b) Performance Rights will vest upon 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) Performance Rights will vest upon a performance hurdle of the successful return of a "commercial lithium/borate" 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 either borate mineralisation containing +25% B₂O₃ or lithium – boron mineral containing +0.8% Li₂O and +12.5% B₂O₃.

Since 30 June 2022, no PR's have been issued, lapsed or been exercised.

Likely Future Developments

The Company's strategy is to increase shareholder value by maximising the value of its exploration assets in Serbia, and subject to the Gorge project's acquisition, Canada, and over time diversification of its asset portfolio.

The Group intends to continue to undertake appropriate exploration and evaluation activities sufficient to maintain tenure of its exploration licences, as well as, determine the technical prospectively of the projects, until such time that informed decisions can be made in order to commercially exploit or relinquish them.

Indemnifying Officers

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company (as named above), the company secretary, and all executive officers of the Company and of any related body corporate against a liability incurred as such a Director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial period, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Environmental Regulations

The Company's operations are not regulated by any significant environmental regulation under the Law of the Commonwealth or of a State or Territory of Australia. However, the group's operations in the Republic of Serbia are subject to environmental regulations under the Serbian laws. The group has a policy of complying with its environmental performance obligations and at the date of this report, it is not aware of any breach of such regulations.

Directors' Report

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Auditor

PKF Perth are the Company's Auditor and continue in office in accordance with section 327 of the Corporations Act 2001.

Non-Audit Services

No non-audit services were provided during the financial year ended 30 June 2022 (2021: \$10,950) The 2021 services related to the issue of an Independent Limited Assurance report for inclusion in the Company's 2021 Prospectus. The Directors are satisfied that any non-audit services provided during the period ended 30 June 2021 did not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Corporate Governance Statement

The Company's Corporate Governance Statement can be found on the Company's website at the following URL: www.balkanmin.com/corporate-governance/.

REMUNERATION REPORT (AUDITED)

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of the Company's directors and key management personnel for the financial period ended 30 June 2022. The key management personnel of the Company include the Directors and other officers of the Company. For the purposes of this report "key management personnel" are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company.

The information provided in this remuneration report has been audited in accordance with section 300A of the Corporations Act 2001.

Remuneration Policy

The Company's guiding principles for remuneration strategy used throughout 2022 recognises that:

- Remuneration must be strongly linked to Company performance;
- Remuneration must be competitive to enable the Company to attract and retain quality individuals who are capable and motivated to deliver results for shareholders;
- Remuneration must provide significant incentive to deliver superior performance against the Company's strategy and key business goals;
- Remuneration must be fair and competitive with both peers and competitor employers; and
- Remuneration must be transparent to shareholders.

The nature and amount of remuneration for the non-executive Directors and executives depends on the nature of the role and market rates for the position, with the assistance of external surveys and reports, and taking into account the experience and qualifications of each individual. The Board ensures that the remuneration of key management personnel is competitive and reasonable. Fees and payments to the non-executive Directors reflect the demands which are made on, and the responsibilities of the Directors. Director's fees and payments are reviewed annually by the Board.

In undertaking a review of the performance of both directors and executives, consideration is given to the respective performance of the person during the review period; however, there are no prescribed performance measures or hurdles connected with the level of remuneration.

Directors' Report

The Company's Remuneration Committee has responsibility and oversight for making recommendations to the Board regarding remuneration for directors and employees.

The Company will continue to monitor its remuneration framework against market benchmarks and ensure that the linkages between remuneration and company performance remain strong.

Key Developments

During the year ended 30 June 2022, the Company maintained focus on improving the alignment of KMP incentive-based compensation with shareholder value through refinement of performance measures incorporated into KMP sign-on remuneration packages. This incentive was supported with the adoption of the Company's Performance Rights and Option Plan in April 2021 (following shareholder approval). This plan was adopted to:

- establish a method by which directors or employees of the Company (Eligible Persons) could participate in the future growth and profitability of the Company;
- provide an incentive and reward for Eligible Persons for their contributions to the Company; and
- attract and retain a high standard of managerial and technical personnel for the benefit of the Company.

Given the current size, nature and risks of the Company, having the ability to offer incentive options and performance rights is useful to attract and retain directors and executives. The grant of such options or rights is at the discretion of the Board and subject, as appropriate, to shareholder approval. The Board believes participation in the Company's Performance Rights and Options Plan (incentive scheme) motivates key management and executives with the long-term interests of shareholders. Please refer to further in this report for details on awards made under this plan during the year.

Obtaining and considering shareholder feedback on remuneration strategies is a core focus of the Nomination & Remuneration Committee's.

2021 Remuneration Report Vote

At the Company's 2021 Annual General Meeting, the Company's Remuneration Report received a vote in favour of 99.96%. Feedback on the Remuneration Report was not received during the 2021 Annual General Meeting.

Engagement of Remuneration Consultants

During the financial year, the Company did not engage any remuneration consultants to review the Key Management Personnel remuneration for the year ended 30 June 2022.

Securities Trading Policy

The trading of BMM's securities by directors, key management personnel, their associates and employees of the Company is subject to, and conditional upon, compliance with the Company's Securities Trading Policy ("Securities Trading Policy"). The Company's security trading policy applies to trading in all Company securities, which includes:

- Company securities (such as shares);
- any other securities issued by the Company, such as options;
- derivatives and other financial products issued or created over or in respect of Company securities; and
- securities of any other company or entity that may be affected by inside information.

The securities trading policy details acceptable and unacceptable times for trading in Company Securities including detailing potential civil and criminal penalties for misuse of "inside information".

Any Director, executive or key management personnel wishing to trade in the Company's securities must consult the Chairman and Company Secretary to gain approval to trade and ensure that trading restrictions are not in force. The Directors are responsible for disclosure to the market of all transactions or contracts involving the Company's shares.

Directors' Report

Directors' Remuneration

Directors are remunerated by way of fixed fees and the award of performance based Long Term Incentives (LTI) through the award of PRs or options under the Company's Performance Rights and Option Plan, as approved by Shareholders where required.

Director remuneration is reviewed periodically. Fees paid to directors are determined with reference to:

- the nature of the role, responsibilities and time commitment, including membership of board committees;
- the personal performance, skills and experience of the individual;
- the individual's overall contribution to the success of the business;
- industry benchmarking data and market conditions; and
- the need to attract a diverse and well-balanced group of individuals with relevant experience and knowledge.

Fixed fees for the 2022 financial year are as follows:

- Executive director: \$240,000
- Chairman £36,000
- Non-executive directors \$50,000

The Non-Executive Directors' fees are approved by the Board within the aggregate approved by the shareholders at a general meeting. The fee pool currently stands at \$500,000.

The Company does not provide retirement benefits, however directors may salary sacrifice an element of their total remuneration to superannuation. In addition, the Board seeks shareholder approval for any options that may be issued to directors.

The amount of aggregate remuneration and the manner in which it is apportioned amongst directors is reviewed periodically. Shareholder approval is sought where there is a proposed change in the total remuneration paid to non-executive directors, together with the award of securities to directors.

The Board considers the Company's particular circumstances as well as the fees paid to executive and non-executive directors of comparable companies when undertaking the review process and determining the nature and amount of key management remuneration.

Directors' Report

Details of the Remuneration

The Key Management Personnel of Balkan Mining & Minerals Limited includes the Directors of the Company.

The following tables show details of the remuneration received by the key management personnel of the group for the current financial period.

		Short Term Salary & Fees \$	Post-Employment Superannuation \$	Other/ Bonus \$	Share-based payments		Total \$	Equity based remuneration %
					Incentive Options LTI \$	Performance Rights LTI \$		
Sean Murray ¹ (Non-Executive Chairman)	2022	65,434	-	-	42,976	-	108,410	40%-
	2021	-	-	-	-	-	-	-
Ross Cotton ² (Managing Director)	2022	240,000	-	-	150,414	116,851	507,265	53%
	2021	-	-	-	-	-	-	-
Luke Martino ³ (Non-Executive Director)	2022	48,521	-	-	42,976	-	91,497	47%
	2021	-	-	-	-	-	-	-
Milos Bosnjakovic ⁴ (Non-Executive Director)	2022	42,139	-	-	42,976	-	85,115	50%
	2021	-	-	-	-	-	-	-
Adrian Paul ⁵ (Non-Executive Director)	2022	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-
Harry Spindler ⁶ (CFO & Company Secretary)	2022	94,500	-	-	21,488	39,950	154,938	39%
	2021	-	-	-	-	-	-	-
Total	2022	490,594	-	-	300,830	155,801	947,225	48%
	2021	-	-	-	-	-	-	-

1. Appointed 12 July 2021. Director fees are payable in pounds.

2. Fees paid to Skyflake Investments Pty Ltd. Appointed 18 December 2020.

3. Fees paid to Indian Ocean Consulting Group Pty Ltd. Appointed 18 December 2020.

4. Appointed 12 July 2021. Resigned 18 May 2022.

5. Appointed 18 December 2020. Resigned 12 July 2021.

6. Appointed Company Secretary 18 December 2020. Mr Spindler joined the Company as Chief Financial Officer 1 December 2021. Prior to this time, Company Secretary fees of \$16,258 were paid to Indian Ocean Consulting Group Pty Ltd. Refer to Related Party Note 19 for further details.

Directors' Report

Services Agreements

Remuneration and other terms of employment for the Executive Directors and other executives are formalised in service agreements. Provisions of the agreements relating to remuneration in place at 30 June 2022 are set out below.

Ross Cotton, Executive Director

- Term of agreement: 18 December 2022
- Notice/termination period: without cause 6 months, material change to engagement 1 month
- Incentive PR's and Options: should Mr Cotton terminate the agreement or BMM terminates the agreement due to cause, performance rights and options which have not converted or been exercised into shares) will automatically lapse. Should the Company terminate the agreement without cause, all performance rights will automatically vest and all options which have not already been exercised will continue to be held and be exercisable by Mr Cotton.

Harry Spindler, CFO and Company Secretary

- Term of agreement: 1 December 2021 ongoing
- Notice/termination period: company without cause 6 months, consultant without cause 3 months

There were no other service agreements in place with KMP for the period ended 30 June 2022.

Share-based payments

During the financial period ended 30 June 2022, as part of the Company's listing prospectus, the Company did issue 3,500,000 options and 2,400,000 PR's to KMP. The Company did not issue any incentive options or PRs to KMP during the period ended 30 June 2021.

KMP Performance Rights

During the financial period ended 30 June 2022, the Company, under its IPO Prospectus, has issue 2,400,000 PRs to KMP as detailed below:

Details	Performance Milestone	Issue date	Performance Period End / Expiry date	No. issued
R Cotton	(a)	06/07/2021	06/07/2023	600,000 ¹
	(b)	06/07/2021	06/07/2024	600,000
	(c)	06/07/2021	06/07/2024	600,000
H Spindler	(a)	06/07/2021	06/07/2023	200,000 ¹
	(b)	06/07/2021	06/07/2024	200,000
	(c)	06/07/2021	06/07/2024	200,000

Performance Milestones:

- (a) PR's will vest upon the Company achieving a volume weighted average price (VWAP) of Shares of at least \$0.60, calculated over 20 consecutive trading days on which the Company's Shares have traded

The performance milestone for these PR's were satisfied during the year ended 30 June 2022 and these PR were converted to fully paid ordinary shares on 2 September 2021.

- (b) PR's will vest upon 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;

Directors' Report

- (c) PR's will vest upon 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.
1. During the financial year ended 30 June 2022, or up to the date of this report, 800,000 performance rights (performance milestone (a)) held by KMP were exercised and converted into ordinary fully paid shares and nil lapsed.

KMP Incentive Options

During the financial year ended 30 June 2022, the Company, under its IPO Prospectus, issued 3,500,000 incentive options to KMP as detailed below:

Details	Issue date	Expiry date	Exercise Price	No. issued
S Murray	06/07/2021	06/07/2024	\$0.50	500,000
R Cotton	06/07/2021	06/07/2024	\$0.50	1,750,000
L Martino	06/07/2021	06/07/2024	\$0.50	500,000
M Bosnjakovic	06/07/2021	06/07/2024	\$0.50	500,000
H Spindler	06/07/2021	06/07/2024	\$0.50	250,000

During the financial period ended 30 June 2022 or up to the date of this report, nil options issued to KMP were exercised or have lapsed.

Loans to Key Management Personnel

There were no loans to Key Management Personnel during the year ended 30 June 2022 (2021: n.a).

Other Related Party Transactions

Purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. During the year, the Group acquired the services from entities that are controlled by members of the Group's key management personnel. Please refer to Note 19 for details of the transactions.

Historical Information

The table below sets out summary information about the Group's earnings and performance for the period since the Company's incorporation (18 December 2020) to 30 June 2022.

	2021	2022
Revenue (\$)	-	-
Net loss after tax (\$)	443,581	3,078,739
Dividends (\$)	-	-
Basic loss per share (\$ cents)	0.14	0.07
Diluted loss per share (\$ cents)	0.14	0.07
Share price at the start of the year (A\$)*	n.a	0.200*
Share price at the end of the year (A\$)*	n.a	0.165

* The Company's securities were officially quoted on the ASX on 14 July 2021. The Company completed its \$6.5 million initial public offering at a price of \$0.20 per share.

Directors' Report

KMP Holdings

The Board considers it important that the directors and senior management hold BMM shares to encourage the behaviours of long-term owners.

As at 30 June 2022, KMP held ordinary shares, options and PRs as listed below:

Director	Balance at the start of the period			Granted as Remuneration during the period			Exercise during the period			Other changes during the period			Balance at the end of the period		
	Shares	Options	PRs	Shares	Options	PRs	Shares	Options	PRs	Shares	Options	PRs	Shares	Options	PRs
S Murray	-	-	-	-	500,000	-	-	-	-	-	-	-	-	500,000	-
R Cotton	-	-	-	-	1,750,000	1,800,000	600,000	-	(600,000)	-	-	-	600,000	1,750,000	1,200,000
L Martino	-	-	-	-	500,000	-	-	-	-	-	-	-	-	500,000	-
M Bosnjakovic ²	-	-	-	-	500,000	-	-	-	-	-	-	-	-	500,000	-
A Paul ³	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
H Spindler	-	-	-	-	250,000	600,000	200,000	-	(200,000)	50,000	-	-	250,000	250,000	400,000
Total	-	-	-	-	3,500,000¹	2,400,000¹	800,000¹	-	(800,000)	50,000	-	-	850,000	3,500,000	1,600,000

1. These Options, Performance Rights and Shares are subject to escrow restrictions until 14 July 2023.
2. Resigned 18 May 2022.
3. Resigned 12 July 2021.

REMUNERATION REPORT (END)

This report is made in accordance with a resolution of the Board of Directors.


Ross Cotton

Managing Director

29 September 2022

Directors' Declaration

Directors' Declaration

In the Director's opinion:

1. The consolidated financial statements and notes set out on pages 28 to 54 are in accordance with the Corporations Act 2001, including:
 - a) complying with Australian Accounting Standards and Corporations Regulations 2001;
 - b) giving a true and fair view, the consolidated entity's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
 - c) complying with International Financial Reporting Standards as disclosed in Note 1; and
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.
3. This declaration has been made after receiving the declaration required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2022.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Ross Cotton

Managing Director

29 September 2022

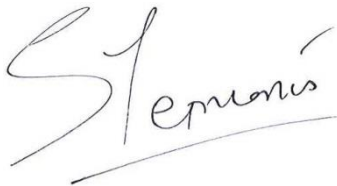
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AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF BALKAN MINING & MINERALS LIMITED

In relation to our audit of the financial report of Balkan Mining & Minerals Limited for the period ended 30 June 2022, 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
PARTNER

29 SEPTEMBER 2022
WEST PERTH,
WESTERN AUSTRALIA

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Other income		718	2
Consulting & professional fees	3	(697,980)	(281,892)
Depreciation and amortisation		(13,518)	(1,161)
Marketing and investor relations		(107,957)	(28,550)
Compliance and regulatory expenses		(204,471)	(68,781)
Exploration and evaluation expenses not capitalised		(301,412)	-
Employee benefits expenses		(586,295)	-
Other expenses		(481,608)	(63,198)
Share based payments	16	(686,216)	-
Loss before income tax expense		(3,078,739)	(443,581)
Income tax expense	4	-	-
Loss for the period		(3,078,739)	(443,581)
Other comprehensive income:			
Items which may be subsequently reclassified to profit or loss			
Exchange differences on translating foreign operations		(6,587)	(3,833)
Total other comprehensive income for the period		(6,587)	(3,833)
Total Comprehensive loss for the period		(3,085,326)	(447,414)
Total loss for the period attributable to:			
Members of the parent entity		(3,078,739)	(443,581)
		(3,078,739)	(443,581)
Total comprehensive loss for the period attributable to:			
Members of the parent entity		(3,081,752)	(447,414)
		(3,081,752)	(447,414)
Loss per share for loss attributable to the ordinary equity holders of the Company:			
Basic and diluted loss per share	5	\$ 0.07	\$ 0.14

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

Consolidated Statement of Financial Position

As at 30 June 2022

	Note	2022 \$	2021 \$
Current Assets			
Cash and cash equivalents	7	3,615,646	1,152
Trade and other receivables	8	12,534	33,024
Prepayments		59,277	73,132
Other current assets		1,937	-
Total Current Assets		3,689,395	107,308
Non-Current Assets			
Plant and equipment		59,444	5,058
Exploration and evaluation asset	9	1,704,219	1,502,693
Right of use asset		26,047	-
Total Non-Current Assets		1,789,710	1,507,751
Total Assets		5,479,105	1,615,059
Current Liabilities			
Trade and other payables	11	84,012	217,432
Borrowings	12	-	401,484
Provision for employee entitlements		21,538	-
Current lease liability		20,320	-
Total Current Liabilities		125,580	618,916
Non-Current Liabilities			
Non-current Lease liability		6,812	-
Total Non-Current Liabilities		6,812	-
Total Liabilities		132,392	618,916
Net Assets		5,346,713	996,143
Equity			
Issued capital	13	8,292,437	1,443,557
Reserves	14	576,596	(3,833)
Accumulated losses	17	(3,522,320)	(443,581)
Total Equity		5,346,713	996,143

The consolidated statement of financial position is to be read in conjunction with the notes to and forming part of the consolidated financial report.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2022

	Note	Issued Capital \$	Share Based Payment Reserves \$	Foreign Currency Reserve \$	Accumulated Losses \$	Total \$
CONSOLIDATED ENTITY						
Balance at 18 December 2020		-		-	-	-
Loss for the period	17	-		-	(443,581)	(443,581)
Other comprehensive income		-		(3,833)	-	(3,833)
Total Comprehensive loss for the period		-		(3,833)	(433,581)	(447,414)
Transactions with owners, recognised directly in equity						
Issue of shares	13	1,443,557		-	-	1,443,557
Balance at 30 June 2021		1,443,557		(3,833)	(443,581)	996,143
Balance at 1 July 2021		1,443,557	-	(3,833)	(443,581)	996,143
Loss for the period	17	-	-	-	(3,078,739)	(3,078,739)
Other comprehensive income		-	-	(6,587)	-	(6,587)
Total Comprehensive loss for the period		-		(6,587)	(3,078,739)	(3,085,326)
Transactions with owners, recognised directly in equity						
Issue of shares	13	7,148,750	-	-	-	7,148,750
Share based payments	14	-	686,216	-	-	686,216
Conversion of shares from performance rights	13	99,200	(99,200)	-	-	-
Capital Raising Costs	13	(399,070)	-	-	-	(399,070)
Balance at 30 June 2022		8,292,437	587,016	(10,420)	(3,522,320)	5,346,713

The consolidated statement of changes in equity is to be read in conjunction with the notes to and forming part of the consolidated interim financial report

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(1,317,937)	(224,520)
Payments for exploration expenditures		(310,868)	-
Other income		718	
Interest paid		(7,919)	
Net cash (used in) operating activities	21	(1,636,006)	(224,520)
Cash Flows from Investing Activities			
Payments for plant and equipment		(65,874)	(5,174)
Payments for exploration and evaluation		(193,440)	(62,291)
Net cash (used in) investing activities		(259,314)	(66,465)
Cash Flows from Financing Activities			
Proceeds from issue of shares		6,500,000	2
Transaction costs related to issues of securities		(562,179)	
Repayment of borrowings		(429,695)	
Proceeds from borrowings		39,515	272,815
Net cash provided by financing activities		(5,547,642)	272,817
Net (decrease) in cash and cash equivalents		3,652,322	(18,168)
Cash and cash equivalents at the beginning of the financial period		1,152	-
Foreign exchange		(37,827)	19,320
Cash and cash equivalents at the end of the financial period	7	3,615,646	1,152

The consolidated statement of cash flows is to be read in conjunction with the notes to and forming part of the consolidated financial report

Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2022

1. Statement of Significant Accounting Policies

(a) Reporting Entity

Balkan Mining & Minerals Limited (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 financial report of the Company as at and for the year ended 30 June 2022 comprises the Company and its controlled entities (together referred to as the "Group").

The financial report was authorised for issue by the Directors on 29 September 2022.

(b) Statement of Compliance

The financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

(c) Basics of preparation

The financial report has been prepared on an accruals basis and is based on historical cost, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Cost is based on the fair value of the consideration given in exchange for assets.

The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted. The financial report has been prepared on a going concern basis.

Going Concern Basis of Preparation

The financial report has 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. Whilst acknowledging the inherent uncertainties of progressing to profitable mining operations and managing working capital requirements, the Directors consider this to be appropriate. For the year ended 30 June 2022 the Group recorded a loss of \$3,078,739 (2021: loss of \$443,581), a net working capital surplus of \$3,563,815 (2021: deficit \$511,608) and had net cash outflows from operating activities of \$1,636,006 (2021: \$224,520).

The Directors are mindful of the Company's working capital requirements and cognisant of its developed capital management program that will provide funding to maximise the potential of its current asset portfolio and provide a strong base for increasing shareholder value. The ability of the Company and the Group to continue to pay its debts as and when they fall due is dependent upon the Company successfully raising additional share capital and ultimately developing its mineral properties.

The accounts have been prepared on the basis that the Company can meet its commitments as and when they fall due and can therefore continue normal business activities, and the realisation of assets and liabilities in the ordinary course of business. The Directors believe that they will continue to be successful in securing additional funds through equity issues as and when the need to raise working capital arises.

(d) Principles of Consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2022. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2022

All transactions and balances between Group companies are eliminated on consolidation in full. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

(e) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2022

(f) Plant & Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The cost of fixed assets constructed within the consolidated entity includes the cost of materials, direct labor, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future consolidated benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Office Furniture	5%-50%
Office Equipment	12.5% - 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

(g) Leases

Lease policy - With the exception of leases with terms of less than 12 months and leases relating to low-value assets, right-of-use assets and lease liabilities are recognised in relation to all leases. The lease liabilities are recognised at the present value of the lease payments that are remaining to be paid and include, where applicable, any payments applicable under extension options expected to be exercised. The right-of-use assets are initially recognised as the amount of the initial lease liability adjusted for any lease payments made at or before commencement, lease incentives received, initial direct costs incurred, and an estimate of costs of dismantling, removing or restoring the asset that are required to be incurred under the terms of the lease. The right-of-use asset is then depreciated on a straight-line basis over the term of the lease.

(h) Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A Financial liability is recognized when it is extinguished, discharged, cancelled or expires.

Classification and measurement

- i. Financial assets

Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2022

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments accounted for at amortised cost or fair value through profit or loss (FTVPL).

Financial assets are measured at amortised cost if the objective of the financial asset is to hold and collect its contractual cash flows and contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition, these are measured using the effective interest method.

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorized at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interests are accounted for a FTVPL.

ii. Financial liabilities

The Group's financial liabilities include trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

(i) Derivative financial instruments

Derivative financial instruments are accounted for at fair value through profit and loss (FTVPL) except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet the following requirements:

- There is an economic relationship between the hedged item and the hedging instrument
- The effect of credit risk does not dominate the value changes that result from that economic relationship
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

(j) Impairment of Non-Financial Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2022

(k) Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- i. the rights to tenure of the area of interest are current; and
- ii. at least one of the following conditions is also met:
 - a. the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - b. exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest is continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(l) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary consolidated environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in profit or loss.

Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2022

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- Income and expenses are translated at average exchange rates for the period; and
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.

(m) Employee Entitlements

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled wholly within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(n) Cash

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of one month or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(o) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Government grants relating to the COVID-19 stimulus package are recognised at their fair value. Government grants, including non-monetary grants at fair value, shall not be recognised until there is reasonable assurance that the entity will comply with the conditions attaching to them and that the grants will be received.

All revenue is stated net of the amount of goods and services tax (GST).

(p) Trade and Other Creditors

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(q) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(r) Earnings Per Share

- Basic earnings per share: Basic earnings per share are determined by dividing the net loss attributable to equity holders of the Company, by the weighted average number of ordinary shares outstanding during the year.

Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2022

- Diluted earnings per share: Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(s) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(t) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(u) Critical Accounting Estimates and Judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical knowledge and experience, best available information and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The critical accounting estimates and judgements applicable to this financial report are as follows:

Exploration and evaluation expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recovered or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at reporting date at nil value.

Acquisition of subsidiaries

The acquisition of subsidiaries that do not constitute a business as defined by AASB 3 Business Combinations are accounted for as an acquisition of an asset. In making these assessments, judgement is applied with regards to whether inputs, processes and outputs are associated with these acquisitions.

Share-based payment transactions:

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using appropriate valuation models.

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using appropriate valuation models-taking into account the terms and conditions upon which the instruments were granted.

Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2022

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Balkan Mining & Minerals Limited. The Group's sole operating segment is consistent with the presentation in these consolidated financial statements.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

(v) Equity-settled compensation

Share-based payments to employees are measured at the fair value of the instruments issued. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of share-based payments is determined using the appropriate pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

(w) New, revised or amending Accounting Standards and Interpretations adopted

Australian Accounting Standards

New Accounting Standards and Interpretations not yet mandatory or early adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. Financial Risk Management Policies

The group's principal financial instruments comprise mainly of deposits with banks, receivable and payables.

The Group manages its exposure to key financial risks, including interest rate and currency risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below.

a. Treasury Risk Management

Due to the size of the group, responsibility for identification and control of financial risks rests with the Board of Directors. This includes the use of hedging derivative instruments, credit risk policies and future cash flow requirements. The level of activity during the financial year did not warrant using derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures.

Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2022

b. Financial Risk Exposures and Management

The group's activities expose it to financial risks, market risk (including currency risk, fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The level of activity during the financial year did not warrant using derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. Where relevant and appropriate, the Company will avail itself of appropriate hedging instruments in future financial years.

c. Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

As a result of operations in Serbia, the Group's statement of financial position can be affected by movements in the RSD/AUD and EUR/AUD exchange rates. The Group also has transaction currency exposure. Such exposure arises from purchases by an operating entity in currencies other than the functional currency.

The following table details the Group's exposure at the reporting date to foreign exchange risk arising from recognized assets or liabilities denominated in currencies other than the functional currency to which they relate.

Year ended 30 June 2022	2022 RSD
Cash and cash equivalents	33,463
Trade and other receivables	2,011
Trade and other payables	(28,082)
Overall net exposure	7,392
+/- 10% in foreign exchange rates	739

d. Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The group did not have any material credit risk exposure to any single debtor or group of debtors at reporting date.

e. Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash to fund the group's activities. The directors regularly monitor the Company's cash position and on an on-going basis consider a number of strategic initiatives to ensure that adequate funding continues to be available.

The table below reflects all contractually fixed pay-offs and receivables for settlement, repayments and interest resulting from recognised financial assets and liabilities. The undiscounted cash flows for the respective upcoming fiscal years are presented. Cash flows for financial assets and liabilities without fixed amount or timing are based on the conditions existing at 30 June 2022.

Maturity analysis of financial assets and liability based on management's expectation

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows. Trade payables and other financial liabilities mainly originate from the financing of the day to day operations of the group. These assets are considered in the group's overall liquidity risk.

Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2022

Year ended 30 June 2022	≤ 6 months \$	6-12 months \$	1-5 years \$	> 5 years \$	Total \$
Consolidated financial assets					
Cash and cash equivalents	3,615,646	-	-	-	3,615,646
Trade and other receivables	12,534	-	-	-	12,534
	3,628,180	-	-	-	3,628,180
Consolidated financial liabilities at amortised cost					
Trade and other payables	84,010	-	-	-	84,010
	84,010	-	-	-	84,010

Year ended 30 June 2021	≤ 6 months \$	6-12 months \$	1-5 years \$	> 5 years \$	Total \$
Consolidated financial assets					
Cash and cash equivalents	1,152	-	-	-	1,152
Trade and other receivables	33,024	-	-	-	33,024
	34,176	-	-	-	34,176
Consolidated financial liabilities at amortised cost					
Trade and other payables	217,432	-	-	-	217,432
Borrowings	401,484	-	-	-	401,484
	618,916	-	-	-	618,916

f. Interest Rate Risk

From time to time the Group has significant interest bearing assets, but they are as results of the timing of equity raisings and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the rise and fall of interest rates. The Group's income and operating cash flows are not expected to be materially exposed to changes in market interest rates in the future and the expose to interest rates is limited to the cash and cash equivalents balances.

At reporting date, the group had the following mix of financial assets and liabilities exposed to variable interest rate risk that are not designated in cash flow hedges:

	2022 \$	2021 \$
Financial Assets		
Cash and cash equivalents	3,615,646	1,152
Net exposure	3,615,646	1,152

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

At 30 June 2022, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2022

Judgments of reasonably possible movements:	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	2022	2021	2022	2021
	\$	\$	\$	\$
Consolidated				
+/- 1% in interest rates	18,084	1	18,084	1

The movements in profit are due to higher/lower interest costs from variable rate cash balances. The movements are reasonable with reference to the historical interest rate fluctuations.

f. Price Risk

The Group's exposure to commodity and equity securities price risk is minimal at present.

g. Net Fair Values

Due to short term nature of the receivables and payables the carrying value approximates the fair value.

3. Consulting and Professional fees

	Consolidated entity 2022 \$	Consolidated entity 2021 \$
Legal fees	111,004	171,892
Consulting fees	86,976	110,000
Corporate advisory fees	500,000	-
	697,980	281,892

4. Income Tax Expense

	Consolidated entity 2022 \$	Consolidated entity 2021 \$
(a) Income tax expense / (benefit)		
Current tax	-	-
Deferred tax	-	-
Income tax expense	-	-
(b) Amounts recognized directly in equity		
Current tax	-	-
Deferred tax	-	-
Income tax expense	-	-

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Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2022

Income Tax Expense (continued)	2022	2021
	\$	\$
(c) Reconciliation of income tax expense to prima facie tax payable		
Profit/(loss) from ordinary activities before income tax expense	(3,078,739)	(443,581)
Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2021: 30%)	(923,622)	(133,074)
Tax effect of amounts which are non-deductible (taxable) in calculating taxable income:		
- non-deductible expenses relating to foreign projects	839,564	29,448
- temporary differences and tax losses not recognized	84,058	103,626
Income tax expense / (benefit)	-	-
(d) Deferred tax assets/(liability)		
Tax losses	187,684	103,626
Net deferred tax assets not recognised	187,684	103,626

Income tax benefit due to timing differences not brought to account. Deferred tax liability is reduced to nil by benefits attributable to tax losses not brought to account. The potential tax benefit will only be obtained if:

- i. *The consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;*
- ii. *The consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation; and*
- iii. *No changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.*

5. Loss per Share

	Consolidated entity	Consolidated entity
	2022	2021
	\$	\$
Loss attributable to ordinary equity holders	(3,085,326)	447,414
Losses used to calculate basic and diluted EPS	(3,085,326)	447,414
Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	45,243,288	3,179,489
Weighted average number of ordinary shares outstanding during the period used in calculating diluted EPS	45,243,288	3,179,489

Anti-dilutive options and rights have not been used in the EPS calculation. As at 30 June 2022, there were 4,000,000 options and 2,100,000 performance rights on issue.

6. Auditor's Remuneration

	Consolidated entity	Consolidated entity
	2022	2021
	\$	\$
Remuneration of PKF Perth for:		
Auditing or reviewing of financial reports	38,500	16,500
Preparation of limited assurance report	-	10,950
	38,500	27,450

Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2022

7. Cash and Cash Equivalents

	Consolidated entity 2022 \$	Consolidated entity 2021 \$
Cash at bank and on hand	3,615,646	1,152
	3,615,646	1,152

8. Current Trade and other Receivables

	Consolidated entity 2022 \$	Consolidated entity 2021 \$
Other receivables	12,534	33,024
	12,534	33,024

There are no balances within trade and other receivables that are impaired and are past due. It is expected these balances will be received when due.

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter party. The class of assets described as trade and other receivables is considered to be the main source of credit risk related to the Group.

9. Exploration and evaluation assets

	Consolidated entity 2022 \$	Consolidated entity 2021 \$
Opening balance	1,502,693	-
Asset acquisition ¹	-	1,450,468
Exploration capitalised	222,466	52,225
Unrealised FX movement	(20,940)	-
Closing balance	1,704,219	1,502,693

- As detailed in the 2021 Annual Report, on 30 April 2021, the Company acquired Centralist Pty Ltd which through its wholly owned subsidiary holds the tenements of the Serbian Lithium-Borate Projects.

10. Controlled Entities

The Consolidated Entity incorporates the assets, liabilities and results of the following companies:

	Country of Incorporation	Percentage Interest	
		2022	2021
Centralist Pty Ltd	Australia	100%	100%
Balkan Istraživanja d.o.o	Republic of Serbia	100%	100%

Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2022

11. Trade and Other Payables

	Consolidated entity 2022 \$	Consolidated entity 2021 \$
Unsecured liabilities		
Trade payables	84,012	217,432
	84,012	217,432

All amounts are short-term and the carrying values are considered to approximate fair value.

12. Borrowings

	Consolidated entity 2022 \$	Consolidated entity 2021 \$
Loan: EV Resources Ltd	-	401,484
Total	-	401,484

During the 2021 financial period, the Company entered into an intercompany unsecured facility agreement with EV Resources Limited (**EVR**), pursuant to which the EVR agreed to lend funds to the Company to be applied towards the expenses for completing its public offer, ASX listing or as otherwise agreed between the Company and EVR. Each party also agreed to provide the other party with operational services and support, including management, financial, taxation and administrative services on an ongoing basis and that such services as provided by EVR to the Company would be provided under advances covered by the facility. The loan funds, together with interest at 10%, was repaid at listing of the Company in July 2021.

13. Contributed equity

	Note	Consolidated entity 2022 \$	Consolidated entity 2021 \$
46,050,000 (30 June 2021: 10,000,000) Fully paid ordinary shares	(a)	8,292,437	1,443,557
a) Ordinary Shares			
At beginning of the reporting period		1,443,557	-
Issue of shares – incorporation		-	2
Issue of shares – group restructure		-	1,443,555
Issue of shares – initial public offer		6,500,000	
Issue of shares – consulting services		648,750	
Issue of shares – conversion of performance rights		99,200	-
Capital raising cost		(399,070)	-
At reporting date		8,292,437	1,443,557

Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2022

(a) Ordinary Shares (continued)	2022	2021
	\$	\$
	No. Shares	No. Shares
At the beginning of reporting period	10,000,000	-
Issue of shares – incorporation	-	2
Issue of shares – group restructure	-	9,999,998
Issue of shares – initial public offer	32,500,000	-
Issue of shares – consulting services	2,750,000	-
Issue of shares – conversion of performance rights	800,000	-
At the end of reporting period	46,050,000	10,000,000

Ordinary shares have no par value and participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. Every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

b) Capital management

Management controls the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

The group's debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

	Consolidated entity	Consolidated entity
	2022	2021
	\$	\$
Total borrowings	-	401,484
Less cash and cash equivalents	(3,615,646)	(1,152)
Net debt	(3,615,646)	400,332
Total equity	8,292,438	1,443,557
Total capital	4,676,791	1,843,889

14. Reserves

Reserves	Consolidated entity	Consolidated entity
	2022	2021
	\$	\$
Foreign currency reserve	(10,420)	(3,833)
Option reserve 4,000,000 (30 June 2021: nil)	420,209	-
Performance right reserve 2,100,000 (30 June 2021: nil)	166,807	-
	576,596	(3,833)

Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2022

	2022	2021
a) Foreign Currency Reserve	\$	\$
At the beginning of reporting period	(3,883)	-
Movement	(6,537)	(3,883)
At the end of reporting period	(10,420)	(3,883)
b) Share Based Payment Reserves		
Option Reserve	\$	\$
At beginning of the reporting period	-	-
Issue of options	349,131	-
Options expense	71,078	-
Exercise of options	-	-
Expiry of options	-	-
At the end of reporting period	420,209	-
	No. of options	No. of options
At beginning of the reporting period	-	-
Issue of incentive options	4,000,000	-
Exercise of options	-	-
Expiry of options	-	-
At the end of reporting period	4,000,000	-
b) Share Based Payment Reserves (continued)		
Performance Right Reserve	\$	\$
At beginning of the reporting period	-	-
Performance rights expense	266,007	-
Conversion of performance rights	(99,200)	-
At the end of reporting period	166,807	-
	No. of performance rights	No. of performance rights
At beginning of the reporting period	-	-
Issue of performance rights	2,900,000	-
Conversion of performance rights	(800,000)	-
At the end of reporting period	2,100,000	-

Employee performance rights & options plan

The Company has adopted a Performance Rights and Option Plan to (a) establish a method by which directors or employees of the Company (Eligible Persons) can participate in the future growth and profitability of the Company; (b) provide an incentive and reward for Eligible Persons for their contributions to the Company; and (c) attract and retain a high standard of managerial and technical personnel for the benefit of the Company.

Each PR is exercisable for one ordinary share at nil consideration, upon satisfaction of certain performance hurdles set in the Performance Rights and Options Plan (refer to Note 16 for details).

During the year ended 30 June 2022, 2,900,000 PRs were issued (2021: nil), 800,000 PRs were exercised (2021: nil) and Nil PRs lapsed (2021: nil).

Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2022

15. Key Management Personnel Disclosures

	Consolidated entity 2022	Consolidated entity 2021
	\$	\$
Aggregate Compensation	\$	\$
Short term employee benefits	490,594	-
Share-based payments	456,631	-
	947,226	-

16. Share-based Compensation

	Consolidated entity 2022	Consolidated entity 2021
	\$	\$
Options expense	420,209	-
Performance rights expense	166,807	-
Performance rights converted to shares	99,200	-
Consulting services ¹	648,750	-
	1,334,966	-

1. In July 2021, the Company completed its ASX listing and closed the Offers made under its Prospectus dated 25 May 2021. As a result, in July 2021, the Company issued \$500,000 worth of Shares (2,500,000 shares at issue price of \$0.20 per share) to the Company's Corporate Advisor for corporate advisory services provided to the Company. These shares are subject to ASX escrow provisions until 14 July 2023.

In November 2021, the Company issued \$148,750 worth of shares (250,000 shares at issue price of \$0.595 per share) to corporate advisors, Pasala Exploration and Mining d.o.o. These shares are subject to voluntary escrow provisions until 10 November 2022.

Movement and valuation of options

The movements in options during the financial year ended 30 June 2022 are as follows:

	2022		2021	
	No.	Weighted average grant date fair value \$	No.	Weighted average grant date fair value \$
Outstanding at the beginning of the period	-	-	-	-
Granted during the period	4,000,000	0.110	-	-
Exercised during the period	-	-	-	-
Outstanding at the end of the period	4,000,000	0.110	-	-
Exercisable at the end of the period	4,000,000	0.110	-	-

Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2022

The following table details the number and weighted average grant fair value at grant date of options outstanding at the period end.

Grant date	Exercise price	Expiry date	No.	Weighted average grant date fair value\$
06/07/2021	\$0.50	06/07/2024	3,500,000	\$0.0860
30/08/2021	\$0.75	31/08/2023	250,000	\$0.3089
30/08/2021	\$1.00	31/08/2023	250,000	\$0.2645
			4,000,000	\$0.1110

Options Valuation

The fair value of the services received in return for options granted are measured by reference to the fair value of the options granted or the service provided. The fair value of the services is recognised as an expense on a straight-line basis over the vesting period.

In determining the fair value of options granted during the year ended 30 June 2022, the Company has applied Black-Scholes models, using the following inputs:

Valuation date	06/07/2021	30/08/2021	30/08/2021
No issued	3,500,000	250,000	250,000
Share price	\$0.20	\$0.64	\$0.64
Exercise price	\$0.50	\$0.75	\$1.00
Expiry Date	06/07/2024	31/08/2023	31/08/2023
Expected volatility	100%	100%	100%
Risk free rate	0.207%	-	-
Dividend yield	-	-	-

Movement and valuation of performance rights

The movements in performance rights during the year ended 30 June 2022 are as follows:

	2022		2021	
	No.	Weighted average grant date fair value \$	No.	Weighted average grant date fair value \$
Outstanding at the beginning of the period	-	-	-	-
Granted during the period	2,900,000	0.185	-	-
Exercised during the period	(800,000)	0.124	-	-
Outstanding at the end of the period	2,100,000	0.208	-	-
Exercisable at the end of the period	-	-	-	-

The following table details the number and weighted average grant fair value at grant date of performance rights outstanding at the period end.

Grant date	Expiry date	Performance Hurdle	No.	Weighted average grant date fair value\$
06/07/2021	06/07/2024	(a)	800,000	0.118
06/07/2021	06/07/2024	(b)	800,000	0.098
30/08/2021	31/08/2023	(c)	500,000	0.530
			2,100,000	\$0.208

Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2022

The performance hurdles are summarised below:

- (a) 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) 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) Operational: Performance Rights to be converted into shares, up the successful return of a Commercial Drilling Intersection, on or before 31 August 2023, and one year of continued employment from the date these Performance Rights are issued.

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 either borate mineralisation containing +25% B₂O₃ or lithium – boron mineral containing +0.8% Li₂O and +12.5% B₂O₃.

Performance Rights Valuation

The fair value of the services received in return for PRs granted are measured by reference to the fair value of the PRs granted. The fair value of the services is recognised as an expense on a straight-line basis over the vesting period and is determined by multiplying the fair value per PR by the number of PRs expected to vest.

The probability of achieving market performance conditions is incorporated into the determination of the fair value per PR. No adjustment is made to the expense for PRs that fail to meet the market condition. The number of PRs expected to vest based on achievement of operational conditions, are adjusted over the vesting period in determining the expense to be recognised in the consolidated income statement. In order to convert PRs, the holders are required to be continually engaged with the Group at the time of achieving the performance hurdles.

In determining the fair value of PRs granted during the year ended 30 June 2022, the Company has applied a barrier up-and-in Trinomial pricing model with a Parisian barrier adjustment, Binomial option pricing and Monte Carlo Simulation models, used an exercise price of nil and a dividend yield of nil. Other inputs in relation PRs are:

Valuation date	06/07/2021	06/07/2021	06/07/2021	30/08/2021
No issued	800,000	800,000	800,000	500,000
Share price	\$0.20	\$0.20	\$0.20	\$0.53
Expiry Date	06/07/2023	06/07/2024	06/07/2024	31/08/2023
Expected volatility	110%	110%	110%	110%
Risk free rate	0.070%	0.230%	0.230%	0.010%
Vesting Condition	*	(a)	(b)	(c)

- * Absolute shareholder return: Performance Rights to be convertible into shares, subject to satisfaction of the Company achieving a VWAP of Shares of at least \$0.60, calculated over 20 consecutive trading days on which the Company's Shares have traded. This hurdle was satisfied in August 2021.

Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2022

17. Accumulated Losses

	Consolidated entity 2022 \$	Consolidated entity 2021 \$
Accumulated losses at the beginning of the financial year.	443,581	-
Loss during the current year	3,078,739	443,581
Accumulated losses at the end of the financial year	3,522,320	443,581

18. 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 sole operating segment is consistent with the presentation of these consolidated financial statements.

19. Related Party Transactions

Directors and key management personnel

Disclosures relating to directors and key management personnel are set out in Directors' Report.

Other related party transactions

Purchases from and sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. The Group acquired the following services from entities that are controlled by members of the Group's key management personnel:

Entity	Nature of transactions	Key management personnel	Total Revenue / (Expense) 2022 \$	Payable balance 2022 \$
Indian Ocean Group	Accounting & company secretary fees	Luke Martino	117,401	-

During the year transactions of \$117,401 were made with Indian Ocean Group of which Mr Luke Martino is a director. The transactions included the provision of various professional services, not all directly provided by Mr Martino and included accounting support and company secretarial services.

During the year ended 30 June 2022, there was no other related party transactions. There were no related party transactions during the period ended 30 June 2021.

20. Contingent Liabilities

There were no contingent liabilities at 30 June 2022.

Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2022

21. Cash Flow Information

Reconciliation of Loss after Income Tax to Net Cash Outflow from Operating Activities

	Consolidated entity 2022 \$	Consolidated entity 2021 \$
Loss after income tax	(3,078,739)	(443,581)
<i>Adjustment for non-cash items</i>		
Foreign loss	31,240	(14,375)
Depreciation & amortisation	12,285	1,161
Share base payments	1,334,966	-
<i>Increase/(decrease) in:</i>		
(Decrease) in GST receivables	9,727	(32,843)
(Decrease) in other receivables	180	(180)
(Decrease) in other current assets	13,738	(73,132)
(Decrease)/ increase in trade and other payables	(224,842)	338,432
(Decrease)/ increase in financing activities	265,439	-
Net cash outflow from operating activities	(1,636,006)	(224,520)

22. Parent Entity Disclosures

	2022 \$	2021 \$
Parent Entity		
Assets		
Current assets	3,651,973	106,560
Non-current assets	2,051,386	1,490,904
Total Assets	5,703,359	1,597,464
Liabilities		
Current liabilities	97,952	610,764
Non-current liabilities	6,358	610,764
Total Liabilities	104,310	610,764
Net Assets/(Liabilities)	5,599,049	986,700
Equity		
Issued capital	8,292,438	1,443,557
Reserves	587,016	
Accumulated losses	(3,280,404)	(456,857)
Total Equity	5,599,049	986,700
Financial Performance		
Loss for the year	(2,823,547)	(456,856)
Other comprehensive income	-	-
Total comprehensive Loss	(2,823,547)	(456,856)

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Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2022

23. Subsequent Events

Subsequent to year end the following key events have occurred:

- (a) In July 2022, the Company entered into a conditional option agreement with Ombabika Group Inc (Ombabika, Vendor) to acquire up to 100% of the Gorge lithium exploration project located in the Georgia Lake Area, Thunder Bay North Mining District of Ontario, Canada.

The Project comprises of 7 active multi-cell mining claims covering a total area of approximately 20.8km² and is located within the larger Georgia Lake pegmatite district which hosts potential for the discovery of lithium bearing pegmatites. The Port of Thunder Bay is a major facility that ships a number of commodities and general cargo via the Great Lakes. The field program completed in 2018 confirmed the presence of lithium bearing mineralisation on the Gorge project at the Koshman and Nelson occurrences.

Under the Transaction, the Company has the option to acquire 100% in the Gorge lithium project via a staged earn-in acquisition over a period of up to 3.5 years and by satisfying the following conditions (Stage Conditions):

(a) Acquisition of 25% interest: The Company (or its subsidiary nominee) will acquire an initial 25% interest in the Project (Initial Interest) by: (i) making a cash payment of \$50,000 to Ombabika; (ii) funding \$100,000 to complete an initial field work program focusing on high grade dykes within six months; and (iii) issuing \$50,000 worth of Shares to Ombabika, with the number of Shares based on the volume weighted average price (VWAP) of Shares, calculated over the 10 trading days before the date of issue of the Shares, subject to a floor price of \$0.15 (Floor Price) (such that a maximum of 333,333 Shares may be issued), (together, Stage 1).

(b) Acquisition of 50% interest: The Company (or its subsidiary nominee) will acquire a further 25% interest in the Project (such that it holds a 50% interest) (50% Interest) by: (i) making a cash payment of \$60,000 on or before the date that is 12 months after the Company (or its subsidiary nominee) earns the Initial Interest; (ii) funding exploration works of at least \$250,000 on or before the date that is 12 months after the Company (or its subsidiary nominee) earns the Initial Interest; and (iii) issuing \$100,000 worth of Shares to Ombabika, based on the VWAP of Shares, calculated over the 10 trading days before the date of issue of the Shares, subject to the Floor Price (such that a maximum of 666,667 Shares may be issued), (together, Stage 2).

(c) Acquisition of 75% interest: The Company (or its subsidiary nominee) will acquire a further 25% interest in the Project (such that it holds a 75% interest) (75% Interest) by: (i) making a cash payment of \$75,000 on or before the date that is 12 months after the Company (or its subsidiary nominee) earns the 50% Interest; (ii) funding exploration works totaling of at least \$300,000 on or before the date that is 12 months after the Company (or its subsidiary nominee) earns the 50% Interest; and (iii) issuing \$100,000 worth of Shares to Ombabika, based on the VWAP of Shares, calculated over the 10 trading days before the date of issue of the Shares, subject to the Floor Price (such that a maximum of 666,667 Shares may be issued) (together, Stage 3).

(d) Acquisition of 100% interest: The Company (or its subsidiary nominee) will acquire a further 25% interest in the Project (such that it holds an 100% interest) by: (i) making a cash payment of \$100,000 on or before the date that is 12 months after the Company (or its subsidiary nominee) earns the 75% Interest; (ii) funding exploration works totaling of at least \$500,000 on or before the date that is 12 months after the Company (or its subsidiary nominee) earns the 75% Interest; and (iii) issuing \$150,000 worth of Shares to Ombabika, based on the VWAP of Shares, calculated over the 10 trading days before the date of issue of the Shares, subject to the Floor Price (such that a maximum of 1,000,000 Shares may be issued), (together, Stage 4)

The Company can elect to withdraw from the Transaction at any time and at its sole and absolute discretion (including, for example where exploration results do not warrant further investment). If the Company elects to withdraw from the Transaction or does not satisfy the Stage Conditions in full, the Company will not retain any interest in the Project (and any interest acquired or deemed to have been acquired will be transferred

Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2022

back to Ombabika), any funds paid to Ombabika or expended on the Project pursuant to the Stage Conditions will not be refunded to the Company and any Shares issued to Ombabika pursuant to the Stage Conditions shall be retained by Ombabika and not subject to forfeiture or cancellation by the Company for any reason.

Upon the Company acquiring an 100% interest in the Gorge Lithium Project, Ombabika will be granted a 2% net smelter royalty (NSR) on all lithium production from the Project. The Company will have the right, but not the obligation, to purchase 1% of the NSR for \$1,000,000

The Transaction is conditional upon the satisfaction of the following conditions precedent on or before 31 December 2022 (the Conditions): (a) execution of a formal agreement to replace the terms sheet entered into by the parties prior to expiry of the 45-day exclusivity period; (b) the Company obtaining Shareholder approval under Listing Rule 7.1 in respect of a capital raising to raise up to \$1,500,000 through the issue of Shares (Capital Raising) and the subsequent completion of the Capital Raising; (c) the Company and Ombabika demonstrating that they have obtained the requisite board approvals to enter into the Transaction; (d) the Company obtaining all required legal, regulatory and shareholder approvals including pursuant to the requirements of the Listing Rules and the applicable provisions of the Corporations Act and (e) the Company and Ombabika obtaining all other necessary third-party consents, waivers and approvals to give effect to the Transaction (the costs of which shall be borne by the party requiring consents, waivers and approvals).

The ASX has determined that the Transaction required Shareholder approval and accordingly, the Company sought the necessary approvals from shareholders at the Company's General Meeting held on 23 September 2022.

Completion of the Gorge Lithium Project transaction is conditional on, amongst other things, the Company obtaining all required legal, regulatory and shareholder approvals (including pursuant to the ASX Listing Rules) and the Company successfully raising up to \$1.5 million under the capital raising.

- (b) On 27 September 2022, the Company announced the deferral of its planned drilling program at its Rekovac project due to events that have been announced by an international copper producer operating in Serbia. Considering these events, the Company is conducting an investigation including a full risk review and engaging with Government and law enforcement agencies. The Company intends on continuing exploration as it works towards resolving these matters by end of FYQ3 2023. Further, the Company confirms it holds all regulatory licences and approvals.
- (c) On 28 September 2022, the Company announced the results of its recent due diligence program, conducted by CSA, at the Gorge Lithium exploration project located in the Georgia Lake Area, Thunder Bay North Mining District of Ontario, Canada. Details of this program can be found in the Review of Operations include in this report.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian and Serbian Governments and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than operational results as detailed in the review of operations, there are no other significant matters subsequent to year end.

24. Contractual Commitments

	Consolidated entity 2022 \$	Consolidated entity 2021 \$
Exploration expenditure commitments:		
No longer than 1 year	629,117	161,834
Longer than 1 year and not longer than 5 years	448,245	727,014
	1,077,362	888,847

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BALKAN MINING & MINERALS LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Balkan Mining & Minerals Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2022, 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 period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the financial period.

In our opinion the financial report of Balkan Mining & Minerals Limited is in accordance with the Corporations Act 2001, including:

- i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the period ended on that date; and
- ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to the financial report which indicates the consolidated entity has incurred an operating loss of \$(3,078,739) (2021: \$443,581) and operating cash outflows of \$(1,636,006) (2021: \$224,520) for the year ended 30 June 2022. These conditions along with other matters in note 1, indicate the existence of a material uncertainty that 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.

The financial report of the consolidated entity does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

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Independence

We are independent of the consolidated entity 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 requirements) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed each matter is provided in that context.

1. Carrying value of capitalised exploration expenditure

Why significant

As at 30 June 2022 the carrying value of exploration and evaluation assets was \$1,704,219, as disclosed in Note 9. This represents 31% of total assets of the consolidated entity.

The consolidated entity's accounting policy in respect of exploration and evaluation expenditure is outlined in Note 1(k).

Significant judgement is required:

- in determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources ("AASB 6"); and
- in determining the treatment of exploration and evaluation expenditure in accordance with AASB 6, and the consolidated entity's accounting policy. In particular:
 - whether the particular areas of interest meet the recognition conditions for an asset; and
 - which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- conducting a detailed review of management's assessment of impairment trigger events prepared in accordance with AASB 6 including:
 - assessing whether the rights to tenure of the areas of interest remained current at reporting date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future;
 - obtaining representation from the directors and management as to the status of ongoing exploration programmes for the areas of interest, as well as assessing if there was evidence that a decision had been made to discontinue activities in any specific areas of interest; and
 - obtaining representation from the directors and management on the consolidated entity's future intention for the areas of interest.
- considering whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;
- testing, on a sample basis, exploration and evaluation expenditure incurred during the year for compliance with AASB 6 and the consolidated entity's accounting policy; and
- assessing the appropriateness of the related disclosures in Note 1(k) and 9.

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Other Information

Other Information is financial and non-financial information in the Annual Report of the consolidated entity which is provided in addition to the Financial Report and Auditor's Report. The Directors are responsible for the Other Information in the Annual Report.

The Other Information we obtained prior to the date of this Auditor's Report is the Director's Report. The remaining Other Information, if any, is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of Directors' for the Financial Report

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

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the directors' report for the period ended 30 June 2022.

In our opinion, the Remuneration Report of Balkan Mining & Minerals Limited for the period ended 30 June 2022, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

PKF Perth
PKF PERTH

SIMON FERMANIS
PARTNER

29 SEPTEMBER 2022
WEST PERTH
WESTERN AUSTRALIA

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Corporate Governance Statement

For the Year Ended 30 June 2022

CORPORATE GOVERNANCE STATEMENT

The Board of Balkan Mining & Minerals Limited are committed to achieving and demonstrating the highest standards of corporate governance. As such, the Company has adopted what it believes to be appropriate corporate governance policies and practices having regard to its size and the nature of its activities.

The Board has adopted the ASX Corporate Governance Principles and Recommendations which are complemented by the Company's core principles of honesty and integrity. The corporate governance policies and practices adopted by the Board are outlined in the Corporate Governance section of the Company's website www.Balkanmin.com.au/corporate-governance/.

BMM has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2022 corporate governance statement is dated 29 September 2022 and reflects the corporate governance practices in place throughout the 2022 financial period.

The 2022 corporate governance statement was approved by the Board on 29 September 2022. A description of the Company's current corporate government practices is set out in the Company's corporate governance statement which can be viewed on the Company's website.

The Company has also lodged an Appendix 4G with this Annual Report.

ADDITIONAL INFORMATION

Additional information required by Australian Securities Exchange Limited and not shown elsewhere in this Annual Report is as follows. The information is as at 20 September 2022.

NUMBER OF HOLDERS OF EQUITY SECURITIES

ORDINARY SHAREHOLDERS

There are 46,050,000 fully paid ordinary shares on issue, held by 765 shareholders.

TWENTY LARGEST SHAREHOLDERS

Ordinary Shareholders	Fully Paid Ordinary Shares	
	Number	Percentage
Sandfire Resources Ltd	10,000,000	21.72
EV Resources Ltd	10,000,000	21.72
Clayton Capital Pty Ltd	2,500,000	5.43
Mr Bilal Ahmad	2,500,000	5.43
Mr Sufian Ahmad <Sixty Two Capital A/C>	2,240,000	4.86
JGM Property Investments Pty Ltd	2,107,802	4.58
Keyrate Enterprises Pty Ltd	1,250,000	2.71
Ms Chunyan Niu	730,390	1.59
Kobala Investments Pty Ltd <Fernando Edward Family A/C>	625,000	1.36
Skyflake Investments Pty Ltd <Skyflake A/C>	600,000	1.30
Eurovest Pty Ltd	582,067	1.26
Ddpevcic (WA) Pty Ltd <Dominic Family A/C>	562,500	1.22
Mr Sufian Ahmad	430,000	0.93
Mr Mobeen Iqbal	345,000	0.75
Ms Pharoth San + Mr Kaden San <Pksan Superfund A/C>	295,657	0.64
Megacube Pty Ltd	251,921	0.55
Pasala Exploration and Mining d.o.o.	250,000	0.54
Mr Harry Spindler <The Spindler Family A/C>	200,000	0.43
Ahwaz Enterprises Pty Ltd	200,000	0.43
The Spec Investor Pty Ltd	190,000	0.41
	35,860,337	77.86

VOTING RIGHTS

Each member entitled to vote may vote in person or by proxy or by attorney and on a show of hands. Every person who is a member or a representative or a proxy of a member shall have one vote and on a poll every member present in person or by proxy or attorney or other authorised representative shall have one vote for each share held.

HOLDERS OF NON-MARKETABLE PARCELS

There are 165 shareholders who hold less than a marketable parcel of shares.

Additional Information for Listed Companies

DISTRIBUTION OF SHARE HOLDERS

		Number of Holders	Number of Shares
1 to	1,000	78	45,417
1,001 to	5,000	302	751,792
5,001 to	10,000	151	1,250,096
10,001 to	100,000	194	5,386,513
100,001 and over		40	38,616,182
		765	46,050,000

SUBSTANTIAL SHAREHOLDERS

As at report date, the following shareholders are recorded in the Register as a Substantial Shareholders:

Name	No. of Shares
EV Resources Limited	10,000,000
Sandfire Resources Limited	10,000,000
Clayton Capital Pty Ltd	2,500,000
Sufian Ahmad	2,315,762
Bilal Ahmad	2,255,000

SHARE BUY-BACKS

There is no current on-market buy-back scheme.

OPTIONS

As at 20 September 2022 the Company had 3,500,000 unlisted options on issue with an exercise price of \$0.50 and an expiry date of 6 July 2024, 250,000 unlisted options on issue with an exercise price of \$0.75 and an expiry date of 31 August 2023 and 250,000 unlisted options on issue with an exercise price of \$1.00 and an expiry date of 31 August 2023.

Unlisted options do not carry any voting rights.

DISTRIBUTION OF OPTION HOLDERS

\$0.50, expiry 06/07/2024 unlisted options

		Number of Holders	Number of Options
1 to	1,000	-	-
1,001 to	5,000	-	-
5,001 to	10,000	-	-
10,001 to	100,000	-	-
100,001 and over		5	3,500,000
		5	3,500,000

Holders of greater than 20% or more of these unlisted options are as follows:

- Skyflake Investments Pty Ltd <Skyflake A/C> 1,750,000

\$0.75, expiry 31/08/2023 unlisted options

Additional Information for Listed Companies

These unlisted options are held by the Company's General Manager of Exploration, Mr Dejan Jovanovic. These options are subject to a vesting condition of one year of continued employment from the date the Options were issued (i.e. 30 August 2022).

\$1.00, expiry 31/08/2023 unlisted options

These unlisted options are held by the Company's General Manager of Exploration, Mr Dejan Jovanovic. These options are subject to a vesting condition of one year of continued employment from the date the Options were issued (i.e. 30 August 2022).

PERFORMANCE RIGHTS

As at 20 September 2022 the Company had a total of 2,100,000 Performance Rights on issue. Performance Rights do not carry any voting rights.

DISTRIBUTION OF PERFORMANCE RIGHTS HOLDERS - expiry 06/07/2024

	Number of Holders	Number of Performance Rights
1 to	1,000	-
1,001 to	5,000	-
5,001 to	10,000	-
10,001 to	100,000	-
100,001 and over	2	1,600,000
	2	1,600,000

Conversion of Performance Rights into Shares is dependent upon the achievement of the following milestones:

- 50% of these PR's will vest upon 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;
- 50% of these PR's will vest upon 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.

Holders of greater than 20% or more of these unlisted options are as follows:

- Skyflake Investments Pty Ltd <Skyflake A/C> 1,200,000
- Harry Spindler <The Spindler Family A/C> 400,000

DISTRIBUTION OF PERFORMANCE RIGHTS HOLDERS - expiry 31/08/2023

These performance rights are held by the Company's General Manager of Exploration, Mr Dejan Jovanovic. These options are subject to a vesting condition of one year of continued employment from the date the Options were issued (i.e. 30 August 2022).

Conversion of Performance Rights into Shares is dependent upon the achievement of the following milestones:

- PR's, will vest upon a performance milestone of the successful return of a "commercial lithium/borate" 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 either borate mineralisation containing +25% B₂O₃ or lithium – boron mineral containing +0.8% Li₂O and +12.5% B₂O₃. Satisfaction of the performance hurdle is to be determined by the Board

The Performance Rights may be exercised (unless expired or lapsed) if the Performance Criteria have been met within the Performance Period or in limited other circumstances as set out in the Rules.

Additional Information for Listed Companies

RESTRICTED SECURITIES

The following Company securities are subject to restriction, as detailed below:

Class	Number	Restriction Period End
Ordinary shares	13,300,000	14/07/2023
Options (\$0.50, 06/07/24)	3,500,000	14/07/2023
Performance rights	1,600,000	14/07/2023

OTHER INFORMATION

Balkan Mining & Minerals Limited, incorporated and domiciled in Australia, is a public listed Company limited by shares.

Balkan Mining and Minerals Ltd has used its cash and assets in a form readily convertible to cash that it held at the time of listing, in a way consistent with its stated business objectives.

SCHEDULE OF TENEMENTS

	Tenement ID	Indirect Interest *
SERBIA PERMITS		
Rekovac		
- Rekovac	2224	100%
- Ursule	2429	100%
- Siokovac	2430	100%
Pranjani	2427	100%
Dobrinje	2428	100%

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Balkan
Mining and Minerals Limited

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