

1 May 2019

Blackham Board and Management Changes

The Board of **Blackham Resources Limited** (ASX: BLK) (“Blackham” or the “Company”) advises of Senior Management and Board changes to streamline the Company’s leadership following a challenging period.

Managing Director and CEO

The Managing Director and Chief Executive Officer (“CEO”) of the Company, Bryan Dixon, and the Board of Blackham have mutually agreed to terminate the CEO’s services contract with the Company. Mr Dixon will step down from the Board and resign as CEO effective 1 May 2019. Mr Dixon will continue to provide assistance to the Board, Executive Chairman and incoming CEO as required during his notice period to facilitate an orderly handover.

Mr Dixon was the founding Managing Director of the Company and has held that role for 13 years. He has been instrumental in consolidating the Wiluna goldfield into a single company, growing the resources to 6.7Moz and taking the Company from an explorer to a producer. The Board of Blackham thank Mr Dixon for his dedication and hard work during this period.

During the handover period and process of appointing a replacement CEO, the current Executive Chairman, Mr Milan Jerkovic, has agreed to assume day to day management of the Company on an interim basis until a replacement CEO is appointed. The remuneration terms agreed with Mr Jerkovic during the transition period are set out in Schedule 1.

The Board will immediately commence recruiting for a replacement CEO and also an additional Non-Executive Director to broaden and strengthen the overall skills base of the current Board.

Management Changes

The current Chief Operating Officer (“COO”), Mr Richard Boffey, has given notice and will be leaving the Company at the end of May 2019 to take up another opportunity. Mr Boffey joined the Company in October 2015 and oversaw the operations during the transition from developer to producer. The Board would like to thank Mr Boffey for his hard work and dedication during his time with the Company, and wishes Mr Boffey well in his future endeavours.

Moving forward, the COO positions will not be replaced. The current General Manager at the Wiluna Operations, Mr Guy Simpson, will assume control of all direct management of operations and planning associated with the current operations. Mr Simpson’s new role of General Manager Operations and Planning will report initially to the Executive Chairman and ultimately directly to the CEO once that appointment is made.

The Company is also in the process of establishing a permanent new position specifically for the General Manager of Projects and Business Improvement, which is currently filled on a contract basis.

BOARD OF DIRECTORS

Milan Jerkovic – Executive Chairman
Greg Fitzgerald – Non-Executive Director
Tony James – Non-Executive Director

ASX CODE

BLK

CORPORATE INFORMATION

3,104M Ordinary Shares
674M Quoted Options
114M Unquoted Options
1 Convertible Note

PRINCIPAL AND REGISTERED OFFICE

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The immediate priority for the Board and Executive Team is to improve operational performance through cost reduction and by mining the highest margin reserves to improve operational cashflow. This will allow the Company to repay remaining debt facilities and transition to the Stage 1 Expansion Sulphide Development which will unlock the large sulphide reserves and resources at Wiluna.

For further information on Blackham please contact:

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Schedule 1 – Terms of the Executive Chairman’s remuneration effective 1 May 2019

Total Fixed Remuneration

Total fixed remuneration will increase from \$300,000pa to \$400,000pa. If Mr Jerkovic ceases to be the Company’s Executive Chairman prior to 31 December 2019 due to a change of control event, he will receive a payout for the balance of his remaining fixed remuneration owing up to 31 December 2019, and a pro-rata Short Term Incentive. The employment contract for the position of Executive Chairman has a termination date of 31 December 2019.

Short Term Incentives (“STI”)

The STIs are based on two 6 month periods being the 6 months to 30 June 2019, and the 6 months to 31 December 2019. The 12-month STI opportunity is \$350,000, split into those two 6 month periods (i.e. \$175,000 for the 6 month period ending 30 June 2019, and \$175,000 for the 6 month period ending 31 December 2019). Participation in the incentive opportunities of the Remuneration Policy is based on successful milestone achievements against the following Key Performance Indicators (“KPI”):

Company KPIs (80%)

- Company operating cash flow
- Cost per tonne milled (6 months to 30 June 2019), All in sustaining costs per ounce of gold produced (6 months to 31 December 2019)
- Gold ounces produced
- Safety measures
- Reserve growth

Individual performance (20%)

- Individual specific goals and Board's discretion

Long Term Incentives (“LTI”)

LTIs remain unchanged, being 2,500,000 unquoted Zero Exercise Price Options with a \$nil exercise price, and an expiry date of 31 December 2021.