



Balkan
Mining and Minerals Limited

ASX ANNOUNCEMENT

16 December 2022

KARL SIMICH TO JOIN THE BALKAN MINING BOARD

Balkan Mining and Minerals Limited (ASX: BMM; "Balkan Mining" or "the Company") is pleased to advise that highly experienced mining executive Karl Simich has agreed to join the Company's Board as a Director, tasked with a particular focus on strategy, corporate development and growth.

Mr Simich stepped down as Managing Director of Sandfire Resources (ASX: SFR) ("Sandfire") at the end of September 2022, after 15 years at the company's helm, having overseen its transformational growth from a junior micro-cap to a successful mid-tier producer with a global footprint.

He is familiar with the Balkan Mining team and assets from his time at Sandfire, which helped incubate the Company as part of its Sandfire Ventures investment division.

Mr Simich has more than three decades of experience with publicly listed mining and exploration companies (see below) and brings a wealth of strategic and corporate knowledge, including in exploration, resource development, mine financing, development, operations and M&A across multiple jurisdictions.

As a Director of Balkan Mining, he will provide input and advice on strategy, corporate and business development and stakeholder relations.

Mr Simich has 36 years' experience with publicly listed mining and exploration companies on the ASX, TSX and LSE, most recently as the founder, Managing Director and CEO of Sandfire Resources (ASX: SFR) between 2006 and September 2022.

During this time, he guided Sandfire through the discovery, financing, development and successful 10-year operation of the highly profitable DeGrussa Copper Operations in Western Australia.

He also oversaw the implementation of Sandfire's international expansion strategy to become a globally significant copper miner, including the US\$1.865 billion acquisition of the MATSA copper operations in Spain. At the end of his tenure, Sandfire had mining operations and development projects spanning three continents.

Throughout his career, Mr Simich has overseen the financing and development more than 10 mines in Australia, New Zealand and Africa, including base, precious and industrial metals spanning small to large-scale open pit, underground and alluvial operations.

Prior to his role with Sandfire, Mr Simich held senior leadership positions with Churchill Resources, Union Gold Mining, Macraes Mining (now Oceania Gold), Kimberley Diamonds, Namakwa Diamonds and Blina Diamonds.

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Mr Simich is focused on value creation through the delivery of future-facing metals and minerals, with a demonstrated commitment to the highest standards of corporate governance.

The Company has agreed, subject to obtaining ASX and shareholder approval, to issue Mr Simich (or his nominee), 5,800,000 incentive performance rights. Mr Simich's appointment is conditional and will be effective on and from the date on which shareholder approval for the issue of these performance rights is obtained.

It is the Company's intention to seek shareholder approval at a shareholder meeting expected to be held as soon as practical.

A summary of Mr Simich's agreement is summarised in Appendix A.

The Company further advises that it has agreed, subject to obtaining shareholder approval, to issue to the Company's Managing Director, Mr Ross Cotton (or his nominee), 3,000,000 incentive performance rights, to convert on the achievement of the same milestones as the performance rights offered to Mr Simich (equally divided over the proposed three tranches as referred to in Appendix A), which will be considered at the upcoming shareholder meeting.

Balkan Mining Managing Director, Mr Ross Cotton, commented:

"We are absolutely delighted to have secured Karl's services as a Director and strategic adviser. Karl has a proven track record in exploration and mining over many years and will bring invaluable skills and experience to Balkan Mining as we work to advance our global lithium exploration portfolio."

Mr Karl Simich, commented:

"I am very pleased to join the Balkan Mining Board at such an exciting stage of the Company's growth and development. I have followed the Company closely over the past year and a half and I see great growth potential across its international portfolio of lithium assets."

For further information please contact:

Ross Cotton

Managing Director

Tel: +61 8 6109 6684

E: Ross.Cotton@balkanmin.com

Authorised for release by the Board of Balkan Mining and Minerals Limited

-ENDS-



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Forward-looking Statements

Certain statements included in this release constitute forward-looking information. Statements regarding BMM's plans with respect to its mineral properties and programs are forward-looking statements. There can be no assurance that BMM's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that BMM will be able to confirm the presence of additional mineral resources, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of BMM's mineral properties. The performance of BMM may be influenced by a number of factors which are outside the control of the Company and its Directors, staff, and contractors.

These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of exploration sample, mapping and drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves and resources, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the company's prospects, properties and business strategy.

There is continuing uncertainty as to the full impact of COVID-19 on BMM's business, the Australian economy, share markets and the economies in which BMM conducts business. Given the high degree of uncertainty surrounding the extent and duration of the COVID-19 pandemic, it is not currently possible to assess the full impact of COVID-19 on BMM's business or the price of BMM securities.

Except for statutory liability which cannot be excluded, each of BMM, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in these forward-looking statements and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in forward-looking statements or any error or omission. BMM undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events other than required by the Corporations Act and ASX Listing Rules. Accordingly, you should not place undue reliance on any forward-looking statement.

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APPENDIX A

Summary of Mr Simich's Consultancy Agreement

The material terms of Mr Simich's consultancy agreement are as follows:

- The Company engages Mr Simich as a Non-Executive Director and in a part-time role as a Strategic Advisor, effective on and from the date on which shareholder approval for the below Performance Rights is obtained.
- Total fees of \$150,000 per annum (Non-executive Director services \$75,000 per annum exclusive of GST, Strategic Advisor services \$75,000 per annum exclusive of GST).
- 5,800,000 incentive Performance Rights will be awarded to Mr Simich subject to ASX and shareholder approval. These performance rights will vest on the achievement of the following milestones:
 - 2,000,000 Class I Performance Rights which convert on a 1:1 basis into Shares in the Company upon the Company achieving a market capitalisation of no less than AUD\$40,000,000 based on a 20-day volume weight average price ("VWAP");
 - 800,000 Class J Performance Rights which convert on a 1:1 basis into Shares in the Company upon the Company achieving a market capitalisation of no less than AUD\$80,000,000 based on a 20-day VWAP; and
 - 3,000,000 Class K Performance Rights which convert on a 1:1 basis into Shares in the Company upon the Company achieving the successful return of a "commercial lithium drilling intersection". A commercial drilling intersection is defined to be an ore grade and width discovery metric of 4 meters (a standard underground continuous mining width) of mineralisation in the form of lithium mineral containing +1.0% Li₂O.
 - All performance rights which have not already vested will automatically lapse where:
 - (a) the milestone attaching to the relevant performance right has not been satisfied prior to the date which is three (3) years from the date of issue of the performance rights;
 - (b) unless otherwise determined by the Board in its sole and absolute discretion, Mr Simich ceases the Engagement with the Company in any of the following circumstances:
 - i. Mr Simich terminates the engagement;
 - ii. Mr Simich's engagement is terminated due to Mr Simich:
 - a. being convicted of any major criminal offence which brings Mr Simich, or the Company or any of its related bodies corporate into lasting disrepute;
 - b. committing any serious or persistent breach of any of the provisions contained in the agreement and, if the breach is capable of remedy, is not remedied within 14 days of the receipt of written notice from the Company to Mr Simich to do so;
 - c. being found guilty of fraudulent or dishonest conduct in the performance of his duties, which in the reasonable opinion of the



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- Company, effects his suitability in the Engagement with the Company, or brings Mr Simich or the Company into disrepute;
- d. being found guilty at law of any grave misconduct or wilful neglect in the discharge of his duties and the breach is not remedied within 28 days of the receipt of written notice from the Company to Mr Simich to do so;
 - e. being disqualified from managing corporations in accordance with Part 2D.6 of the Corporations Act or has committed any act that may result in Mr Simich being banned from managing a corporation under the Corporations Act; or
 - f. being of unsound mind or under the control of any committee or officer under any law relating to mental health.
- o To the extent the performance rights have not vested or converted into shares due to satisfaction of the relevant milestone, Mr Simich can elect for the performance rights to accelerate vesting conditions and convert into shares on a one-for-one basis, where:
 - (a) the Company terminates the services of Mr Simich for a reason not specified under the above paragraph (b), and shareholder approval is obtained, with 40 days of the termination of Mr Simich's Engagement, for the giving of a termination benefit pursuant to Section 200B of the Corporations Act and ASX Listing Rule 10.19;
 - (b) a takeover bid under Chapter 6 of the Corporations Act is made in respect of the Company:
 - i. and has received acceptances for not less than 50.1% of the Company's Shares on issue; or
 - ii. has been declared unconditional by the bidder; or
 - (c) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies.
 - o Mr Simich will also be entitled to a performance bonus incentive whereby, in the event the Company achieves a market capitalisation of AUD\$80,000,000 within three (3) years from the commencement of Mr Simich's employment with the Company ("Achievement"), Mr Simich (or his nominees) will be entitled to a performance bonus to the value of 2,200,000 fully paid ordinary shares of the Company as at the date of the Achievement ("Performance Bonus"). The Performance Bonus is payable by the Company to Mr Simich (or his nominees) in cash or (subject to shareholder approval) by the issuing of the shares. The Company must seek shareholder approval by calling a shareholder meeting no later than 40 days following the Achievement date. In the absence of shareholder approval within the 40-day time period, the Company must pay the Performance Bonus in cash. Should the Company not achieve the Achievement within the relevant period, this Performance Bonus shall lapse.