

ASX Release

28 APRIL 2023

BCI SECURES \$60M OF CONVERTIBLE NOTES TO FUND MARDIE

- BCI has entered into agreements with its two largest shareholders, AustralianSuper and Wroxby, to secure A\$60 million via the issue of convertible notes.
- The raising includes an initial conversion price of \$0.43, being in line with its 2021 share issue price, and an 87% premium to BCI's closing share price on 27 April 2023.
- The funds raised will provide BCI with working capital to award critical path contracts whilst the Mardie Salt and Potash Project ('Mardie Project') design and cost review is completed and discussions with potential providers of additional funding are progressed.

BCI Minerals Limited (ABN 21 120 646 924) (ASX:BCI) (**BCI** or the **Company**) is pleased to advise it has entered into agreements with its two largest shareholders, Wroxby Pty Ltd (ACN 061 621 921) (**Wroxby**) and AustralianSuper Pty Ltd as trustee for AustralianSuper (ABN 65 714 394 898) (**AustralianSuper**) (together, the **Investors**) which each provides for the issue of A\$30 million convertible notes (**Notes**), to raise a total of A\$60 million. The issue of the Notes is subject to shareholder approval to be sought at a general meeting of the Company expected to be held in late June 2023.

As previously announced, the Company is finalising its cost and design review of the Mardie Project, and progressing plans to quantify and obtain the required additional funding, which is expected to include additional debt and equity funding. The funds raised from the issue of the Notes will be used to fund critical path contracts for the Mardie Project, whilst discussions with potential providers of additional funding are progressed towards finalisation.

The Notes will be unsecured and will be convertible in full at the election of the holder at an initial conversion price of A\$0.43 per Note. This is in line with the share price at which BCI issued ordinary shares in its 2021 capital raising, and is an 87% premium to BCI's closing share price on 27 April 2023. The conversion price is subject to customary adjustments and to adjustment on the occurrence of a Qualifying Offer, as described in Annexure A. The Notes will have a maturity date of 29 February 2024 (subject to extension, as described in Annexure A) and an initial interest rate of 10.0% per annum, increasing to 13.0% per annum from 31 July 2023.

The issue of the Notes is subject to a number of customary conditions as well as the Company obtaining shareholder approval for the issue of the Notes for the purpose of ASX Listing Rule 10.11 and for the issue of shares upon conversion of the Notes for the purpose of item 7 of section 611 of the Corporations Act 2001 (Cth).

Other key terms of the Notes are set out in Annexure A below and will be further detailed in BCI's notice of extraordinary general meeting to be dispatched to shareholders.

BCI Managing Director, Mr David Boshoff, said:

"BCI is grateful for the continued support from Wroxby and AustralianSuper, both of which are significant supporters and stakeholders of BCI. This raising will enable the Mardie Salt and Potash Project to progress with the critical path construction activities, adding value to the Company's strategic goals. Discussions are gaining momentum with prospective providers of funding, in parallel with the finalisation of the cost and design review and base case financial model".

-END-

This ASX announcement has been authorised for release by the Board of BCI Minerals Limited.

For further information:

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FORWARD LOOKING STATEMENTS

This document contains forward-looking statements. These forward-looking statements are based on BCI's current expectations and beliefs concerning future events at the date of this document, and are expressed in good faith for general guide only and should not be relied upon as an indication or guarantee of future performance. BCI believes it has reasonable grounds for making the forward-looking statements. However, forward-looking statements relate to future events and expectations and as such are subject to known and unknown risks, and significant uncertainties and other factors, many of which are outside the control of BCI. Actual results may differ materially from future results expressed or implied by such forward-looking statements. None of BCI, its affiliates or their directors, officers, employees, associates, advisers, agents or contractors makes any representation or warranty (either expressed or implied) as to the accuracy or likelihood of fulfilment of any future looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this document reflect views held only as at the date of this document. Other than as required by law, including the ASX Listing Rules, BCI does not undertake or assume any obligation to update or revise any forward-looking statement contained in this document.

ABOUT BCI MINERALS

BCI Minerals Limited (ASX: BCI) is an Australian-based mineral resources company which is developing an industrial minerals business, with salt and potash as its initial focus.

BCI is rapidly advancing its 100% owned Mardie Salt & Potash Project, a potential Tier One project located on the Pilbara coast in the centre of Western Australia's key salt production region. Mardie has been designed to produce approximately 5.35 Mtpa of high-purity salt (>99.5% NaCl) and 140 ktpa of Sulphate of Potash (SOP) (>52% K₂O) via solar evaporation of seawater. Using an inexhaustible seawater resource and a production process driven mainly by natural solar and wind energy, Mardie will

be a sustainable supplier to the global salt and potash growth markets, delivering benefits to BCI stakeholders over many decades. Main construction of the Mardie Project commenced in early 2022.

BCI receives quarterly royalty earnings from Iron Valley, an iron ore mine located in the Central Pilbara region of Western Australia which is operated by Mineral Resources Limited (ASX: MIN). BCI's other assets include a substantial shareholding in Agrimin Limited (ASX: AMN) and potential royalties and/or deferred payments from iron ore projects at Koodaideri South, Bungaroo South, Kumina and Nullagine.

KEY STATISTICS

Shares on issue	1,211.5 million	
Cash in bank	\$201 million	as at 31 December 2023
Board	Brian O'Donnell	Non-Executive Chairman
	David Boshoff	Managing Director
	Garret Dixon	Non-Executive Director
	Richard Court	Non-Executive Director
	Chris Salisbury	Non-Executive Director
	Miriam Stanborough	Non-Executive Director
	Gabrielle Bell	Non-Executive Director
	Stephanie Majteles	Joint Company Secretary
Major shareholders	Susan Park	Joint Company Secretary
	Wroxby Pty Ltd	39.5%
	AustralianSuper Pty Ltd	14.8%
	Ryder Capital Ltd (and related)	9.1%
Website	www.bciminerals.com.au	

Annexure A: Key terms of Convertible Notes

Key Terms and Conditions	
Investors	AustralianSuper Pty Ltd as trustee for AustralianSuper and Wroxby.
Face Value	A\$60 million (A\$30 million from each Investor).
Maturity Date	29 February 2024, with an extension to 29 August 2024 if no Qualifying Offer (defined below) has occurred by 29 February 2024. Further extensions can be agreed between the parties provided such date is no later than 29 August 2025.
Approvals	<p>The Company will seek shareholder approval in respect of each Investor:</p> <ul style="list-style-type: none"> for the purpose of ASX Listing Rule 10.11, for the issue of the Notes; and for the purposes of Item 7 of section 611 of the <i>Corporations Act 2001</i> (Cth), for the acquisition by the Investor of a relevant interest in the shares issued on conversion of the Notes and the resulting increase in the Investor's voting power.
Issue	The Notes will be issued two business days after the Company announces shareholder approval has been received, subject to all other customary conditions having been satisfied or waived.
Interest Rate	Interest will accrue daily on the face value of the Notes at initially at 10.0% per annum, increasing to 13.0% per annum from 31 July 2023, and will be capitalised quarterly and added to the face value of the Notes. Alternatively, the Company may elect to make interest payments in cash (rather than have them be capitalised and added to the face value), or pay cumulative capitalised interest in cash immediately prior to the issue of Shares upon conversion following the exercise of a conversion right by an Investor.
Conversion Price	Each Note converts into a share in the Company at a conversion price of A\$0.43, being an 87% premium to the closing price on 27 April 2023 (subject to customary adjustments and to the adjustment detailed below on the occurrence of a Qualifying Offer).
Qualifying Adjustment	<p>Offer</p> <p>In the event the Company undertakes a Qualifying Offer (defined below) prior to the Maturity Date, the Conversion Price shall be adjusted to be the lower of \$0.43 or the amount calculated by multiplying 0.875 by either:</p> <ul style="list-style-type: none"> the price at which any entitlement offer component of the Qualifying Offer is undertaken; or if the above paragraph does not apply, the VWAP of Shares for the five trading days immediately following the announcement of the

		<p>Qualifying Offer.</p> <p>A 'Qualifying Offer' means an issue of ordinary shares by the Company, or multiple issuances of ordinary shares occurring after the issue of the Notes, which:</p> <ul style="list-style-type: none"> • in aggregate raise at least A\$100,000,000; or • in aggregate raise between A\$50,000,000 and A\$100,000,000 and are deemed by the Investor (in its absolute discretion) to be a Qualifying Offer, <p>excluding any proceeds from the issue of the Notes or any other convertible notes.</p>
Investor Rights	Conversion	<p>Each Investor will have the right to convert the Notes into Shares by delivering a conversion notice to the Company in any of the following circumstances:</p> <ul style="list-style-type: none"> • at any time after issue and before the Maturity Date; • at any time following the occurrence of the Qualifying Offer; • at any time during the period of 20 business days immediately following the occurrence of a change in control event (defined below); and • at any time when an event of default is subsisting with respect to the Notes.
	Change in control	<p>A 'change in control' means:</p> <ul style="list-style-type: none"> • the announcement of a takeover offer under which the bidder proposes to obtain a relevant interest in 50% or more of the BCI shares then on issue, and the bidder is either Wroxby (or a related party thereof) or any other third party bidder (excluding AustralianSuper or a related party or affiliate thereof) where that bid is recommended by the BCI board; or • the announcement of a scheme of arrangement by BCI under which a third party would obtain a relevant interest in 50% or more of the Shares then on issue; or • the acquisition by any person at any time of (i) a relevant interest in 50% or more of the BCI shares then on issue or (ii) control or (iii) all or substantially all of the assets or business of the BCI group.
	Events of default	<p>Events of default include payment defaults by BCI, breach of the terms of the Notes by BCI, an insolvency event with respect to any member of the BCI group or a material adverse effect occurring with respect to BCI.</p>
	Redemption at the Company's option	<p>At any time prior to the Maturity Date, unless all of the Notes have already been converted, the Company may issue an optional call notice to an Investor specifying a date for redemption of some or all of the outstanding Notes which is at least 20 business days and no greater than 30 business days after giving notice to the Investor (Redemption Date).</p> <p>No later than the date which is 5 business days prior to the Redemption</p>

	<p>Date, the Investor may notify the Company that it elects (in its sole discretion) for the Notes to be converted into Shares.</p> <p>The Company may also redeem all Notes not already converted for the face value of the Notes and any accrued but unpaid interest that is payable on redemption if a change in control event occurs, and the Investor has not made a conversion election within 20 business days of being notified of the change in control event occurring.</p>
Mandatory redemption	To the extent that the Notes have not yet been converted on or before the Maturity Date, then the outstanding Notes will be redeemed by the Company for cash for the face value of the Notes and any accrued but unpaid interest that is payable on redemption.
Redemption at Investor's election	If an event of default occurs, an Investor may require the Company to redeem its Notes for cash for the face value of the Notes and any accrued but unpaid interest that is payable on redemption.
Break Fee	Nil
Anti-dilution	The Notes have standard anti-dilution adjustments.