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BCI Minerals Limited

ABN 21 120 646 924

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

Thursday, 24 November 2022

Time of Meeting

2.00pm (AWST)

Place of Meeting

Ground Floor, Brookfield Place Tower 2, 123 St Georges Terrace, Perth WA 6000

A Proxy Form is enclosed or has otherwise been provided to you

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting please complete and return the Proxy Form in accordance with the specified directions.

Independent Expert Report: Shareholders should carefully consider the Independent Expert Report prepared by PricewaterhouseCoopers Securities Ltd for the purposes of the Shareholder approval required under item 7 of section 611 of the Corporations Act (see Resolution 14). The Independent Expert Report is set out in Annexure E. The Independent Expert has concluded that the issue of the Series 3 Convertible Notes and the conversion of the Series 1 Convertible Notes and the Series 3 Convertible Notes are not fair but reasonable, and are in the best interests of the Company's Shareholders.

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BCI Minerals Limited
ABN 21 120 646 924

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of BCI Minerals Limited ABN 21 120 646 924 will be held at Ground Floor, Brookfield Place Tower 2, 123 St Georges Terrace, Perth WA 6000 on Thursday, 24 November 2022 at 2.00pm (AWST) for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

The Company and the Board are aware of the circumstances resulting from COVID-19 and the impact it may continue to have on physical meetings. The Board has made the decision that it will hold a physical Meeting with appropriate social gathering and physical distancing measures in place.

The Company will update Shareholders if changing circumstances will impact the planning or arrangements for the Meeting by way of announcement on ASX and the details will also be made available on our website at https://www.bciminerals.com.au/.

AGENDA

1 Financial Reports

To receive and consider the financial report of the Company for the year ended 30 June 2022, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

2 Resolution 1 – Non Binding Resolution to adopt Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding resolution**:

> *"That the Remuneration Report for the year ended 30 June 2022 as set out in the 2022 Annual Report be adopted."*

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

Voting exclusion statement: *The Company will disregard any votes cast on the Resolution by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties. However, the Company need not disregard a vote if:*

*(a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution **or** the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and*

(b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

(a) the appointment specifies the way the proxy is to vote on the Resolution; or

(b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

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3 Resolution 2 – Re-election of Ms Miriam Stanborough as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

> *"That Ms Miriam Stanborough, who ceases to hold office in accordance with clause 11.4 of the Constitution and, being eligible, offers herself for re-election, be re-elected a Director of the Company."*

4 Resolution 3 – Re-election of Mr David Boshoff as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

> *"That Mr David Boshoff, who ceases to hold office in accordance with clause 11.4 of the Constitution and, being eligible, offers himself for re-election, be re-elected a Director of the Company."*

5 Resolution 4 – Re-election of Mr Garret Dixon as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

> *"That Mr Garret Dixon, who retires in accordance with clause 11.2 of the Constitution and Listing Rule 14.4 and, being eligible for re-election, be re-elected as a Director."*

6 Resolution 5 – Re-election of Mr Brian O'Donnell as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

> *"That Mr Brian O'Donnell, who retires in accordance with clause 11.2 of the Constitution and Listing Rule 14.4 and, being eligible for re-election, be re-elected as a Director."*

7 Resolution 6 – Approval of Share Rights Plan

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

> *"That, pursuant to and in accordance with Listing Rule 7.2, Exception 13(b) and for all other purposes, Shareholders approve any issue of up to a maximum of 15,000,000 Equity Securities under the Share Rights Plan to Eligible Employees (as defined in the Share Rights Plan), a summary of the rules of which are set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum), as an exception to Listing Rule 7.1."*

Voting exclusion statement: *The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

(a) a person who is eligible to participate in the Share Rights Plan; or

(b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the Chair of the Meeting as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides;

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and

(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

(a) the appointment specifies the way the proxy is to vote on the Resolution; or

(b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

8 Resolution 7 – Approval of potential termination benefit in relation to Equity Securities issued pursuant to the Share Rights Plan

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

> *"Subject to the passing of Resolution 6, that for the purposes of Listing Rule 10.19 and Part 2D.2 of the Corporations Act, and for all other purposes, approval be given for the giving of benefits to any current or future person holding a managerial or executive office in the Company or a related body corporate in connection with that person ceasing to hold that managerial or executive office under the terms of the Share Rights Plan as set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)."*

Voting exclusion statement: *The Company will disregard any votes cast in favour of this Resolution by or on behalf of:*

(a) an officer of the Company or any of its child entities (as defined in the Listing Rules) who is entitled to participate in a termination benefit; and

(b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and

(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

(a) the appointment specifies the way the proxy is to vote on the Resolution; or

(b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

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9 Resolution 8 – Approval of Performance Rights Plan

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 7.2, Exception 13(b) and for all other purposes, Shareholders approve any issue of up to a maximum of 45,000,000 Equity Securities under the Performance Rights Plan to Eligible Employees (as defined in the Performance Rights Plan), a summary of the rules of which are set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum), as an exception to Listing Rule 7.1."

Voting exclusion statement: *The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

(a) a person who is eligible to participate in the Performance Rights Plan; or

(b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the Chair of the Meeting as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides;

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and

(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

(a) the appointment specifies the way the proxy is to vote on the Resolution; or

(b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

10 Resolution 9 – Approval of potential termination benefit in relation to Equity Securities issued pursuant to the Performance Rights Plan

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"Subject to the passing of Resolution 8, that for the purposes of Listing Rule 10.19 and Part 2D.2 of the Corporations Act, and for all other purposes, approval be given for the giving of benefits to any current or future person holding a managerial or executive office in the Company or a related body corporate in connection with that person ceasing to hold that managerial or executive office under the terms of the Performance Rights Plan, as set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)."

Voting exclusion statement: *The Company will disregard any votes cast in favour of this Resolution by or on behalf of:*

(a) an officer of the Company or any of its child entities (as defined in the Listing Rules) who is entitled to participate in a termination benefit; and

(b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and

(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

(a) the appointment specifies the way the proxy is to vote on the Resolution; or

(b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

11 Resolution 10 – Grant of Performance Rights to Ms Miriam Stanborough (or her nominee(s)) under the 2019 Plan

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

> *"That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 136,622 Performance Rights for no consideration, with each Performance Right having a nil exercise price and an expiry date of on or about 1 July 2027, to Ms Miriam Stanborough (or her nominee(s)) under the 2019 Plan, on the terms and conditions set out in the Explanatory Memorandum (including Annexures B and C to the Explanatory Memorandum)."*

Voting exclusion statement: *The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

(a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question or their nominee(s); or

(b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and

(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

(a) the appointment specifies the way the proxy is to vote on the Resolution; or

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(b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

12 Resolution 11 – Grant of Performance Rights to Mr David Boshoff (or his nominee(s)) under the Performance Rights Plan

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"Subject to the passing of Resolutions 3 and 8, that for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 2,152,816 Performance Rights for no consideration, with each Performance Right having a nil exercise price and an expiry date of on or about 1 July 2027, to Mr David Boshoff (or his nominee(s)) under the Performance Rights Plan, on the terms and conditions set out in the Explanatory Memorandum (including Annexures A and B to the Explanatory Memorandum)."

Voting exclusion statement: *The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

(a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question or their nominee(s); or

(b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and

(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

(a) the appointment specifies the way the proxy is to vote on the Resolution; or

(b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

13 Resolution 12 – Approval of Additional 10% Placement Capacity

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purpose of Listing Rule 7.1A and all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the

issue) calculated in accordance with Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: *The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

(a) any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or

(b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and

(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

14 Resolution 13 – Proposed issue of the Series 3 Convertible Notes to AustralianSuper

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purpose of Listing Rule 7.1 and all other purposes, Shareholders approve the issue of up to $100 million in Series 3 Convertible Notes by the Company to AustralianSuper on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: *The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

(a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or

(b) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and

(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

15 Resolution 14 – Approval of acquisition of relevant interest in Shares by AustralianSuper following conversion of the Series 1 Convertible Notes and Series 3 Convertible Notes

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purpose of item 7 of section 611 of the Corporations Act and for all other purposes, Shareholders approve and authorise:

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(a) the Company to issue up to $100 million in Series 3 Convertible Notes to AustralianSuper; and

(b) the acquisition by AustralianSuper of a relevant interest in Shares issued on conversion of Series 1 Convertible Notes and Series 3 Convertible Notes resulting in AustralianSuper's voting power in the Company increasing to a maximum of 31.25%,

on the terms and conditions set out in the Explanatory Memorandum."

Independent Expert Report: *Shareholders should carefully consider the Independent Expert Report prepared by PricewaterhouseCoopers Securities Ltd for the purposes of the shareholder approval required under item 7 of section 611 of the Corporations Act for Resolution 14, as set out in Annexure E. The Independent Expert has concluded that the issue of the Series 3 Convertible Notes and the conversion of the Series 1 Convertible Notes and the Series 3 Convertible Notes are not fair but reasonable, and are in the best interests of the Company's Shareholders.*

Voting exclusion statement: *No votes may be cast in favour of this Resolution by:*
(a) the person proposing to make the acquisition and their Associates; or
(b) the persons (if any) from whom the acquisition is to be made and their Associates.
Accordingly, the Company will disregard any votes cast on this Resolution by AustralianSuper and any of its Associates.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

By order of the Board

Susan Park
Company Secretary

Dated: 25 October 2022

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How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, electronically via the internet or by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1, 6, 7, 8, 9, 10 and 11 in accordance with a direction on how the proxy is to vote or, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- To be effective, proxies must be received by 2.00pm (AWST time) on Tuesday, 22 November 2022. Proxies received after this time will be invalid.
- Proxies may be lodged using any of the following methods:
  - Online: Shareholders can submit their proxy voting instructions online at www.investorvote.com.au. Please refer to the enclosed proxy form for more information about submitting proxy voting instructions online.
  - By mail: Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001, Australia.
  - By fax: 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).
  - In person: Computershare Investor Services Pty Limited, Level 11, 172 St George's Terrace, Perth Western Australia 6000.
  - Custodians and nominees: Please visit www.intermediaryonline.com to submit your voting instructions.
- The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 2.00pm (AWST time) on Tuesday, 22 November 2022. If facsimile transmission is used, the Power of Attorney must be certified.

Shareholders who are entitled to vote

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 4.00pm (AWST time) on Tuesday, 22 November 2022.

ASIC and ASX involvement

A copy of this Notice has been lodged with ASIC pursuant to ASIC Regulatory Guide 74 and with ASX pursuant to the ASX Listing Rules. Neither ASIC nor ASX, nor any of their officers, take any responsibility for the contents of this Notice of Meeting.

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BCI Minerals Limited
ABN 21 120 646 924

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

1 Financial Reports

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2022, together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on the financial report. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

(a) the conduct of the audit;

(b) the preparation and content of the independent audit report;

(c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and

(d) the independence of the Auditor by the Company in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

2 Resolution 1 – Non Binding Resolution to adopt Remuneration Report

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2022 Annual Report be adopted. The Remuneration Report is set out in the Company's 2022 Annual Report and is also available on the Company's website (https://www.bciminerals.com.au).

The vote on this Resolution is advisory only and does not bind the Directors or the Company.

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second Annual General Meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second Annual General Meeting. All of the Directors who were in office when the applicable Directors' Report was approved, other than the

Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The remuneration report for the financial year ended 30 June 2021 did not receive a vote of more than 25% against its adoption at the Company's last general meeting held on Thursday, 25 November 2021. Accordingly, if at least 25% of the votes cast on this Resolution are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity based compensation.

The Chair will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Voting

Note that a voting exclusion applies to this Resolution in the terms set out in the Notice.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

3 Resolution 2 – Re-election of Ms Miriam Stanborough as a Director

3.1 Background

Resolution 2 seeks approval for the re-election of Ms Miriam Stanborough as a Director with effect from the end of the Meeting.

Clause 11.4 of the Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy, or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next following general meeting and is then eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Ms Miriam Stanborough having been appointed by the Board on 13 June 2022, retires from office in accordance with the requirements of clause 11.4 of the Constitution and submits herself for re-election in accordance with clause 11.4 of the Constitution.

3.2 Qualifications

Ms Miriam Stanborough is a chemical engineer with more than 20 years' experience in the mineral processing industry across various commodities including copper, uranium, gold, silver, alumina, mineral sands and lithium. Ms Miriam Stanborough has previously held senior roles at Monadelphous Group Limited, Iluka Resources Limited, Alcoa Corporation and WMC Resources Limited across innovation and technology, technical development, production management, project management, business improvement, and human resources portfolios.

Ms Miriam Stanborough is currently the Chair of the Minerals Research Institute of Western Australia, Director of ChemCentre, the Deputy Chair of the Northern Agricultural Catchments Council, and the Director of Scouts WA.

3.3 Other material directorships

Currently, Ms Miriam Stanborough is also a director of Pilbara Minerals Limited.

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3.4 Independence

Ms Miriam Stanborough has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company and its security holders generally.

The Board considers that Ms Miriam Stanborough, if elected, will continue to be classified as an independent director.

3.5 Board recommendation

The Company confirms it has conducted appropriate checks into Ms Miriam Stanborough's background and experience and those checks have not revealed any information of concern.

Based on Ms Miriam Stanborough's relevant experience and qualifications, the members of the Board, excluding Ms Miriam Stanborough, support the election of Ms Miriam Stanborough as a director of the Company.

4 Resolution 3 – Re-election of Mr David Boshoff as a Director

4.1 Background

Resolution 3 seeks approval for the re-election of Mr David Boshoff as a Director with effect from the end of the Meeting.

Clause 11.4 of the Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy, or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next following general meeting and is then eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr David Boshoff, who is expected to be appointed as an additional Director by the Board on or around 21 November 2022, will retire from office in accordance with the requirements of clause 11.4 of the Constitution and submits himself for re-election in accordance with clause 11.4 of the Constitution.

4.2 Qualifications

Mr David Boshoff is an engineer with more than 20 years' leadership experience in the mining industry, including in the delivery of large capital projects. Between 2019 and 2022 Mr Boshoff held the role of chief operating officer and then chief executive officer at Bravus Mining and Resources (previously known as Adani) and during this time led the startup of the Carmichael coal mine to full production. Prior to joining Adani, Mr Boshoff was the general manager at BHP's Mr Arthur Coal and Daunia mines, and was instrumental in commencing production ramp-up on schedule at BHP's Caval Ridge mine.

Mr Boshoff holds an Executive Masters in Business Administration from the University of Melbourne Business School and is a graduate of the Australian Institute of Company Directors. He also holds a Master in Mining Engineering from the University of Pretoria.

4.3 Other material directorships

Mr David Boshoff does not currently hold any other material directorships.

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4.4 Independence

Mr David Boshoff will not be an independent director as he will be employed in an executive capacity by the Company.

4.5 Board recommendation

The Company confirms it has conducted appropriate checks into Mr David Boshoff's background and experience and those checks have not revealed any information of concern.

Based on Mr David Boshoff's relevant experience and qualifications, the members of the Board who are in office as at the date of this Notice support the election of Mr David Boshoff as a director of the Company. For the avoidance of doubt, Mr David Boshoff is not a Director as at the date of this Notice.

5 Resolution 4 – Re-election of Mr Garret Dixon as a Director

5.1 Background

Pursuant to Clause 11.2 of the Company's Constitution and Listing Rule 14.4, Mr Garret Dixon, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer.

If the Resolution is passed, Mr Garret Dixon will be re-elected and will continue to act as a Director. If the Resolution is not passed, Mr Garret Dixon will not be re-elected and will cease to act as a Director.

5.2 Qualifications

Mr Garret Dixon has over 40 years of industry experience in the areas of mining, construction, contracting, civil engineering and bulk commodity logistics. Until recently, Mr Garret Dixon held the position of Executive Vice President and President Bauxite of New York Stock Exchange-listed Alcoa Corporation, where he was responsible for the global bauxite mining business including seven bauxite mines on various continents. Mr Garret Dixon's other experience includes positions as a Non-Executive Director of Watpac Limited, Managing Director at Gindalbie Metals Limited and Executive General Manager for Henry Walker Eltin.

5.3 Other material directorships

Currently, Mr Garret Dixon is also a director of Chalice Mining Limited, Dynamic Group Holdings Limited and MLG Oz Limited.

5.4 Independence

Mr Garret Dixon has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company and its security holders generally.

Mr Garret Dixon was appointed to the Board on 18 June 2020. The Board considers that Mr Garret Dixon, if re-elected, will continue to be classified as an independent director.

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5.5 Board recommendation

Based on Mr Garret Dixon's relevant experience and qualifications, the members of the Board, excluding Mr Garret Dixon, support the re-election of Mr Garret Dixon as a director of the Company.

6 Resolution 5 – Re-election of Mr Brian O'Donnell as a Director

6.1 Background

Pursuant to Clause 11.2 of the Company's Constitution and Listing Rule 14.4, Mr Brian O'Donnell, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer.

If the Resolution is passed, Mr Brian O'Donnell will be re-elected and will continue to act as a Director. If the Resolution is not passed, Mr Brian O'Donnell will not be re-elected and will cease to act as a Director.

6.2 Qualifications

In addition to being Chair of the Company, Mr Brian O'Donnell is Director, Finance and Investments for the Australian Capital Equity Pty Limited group, which includes the Company's largest shareholder, Wroxby Pty Ltd. Mr Brian O'Donnell is a director of various Australian Capital Equity Pty Limited group companies, including companies active in the property, food, agricultural and investment sectors. Mr Brian O'Donnell is a non-executive director of Bravo Holdco Pty Ltd (the holding company for Hive and Wellness Australia Pty Ltd – formerly Capilano Honey Limited), the West Australian Football Commission and The Guide Dog Foundation Pty Ltd (WA).

Mr Brian O'Donnell is a former director of Iron Ore Holdings Limited, Coates Group Holdings Pty Ltd, WesTrac Pty Ltd, Landis & Gyr AG, SocietyOne Holdings Pty Ltd and Fremantle Football Club Ltd. Mr Brian O'Donnell holds a Bachelor of Commerce degree, is a Fellow of the Institute of Chartered Accountants and has 37 years' experience in the finance and investment industry.

6.3 Other material directorships

Currently, Mr Brian O'Donnell is a director of the Australian Capital Equity Pty Limited group, which includes the Company's largest shareholder, Wroxby Pty Ltd and a non-executive director of Bravo Holdco Pty Ltd (the holding company for Hive and Wellness Australia Pty Ltd - formerly Capilano Honey Limited).

6.4 Independence

Mr Brian O'Donnell was appointed to the Board on 7 October 2014. He is not considered to be independent as he is a director of Australian Capital Equity Pty Limited which is associated with the Company's largest shareholder, Wroxby Pty Ltd.

6.5 Board recommendation

Based on Mr Brian O'Donnell's relevant experience and qualifications, the members of the Board, excluding Mr Brian O'Donnell, support the re-election of Mr Brian O'Donnell as a director of the Company.

7 Resolutions 6 and 8 – Approval of Share Rights Plan and Performance Rights Plan

The Directors considered that it was desirable to establish incentive plans under which Eligible Employees may be offered the opportunity to subscribe for conditional rights to receive Equity

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Securities in the Company in order to increase the range of potential incentives available to them and to strengthen links between the Company and its Eligible Employees and accordingly, adopted the Share Rights Plan and Performance Rights Plan (together, the **Plans**). The Plans are on substantially similar terms.

A previous version of each of the Plans was approved by Shareholders at the annual general meeting on 27 November 2019. This year, the Company has amended the Plans to align with the recent Federal legislative changes to the ASIC Class Order 14/1000 relief regime. A summary of the Plans is set out in Annexure A to this Explanatory Memorandum.

The Share Rights Plan represents a component of the Company's short term incentive (**STI**) framework involving Board approval of annual STI awards, including the grant of Share Rights, based on an employee's achievement of operational milestones related to achievement of budget, HSE (health, safety and environment) and other Mardie Project milestones as approved by the Board. The Performance Rights Plan represents the Company's long term incentive (**LTI**) framework and involves the issue of Performance Rights with performance hurdles as approved by the Board based on Company share price appreciation and/or other relevant shareholder return measures and employment tenure. Share Rights and Performance Rights may be issued to Directors, members of the executive leadership team and general manager level employees, as individually approved by the Board.

Under the Company's current circumstances, the Directors consider that the incentives to Eligible Employees are a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure Eligible Employees who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Plans are designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

Shareholder approval is required if any issue of Share Rights or Performance Rights pursuant to the respective Plan is to fall within the exception to the calculation of the 25% limit imposed by Listing Rules 7.1 and 7.1A on the number of securities which may be issued without Shareholder approval. Accordingly, Shareholder approval is sought for the purposes of Listing Rule 7.2 Exception 13(b) which provides that Listing Rules 7.1 and 7.1A do not apply to an issue of securities under an employee incentive scheme that has been approved by the holders of ordinary securities within three years of the date of issue.

Prior Shareholder approval will be required before any Director or related party of the Company can participate in the Plans.

Under the Plans, the Board may offer to Eligible Employees the opportunity to subscribe for such number of Share Rights or Performance Rights (as applicable) in the Company as the Board may decide and on the terms set out in the rules of the relevant Plan, which are summarised in Annexure A of this Explanatory Memorandum. As noted above, Share Rights and Performance Rights granted under the Plans will be offered to Eligible Employees on the basis of the Board's view of their contribution to the Company.

The maximum number of Share Rights proposed to be issued under the Share Rights Plan following Shareholder approval under Resolution 6 is expected to be 15,000,000. Once this number is reached the Company will need to seek fresh approval from Shareholders if the subsequent issue of Share Rights is to fall within Listing Rule 7.2 Exception 13.

The maximum number of Performance Rights proposed to be issued under the Performance Rights Plan following Shareholder approval under Resolution 8 is expected to be 45,000,000. Once this number is reached the Company will need to seek fresh approval from Shareholders if the subsequent issue of Performance Rights is to fall within Listing Rule 7.2 Exception 13.

If Resolutions 6 or 8 are passed, the Company will be able to issue Share Rights or Performance Rights (as applicable) under the relevant Plan up to the maximum number set out in this Notice. In addition, those issues of Share Rights and Performance Rights will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1 and Listing Rule 7.1A.

If Resolutions 6 or 8 are not passed, the Company will be able to proceed to issue Share Rights and Performance Rights (as applicable) under the relevant Plan, however the issue of those Share Rights and Performance Rights will not fall within the exception to the calculation of the 25% limit imposed by Listing Rules 7.1 and 7.1A, therefore effectively decreasing the number of Equity Securities which may be issued without Shareholder approval.

In accordance with the requirements of Listing Rule 7.2 Exception 13(b), the following information is provided to Shareholders:

(a) a summary of the material terms of the Plans is contained in Annexure A to this Explanatory Memorandum;

(b) a previous version of the each of the Plans was approved by Shareholders on 27 November 2019. A total of 4,442,468 Share Rights have been issued pursuant to that earlier version of the Share Rights Plan. A total of 25,388,716 Performance Rights have been issued pursuant to that earlier version of the Performance Rights Plan;

(c) the maximum number of Share Rights proposed to be issued under the Share Rights Plan following approval of Resolution 6 is 15,000,000;

(d) the maximum number of Performance Rights proposed to be issued under the Performance Rights Plan following approval of Resolution 8 is 45,000,000; and

(e) a voting exclusion statement has been included in the Notice for the purposes of Resolutions 6 and 8.

8 Approval of potential termination on benefit in relation to securities issued pursuant to the Share Rights Plan and Performance Rights Plan

8.1 Resolutions 7 and 9 – Termination benefits

Shareholder approval is sought for all purposes of Part 2D.2 of the Corporations Act and ASX Listing Rule 10.19 to approve:

(a) subject to the passing of Resolution 6, the giving of benefits under the Share Rights Plan; and

(b) subject to the passing of Resolution 8, the giving of benefits under the Performance Rights Plan,

to a person by the Company in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office (including directorship) in, the Company (or subsidiary of the Company) on the terms and conditions in this Explanatory Memorandum.

If Resolution 6 is not passed, Resolution 7 will be of no effect, and if Resolution 8 is not passed, Resolution 9 will be of no effect.

Under the terms of the Plans, potential termination benefits may be payable where the Board exercises its discretion in accordance with the terms of the Plan in the following circumstances:

(a) to vary the terms of conversion of the Share Rights or Performance Rights (as applicable), including to reduce or waive any applicable vesting conditions applying to the Share Rights or Performance Rights (as applicable) under the relevant Plan;

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(b) to determine that some or all unvested Share Rights or Performance Rights (as applicable) will not lapse upon the Eligible Employee ceasing employment, engagement or holding office with the Company, including under the Good Leaver condition of the Performance Rights proposed to be granted to Mr David Boshoff under Resolution 11 (as described in Annexure B to this Explanatory Memorandum); and

(c) to determine that vested Share Rights or Performance Rights (as applicable) that are not yet exercised will not lapse on the Eligible Employee ceasing employment, engagement or holding office with the Company.

The term "benefit" has a wide operation and would include any automatic and accelerated vesting of Share Rights or Performance Rights (as applicable) upon termination or cessation of employment in accordance with their terms.

The exercise of the discretion by the Board in the above circumstances may constitute a “benefit” for the purposes of section 200B of the Corporations Act and ASX Listing Rule 10.19. The Company is therefore seeking Shareholder approval for the exercise of the Board’s discretion in respect of any current or future Participant in the Plans who holds a managerial or executive office in, or is an officer of, the Company (or subsidiary of the Company) at the time of their leaving or at any time in the three years prior to their leaving and that person or their nominee(s) holds Share Rights or Performance Rights at the time of their leaving.

The value of the termination benefits that the Board may give under the Plans cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company’s share price at the time of vesting, the status of vesting of the Share Rights or Performance Rights and the number of Share Rights or Performance Rights that will vest or remain on foot. The following additional factors may also affect the benefit’s value:

(a) the Eligible Employee’s length of service and the status of the vesting conditions attaching to the relevant Share Rights at the time the Eligible Employee’s employment, service or office ceases; and

(b) the number of unvested Share Rights or Performance Rights that the Eligible Employee or their nominee(s) holds at the time they cease employment, service or office.

8.2 Part 2D.2 of the Corporations Act

Part 2D.2 of the Corporations Act restricts the benefits that can be given to persons who hold a “managerial or executive office” (as defined in the Corporations Act) on leaving their employment with the Company or any of its related bodies corporate, unless an exception applies.

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company or a related body corporate if it is approved by shareholders under section 200E of the Corporations Act or an exemption applies.

Provided Shareholder approval is given, the value of the termination benefits may be disregarded when applying Section 200F(2)(b) or Section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation).

8.3 Listing Rule 10.19

Listing Rule 10.19 provides that without shareholder approval, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that are or may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules (**5% Threshold**).

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Accordingly, Shareholder approval is being sought on the basis that, if Resolutions 6 or 8 are passed, officers of the Company may be entitled to termination benefits under the relevant Plan which exceed the 5% Threshold.

Depending upon the value of the termination benefits (see above), and the equity interests of the Company at the time such benefits may crystallise, it is uncertain if the giving of the benefits would exceed the 5% Threshold. In the event of such termination benefits crystallising, the Company will comply with Listing Rule 10.19.

If Resolutions 7 or 9 are passed, the Company will be able to give termination benefits which may exceed the 5% Threshold to any current or future person holding a managerial or executive office (including directorship) in the Company or a related body corporate in connection with that person ceasing to hold that managerial or executive office in accordance with the rules of the Share Rights Plan or Performance Rights Plan respectively.

If Resolutions 7 or 9 are not passed, the Company will not be able to give termination benefits to any current or future person holding a managerial or executive office (including directorship) in the Company or a related body corporate in connection with that person ceasing to hold that managerial or executive office in accordance with the rules of the Share Rights Plan or Performance Rights Plan respectively where those termination benefits exceed the 5% Threshold.

9 Resolution 10 – Grant of Performance Rights to Ms Miriam Stanborough (or her nominee(s)) under the 2019 Plan

The Company proposes to grant up to 136,622 Performance Rights (each with a nil exercise price and an expiry date of on or about 1 July 2027) to Ms Miriam Stanborough (or her nominee(s)) under the 2019 Plan.

9.1 Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

(a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or

(b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, Ms Miriam Stanborough is a related party of the Company.

In relation to this Resolution, the Board (excluding Ms Miriam Stanborough) has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of Performance Rights as the issue, which forms part of the remuneration package for Ms Miriam Stanborough, is considered reasonable remuneration for the purposes of section 211 of the Corporations Act.

The grant of Performance Rights to Ms Miriam Stanborough (or her nominee(s)) is designed to attract and retain suitably qualified non-executive directors.

Shareholders should note that for the reasons noted above, it is proposed to grant Performance Rights to Ms Miriam Stanborough (or her nominee(s)) notwithstanding the guidelines contained in Box 8.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) (**Principles**) which states that non-executive directors generally should not receive options with performance hurdles attached or performance rights as part of their remuneration as this may lead to bias in their decision-making and compromise their objectivity. The Board considers the grant of Performance Rights to Ms Miriam Stanborough (or her nominee(s))

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reasonable in the circumstances, given the necessity to attract the highest calibre of professionals to the Company, while maintaining the Company's cash reserves.

The number of Performance Rights to be granted to Ms Miriam Stanborough (or her nominee(s)) has been determined based upon a consideration of:

(a) the remuneration of the Directors;

(b) the extensive experience and reputation of Ms Miriam Stanborough within the minerals processing industry;

(d) the current price of Shares;

(e) the Directors' wish to ensure that the remuneration offered is competitive with market standards or/and practice. The Directors have considered the proposed number of Performance Rights to be granted and will ensure that Ms Miriam Stanborough's overall remuneration is in line with market practice;

(f) attracting and retaining suitably qualified non-executive directors; and

(g) incentives to attract and ensure continuity of service of Directors who have appropriate knowledge and expertise, while maintaining the Company's cash reserves. The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights upon the terms proposed.

9.2 Valuation of Performance Rights

The Company's advisers have valued the Performance Rights to be granted to Ms Miriam Stanborough (or her nominee(s)) using the Black – Scholes Model. The value of a Performance Right calculated by the Black – Scholes Model is a function of a number of variables. The valuation of the Performance Rights has been prepared using the following assumptions:

Variable	Input
Share price	0.23
Exercise price	Nil
Risk Free Interest Rate	3.31%
Volatility	50%
Time (years to expiry)	1.74

The Company's advisers have calculated the value of each Performance Right based on the following assumptions:

(a) They have based the underlying value of each Share in the Company on the ASX closing price of A$0.23 on 3 October 2022;

(b) risk free rate of return – 3.31% (estimated, based on the yields of Australian Government Bonds for a term corresponding to the life of the Rights); and

(c) they used a volatility of the Share price of 50%.

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Any change in the variables applied in the Black – Scholes calculation between the date of the valuation and the date the Performance Rights are granted would have an impact on their value.

Based on the assumptions, it is considered that the estimated average value of the Performance Rights to be granted to Ms Miriam Stanborough (or her nominee(s)) is $0.125 per Performance Right.

9.3 Directors' recommendation

All the Directors were available to make a recommendation.

The Directors (who have no interest in the outcome of the Resolution) recommend that Shareholders vote in favour of the Resolution. Ms Miriam Stanborough declines to make a recommendation about the Resolution as she has a material personal interest in the outcome of this particular Resolution as it relates to the proposed grant of Performance Rights to her or her nominee(s). The Board (other than Ms Miriam Stanborough) is not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

9.4 Information Requirements – Listing Rules 10.14 and 10.15

Listing Rule 10.14 provides that the Company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- a director of the Company (Listing Rule 10.14.1);
- an Associate of a director of the Company (Listing Rule 10.14.12); or
- a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its Shareholders.

The proposed grant of Performance Rights to Ms Miriam Stanborough (or her nominee(s)) pursuant to the Performance Rights Plan falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

If this Resolution is passed, the Company will grant Performance Rights to Ms Miriam Stanborough (or her nominee(s)) as noted above.

If this Resolution is not passed, the Company will not grant Performance Rights to Ms Miriam Stanborough (or her nominee(s)) and the Company may need to consider alternative ways to remunerate Ms Miriam Stanborough, including by the payment of cash.

The following further information is provided to Shareholders for the purposes of Listing Rule 10.15:

(a) the Performance Rights will be granted to Ms Miriam Stanborough (or her nominee(s)), as noted above;

(b) Ms Miriam Stanborough is a Director of the Company and is therefore a Listing Rule 10.14.1 party;

(c) up to 136,622 Performance Rights will be granted to Ms Miriam Stanborough (or her nominee(s));

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(d) Ms Miriam Stanborough is a Director of the Company and the issue the subject of this Resolution is intended to remunerate or incentivise Ms Miriam Stanborough, whose current total remuneration package is as set out below:

Fees p.a. (A$)	Value of Performance Rights (A$)	Total Financial Benefit (A$)
97,200	17,078	114,278

(e) the terms and conditions of the Performance Rights are set out in Annexure B to this Explanatory Memorandum;

(f) nil Performance Rights have previously been issued to Ms Miriam Stanborough (or her nominee(s)) under the 2019 Plan;

(g) the Performance Rights have been selected as a cost effective and efficient means to remunerate Ms Miriam Stanborough as opposed to alternative forms of incentive, such as payment of cash compensation, and the Company wishes to retain its cash reserves for other preferred uses;

(h) the Company's advisors have valued the Performance Rights using the Black – Scholes method. Based on the assumptions set out above, it is considered that the estimated average value of the Performance Rights to be granted to Ms Miriam Stanborough (or her nominee(s)) is A$0.125 per Performance Right;

(i) the Performance Rights will be granted on a date which will be no later than 3 years after the date of this Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;

(j) the Performance Rights will be granted for no consideration;

(k) a summary of the material terms of the 2019 Plan is set out in Annexure C to this Explanatory Memorandum;

(l) details of any securities issued under the 2019 Plan will be published in the annual report of the entity relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;

(m) any additional persons covered by Listing Rule 10.14 who become entitled to participate in the 2019 Plan after the Resolution is approved and who were not named in this Notice will not participate until approval is obtained under that rule; and

(n) a voting exclusion statement applies to this Resolution as set out in the Notice of Meeting.

9.5 Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on the Resolutions.

10 Resolution 11 – Grant of Performance Rights to Mr David Boshoff (or his nominee(s)) under the Performance Rights Plan

Subject to Shareholders re-electing Mr Boshoff as a Director pursuant to Resolution 3 and the approval of the Performance Rights Plan pursuant to Resolution 8, the Company proposes to grant up to 2,152,816 Performance Rights (each with a nil exercise price and an expiry date of on or about

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1 July 2027) to Mr David Boshoff (or his nominee(s)) under the Performance Rights Plan. If Resolutions 3 or 8 are not passed at the Meeting, this Resolution will be of no effect.

10.1 Related Party Transactions Generally

A summary of Chapter 2E of the Corporations Act is provided in Section 9.1 above.

For the purposes of Chapter 2E of the Corporations Act, Mr David Boshoff is a related party of the Company.

In relation to this Resolution, the Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of Performance Rights as the issue, which forms part of the remuneration package for Mr David Boshoff, is considered reasonable remuneration for the purposes of section 211 of the Corporations Act, given the necessity to attract the highest calibre of professionals to the Company, while maintaining the Company's cash reserves.

The number of Performance Rights to be granted to Mr David Boshoff (or his nominee(s)) has been determined based upon a consideration of:

(a) the remuneration of the Directors;

(b) the extensive experience and reputation of Mr David Boshoff within the mining construction industry;

(c) the current price of Shares;

(d) the Directors' wish to ensure that the remuneration offered is competitive with market standards or/and practice. The Directors have considered the proposed number of Performance Rights to be granted and will ensure that Mr David Boshoff's overall remuneration is in line with market practice;

(e) attracting and retaining suitably qualified directors; and

(f) incentives to attract and ensure continuity of service of Directors who have appropriate knowledge and expertise, while maintaining the Company's cash reserves. The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights upon the terms proposed.

10.2 Valuation of Performance Rights

The Company's advisers have valued the Performance Rights to be granted to Mr David Boshoff (or his nominee(s)) using the Black – Scholes Model. The value of a Performance Right calculated by the Black – Scholes Model is a function of a number of variables. The valuation of the Performance Rights has been prepared using the following assumptions:

Variable	Input
Share price	$0.23
Exercise price	Nil
Risk Free Interest Rate	3.31%
Volatility	50%

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Variable	Input
Time (years to expiry)	1.74

The Company's advisers have calculated the value of each Performance Right based on the following assumptions:

(a) they have based the underlying value of each Share in the Company on the ASX closing price of A$0.23 on 3 October 2022;

(b) risk free rate of return – 3.31% (estimated, based on the yields of Australian Government Bonds for a term corresponding to the life of the Rights); and

(c) they used a volatility of the Share price of 50%.

Any change in the variables applied in the Black – Scholes calculation between the date of the valuation and the date the Performance Rights are granted would have an impact on their value.

Based on the assumptions, it is considered that the estimated average value of the Performance Rights to be granted to Mr David Boshoff (or his nominee(s)) is $0.153 per Performance Right.

10.3 Directors' recommendation

All the Directors who are in office as at the date of this Notice were available to make a recommendation.

The Directors recommend that Shareholders vote in favour of the Resolution. The Board is not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution. For the avoidance of doubt, Mr David Boshoff is not a Director as at the date of this Notice.

10.4 Information Requirements – Listing Rules 10.14 and 10.15

Listing Rule 10.14 provides that the Company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- a director of the Company (Listing Rule 10.14.1);
- an Associate of a director of the Company (Listing Rule 10.14.12); or
- a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its Shareholders.

The proposed grant of Performance Rights to Mr David Boshoff (or his nominee(s)) pursuant to the Performance Rights Plan falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

If Resolutions 3, 8 and 11 are passed, the Company will grant Performance Rights to Mr David Boshoff (or his nominee(s)) as noted above.

If Resolutions 3, 8 or 11 are not passed, the Company will not grant Performance Rights to Mr David Boshoff (or his nominee(s)) and the Company may need to consider alternative ways to remunerate Mr David Boshoff, including by the payment of cash.

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The following further information is provided to Shareholders for the purposes of Listing Rule 10.15:

(a) the Performance Rights will be granted to Mr David Boshoff (or his nominee(s)), as noted above;

(b) Mr David Boshoff will be a Director of the Company at the time the Performance Rights are proposed to be granted, and will therefore be a Listing Rule 10.14.1 party;

(c) up to 2,152,816 Performance Rights will be granted to Mr David Boshoff (or his nominee(s));

(d) subject to the passing of Resolution 3, Mr David Boshoff will be a Director of the Company and the issue the subject of this Resolution is intended to remunerate or incentivise Mr David Boshoff, whose total remuneration package from the date of his appointment as a Director on or around 21 November 2022 is as set out below:

Fees p.a. (A$)	Value of Performance Rights (A$)	Total Financial Benefit (A$)
800,000[1]	329,381	1,129,381

Note 1 – as announced to ASX on 13 October 2022, Mr David Boshoff is eligible to receive an annual short term incentive of up to 125% of his fixed annual remuneration payable as 50% cash and 50% share rights, an annual long term incentive of up to 100% of his fixed annual remuneration payable as performance rights, and a project milestone bonus on dates to be agreed of up to a cumulative total of 100% of his fixed annual remuneration.

(e) the terms and conditions of the Performance Rights are set out in Annexure B to this Explanatory Memorandum;

(f) nil Performance Rights have previously been issued to Mr David Boshoff (or his nominee(s)) under the Performance Rights Plan;

(g) the Performance Rights have been selected as a cost effective and efficient means to remunerate Mr David Boshoff as opposed to alternative forms of incentive, such as payment of cash compensation, and the Company wishes to retain its cash reserves for other preferred uses;

(h) the Company's advisors have valued the Performance Rights using the Black – Scholes method. Based on the assumptions set out above, it is considered that the estimated average value of the Performance Rights to be granted to Mr David Boshoff (or his nominee(s)) is A$0.153 per Performance Right;

(i) the Performance Rights will be granted on a date which will be no later than 3 years after the date of this Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;

(j) the Performance Rights will be granted for no consideration;

(k) a summary of the material terms of the Performance Rights Plan is set out in Annexure A to this Explanatory Memorandum;

(l) details of any securities issued under the Performance Rights Plan will be published in the annual report of the entity relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;

(m) any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Performance Rights Plan after the Resolution is approved and who were not named in this Notice will not participate until approval is obtained under that rule; and

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(n) a voting exclusion statement applies to this Resolution as set out in the Notice of Meeting.

10.5 Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on the Resolutions.

11 Resolution 12 – Approval of Additional 10% Placement Capacity

11.1 Background

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% (**Listing Rule 7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of $300 million or less. As at the date of this Notice, the Company is an eligible entity for these purposes. If, on the date of the Annual General Meeting, its market capitalisation exceeds $300 million or it has been included in the S&P/ASX 300 Index, then this Resolution will not be put to the Meeting.

This Resolution seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If this Resolution is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

11.2 The number of Equity Securities which may be issued pursuant to the Listing Rule 7.1A Mandate

Based on the number of Shares on issue at the date of this Notice, the Company will have 1,211,021,407 Shares on issue and therefore, subject to Shareholder approval being obtained under this Resolution, 121,102,140 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Listing Rule 7.1A Mandate is a moving calculation and will be based the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities. That formula is:

(A x D) – E

A is the number of Shares on issue 12 months immediately preceding the date of issue or agreement (**Relevant Period**):

(a) plus the number of fully paid Shares issued in the Relevant Period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;

(i) plus the number of fully paid Shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:

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(ii) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or

(iii) the issue of, or agreement to issue, the convertible securities was approved or taken under the Listing Rules to have been approved, under Listing Rules 7.1 or 7.4;

(b) plus the number of Shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:

(i) the agreement was entered into before the commencement of the Relevant Period; or

(ii) the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rules 7.1 or 7.4;

(c) plus the number of fully paid Shares issued in the Relevant Period with approval of holders of Shares under Listing Rules 7.1 and 7.4;

(d) plus the number of party paid Shares that become fully paid in the Relevant Period;

(e) less the number of fully paid Shares cancelled in the Relevant Period.

Note that 'A' is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement to issue has not been subsequently approved by Shareholders under Listing Rule 7.4.

11.3 Specific information required by Listing Rule 7.3A

(a) If the Resolution is passed, the Listing Rule 7.1A Mandate will be valid during the period from the date of the Meeting and will expire on the earlier of:

(i) the date that is 12 months after the date of the Meeting;

(ii) the time and date of the Company's next annual general meeting; and

(iii) the time and date on which the Company receives approval by Shareholders for a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) (**Approval Period**).

(b) The Equity Securities to be issued will be in an existing class of quoted securities and will be issued for cash consideration at an issue price per Equity Security of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days on which trades in the class were recorded immediately before:

(i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or

(ii) if the Equity Securities are not issued within ten Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

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(c) The funds raised under the Listing Rule 7.1A Mandate will be applied primarily towards development of the Company's projects, corporate overheads, administrative costs and other general working capital;

(d) If this Resolution is approved by Shareholders and the Company issues Equity Securities under the Listing Rule 7.1A Mandate, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also a risk that:

(i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date the Listing Rule 7.1A Mandate was approved; and

(ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities; or

The table below demonstrates the potential dilution of existing Shareholders in three differing scenarios.

Variable 'A' (refer above for calculation)		**Dilution**		
		$0.1125 **Issue Price at half the current market price**	$0.225 **Issue Price at current market price**	$0,45 **Issue Price at double the current market price**
Current Variable 'A' **1,211,021,407 Shares**	**Shares issued**	121,102,140	121,102,140	121,102,140
	Funds raised	$13,623,990	$27,247,981	$54,495,962
	Dilution	10%	10%	10%
50% increase in current Variable 'A' **1,816,532,111 Shares**	**Shares issued**	181,653,211	181,653,211	181,653,211
	Funds raised	$20,435,986	$40,871,972	$81,743,944
	Dilution	10%	10%	10%
100% increase in current variable 'A' **2,422,042,814 Shares**	**Shares issued**	242,204,281	242,204,281	242,204,281
	Funds raised	$27,247,981	$54,495,963	$108,991,926
	Dilution	10%	10%	10%

***Note**: This table assumes:*

- *No further Shares are issued and no Equity Securities convert into Shares before the date of the issue of the Equity Securities.*
- *The issue of Equity Securities under the Listing Rule 7.1A Mandate consists only of Shares. If the issue of Equity Securities includes quoted Options, for the purposes of the above table, it is assumed that those quoted Options are exercised into Shares for the purposes of calculating the voting dilution effect on existing Shareholders.*

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- *The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Listing Rule 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.*
- *The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2, with approval under Listing Rule 7.1 or ratified under Listing Rule 7.4.*
- *This table does not set out any dilution pursuant to ratification under Listing Rule 7.4.*

The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

(e) The identity of the persons to whom Shares will be issued is not yet known and will be determined on a case by case basis having regard to market conditions at the time of the proposed issue of Equity Securities and the Company's allocation policy, which involves consideration of matters including, but not limited to:

(i) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities and whether the raising of any funds under such placement could be carried out by means of an entitlement offer, or a placement and an entitlements offer;

(ii) the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of proposed issued of Equity Securities;

(iii) the financial situation and solvency of the Company; and

(iv) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

(f) The persons to whom Shares will be issued under the Listing Rule 7.1A Mandate have not been determined as at the date of this Notice, but will not include related parties (or their Associates) of the Company.

(g) The Company has not previously issued or agreed to issue Equity Securities under Listing Rule 7.1A.2 in the 12 months preceding the date of the Meeting.

12 Resolutions 13 and 14 – Issue of Series 3 Convertible Notes to AustralianSuper and approval of acquisition of relevant interest in Shares following conversion of the Series 1 and Series 3 Convertible Notes

12.1 Background

At the Company's General Meeting held on 20 December 2021, Shareholders approved the issue of up to three series of convertible notes by the Company to AustralianSuper Pty Ltd as trustee for AustralianSuper (**AustralianSuper**) pursuant to a convertible note subscription deed between BCI and AustralianSuper dated 17 November 2021 (**Original Subscription Agreement**).

Series 1 Convertible Notes having a face value of $29,093,787 were issued to AustralianSuper on 24 December 2021. The Series 1 Convertible Notes were issued by the Company in exchange for AustralianSuper transferring its existing holdings of 31,147,824 ordinary shares in Agrimin Limited (ACN 122 162 396) and 26,349,498 ordinary shares in Highfield Resources Limited (ACN 153 918 257) to the Company.

The Original Subscription Agreement provided for the issue of up to $50 million in Series 2 Convertible Notes and up to $50 million in Series 3 Convertible Notes.

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As announced by the Company on 30 September 2022, the Company and AustralianSuper agreed to vary the terms of Original Subscription Agreement (the Original Subscription Agreement, as so amended, being the **Subscription Agreement**) such that:

(a) the Company would not draw down on the Series 2 Convertible Notes, with the maximum face value of the Series 2 Convertible Notes being reduced to zero;

(b) no Break Fee or Establishment Fee would be payable by the Company in respect of the Series 2 Convertible Notes;

(c) the maximum face value of the Series 3 Convertible Notes would be increased from $50 million to $100 million;

(d) the Company would seek shareholder approval for:

(i) the issue of the Series 3 Convertible Notes for the purpose of the ASX Listing Rule 7.1 (being the subject of Resolution 13) or, to the extent required by the ASX, ASX Listing Rule 10.11 (noting, however, that ASX has confirmed ASX Listing Rule 10.11 approval is not required); and

(ii) the acquisition of a relevant interest in Shares upon conversion of the Series 1 Convertible Notes and Series 3 Convertible Notes for the purpose of item 7 of section 611 of the Corporations Act (being the subject of Resolution 14);

(e) subject to Resolutions 13 and 14 being passed and the conditions precedent being satisfied or waived in accordance with the Subscription Agreement, the Company will be deemed to have drawn down $100 million in Series 3 Convertible Notes, with the Series 3 Convertible Notes to be issued 5 Business Days after the Company announces on the ASX that Resolutions 13 and 14 have passed; and

(f) AustralianSuper may nominate a director to the Board of the Company while it remains the holder of at least 14.5% of the Company's issued Shares (being a decrease to the previous requirement for AustralianSuper to hold 15%).

The amendments to the Original Subscription Agreement provided the Company time to procure the Independent Expert Report, and obtain the Shareholder approvals now being sought under Resolutions 13 and 14, prior to the Series 3 Convertible Notes being drawn.

Upon Resolutions 13 and 14 being passed, the Company will be deemed to have issued an issue notice under the Subscription Agreement requiring AustralianSuper to subscribe for $100 million in respect of the Series 3 Convertible Notes on the date that is 5 Business Days after the Company announces the results of Resolutions 13 and 14, subject to the satisfaction or waiver of the relevant conditions precedent as set out in the Subscription Agreement .

12.2 ASX Listing Rule 7.1

As noted above, the Company and AustralianSuper agreed to amend the Original Subscription Agreement such that the Company will be deemed to have drawn down $100 million in Series 3 Convertible Notes from AustralianSuper, with the Series 3 Convertible Notes expected to be issued 5 Business Days after the Company announces that Resolutions 13 and 14 have been passed.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that the Company can issue without the approval of its Shareholders over any 12-month period to 15% of the Shares it had on issue at the start of that period.

The proposed issue of the Series 3 Convertible Notes to AustralianSuper does not fall within any of the exceptions set out in Listing Rule 7.2 and whilst the proposed issue does not exceed the 15% limit in Listing Rule 7.1, it is a requirement of the Subscription Agreement that the Company obtains

the approval of the Shareholders under Listing Rule 7.1 for the issue of the Series 3 Convertible Notes given the amendments to the Original Subscription Agreement subsequent to the Shareholders' approval of the issue of Series 3 Convertible Notes at the General Meeting on 20 December 2021. This will also enable the Company to retain its capacity to issue Equity Securities up to its annual 15% limit without the approval of Shareholders.

Resolution 13 seeks the required Shareholder approval for the proposed issue of the Series 3 Convertible Notes under and for the purposes of Listing Rule 7.1.

If Resolution 13 is passed, and Resolution 14 is also passed:

- the Company will be able to proceed with the issue, and subject to the terms of the Subscription Agreement, including the conditions precedent noted above and the payment of the subscription price for the Series 3 Convertible Notes, the Company will issue the Series 3 Convertible Notes;

- the Company's cash reserves will increase by up to $100 million (before costs) upon the deemed draw down and issue of the Series 3 Convertible Notes; and

- if draw down and issue becomes unconditional, and to the extent the Series 3 Convertible Notes are fully drawn and run for their full term and the Company does not redeem any portion of the Series 3 Convertible Notes for cash and does not pay any interest in cash, then the total number of Equity Securities on issue will be increased by the Series 3 Convertible Notes; if the Series 3 Convertible Notes convert into Shares, the total Shares on issue may increase from 1,211,021,407 to up to 1,454,609,197 and the existing Shareholders holdings will be diluted by 16.74% on an undiluted basis and 16.11% on a fully diluted basis.[1] See the table in section 12.5(b) below for further details of the potential impact the issue of the Series 3 Convertible Notes may have on the Company's capital structure.

In addition, the Series 3 Convertible Notes to be issued, and any Shares which will be issued on conversion of the Series 3 Convertible Notes, will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 13 is not passed the Company will not be able to issue the Series 3 Convertible Notes to AustralianSuper and the Company will not receive $100 million from AustralianSuper following the deemed draw down of the Series 3 Convertible Notes.

12.3 Information required by ASX Listing Rule 7.3

The following information in relation to the Shares to be issued is provided to Shareholders for the purposes of Listing Rule 7.3:

- the Series 3 Convertible Notes, and any Shares to be issued on their conversion, will be issued to AustralianSuper;

- the Company will receive $100 million (before costs) following the deemed draw down of the Series 3 Convertible Notes. Funds raised will be used to fund pre-development costs, capex costs of the construction of the Mardie Project assets, funding and transaction costs and pre-production operational expenditure;

- the Company will issue up to 160,384,924 Series 3 Convertible Notes, and up to a maximum of 243,587,790 Shares on their conversion, which is based on the maximum total initial face value of $100 million for the Series 3 Convertible Notes, and the initial Conversion Price of

[1] This assumes 5% interest on the Series 3 Convertible Notes accrues and is capitalised from the date of issue of the Series 3 Convertible Notes until maturity, the establishment fee of 2% on the Series 3 Convertible Notes is capitalised and accrues interest from the date of issue of the Series 3 Convertible Notes until maturity, and none of the Series 3 Convertible Notes are redeemed for cash.

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$0.6235[2]. If additional Shares are required to be issued on conversion of any Convertible Notes due to adjustments in the Conversion Price, those Shares will be covered by the Shareholder approval obtained pursuant to Resolution 13 and if that Resolution is passed, the Company may issue such additional Shares (subject to the Corporations Act and the Listing Rules) without taking up the Company's placement capacity;

- the Shares to be issued on conversion of the Series 3 Convertible Notes will be fully paid Shares and will rank equally in all respects with the existing Shares on issue;
- the Series 3 Convertible Notes will be issued no later than 3 months after the date of the Meeting;
- a summary of the key terms of the Subscription Agreement and the Series 3 Convertible Notes proposed to be issued is set out in Annexure D; and
- a voting exclusion applies in respect of Resolution 13 as set out in the Notice of Meeting.

12.4 Section 606 and section 611 item 7 of the Corporations Act

Under section 606 of the Corporations Act, subject to limited specified exemptions, a person must not acquire a relevant interest in issued voting shares in a public company, if as a result of the acquisition any person's voting power in the company would increase:

- from 20% or below to more than 20%; or
- from a starting point that is above 20% and below 90%,

(the **Takeover Prohibition**).

In broad terms, a person has a 'relevant interest' in shares if that person holds shares or has the power to control the right to vote or dispose of shares. A person's voting power in a company is the number of voting shares in which the person and its Associates have a relevant interest in compared with the total number of voting shares in a company.

AustralianSuper currently has voting power of 14.77% in the Company. The Company anticipates that following any conversion of the Series 1 Convertible Notes and the Series 3 Convertible Notes into Shares, AustralianSuper's voting power in the Company will exceed 20%.

Item 7 of section 611 of the Corporations Act provides an exception to the Takeover Prohibition and allows a person and its Associates to acquire a relevant interest in shares that would otherwise be prohibited under section 606(2) of the Corporations Act if the proposed acquisition is approved in advance by a resolution passed at a general meeting of the company, and:

(a) no votes are cast in favour of the resolution by the person proposing to make the acquisition and their Associates; and

(b) the members of the company were given all information known to the person proposing to make the acquisition or their Associates, or known to the company, that was material to the decision on how to vote on the resolution.

Following the issue of the Series 3 Convertible Notes and subject to conversion of the Series 1 Convertible Notes and the Series 3 Convertible Notes (assuming a Conversion Price of $0.6235),

[2] This assumes 5% interest on the Series 3 Convertible Notes accrues and is capitalised from the date of issue of the Series 3 Convertible Notes until maturity, the establishment fee of 2% on the Series 3 Convertible Notes is capitalised and accrues interest from the date of issue of the Series 3 Convertible Notes until maturity, and none of the Series 3 Convertible Notes are redeemed for cash.

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AustralianSuper may hold a relevant interest in up to 469,080,679 Shares in the Company (subject to adjustments), representing a voting power in the Company of up to 31.25% (**Acquisition**).

Accordingly, Resolution 14 seeks Shareholder approval for the purpose of item 7 of section 611 of the Corporations Act to enable AustralianSuper to increase its voting power in the Company beyond 20%.

ASX Listing Rule 7.2, exception 8 states that Listing Rule 7.1 does not apply to an issue of securities approved by shareholders for the purposes of item 7 of section 611 of the Corporations Act. That approval is sought from Shareholders for the issue of the Shares on conversion of the Series 1 Convertible Notes and the Series 3 Convertible Notes under Resolution 14. Accordingly, separate Shareholder approval under Listing Rule 7.1 for the issue of the Shares to AustralianSuper will not be required.

12.5 Information required by item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74

The following information is provided in accordance with item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74 (in respect of acquisitions to be approved by shareholders in accordance with item 7 of section 611):

(a) **The identity of the person proposing to make the Acquisition and their Associates**

The Convertible Notes will be issued to AustralianSuper Pty Ltd as trustee for AustralianSuper (ABN 65 714 394 898). AustralianSuper is the largest superannuation fund in Australia and is a cornerstone supporter of the Company.

AustralianSuper does not have any Associates which have a relevant interest in Shares in the Company.

(b) **An explanation of the reasons for the Acquisition**

On 18 November 2021, the Company announced a $360 million capital raising to develop the 100% owned Mardie Salt & Potash Project on the Pilbara coast of Western Australia. The capital raising comprised a $240 million placement (which included a subscription of $72.5 million by AustralianSuper), a $20 million share purchase plan and up to $100 million in convertible notes, at the Company's election, under the Original Subscription Agreement with AustralianSuper. The Original Subscription Agreement also provided for the issue of the Series 1 Convertible Notes which were issued to AustralianSuper on 24 December 2021 with an initial face value of $29.1 million.

The Directors are of the view the following non-exhaustive list of advantages to the Company and non-associated Shareholders of approving the Acquisition may be relevant to a Shareholder's decision on how to vote on Resolution 14:

(i) Shareholders approved the issue of Series 2 Convertible Notes and Series 3 Convertible Notes at the Company's Extraordinary General Meeting held in December 2021 for the purpose of ASX Listing Rule 7.1, and the commercial terms remain essentially the same as approved at that time. The notice of meeting in respect of these approvals contained an analysis of the impact of the issue and conversion of the Series 2 Convertible Notes and Series 3 Convertible Notes on AustralianSuper's voting power in the Company;

(ii) the Company will receive $100 million (before costs) following the deemed draw down of the Series 3 Convertible Notes. Funds raised will be used to fund pre-development costs, capex costs of the construction of the Mardie Project assets, funding and transaction costs and pre-production operational expenditure;

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(iii) AustralianSuper is a significant supporter of the Company who will continue to add value to the Company's strategic goals;

(iv) The amendments to the Original Subscription Agreement essentially allow the previously contemplated $50 million in Series 2 Convertible Notes to instead be included in the Series 3 Convertible Notes to be drawn after the Meeting, providing the Company time to procure the Independent Expert Report prior to the Meeting and obtain the Shareholder approvals sought pursuant to Resolutions 13 and 14 at this Meeting;

(v) a failure to vote in favour of Resolutions 13 and 14 will deprive the Company of $100 million in additional funding which would otherwise be used to develop the Mardie Project;

(vi) if the Company does not issue the maximum number of Series 3 Convertible Notes by 31 December 2022, the Company will be required to pay to AustralianSuper a Break Fee of $1 million;

(vii) the Independent Expert has concluded that the issue of the Series 3 Convertible Notes and the conversion of the Series 1 Convertible Notes and the Series 3 Convertible Notes are not fair but reasonable, and are in the best interests of the Company's Shareholders; and

(viii) in addition, the Independent Expert has noted the following advantages:

(A) the ability to draw the Series 3 Convertible Notes provides the Company with a level of certainty regarding its ability to partially fund the development of the Mardie Project;

(B) the terms of the Series 3 Convertible Notes are more attractive than would likely be available today;

(C) the terms of the Series 3 Convertible Notes imply a cost of finance which is reasonable compared to the Company's anticipated cost of project and corporate debt;

(D) the Series 3 Convertible Notes were the most cost-effective option relative to available funding alternatives identified as part of a project funding exercise;

(E) the key terms of the Series 3 Convertible Notes have been negotiated between the Company and AustralianSuper on an arm's length basis;

(F) the key terms of the Series 3 Convertible Notes are broadly in line with the terms of recent convertible note issues by comparable companies;

(G) the Series 3 Convertible Notes are convertible into Shares at a premium to the 90 day and 30 day volume weighted average price of Shares;

(H) the Company has an ability to redeem the Series 3 Convertible Notes (if not previously converted) from five years after their issue and seek alternate financing;

(I) AustralianSuper's interest in the Company will only increase under the Acquisition if it exercises the right to convert the Convertible Notes;

(J) if the issue and conversion of the Convertible Notes is not approved, the Company's Share price may be adversely impacted; and

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(K) if the issue and conversion of the Convertible Notes is not approved and the Company does not issue the maximum number of Series 3 Convertible Notes by 31 December 2022, the Company will be required to pay the Break Fee of $1 million to AustralianSuper.

The Directors consider that there are potential disadvantages to the Acquisition that Shareholders should be aware of in deciding how to vote on Resolution 14, including:

(i) conversion of the Series 1 Convertible Notes and Series 3 Convertible Notes into Shares will have a dilutionary effect on holdings of other Shareholders. This will affect the ability of Shareholders to influence decisions. See the table in section 12.5(e) below for further details of the potential impact the issue of the Series 3 Convertible Notes (and potential conversion of the Series 1 Convertible Notes and Series 3 Convertible Notes) may have on the Company's capital structure;

(ii) there is no guarantee that the Company's Shares will not fall in value as a result of the Acquisition; and

(iii) in addition, the Independent Expert has noted the following disadvantages:

(A) the potential increased shareholding of AustralianSuper (if the Convertible Notes are converted) may be deemed to result in increased influence without a control premium having been paid, for instance with regard to the potential ability to block a special resolution which requires 75% approval;

(B) the issue of the Series 3 Convertible Notes increases the amount of leverage in the business including project financing, the cost of which will need to be funded;

(C) existing Shareholders' interests will be diluted upon potential conversion of the Convertible Notes, albeit conversion will mean the Share price has increased considerably from the current traded Share price;

(D) the issue of Convertible Notes provides option value to AustralianSuper which reduces equity value to the non-associated Shareholders; and

(E) there is no opportunity for the non-associated Shareholders to participate in the issue of the Series 3 Convertible Notes.

(c) **When the Acquisition is to occur**

The Acquisition will occur upon the conversion of the Convertible Notes in accordance with the terms and conditions of the Convertible Notes, a summary of which is set out in Annexure D.

AustralianSuper may elect to convert:

(i) the Series 1 Convertible Notes at any time from 3.5 years after issuance of the Series 1 Convertible Notes (which occurred on 24 December 2021) and prior to the maturity date in respect of the Series 1 Convertible Notes (being 10 years after the issue date of the Series 1 Convertible Notes); and

(ii) the Series 3 Convertible Notes at any time from 3 years after issuance of the Series 3 Convertible Notes and prior to the maturity date in respect of the Series 3 Convertible Notes (being 8 years after the issue date of the Series 3 Convertible Notes).

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(d) **The material terms of the Acquisition**

A summary of the key terms of the Subscription Agreement and the Convertible Notes is set out in Annexure D.

The Shares to be issued on conversion of the Series 1 Convertible Notes and Series 3 Convertible Notes will rank pari passu with the outstanding Shares of the Company on the relevant conversion date.

(e) **The voting power of the person and its associates would have as a result of the Acquisition and the maximum extent of the increase in their voting power**

The anticipated maximum relevant interest of AustralianSuper and the voting power of AustralianSuper in the Company (both current, and following the proposed Acquisition) are set out in the table below:

	All Shareholders	Non-associated shareholders	AustralianSuper
Shares currently on issue	1,211,021,407	1,032,190,567	178,830,840
Current voting power	100%	85.23%	14.77%
Total maximum number of Shares post-conversion of Series 1 and Series 3 Convertible Notes	1,501,271,246	1,032,190,567	469,080,679
Voting power post-conversion (non-diluted)	100%	68.75%	31.25%
Total number of Equity Securities (post-conversion)	1,512,474,701	1,043,394,022	469,080,679

***Note**: This table assumes:*

- *the Company has 1,211,021,407 Shares on issue as at the date of this Notice of Meeting and that no further Equity Securities are issued and no Equity Securities convert into Shares before the date of conversion of the Convertible Notes;*
- *all Series 3 Convertible Notes are fully drawn and all Convertible Notes convert at their maturity and no Convertible Notes are redeemed for cash;*
- *5% interest on the Series 3 Convertible Notes accrues and is capitalised from the date of issue until maturity and the establishment fee of 2% on the Series 3 Convertible Notes is capitalised and accrues interest from the date of issue until maturity;*
- *the Conversion Price at the time of conversion of the Series 1 Convertible Notes and the Series 3 Convertible Notes is A$0.6235, being the initial conversion price. The Conversion Price is subject to Adjustment Rules that may occur as a result of certain corporate actions undertaken by the Company during the term of the Convertible Notes, as set out in Annexure D of this Explanatory Memorandum; and*
- *AustralianSuper does not acquire a relevant interest in any additional Shares in the Company.*

In the event the Series 3 Convertible Notes are converted prior to the maturity date, the number of Shares issued on conversion will be calculated by reference to the Conversion Price (subject to any adjustment) and based on the face value of the Series 3 Convertible

Notes as adjusted from time to time to reflect the capitalisation of interest and the establishment fee. The below table demonstrates the potential number of Shares issued on conversion of the Series 3 Convertible Notes in three differing scenarios.

Face Value of Series 3 Convertible Notes[3]	Shares issued on conversion of Series 3 Convertible Notes[4]	Voting power on an undiluted basis[5]
3 years after issue date		
$118,433,198.96	189,948,996	28.70%[6]
5 years after issue date		
$130,807,806.00	209,796,001	29.66%[7]
At maturity date		
$151,876,986.78	243,587,790	31.25%[8]

(f) **Details of the terms of any other relevant agreement between the acquirer and the target entity or vendor (or any of their Associates) that is conditional on (or directly or indirectly depends on) members' approval of the Acquisition**

There is no such other relevant agreement.

(g) **Intentions of AustralianSuper regarding the future of the Company**

Other than as disclosed elsewhere in this Explanatory Memorandum, AustralianSuper has confirmed to the Company that AustralianSuper:

(i) has no present intention of making any significant changes to the business of the Company;

(ii) has no present intention to inject further capital into the Company, unless requested by the Company in the future;

(iii) has no present intention of making changes regarding the future employment of the present employees of the Company;

[3] This assumes 5% interest on the Series 3 Convertible Notes accrues and is capitalised from the date of issue of the Series 3 Convertible Notes until the relevant conversion date, the establishment fee of 2% on the Series 3 Convertible Notes is capitalised and accrues interest from the date of issue until the relevant conversion date, none of the Series 3 Convertible Notes are redeemed for cash.

[4] This assumes the Conversion Price is $0.6235 and there is no adjustment in accordance with the Adjustment Rules.

[5] Based on current undiluted share capital of 1,211,021,407 Shares and assuming no further Equity Securities are issued and that 46,662,049 Shares are issued on conversion of the Series 1 Convertible Notes.

[6] Based on undiluted share capital of 1,447,658,362 Shares (inclusive of 189,974,907 Shares on conversion of the Series 3 Convertible Notes 3 years from the issue date and 46,662,049 Shares on conversion of the Series 1 Convertible Notes) and assuming no further Equity Securities are issued or converted.

[7] Based on undiluted share capital of 1,467,508,073 Shares (inclusive of 209,824,618 Shares on conversion of the Series 3 Convertible Notes 5 years from the issue date and 46,662,049 Shares on conversion of the Series 1 Convertible Notes) and assuming no further Equity Securities are issued or converted.

[8] Based on current fully diluted share capital of 1,501,271,246 Shares (inclusive of 243,587,790 Shares on conversion of the Series 3 Convertible Notes at maturity and 46,662,049 Shares on conversion of the Series 1 Convertible Notes) and assuming no further Equity Securities are issued or converted.

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(iv) has no present intention to redeploy any fixed assets of the Company;

(v) has no present intention to transfer any property between the Company and themselves;

(vi) has no present intention to change the Company's existing policies in relation to financial matters or dividends; and

(vii) has no present intention to change the Board, subject to nominating a director to the Board as noted below.

The Company takes no responsibility for any omission from, or any error or false or misleading statement in this section 12.5(g) of the Explanatory Memorandum.

AustralianSuper does not make, or purport to make, any statement in this Explanatory Memorandum other than the statements in this section 12.5(g) of the Explanatory Memorandum attributed to it. To the maximum extent permitted by law, AustralianSuper expressly disclaims liability and takes no responsibility for any omission from, or any error or false or misleading statement in, any other part of this Explanatory Memorandum.

(h) **The identity, associations (with AustralianSuper) and qualifications of any person who is intended to or will become a director if Shareholders agree to the Acquisition**

Under the Subscription Agreement, AustralianSuper may nominate a director to the Board of the Company while it remains the holder of at least 14.5% of the Company's issued Shares. AustralianSuper is currently considering who it intends to nominate as a director to the Board of the Company if Shareholders agree to the Acquisition and has not yet made any such decision or nomination.

12.6 Independent Expert Report

The Independent Expert Report prepared by the Independent Expert (a copy of which is attached as Annexure E to this Explanatory Memorandum) assesses whether the issue of the Series 3 Convertible Notes and the conversion of the Series 1 Convertible Notes and the Series 3 Convertible Notes is fair and reasonable and in the best interests of the Company's Shareholders.

The Independent Expert has concluded that the issue of the Series 3 Convertible Notes and the conversion of the Series 1 Convertible Notes and the Series 3 Convertible Notes are not fair but reasonable, and are in the best interests of the Company's Shareholders.

Shareholders are urged to carefully read the Independent Expert Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

12.7 Board Recommendation

All of the Directors are of the opinion that Resolutions 13 and 14 are in the best interests of Shareholders, and accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolutions 13 and 14. The Directors' recommendations are based on the reasons outlined in this Explanatory Memorandum, including section 12.5(b) in respect of the advantages and disadvantages of the Acquisition in relation to Resolution 14.

Each Director intends to vote in favour of Resolutions 13 and 14 in respect of all their direct and indirect shareholdings, representing a total of 1,981,918 Shares or approximately 0.16% of the Shares on issue as at the date of this Notice of Meeting.

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GLOSSARY

$ means Australian dollars.

2019 Plan means the performance rights plan approved at the Company's 2019 annual general meeting.

5% Threshold has the meaning set out on page 19.

Accounting Standards has the meaning given to that term in the Corporations Act.

Adjustment Rules means the adjustment rules applicable to the Convertible Notes as set out in in Annexure A to the explanatory memorandum accompanying the notice of meeting of the Company dated 18 November 2021.

Annual Report means the annual report of the Company for the year ended 30 June 2022.

Approval Period has the meaning set out on page 28.

Associate has the meaning given to that term in the Listing Rules.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Auditor means the Company's auditor from time to time (if any).

Auditor's Report means the report of the Auditor contained in the Annual Report for the year ended 30 June 2022.

AustralianSuper means AustralianSuper Pty Ltd as trustee for AustralianSuper (ABN 65 714 394 898).

AWST means western standard time as recognised in Perth, Western Australia.

Board means the Directors.

Chair means the individual elected to chair any meeting of the Company from time to time.

Closely Related Party has the meaning given to that term in the Corporations Act.

Company means BCI Minerals Limited ABN 21 120 646 924.

Constitution means the Company's constitution, as amended from time to time.

Conversion Price means the initial conversion price of $0.6235 as adjusted in accordance with the Adjustment Rules.

Convertible Notes means the Series 1 Convertible Notes and the Series 3 Convertible Notes.

Corporations Act means *Corporations Act 2001* (Cth).

Directors means the directors of the Company.

Eligible Employee has the meaning given in the Share Rights Plan and the Performance Rights Plan (as applicable).

Equity Securities has the meaning given to that term in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

Group means Company and its Associated Bodies Corporate and **Group Company** means the Company or any of its Associated Bodies Corporate.

Independent Expert means PricewaterhouseCoopers Securities Ltd.

Independent Expert Report means the report prepared by the Independent Expert which is contained in Annexure E to this Explanatory Memorandum.

Key Management Personnel has the meaning given to that term in the Accounting Standards.

Listing Rule 7.1A Mandate has the meaning set out on page 27.

Listing Rules means the ASX Listing Rules.

Meeting means the Annual General Meeting convened by the Notice.

Notice or **Notice of Meeting** means this Notice of Annual General Meeting.

Original Subscription Agreement has the meaning given in section 12.1 of this Explanatory Memorandum.

Participant has the meaning given in the Share Rights Plan and the Performance Rights Plan (as applicable).

Performance Rights means:

a) where used in relation to Resolution 10 – the performance rights to be issued on the terms and conditions in Annexure B and otherwise pursuant to the 2019 Plan; and

b) where used in relation to Resolution 11 – the performance rights to be issued on the terms and conditions in Annexure B and otherwise pursuant to the Performance Rights Plan;

c) where used in relation to all other Resolutions - the performance rights

granted under the Performance Rights Plan.

Performance Rights Plan means the Performance Rights Plan which is contained in Annexure B to this Explanatory Memorandum.

Plans means the Share Rights Plan and Performance Rights Plan.

Proxy Form means the proxy form accompanying the Notice by way of email where the Shareholder has elected to receive notices by email, or the personalised proxy form accompanying the postcard circulated by way of post where the Shareholder has not elected to receive notices by email.

Relevant Period has the meaning given in section 11.2 of this Explanatory Memorandum.

relevant interest, in relation to securities, has the meaning given by sections 608 and 609 of the Corporations Act.

Remuneration Report means the remuneration report set out in the Annual Report for the year ended 30 June 2022.

Resolution means a resolution contained in the Notice.

Restricted Voter means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

Series 1 Convertible Notes means the convertible notes issued by the Company to AustralianSuper on 24 December 2021 in accordance with the Subscription Agreement.

Series 3 Convertible Notes means the convertible notes which may be issued by the Company to AustralianSuper under the Subscription Agreement, subject to the passing of Resolutions 13 and 14.

Share Rights mean a conditional right granted under the Share Rights Plan to receive a Share.

Share Rights Plan means the Share Rights Plan which is contained in Annexure A to this Explanatory Memorandum.

Shareholder means a member of the Company from time to time.

Shares means fully paid ordinary shares in the capital of the Company.

Spill Meeting has the meaning set out on page 12.

Spill Resolution has the meaning set out on page 12.

Subscription Agreement has the meaning given in section 12.1 of this Explanatory Memorandum.

voting power has the meaning given by section 610 of the Corporations Act.

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Annexure A – Summary of Share Rights Plan and Performance Rights Plan

Subject to Shareholder approval being obtained under Resolutions 6 and 8, the Company proposes to adopt an updated Share Rights Plan and updated Performance Rights Plan (together, the **Plans**). The updated Plans are on substantially the same terms as the Plans approved by Shareholders in 2019, with some amendments to align with the recent Federal legislative changes to the ASIC Class Order 14/1000 relief regime.

The Share Rights Plan represents a component of the Company's short term incentive (STI) plan involving Board approval of annual STI awards, including the grant of Share Rights, based on an employee's achievement of operational milestones related to achievement of budget, HSE (health, safety and environment) and other Mardie Project milestones as approved by the Board. The Performance Rights Plan represents the Company's long term incentive (LTI) plan and involves the issue of Performance Rights with performance hurdles as approved by the Board based on Company share price appreciation and/or other relevant shareholder return measures and employment tenure. Share Rights and Performance Rights are only to be issued to the Managing Director and general manager level employees (**Key Management Personnel**) and other Directors, as individually approved by the Board.

The Company's Share Rights Plan and Performance Rights Plan are on substantially similar terms. For the purposes of this summary, each of the Share Rights Plan and Performance Rights Plan is referred to as the Plan (as applicable). The Plan is designed to provide incentives to employees and Directors of the Company and to strengthen links between the Company and its employees and Directors. Under the Plan, employees and Directors of the Company may be issued Performance Rights or Share Rights. For the purposes of this summary, each Share Right and Performance Right is referred to as a Right. A Right entitles the holder to convert the Right into a Share upon satisfaction of certain conditions.

Generally, the vesting conditions attaching to a Share Right will be linked to continued employment with the Group whereas the vesting condition attaching to a Performance Right will be linked with the Company's performance and/or operations and continued employment with the Group.

(a) **Eligibility**: The Board, acting in its absolute discretion, may offer a Right to an Eligible Employee of the Group to participate in the Plan. Under the 2022 amendments to the Plans, the definition of "Employee" has been expanded to include an individual who provides services to a Group Company, in addition to employees or directors of a Group Company. Where such person (or nominee of such person) accepts the offer, he or she will become a participant under the Plan (**Participant**).

(b) **Offer**: The Board may make an offer at any time. The offer will include the following information:

(i) the name and address of the person to whom the offer is made;

(ii) the date of the offer;

(iii) the final acceptance date;

(iv) the maximum number Rights which the person may apply for;

(v) the grant conditions (if any) attaching to the Rights;

(vi) confirmation there is no amount payable for the grant of the Rights;

(vii) the vesting conditions (if any) attaching to the Rights;

(viii) the vesting period applicable to the Rights;

(ix) the conversion period for the Rights;

(x) confirmation there is no amount payable on conversion of the Rights;

(xi) a statement to the effect that:

(A) any advice given by the Company in relation to the Rights granted under the Plan, and Shares issued upon conversion of the Rights, does not take into account an Eligible Employee's objectives, financial situation and needs; and

(B) the Eligible Employee should obtain their own financial product advice from a person who is licensed by ASIC to give such advice;

(xii) general information about the risks of acquiring the Rights (and underlying Shares);

(xiii) an explanation of how an Eligible Employee could, from time to time, ascertain the market price of the Shares underlying the Rights;

(xiv) any other specific terms and conditions applicable to the offer;

(xv) a copy of the Plan; and

(xvi) any other information required by applicable law or a class order (where a class order is being relied on).

(c) **Transferability**: The Rights may not be assigned or transferred except on the death of the Participant to the Participant's legal personal representative.

(d) **Vesting**: A Right will vest when the Vesting Conditions (if any) attaching to the Right are met, or immediately upon a Notification Event occurring.

(e) **Termination of Employment**:

(i) If an Eligible Employee is a Bad Leaver, then subject to the Corporations Act and Listing Rules:

(A) any unvested Rights held by a Participant will lapse; and

(B) any vested Rights that have not been converted must be converted within 10 business days of the date of cessation of employment, after which time those Rights will lapse.

(ii) If an Eligible Employee is a Good Leaver, then the Board (subject to the Corporations Act and the Listing Rules) may determine whether all or some of the Rights held by a Participant lapse and/or vest (in which case the Company must provide a Vesting Notice at the date of cessation of employment). Such Rights which have been determined to have vested must be converted within 3 months of the date of cessation of employment, although in particular specified circumstances, the Board may extend this conversion period up to a period of 24 months of the date of cessation of employment.

(iii) If an Eligible Employee is a Good Leaver, any vested Rights held by the Participant must be converted within 3 months of the date of cessation of employment.

(f) **Lapsing**: A Right will not vest and will lapse on the earlier of:

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(i) the Board determining that the vesting conditions (if any) attaching to the Right have not been satisfied or are not capable of being satisfied at the relevant test date;

(ii) the day immediately following the last day of the conversion period applicable to the Right; or

(iii) the person ceases to be employed by the Company or ceases to hold office in the Company, subject to certain exceptions.

(g) **Issue of shares on vesting of Rights**: vested Rights may be converted (with no exercise price payable) and the Company will issue Shares to that Participant. Where Rights are converted less than 12 months after the Vesting Date, the Shares issued on conversion will be subject to a holding lock up until the date that is 12 months after the Vesting Date. The holding lock may be removed by the Company in specified circumstances.

(h) **Ranking of Shares**: Shares issued upon conversion of Rights will rank equally in all respects with existing Shares.

(i) **Adjustment of Rights**: If prior to the conversion of a Right, there is a reorganisation of the issued share capital of the Company (including a consolidation, sub-division or reduction of capital or return of capital to Shareholders), the number of Shares the subject of the Rights will be adjusted in a manner required by the Listing Rules.

(j) **Clawback**: Where the Board becomes aware of a material misstatement in the Company's financial statements or other relevant records resulting from gross negligence or fraud of an Eligible Employee, which means that the relevant vesting conditions in respect of certain vested Rights should not have been determined to have been satisfied, then the Participant will cease to be entitled to those vested Rights. The Board, for a period of 24 months following vesting of those Rights may:

(i) by written notice to the Participant, cancel the relevant Rights for no consideration;

(ii) by written notice to the Participant, require that the Participant pay the Company the after tax value of the relevant Rights within 90 Business Days of receipt of such notice;

(iii) adjust fixed remuneration, incentives or participation in the Plan to take account of the after tax value of the relevant Rights.

(k) **Amendments to the Plan**: Subject to the Listing Rules, the Plan may be amended by the Board, provided that rights or entitlements in respect of any Right granted before the date of amendment shall not be reduced or adversely affected unless prior written approval from the affected Participant(s) is obtained.

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Annexure B – Terms of Performance Rights

The terms of the Performance Rights proposed to be granted to Ms Miriam Stanborough and Mr David Boshoff (or their nominees) are set out below (and are otherwise governed by the terms of the 2019 Plan in the case of Ms Miriam Stanborough, and the Performance Rights Plan in the case of Mr David Boshoff):

(a) **Number of Performance Rights:** Up to 136,622 Performance Rights to Ms Miriam Stanborough (or her nominee(s)), and up to 2,152,816 Performance Rights to Mr David Boshoff (or his nominee(s)).

(b) **Entitlement:** Each Performance Right entitles the holder to one Share.

(c) **Exercise price:** Nil.

(d) **Expiry date:** On or about 1 July 2027.

(e) **Transferability:** The Performance Rights are not transferable (and consequently, will not be quoted on ASX or any other exchange).

(f) **Vesting date:** On or about 1 July 2025, to the extent the conditions are met. If the conditions are not met by this date, the Performance Rights will lapse.

(g) **Vesting Conditions – Ms Miriam Stanborough**: Subject to clause (i), the Performance Rights to be issued to Ms Miriam Stanborough (or her nominee(s)) will vest upon the following vesting conditions being met:

(i) total shareholder return (**aTSR**) performance (50% of Performance Rights) measured as the compound annual growth rate (**CAGR**) over the measure period, vesting as follows:

(A) below 10% annual TSR appreciation – zero Performance Rights vest;

(B) between 10% and 20% annual TSR appreciation – proportionate vesting of Performance Rights; and

(C) 20% and above annual TSR appreciation – 100% of Performance Rights under this Vesting Condition vest,

with the Company's price performance being calculated as the CAGR over the 2-year measure period by comparing the Performance Rights deemed issue price (30-day VWAP up to 30 June 2022) to the Performance Rights test price (30-day VWAP up to end of the 2-year measure period on 30 June 2024). The Company's TSR is calculated by adding any dividends paid during the measure period to the Company price performance; and

(ii) relative TSR performance (**rTSR**) to an agreed market index or comparator peer group over the measure period (50% of Performance Rights), vesting as follows:

(A) below 50th percentile – zero Performance Rights vest;

(B) between 50th and 75th percentile – proportional vesting from 50% to 100% of Performance Rights; and

(C) equal to or above the 75th percentile – 100% of Performance Rights under this Vesting Condition vest,

where the Company's rTSR ranking will be measured by comparing its TSR performance as calculated above and the TSR performance for the selected market index or comparator peer group over the same 2-year measure period.

(h) **Vesting Conditions – Mr David Boshoff**: Subject to clause (i), the Performance Rights to be issued to Mr David Boshoff (or his nominee(s)) will vest upon the following vesting conditions being met:

(i) relative TSR performance (**rTSR**) to an agreed market index or comparator peer group over the measure period, vesting as follows:

(A) below 50th percentile – zero Performance Rights vest;

(B) between 50th and 75th percentile – proportional vesting from 50% to 100% of Performance Rights; and

(C) equal to or above the 75th percentile – 100% of Performance Rights under this Vesting Condition vest,

where the Company's rTSR ranking will be measured by comparing its TSR performance as calculated above and the TSR performance for the selected market index or comparator peer group over the 2-year measure period ending on 30 June 2024.

(i) **Retention period**: A 12-month retention period will follow the test date during which the participant must remain employed by, or an officer of (as appropriate) the Company before the Performance Rights can vest.

(j) **Holding lock**: Shares issued on conversion of the Performance Rights will be subject to a holding lock for a period of 12 months from the Vesting Date. The holding lock will be removed on:

(i) the occurrence of a notification event under the 2019 Plan or the Performance Rights Plan (as applicable); or

(ii) the day on which the participant ceases to be an Eligible Employee on the basis of being a Good Leaver only.

(k) **Good leaver condition – Mr David Boshoff**: The Performance Rights to be issued to Mr David Boshoff (or his nominee(s)) include a condition where if Mr David Boshoff is a Good Leaver after the date that annual shipments of salt and SOP have both reached over 80% of target, then:

(i) all unvested Performance Rights which have passed the rTSR Condition on the Test Date, will be allowed to vest on, and the holding lock will be removed on, the last day of employment as set out in the Performance Rights Plan; and

(ii) any unvested Performance Rights which have not reached the Test Date will only be allowed to vest at the Board's discretion. The Board has agreed that it would intend to exercise this discretion (subject to any requirements of the Corporations Act and/or the Listing Rules) if Mr David Boshoff has co-operated in finding a successor for his role, if his role becomes redundant due to a corporate transaction, or if the Company moves head office to a location other than Perth or Brisbane. In such circumstances;

(A) if the employment ended within the first year of the test period, 50% of the Performance Rights would be permitted to vest on, and the Holding Lock will be removed on, the last day of employment; and

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(B) if the employment ended within the second year of the test period (prior to the Test Date), 75% of the Performance Rights would be permitted to vest on, and the holding lock will be removed on, the last day of employment,

provided that (and to the extent to which) the rTSR Condition was achieved within that shorter test period.

(l) **Rights:** The Performance Rights do not:

(i) carry any voting rights in the Company, except as required by law;

(ii) entitle the holder to any dividends, whether fixed or at the discretion of the Directors;

(iii) confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise;

(iv) confer any right to participate in the surplus profits or assets of the Company upon a winding up of the Company; and

(v) confer the right to participate in new issues of securities such as bonus issues or entitlement issues,

unless and until the applicable performance milestone is achieved and the Performance Rights are converted into Shares.

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Annexure C – Summary of terms of 2019 Plan

The 2019 Plan represents the Company's long term incentive (**LTI**) framework and involves the issue of Performance Rights with performance hurdles as approved by the Board based on Company share price appreciation and/or other relevant shareholder return measures and employment tenure. Performance Rights are only to be issued to the Managing Director and general manager level employees (**Key Management Personnel**) and other Directors, as individually approved by the Board.

The 2019 Plan is designed to provide incentives to employees and Directors of the Company and to strengthen links between the Company and its employees and Directors. Under the 2019 Plan, employees and Directors of the Company may be issued Performance Rights. A Performance Right entitles the holder to convert the Performance Right into a Share upon satisfaction of certain conditions.

Generally, the vesting conditions attaching to a Performance Right will be linked with the Company's performance and/or operations and continued employment with the Group.

(a) **Eligibility**: The Board, acting in its absolute discretion, may offer a Right to an Eligible Employee of the Group to participate in the 2019 Plan. Where such person (or nominee of such person) accepts the offer, he or she will become a participant under the 2019 Plan (**Participant**).

(b) **Offer**: The Board may make an offer at any time. The offer will include the following information:

(i) the name and address of the person to whom the offer is made;

(ii) the date of the offer;

(iii) the final acceptance date;

(iv) the maximum number of Performance Rights which the person may apply for;

(v) the grant conditions (if any) attaching to the Rights;

(vi) confirmation there is no amount payable for the grant of the Performance Rights;

(vii) the vesting conditions (if any) attaching to the Performance Rights;

(viii) the vesting period applicable to the Performance Rights;

(ix) the conversion period for the Performance Rights;

(x) confirmation there is no amount payable on conversion of the Performance Rights;

(xi) a statement to the effect that:

(A) any advice given by the Company in relation to the Performance Rights granted under the 2019 Plan, and Shares issued upon conversion of the Performance Rights, does not take into account an Eligible Employee's objectives, financial situation and needs; and

(B) the Eligible Employee should consider obtaining their own financial product advice from a person who is licensed by ASIC to give such advice;

(xii) general information about the risks of acquiring the Performance Rights (and underlying Shares);

(xiii) an explanation of how an Eligible Employee could, from time to time, ascertain the market price of the Shares underlying the Performance Rights;

(xiv) any other specific terms and conditions applicable to the offer;

(xv) a copy of the 2019 Plan; and

(xvi) any other information required by applicable law or a class order.

(c) **Transferability**: The Performance Rights may not be assigned or transferred except on the death of the Participant to the Participant's legal personal representative.

(d) **Vesting**: A Performance Right will vest when the Vesting Conditions (if any) attaching to the Performance Right are met, or immediately upon a Notification Event occurring.

(e) **Termination of Employment**:

(i) If an Eligible Employee is a Bad Leaver, then subject to the Corporations Act and Listing Rules:

(A) any unvested Performance Rights held by a Participant will lapse; and

(B) any vested Performance Rights that have not been converted must be converted within 10 business days of the date of cessation of employment, after which time those Performance Rights will lapse.

(ii) If an Eligible Employee is a Good Leaver, then the Board (subject to the Corporations Act and the Listing Rules) may determine whether all or some of the Performance Rights held by a Participant lapse and/or vest (in which case the Company must provide a Vesting Notice at the date of cessation of employment). Such Performance Rights which have been determined to have vested must be converted within 3 months of the date of cessation of employment, although in particular specified circumstances, the Board may extend this conversion period up to a period of 24 months of the date of cessation of employment.

(iii) If an Eligible Employee is a Good Leaver, any vested Performance Rights held by the Participant must be converted within 3 months of the date of cessation of employment.

(f) **Lapsing**: A Performance Right will not vest and will lapse on the earlier of:

(i) the Board determining that the vesting conditions (if any) attaching to the Performance Right have not been satisfied or are not capable of being satisfied at the relevant test date;

(ii) the day immediately following the last day of the conversion period applicable to the Performance Right; or

(iii) the person ceases to be employed by the Company or ceases to hold office in the Company, subject to certain exceptions.

(g) **Issue of shares on vesting of Performance Rights**: vested Performance Rights may be converted (with no exercise price payable) and the Company will issue Shares to that Participant. Where Performance Rights are converted less than 12 months after the Vesting Date, the Shares issued on conversion will be subject to a holding lock up until the date that is 12 months after the Vesting Date. The holding lock may be removed by the Company in specified circumstances.

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(h) **Ranking of Shares**: Shares issued upon conversion of Performance Rights will rank equally in all respects with existing Shares.

(i) **Adjustment of Rights**: If prior to the conversion of a Performance Right, there is a reorganisation of the issued share capital of the Company (including a consolidation, sub-division or reduction of capital or return of capital to Shareholders), the number of Shares the subject of the Performance Rights will be adjusted in a manner required by the Listing Rules.

(j) **Clawback**: Where the Board becomes aware of a material misstatement in the Company's financial statements or other relevant records resulting from gross negligence or fraud of an Eligible Employee, which means that the relevant vesting conditions in respect of certain vested Rights should not have been determined to have been satisfied, then the Participant will cease to be entitled to those vested Performance Rights. The Board, for a period of 24 months following vesting of those Performance Rights may:

(i) by written notice to the Participant, cancel the relevant Performance Rights for no consideration;

(ii) by written notice to the Participant, require that the Participant pay the Company the after tax value of the relevant Performance Rights within 90 Business Days of receipt of such notice;

(iii) adjust fixed remuneration, incentives or participation in the 2019 Plan to take account of the after tax value of the relevant Performance Rights.

(k) **Amendments to the 2019 Plan**: Subject to the Listing Rules, the 2019 Plan may be amended by the Board, provided that rights or entitlements in respect of any Performance Right granted before the date of amendment shall not be reduced or adversely affected unless prior written approval from the affected Participant(s) is obtained.

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Annexure D – Summary of terms of Subscription Agreement and the Convertible Notes

Feature	Summary
Face Value	The total face value of the Series 1 Convertible Notes is $29,093,787, which is equal to the 30 day VWAP of 31,147,824 ordinary shares in AMN and 26,349,498 ordinary shares in HFR prior to the date of execution of the Original Subscription Agreement. The maximum initial face value of the Series 3 Convertible Notes is A$100 million.
Term	The maturity date of the Series 1 Convertible Notes is 10 years after date of issuance, being 24 December 2021 (unless all Series 1 Convertible Notes are redeemed or converted earlier). The maturity date of the Series 3 Convertible Notes is 8 years after date of issuance (unless all Series 3 Convertible Notes are redeemed or converted earlier).
Status	Prior to conversion, the Convertible Notes will rank equally with all other unsecured and unsubordinated debt obligations of the Company and confer rights on AustralianSuper as an unsecured creditor of the Company. However, they do not confer on AustralianSuper rights as a member of the Company or any right to attend or vote at general meetings of the Company. Any Shares issued on conversion of the Convertible Notes will rank equally with all other fully paid ordinary shares of the Company (see "Conversion" below).
Conditions to issue	The conditions precedent to the issue of the Series 3 Convertible Notes are set out in section 12.1 of the Explanatory Memorandum.
Issue of Series 3 Convertible Notes	Subject to Resolutions 13 and 14 being passed and the relevant conditions precedent being satisfied or waived, the Company will be deemed to have drawn down $100 million in Series 3 Convertible Notes, with the Series 3 Convertible Notes to be issued 5 Business Days after the Company announces on the ASX that Resolutions 13 and 14 have passed. The last date for issuing the Series 3 Convertible Notes is 31 December 2022. If the Company does not issue the maximum number of Series 3 Convertible Notes by 31 December 2022, the Company will be required to pay to AustralianSuper a Break Fee of $1 million.
Establishment Fee	Upon issue of the Series 3 Convertible Notes, an establishment fee equal to 2% of the face value of the issued Series 3 Convertible Notes will be capitalised and the face value of the Series 3 Convertible Notes Notes will be adjusted accordingly. No establishment fee applied with respect to the Series 1 Convertible Notes.

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Feature	Summary
Interest	There is a zero per cent coupon rate for the Series 1 Convertible Notes. Interest will accrue daily on the face value of the Series 3 Convertible Notes at 5% per annum, and will be capitalised quarterly and added to the face value of the Series 3 Convertible 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 AustralianSuper exercising its conversion rights for the Series 3 Convertible Notes.
Conversion at AustralianSuper's election	AustralianSuper may elect to convert: (a) the Series 1 Convertible Notes at any time from the date falling 3.5 years after issuance until (but excluding) the maturity date for the Series 1 Convertible Notes; and (b) the Series 3 Convertible Notes at any time from the date falling 3 years after issuance until (but excluding) the maturity date for the Series 3 Convertible Notes.
Conversion on change in control	AustralianSuper has the right to elect to convert issued Convertible Notes into Shares at the Conversion Price (adjusted as set out below), upon: (a) the announcement of a takeover offer made by Wroxby Pty Ltd, or a related party of it, or any other third party bidder (not including AustralianSuper), which offer is recommended by the Board of the Company, under which the bidder proposes to obtain a relevant interest in 50% or more of the Shares on issue; (b) the announcement of a scheme of arrangement by the Company under which a third party would obtain a relevant interest in 50% or more of the Shares on issue; or (c) the acquisition by any person at any time of a relevant interest in 50% or more of the Shares on issue or control (as defined in section 50AA of the Corporations Act) of the Company or all or substantially all of the assets or business of the Company, (**Change of Control Event**) (including during the non-conversion period), by providing a notice to the Company within 20 business days of the Change of Control Event occurring.
Conversion on Event of Default	AustralianSuper may, at any time (including during the non-conversion period), elect to convert Convertible Notes into Shares at the Conversion Price if an Event of Default (defined below) is subsisting with respect to any Convertible Notes.
Approvals on conversion	Under the Subscription Agreement, the Company is required to seek the Shareholder approvals the subject of Resolutions 13 and 14 contained in the accompanying Notice of Meeting of the Company in respect of the issue of Shares on Conversion of the Series 1 Convertible Notes and Series 3 Convertible Notes. Additionally, for so long as the Series 1 Convertible Notes and Series 3 Convertible Notes remain outstanding, the Company has undertaken to take all actions needed to maintain corporate

Feature	Summary
	authorisations as may be required to enable Shares to be issued on conversion of the Convertible Notes (provided nothing shall require the Company to obtain further item 7 section 611 approval).
Conversion Price and adjustments	Upon conversion of the Convertible Notes the subject of a Conversion Notice, the number of Shares to be issued to AustralianSuper will be calculated on the following basis: Face Value / Conversion Price. The 'Face Value' in relation to the Convertible Notes the subject of a Conversion Notice is the initial face value of those Convertible Note, as adjusted to reflect any establishment fee and, in the case of the Series 3 Convertible Notes only, accrued and capitalised interest. The Conversion Price in respect of any series of Convertible Notes is the initial conversion price of A$0.6235 adjusted for certain corporate actions of the Company in accordance with the Adjustment Rules set out below. The Conversion Price may be adjusted multiple times if required by the Adjustment Rules. The total number of Shares to be issued on conversion of the Convertible Notes the subject of a Conversion Notice shall be rounded to the nearest whole number of Shares.
Redemption at Company's election	**Series 1 Convertible Notes** At any time prior to the maturity date of the Series 1 Convertible Notes, unless all of the Series 1 Convertible Notes have already been converted, the Company may issue an optional call notice to AustralianSuper specifying a date for redemption of some or all of the outstanding Series 1 Convertible Notes which is at least 20 business days and no greater than 30 business days after giving notice to the AustralianSuper of such date (**Redemption Date**). If the Redemption Date is more than is 3.5 years after the date of issuance of the Series 1 Convertible Notes, no later than the date which is 5 business days prior to the Redemption Date, AustralianSuper may notify the Company that it elects (in its sole discretion) for those Series 1 Convertible Notes to be converted into Shares. **Series 3 Convertible Notes** On any date which is 5 years or more after the date of issuance until (but excluding) the maturity date of the Series 3 Convertible Notes, the Company may issue an optional call notice to AustralianSuper specifying a Redemption Date for all (but not some only) of the Series 3 Convertible Notes. No later than the date which is 5 business days prior to the Redemption Date, AustralianSuper may notify the Company that it elects (in its sole discretion) for the Series 3 Convertible Notes to be converted into Shares.

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Feature	Summary
Mandatory redemption on maturity and Change of Control Event	To the extent that all of a series of Convertible Notes have not yet been converted on or before the applicable maturity date, then the outstanding relevant Convertible Notes not already converted will be redeemed by the Company for cash for 100% of the then outstanding principal amount upon maturity. The Company may also redeem all Convertible Notes not already converted for 100% of the then outstanding principal amount in cash if a Change of Control Event occurs, and AustralianSuper has not made a conversion election within 20 business days of being notified of the Change of Control Event occurring.
Redemption at AustralianSuper's election on Event of Default	If an Event of Default occurs (defined below), AustralianSuper may require the Company to redeem the outstanding Convertible Notes for cash for 100% of the then outstanding principal amount of those Convertible Notes.
Event of Default	An "**Event of Default**" includes various customary events, including relating to a failure to pay amounts due, in respect of the Convertible Notes, breach of agreement, misrepresentation, cross-default, insolvency events or enforcement processes, circumstances occurring which would result in a material adverse effect, fundamental changes to the Company's main business undertaking or the Company ceasing to be listed on the ASX or suspended from trading for more than 15 consecutive ASX trading days in any 12 months.
Governance Rights	AustralianSuper may nominate a director to the Board of the Company while it remains the holder of at least 14.5% of the Company's issued Shares (being a decrease to the previous requirement for AustralianSuper to hold 15%). Until such time as AustralianSuper appoints a nominee director to the Board or after 31 December 2022 if the Series 3 Convertible Notes have not been issued and for as long as AustralianSuper remains the holder of at least 14.5% of the issued Shares, AustralianSuper shall be entitled to have an observer at the Company's Board meetings.
Undertakings	The Company must comply with various customary undertakings for so long as any Convertible Notes are on issue, including in relation to the conduct of its business, non-disposal of material assets, not making material changes to its constitution and compliance with laws. For so long as any series of Convertible Notes remains outstanding and until the date that is 5 business days after a Change of Control Event (if any), the Company also undertakes to consult with AustralianSuper prior to issuing any ordinary shares, equity securities or debt securities for the primary purpose of raising capital for the Company or entering into debt financing agreements (other than certain permitted debt facilities), however, the consent of AustralianSuper is not required for any such transactions or agreements.
Representations and warranties	The Company gives customary representations and warranties including in relation to registration, power and capacity, solvency, authorisations, compliance with law, ranking, capital structure, accuracy of information and litigation (as applicable).

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Feature	Summary
Transfer of Convertible Notes	AustralianSuper may, at any time, without the consent of the Company, transfer all or some of the Convertible Notes to any of its affiliates, any replacement trustee, the trustee of any successor superannuation fund, or any entity or trust that is wholly-owned by AustralianSuper or any of its affiliates (or any custodian or replacement custodian of such persons) by any proper instrument of transfer.
Adjustment Rules	**The** adjustment rules applicable to the Convertible Notes are as set out in in Annexure A to the explanatory memorandum accompanying the notice of meeting of the Company dated 18 November 2021.

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Annexure E – Independent Expert Report

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Independent Expert's Report

BCI Minerals Limited

Prepared for the Directors of BCI Minerals Limited
in relation to the proposed issue of convertible notes

21 October 2022

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The Directors
BCI Minerals Limited
Level 2, 1 Altona Street
WEST PERTH WA 6005

21 October 2022

Dear Directors

Proposed issue of convertible notes

Introduction

1. BCI Minerals Limited (BCI, you or the Company) is seeking shareholder approval in relation to the issue of $100 million in convertible notes to AustralianSuper Pty Ltd as trustee for AustralianSuper (AustralianSuper) and the issue of shares to AustralianSuper on future conversion of convertible notes (the Proposed Transaction).

2. BCI is currently in the process of developing the Mardie Salt and Potash project (Mardie or the Project). The Proposed Transaction will enable the Company to fund a portion of its share of costs required to develop Mardie.

3. BCI entered into an agreement on 17 November 2021 to issue three series of convertible notes to AustralianSuper (Convertible Note Subscription Deed). The face value of the Series 1 Convertible Notes (issued to AustralianSuper in exchange for its shares in Agrimin Limited (Agrimin or AMN) and Highfield Resources Limited (Highfield Resources or HFR)) was approximately $29.1 million and the Series 2 and Series 3 Convertible Notes had a face value of up to $50 million each and were to be issued for cash. AustralianSuper also subscribed for $72.5 million of shares in BCI as part of the institutional equity fundraising round and was issued 168.6 million shares. BCI and AustralianSuper subsequently agreed a variation to the Convertible Note Subscription Deed under which the parties agreed the Series 2 Convertible Note would not be drawn and the face value of the Series 3 Convertible Notes (hereinafter referred to as the Notes) would increase to $100 million.

4. As the Proposed Transaction could, upon potential conversion of the Series 1 and Series 3 Convertible Notes, give rise to AustralianSuper having greater than a 20% interest in the share capital of BCI, the Directors of BCI have sought an independent expert report to assist the non-associated shareholders of BCI (the Non-associated Shareholders) to assess the merits of the Proposed Transaction.

5. In accordance with the Convertible Note Subscription Deed, PricewaterhouseCoopers Securities Ltd (PwC Securities) has been engaged to prepare an independent expert's report setting out whether, in its opinion, the Proposed Transaction is in the best interests of the Company's shareholders.

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6. In preparing our report, we have had regard to the Corporations Act 2001 (Cth) (the Corporations Act) and Australian Securities and Investment Commission (ASIC) Regulatory Guide 111 (RG111) *Content of expert reports* which requires the independent expert to set out whether, in its opinion, the Proposed Transaction is fair and reasonable to the Non-associated Shareholders and to state reasons for that opinion.

7. We note that where a potential issue of shares is approved under item 7 of section 611 which would otherwise be prohibited under section 606 of the Corporations Act and the effect on the company shareholding is comparable to a takeover bid, RG 111 states that the transaction should be considered as if it was a takeover bid. Therefore, due to the potential for AustralianSuper to increase its relevant interests in BCI (upon the potential future conversion of the Notes), we have evaluated the Proposed Transaction similarly to that of a takeover bid and formed an opinion as to whether the Proposed Transaction is "fair and reasonable".

8. In accordance with the requirements of the Convertible Note Subscription Deed, we have also considered whether the Proposed Transaction is therefore in the best interests of the Non-associated Shareholders of the Company.

9. This letter contains a summary of the opinion and main conclusions of PwC Securities and should be read in conjunction with the full independent expert's report which follows. Our independent expert report will accompany the Notice of General Meeting (the Notice of Meeting) to be sent to shareholders on, or about 21 October 2022.

Summary of Opinion

The Proposed Transaction is Not Fair but Reasonable

10. Our assessment of the Proposed Transaction has been undertaken in accordance with the principles of ASIC RG111. The reasons for our opinion are set out below and should be read in conjunction with our detailed report which sets out our scope and findings.

The Proposed Transaction is not fair

11. In accordance with the requirement under RG 111 to assess the Proposed Transaction as if it was a takeover bid, to assess the fairness of the Proposed Transaction we have considered the value of a share in BCI prior to the Proposed Transaction on a controlling interest basis and compared this to the assessed value of a share in BCI on a minority interest basis immediately post the Proposed Transaction.

12. We have assessed the pro forma value of a share in BCI immediately post the Proposed Transaction (on a minority interest basis) under two scenarios - assuming the full conversion of the Notes and assuming that the Notes are not converted.

13. We have assessed the fair market value of a share in BCI (on a controlling interest basis) as at the date of this report to be in a range from $0.264 to $0.351 with a preferred (midpoint) value of $0.306.

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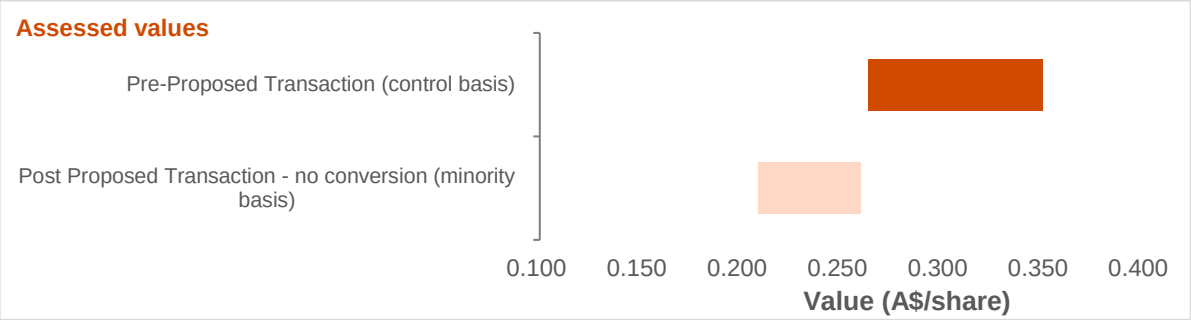
14. We have assessed the potential value of a share in BCI post the Proposed Transaction (on a minority interest basis) assuming that the Notes are not converted but allowing for the option value associated with the potential convertibility of the Notes, to be in a range from $0.209 to $0.260 with a preferred (midpoint) value of $0.235.



Note: Assuming the full conversion of the Notes, the post Proposed Transaction value of a BCI share, on a minority interest basis, increases to a range from $0.254 to $0.293 with a preferred (midpoint) value of $0.274 albeit this assumes conversion of the Notes when they are out of the money.

15. On the basis that the assessed value of a share in BCI prior to the Proposed Transaction on a controlling interest basis is greater than our valuation range for a fully paid ordinary share in BCI post the Proposed Transaction on a minority interest basis, we consider that the Proposed Transaction is not fair.

The Proposed Transaction is reasonable

16. In accordance with RG111.12, if an offer is considered to be fair it is also considered to be reasonable. However, an offer may also be considered to be reasonable, if despite not being considered fair, the independent expert considers that there are sufficient reasons for the relevant security holders to accept the offer, in the absence of a superior proposal.

17. We consider the Proposed Transaction to be reasonable for the following reasons.

The Proposed Transaction provides BCI with a level of certainty regarding its ability to fund the development of Mardie

18. If Non-associated Shareholders vote to approve the Proposed Transaction, funds raised from the issue of the Notes will provide BCI with the ability and certainty to partially fund its equity component of the cost of Mardie, a near-term development asset with defined resources which is anticipated by BCI to start commercial production by the second half of 2025.

19. Project debt funding commitments of $740 million were secured from NAIF, Export Finance Australia and commercial banks. Under the terms of these project funding commitments, BCI is required to provide $460 million equity funding. In addition to existing cash reserves, ongoing iron ore royalty income and corporate debt, the balance of $360 million of equity funding was arranged in November 2021 comprising a share placement, share purchase plan, the issue of the Series 1 Convertible Notes and the agreement to raise an additional $100 million from the issue of the Notes.

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20. The Notes form an important component of BCI's ability to provide its $460 million equity funding for the Project.

21. If the Non-associated Shareholders decide not to vote in favour of the Proposed Transaction, BCI will be required to source an additional $100 million in equity funding through other avenues in substitution of the Series 3 Convertible Notes.

Terms of the Notes are more attractive than would likely be available today

22. The terms attaching to the Notes are likely to be more favourable than the terms that would be available today having regard to movements in financial markets in the interim period since the terms of the Notes were agreed on 17 November 2021.

23. Interest rates have increased over this period with the yield on the 10 year Australian Government bond increasing from 1.86% on 17 November 2021 to 3.91% on 30 September 2022 with an associated increase in debt funding costs.

24. The BCI share price has decreased from $0.480 on 16 November 2021 to $0.225 on 30 September 2022, reducing the value associated with the convertibility of the Notes.

25. If the terms of the Notes were agreed today, this may result in a higher level of coupon, a lower conversion price and / or other changes to the Notes terms which are less favourable to BCI, and as such, the Non-associated Shareholders.

The Convertible Note terms imply a cost of finance which is reasonable compared to BCI's project and corporate debt cost of finance

26. Allowing for the option value associated with the conversion terms, the Notes imply an overall cost of finance of approximately 7.7% on an unsecured basis which appears to reflect reasonable commercial terms compared to the finance costs associated with BCI's corporate debt as well as Mardie project finance costs.

Most cost-effective option relative to available funding alternatives identified as part of a project funding exercise

27. BCI undertook a comprehensive process in relation to the fundraising exercise in order to determine the optimal capital structure to fund its equity investment in Mardie. This included an analysis of its funding needs having regard to iron ore price expectations and the associated impact on its future iron ore royalty income. It negotiated with AustralianSuper, international financiers and other parties which resulted in the share placement, share purchase plan with Canaccord acting as lead adviser and underwriter and the convertible note arrangements.

28. Debt finance is typically cheaper than issuing equity or hybrid finance instruments and is non-dilutive. However, the significant Project debt limited the extent of debt funding at the BCI corporate level and necessitated the requirement for additional equity funding. The equity funding package included a $240 million share placement as well as a share purchase plan. Hence, BCI negotiated and agreed the terms upon which the Notes were to be issued, which

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included an attractive coupon relative to debt financing and conversion terms which reduced the dilution of existing shareholders compared to an alternative larger share placement.

29. Based on our review of the fundraising process undertaken by BCI, we are not aware of any alternative proposals which may provide a greater benefit to the Non-associated Shareholders at the date of this report.

The key terms of the Notes have been negotiated between BCI and AustralianSuper on an arm's length basis

30. BCI explored a range of potential alternate financing options and engaged with a range of potential investors as part of the equity finance raising process before negotiating and agreeing the terms of the Notes with AustralianSuper (an experienced investor in resources companies).

31. The negotiations were conducted over a number of weeks before final terms were agreed, subject to Board approvals. No party was compelled to accept the proposed terms under any position of duress therefore the agreed terms are considered to be reflective of available market rates of return.

32. We also note that the terms of the Notes were known to participants in the share placement and share purchase plan. Along with other investors, Wroxby Pty Limited (Wroxby), a subsidiary of Australian Capital Equity and BCI's largest shareholder with a current shareholding of 39.3% of the shares on issue and with board representation, participated in the share placement. Wroxby's presence on the board of BCI and its participation in the equity raising, and the fact that it will be diluted in a similar manner to other shareholders on the potential conversion of the Notes is considered to provide additional support that the key terms of the Notes have been negotiated between BCI and AustralianSuper on an arm's length basis.

The key terms of the Notes are in line with the terms of recent convertible note issues by comparable companies

33. In determining the key terms of the Notes, BCI considered recent convertible notes issued by companies with similar stage resource assets. A direct comparison of the terms attached to the Notes to terms of convertible notes which have been issued by other companies is somewhat limited due to the convertible nature of the notes and the relative prospects and associated risks relating to the issuer companies (and projects). However, our analysis indicates that when compared to other convertible notes issued by resource companies listed on the Australian Securities Exchange (ASX) over the past twelve months with similar stage assets, the annual coupon attached to the Notes of 5% is within the range of (and not inconsistent with) rates observed in other recent convertible note issues. We also note that in March 2021, AustralianSuper had subscribed for convertible notes issuable by Syrah Resources which had a similar structure to the Notes and a coupon of between 7.5% and 8% (depending on whether interest is paid or accrued).

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The Notes are convertible into shares in BCI at an exercise price of $0.6235 per share, being a 135% and 160% premium to the 90 trading day and 30 trading day volume weighted average price (VWAP) of BCI, respectively

34. The conversion price attached to the Notes is $0.6235 per share which reflects a 135% and 160% premium when compared to the 90 trading day and 30 trading day VWAP of BCI at 30 September 2022. The existence of a premium above the recent traded price of BCI shares is of benefit to the Non-associated Shareholders.

35. We also note that any decision to convert the Notes is likely only to be made if the share price of BCI is above the exercise price attached to the Notes, being above $0.6235 per share. In this event, all BCI shareholders would be considered to have benefited from the increase in the share price. Further, we note that if the Notes are converted, the debt associated with the Notes is consequently extinguished and the level of gearing will decrease to nil.

Ability for BCI to redeem the Notes and seek alternate financing

36. In the event that circumstances change, funds may potentially be able to be raised by BCI at a lower cost to existing shareholders either through the increased ability to secure conventional debt funding or through being able to issue equity at a higher share price (and / or lower cost) than is currently possible. In such an event the Company can elect to redeem the Notes from five years after the issuance date of the Notes, subject to certain conditions.

AustralianSuper's interest in BCI will only increase if it exercises the right to convert the Notes into shares in BCI

37. Only if AustralianSuper exercises its conversion rights will additional shares be issued to it. We note that if AustralianSuper exercises its conversion rights in full (including in relation to the Series 1 Notes which it holds), its holding in BCI will increase from 14.8% to approximately 31.25%, if no other shares are issued.

38. AustralianSuper currently holds approximately 14.8% of the outstanding shares on issue and therefore already has a significant interest in the future success of the Company.

39. Even in the event that all of the Notes convert to ordinary shares, AustralianSuper's shareholding interest in BCI will be lower than that currently held by Wroxby, BCI's largest shareholder. As such, while the issue and conversion of the Notes may give rise to AustralianSuper increasing its interest above 20%, it will not provide it with effective control of BCI.

40. We also note that AustralianSuper will not derive any additional rights upon the potential conversion of the Notes which may impact the level of influence it is able to exert (apart from blocking a special resolution which requires 75% approval).

By obtaining shareholder approval under Listing Rule 7.1, the Company will retain the flexibility to issue up to 10% of its issued capital, if required, in the next 12 months without the need to obtain further shareholder approval

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41. As shareholder approval is being sought for the issue of the Notes pursuant to Listing Rule 7.1, the issue of Notes to AustralianSuper will not be included in the calculation of the Company's 10% placement capacity pursuant to Listing Rule 7.1A. Further, as shareholder approval for the issue of Shares upon conversion of the Notes is being sought pursuant to item 7 of Section 611 of the Corporations Act, the issue of those Shares will not be included in the calculation of the Company's 10% placement capacity pursuant to Listing Rule 7.1A.

If the Proposed Transaction is not approved, the BCI share price may be adversely impacted

42. If the Proposed Transaction is not approved we consider that the share price of BCI could be adversely impacted, having regard to the perceived ability of BCI to be able to fully fund the development of Mardie and pursue growth through other existing or new projects.

If the Proposed Transaction is not approved, a break fee may be payable

43. If the Proposed Transaction is not approved, a 1% break fee in the event of the non-issue of the Notes may become payable in accordance with the Convertible Note Subscription Deed.

We have also considered the potential disadvantages to the Non-associated Shareholders if the Proposed Transaction is approved but consider that the benefits to the Non-associated Shareholders outweigh the potential disadvantages.

44. A summary of the potential disadvantages considered includes:

- The potential increased shareholding of AustralianSuper (if the Notes are converted) may be deemed to result in increased influence without a control premium having been paid, for instance with regard to the potential ability to block a special resolution which requires 75% approval;
- The issue of the Notes increases the amount of leverage in the business including project financing, the cost of which will need to be funded;
- Existing shareholders' interests will be diluted upon potential conversion of the Notes, albeit conversion will mean the share price has increased considerably from the current traded share price;
- The issue of Notes provides option value to the AustralianSuper which reduces equity value to the Non-associated Shareholders; and

  There is no opportunity for the Non-associated Shareholders to participate in the Proposed Transaction.

45. After consideration of these factors, in our opinion the advantages of the Proposed Transaction outweigh the disadvantages. Therefore, despite not being considered fair, we consider that the Proposed Transaction is reasonable on the basis that there are sufficient reasons for the Non-associated Shareholders to vote in favour of the Proposed Transaction.

46. On the basis that we consider the Proposed Transaction to be not fair but reasonable, we consider that the Proposed Transaction is in the best interests of Non-associated Shareholders.

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Other matters

47. In preparing this independent expert's report we have considered relevant regulatory guides issued by ASIC, with particular reference to RG111, RG112 *Independence of experts* and Australian Professional and Ethical Standard (APES) 225 *Valuation Services*.

48. The decision to accept or not to vote in favour of the Proposed Transaction is a matter for individual shareholders based on each shareholder's view as to value, their expectations about future market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. In particular, taxation consequences may vary from shareholder to shareholder. If in any doubt as to the action they should take in relation to the Proposed Transaction, shareholders may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist in this assessment.

49. This independent expert's report has been prepared solely for the benefit of the Directors of BCI and for the benefit of the Non-associated Shareholders. Neither PwC Securities nor its employees, officers and agents undertake responsibility to any person, other than the Directors of BCI or the Non-associated Shareholders, in respect of the independent expert's report, including any errors or omissions howsoever caused.

50. BCI has indemnified PwC Securities, PwC and its employees, officers and agents against any claim, liability, loss or expense, cost or damage, including legal costs on a solicitor client basis, arising out of reliance on any information or documentation provided by BCI, which is false and misleading or omits any material particulars or arising from a failure to supply relevant documentation or information.

51. Our assessment was completed using available information as at 30 September 2022. We have reviewed publicly available information subsequent to 30 September 2022 to the date of this letter and do not consider this to alter our opinion presented above.

52. A draft of this report (excluding our consideration of the merits of the Proposed Transaction) was provided to the Directors of BCI for factual checking on 30 September 2022 and a final draft (excluding our consideration of the merits of the Proposed Transaction) was provided to BCI on 11 October 2022. No changes to our opinion arose as a result of these reviews.

This letter must be read in conjunction with the remainder of this independent expert's report, including the appendices attached.

Yours faithfully

Paul Hennessy
Authorised Representative
PricewaterhouseCoopers Securities Ltd

Richard Stewart
Authorised Representative
PricewaterhouseCoopers Securities Ltd

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1 Overview of the Proposed Transaction

Overview of the Proposed Transaction

53. In November 2021, BCI engaged in a $360 million capital raising exercise to fund the development of the Mardie Project in the Pilbara region of Western Australia which included a $240 million institutional equity raising, a $20 million share purchase plan and an agreement to issue $100 million of convertible notes.

54. As part of this process, BCI entered into the Convertible Note Subscription Deed to issue three series of convertible notes to AustralianSuper. The face value of the Series 1 Convertible Notes (issued to AustralianSuper in exchange for its shares in Agrimin Limited and Highfield Resources Limited) was approximately $29.1 million and the Series 2 and Series 3 Convertible Notes (being the Notes and which were to be issued for cash) have a face value of up to $50 million each. AustralianSuper also subscribed for $72.5 million of shares in BCI as part of the institutional equity fundraising round. The issue of the Series 2 and Series 3 Convertible Notes was presented to and approved by BCI shareholders on 20 December 2021. BCI and AustralianSuper subsequently agreed a variation to the Convertible Note Subscription Deed under which the parties agreed the Series 2 Convertible Note would not be drawn and the face value of the Series 3 Convertible Notes would increase to $100 million.

55. BCI has agreed to put the Proposed Transaction to the Non-associated Shareholders and the Directors of BCI have unanimously recommended that Non-associated Shareholders vote in favour of the Proposed Transaction.

56. The Directors of BCI have engaged PwC Securities to prepare an independent expert's report setting out whether, in its opinion, the Proposed Transaction is fair and reasonable to the Non-associated Shareholders and to state reasons for that opinion.

Use of Funds

57. BCI is owner and operator of Mardie. Mardie is located on the Pilbara coast and will use solar and wind evaporation to produce 5.35 million tonnes per annum (Mtpa) of high purity salt and 140 thousand tonnes per annum (Ktpa) of sulphate of potash to meet export demand from the Asian chemical and global agricultural industries.

58. Final investment decision (FID) for the project was announced on 21 October 2021 following the securing of commitments for Project debt funding of $740 million comprised of $490 million from the Northern Australia Infrastructure Facility (NAIF), $110 million from Export Finance Australia and $140 million from commercial banks.

59. The Convertible Note Subscription Deed formed part of the $360 million capital raising by BCI to meet its $460 million equity funding requirement for the Project.

Terms of the Series 3 Convertible Notes

60. Full details of the Notes are provided in the Notice of Meeting. We have summarised the key terms of the Notes below:

- ***Face Value*** – Series 3 Convertible Notes will have a total face value of $100 million

- ***Issue Date*** – Series 3 Convertible Notes are to be drawn down by 31 December 2022 (and are anticipated to be drawn on or about 1 December 2022)
- ***Term*** – eight years from date of issue (unless redeemed or converted earlier).
- ***Coupon*** – 5% per annum accruing daily and payable quarterly in arrears
- ***Establishment fee*** – 2% of the face value which is capitalised and added to the principal outstanding
- ***Conversion price*** – 45% premium to the $0.43 per share subscription price under the share placement
- ***Conversion rights*** – From three years after the date of issuance until maturity, on the announcement of a change of control event or in the event of default
- ***Issuer redemption*** – BCI may redeem the Notes from five years after the issuance date for Series 3 Convertible Notes.
- ***Maturity*** – mandatory redemption occurs at maturity
- ***Break fee*** – 1% in the event the Notes are not issued.

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2 Scope of independent expert's report

Scope of independent expert's report

61. As the Proposed Transaction may give rise to AustralianSuper increasing its interest in the share capital of BCI to greater than a 20% interest, the Directors of BCI have sought an independent expert report to assist the Non-associated Shareholders to assess the merits of the Proposed Transaction and provide an opinion as to whether the Proposed Transaction is considered fair and reasonable to the Non-associated Shareholders.

62. It is also a requirement of the Convertible Note Subscription Deed that, in the event of any requirement for BCI to obtain its shareholders' approval under item 7 of section 611 of the Corporations Act, it should appoint an independent expert to prepare an independent expert report to be dispatched with the notice of meeting stating whether in the independent expert's opinion, the relevant issue and / or conversion of notes is in the best interests of the Company's shareholders.

Issue of shares pursuant to item 7 of section 611 of the Corporations Act which would otherwise be prohibited under section 606

63. Section 606 of the Corporations Act prohibits a person acquiring a relevant shareholding in a listed company if, as a result of the acquisition, that person's (or their Associates) voting power in the company increases from 20% or below, to more than 20%, or from a starting point that is above 20% and below 90%.

64. There are various exceptions to the prohibition in section 606 of the Corporations Act. Item 7 of section 611 of the Corporations Act provides an exemption where the acquisition is approved by a resolution passed at a general meeting of the company before the acquisition is made. The parties involved in the acquisition and their Associates are not able to cast a vote on the applicable resolution(s).

65. As at the date of this report, AustralianSuper holds approximately 178.8 million shares in BCI being approximately a 14.8% interest based on approximately 1,211.0 million shares currently on issue.

66. AustralianSuper's increased voting power in the Company which may arise from the issue and subsequent conversion of the Notes is subject to whether AustralianSuper decides to convert some or all of the Notes or the Company elects to redeem some or all of the Notes.

67. If AustralianSuper elects to convert the Notes in full along with conversion of the Series 1 Notes which it holds, AustralianSuper's interest in BCI would increase from 14.8% to approximately 31.25%, if no other shares are issued. A table outlining the potential interest in BCI that could result upon full conversion is summarised in the Notice of Meeting.

68. This report assesses whether the issue of shares to AustralianSuper on potential conversion of the Notes which could result in AustralianSuper increasing its voting interest in BCI from the current level of 14.8% to potentially as much as 31.25% is fair and reasonable to the Non-associated Shareholders.

Our approach

69. We have prepared this independent expert's report for the purpose of stating, in our opinion, whether or not the Proposed Transaction is considered fair and reasonable to the Non-associated Shareholders, and to set out our reasons for that opinion. This report has been prepared in accordance with the Corporations Act and ASIC RG111.

70. RG111 discusses the separate concepts of "fair" and "reasonable" to be applied by an independent expert assessing an offer. An offer is regarded as "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. An offer is "reasonable" if it is "fair" or despite not being "fair", but after considering other significant factors, shareholders should accept the offer in the absence of any higher bid before the close of the offer.

71. RG111.11 requires that the assessment of fairness of a control transaction assumes 100% ownership of the target, irrespective of whether the consideration is made by way of scrip or cash, and therefore reflects ASIC's underlying philosophy that the premium for control of a company subject to a takeover be shared by all members of that company.

72. Accordingly, our assessment of the value of BCI's ordinary shares prior to the Proposed Transaction is assessed on a controlling interest basis and our assessment of the value of BCI's ordinary shares immediately post the Proposed Transaction is on a minority interest basis.

73. In assessing fairness, we use the following definition of fair market value:

    "the price which would reasonably be negotiated by an informed, willing but not anxious purchaser and an informed, willing but not anxious seller acting at arm's length and within a reasonable timeframe".

74. In evaluating the reasonableness of the Proposed Transaction, we have considered whether the advantages afforded to the Non-associated Shareholders in approving the Proposed Transaction outweigh the potential disadvantages, the likelihood of an alternate funding proposal on better terms being received by the Company and the likely position of shareholders if the Proposed Transaction is rejected.

75. In accordance with the Convertible Note Subscription Deed, we have also provided our opinion as to whether, based on conclusions on the fairness and reasonableness of the Proposed Transaction, the Proposed Transaction is in the best interests of the Non-associated Shareholders.

Sources of information

76. In preparing this report, we have used and relied on the information set out in Appendix B and representations made by BCI.

77. We have conducted checks, enquiries and analyses of the information provided to us which we regard as appropriate for the purposes of this report. Based on these procedures, we believe that the information used as the basis for forming the opinions in this report is accurate, complete and not misleading and we have no reason to believe that material information relevant to our report has been withheld by BCI. Whilst our work has involved an analysis of financial information and accounting records, it does not constitute an audit or review of BCI in accordance with Australian Auditing Standards, and accordingly no such assurance is given in this report.

78. The achievement of prospective financial information prepared by BCI has been relied on by PwC Securities for the purposes of our assessment of the Proposed Transaction and is not warranted or guaranteed by us. This information is based on predictions of future events, many of which are outside the control of management, and is therefore inherently uncertain. Actual results and outcomes may differ materially from the forward looking information provided to us and reflected in this report.

79. Our assessment has been made as at the date of our report. Economic conditions, market factors and changes in exploration or development potential may result in the report becoming outdated. We reserve the right to review our assessments and, if we consider it necessary, to issue an addendum to our report, in the light of any relevant material information which subsequently becomes known to us prior to the closure of the Proposed Transaction.

80. All value amounts in the report are denominated in Australian dollars ($) unless otherwise stated. Financial tables may be subject to rounding.

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81. We have provided a draft copy of this independent expert's report to the Directors of BCI for their comments as to factual accuracy, as opposed to opinions, which are our responsibility alone. The review by Directors has not caused us to change our methodology or conclusions herein.

General advice

82. In preparing this report, we have considered the interests of the Non-associated Shareholders taken as a whole. This report contains only general financial product advice and does not consider the personal objectives, financial situation or needs of individual shareholders. An individual's decision in relation to accepting or not accepting the Proposed Transaction may be impacted by the individual's particular circumstances and shareholders may wish to obtain personal financial product advice from their financial adviser.

Scope exclusions

83. This report has been prepared solely for the purpose of assisting the Non-associated Shareholders to consider whether or not to approve the Proposed Transaction. This report has not been prepared to provide information to parties considering the purchase or sale of securities in BCI. Accordingly, we do not assume any responsibility or liability for any losses suffered as a result of the use of this report contrary to the provisions of this paragraph.

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3 Overview of BCI

Profile of BCI

94. BCI was originally known as BC Iron Limited and was established in 2006. Based in Perth, Western Australia, BCI is an ASX listed mineral resources company which historically focused on the development and exploration of iron ore assets and is now developing a salt and sulphate of potash (SOP) project. BCI's primary objective is to develop its 100% owned Mardie Project into a sustainable long term supplier of salt and potash to global markets.

Company history

95. We have listed below a summary of key events in BCI's history since listing on the ASX:

Date	Event
2006	• BC Iron Limited listed on the ASX
2008	• Committed to the commencement of a Feasibility Study for the Nullagine Project
2009	• Formally entered into a joint venture with Fortescue Metal Group (FMG) subsidiary, The Pilbara Infrastructure Pty Ltd (TPI), to become the Nullagine Joint Venture (Nullagine JV) • Trial mining at the Nullagine Project commenced
2010	• Entered into a Native Title Mining Agreement with the Palyku Native Title Claim Group for the granting of the Mining Lease for the Nullagine Project • Nullagine Project infrastructure construction commenced
2012	• Strategic alliance formed with Cleveland Mining Company Ltd (CDG) for new iron ore projects in Brazil • BC Iron increased its Nullagine JV participation to 75%
2013	• Signed two memorandums of understanding (MOUs) with CDG to earn the rights to acquire up to 80% of three separate iron ore exploration projects in Brazil
2014	• Successful off-market takeover of Iron Ore Holdings Ltd (IOH), acquiring iron ore assets including Iron Valley, the Buckland iron ore development project and also acquired future rights to royalties on other tenements including the Extension Hill deposit. BC Iron also acquired Mardie through this transaction • Iron Valley is operated by Mineral Resources Limited (MRL) on a royalty based arrangement
2016	• Sold its 75% interest in the Nullagine JV to FMG in exchange for future a future royalty stream
2017	• Entered into a joint venture agreement with Kalium Lakes Limited (Kalium) over Kalium's 100% owned Carnegie Potash Project - a SOP development in Australia • Scoping study on Mardie completed • Acquired Kumina iron ore tenements in the West Pilbara from Mineralogy Pty Ltd • In late 2017, the Company was renamed BCI Minerals to reflect its evolving asset portfolio and the history of BC Iron
2018	• Formal divestment process of iron ore asset portfolio commenced • Sale of the Kumina Iron Ore Project to MRL for cash consideration and contingent, deferred consideration
2019	• NAIF completed its strategic assessment of Mardie and moved to the due diligence phase of the NAIF assessment process

Date	Event
2020	• A series of arrangements were agreed upon with MRL, including: – Sale of the Buckland Project for a combination of cash consideration, deferred contingent consideration and revenue royalties on iron ore mined from Bungaroo South – Amendment to Iron Valley agreement to share additional capital costs with MRL to improve the longevity of the mine – Partial early payment of the deferred contingent consideration relating to the Kumina transaction • Secured rights to a new tenement area adjacent to Mardie from Leichhardt Industrials Pty Ltd • Mardie granted Major Project Status by the Australian Government • Retail entitlement offer closed, raising equity of $48 million • Received approval of a $450 million loan facility from the NAIF with a 15-year tenor for the Mardie Project
2021	• Mardie Project receives favourable Environmental Protection Authority (EPA) recommendation • Additional $290 million of debt funding commitments secured for Mardie through increase in the NAIF loan facility to $490m, Export Finance Australia $110 million facility agreement and two leading commercial banks providing a $140m loan facility • $360 million equity raise launched – $240 million raise through institutional equity raising – $20 million raised through BCI Share Purchase Plan (SPP) – $100 million agreement to be able to issue Series 2 and Series 3 convertible notes to AustralianSuper (Series 1 convertible notes funded BCI's purchase of AustralianSuper's shareholdings in Agrimin (15% interest) and Highfield Resources (7% interest) • BCI approves final investment decision for Mardie • Received WA Ministerial approval for Mardie • Port of Cape Preston West Indigenous Land Use Agreement executed • Pilbara Ports Authority (PPA) provided approval notice of Development Application for Mardie port facilities
2022	• Mining Leases for Mardie granted by the Department of Mines, Industry, Regulation and Safety (DMIRS) • Main construction of the definitive feasibility study footprint commenced at Mardie • Announced expected capital cost increases and construction delays at Mardie due to increased input costs (fuel, equipment and labour), updated project design and delays in receiving regulatory approval and availability of labour resources due to the Covid-19 pandemic

Source: ASX Announcements

Overview of key assets

Mardie

96. Mardie is located 100km southwest of Karratha on the West Pilbara coast between Dampier and Onslow and is 100% owned by BCI. The Project is anticipated to have an operating life of at least 60 years with nine evaporation ponds covering 88km^2, with 42 salt crystallisers of 16.1km^2 and 20 SOP crystallisers of 5.6km^2.

97. A scoping study for Mardie was completed in July 2017. Following this, the pre-feasibility study (PFS) was completed in June 2018 with environmental, heritage and geotechnical investigations completed. Optimisation of the PFS was completed in May 2019 which included approval from the Minister for Ports to permit an export facility at the Mardie site.

98. NAIF was identified by BCI as a potential debt funding provider and in July 2019, NAIF competed its strategic assessment of Mardie and proceeded to the due diligence phase of its assessment process and worked together with BCI to reach an investment decision.

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99. BCI acquired rights to 112km^2 of new tenements adjacent to Mardie from Leichhardt Industrials Pty Ltd in May 2020, which provides the potential for expansion of the Project.

100. In July 2020, BCI completed a Definitive Feasibility Study (DFS) for the Project and secured 13 non-binding offtake MOUs for future salt production and two non-binding MOUs for future SOP production.

101. Mardie was granted Major Project Status by the Australian Federal Government in August 2020. Following this, NAIF made its investment decision and committed to provide a $450 million loan facility with a 15-year tenor. The size of this facility was subsequently increased to $490 million in October 2021.

102. An Optimised Feasibility Study (OFS) was completed in April 2021 to supplement BCI's DFS study which anticipated 5.35 Mtpa of high-purity salt (greater than 99.95% NaCl) and 140 ktpa of SOP (greater than 52% K_2O) production through the solar evaporation of seawater.

103. In July 2021, the WA EPA made a positive recommendation to the WA Minister for Environment in support of Mardie. Upon the environmental approval received by the EPA along with other regulatory, access approvals and native title agreements, the BCI Board sanctioned FID for the Project in October 2021.

104. The WA Minister for the Environment approved the implementation for Mardie in November 2021, subject to specified conditions according to the EPA guidelines. The conditions allowed the Project to be an environmentally sustainable project and did not significantly impact the planned design, cost or operations of the Project. In January 2022, Mardie received federal government environmental approval through the Department of Water, Agriculture and Environment (DAWE) which issued the Commonwealth Environment Protection and Biodiversity Conservation (EPBC) Act approval, which supplemented the state environmental approval provided by the EPA.

105. Mining Leases were granted to BCI by the Department of Mines, Industry, Regulation and Safety (DMIRS) for a term of 21 years over the Project in February 2022.

106. The main construction of the definitive feasibility study footprint commenced in February 2022, following final, secondary approvals being received. These approvals included a Mining Proposal by the Department of Mines, Industry, Regulation and Safety (DMIRS), the Part V Works Approval granted by the Department of Water and Environmental Regulation (DWER) and all necessary consents under Section 18 of the Aboriginal Heritage Act 1972 issued by the Minister for Aboriginal Affairs.

107. In April 2022 and July 2022, upon design reviews of the Project, further capital cost increases and construction delays were estimated. BCI expects Project capital costs are likely to increase due to increased cost (labour, fuel, equipment) due to market conditions, updated project design for long-term resilience and functionality of the Project, and requirements from regulatory and third-party approval processes. Construction delays are also expected due to delays in receiving regulatory approval, the time to complete cost and design reviews, adverse weather during 2022 and availability of labour resources due to the Covid-19 pandemic.

Iron Valley

108. In December 2014, BC Iron acquired IOH through an off-market takeover offer. The main asset held was IOH's 100% ownership of the Iron Valley Mine.

109. The Iron Valley Mine is operated by MRL under an iron ore purchase agreement with BCI. MRL operates the mine at its costs and purchases iron ore from BCI at the mine gate at a price linked to MRL's received sales price. BCI is responsible for paying third party royalties and securing key approvals.

110. Following a series of arrangements with MRL in March 2020, the Iron Valley agreement between BCI and MRL was amended due to increased capital investment required to increase the longevity of the mine. This saw BCI rebating a 40% portion of its net royalties to MRL until the total rebated amount reached $25 million. This amount has since been reached.

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111. A summary of the Mineral Resources and Ore Reserves (R&R) for Iron Valley as at 30 June 2021 is set out in the table below:

Iron Valley R&R As at 30 June 2021	Cut-off (% Fe)	Tonnes (Mt)	Fe (%)	CaFe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
Resources								
Measured - In-situ	50	76.5	57.7	62.7	5.2	3.2	0.19	7.9
Measured - Stockpiles	50	3.4	55.3	59.8	8.1	4.0	0.20	7.4
Indicated	50	67.3	58.6	63.1	5.1	3.2	0.17	7.1
Inferred	50	26.1	57.8	61.3	6.6	3.9	0.14	5.6
Total Resources	**50**	**173.3**						
Reserves								
Proved - In-situ	54	46.2	58.1	63.1	4.7	3.2	0.19	7.9
Proved - Stockpiles	54	2.2	55.8	60.2	8.1	3.7	0.15	6.8
Probable	54	19.9	58.7	63.3	4.9	3.1	0.16	7.3
Total Reserves	**54**	**68.3**						
Total Resources and Reserves		**241.6**						

Royalties and deferred payments from previously owned iron ore projects or tenements

112. In addition to the Iron Valley royalties received, BCI holds an additional four royalty streams from previously divested iron ore projects and is entitled to receive certain deferred contingent consideration amounts following these divestments. As part of the sale of the Buckland Project in March 2020, BCI is entitled to a 1% free on board (FOB) revenue royalty on iron ore mined from Bungaroo South, as well as total deferred consideration of $14 million. $10 million is to be paid upon the first sale of iron ore product, with an additional $4 million to be paid 12 months after this date.

113. As at March 2022, Bungaroo South had resources of 258Mt at 57% Fe and reserves of 134Mt at 58% Fe.

114. BCI sold its 75% interest in the Nullagine Project to FMG in October 2016, for consideration in the form of royalties on 75% of all future iron ore mined from Nullagine, being 1% to 2% of FOB revenue for iron ore grade greater than or equal to 55% Fe iron ore, and $0.50 to $1.50 per tonne for iron ore quality less than 55% Fe, adjusted for 15% yield loss. For all iron ore mined above 15Mt, a 50% reduction in the royalty rate will apply, with a 75% reduction in royalty rate applied for the iron ore mined above 25Mt. FMG will pay BCI 33% of the agreed royalty in cash with the remaining amount withheld for rehabilitation obligations until $7.5 million is withheld. 100% of the royalty due will be paid in cash thereafter. Mineral resources at Nullagine are 31Mt at 57% Fe (direct shipping ore) and 75Mt at 53% Fe (channel-iron deposit), whilst reserves are 22Mt at 57% Fe as at March 2022.

115. Through BCI's acquisition of IOH in 2014, BCI acquired the rights to receive 2% of FOB revenue on any ore mined from the Koodaideri South project area. As at March 2022, the Koodaideri South Project had estimated resources of 106Mt at 59% Fe.

116. BCI also receives royalties through the Extension Hill deposit, through the acquisition of IOH. In September 2013, IOH sold its group of satellite tenements in its North Marillana group to Australian Aboriginal Mining Corporation (formerly known as Maiden Iron Pty Ltd). This sale contained a deferred consideration component, contingent after the first iron ore product was shipped, of $1.75 million receivable 90 days after this milestone, and a royalty of 1.25% to 2.50% of FOB revenue.

117. The mining tenements at the Kumina Project were sold by BCI to MRL in October 2018 for a total consideration of $35 million, with $8 million of this consideration being deferred and contingent upon the first export of product from the Kumina Project. $4 million of this contingent consideration was received as an early payment in March 2020 with the remaining $4 million expected to be received one year after the first export of product.

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Investments in Agrimin Limited and Highfield Resources

118. Other assets BCI holds includes its shareholdings in Agrimin and Highfield Resources. BCI acquired AustralianSuper's 15% and 7% interests in Agrimin and Highfield Resources, respectively, in November 2021 in exchange for the issue of Series 1 Convertible Notes.

119. Highfield Resources has 100% ownership of the Muga Potash and Salt Project in northern Spain, whilst Agrimin Limited owns the large-scale Mackay Potash project located in the Eastern Pilbara.

Historical financial information

Historical profit and loss

120. The reported operating performance of BCI for the two financial years ended 30 June 2021 and 2022 (audited) is summarised in the table below:

Consolidated Statement of Profit or Loss (A$000's)	FY2022	FY2021
Revenue from continuing operations		
Sale of goods	65,198	160,156
Other revenue	600	326
Total revenue from continuing operations	**65,798**	**160,482**
Cost of sales	(39,661)	(93,630)
Administration expenses	(20,952)	(8,120)
Project development and evaluation expenditure	(20,616)	(34,487)
Profit on sale of exploration tenements	-	22
Impairment on sale of exploration and intangible assets	-	(2,255)
(Loss) / profit before income tax	**(15,431)**	**22,012**
Finance costs	(54)	(40)
(Loss) / Profit after income tax	**(15,485)**	**21,972**
Income tax benefit / (expense)	-	-
(Loss) / Profit after income tax from continuing operations attributable to owners of BCI Minerals Limited	**(15,485)**	**21,972**

Source: BCI Minerals Annual Financial Reports

Revenue

121. Revenue from the sale of goods comprised iron mine gate sales from the Iron Valley mine to MRL. The decrease in revenue from sales of goods between FY2021 ($160.2 million) and FY2022 ($65.2 million) resulted from a decrease in iron ore shipped from Iron Valley from 6.1 million wet metric tonnes (WMT) to 4.8 million WMT, with the remaining decrease attributable to the decrease in iron ore prices between FY2021 and FY2022.

Cost of sales and administration expenses

122. The reported cost of sales and administration expenses of BCI for the two financial years ended 30 June 2021 and 2022 is summarised in the table below:

Expenses (A$000's)	FY2022	FY2021
Amortisation of mine properties	2,278	3,006
Royalties	37,383	90,624
Cost of sales	**39,661**	**93,630**
Employee benefits expense	12,120	2,593
Depreciation and amortisation	3,396	1,967
Share based payments	932	703
Non-executive directors' fees	679	510
Occupancy related expenses	141	237
Consultant and legal fees	1,342	993
Other	2,342	1,117
Administration expenses	**20,952**	**8,120**

Source: BCI Annual Financial Reports

123. An overview of cost of sales and administration expenses incurred by BCI over the historical period assessed is provided below:

- Amortisation of mine properties is charged on a unit of production basis over the life of economically recoverable reserves of the mine. The decrease between FY2021 ($3.0 million) and FY2022 ($2.3 million) is commensurate with the above-mentioned decrease in iron ore shipped from Iron Valley;
- Royalties payable to MRL for the operation of the Iron Valley mine (and third party royalties) decreased between FY2021 and FY2022, commensurate with the decrease in sale of goods, in line with the royalty thresholds set out in the amended and restated iron ore sale and purchase agreement between BCI and MRL;
- The main constituents of employee benefits expenditure comprise salaries and wages, director's fees and leave expenses. This has increased between FY2021 ($2.6 million) and FY2022 ($12.1 million) as a result of increased headcount as BCI has moved from the exploration phase to the development phase for Mardie; and
- Other administrative expenses relate to insurance, recruitment and onboarding and computer software costs. These have increased as a result of increased employee and subcontractor headcount.

Project development and evaluation expenditure

124. Project development and evaluation expenditure relates to Mardie. The decrease between FY2021 ($34.5 million) and FY2022 ($20.6 million) is as a result of the relevant approvals being secured and construction commencing for Mardie during FY2022 with subsequent development expenditure being capitalised on the balance sheet under Property, Plant and Equipment.

Statement of financial position

125. The financial position of BCI as at 30 June 2021 and 30 June 2022 is set out in the following table:

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Consolidated Statement of Financial Position (A$000's)	FY2022	FY2021
Current assets		
Cash and cash equivalents	232,021	79,435
Short term investments	657	681
Trade and other receivables	21,484	56,435
Other financial assets	38,666	-
Total current assets	**292,828**	**136,551**
Non-current assets		
Receivables	32,705	15,816
Property, plant and equipment	194,920	49,384
Exploration and evaluation assets	1,754	9,728
Intangibles	15,502	15,502
Right of use assets	684	827
Total non-current assets	**245,565**	**91,257**
Total assets	**538,393**	**227,808**
Current liabilities		
Trade and other payables	56,983	37,548
Lease liability	501	395
Loans and borrowings	1,274	791
Total current liabilities	**58,758**	**38,734**
Non-current liabilities		
Trade and other payables	8,048	-
Lease liability	276	478
Loans and borrowings	19,718	-
Provisions	17,357	15,932
Total non-current liabilities	**45,399**	**16,410**
Total liabilities	**104,157**	**55,144**
Net assets	**434,236**	**172,664**
Shareholders' equity		
Contributed equity	569,345	313,190
Reserves	27,045	6,143
Accumulated losses	(162,154)	(146,669)
Total shareholders' equity	**434,236**	**172,664**

Source: BCI Annual Financial Reports

126. With respect to the financial position of BCI as at 30 June 2021 and 30 June 2022, we note the following:

- Cash on hand at 30 June 2022 was $232.0 million and increased relative to the 30 June 2021 position as a result of operational cash flows, equity raised through the institutional capital raising and the share purchase plan to meet future development costs at Mardie, offset by payments to MRL and to contractors for the construction of Mardie;
- Current trade and other receivables comprise trade receivables and prepayments. This has decreased between FY2021 ($56.4 million) and FY2022 ($21.5 million) as record high iron ore prices in the June 2021 quarter led to elevated amounts receivable at year end;
- Non-current trade and other receivables comprise prepayments relating to an insurance policy prepayment in respect of Mardie during the construction phase and non-current receivables represent an estimate of the amount payable by the operator of the Iron Valley operation for fulfilment of rehabilitation obligations at the end of operations;
- Other financial assets comprise of the fair value of BCI's shareholdings in Agrimin and Highfield Resources acquired through the issue of Series 1 Convertible Notes to AustralianSuper. We note the changes in fair value are recorded by BCI through Other Comprehensive Income;
- Property, plant and equipment (PPE) comprises mine properties, plant and equipment, office furniture, equipment and IT and development assets. The increase between FY2021 ($49.4 million) and FY2022 ($194.9 million) is as a result of construction commencement at Mardie and the associated capitalisation of development expenditure and acquisition of plant and equipment as well as a reclassification of Mardie-related exploration and evaluation to PPE;
- BCI holds intangible assets in the form of royalties over the Koodaideri South and North Marillana Extension tenements. The assets have a finite life reflecting the underlying resource and will be amortised as the resource is depleted. Production has not commenced at either Koodaideri South or North Marillana and hence the assets remain unamortised;
- Current trade and other payables comprise trade and royalty-related payables and accruals. This has increased between FY2021 ($37.6 million) and FY2022 ($57.0 million) largely as a result of accruals for amounts not yet invoiced to contractors for the construction of Mardie;
- Non-current trade and other payables relates to the non-current portion of a long-term payment plan due to a supplier for the purchase of PPE;
- Non-current loans and borrowings represent the liability component of the Series 1 Convertible Notes issued to AustralianSuper;
- Provisions relate to employee benefits and provisions for mine rehabilitation. The current portion of provisions relate to employee benefits expected to be settled within the next 12 months. The rehabilitation provision relates to obligations with respect to Iron Valley; and
- Contributed equity has increased between FY2021 ($313.9 million) and FY2022 ($569.3 million) as a result of the institutional capital raising of $240 million, the share purchase plan of $20 million, offset by equity raising costs of $4 million.

Statement of cash flows

127. The cash flow statements of BCI for the two financial years ended 30 June 2021 and 2022 is summarised in the table below:

Consolidated Statement of Cash Flows (A$000's)	FY2022	FY2021
Cash flows from operating activities		
Receipts from customers	102,940	120,822
Payments to suppliers and employees	(62,046)	(111,870)
Interest received	600	320

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Consolidated Statement of Cash Flows (A$000's)	FY2022	FY2021
Borrowing costs	(1,886)	(46)
Income tax refund	-	-
Net cash flows provided by operating activities	**39,608**	**9,226**
Cash flows from investing activities		
Proceeds from disposal of exploration tenements	-	-
Proceeds from disposal of plant and equipment	36	301
Payments for short term investments	-	(166)
Payments for plant and equipment, IT and development	(142,715)	(14,185)
Payments for exploration and evaluation assets	-	(2,834)
Net cash flows used in investing activities	**(142,679)**	**(16,884)**
Cash flows from financing activities		
Proceeds from issue of shares net of costs	256,155	45,872
Repayment of lease liabilities	(498)	(327)
Net cash flows from financing activities	**255,657**	**45,545**
Net increase in cash and cash equivalents	**152,586**	**37,887**
Cash and cash equivalents at beginning of year	79,435	41,548
Cash and cash equivalents at end of year	**232,021**	**79,435**

Source: BCI Annual Financial Reports

128. In relation to BCI's historical cash flows shown above, we note that:

- Payments for plant and equipment, IT and development predominantly relate to the commencement of construction activities and purchase of plant and equipment with respect to Mardie; and
- Proceeds from issue of shares net of costs relate to proceeds received from equity issuances through the $240 million institutional placement, $20 million share subscription plan, net of equity raising costs of $4 million.

Capital structure

Ownership

129. As at 30 September 2022, BCI had a market capitalisation of $272.5 million based on a closing share price of $0.225 per share and 1,211.0 million ordinary shares outstanding.

130. The top 10 shareholders include the two significant shareholdings of Australian Capital Equity (through its wholly-owned subsidiary, Wroxby) and AustralianSuper who together currently hold approximately 54.1% of the outstanding shares in BCI, with AustralianSuper only becoming a shareholder in BCI in late 2021. Outside of Australian Capital Equity and AustralianSuper, the next top eight shareholders hold approximately 17.8% of the outstanding shares in BCI.

131. The top 10 shareholders and their respective holdings (as at 31 August 2022) are set out in the table below:

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Rank	Shareholder	Shares (millions)	% held
1	Wroxby Pty Ltd	476.3	39.3%
2	JP Morgan Nominees Australia Pty Limited	214.9	17.8%
3	Ryder Capital Management Pty Ltd <BCI A/C>	79.8	6.6%
4	Citicorp Nominees Pty Limited	23.2	1.9%
5	Norfolk Enchants Pty Ltd <Trojan Retirement Fund A/C>	19.5	1.6%
6	One Managed Invt Funds Ltd <Sandon Capital Inv Ltd A/C>	14.2	1.2%
7	One Fund Services Ltd <Sandon Capital Inv Ltd A/C>	12.3	1.0%
8	BNP Paribas Noms Pty Ltd <Global Markets DRP>	12.0	1.0%
9	HSBC Custody Nominees (Australia) Limited – A/C 2	10.8	0.9%
10	HSBC Custody Nominees (Australia) Limited	8.2	0.7%
Total held by top 10 shareholders		**871.3**	**71.9%**

Source: BCI, as at 31 August 2022

132. Australian Capital Equity was incorporated in 1980 and is a significant private investment company headquartered in Western Australia and was originally the largest shareholder in IOH at the time of BC Iron's takeover in 2014, leading to its initial shareholding in BCI.

133. AustralianSuper is Australia's largest superannuation fund and is headquartered in Melbourne, Australia. AustralianSuper was established on 1 July 2006 through the merger of Australian Retirement Fund (ARF) and Superannuation Trust of Australia (STA).

Recent share price analysis

134. The chart below illustrates the trading performance of BCI shares from 31 December 2016 to 30 September 2022 together with historical volumes traded and key influencing items:

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Key influencing items			
1	**Iron Valley record results**	12 January 2017	BC Iron announces December 2016 quarterly results from Iron Valley
2	**Joint venture with Kalium Lakes**	1 March 2017	Entered joint venture agreement with Kalium Lakes Limited over Kalium's 100% owned Carnegie Project, a potash exploration project
3	**RIU Resources Conference Presentation**	20 June 2017	BCI commits to building broader minerals portfolio
4	**Exploration results at Marble Bar**	14 December 2017	Update on gold exploration at 100% owned Marble Bar Project
5	**Speculation around BCI**	9 October 2018	Street Talk article included speculation around BCI's iron ore divestment process and the value of BCI's iron ore portfolio
6	**Mardie update**	1 July 2019	Completion of NAIF strategic assessment of Mardie and progress to the due diligence phase of the NAIF assessment process
7	**Transactions agreed with MRL**	31 March 2020	Agreed upon a series of arrangements with MRL including the sale of the Buckland Project, amendment to the Iron Valley agreement and early payment of deferred consideration for Kumina
8	**Favourable EPA recommendation**	June to July 2020	Received environmental support from the EPA through a recommendation to the WA Minister for the Environment that Mardie may be implemented as proposed
9	**Mardie updates**	2 September 2021	Northern embankment trial nearing completion, construction of the southern trial pond commencing, and contracts awarded for the main seawater pump structure
10	**Decrease in price of 62% Fe iron ore**	July to September 2021	Decrease in share price coincided with decrease in price of 62% Fe iron ore from USD211/t on 19 July 2021 to USD115/t on 29 September 2021
11	**Ministerial approval for Mardie**	25 November 2021	WA Minister for Environment approve implementation of Mardie
12	**Half year results lower than broker consensus**	25 February 2022	Reduced Iron Valley royalty earnings of $13.6 million, negative EBITDA of $2.9 million and negative NPAT of $5.5 million for the half year
13	**Mardie update**	28 March 2022	Ceremony at Mardie Project for official commencement of construction
14	**Mardie update**	7 July 2022	Delays to project schedule and high likelihood of an increase in capital cost estimates

Source: Capital IQ and ASX Announcements

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Liquidity

135. BCI shares are considered to have a moderate level of trading liquidity on the ASX, with approximately 2.2% of the total number of securities changing hands each month during 2022.

Calendar Year	Days Traded	Average Daily Price ($)	Average Daily Volume Traded (millions)	% of Shares Traded Monthly
2018	251	0.146	0.53	4.0%
2019	248	0.173	0.44	3.3%
2020	251	0.192	0.50	3.0%
2021	252	0.419	0.71	2.4%
2022 (to 30 Sep)	188	0.340	0.88	2.2%

Source: Capital IQ, PwC Securities Analysis

136. The above table presents the trading liquidity of BCI stock over the past five years. The table presents the percentage of total shares traded monthly. We note that the volume of shares traded monthly has remained somewhat consistent over recent years and we consider trading in the shares of BCI to be of sufficiently liquidity to allow the share price to be taken as a fair reflection of value.

Share Rights and Performance Rights

137. Share Rights (SRs) and Performance Rights (PRs) have been issued to Directors and employees of BCI. Vesting of the Performance Rights are subject to continuing employment conditions, Absolute Total Shareholder Return (ATSR) performance hurdles and Total Shareholder Retuen performance hurdles relative to an index of comparator peer companies (RTSR). Vesting of Share Rights is subject to continuing employment conditions. Once vested, the Share Rights and Performance Rights may be converted by the holder at any time prior to the expiry date of the rights.

138. The following table sets out the PRs outstanding as at 30 September 2022:

Class	Expiry Date	Vesting Condition	Number of Rights
T1 2019 PRs	21 Dec 2022	All have vested.	459,000
T2 2019 PRs	1 Dec 2024	At 1 December 2022, the employee remains employed by BCI, and the sum of (i) and (ii) below is at least $0.50: (i) 25% weighting: the highest 30 day VWAP of BCI shares during the three year period to 30 November 2022; and (ii) 75% weighting: 30 day VWAP of BCI shares as at 30 Nov 2022.	1,400,000
2020 PRs	1 July 2025	Employees and directors remaining employed by BCI until 1 July 2023	1,329,275
2021 PRs	3 July 2026	The PRs will be subject to the following performance conditions (tested at 3 July 2023): ATSR performance (50% weighting): • Less than 10% – zero PRs vest	1,995,016

Class	Expiry Date	Vesting Condition	Number of Rights
		• Between 10% to 20% - proportionate vesting • 20% and above– 100% vest RTSR performance to an agreed market index (50% weighting). If, at the test date, BCI's RTSR ranking is: • Below the 50th percentile – zero PRs vest • Between the 50th and 75th percentiles – proportional vesting • Above the 75th percentile – 100% vest. Additional one year service condition from performance condition test date.	
2022 PRs	3 July 2026	The PRs will be subject to the following performance conditions (tested at 1 July 2024): ATSR performance (50% weighting): • Less than 10% – zero PRs vest • Between 10% to 20% - proportionate vesting • 20% and above– 100% vest. RTSR to an agreed market index or "Comparator Peer Group" over the measure period (50% weighting). If BCI's RTSR ranking relative to the comparator peer companies is, as at the Test Date: • Below the 50th percentile – zero PRs vest • Between the 50th and 75th percentiles – proportional vesting • Above the 75th percentile – 100% vest. Additional one year service condition from performance condition test date.	3,677,829
Total			**8,861,120**

Source: Company Information

139. The following table sets out the share rights outstanding as at 30 September 2022:

Class	Expiry Date	Vesting Condition	Number of Rights
2020 share rights	4 Aug 2023	All have vested	697,317
2021 share rights	4 Jul 2024	All have vested	282,323
2022 share rights	1 July 2025	Employees remaining employed by BCI until 1 July 2025	1,362,695
Total			**2,342,335**

Source: Company Information

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4 Industry Overview

Salt

Introduction

140. Salt has over 10,000 direct and indirect uses across a wide range of industries, covering all key sectors of the economy. Salt is mainly used in the chemical sector as an intermediate product for industry processing or manufacturing of products, however, salt is also used as a method of de-icing roads (mainly in the Northern Hemisphere), as a product within the food industry to produce table and other types of salt, and it contributes to several other uses such as water treatment, animal feed and pharmaceuticals.

141. There are three main chemical products that salt produces, being soda ash, caustic soda and chlorine. Typical end products include glass, soap and detergents, paints, aluminium, polyvinyl chloride (PVC), disinfectants, plastics and water treatment.

142. As salt is extremely diverse, the market for salt is broadly aligned with economic activity such as GDP, industrial activity, and urbanisation. Salt as a commodity is much less volatile than other commodities due to the diverse nature and use of salt, with pricing over the last 15 years ranging from US$35/t to US$75/t CIF (cost, insurance and freight), delivered in Asia.

Recent Industry Trends

143. Disinfectants, bleach and soaps, as produced from caustic soda and chlor-alkali salt products, has seen a spike in demand from 2020 due to the COVID-19 pandemic. Historically, there has been a rise in chlorine-related exports, including caustic soda and chlor-alkali products over the last five years. This is partially due to the increase in demand for disinfectants, bleach and soaps that began in 2020 from the COVID-19 pandemic.

144. Global consumption of salt historically has been dominated by Asia; however supply constraints exist in India and China, with this trend expected to continue. A significant supply deficit exists in the salt market within Asia, with demand in 2020 at 76Mtpa and forecast to reach 105Mtpa by 2030, and supply at 74Mtpa in 2020 and only reaching 95Mtpa by 2030.

145. Australia is a major supplier to Asian countries due to the close proximity and favourable climate conditions faced. Specifically, operations in the Pilbara region of WA have highly evaporative rates and low rainfall, which are ideal for solar salt production.

146. Current operations that exist include Dampier Salt Limited's (Dampier Salt) three solar salt operations, located in Dampier, Port Hedland and Lake MacLeod. Dampier Salt is the world's largest exporter of seaborne salt and has the capacity to produce a total of 10.3Mtpa. The salt produced here is mainly used in the chemical industry for the processing and manufacturing of other products, with the main customer base being global exports to Asia and the Middle East.

147. Mitsui & Co., Ltd (Mitsui) also owns and operates two salt fields located in Shark Bay and Onslow in WA. Produced through the similar method of solar evaporation extracted from the sea, the salt produced by Mitsui is used primarily for industrial chemicals, however, is also used for food-related applications such as preservatives.

Industry outlook

148. The current supply deficit of salt is expected to continue going forward, with demand forecast to be 105Mt and supply forecast at 95Mt in 2030. Salt prices are forecast to remain around US$50/t CIF (real) over the next 60 years.

149. Salt projects globally however are in the process of planning and / or construction, however, face various levels of likelihood across several locations globally. There are currently four salt projects

in Australia that have the ability to be operational by 2030 (depending on financing outcomes) and projects or expansions to salt projects that exist in Pakistan, Indonesia and Mexico.

Potash

150. Potash is a product mainly used in fertiliser for crops. Globally, the largest producers of potash are Canada, Russia and Belarus, accounting for nearly two-thirds of all production. There are two main types of potash, being muriate of potash or MOPs (potassium chloride), which globally makes up approximately 55Mtpa to 60Mtpa, and sulphates of potash (SOPs) (potassium sulphate), that globally makes up approximately 6Mtpa.

151. MOPs are typically used for commercial cultivation of carbohydrate crops such as wheat, oat and barley, whereas SOPs are used for the cultivation of specific crops, such as fruits, vegetables, berries, potatoes, avocados, cocoa and coffee. The difference being specific crops are highly sensitive in nature to chloride and are unable to produce based on MOP fertiliser, whilst the SOPs also provide sulphate that works as a secondary macronutrient that plants utilise for growth. SOPs are therefore treated as a premium fertiliser for higher value crops, also increasing crop yield per hectare.

152. SOPs are not naturally occurring minerals and have three primary methods for production. The first method is the evaporation and crystallisation of brines from natural salt lakes, which is a relatively low-cost option but is limited due to the number of salt lakes that exist globally. The second being the recrystallisation of natural sodium chloride and sulphate salts, with very few operations in the world using this method of production. The third, most popular method, is the Mannheim process, whereby SOPs are produced based on the reaction of potassium chloride with sulphuric acid. This Mannheim process accounts for 50% to 60% of the global supply of SOPs, however, is also the most expensive due to costly inputs required and faces difficulties disposing of hydrochloric acid waste from the process.

153. The SOPs pricing is highly dependent on the MOP pricing, as SOPs trade at a premium to MOPs. MOP pricing as of March 2022 was US$562.5/t as recorded by the Commodity Markets Outlook, with contracts being settled at US$590/t by Chinese and Indian importers at the end of March 2022. This recent increase in MOP pricing is due to current market conditions, in particular the war between Russia and Ukraine, which has resulted in trade sanctions and supply shortages from countries such as Russia and Belarus.

154. Based on the specific use and expensive inputs that SOPs require, SOPs trade at a premium to MOPs which over the last five years has averaged ~US$260/t. Historically, SOP pricing has ranged from approximately US$450/t to US$800/t, as quoted NW Europe (FOB). The current market price for SOP in Australia is greater than US$800/t CFR.

155. The current SOP market has the potential to grow, based on the increased volume of SOP-based fertilisers required to be used in production of chloride sensitive and high yield crops in recent years. In particular, India, the Middle East and Africa possess relatively high SOP crop areas that have low existing yields, with demand for SOPs forecast to grow in these areas.

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5 Evaluation of the Proposed Transaction and Opinion

Our approach

156. Convertible notes provide the holder with a future right (but not an obligation) to exchange the principal amount of the debt component of the notes for shares in the issuing entity. In the case of the Proposed Transaction, AustralianSuper has the right to convert the face value of the Notes in full or in part, subject to the conditions set out in the Notice of Meeting and summarised in Section 2 of this report. Accordingly, whilst AustralianSuper has the right to convert there is no certainty that these rights will be exercised and, if exercised, when this may occur.

157. It is considered reasonable that a rational investor would only exercise their right and convert the debt to shares in BCI if the conversion price was lower than the prevailing trading share price of BCI. Therefore, it would be reasonable to assume that for the Notes to be converted, the trading share price of BCI would have to be at, or above, $0.6235 per share (being the conversion price) or there was a strong likelihood of that occurring on a sustainable basis.

158. In considering the potential impact to the Non-associated Shareholders, the most appropriate date to assess the value of shares in BCI post the Proposed Transaction is at or around the time when the Notes are assumed to be converted and the associated voting rights of AustralianSuper increases. As at the date of this report, we are unable to predict when, and indeed if, the Notes will be converted and further, cannot predict the underlying share price of BCI at that unknown date.

159. As such, we consider that at the date of this report the strategic rationale for the Proposed Transaction, together with consideration of the relativity of the conversion price compared to the recent trading share price of BCI and of the wider terms of the Notes and the consideration of the relative advantages afforded by approving the Proposed Transaction, to be of more relevance to the Non-associated Shareholders.

160. However, in accordance with RG111, to assess the fairness of the Proposed Transaction we have considered the value of a share in BCI prior to the issue of Notes on a controlling interest basis and compared this to the pro forma minority interest value of a share in BCI immediately post the Proposed Transaction under two scenarios, being no conversion and full conversion.

161. It follows from the above that, if the assessed value of a share in BCI prior to the issue of Notes on a controlling interest basis is lower than the assessed pro forma minority interest value of a share in BCI immediately post the Proposed Transaction under the two scenarios, the Proposed Transaction would be considered to be fair and as such reasonable.

Consideration of Fairness

162. We have assessed the value of a share in BCI prior to the Proposed Transaction and potential value immediately post the Proposed Transaction by reference to the recent trading price of BCI shares on the ASX. Key factors influencing our preferred approach include:

- Trading in BCI shares is considered liquid, with approximately 2.2% of BCI's shares traded per month over the course of the current calendar year to 30 September 2022;
- BCI's key assets are royalty (and royalty-like) income streams and a pre-development project. The value of such assets is considered to be subjective and will depend on a number of assumptions regarding future events which may or may not eventuate; and
- The actual price at which shares trade in a regulated and well-informed market is generally considered to be a fair reflection of value (on a minority interest basis).

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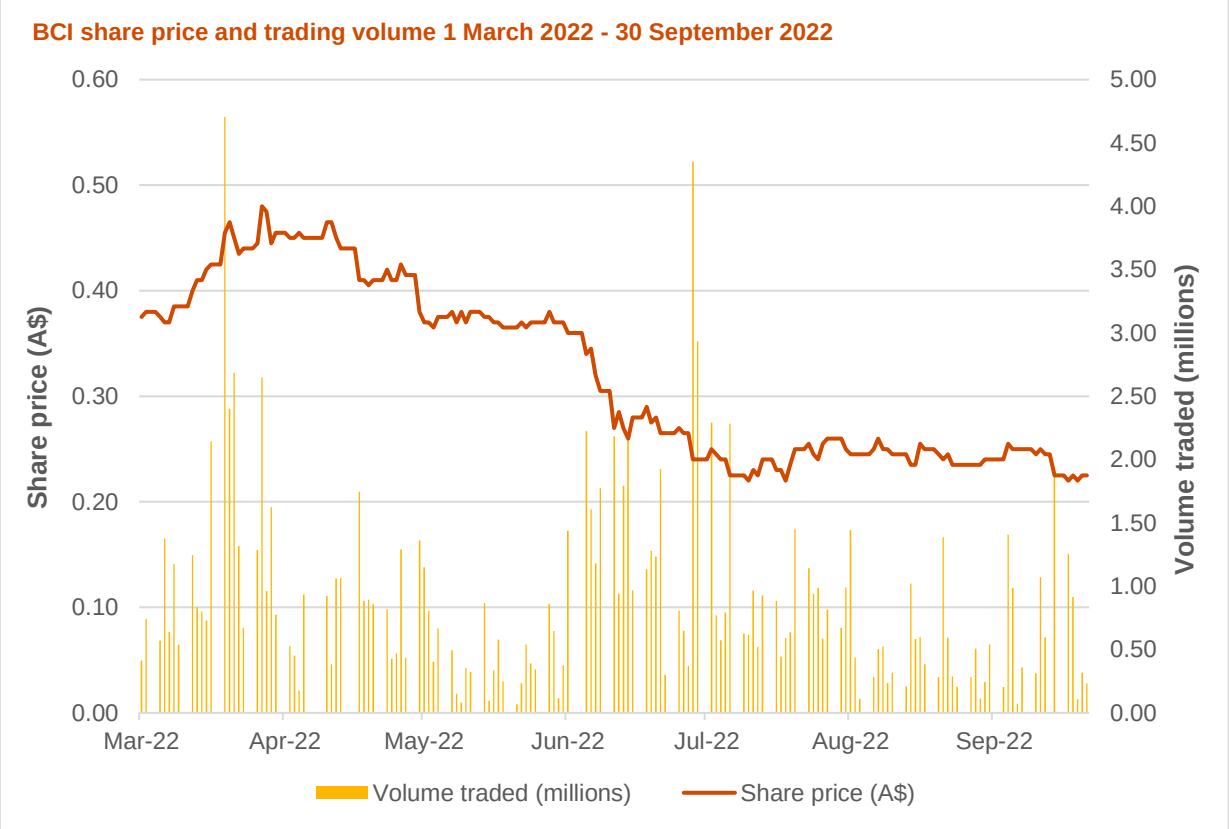
163. We have presented below a summary of our assessments of the value of a share in BCI on a controlling interest basis prior to the issue of the Notes and comparison to the assessed pro forma value of a share in BCI immediately post the issue of Notes on a minority interest basis.

Valuation assessment pre the Proposed Transaction

164. To consider the recent trading price of BCI shares we have analysed the last six months of trading activity.

165. As shown in the chart below, over this time shares in BCI have traded in a range of between $0.22 and $0.48 per share over the period from 1 April 2022 to 30 September 2022 and that this range has narrowed to between $0.22 and $0.27 per share over the more recent three month period.



Source: Capital IQ, PwC Securities analysis

166. We have also calculated the VWAP of BCI shares at 30 September 2022 on a 90, 60, 30 and 5 trading day basis and presented this in the table below.

Period to 30 September 2022	90 days	60 days	30 days	5 days
VWAP ($/share)	0.265	0.242	0.240	0.225

Source: Capital IQ, PwC Securities analysis

167. Based on the above analysis we consider a share price of between $0.22 and $0.27 to be reflective of the market value of a share in BCI (on a minority interest basis) as at the date of this report.

168. The traded share price of BCI is reflective of the prices paid for small parcels of shares and as such does not include a premium for control. We have therefore considered and have applied an equity control premium to the observed recent traded price of BCI shares to reflect that in a

takeover situation purchasers are normally willing to pay a premium in order to obtain control of a company.

169. A premium for control is applicable when the acquisition for control of a company would give rise to benefits such as:

- Control of the Board of Directors of the company;
- Control of all the decision making and strategy;
- Access to cash flows; and
- Access to tax consolidation benefits.

170. Publicly available research indicates that the average equity takeover premium in Australia for full control has been in the order of 20% to 40%, however this varies widely depending on the nature of industry and circumstances and may, in some circumstances, include an element reflecting a strategic premium paid by purchasers.

171. We have assessed an appropriate premium for control to apply to the minority equity value of BCI to lie in the range of between 20% and 30% based on our analysis of the level of premiums observed in historical transactions in the resources sector but having regard to the distribution of BCI shareholders (outside of the interests held by AustralianSuper).

172. Applying the assumed control premium to our assessed value of a share in BCI on a minority interest basis derives a value per share on a controlling interest basis of between $0.264 and $0.351 and a midpoint preferred value of $0.306 per share.

Pre-Proposed Transaction	Low	High	Preferred
Share price (A$/share)	0.22	0.27	0.245
Control Premium	20%	30%	25%
Value per share (100% control basis) (A$/share)	**0.264**	**0.351**	**0.306**
Outstanding shares (million)	1,211.0	1,211.0	1,211.0
Equity Value (100% control basis) (A$m)	**319.7**	**425.1**	**370.9**

Source: Capital IQ, PwC Securities analysis

Valuation assessment post the Proposed Transaction – assumed no conversion

173. We have then assessed the pro forma value of a share in BCI on a minority interest basis assuming that the Notes have been issued and that no conversion has occurred.

174. The steps we have taken to assess this value are as follows:

- Determined the value of 100% of the equity on a controlling interest basis by multiplying the assessed range of share values on a controlling interest basis by the number of shares outstanding;
- Adjusted the equity value determined in the aforementioned step by the amount of cash received from the issue of the notes (less amounts relating to the estimated cost of the Proposed Transaction);
- Deducted the value of the debt taken on by the Company through the issue of the Notes to derive an 'Adjusted Equity Value' on a controlling interest basis;
- Deducted the estimated option value provided to AustralianSuper through the conversion terms;

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- Applied a minority discount (consistent with the premium for control applied previously) to derive an 'Adjusted Equity Value' on a minority interest basis; and
- Calculated an implied pro forma value of a share in BCI by dividing the 'Adjusted Equity Value' on a minority interest basis by the number of shares outstanding.

175. Adopting the approach described above, we have assessed the pro forma value of a share in BCI on a minority interest basis assuming that the Notes have been issued and that no conversion has occurred to be between $0.209 and $0.260 and a midpoint preferred value of $0.235 per share. We have shown our calculation in the table presented below.

Post Proposed Transaction - no conversion	Low	High	Preferred
Equity Value (100% control basis) ($m)	**319.7**	**425.1**	**370.9**
Notes Issue ($m)	100.0	100.0	100.0
less: estimated transaction costs ($m)	(2.0)	(2.0)	(2.0)
Additional cash received ($m)	**98.0**	**98.0**	**98.0**
Debt (Con notes)	(100.0)	(100.0)	(100.0)
Option Value*	(13.6)	(13.6)	(13.6)
Adjusted Equity Value (100% control basis) ($m)	**304.1**	**409.5**	**355.3**
Minority Discount	17%	23%	20%
Adjusted Equity Value (minority interest) ($m)	253.4	315.0	284.2
Outstanding shares (million)	1,211.0	1,211.0	1,211.0
Adjusted value per share (minority interest)	**0.209**	**0.260**	**0.235**

*Option value calculated using the Black-Scholes option pricing method, an assumed volatility of 50%, an exercise price $0.6235 and share price of $0.235 per share.

Valuation assessment post the Proposed Transaction – assumed full conversion

176. We have then assessed the pro forma value of a share in BCI on a minority interest basis assuming that the Notes have been fully converted immediately post the Proposed Transaction.

177. The additional steps we have taken to assess this value are as follows:

- Removed the amount of debt taken on by the Company through the issue of the Notes (as assumed to have been replaced by equity);
- Adjusted the number of shares outstanding by the number of new shares assumed to have been issued upon full conversion of the Notes; and
- Calculated an implied pro forma value of a share in BCI by dividing the 'Adjusted Equity Value' on a minority interest basis by the adjusted number of shares outstanding post the assumed conversion of the Notes.

178. Adopting the approach described above, we have assessed the pro forma value of a share in BCI on a minority interest basis assuming that the Notes have been issued and that conversion has now occurred to be between $0.254 and $0.293 and a midpoint preferred value of $0.274 per share (rounded to nearest 0.1 of a cent). We have shown our calculation in the table presented below:

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Post Proposed Transaction - full conversion	Low	High	Preferred
Equity Value (100% control basis)	**319.7**	**425.1**	**370.9**
Notes Issue ($m)	100.0	100.0	100.0
less: estimated transaction costs ($m)	(2.0)	(2.0)	(2.0)
Additional cash received ($m)	**98.0**	**98.0**	**98.0**
Adjusted Equity Value (100% control basis) ($m)	**417.7**	**523.1**	**468.9**
Minority Discount	17%	23%	20%
Adjusted Equity Value (minority interest) ($m)	**348.1**	**402.4**	**375.1**
Outstanding shares (million)	1,211.0	1,211.0	1,211.0
Additional shares issued (@ $0.6235/share)	160.4	160.4	160.4
Adjusted shares outstanding	1,371.4	1,371.4	1,371.4
Adjusted value per share ($, minority interest)	**0.254**	**0.293**	**0.274**

179. While this scenario produces a higher post-Proposed Transaction value, we note that it reflects conversion of the Notes when they are out of the money and is therefore included in our analysis for illustrative purposes.

Opinion

Assessment of fairness

180. In accordance with the requirement under RG 111 to assess the Proposed Transaction as if it was a takeover bid, to assess the fairness of the Proposed Transaction we have considered the value of a share in BCI prior to the Proposed Transaction on a controlling interest basis and compared this to the assessed value of a share in BCI on a minority interest basis immediately post the Proposed Transaction.

181. We have assessed the fair market value of a share in BCI (on a controlling interest basis) as at the date of this report to be in a range from $0.264 to $0.351 with a preferred (midpoint) value of $0.306.

182. We have assessed the potential value of a share in BCI post the Proposed Transaction (on a minority interest basis) assuming that the Notes are not converted, although reflecting the option value associated with the conversion terms, to be in a range from $0.209 to $0.260 with a preferred (midpoint) value of $0.235.

183. On the basis that the assessed value of a share in BCI prior to the Proposed Transaction on a controlling interest basis is greater than our valuation range for a fully paid ordinary share in BCI post the Proposed Transaction on a minority interest basis, we consider that the Proposed Transaction is not fair.

Assessment of reasonableness

184. In accordance with RG111.12, if an offer is considered to be fair it is also considered to be reasonable. However, an offer may also be considered to be reasonable, if despite not being considered fair, the expert considers that there are sufficient reasons for the relevant security holders to accept the offer, in the absence of a superior proposal.

185. A number of qualitative issues are generally considered in assessing reasonableness. These issues broadly comprise:

- Whether the Proposed Transaction includes a premium for control;
- The likely consequences for the Non-associated Shareholders if the Proposed Transaction is accepted;
- The likely consequences for the Non-associated Shareholders if the Proposed Transaction is not accepted; and
- The likelihood of another funding proposal arising that is on better terms under the current Proposed Transaction from the perspective of the Non-associated Shareholders.

186. We consider the Proposed Transaction to be reasonable for the following reasons.

The Proposed Transaction provides BCI with a level of certainty regarding its ability to fund the development of Mardie

187. If the Non-associated Shareholders vote to approve the Proposed Transaction, the funds raised from the issue of the Notes will provide BCI with the ability and certainty to partially fund its equity component of the cost of Mardie, a near-term development asset with defined resources which is anticipated by BCI to start commercial production by the second half of 2025.

188. Project debt funding commitments of $740 million were secured from NAIF, Export Finance Australia and commercial banks. Under the terms of these project funding commitments, BCI is required to provide $460 million equity funding. In addition to existing cash reserves, ongoing iron ore royalty income and corporate debt, the balance of $360 million of equity funding was arranged in November 2021 comprising a share placement, share purchase plan, the issue of the Series 1 Convertible Notes and the agreement to raise an additional $100 million from the issue of the Notes.

189. The Notes form an important component of BCI's ability to provide its $460 million equity funding for the Project. As announced to ASX, BCI is undertaking a cost and design review which may also result in BCI considering additional funding resources. If the Non-associated Shareholders decide not to vote in favour of the Proposed Transaction, BCI will be required to source an additional $100 million in equity funding.

Terms of the Notes are more attractive than would likely be available today

190. The terms attaching to the Notes are likely to be more favourable than the terms that would be available today having regard to movements in financial markets in the interim period since the terms of the Notes were agreed on 17 November 2021.

191. Interest rates have increased over this period with the yield on the 10 year Australian Government bond increasing from 1.86% on 17 November 2021 to 3.91% on 30 September 2022 with an associated increase in debt funding costs.

192. The BCI share price has decreased from $0.48 on 16 November 2021 to $0.225 on 30 September 2022, reducing the value associated with the convertibility of the Notes.

193. If the terms of the Notes were agreed today, this may result in a higher level of coupon, a lower conversion price and / or other changes to the Notes terms which are less favourable to BCI, and as such, the Non-associated Shareholders.

The Convertible Note terms imply a cost of finance which is reasonable compared to BCI's project and corporate debt cost of finance

194. Allowing for the option value associated with the conversion terms, the Notes imply an overall cost of finance of approximately 7.7% on an unsecured basis which appears to reflect reasonable commercial terms compared to the finance costs associated with BCI's corporate debt as well as Mardie project finance costs.

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Most cost-effective option relative to available funding alternatives identified as part of a project funding exercise

195. BCI undertook a comprehensive process in relation to the fundraising exercise in order to determine the optimal capital structure to fund its equity investment in Mardie. This included an analysis of its funding needs having regard to iron ore price expectations and the associated impact on its future iron ore royalty income. It negotiated with AustralianSuper, international financiers and other parties which resulted in the share placement, share purchase plan with Canacord acting as lead adviser and underwriter and the convertible note arrangements.

196. Debt finance is typically cheaper than issuing equity or hybrid finance instruments and is non-dilutive. However, the significant Project debt limited the extent of debt funding at the BCI corporate level and necessitated the requirement for additional equity funding. The equity funding package included a $240 million share placement as well as a share purchase plan. Hence, BCI negotiated and agreed the terms upon which the Notes were to be issued, which included an attractive coupon relative to debt financing and conversion terms which reduced the dilution of existing shareholders compared to an alternative larger share placement.

197. Based on our review of the fundraising process undertaken by BCI, we are not aware of any alternative proposals which may provide a greater benefit to the Non-associated Shareholders at the date of this report.

The key terms of the Notes have been negotiated between BCI and AustralianSuper on an arm's length basis

198. BCI explored a range of potential alternate financing options and engaged with a range of potential investors as part of the equity finance raising process before negotiating and agreeing the terms of the Notes with AustralianSuper (an experienced investor in resources companies).

199. The negotiations were conducted over a number of weeks before final terms were agreed, subject to Board approvals. No party was compelled to accept the proposed terms under any position of duress therefore the agreed terms are considered to be reflective of available market rates of return.

200. We also note that the terms of the Notes were known to participants in the share placement and share purchase plan. Along with other investors, Wroxby Pty Limited (Wroxby), a subsidiary of Australian Capital Equity and BCI's largest shareholder with a current shareholding of 39.3% of the shares on issue and with board representation, participated in the share placement. Wroxby's presence on the board of BCI and its participation in the equity raising, and the fact that it will be diluted in a similar manner to other shareholders on the potential conversion of the Notes is considered to provide additional support that the key terms of the Notes have been negotiated between BCI and AustralianSuper on an arm's length basis.

The key terms of the Notes are in line with the terms of recent convertible note issues by comparable companies

201. To consider the reasonableness of the terms on which the Notes are to be issued, we analysed the key terms of convertible notes that have been issued by companies listed on the ASX over the past twelve months with similar stage assets. A direct comparison of the terms attached to the Notes to terms of convertible notes which have been issued by other companies is somewhat limited due to the convertible nature of the notes and the relative prospects and associated risk relating to the issuer companies.

202. The key terms of the seven convertible notes observed are summarised in the following table:

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Company	Date Announced	Date Issued	Amount ($m)	Term (years)	Interest Rate	Conversion Price	Premium / (discount) of Conversion Price to 30 day VWAP prior to announcement
Classic Minerals Limited (ASX:CLZ)	6-Jun-22	8-Jul-22	4	1.5	Nil. One free attaching conversion option for every two conversion shares issued.	Lower of 20% discount to 15 day VWAP / $0.075	n/a ; (50%)
Magnum Mining and Exploration Limited (ASX:MGU)	1-May-22	1-May-22	20	2	5.00%	95% of the 5 lowest daily volume weighted average prices of shares of the 20 most recent trading days	n/a
Elmore Limited (ASX:ELE)	28-Apr-22	28-Apr-22	2.5	2	20.00%	0.04	(13%)
Vango Mining Limited (ASX:VAN)	1-Apr-22	1-Apr-22	10	2	10.00%	0.06	80%
Elmore Limited (ASX:ELE)	21-Feb-22	21-Feb-22	1.2	1	20.00%	0.022	(24%)
Astron Corporation Limited (ASX:ATR)	1-Feb-22	1-Feb-22	5	2	10.00%	0.54	6%
Syrah Resources Limited (ASX:SYR)	10-Dec-20	30-Jun-21	28	3.3	8.00%	1.0036	20%

203. Based on the data observed, the convertible notes identified had conversion prices that were at a (discount)/ premium to the company's 30 day VWAP prior to the announcement ranging from (50%) to 80%. In comparison, the Notes are convertible into shares in BCI at an exercise price of $0.6235 per share which reflects a 135% and 160% premium when compared to the 90 trading day and 30 trading day VWAP of BCI at 30 September 2022. Therefore, the premium of the conversion price relative to the recent traded price of BCI is considered of benefit to the Non-associated Shareholders of BCI.

204. While the conversion price is one of the key terms of the Notes, other relevant factors include the term and the interest rate attached to the Notes. As shown in the table, the coupons on the convertible notes ranged from 5% to 20% and the terms of the convertible notes ranged from one year to two years.

205. Therefore, when compared to other convertible notes issued by resource companies listed on the ASX over the past twelve months with similar stage assets our analysis indicates that the coupon attached to the Notes of 5% is within the range (and not inconsistent with) coupon rates observed in other recent convertible note issues. We note that the most of the other recent convertible note raises have been raised by smaller companies relative to BCI, for the purposes of providing funding for feasibility studies, project development and working capital. This may support a lower coupon rate for the BCI convertible notes, relative to recent issuances.

206. We also note that in determining the key terms of the Notes, BCI considered AustralianSuper's subscription in March 2021 for convertible notes issuable by Syrah Resources which had a

similar structure to the Notes and a coupon of between 7.5% and 8% (depending on whether interest is paid or accrued).

The Notes are convertible into shares in BCI at an exercise price of $0.6235 per share, being a 135% and 160% premium to the 90 trading day and 30 trading day volume weighted average price (VWAP) of BCI, respectively

207. The conversion price attached to the Notes is $0.6235 per share which reflects a 135% and 160% premium when compared to the 90 trading day and 30 trading day VWAP of BCI at 30 September 2022. The existence of a premium above the recent traded price of BCI shares is of benefit to the Non-associated Shareholders.

208. We also note that any decision to convert the Notes is likely only to be made if the share price of BCI is above the exercise price attached to the Notes, being above $0.6235 per share. In this event, all BCI shareholders would be considered to have benefited from the increase in the share price. Further, we note that if the Notes are converted, the debt associated with the Notes is consequently extinguished and the level of gearing will decrease to nil.

Ability for BCI to redeem the Notes and seek alternate financing

209. In the event that circumstances change, funds may potentially be able to be raised by BCI at a lower cost to existing shareholders either through the increased ability to secure conventional debt funding or through being able to issue equity at a higher share price (and / or lower cost) than is currently possible. In such an event the Company can elect to redeem the Notes from five years after the issuance date of the Notes, subject to certain conditions.

AustralianSuper's interest in BCI will only increase if it exercises the right to convert the Notes into shares in BCI

210. Only if AustralianSuper exercises its conversion rights will additional shares be issued to it. We note that if AustralianSuper exercises its conversion rights in full (including in relation to the Series 1 Notes which it holds), its holding in BCI will increase from 14.8% to approximately 31.25%, if no other shares are issued.

211. AustralianSuper currently holds approximately 14.8% of the outstanding shares on issue and therefore already has a significant interest in the future success of the Company.

212. Even in the event that all of the Notes convert to ordinary shares, AustralianSuper's shareholding interest in BCI will be lower than that currently held by Wroxby, BCI's largest shareholder. As such, while the issue and conversion of the Notes may give rise to AustralianSuper increasing its interest above 20%, it will not provide it with effective control of BCI.

213. We also note that AustralianSuper will not derive any additional rights upon the potential conversion of the Notes which may impact the level of influence it is able to exert (apart from blocking a special resolution which requires 75% approval).

By obtaining shareholder approval under Listing Rule 7.1, the Company will retain the flexibility to issue up to 10% of its issued capital, if required, in the next 12 months without the need to obtain further shareholder approval

214. As shareholder approval is being sought for the issue of the Notes pursuant to Listing Rule 7.1, the issue of Notes to AustralianSuper will not be included in the calculation of the Company's 10% placement capacity pursuant to Listing Rule 7.1A. Further, as shareholder approval for the issue of Shares upon conversion of the Notes is being sought pursuant to item 7 of Section 611 of the Corporations Act, the issue of those Shares will not be included in the calculation of the Company's 10% placement capacity pursuant to Listing Rule 7.1A.

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If the Proposed Transaction is not approved, the BCI share price may be adversely impacted

215. If the Proposed Transaction is not approved, we consider that the share price of BCI could be adversely impacted, having regard to the perceived ability of BCI to be able to fully fund the development of Mardie and pursue growth through other existing or new projects.

If the Proposed Transaction is not approved, a break fee may be payable

216. If the Proposed Transaction is not approved, a 1% break fee in the event of the non-issue of the Notes may become payable in accordance with the Convertible Note Subscription Deed.

We have also considered the potential disadvantages to the Non-associated Shareholders if the Proposed Transaction is approved but consider that the benefits to the Non-associated Shareholders outweigh the potential disadvantages.

217. A summary of the potential disadvantages considered includes:

- The potential increased shareholding of AustralianSuper (if the Notes are converted) may be deemed to result in increased influence without a control premium having been paid, for instance with regard to the potential ability to block a special resolution which requires 75% approval;
- The issue of the Notes increases the amount of leverage in the business including project financing, the cost of which will need to be funded;
- Existing shareholders' interests will be diluted upon potential conversion of the Notes, albeit conversion will mean the share price has increased considerably from the current traded share price;
- The issue of Notes provides option value to the AustralianSuper which reduces equity value to the Non-associated Shareholders; and
- There is no opportunity for the Non-associated Shareholders to participate in the Proposed Transaction.

218. After consideration of the aforementioned factors, in our opinion the advantages of the Proposed Transaction outweigh the potential disadvantages. Therefore, in the absence of a superior proposal, we consider that the Proposed Transaction is reasonable to the Non-associated Shareholders.

Conclusion

219. On the basis that the assessed value of a share in BCI prior to the Proposed Transaction on a controlling interest basis is greater than our valuation of a fully paid ordinary share in BCI post the Proposed Transaction on a minority interest basis under each of the scenarios considered, we consider that the Proposed Transaction is not fair.

220. However, despite not being considered fair, we consider that the Proposed Transaction is reasonable on the basis that there are sufficient reasons for the Non-associated Shareholders to vote in favour of the Proposed Transaction.

221. On the basis that we consider the Proposed Transaction to be not fair but reasonable, we consider that the Proposed Transaction is in the best interests of Non-associated shareholders.

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Appendix A Statement of qualifications and declarations

Qualifications

PwC Securities is beneficially owned by the partners of PricewaterhouseCoopers Australia, a member firm of the PricewaterhouseCoopers (PwC) network. PwC Securities holds an Australian Financial Services Licence under the Corporations Act.

Paul Hennessy is a partner in our Perth valuations practice where he specialises in valuations and transactions work as well as being an authorised representative of PwC Securities. Paul is a graduate of the University of Limerick, a Fellow of the Institute of Actuaries, an Affiliate Member the Institute of Chartered Accountants in Australia and New Zealand and Business Valuation Specialist (CAANZ). Paul has over 24years' experience with the Australian and UK firms of PwC including three years in the UK firm's Valuation & Strategy team in London where he worked on a large number of international assignments in the resources sector.

Richard Stewart OAM is a Senior Fellow of the Financial Services Institute of Australasia, Chartered Accountants in Australia and New Zealand and the Society of Certified Practising Accountants in Australia. He is also an Adjunct Professor in Business Valuation at the University of Technology, Sydney and is Business Valuations Specialist Accredited, CAANZ. He holds a Bachelor of Economics and a Masters of Business Administration. He has 35 years of experience with PwC and extensive experience in preparing valuations and Independent Expert Reports as well as providing merger and acquisition advice. He is also a partner of PwC and is an authorised representative of PwCS.

Darryl Norville is a director in PwC and is a graduate of the University of Western Australia and a Member of the Institute of Chartered Accountants in Australia and New Zealand. Darryl has extensive experience in the preparation of corporate valuations, independent expert's reports and the provision of corporate financial advisory services to corporations involved in takeovers, capital raisings and mergers and acquisitions.

Declarations

We have considered our independence from BCI, AustralianSuper and related parties, having regard to ASIC Regulatory Guide 112, and we do not consider that there are any circumstances which conflict with our independence from BCI or hinder our ability to provide objective independent advice.

Neither PwCS, PwC nor the authors of this report have, at the date of this Report, or have had within the previous two years, any shareholding in or other relationship with either BCI, AustralianSuper or related parties (other than the provision of professional services for time based fees including statutory audit services to AustralianSuper) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the proposed transactions.

Neither PwC Securities nor PwC has any interest in the outcome of the Proposed Transaction. PwC Securities is entitled to receive a fee for the preparation of this Independent Expert's Report based on time spent at our normal hourly rates for this type of work and will be reimbursed for out of pocket expenses incurred. The fee payable to us is payable regardless of the outcome of the Proposed Transaction. None of PwC Securities, PwC, Messrs Hennessy and Norville holds securities in BCI and have not held any such beneficial interest in the previous two years.

A draft of this report (excluding our consideration of the merits of the Proposed Transaction) was provided to the Directors of BCI for factual checking on 30 September 2022 and a final draft (excluding our consideration of the merits of the Proposed Transaction) was provided to BCI on 11 October 2022. No changes to our opinion arose as a result of these reviews.

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Purpose of report

This Independent Expert's Report has been prepared at the request of the Directors of BCI and should not be used for any other purpose. In particular, it is not intended that this Independent Expert's Report should serve any purpose other than an expression of our opinion on whether the Proposed Transaction is fair and reasonable to the Non-associated Shareholders. This Independent Expert's Report has been prepared solely for the benefit of the Directors of BCI and for the benefit of the existing Non-associated Shareholders. Neither the whole nor any part of this Independent Expert's Report nor any reference to it may be included in or attached to any document, circular, resolution, letter or statement without our prior written consent to the form and context in which it appears.

Special note regarding forward-looking statements and forecast financial information

Certain statements in this Independent Expert's Report may constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements of BCI to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the following:

- General economic conditions;
- The future movements in interest rates and taxes;
- The impact of terrorism and other related acts on broader economic conditions;
- Changes in laws, regulations or governmental policies or the interpretation of those laws or regulations to BCI in particular; and
- Other factors referenced in this Independent Expert's Report.

Indemnity

In preparing this Independent Expert's Report, BCI has indemnified PwC Securities, PwC and its employees, officers and agents against any claim, liability, loss or expense, cost or damage, including legal costs on a solicitor client basis, arising out of reliance on any information or documentation provided by BCI which is false and misleading or omits any material particulars or arising from a failure to supply relevant documentation or information.

In addition, BCI has agreed that if it makes any claim against PwC or PwC Securities for loss as a result of a breach of our contract, and that loss is contributed to by its own actions, then liability for its loss will be apportioned having regard to the respective responsibility for the loss, and the amount BCI may recover from PwC Securities will be reduced by the extent of its contribution to that loss.

Consent

PwC Securities has consented in writing to this Report in the form and context in which it appears being included in the Notice of Meeting which will be issued by the Directors of BCI and which will be distributed to BCI shareholders.

Neither PwC Securities nor PricewaterhouseCoopers has authorised or caused the issue of all or any part of the Notice of Meeting other than this report. Neither the whole nor any part of this report nor any reference to it may be included in or with or attached to any other document, circular, resolution, letter or statement without the prior consent of PwC Securities to the form in which it appears.

APES 225 Valuation Services

This Independent Expert Report has been prepared in accordance with APES 225 *Valuation Services.*

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Appendix B Sources of Information

In preparing this Independent Expert's Report, we have had access to and relied upon major sources of information, including:

- Convertible Note Subscription Deed;
- Convertible Notes Deed Poll;
- Notice of Meeting (including earlier drafts);
- Alternative debt financing arrangements of BCI which included the Board's FID Paper, Mardie Commercial Debt Information Memorandum and Corporate Debt Term Sheet;
- ASX announcements for BCI;
- BCI Annual Reports (audited) for the two years ended 30 June 2021 and 30 June 2022;
- Budget and cash flow forecast for BCI;
- Summary of Royalty Portfolio;
- Iron Valley Minerals Resources and Ore Reserves;
- BCI Equity Raise Presentation;
- BCI 3-5 year Business Strategy;
- Other information provided by and discussions with management of BCI;
- Information obtained from Bloomberg, Capital IQ and IBISWorld Industry Reports; and
- Other publicly available information including information from websites.

We have not performed an audit, review or any other verification of the information presented to us. Accordingly, we express no opinion on the reliability of the information supplied to us.

In forming our opinion, PwC Securities has assumed that:

- matters such as compliance with laws and regulations and contracts in place are in good standing and will remain so and that there are no material legal proceedings, other than as publicly disclosed;
- the information set out in the Notice of Meeting sent by BCI to its shareholders is complete, accurate and fairly presented in all material aspects; and
- the publicly available information relied on by PwC Securities in its analysis was accurate and not misleading.

In addition, PwC Securities assumes no responsibility and offers no legal opinion or interpretation on any issue in respect of legal issues relating to assets, properties, or business interests or issues regarding compliance with applicable laws, regulations and policies.

Appendix C Summary of Valuation Methodologies

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There are a number of commonly adopted methodologies that could be used to assess the value of the underlying business (or enterprise value) or equity value of BCI. Widely accepted methodologies include:

- **Discounted cash flow** – This method indicates the value of a business based on the present value of the cash flows that the business can be expected to generate in the future. Such cash flows are discounted at a discount rate (the cost of capital) that reflects the time value of money and the risks associated with the cash flows;

- **Capitalisation of future maintainable earnings** – This method involves multiplying an estimation of a level of sustainable earnings (or profits) of a business by a multiple that is reflective of the underlying risks and growth prospects of the business. The estimation of future maintainable earnings is considered a surrogate for the future cash flows of the business and the process of multiplication is referred as the 'capitalisation' of earnings;

- **Net realisable value of assets** – This approach indicates the market value of the equity of an entity by adjusting the asset and liability balances on the subject company's balance sheet to their market value equivalents. The net assets approach has a number of variants. Typically the approach can be applied using a going concern premise which uses the concept of replacement cost as an indicator of value; and

- **Market based assessments** – Market based assessments relate to the valuation of a business, shares or assets using observed prices at which comparable businesses, shares or assets have been exchanged in arm's length transactions. This is often the most reliable evidence of market value but in the case of valuation of companies it can be difficult to find directly comparable transactions.

For companies whose shares are publicly traded, the relevant share price is considered indicative of the market value of the shares, if there is sufficient liquidity. However, such market prices usually reflect the prices paid for small parcels of shares and as such do not include a premium for control.

Each methodology is appropriate in certain circumstances and the decision as to which methodology to apply generally depends on the nature of the business being valued, the maturity of the business, commonly adopted approaches used to value similar businesses and the availability of information.

Appendix D Glossary

Term	Definition
$, AUD or A$	Australian dollars
AFSL	Australian Financial Services Licence
Al_2O_3	Aluminium oxide
AMN	Agrimin Limited
APES	Accounting Professional and Ethical Standards
ASIC	Australian Securities and Investments Commission
Associate	has the meaning given in the Listing Rules
ASX	Australian Securities Exchange
aTSR	Absolute total shareholder return
AustralianSuper	AustralianSuper Pty Ltd as trustee for AustralianSuper
BCI, you or the Company	BCI Minerals Limited
Board	means the current board of Directors of the Company
CAANZ	Chartered Accountants Australia and New Zealand
CaFe	Calcined iron
CAGR	Compound annual growth rate
CFR	Cost and freight
CIF	Cost, insurance and freight
Convertible Note Subscription Deed	Agreements signed by AustralianSuper and BCI pertaining to the issue of the Notes
Corporations Act	Corporations Act 2001 (Cth)
CY	Calendar Year
Dampier Salt	Dampier Salt Limited
DFS	Definitive feasibility study
Directors	means the directors of the Company
DMIRS	Department of Mines, Industry, Regulation and Safety
DWAE	Department of Water, Agriculture and Environment
DWER	Department of Water and Environmental Regulation

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Term	Definition
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EFA	Export Finance Australia
EPA	Environmental Protection Authority
EPBC	Environment Protection and Biodiversity Conservation
EV	Enterprise Value
Explanatory Memorandum	means the explanatory memorandum to and forming part of the Notice of Meeting contained in the Notice of Meeting
Annual General Meeting or Meeting	means the annual general meeting of the Company to be held on, or about, 24 November 2022
Fe	Iron
FID	Final investment decision
FMG	Fortescue Metals Group Limited
FOB	Free on board
FSG	Financial Services Guide
FY	Fiscal Year (1 July to 30 June)
HFR	Highfield Resources Limited
IOH	Iron Ore Holdings Ltd
K_2O	Potassium oxide
KLL or Kalium	Kalium Lakes Limited
Ktpa	Thousand tonnes per annum
Listing Rules	means the official listing rules of ASX and Listing Rule means any one of them
LOI	Loss on Ignition
M or Mm	Millions
Mardie Project or Mardie	BCI's 100% owned Mardie Salt and Potash Project
MIN	Mineral Resources Limited
Mitsui	Mitsui & Co., Ltd
MOP	Muriate of potash, or potassium chloride
MoU	Memorandum of understanding
Mt	Million tonnes

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Term	Definition
Mtpa	Million tonnes per annum
NaCl	Sodium chloride
NAIF	Northern Australia Infrastructure Facility
Non-associated Shareholders	All of the holders of outstanding shares in BCI that are not party to the issue of convertible notes subject to the Proposed Transaction or their Associates
Noteholder	means a holder of any Convertible Notes from time to time
Notes	Series 3 Convertible Notes
Notice of Meeting	The notice sent to shareholders of BCI containing the explanatory statement required by the Corporations Act
Nullagine JV	The Nullagine Joint Venture between The Pilbara Infrastructure Pty Ltd and BC Iron
OFS	Optimised feasibility study
P	Phosphorus
PFS	Pre-feasibility study
PP&E	Property, Plant & Equipment
PPA	Pilbara Ports Authority
PPE	Property, plant and equipment
PR	Performance Rights
Proposed Transaction	The proposed issue of Notes to AustralianSuper including the ability of AustralianSuper to convert Series 1 and Series 3 Convertible Notes it holds in accordance with the terms of the Convertible Note Subscription Deed
PVC	Polyvinyl chloride
PwC Securities	PricewaterhouseCoopers Securities Ltd
R&R	Mineral resources and ore reserves
Related Party	has the meaning given to that term in the Listing Rules
RG111	Regulatory Guide 111 Content of expert reports
RG112	Regulatory Guide 112 Independence of Experts
rTSR	Relative total shareholder return
Shareholders	means the holders of shares in BCI
SiO_2	Silicon dioxide
SOP	Sulphate of potash, or potassium sulphate
SPP	Share purchase plan

Term	Definition
TPI	The Pilbara Infrastructure Pty Ltd, FMG's subsidiary
TSR	Total shareholder return
US$ or USD	United States dollars
VWAP	Volume Weighted Average Price
WMT	Wet metric tonnes
Wroxby	Wroxby Pty Limited

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Appendix E Financial Services Guide

PricewaterhouseCoopers Securities Ltd

This Financial Services Guide (FSG) is dated 21 October 2022.

About us

PwC Securities (ABN 54 003 311 617, Australian Financial Services Licence No 244572) has been engaged by BCI Minerals Limited to provide a report in the form of an independent expert's report (IER) for inclusion in the Notice of Meeting.

You have not engaged us directly but have been provided with a copy of the IER as a retail client because of your connection to the matters set out in the IER.

This financial services guide

This FSG is designed to assist retail clients in their use of any general financial product advice contained in the IER. This FSG contains information about PwC Securities generally, the financial services we are licensed to provide, the remuneration PwC Securities may receive in connection with the preparation of the IER, and how complaints against us will be dealt with.

Financial services we are licensed to provide

Our Australian Financial Services Licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds and deposit products.

General financial product advice

The IER contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

You should consider your own objectives, financial situation and needs when assessing the suitability of the IER to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Fees, commissions and other benefits we may receive

PwC Securities charges fees to produce reports, including this IER. These fees are negotiated and agreed with the entity who engages PwC Securities to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report our fees are charged on a fixed basis and are approximately $80,000.

Directors, authorised representatives or employees of PwC Securities, PricewaterhouseCoopers (PwC), or other associated entities, may receive partnership distributions, salary or wages from PwC.

Associations with issuers of financial products

PwC Securities and its authorised representatives, partners, employees and associates may from time to time have relationships with the issuers of financial products. For example, PwC may be the auditor of, or PwC Securities may provide financial advisory services to, the issuer of a financial product in the ordinary course of its business.

Complaints

If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner. In addition, a copy of our internal complaints handling procedure is available upon request. If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Australian Financial Complaints Authority (AFCA), an external complaints resolution service. AFCA can be contacted by calling 1800 931 678. You will not be charged for using the AFCA service.

Contact details

PwC Securities can be contacted by sending a letter to the following address:

Mr Paul Hennessy
Authorised Representative
PricewaterhouseCoopers Securities Ltd
GPO Box D198
PERTH WA 6840

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BCI MINERALS LIMITED
ABN 21 120 646 924

Need assistance?

Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

Online:
www.investorcentre.com/contact

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BCI
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **2:00pm (AWST) on Tuesday, 22 November 2022.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative
If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form: XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 999999
SRN/HIN: I9999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

I 9999999999 I N D

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of BCI Minerals Limited hereby appoint

☐ **the Chairman of the Meeting** **OR** _____

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of BCI Minerals Limited to be held at Ground Floor, Brookfield Place Tower 2, 123 St Georges Terrace, Perth, Western Australia on Thursday, 24 November 2022 at 2:00pm (AWST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 6, 7, 8, 9, 10 and 11 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 6, 7, 8, 9, 10 and 11 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 6, 7, 8, 9, 10 and 11 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
1	Non Binding Resolution to adopt Remuneration Report	☐	☐	☐
2	Re-election of Ms Miriam Stanborough as a Director	☐	☐	☐
3	Re-election of Mr David Boshoff as a Director	☐	☐	☐
4	Re-election of Mr Garret Dixon as a Director	☐	☐	☐
5	Re-election of Mr Brian O'Donnell as a Director	☐	☐	☐
6	Approval of Share Rights Plan	☐	☐	☐
7	Approval of potential termination benefit in relation to Equity Securities issued pursuant to the Share Rights Plan	☐	☐	☐
8	Approval of Performance Rights Plan	☐	☐	☐
9	Approval of potential termination benefit in relation to Equity Securities issued pursuant to the Performance Rights Plan	☐	☐	☐
10	Grant of Performance Rights to Ms Miriam Stanborough (or her nominee(s)) under the 2019 Plan	☐	☐	☐
11	Grant of Performance Rights to Mr David Boshoff (or his nominee(s)) under the Performance Rights Plan	☐	☐	☐
12	Approval of Additional 10% Placement Capacity	☐	☐	☐
13	Proposed issue of the Series 3 Convertible Notes to AustralianSuper	☐	☐	☐
14	Approval of acquisition of relevant interest in Shares by AustralianSuper following conversion of the Series 1 Convertible Notes and Series 3 Convertible Notes	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s)

This section must be completed.

Individual or Securityholder 1	Securityholder 2	Securityholder 3	
			/ /
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	Date

Update your communication details *(Optional)*

Mobile Number _____

Email Address _____

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

For personal use only