

## **BCI SECURES \$25M CONVERTIBLE NOTES TO MAINTAIN CONSTRUCTION MOMENTUM**

- **BCI has entered into agreements with its third largest shareholder, Ryder Capital, to secure \$25M via the issue of convertible notes.**
- **The raising includes an initial conversion price of \$0.43, being in line with the 2021 share issue price, and a 62% premium to BCI's closing share price on 18 October 2023.**
- **The funds raised will provide BCI the ongoing support for critical path activities at Mardie.**
- **BCI expects to receive the \$25M subscription amount on or about 20 October 2023.**
- **BCI anticipates sourcing for the remaining equity funding requirements for the Mardie Project to be concluded by the end of 2023.**

BCI Minerals Limited (ABN 21 120 646 924) (ASX:BCI) (**BCI** or the **Company**) is pleased to advise it has entered into agreements with its third largest shareholder Ryder Capital Limited (ACN 606 695 854) and an associated entity, Ryder Capital Management Pty Ltd (ACN 623 412 868) ATF BCI Account (together, **Investors**) which provide for the issue of A\$25M in aggregate in convertible notes (**Notes**).

The Notes will be unsecured and subject to potential conversion on a Qualifying Offer (as defined in Annexure A) at an initial conversion price of A\$0.43 per Note, subject to adjustments. This is in line with the share price at which BCI issued ordinary shares in its 2021 capital raising and is a 62% premium to BCI's closing share price on 18 October 2023. There is a conversion floor price of \$0.18. The conversion price of the Notes is subject to customary adjustments and to adjustment on the occurrence of a Qualifying Offer, as described in Annexure A. The Investors have already provided conversion notices which will become effective in the event of a Qualifying Offer. The Notes will have a maturity date of 29 February 2024 (subject to extension, as described in Annexure A) and an initial interest rate of 10.0% per annum, increasing to 13.0% per annum from 31 January 2024.

The terms and conditions of the Notes are substantially similar to the Company's existing convertible notes on issue.

As previously announced, the Company has received credit approvals for the total \$981M of project finance required for the Mardie Project from all key debt providers, subject to completing detailed facility documentation and satisfying typical project finance conditions precedent<sup>1</sup>. This is a major milestone in the funding of the Mardie Project with the total funding package expected to be completed by the end of 2023.

The agreement to issue the new Notes continues the ongoing and material support provided by the Company's three largest shareholders. With the Mardie Project approximately 25% complete as at 30 June 2023, this funding will provide ongoing support for critical path construction activities.

The issue of the Notes is subject to a number of customary conditions and the key terms of the Notes are set out in Annexure A.

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<sup>1</sup> Refer to ASX Release dated 9 October 2023 titled 'Project Finance Update: Credit Approvals for the Total Project Finance Debt of \$981M Completed'.

Mr Peter Constable, Executive Chairman/ Mr David Bottomley, Executive Director from Ryder said,

*“As a long-term BCI shareholder, we welcome the opportunity to continue our involvement and support of this world-class project. Progress on all elements of the Mardie project, including recent debt facility approvals, provides us with increased confidence that the project will be fully funded by year's end, achieving the next major milestone for BCI”.*

BCI Managing Director, Mr David Boshoff, said:

*“BCI is grateful for the continued support of all shareholders, particularly from Wroxby, Australian Super, and Ryder, who have been committed, long term supporters of BCI. This commitment from Ryder will enable the Mardie Project to continue to progress with the critical path construction activities, allowing us to maintain the project schedule. With credit approvals received for the \$981M project finance debt, we are confident that the project is fast approaching the point of being fully funded”.*

BCI is continuing to make substantial progress on Mardie. Below are images of the current status of construction.

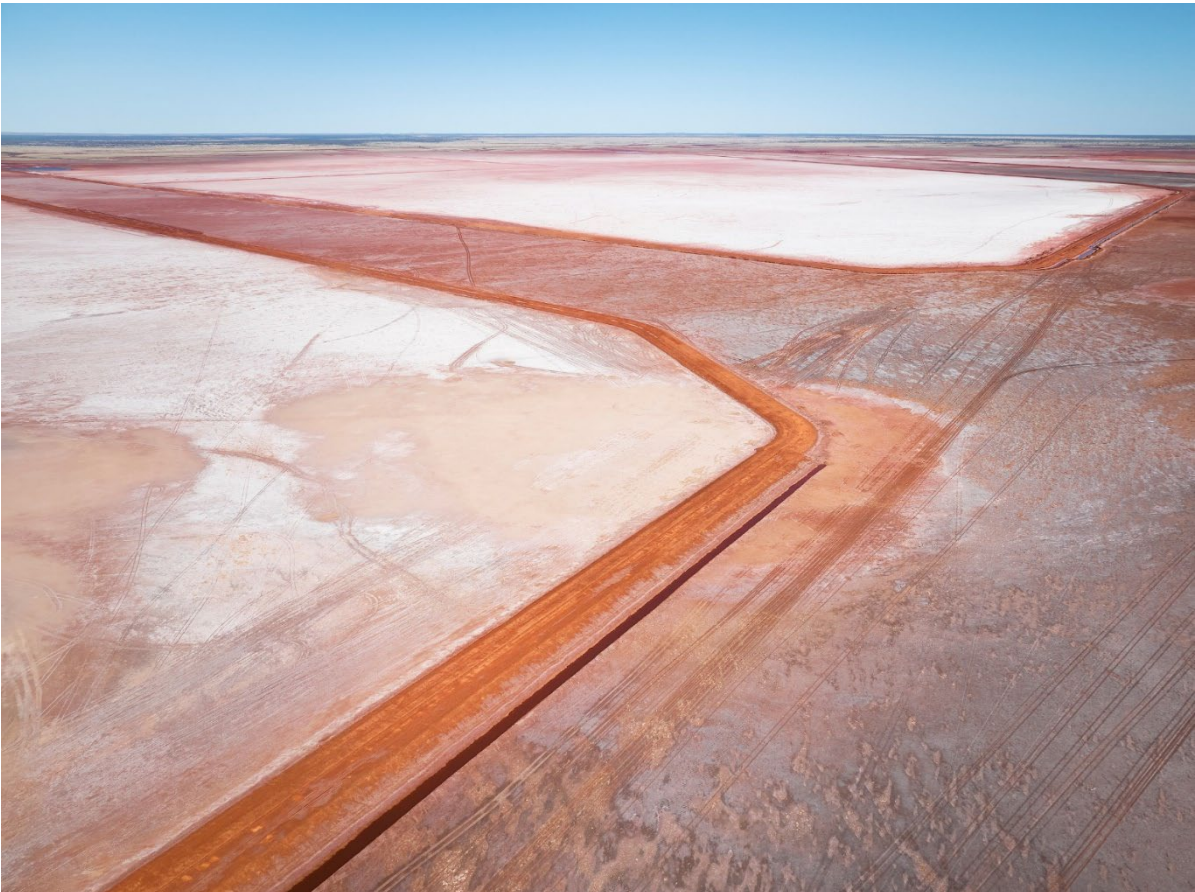


**Image 1: 2.4km Marine Structure Progress**





**Image 2: Rock embankment to strengthen pond walls**



**Image 3: Evaporation Ponds 3 and 4**





**Image 4: Civil works at Transfer Station between Evaporation Ponds 2 and 3**

- END -

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

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## FORWARD LOOKING STATEMENTS

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

## ABOUT BCI MINERALS

BCI Minerals Limited (ASX: BCI) is an Australian-based mineral resources company which is developing an industrial minerals business, with salt and potash as its initial focus. BCI is rapidly advancing its 100% owned Mardie Salt & Potash Project, a potential Tier One project located on the Pilbara coast in the centre of Western Australia's key salt production region. Mardie has been designed to produce approximately 5.35 Mtpa of high-purity salt (>99.5% NaCl) and 140 ktpa of Sulphate of Potash (SOP) (>52% K<sub>2</sub>O) via solar evaporation of seawater. Using an inexhaustible seawater resource and a production process driven mainly by natural solar and wind energy, Mardie will be a sustainable supplier to the global salt and potash growth markets, delivering benefits to BCI stakeholders over many decades. Main construction of the Mardie Project commenced in early 2022. BCI receives quarterly royalty earnings from Iron Valley, an iron ore mine located in the Central Pilbara region of Western Australia which is operated by Mineral Resources Limited (ASX: MIN). BCI's other assets include a substantial shareholding in Agrimin Limited (ASX: AMN) and potential royalties and/or deferred payments from iron ore projects at Koodaideri South, Bungaroo South, Kumina and Nullagine.

## KEY STATISTICS

Shares on issue	1,213.5 million	
Cash in bank	\$109.5 million	as at 30 June 2023
Board	Brian O'Donnell	Non-Executive Chairman
	David Boshoff	Managing Director
	Gabrielle Bell	Non-Executive Director
	Richard Court	Non-Executive Director
	Garret Dixon	Non-Executive Director
	Chris Salisbury	Non-Executive Director
	Miriam Stanborough	Non-Executive Director
	Stephanie Majteles	Company Secretary
Major shareholders	Wroxby Pty Ltd	39.2%
	AustralianSuper Pty Ltd	14.7%
	Ryder Capital Ltd (and related)	9.0%
Website	<a href="http://www.bciminerals.com.au">www.bciminerals.com.au</a>	

## Annexure A: Key terms of Convertible Notes

Key Terms and Conditions	
Investors	Ryder Capital Limited and Ryder Capital Management Pty Ltd ATF BCI Account.
Face Value	A\$25 million in aggregate (A\$5 million from Ryder Capital Limited and A\$20 million from Ryder Capital Management Pty Ltd ATF BCI Account), with each Note having an initial face value of \$0.43.
Maturity Date	29 February 2024, with an extension to 29 August 2024 if no Qualifying Offer (defined below) has occurred by 29 February 2024. Further extensions can be agreed between the parties provided such date is no later than 29 August 2025.
Issue	<p>The Notes will be issued and settlement will occur 1 business day after the Investors each receiving:</p> <ul style="list-style-type: none"> <li>• a signed Note Deed Poll;</li> <li>• a certified copy of each of the Company's constitution and the Company's certificate of registration;</li> <li>• a certified extract of the resolutions of the Company's directors authorising the Notes; and</li> <li>• a certificate from the company secretary confirming the status of a range of matters.</li> </ul> <p>The Notes will be issued utilising the Company's existing placement capacity under ASX Listing Rule 7.1. There are transfer restrictions on the Notes.</p>
Interest Rate	Interest will accrue daily on the face value of the Notes initially at 10.0% per annum, increasing to 13.0% per annum from 31 January 2024, and will be capitalised quarterly and added to the face value of the Notes. Alternatively, the Company may elect to make interest payments in cash (rather than have them capitalised and added to the face value), or pay cumulative capitalised interest in cash immediately prior to the issue of Shares upon conversion following the exercise of a conversion right by an Investor.
Conversion Price	Each Note converts into an ordinary share in the Company at the higher of: <ul style="list-style-type: none"> <li>• an initial conversion price of A\$0.43 (subject to customary adjustments and to the adjustment detailed below on the occurrence of a Qualifying Offer); and</li> <li>• a floor price of \$0.18.</li> </ul>
Qualifying Offer Adjustment	In the event the Company undertakes a Qualifying Offer (defined below) prior to the Maturity Date, the Conversion Price shall be adjusted to be the lower of \$0.43 or the amount calculated by multiplying: <ul style="list-style-type: none"> <li>• 0.93 if the last day of the Qualifying Offer is on or before 31 December 2023;</li> <li>• 0.90 if the last day of the Qualifying Offer is after 31 December 2023 but on or before 30 June 2024; or</li> <li>• 0.875 if the last day of the Qualifying Offer is after 30 June 2024;</li> </ul>

## Key Terms and Conditions

	<p>by either:</p> <ul style="list-style-type: none"> <li>the price at which any entitlement offer component of the Qualifying Offer is undertaken; or</li> <li>if the above paragraph does not apply, the VWAP of Shares for the five trading days immediately following the announcement of the Qualifying Offer.</li> </ul> <p>An adjustment following a Qualifying Offer will become effective on the last date on which securities are issued pursuant to the Qualifying Offer.</p> <p>A 'Qualifying Offer' means an issue of ordinary shares by the Company, or multiple issuances of ordinary shares occurring after the issue of the Notes, which:</p> <ul style="list-style-type: none"> <li>in aggregate raise at least A\$250,000,000; or</li> <li>in aggregate raise between A\$50,000,000 and A\$250,000,000 and are deemed by the Investors (in their absolute discretion) to be a Qualifying Offer,</li> </ul> <p>excluding any proceeds from the issue of the Notes or any other convertible notes.</p> <p>A 'Qualifying Offer Event' occurs when the Company enters into one or several transactions which are expected to result in the occurrence of a Qualifying Offer.</p>
Investor Conversion Rights	<p>Investors will have the right to convert all, but not some of, the Notes into Shares by delivering a conversion notice to the Company in any of the following circumstances:</p> <ul style="list-style-type: none"> <li>at any time after issue and before the Maturity Date;</li> <li>at any time during the period of 20 business days immediately following the occurrence of a change in control event (defined below);</li> <li>at any time when an event of default is subsisting with respect to the Notes and</li> <li>in anticipation of a Qualifying Offer Event, such that the Notes convert on whichever is later of: <ul style="list-style-type: none"> <li>a date determined by the Company that is no more than 10 Business Days after the Settlement Date for the relevant Notes; and</li> <li>at the Company's election, either on the date of completion of the relevant Qualifying Offer or 10 Business Days after the completion of the relevant Qualifying Offer.</li> </ul> </li> </ul>
Change in control	<p>A 'change in control' means:</p> <ul style="list-style-type: none"> <li>the announcement of a takeover offer under which the bidder proposes to obtain a relevant interest in 50% or more of the BCI shares then on issue, and the bidder is either Wroxby Pty Ltd (or a related party thereof) or any other third party bidder where that bid is recommended by the BCI board;</li> <li>the announcement of a scheme of arrangement by BCI under which a third party would obtain a relevant interest in 50% or more of the Shares then on issue; or</li> </ul>



Key Terms and Conditions	
	<ul style="list-style-type: none"> <li>the acquisition by any person at any time of (i) a relevant interest in 50% or more of the BCI shares then on issue or (ii) control or (iii) all or substantially all of the assets or business of the BCI group.</li> </ul>
Events of default	Events of default include payment defaults by BCI, breach of the terms of the Notes by BCI, an insolvency event with respect to any member of the BCI group or a material adverse effect occurring with respect to BCI.
Redemption at the Company's option	<p>At any time prior to the Maturity Date, unless all of the Notes have already been converted, the Company may issue an optional call notice to an Investor specifying a date for redemption of some or all of the outstanding Notes which is at least 20 business days and no greater than 30 business days after giving notice to the Investor (<b>Redemption Date</b>).</p> <p>No later than the date which is 5 business days prior to the Redemption Date, the Investor may notify the Company that it elects (in its sole discretion) for the Notes to be converted into Shares.</p> <p>The Company may also redeem all Notes not already converted for the face value of the Notes and any accrued but unpaid interest that is payable on redemption if a change in control event occurs, and the Investor has not made a conversion election within 20 business days of being notified of the change in control event occurring.</p>
Mandatory redemption	To the extent that the Notes have not yet been converted on or before the Maturity Date, then the outstanding Notes will be redeemed by the Company for cash for the face value of the Notes and any accrued but unpaid interest that is payable on redemption.
Redemption at Investor's election	If an event of default occurs, an Investor may require the Company to redeem its Notes for cash for the face value of the Notes and any accrued but unpaid interest that is payable on redemption.
Break Fee	Nil
Anti-dilution	The Notes have standard anti-dilution adjustments.