



BCI MINERALS LIMITED

ABN 21 120 646 924

2019 Notice of Annual General Meeting and Explanatory Statement

**Annual General Meeting to be held at
The offices of BDO, 38 Station Street, Subiaco, Western Australia
on Wednesday, 27 November 2019 commencing at 2.00pm (AWST)**

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. A proxy form is enclosed. If you are unable to attend the Annual General Meeting please complete and return the enclosed proxy form in accordance with the specified directions. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser without delay.

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of BCI Minerals Limited (ABN 21 120 646 924) will be held at the offices of BDO, 38 Station St, Subiaco, Western Australia on Wednesday, 27 November 2019 commencing at 2.00pm (AWST). Registration will open at 1.30pm (AWST).

BUSINESS OF THE MEETING

FINANCIAL STATEMENTS AND REPORTS 2019

To receive and consider the annual financial report of the Company, the Directors' Report and the Independent Audit Report for the year ended 30 June 2019.

Copies of these reports have been sent to requesting Shareholders and are available on the Company's website - www.bciminerals.com.au.

ORDINARY BUSINESS

RESOLUTION 1 – NON-BINDING RESOLUTION TO ADOPT REMUNERATION REPORT

To consider and, if thought fit, to pass as an ordinary, **non-binding resolution**:

To adopt the Remuneration Report for the year ended 30 June 2019.

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

Voting Prohibition Statement:

The Company will disregard any votes cast on this Resolution 1 by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, the Company need not disregard a vote on this Resolution if:

- (a) the vote is cast by a person as 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 Resolution 1 unless:

- (a) the appointment specifies the way the proxy is to vote on this Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment authorises the Chair to exercise the proxy even though this 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 Resolution 1.

Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

RESOLUTION 2 – RE-ELECTION OF MR MICHAEL BLAKISTON AS DIRECTOR

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

To elect as Director of the Company, Mr Michael Blakiston, who retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

SPECIAL BUSINESS**RESOLUTION 3 – APPROVAL OF SHARE RIGHTS PLAN**

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

That, for the purposes of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, approval be given for the issue of securities under the Company's Share Rights Plan a summary of which plan is set out in Annexure A to the Explanatory Statement.

Voting Exclusion: The Company will disregard any vote cast in favour of Resolution 3 by or on behalf of a Director (except a Director who is ineligible to participate in any employee incentive scheme in relation to the Company) or an Associate of such a Director, unless:

- (a) it is cast by a person as a proxy for a person entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 3 unless:

- (a) the appointment specifies the way the proxy is to vote on this Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment authorises the Chair to exercise the proxy even though this 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 Resolution 3.

Shareholders may also choose to direct the Chair to vote against Resolution 3 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

RESOLUTION 4 – APPROVAL OF POTENTIAL TERMINATION BENEFIT UNDER SHARE RIGHTS PLAN

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

Subject to the passing of Resolution 3, that for the purposes of ASX 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, a summary of which termination benefit is set out in Annexure A to the Explanatory Statement.

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of an officer or employee of the Company or any of its child entities (as defined in the Listing Rules), or persons who are potential officers or employees of the Company or any of its child entities (as defined in the Listing Rules) (except those who are ineligible to participate in the Share Rights Plan) or an Associate of such persons, unless:

- (a) it is cast by a person as a proxy for a person entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 4 unless:

- (a) the appointment specifies the way the proxy is to vote on this Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment authorises the Chair to exercise the proxy even though this 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 Resolution 4.

Shareholders may also choose to direct the Chair to vote against Resolution 4 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

RESOLUTION 5 – APPROVAL OF PERFORMANCE RIGHTS PLAN

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

That, for the purposes of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, approval be given for the issue of securities under the Company’s Performance Rights Plan, a summary of which plan is set out in Annexure A to the Explanatory Statement.

Voting Exclusion: The Company will disregard any vote cast in favour of Resolution 5 by or on behalf of a Director (except a Director who is ineligible to participate in any employee incentive scheme in relation to the Company) or an Associate of such a Director, unless:

- (a) it is cast by a person as a proxy for a person entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 5 unless:

- (a) the appointment specifies the way the proxy is to vote on this Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment authorises the Chair to exercise the proxy even though this 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 Resolution 5.

Shareholders may also choose to direct the Chair to vote against Resolution 5 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

RESOLUTION 6 – APPROVAL OF POTENTIAL TERMINATION BENEFIT UNDER PERFORMANCE RIGHTS PLAN

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

Subject to the passing of Resolution 5, that for the purposes of ASX 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, a summary of which termination benefit is set out in Annexure A to the Explanatory Statement.

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of an officer or employee of the Company or any of its child entities (as defined in the Listing Rules), or persons who are potential officers or employees of the Company or any of its child entities (as defined in the Listing Rules) (except those who are ineligible to participate in the Performance Rights Plan) or an Associate of such persons, unless:

- (a) it is cast by a person as a proxy for a person entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 6 unless:

- (a) the appointment specifies the way the proxy is to vote on this Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment authorises the Chair to exercise the proxy even though this 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 Resolution 6.

Shareholders may also choose to direct the Chair to vote against Resolution 6 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

RESOLUTION 7 – GRANT OF PERFORMANCE RIGHTS TO MR ALWYN VORSTER OR HIS NOMINEE

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

That, for the purposes of Part 2D.2 of the Corporations Act, ASX Listing Rules 10.14 and 10.19 and for all other purposes, approval is given to grant up to 5,000,000 Performance Rights (and the issue of Shares if those Performance Rights are converted) to Mr Alwyn Vorster or his nominee, for no consideration, in accordance with the Performance Rights Plan and on the terms set out in Annexure A to the Explanatory Statement.

Voting exclusion: The Company will disregard any vote cast in favour of Resolution 7 by or on behalf of Mr Vorster or his nominee or an Associate of theirs, or any Director (except a Director who is ineligible to participate in any employee incentive scheme in relation to the Company) or an Associate of such a Director, unless:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, a Restricted Voter who is appointed as a proxy will not vote (and the Company will disregard any such votes) on Resolution 7 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 7; or
- (b) the proxy is the Chairman of the Meeting and the appointment expressly authorises the Chairman 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 Chairman intends to vote any undirected proxies in favour of Resolution 7.

Shareholders may also choose to direct the Chairman to vote against Resolution 7 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

RESOLUTION 8 – APPROVAL OF 10% ADDITIONAL 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 Statement.

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of 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 an Associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 9 – AMENDMENT TO CONSTITUTION

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

That, the Company's Constitution be amended as set out in Annexure C to the Explanatory Statement accompanying this Notice of Meeting.

By order of the Board of Directors



Susan Hunter

Company Secretary

17 October 2019

Important information for Shareholders

Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice of Meeting and should be read in conjunction with it. This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting.

The Glossary at the end of the Explanatory Statement contains definitions of capitalised terms used in this Notice of Meeting and the Explanatory Statement.

Required majorities

All items of business other than Resolutions 8 and 9 require ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by Shareholders present (in person, by proxy or representative) and entitled to vote on the resolution. Resolutions 8 and 9 are special resolutions and as such require at least 75% of the votes cast by Shareholders present (in person, by proxy or representative) and entitled to vote on those Resolutions.

Proxies

All Shareholders who are entitled to attend and vote at the meeting have the right to appoint a proxy to attend and vote for them. The proxy does not have to be a Shareholder. Shareholders holding two or more Shares can appoint either one or two proxies. If two proxies are appointed, the appointing Shareholder can specify what proportion of their votes they want each proxy to exercise.

To vote by proxy, please complete and return the proxy form enclosed with this Notice of Meeting as soon as possible. To be effective, a completed proxy form must be received by Computershare Investor Services Pty Ltd **no later than 2.00pm (AWST) on Monday, 25 November 2019**, being not less than 48 hours prior to the commencement of the meeting. Where the proxy form is executed under power of attorney, the power of attorney must be lodged in the same way as the proxy form.

Lodgement options are as follows:

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.

Corporate representatives

A shareholder that is a body corporate may appoint an individual as its representative to attend and vote at the meeting and exercise any other powers the body corporate can exercise at the meeting. The appointment must comply with section 250D of the Corporations Act 2001 (Cth). The appointment may be a standing one. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company. An appointment form is included with this Notice of Meeting.

Voting entitlements

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that, for the purpose of voting at the meeting, Shareholders are those persons who are the registered holders of Shares in the Company at 4.00pm (AWST) on Monday, 25 November 2019.

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Annual General Meeting of the Company convened for Wednesday, 27 November 2019 commencing at 2.00pm (AWST).

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

BUSINESS OF THE MEETING

FINANCIAL STATEMENTS AND REPORTS 2019

The Corporations Act requires the Company to present to the Annual General Meeting the Financial Report, Directors' Report (including the Remuneration Report) and the Auditor's Report for the last financial year that ended before the Annual General Meeting. Copies of these reports have been sent to requesting Shareholders and are also available on the Company's website - www.bciminerals.com.au.

No resolution is required for this item, but Shareholders will be provided with a reasonable opportunity to ask questions or make comments in relation to these reports. The Company's auditor will also be present at the meeting and Shareholders will be given the opportunity to ask the auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

The Chairman will also allow a reasonable opportunity for the auditor to answer any written questions submitted to the auditor under section 250PA of the Corporations Act.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

A resolution for adoption of the Remuneration Report is required to be considered and voted on in accordance with the Corporations Act. The Remuneration Report details the Company's policy on the remuneration of non-executive Directors, Managing Director and senior executives and is set out in the Company's 2019 Annual Report. The Company takes advice from independent remuneration consultants in relation to its remuneration practices. The vote on the adoption of the Remuneration Report resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Shareholders will be provided with a reasonable opportunity to ask questions and to make comments on the Remuneration Report at the Annual General Meeting.

Shareholders should note that the result of the vote on this item may affect the 2020 Annual General Meeting. Under the Corporations Act, if 25% or more of votes cast at the Meeting are against this resolution (constituting a 'first strike'), a resolution on whether to hold a further meeting to spill the Board (a "Spill Resolution") would be put to Shareholders if a 'second strike' occurs at the 2020 Annual General Meeting. This Spill Resolution would be included in the 2020 Notice of Annual General 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 2018 did not receive a vote of more than 25% against its adoption at the Company's last annual general meeting held on 22 November 2018. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chairman and expressly authorises the Chairman to exercise your proxy, even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chairman intends to use any such proxies to vote in favour of the Resolution 1.

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

Recommendation: The Directors recommend that Shareholders vote in favour of Resolution 1.

RESOLUTION 2 – RE-ELECTION OF MR MICHAEL BLAKISTON AS DIRECTOR

In accordance with clause 11.2 of the Company's Constitution, at each Annual General Meeting of the Company, one-third of the Directors (other than the Managing Director), or if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third, need to retire from office by rotation. Further, and in accordance with the ASX Listing Rules, no Director may retain office for more than three years without submitting himself or herself for re-election even though this would result in more than one-third of the Directors retiring from office.

Accordingly, Mr Blakiston is required to retire by rotation at the Annual General Meeting, and being eligible, offers himself for re-election as a Director.

Further information on Mr Blakiston including his experience, knowledge, skills, other material directorships currently held, status as an independent director and term of office currently served by Blakiston is included in the 2019 Annual Report which has been sent to requesting Shareholders and is also available on the Company's website - www.bciminerals.com.au.

The Board considers that Mr Blakiston, if re-elected, will continue to be classified as an independent director.

Recommendation: Based on Mr Blakiston's relevant experience and qualifications, the Directors (excluding Mr Blakiston) recommend that Shareholders vote in favour of Resolution 2.

SPECIAL BUSINESS

RESOLUTION 3 – APPROVAL OF SHARE RIGHTS PLAN

Resolution 3 seeks the approval of Shareholders for the Company's Share Rights Plan (**SRP**) and for the issue of Share Rights (and Shares on their conversion) under the SRP.

A summary of the SRP is set out in Annexure A.

Listing Rule 7.2

ASX Listing Rule 7.1 provides that a listed company may not issue equity securities equal to more than 15% of that company's issued share capital in any 12 months without obtaining shareholders' approval. An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 9) which provides that issues under an employee incentive plan are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the plan as an exception to ASX Listing Rule 7.1.

The purpose of the SRP is to:

- a) assist in the reward, retention and motivation of employees;
- b) link the reward of employees to performance and the creation of Shareholder value;
- c) align the interests of employees more closely with the interests of Shareholders by providing an opportunity for employees to receive an equity interest in the form of Share Rights;
- d) provide employees with the opportunity to share in any future growth in value of the Company; and
- e) provide greater incentive for employees to deliver important shorter term milestones in support of the Company's longer term strategic goals.

No Share Rights have been issued under the SRP.

Recommendation: The Directors recommend that the Shareholders vote in favour of Resolution 3.

RESOLUTION 4 – APPROVAL OF POTENTIAL TERMINATION BENEFIT UNDER SHARE RIGHTS PLAN

Resolution 4 seeks the approval of Shareholders for the giving of benefits under the SRP 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 in, the Company (or any of its related bodies corporate).

A summary of the SRP including potential termination benefits which may be given under the SRP is set out in Annexure A.

Termination Benefits

Shareholder approval is also sought for the purposes of Part 2D.2 of the Corporations Act and ASX Listing Rule 10.19 to approve the giving of benefits under the SRP 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 in, the Company (or any of its related bodies corporate) on the terms and conditions set out in Annexure A.

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.

The term "benefit" has a wide meaning and may include benefits resulting from the Board exercising certain discretions under the rules of the SRP.

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).

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.

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 such payment would exceed this

BCI MINERALS LIMITED
ABN 21 120 646 924

5% threshold. Accordingly, Shareholder approval is being sought in case the value of the termination benefits exceeds this 5% threshold.

Details of termination benefit

Where a Participant ceases employment before their Share Rights have vested and that employee is a Good Leaver, the Board has discretion to determine whether all or some of those unvested Share Rights vest. Any such Share Rights which are determined to have vested, must be converted within 3 months of the date of cessation of employment (or in particular specified circumstances, up to 24 months of the date of cessation of employment).

The accelerated vesting of Share Right may constitute a “benefit” for the purposes of section 200B of the Corporations Act.

The Company is therefore seeking shareholder approval for the potential accelerated vesting of Share Rights in respect of any current or future Participant in the SRP who holds:

- a) a managerial or executive officer in the Group at the date of cessation of office or at any time in the three years prior to that date; and
- b) Share Rights under the SRP at the date of cessation of office.

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

Value of termination benefits

The value of termination benefits that the Board may give under the SRP 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 the vesting and the number of Share Rights that vest and can be converted to Shares.

Recommendation: The Directors recommend that the Shareholders vote in favour of Resolution 4.

RESOLUTION 5 – APPROVAL OF PERFORMANCE RIGHTS PLAN

Resolution 5 seeks the approval of Shareholders for the Company’s Performance Rights Plan (**PRP**) and for the issue of Performance Rights (and Shares on their vesting) under the PRP. A summary of the PRP is set out in Annexure A.

Listing Rule 7.2

ASX Listing Rule 7.1 provides that a listed company may not issue equity securities equal to more than 15% of that company’s issued share capital in any 12 months without obtaining shareholders’ approval. An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 9) which provides that issues under an employee incentive plan are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the plan as an exception to ASX Listing Rule 7.1.

The purpose of the PRP is to:

- a) assist in the reward, retention and motivation of employees;
- b) link the reward of employees to performance and the creation of Shareholder value;
- c) align the interests of employees more closely with the interests of Shareholders by providing an opportunity for employees to receive an equity interest in the form of Performance Rights;
- d) provide employees with the opportunity to share in any future growth in value of the Company; and
- e) provide greater incentive for Eligible Employees to focus on the Company’s longer term goals.

No Performance Rights have been issued under the PRP.

Recommendation: The Directors recommend that the Shareholders vote in favour of Resolution 5.

RESOLUTION 6 – APPROVAL OF POTENTIAL TERMINATION BENEFIT UNDER THE PERFORMANCE RIGHTS PLAN

Resolution 6 seeks the approval of Shareholders for the giving of benefits under the PRP 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 in, the Company (or any of its related bodies corporate).

A summary of the PRP including potential termination benefits which may be given under the PRP is set out in Annexure A.

Termination Benefits

Shareholder approval is also sought for the purposes of Part 2D.2 of the Corporations Act and ASX Listing Rule 10.19 to approve the giving of benefits under the PRP 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 in, the Company (or any of its related bodies corporate) on the terms and conditions set out in Annexure A.

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.

The term “benefit” has a wide meaning and may include benefits resulting from the Board exercising certain discretions under the rules of the PRP.

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).

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.

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 such payment would exceed this 5% threshold. Accordingly, Shareholder approval is being sought in case the value of the termination benefits exceeds this 5% threshold.

Details of termination benefit

Where a Participant ceases employment before their Performance Rights have vested and that employee is a Good Leaver, the Board has discretion to determine whether all or some of those unvested Performance Rights vest. Any such Performance Rights which are determined to have vested, must be converted within 3 months of the date of cessation of employment (or in particular specified circumstances, up to 24 months of the date of cessation of employment).

The accelerated vesting of a Performance Right may constitute a “benefit” for the purposes of section 200B of the Corporations Act.

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ABN 21 120 646 924

The Company is therefore seeking shareholder approval for the potential accelerated vesting of Performance Rights in respect of any current or future Participant in the PRP who holds:

- a) a managerial or executive office in the Group at the date of cessation of office or at any time in the three years prior to that date; and
- b) Performance Rights under the PRP at the date of cessation of office.

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

Value of termination benefits

The value of termination benefits that the Board may give under the PRP 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 the vesting and the number of Performance Rights that vest and can be converted to Shares.

Recommendation: The Directors recommend that the Shareholders vote in favour of Resolution 6.

RESOLUTION 7 – GRANT OF PERFORMANCE RIGHTS TO MR ALWYN VORSTER OR HIS NOMINEE

Background

Shareholder approval is being sought for the grant of Performance Rights to Mr Alwyn Vorster (or his nominee), in accordance with the PRP. A summary of the terms of the PRP is set out in Annexure A.

The Company established the PRP to provide its directors and executives with long term incentives which create a link between the delivery of value to shareholders, financial performance and rewarding and retaining executives.

Under the PRP, the Board has the discretion to grant Performance Rights to any person it declares eligible upon the terms set out in the PRP. A Performance Right is a contractual right to be issued a Share on the satisfaction of certain conditions and the conversion of the Performance Right. Shareholder approval is being sought for the grant of Performance Rights to Mr Vorster (or his nominee) in accordance with the PRP.

Approval sought: Listing Rules

Listing Rule 10.14 provides that a company must not issue or agree to issue securities to a director or an Associate of a director under an employee incentive scheme (which would include the PRP) without the approval of ordinary shareholders.

As such, Shareholder approval is sought under Listing Rule 10.14 as Resolution 7 proposes the issue of Performance Rights to Mr Vorster, a Director of the Company.

As Shareholder approval is being sought under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

In compliance with the information requirements of Listing Rule 10.14, Shareholders are advised of the following information:

(a) **Name of person to receive Performance Rights**

The Performance Rights will be issued to Mr Vorster (or his nominee).

(b) **Maximum number of Performance Rights to be issued**

The maximum number of Performance Rights that may be issued to Mr Vorster (or his nominee) under Resolution 7 is 5,000,000.

(c) **Issue price**

There is no issue price for the Performance Rights nor for any Shares issued on conversion of the Performance Rights.

(d) **Prior issue of Performance Rights**

The PRP is to be approved by Shareholders at this Annual General Meeting. No Performance Rights have been issued under the PRP.

(e) **Entitlement to Participate**

Although all of the Directors of the Company are entitled to participate under the PRP, Mr Brian O'Donnell, Ms Jenny Bloom and Mr Michael Blakiston will not receive a grant of Performance Rights at this time.

(f) **Terms of issue**

The Performance Rights will be issued pursuant to the PRP. No funds will be raised by the grant of the Performance Rights.

Mr Vorster (or his nominee) will be issued Performance Rights under the PRP in the following amounts:

- (i) Tranche 1: 2,500,000; and
- (ii) Tranche 2: 2,500,000.

In addition to the requirements imposed by the terms of the PRP (including other than in the case of the Board exercising its discretion to determine all or some of the unvested Performance Rights vest in the scenario where Mr Vorster's employment ceases and Mr Vorster is classified as a Good Leaver) the Performance Rights vest to the extent the following vesting conditions have been satisfied as set out below.

Vesting Conditions

	Tranche 1	Tranche 2
Share Price Performance Period	1 December 2018 to 30 November 2020	1 December 2020 to 30 November 2022
Test Date	1 December 2020	1 December 2022
Vesting Condition 1 *	Average Price is \$0.35 or higher	Average Price is \$0.50 or higher
Vesting Condition 2	Remaining employed or engaged by the Company (or one of its subsidiaries) as at the test date. If a notice of termination or resignation has been issued, clause 13 of the PRP will apply whereby you will be classified as a Good Leaver or a Bad Leaver.	Remaining employed or engaged by the Company (or one of its subsidiaries) as at the test date. If a notice of termination or resignation has been issued, clause 13 of the PRP will apply whereby you will be classified as a Good Leaver or a Bad Leaver.
Notification Event	In the event that a Notification Event occurs, all PRs will vest immediately, with no vesting or trading conditions.	In the event that a Notification Event occurs, all PRs will vest immediately, with no vesting or trading conditions.

Conversion Period	Vested Performance Rights the subject of this Resolution must be converted on or before the date that is 24 months after the Vesting Date on which the Performance Rights vest, or any other date determined by the Board from time to time in accordance with the PRP, after which the Performance Rights lapse and may no longer be converted.	Vested Performance Rights the subject of this Resolution must be converted on or before the date that is 24 months after the Vesting Date on which the Performance Rights vest, or any other date determined by the Board from time to time in accordance with the PRP, after which the Performance Rights lapse and may no longer be converted.
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* For Vesting Condition 1:

Average Price is the sum of (i) and (ii) below:

- i. the highest volume weighted average price of Shares on ASX calculated over 30 trading days during the relevant Vesting Period multiplied by 0.25; and
- ii. the volume weighted average price of Shares on ASX calculated over the 30 trading days ending on the date prior to the Test Date multiplied by 0.75.

If the Share price has materially appreciated over the relevant Vesting Period but “Vesting Condition 1” as noted in the table above has not been satisfied, the Board will have discretion to determine whether some or all of the Performance Rights vest.

The Company will not apply to ASX for official quotation of the Performance Rights but will apply for quotation of any Shares issued as a result of the vesting and conversion of the Performance Rights.

(g) Loan arrangement

There is no loan arrangement associated with the grant of the Performance Rights or the issue of any Shares on conversion of the Performance Rights.

(h) Date of issue of Performance Rights

The Performance Rights will be issued to Mr Vorster (or his nominee) on a single date as soon as practicable after the date of the Annual General Meeting and in any event within 12 months.

(i) Voting exclusion statement

A voting exclusion statement for Resolution 7 is included in the Notice of Annual General Meeting preceding this Explanatory Statement.

Other than as disclosed in this Explanatory Statement, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Performance Rights pursuant to Resolution 7.

Chapter 2E of the Corporations Act

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 benefit 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, Mr Alwyn Vorster is a related party of the Company.

Approval is not being sought under Chapter 2E of the Corporations Act for Resolution 7 as the issue of the Performance Rights to Mr Vorster as part of his remuneration for acting as Managing Director is considered by the other Board members to constitute “reasonable remuneration” within the meaning of section 211 of the Corporations Act.

Neither the Directors nor the Company are aware of other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolution 7.

Board Recommendation

Each of the Directors (other than Mr Vorster) recommend that Shareholders vote in favour of Resolution 7 on the basis that the grant of the Performance Rights to Mr Vorster is an appropriate form of remuneration as it will allow the Company to adequately reward and incentivise Mr Vorster whilst preserving the Company’s cash reserves.

Mr Vorster who has a material personal interest in the outcome of Resolution 7 declines to make a recommendation.

RESOLUTION 8 – APPROVAL OF 10% ADDITIONAL PLACEMENT CAPACITY

Background

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital over a 12 month period after the Annual General Meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**Additional 10% Placement Capacity**). The Additional 10% Placement Capacity is in addition to the Company’s 15% placement capacity under Listing Rule 7.1.

An entity will be eligible to seek approval under Listing Rule 7.1A if:

- (a) the entity has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million or less; and
- (b) the entity is not included in the S&P ASX 300 Index.

The Company has a market capitalisation of \$65.8 million as at 17 October 2019 and is an eligible entity for the purposes of Listing Rule 7.1A.

The number of Equity Securities to be issued under the Additional 10% Placement Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2.

Resolution 8 seeks Shareholders’ approval to issue additional Equity Securities under the Additional 10% Placement Capacity. It is anticipated that funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity would be applied primarily towards the Company developing its Salt and Potash business, including corporate overheads, administrative costs and other general working capital.

Listing Rule 7.1A

The effect of Resolution 8 will be to permit the Company to issue the Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) without using the Company’s 15% placement capacity under Listing Rule 7.1.

Equity Securities issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice the Company has Shares on issue.

Based on the number of Shares on issue at the date of this Notice, the Company will have 398,928,910 Shares on issue and therefore, subject to Shareholder approval being obtained under Resolution 8, 39,892,891 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 Additional 10% Placement Capacity is a moving calculation and will be based on the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities. That formula is:

$(A \times D) - E$

- A is the number of Shares on issue 12 months before the date of issue or agreement:
- (a) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
 - (b) plus the number of partly paid Shares that became fully paid in the 12 months;
 - (c) plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid Shares under the entity's 15% placement capacity without Shareholder approval;
 - (d) less the number of fully paid Shares cancelled in the 12 months.

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 12 months before the date of the issue or agreement to issue, that are not issued with the approval of Shareholders under Listing Rules 7.1 or 7.4.

The table below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

Variable 'A'	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		\$0.0825 Issue Price at half the current market price	\$0.165 Issue Price at current market price	\$0.33 Issue Price at double the current market price
Current Variable 'A' 398,928,910 Shares	Shares issued	39,892,891	39,892,891	39,892,891
	Funds raised	\$3,291,164	\$6,582,327	\$13,164,654
	Dilution	10%	10%	10%
50% increase in current Variable 'A' 598,393,365 Shares	Shares issued	59,839,336	59,839,336	59,839,336
	Funds raised	\$4,936,745	\$9,873,490	\$19,746,981
	Dilution	10%	10%	10%
100% increase in current variable 'A' 797,857,820 Shares	Shares issued	79,785,782	79,785,782	79,785,782
	Funds raised	\$6,582,327	\$13,164,654	\$26,329,308
	Dilution	10%	10%	10%

The table above assumes:

- The issue of Equity Securities under the Additional 10% Placement Capacity 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 converted into Shares for the purposes of calculating the voting dilution effect on existing Shareholders.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Capacity, 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.

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.

Resolution 8 is a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

Specific information required by Listing Rule 7.3A

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

- (a) The Equity Securities will be issued at an issue price 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; or
 - (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 8 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, 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 of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued:
 - (A) 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
 - (B) as consideration (or part thereof) for the acquisition of a new asset, both of which may have an effect on the amount of funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity.
- (c) The table above shows the dilution of existing Shareholders upon the issue of the maximum number of Equity Securities under the Additional 10% Placement Capacity, using different variables for the number of ordinary securities for variable 'A' (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable 'A' is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities. The table shows:
 - (i) examples of where variable 'A' is at its current level, and where variable 'A' has increased by 50% and by 100%;
 - (ii) examples of where the issue price of ordinary securities is the current market price as at close of trade on 17 October 2019, being \$0.165 (current market price), where the issue price is halved, and where it is doubled; and
 - (iii) the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.

- (d) Approval of the Additional 10% Placement Capacity will be valid during the period (**Additional Placement Period**) from the date of the Annual General Meeting and will expire on the earlier of:
- (i) the date that is 12 months after the date of the Annual General Meeting; and
 - (ii) the date of the approval by Shareholders of 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).
- (e) The Company may seek to issue the Equity Securities for the following purposes:
- (i) If Equity Securities are issued for cash consideration, the Company intends to primarily allocate it towards developing its Salt and Potash business; and
 - (ii) If Equity Securities are issued for non-cash consideration, the Company intends to use the funds for the acquisition of new assets and/or investments. If Equity Securities are issued for non-cash consideration, the Company will comply with the minimum issue price limitation under Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.3 and 3.10.5A upon issue of any Equity Securities.

- (f) 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 entitlements 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 of the Company; and
 - (iv) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

The persons to whom Shares will be issued under the Additional 10% Placement Capacity 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 previously obtained Shareholder approval under Listing Rule 7.1A on 22 November 2018. In the 12 months preceding the date of the Meeting, the Company has issued 1,320,000 Equity Securities which represents 0.32% of the total number of Equity Securities on issue at the commencement of that 12 month period. Information is provided in relation to each issue of Equity Securities in the 12 months preceding the date at Annexure B.
- (h) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not determined who the Company will issue Equity Securities to under the Additional 10% Placement Capacity, other than noting that the persons to whom Shares will be issued will be determined on a case by case basis having regard to the factors outlined in paragraph (f) above. The Company has not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the Additional 10% Placement Capacity, therefore no existing security holders' votes would be excluded under the voting exclusion statement included in this Notice.

Recommendation: The Directors recommend that Shareholders vote in favour of Resolution 8.

RESOLUTION 9 – AMENDMENT TO CONSTITUTION

Resolution 9 seeks Shareholder approval for amendments to the Company's Constitution.

The Company intends to amend its Constitution to comply with the changes proposed to ASX Listing Rule 15.12, due to come into effect on 1 December 2019. The proposed changes require a company with Restricted Securities on issue (including Restricted Securities issued under Listing Rules 11.1.3 or 10.1), to provide for the following in its constitution:

- a holder of Restricted Securities must not Dispose of, or agree or offer to Dispose of, the Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules;
- if the Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a Holding Lock applied for the duration of the escrow period applicable to those Restricted Securities;
- the Company will refuse to acknowledge any Disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the Listing Rules or ASX;
- a holder of Restricted Securities will not be entitled to participate in any return of capital on those Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the Listing Rules or ASX; and
- a holder of Restricted Securities breaches a Restriction Deed or a provision of the Company's Constitution restricting a Disposal of those Restricted Securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those Restricted Securities for so long as the breach continues.

At the date of this Notice, the Company does not have any Restricted Securities on issue. However, the Company seeks Shareholder approval to amend its Constitution to align with the proposed changes to Listing Rule 15.12, which will apply at such time as the Company considers issuing Restricted Securities.

The full text of the amendments is set out in Annexure C to this Explanatory Statement.

GLOSSARY

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

Associate	has the meaning given to that term in the Listing Rules.
Associated Bodies Corporate	means, in relation to the Company, a body corporate that: <ul style="list-style-type: none"> (a) is a Related Body Corporate of the Company; (b) has voting power in the Company of not less than 20%; or (c) in which the Company has voting power of not less than 20%.
ASX	the Australian Securities Exchange or ASX Limited ACN 008 624 691, as appropriate.
AWST	Australian Western Standard Time.
Bad Leaver	means an Eligible Employee who is a Participant and who ceases to be an Employee because he or she: <ul style="list-style-type: none"> (a) has been dismissed or removed from office for gross misconduct or for a reason which entitles a Group Company to immediately dismiss the Participant (or Eligible Employee); (b) has been convicted on indictment of an offence against the Corporations Act in connection with the affairs of a Group Company; (c) has been convicted on indictment of an offence of fraud or defalcation; (d) has had judgment entered against him or her in civil proceedings in respect of the contravention by the Participant (or Eligible Employee) of his or her duties at law, in equity or under statute in his or her capacity as an executive or director of a Group Company; (e) is in material breach of any of his or her duties or obligations to a Group Company including any attempt to sell the Shares the subject of the Holding Lock; or (f) has done an act which brings a Group Company into serious disrepute by virtue of connecting the Company (or any of its Associated Bodies Corporate) with activities that are dishonourable, illegal or dangerous to members of society.
Board	the board of Directors of the Company.
Closely Related Party	has the meaning given to that term in the Corporations Act.
Company	BCI Minerals Limited ACN 120 646 924.
Constitution	Constitution of the Company, as amended from time to time.
Corporations Act	Corporations Act 2001 (Cth).
Director	a director of the Company.
Dispose	has the meaning given to that term in the Listing Rules and ‘Disposal’ has a corresponding meaning.
Eligible Employee	means an Employee whom the Board determines is to be granted Share Rights or Performance Rights under the SRP or PRP (as applicable).
Employee	means a person who is a full-time or part-time employee or officer or executive consultant of the Group Company (including an executive or non-executive director).
Equity Securities	has the meaning given to that term in the Listing Rules.

Good Leaver	means a person who has been granted Share Rights or Performance Rights under the SRP or PRP (as applicable), and who ceases to be employed by the Company for reasons other than a Bad Leaver.
Group	means Company and its Associated Bodies Corporate and Group Company means the Company or any of its Associated Bodies Corporate.
Holding Lock	has the meaning given to that term in the Listing Rules.
Key Management Personnel	as disclosed in the Remuneration Report.
Listing Rule	a Listing Rule of the ASX.
Notice / Notice of Meeting	this Notice of Annual General Meeting
Notification Event	means: a) a takeover bid (as defined in the Corporations Act) becoming or being declared to be unconditional; b) a Shareholder, or a group of associated Shareholders: i. becoming entitled to sufficient Shares to give it or them the ability to replace all or majority of the Board; or ii. gaining the ability to control more than 50% of the voting power (as defined in the Corporations Act) in the Company; c) the approval of a merger by way of scheme of arrangement by the Court (under the Corporations Act); d) any Group Company enters into agreements to sell in aggregate 50% or more interest of the Company's principal project (such project being reflected in ASX announcements or as determined by the board) to a person, or a number of persons, none of which are Group Companies; e) a Group Company is no longer the manager of the Company's principal project; f) the Board determines in its reasonable opinion: i. control of the Company has or is likely to change or pass to one or more persons, none of which are Group Companies; or ii. the events in paragraphs (d) and (e) in this definition have occurred; or g) any additional event(s) the Board determines will comprise a Notification Event as set out in an Offer Document.
Participant	means an Eligible Employee (and any of his/her nominees) to whom Shares, Share Rights or Performance Rights have been granted under the PRP or SRP (as applicable).
Performance Right	means a conditional right granted to a participant under the Performance Rights Plan to receive a Share, subject to the terms of the offer and the rules of the Performance Rights Plan which are summarised in this Notice.
Performance Rights Plan or PRP	means the Performance Rights Plan of the Company.
Restricted Securities	has the meaning given to that term in the Listing Rules.
Restricted Voter	Key Management Personnel and their Closely Related Parties as at the date of the Meeting
Restriction Deed	has the meaning given to that term in the Listing Rules.
Related Body Corporate	has the meaning given in section 50 of the Corporations Act.
Share(s)	a fully paid ordinary share(s) in the capital of the Company.
Shareholder	shareholder of the Company.

Share Right	means a conditional right granted to a participant under the Share Rights Plan to receive a Share, subject to the terms of the offer and the rules of the Share Rights Plan which are summarised in this Notice.
Share Rights Plan or SRP	means the Share Rights Plan of the Company.
Vesting Date	is the date the Company delivers the Vesting Notice to a holder of a Performance Right or Share Right (as applicable).
Vesting Notice	means a notice to a holder of a Performance Right or Share Right (as applicable) that, to the extent specified in the vesting notice, the vesting conditions have been satisfied or waived.
Vesting Period	means the period (if any) determined by the Board and specified in the terms of the offer during which any vesting conditions (as applicable) are required to be satisfied (unless waived by the Performance Rights Plan or Share Rights Plan (as applicable)) before the Performance Rights or Share Rights (as applicable) vest.

ANNEXURE A

Summary of the Share Rights Plan and Performance Rights Plan

The Company has established a Share Rights Plan and Performance Rights Plan. 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 are only to be issued to the Managing Director and general manager level employees (Key Management Personnel), 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. 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 of 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 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 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.

- (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.

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:
 - (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 SRP or PRP (as applicable) 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.

ANNEXURE B

ISSUES OF EQUITY SECURITIES BY THE COMPANY OVER THE LAST 12 MONTHS

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Allottees or Basis on which Allottees Determined	Price at which Equity Securities Issued and Discount to Market Price	Total Cash Consideration	Amount of Cash Spent and Use of Cash	Intended Use of Remaining Cash	Non-cash consideration	Current Value of Non-cash consideration
28 August 2019	1,320,000 fully paid ordinary shares.	Fully paid ordinary shares.	Issued to A. Vorster, Managing Director of the Company.	N/A – issued pursuant to the terms and conditions of the Company's BCI Employee Performance Rights Plan approved by shareholders at the AGM on 25 November 2016.	Nil. Valuation of shares issued was \$237,600 based on the closing share price on the date of issue.	N/A	N/A	Shares issued pursuant to the terms and conditions of the Company's BCI Employee Performance Rights Plan approved by shareholders at the AGM on 25 November 2016.	Valuation of shares issued is \$217,800 based on the closing share price on 17 October 2019.

ANNEXURE C

Resolution 9 seeks Shareholder approval to adopt the amendment to the Company Constitution set out below.

1. Insert a new clause 2.12, which reads:

- (a) A holder of Restricted Securities must not Dispose or agree or offer to Dispose of those Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the Listing Rules or ASX.
- (b) If those Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a Holding Lock applied for the duration of the escrow period applicable to those Restricted Securities.
- (c) The Company will refuse to acknowledge any Disposal (including, without limitation, registering any transfer) of Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the Listing Rules or ASX.
- (d) A holder of Restricted Securities will not be entitled to participate in any return of capital on those Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the Listing Rules or ASX.
- (e) If a holder of Restricted Securities breaches a Restriction Deed or a provision of the Company's Constitution restricting a Disposal of those Restricted Securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those Restricted Securities for so long as the breach continues.

2. Insert the following definitions in clause 22:

Dispose has the meaning given to that term in the Listing Rules and '**Disposal**' has a corresponding meaning.

Holding Lock has the meaning given to that term in the Listing Rules.

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

Restriction Deed has the meaning given to that term in the Listing Rules.



BCI
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **2:00pm (AWST)**
Monday, 25 November 2019

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.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "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.

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 ND

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 the offices of BDO, 38 Station Street, Subiaco, Western Australia on Wednesday, 27 November 2019 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 and 3 to 7 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 3 to 7 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 and 3 to 7 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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Michael Blakiston as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of Share Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Potential Termination Benefit Under Share Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of Potential Termination Benefit Under Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Grant of Performance Rights to Mr Alwyn Vorster or his Nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval of 10% Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Amendment to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

