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BHM Executes Fully Underwritten A$90m Capital Raising to Accelerate Centenary & Pinnacles Growth

Summary

- **Underwritten Placement & Share Purchase Plan**
  - **Fully underwritten A$90 million capital raising** comprising A$85 million two tranche placement and A$5 million share purchase plan
  - **Placement demand in excess of original funds sought**, with the Company accepting a portion of oversubscriptions and also undertaking scaling
  - Placement proceeds will be applied to a **Centenary production decline, accelerated resource drilling** and infrastructure upgrades, and **Pinnacles production growth** and resource drilling
- **Working Capital Financing**
  - Non-binding Letter of Intent signed with current zinc offtake partner Ausinmet Pte Ltd for **expanded offtake & US$30m (~A$42.5m) financing**
  - Proposed **offtake and financing terms are highly competitive**, reflective of the tight market conditions for zinc concentrates
  - Financing to provide **significant working capital beyond Placement proceeds**, enabling growth project acceleration

Broken Hill Mines (ASX: BHM) (**BHM** or the **Company**) is pleased to announce a fully underwritten capital raising of A$90 million (**Offer**) comprising an A$85 million two tranche placement (**Placement**) and A$5 million share purchase plan (**SPP**). The material terms of the Underwriting Agreement are set out in Annexure A.

The Placement demand exceeded the original funds sought, with the Company accepting a portion of oversubscriptions and also undertaking scaling.

Funds raised from the Offer will be applied to a Centenary production decline, accelerated resource drilling and infrastructure upgrades, and Pinnacles production growth and resource drilling. Further information in relation to the Offer is included in the Investor Presentation lodged with this announcement.

The Placement price of A$0.76 per fully paid ordinary share in the Company (**Share**) represents a:

- 10.1% discount to the last closing price per Share, being A$0.845 on 25 August 2026; and
- a 6.3% discount to the 15 day volume weighted average trading price per Share on 25 August 2026.

BHM's Executive Chairman, Patrick Walta said:

"We are delighted with the support for the Placement that provided the opportunity to introduce a number of highly credentialled local and offshore institutional investors to the register.

The Placement received demand in excess of funds sought, with the Company accepting a portion of oversubscriptions and also undertaking scaling.

I would also like to thank our existing investors for their ongoing support. We welcome the opportunity for existing eligible shareholders to participate in the capital raising through the SPP, at the same price as the Placement.

The demand for the Placement highlights the significant opportunity that Centenary and Pinnacles Underground growth projects present for BHM. Funds raised from the capital raising will allow us to continue to advance these projects and unlock further value for our shareholders."

Petra Capital Pty Limited (**Petra**) acted as Sole Lead Manager, Sole Bookrunner and Sole Underwriter to the Offer. Euroz Hartleys Limited acted as Co-Lead Manager, Blue Ocean Equities Pty Limited acted as Co-Manager and Peloton Capital Pty Limited acted as a Broker to the Placement. Clayton Utz is acting as legal advisor to the Company.

Details of the Placement

The A$85 million Placement will be completed in two tranches:

- A$60 million under the Company's capacity under ASX Listing Rule 7.1 & 7.1A (**Tranche One**); and
- A$25 million subject to shareholder approval at a General Meeting of the Company to be held on or around 12 October 2026 (**Tranche Two**).

A total of 79,232,095 Shares will be issued under Tranche One of the Placement (47,539,257 Shares under ASX Listing Rule 7.1 and 31,692,838 Shares under ASX Listing Rule 7.1A). Shares issued under Tranche One are expected to settle on 3 September 2026 and be issued on or around 4 September 2026.

The issue of 32,610,011 Shares under Tranche Two will be subject to shareholder approval at a General Meeting of the Company to be held on or around 12 October 2026. Shares to be issued under Tranche Two are expected to settle on 16 October 2026 and be issued on or around 19 October 2026.

SPP Details

Eligible Australian and New Zealander shareholders, who are not in the United States, on the Record Date, being 5.00pm (AEST) on 27 August 2026, will be offered the opportunity to participate for up to A$30,000 under the SPP at the same price as the Placement.

The SPP is fully underwritten up to A$5 million. In the event of any shortfall under the SPP, the Underwriter will subscribe for SPP shortfall shares following shareholder approval at the General Meeting of the Company.

The Company reserves the right to scale applications or accept oversubscriptions under the SPP at its sole discretion.

New shares issued under the Placement and SPP will rank equally with existing Shares from the date of issue.

The SPP offer booklet, containing further details on the SPP, is expected to be released on the ASX and made available to Eligible Shareholders on or around 4 September 2026. The SPP is subject to the terms and conditions set out in the SPP offer booklet.

Directors have indicated that they intend to participate in the SPP.

Indicative Timetable

Event	Indicative Date
Launch of Offer	26 August 2026
Record date for eligibility to participate in SPP	27 August 2026
Trading halt lifted and announcement of completion of Placement	28 August 2026
Settlement of New Shares under Tranche One Placement	3 September 2026
Allotment of New Shares under Tranche One Placement	4 September 2026
Despatch SPP Offer Documents and SPP Offer open date	4 September 2026
SPP closing date	16 September 2026
Announcement of results of SPP	On or before 23 September 2026
Commencement of trading of SPP shares	24 September 2026
Despatch of holding statements for SPP shares	25 September 2026
General Meeting	12 October 2026
Tranche Two Placement & SPP Underwritten Shortfall Shares Settlement Date	16 October 2026
Tranche Two Placement & SPP Underwritten Shortfall Shares Allotment Date	19 October 2026

Timetable is indicative only, subject to change by BHM in its absolute discretion, in consultation with Petra and in compliance with the ASX Listing Rules, Corporations Act, and all other applicable laws. All times and dates are in reference to AEST time.

An Appendix 3B for the proposed issue of new Shares under the Offer will follow this announcement.

Proposed Expanded Zinc Concentrate Offtake & US$30m Financing Facility

BHM and its existing zinc concentrate offtake partner Ausinmet Pte Ltd (**Ausinmet**) have entered into a non-binding Letter of Intent (**LOI**) dated 21 August 2026 for the proposed purchase of Rasp Zinc Concentrates (**Offtake**) and provision of a working capital facility of up to US$30 million by Ausinmet to support working capital requirements of the Rasp Mine (**Working Capital Facility**).

BHM and Ausinmet have a long standing successful business partnership, with the LOI building upon the existing Zinc Concentrate Sales and Purchase Agreement between the parties (dated 1 August 2024).

The terms in the LOI provide for a total quantity of up to 200,000t Offtake, with pricing based on a market standard of the average London Metal Exchange (**LME**) cash settlement price for Special High Grade Zinc.

The Working Capital Facility terms in the LOI provide for an up to US$30 million facility drawn at a rate of Secured Overnight Financing Rate (**SOFR**) plus 3.5% p.a., with amortisation terms to be finalised based on a percentage of the value of each Offtake shipment delivered.

The LOI is non-binding and indicative only and requires definitive documentation to be agreed within 90 days or such later date as the parties may agree in writing.

The Offtake and the Working Capital Facility remain subject to satisfactory customary conditions, requisite third party consents and the execution of definitive documentation.

Annexure A – Material terms of the Underwriting Agreement

The Company has entered into an Underwriting Agreement with Petra (**Underwriting Agreement**). Pursuant to the Underwriting Agreement, the Company has appointed Petra as lead manager, bookrunner and underwriter to the Offer. The material terms are set out below:

Subject	Provision
Underwriting commitment	Petra agrees to underwrite the Placement and SPP by subscribing for the aggregate number of Shares for which the Company does not hold valid applications.
Conditions precedent	Petra's obligations to underwrite the Tranche One Placement is conditional upon: (a) (**Due Diligence Questionnaire**) written responses to the due diligence questionnaire signed by the Executive Chairperson of the Company having been given to Petra (in a form acceptable to the Petra), prior to the Company making an announcement on ASX in connection with the Placement; (b) (**Consent to be named**) Petra being satisfied (in its sole and absolute discretion) with the form of: (i) the placement letter; (ii) the announcement made by the Company regarding the launch of the Placement and the Appendix 3B (**ASX Materials**); and (iii) all other communications authorised by or on behalf of the Company in connection with the Placement, (together, the **Offer Documents**), and having given its consent to be named in the Offer Documents (other than the SPP offer booklet) prior to 9:30am on the lodgement date referred to in the Underwriting Agreement (**Lodgement Date**) as evidence thereof; (c) (**ASX Materials lodgement**) the Company lodging the ASX Materials (in a form approved by Petra, acting reasonably) with ASX prior to 9:30am on the Lodgement Date; (d) (**Shares recommence trading**) the Company announcing the results of the Placement on the results announcement date referred to in the Underwriting Agreement and the Shares recommencing normal trading on that date; (e) (**Quotation**) ASX not indicating that it will not grant permission for quotation of the Shares under the Placement on the ASX on or before 5:00pm on the quotation date referred to in the Underwriting Agreement; and (f) (**Closing Certificate**) the Company providing Petra with a closing certificate in respect of the Tranche One Placement (**Tranche One Closing Certificate**); (g) (**US Legal Opinion**) Rimon Law delivering their legal opinion to Petra,

	(the **Tranche One Conditions**). Petra's obligations to underwrite the Tranche Two Placement are conditional upon: (a) (**Tranche One Conditions**) satisfaction or waiver of each of the Tranche One Conditions; (b) (**Meeting Approval**) approval by Shareholders' by the requisite majority to issue the New Shares pursuant to the Tranche Two Placement and shortfall (**EGM Approvals**) being obtained on or before the date of the EGM; and (c) (**Closing Certificate**) the Company providing Petra with a closing certificate in respect of the Tranche Two Placement. Petra alone may, in its absolute discretion, waive any or all of the conditions precedent in the Underwriting Agreement. Petra's obligations to underwrite the Shares under the SPP are conditional upon: (a) (**Tranche 1 Conditions**) satisfaction or waiver of each of the Tranche One Conditions; (b) (**EGM Approvals**) EGM approvals being obtained; (c) (**SPP Offer Booklet**) the Company completing the despatch of the SPP offer booklet on or before the SPP opening date; (d) (**Cleansing Notice**) a cleansing notice in respect of the Placement and SPP being lodged with ASX before the 9:00am on the date the Shares under the SPP are issued; (e) (**Closing Certificate**) the Company providing Petra with a Closing Certificate in respect of the Shares under the SPP shortfall; and (f) (**Quotatio**n) ASX not indicating that it will not grant permission for quotation of the Shares under the SPP on the ASX on or before 5:00pm on the SPP quotation date referred to in the Underwriting Agreement.
Sub-underwriting	Petra has the right and authority (at its own cost and expense) to appoint any licensee or institutional investor as a sub-underwriter of Placement on terms not inconsistent with the Underwriting Agreement.
Fees	The Company must pay Petra: (a) a management fee of 1.0%; and (b) a placement fee of 5.0%, of the total Proceeds of the Placement (being the gross amount raised under the Placement less any amount raised through friends, family or associates of the management of the Company, including persons on the Chairman's List). The Company must also pay Petra a fee of 3% of the SPP Proceeds to Petra. Notwithstanding anything to the contrary, the Company agrees to pay and the fees earned are due to be paid to Petra:

	(a) on the settlement date of the Shares issued pursuant to the Tranche One Placement (**Tranche One Settlement Date**); and (b) on the settlement date of the Shares issued pursuant to the Tranche Two Placement (**Tranche Two Settlement Date**).
Events of termination	Petra may terminate its obligations under the Underwriting Agreement at any time by giving written notice to the Company if any of the following events occur: (a) the Company does not provide the Tranche One Closing Certificate; (b) any event specified in the timetable is delayed by more than two business days without the prior written approval of Petra (which approval must not be unreasonably withheld or delayed), other than a delay caused solely or predominantly by Petra; (c) any change of law which does or is likely to prohibit, restrict or regulate the Placement in a materially adverse way from that prior to the relevant occurrence, or to materially reduce the likely level of valid applications, or which materially affects the financial position of the Company; (d) the Company or any related corporation of the Company fails to materially comply with a provision of its constitution, any applicable statute, the Listing Rules, a requirement, order or request made by or on behalf of the Australian Securities and Investments Commission (**ASIC**), ASX or any government body; (e) any material contract to which the Company is a party is terminated, amended or found to be void or voidable without the prior written consent of Petra (which consent must not be unreasonably withheld or delayed); (f) the constitution of the Company or a related corporation is amended without the prior written consent of Petra; (g) a judgement in an amount exceeding A$2,000,000 is obtained against the Company or a related corporation of the Company and is not set aside or satisfied within seven days; (h) any distress, attachment, execution or other process of a government body in an amount exceeding A$2,000,000 is issued against, levied or enforced on any of the assets of the Company or a related corporation of the Company and is not set aside or satisfied within seven days; (i) an insolvency event occurs in respect of the Company or a related corporation of the Company; (j) the Company or a related corporation passes or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of Petra; (k) there is an outbreak of hostilities (whether or not war has been declared) not presently existing at the Underwriting Agreement, or a major escalation in existing hostilities occurs involving, or a significant terrorist attack is perpetrated anywhere in, or a national emergency is declared in countries specified in the Underwriting Agreement;

	(l)	the Company is in material default of any of the terms and conditions of the Underwriting Agreement or breaches any warranty or covenant given or made by it under the Underwriting Agreement;
	(m)	the Company is in material breach of, or has failed to comply in a material respect with, any term of its debt obligations (including any offtake funding obligations), or any funding obligation under those debt obligations is called;
	(n)	any Shares that have been issued by the Company which at the date of the Underwriting Agreement are officially quoted on ASX: (i) are suspended from quotation whether temporarily or otherwise; or (ii) are the subject of an ASX statement to the effect that the Shares will be suspended or cease to be quoted, and that suspension is not lifted within 3 trading days following such suspension (excluding any suspension in connection with the Placement)
	(o)	the S&P/ASX 300 Index at any time is at a level that is 12% or more below the level at market close on the business day immediately preceding the date of the Underwriting Agreement;
	(p)	any material warranty, representation or statement by the Company is or becomes materially false, misleading or incorrect when made or regarded as made;
	(q)	ASX makes a statement to any person that official quotation of the Shares under the Placement or SPP will not be granted;
	(r)	the ASX Materials are not lodged with ASX by the Lodgement Date;
	(s)	there is a material omission from the Offer Documents;
	(t)	there is a material statement in the Offer Documents that is or becomes false or misleading;
	(u)	the issue of the Offer Documents constitutes conduct that is misleading or deceptive or likely to mislead or deceive;
	(v)	the Offer Documents do not materially comply with the Corporations Act;
	(w)	in Petra's reasonable opinion: (i) there has been a significant change affecting any matter included in the Offer Documents; or (ii) a significant new matter has arisen the inclusion in the Offer Documents of information about which would have been required to be in the Offer Documents if the matter had arisen when the Offer Documents were prepared, and the new matter is materially adverse from the point of view of an investor;
	(x)	any cleansing notice is or becomes defective, or any amendment or update to a cleansing notice is issued or is required to be issued under the Corporations Act and, in each case, that defective cleansing notice or

	amendment or update to a cleansing notice is adverse from the point of view of an investor; (y) except for the allotment and issue of the Shares under the Placement and SPP, the issue of securities under the Company's employee equity incentive scheme and shares issued on conversion of options or other convertible securities already on issue as at the date of the Underwriting Agreement, any of the matters set forth in section 652C of the Corporations Act occurs in respect of the Company or any related corporation of the Company; (z) any information supplied by the Company or on its behalf to Petra in respect of the Placement is or becomes materially false or misleading; (aa) there is a material omission from the responses to the due diligence questionnaire or one or more responses are materially false or misleading,; (bb) a Director of the Company or any related corporation of the Company is charged with an indictable offence relating to a financial or corporate matter; (cc) civil or criminal proceedings are brought against the Company or any Director or other officer of the Company in relation to any fraudulent, misleading or deceptive conduct by or on behalf of the Company (whether or not in connection with the Placement); (dd) a material adverse change arises; (ee) ASIC takes action against the Company in relation to the Placement and the Offer Documents; (ff) the Company is prevented from allotting and issuing the Shares under the SPP and Placement in accordance with the Underwriting Agreement; (gg) the Company withdraws the Placement (or any part of it); (hh) a trading halt referred to in the Underwriting Agreement ends (assessed on a cumulative basis) before the expiry of the relevant period contemplated by the Underwriting Agreement without the consent of Petra (which consent must not be unreasonably withheld or delayed), and this materially adversely affects the ability of the Company to make the offer under the Placement, or reduces the likely level of valid applications; (ii) the Company or any related corporation of the Company takes any steps to alter its capital structure in a way not contemplated by the Underwriting Agreement, without the prior written consent of Petra; (jj) there is a material disruption to financial markets; (kk) a change in the Directors or senior management of the Company is announced or occurs before the Settlement Date, except management changes as a result of any management restructure disclosed to Petra in writing before the date of the Underwriting Agreement;

	(ll) an application is made to the Takeovers Panel pursuant to section 657C(2) of the Corporations Act in relation to the affairs of the Company; and (mm) a force majeure event prevents or delays Petra from performing any obligation under the Underwriting Agreement for a continuous period of 5 business days. Petra may not terminate the Underwriting Agreement if certain of the above events occur unless Petra determines in good faith (which includes consulting with the Company) that the relevant event has had or could have a material adverse effect on: (A) the success of the Placement; (B) the ability of Petra to market or promote the Placement; (C) the willingness of persons to apply for, or settle obligations to subscribe for, Shares under the Placement or the SPP; or (D) the price or likely price at which the Company's Shares are likely to trade on ASX, or has given, or is likely to give, rise to a contravention by Petra of the Corporations Act or any other applicable law, or a liability for Petra. Upon termination of the Underwriting Agreement: (a) the obligations of Petra under the Underwriting Agreement end; and (b) any rights of Petra accrued under the Underwriting Agreement up to the date of termination and all rights to be indemnified remain. For the avoidance of doubt, Petra's right to terminate in respect of the Tranche One Placement may only be exercised prior to settlement of the Tranche One Placement, any termination event that occurs after settlement of the Tranche One Placement does not affect the issue and allotment of Shares under the Tranche One Placement already settled, and termination after the Tranche One Settlement Date operates only in respect of the Tranche Two Placement.
Governing law	The Underwriting Agreement is governed by the laws of New South Wales.
Other terms	Customary terms for agreements of this nature, including in relation to representations and warranties pertaining to the Hartree Offtake Financing Facility and the Ausinmet Offtake Facility.

-Ends-

The Board of Directors of Broken Hill Mines Limited authorised the release of this announcement.

Further Information

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