ASX Release
19 August 2021

APPENDIX 4E

FOR THE FULL-YEAR ENDED 30 JUNE 2021

This information should be read in conjunction with BCI Minerals Limited's Annual Financial Report for the full-year ended 30 June 2021.

Company Details

Name of entity: BCI Minerals Limited

ABN: 21 120 646 924

Results for announcement to the market

	June 2021 $000	June 2020 $000	Up / Down	% Movement
Revenue from continuing operations	160,482	77,259	Up	108%
Profit after income tax from continuing operations	21,972	377	Up	N/A
Net profit attributable to members	21,972	377	Up	N/A

Dividends

No dividends have been declared for the full-year ended 30 June 2021 (2020: nil).

Net tangible asset backing

Net tangible asset backing per ordinary share: $0.26 (2020: $0.22).

Previous corresponding period

The previous corresponding period is the full-year ended 30 June 2020.

Audit

This report is based on financial statements which have been audited by BDO Audit (WA) Pty Ltd.

Commentary on results for the period

The Company's profit after income tax for the full-year ended 30 June 2021 was $22.0M, which is a result of positive earnings from Iron Valley driven by higher iron ore pricing offset by further investment to advance the Mardie Salt and Potash Project.

Detailed commentary on the results for the full-year is contained in the ASX release and the annual financial report that accompany this announcement.

BCI MINERALS LIMITED

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

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DIRECTORS' REPORT

The Directors present their report on the results of the Consolidated Entity (referred to hereafter as the Company) consisting of BCI Minerals Limited ("BCI") and the entities it controlled at the end of, or during the year ended 30 June 2021.

PRINCIPAL ACTIVITY

The principal activities of the Company during the course of the financial year were the development of assets in the Pilbara region of Western Australia, primarily focused on the Mardie Salt and Potash Project and Iron Valley Iron Ore Mine.

There has been no significant change in the nature of the Company's activities during the financial year.

DIRECTORS

The names of directors of the Company in office during the financial year and up to the date of this report are:

Brian O'Donnell	Chair (Non-Executive)
Alwyn Vorster	Managing Director (Executive)
Jenny Bloom	Director (Non-Executive)
Michael Blakiston	Director (Non-Executive)
Garret Dixon	Director (Non-Executive)
Richard Court	Director (Non-Executive)
Chris Salisbury	Director (Non-Executive)

Mr Richard Court was appointed as a Director of the Company on 28 January 2021.
Mr Chris Salisbury was appointed as a Director of the Company on 28 May 2021.

DIRECTORS' QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

Mr Brian O'Donnell *B Com, FCA, MAICD*

Chair (Non-Executive) appointed October 2014
Period of office at August 2021 – 6 years and 10 months

In addition to being Chair of BCI, Mr O'Donnell is Director, Finance and Investments for the Australian Capital Equity Pty Limited (ACE) group, which includes BCI's largest shareholder, Wroxby Pty Ltd. He is a director of various ACE group companies, including companies active in the property, agricultural, financial services and investment sectors.

Mr O'Donnell is a non-executive director of Bravo Holdco Pty Ltd (the holding company for Hive and Wellness Australia Pty Ltd - formerly Capilano Honey Limited), SocietyOne Holdings Pty Ltd, the West Australian Football Commission and The Guide Dog Foundation Pty Ltd (WA). He is a former director of Iron Ore Holdings Limited, Coates Group Holdings Pty Ltd, WesTrac Pty Ltd, Landis & Gyr AG, Fremantle Football Club Ltd and YMCA of Perth Inc. He is a Fellow of the Institute of Chartered Accountants and has 35 years' experience in the finance and investment industry.

Mr O'Donnell is a member of the Audit and Risk Committee.

Mr Alwyn Vorster BSc (Hons) Geology, MSc (Mineral Economics) and MBA

Managing Director appointed 22 September 2016
Period of office at August 2021 – 4 years and 11 months

Mr Vorster commenced as Chief Executive Officer of BCI in May 2016 and was appointed as Managing Director in September 2016. He has more than 25 years' experience with numerous large mining houses in technical and commercial management roles covering the total supply chain from mine to market for iron ore, coal and other minerals.

Recent roles include Group Executive Mining at Australian Capital Equity Pty Limited (ACE), Chief Executive Officer of API Management and Managing Director of Iron Ore Holdings Ltd.

Mr Vorster is a member of the Remuneration and Nomination Committee, Project Review Committee, and Sustainability Committee.

Ms Jenny Bloom Grad. Dip Business Administration, GAICD

Director (Non-Executive) appointed March 2017
Period of office at August 2021 – 4 years and 5 months

Ms Bloom has an extensive business background with experience in the public and private sectors in Western Australia and Victoria. She was most recently the Deputy Chair and Member of the Waste Authority Western Australia for eight years and was a member of the Program and Risk Committee. She is a non-executive director of Breaking the Silence (Inc) and is a director of various private businesses. Ms Bloom previously held an elected position as a Councillor and Deputy Shire President for the Shire of Broome and as an independent director of a Broome based Aboriginal Corporation.

Ms Bloom is Chair of the Remuneration and Nomination Committee.

Mr Michael Blakiston *B. Juris*

Director (Non-Executive) appointed March 2017
Period of office at August 2021 – 4 years and 5 months

Mr Blakiston is a partner in Gilbert + Tobin's Energy and Resources group. He has over 30 years' experience across a range of jurisdictions. He advises in relation to asset acquisition and disposal, project structuring, joint ventures and strategic alliances, development agreements and project commercialisation, capital raisings and company merger and acquisitions.

Mr Blakiston has served on numerous ASX listed companies and not-for-profit boards and is currently the Chair of Precision Opportunities Fund Ltd, a specialist small to medium cap fund.

Mr Blakiston is the Chair of the Audit and Risk Committee.

Mr Garret Dixon

Director (Non-Executive) appointed 18 June 2020
Period of office at August 2021 – 1 year and 2 months

Mr Dixon has over 40 years of industry experience in the areas of mining, construction, contracting, civil engineering and bulk commodity logistics. Until recently, Mr Dixon held the position of Executive Vice President and President Bauxite of NYSE listed Alcoa Corporation, where he was responsible for the global bauxite mining business including seven bauxite mines on various continents.

His other experience includes positions as a Non-Executive Director of Watpac Limited, Managing Director at Gindalbie Metals Limited and Executive General Manager for Henry Walker Eltin (HWE).

Mr Dixon is a member of the Remuneration and Nomination Committee and Chair of the Project Review Committee.

Mr Richard Court

Director (Non-Executive) appointed 28 January 2021
Period of office at August 2021 – 8 months

Mr Court had served as Australia's Ambassador to Japan from 2016 to 2020. He was also Premier and Treasurer of Western Australia from 1993 to 2001. His other previous corporate experience includes Chair of GRD Ltd, Chair of Iron Ore Holdings Ltd, Chair of National Hire Ltd, Chair of RISC Advisory Pty Ltd and Director of WesTrac Equipment Pty Ltd.

During the year ended 30 June 2021, Mr Court was appointed as a member of the Audit and Risk Committee and the Sustainability Committee.

Mr Chris Salisbury

Director (Non-Executive) appointed 28 May 2021
Period of office at August 2021 – 4 months

Mr Salisbury is a metallurgical engineer with more than 30 years of operational experience across a diverse range of commodities. From 2016 to 2020, he was Chief Executive at Rio Tinto Iron Ore responsible for optimising operations, developing and implementing the company's climate change program and improving safety culture and operational performance of a team comprising ~20,000 employees and contractors, across a network of 16 mines, 4 ports and other significant infrastructure. In this role, he was also responsible for the management of Rio Tinto's salt business (Dampier Salt) which has the capacity to produce 10Mt of industrial salt per annum from 3 operations.

During the year ended 30 June 2021, Mr Salisbury was appointed as Chair of the Sustainability Committee and a member of the Project Review Committee.

COMPANY SECRETARY

Ms Susan Park *BCom, ACA, F Fin, FGIA; FCG; GAICD*

Joint Company Secretary appointed July 2018

Ms Park has over 24 years' experience in the corporate finance industry and extensive experience in company secretarial and non-executive director roles with ASX, AIM and TSX listed companies. Ms Park is currently Company Secretary of several ASX listed companies.

Mrs Stephanie Majteles *LLB(Hons), GAICD*

Joint Company Secretary appointed 30 June 2021

Mrs Majteles has over 18 years' experience in the projects and resources industries, with significant experience at both a top tier law firm and in-house at a large global resources company.

MEETINGS OF DIRECTORS

The number of meetings held during the year and the number of meetings attended by each director was as follows:

	Board		Audit and Risk Committee [1]		Remuneration and Nomination Committee[2]		Project Review Committee[3]		Sustainability Committee[4]	
Total Number of Meetings	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
B O'Donnell	11	11	4	4	-	-	-	-	-	-
A Vorster	11	11	-	-	-	-	9	9	-	-
M Blakiston	11	11	4	4	-	-	-	-	-	-
J Bloom	11	11	-	-	4	4	-	-	-	-
G Dixon	11	10	-	-	4	4	9	9	-	-
R Court [5]	5	5	-	-	-	-	-	-	-	-
C Salisbury [6]	2	2	-	-	-	-	-	-	-	-

[1] Members of the Audit and Risk Committee during the financial year ended 30 June 2021 were M. Blakiston (Chair), B. O'Donnell (Member) and R. Court (Member) from date of appointment.

[2] Members of the Remuneration and Nomination Committee during the financial year ended 30 June 2021 were J Bloom (Chair) and G. Dixon (Member). A. Vorster was also appointed to this committee as a member on 24 June 2021.

[3] Members of the Project Review Committee during the financial year end 30 June 2021 were G. Dixon (Chair), A. Vorster (Member) and C. Salisbury (Member) from date of appointment.

[4] The Board resolved to form a Sustainability Committee on 27 May 2021. Members of this committee are C. Salisbury (Chair), R. Court (Member) and A. Vorster (Member). There were no meetings of this committee held during the financial year ended 30 June 2021

[5] R Court was appointed as an independent Non-executive Director of the Company on 28 January 2021.

[6] *C Salisbury was appointed as an independent Non-executive Director of the Company on 28 May 2021.*

CORPORATE GOVERNANCE

In recognising the need for high standards of corporate behaviour and accountability, the Directors of BCI Minerals Limited support and have adhered to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. The Company's detailed corporate governance policy statement can be found on the Company's web site at www.bciminerals.com.au.

DIRECTORS' INTERESTS AND BENEFITS

The relevant interest of each director in the shares, Performance Rights and options over shares issued by the Company at the date of this report is as follows:

Director	Ordinary shares		Performance Rights		Share Rights	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
B O'Donnell	-	1,014,483	-	295,313	-	-
A Vorster	-	5,305,645	-	5,304,209	-	855,798
M Blakiston	-	-	-	168,750	-	-
J Bloom	90,000	-	168,750	-	-	-
G Dixon	-	-	-	178,125	-	-
R Court	-	750,000	-	-	-	-
C Salisbury	-	-	-	-	-	-
Total	**90,000**	**7,070,128**	**168,750**	**5,946,397**	**-**	**855,798**

DIVIDENDS

No dividends have been declared in relation to the year ended 30 June 2021 (June 2020: Nil).

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

REVIEW OF OPERATIONS

BCI is an Australian-based company that is developing a salt and potash business supported by iron ore royalty earnings.

Safety performance

BCI places a high priority on facilitating a safe working environment for all staff and contractors. During the year ended 30 June 2021, one incident resulting in a Recordable Injury occurred and the Total Recordable Injury Rate ("TRI") for the year was 1.0 (2020: 0.0). No lost time injuries ("LTIs") were recorded for the year and the lost time injury frequency rate ("LTIFR") was zero (June 2020: 0.0).

Mineral Resources Limited is responsible for Occupational Health and Safety matters at Iron Valley and therefore BCI does not report safety performance for the Iron Valley site.

Operations

Mardie Salt & Potash Project

During the financial year, BCI's focus at the 100% owned Mardie Salt & Potash Project was on completing the Optimised Feasibility Study ('OFS') and progressing the funding, approvals, tenure and offtake aspects of the Project and progressing enabling works.

Optimisation results of the Mardie Definitive Feasibility Study ('DFS') were released on 21 April 2021, outlining improved project footprint and economics. The optimisation delivers a ~20% increase in salt production (from 4.4Mtpa to 5.35Mtpa) and SOP production (from 120ktpa to 140ktpa), a ~30% increase in annual EBITDA (from A$197M to A$260M) and a ~40% increase in Pre-tax Project NPV_7 (from A$1,197M to A$1,670M) compared to the DFS announced on 1 July 2020.

In addition, de-risking activities conducted during the optimisation phase (including additional geotechnical work, flowsheet and equipment design, process piloting and progress with funding) have increased confidence in Mardie estimates and value potential.

The optimisation results confirm Mardie can become a Tier 1 asset categorised by its long life (minimum 60 years), top quartile scale, lowest quartile salt operating costs (after SOP by-product credits) and high-quality salt and SOP products. With attractive financial returns over many decades and future expansion potential from the new tenements, development of the Mardie Project should result in considerable long-term value and dividends being created for shareholders.

Project funding was significantly advanced during the year with the Federal Government's Northern Australia Infrastructure Facility ('NAIF') approving a 15-year A$450M loan for the Mardie Project in December 2020. The NAIF loan will sit alongside other debt tranches with a number of commercial banks and other lenders progressing through credit approval processes. BCI raised A$47.9M of equity at an issue price of A$0.24 per share via a 1 for 2 accelerated non-renounceable Entitlement Offer in the first half of FY21. Strong support was received from BCI's existing major shareholders, providing excellent endorsement for the Mardie Project and BCI's development plans. The proceeds of the equity raising facilitated early construction works at Mardie, including the expansion of the accommodation village, access road upgrades, improved communications, establishment of construction water supply and storage, installation of fuel storage facilities, and an embankment wall trial.

Important progress was made during the year with regard to the approvals and tenure required for the development of Mardie. The Western Australian Environmental Protection Authority ('EPA') recommended to the WA Minister for Environment that the Mardie Project can be implemented as proposed in the Environmental Review Document ('ERD'), subject to certain conditions which are materially consistent with BCI's designs, costings and implementation plans as outlined in its initial Definitive Feasibility Study. Following the completion of the final public appeals process, the Minister will consult with other WA Government departments before making a decision. Main construction of the Project can only commence when BCI has received the Ministerial approval as well as associated secondary approvals.

BCI continues to work closely with the Pilbara Ports Authority ('PPA') and the Department of Planning, Lands and Heritage ('DPLH') to finalise the tenure and agreements required to develop the Mardie Port facilities within the new Port of Cape Preston West.

Engagement with potential buyers of Mardie's salt and SOP products continued over the course of the year with two additional non-binding Memoranda of Understanding ('MOUs') signed with Chinese chemical companies for up to 0.5Mtpa salt. 16 MOUs are now in place covering 100% of 3-year salt production and 80% of 3-year SOP production. BCI will aim to convert these non-binding MOUs to binding offtake contracts in support of financing milestones within the next 18 months.

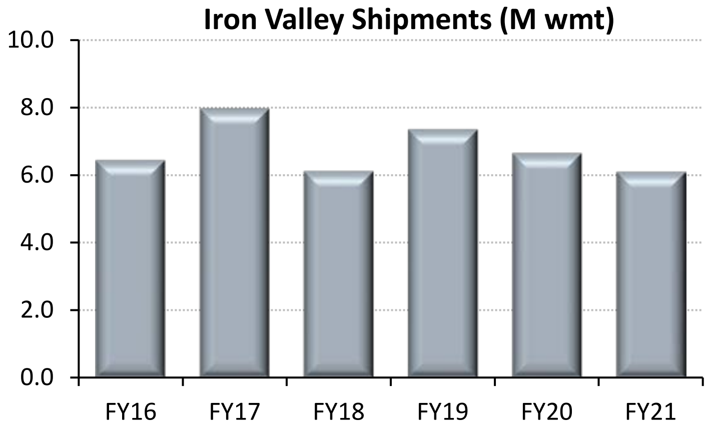
With key funding, approvals and tenure elements substantially advanced, BCI is targeting a Final Investment Decision for the Mardie Project in the second half of 2021.

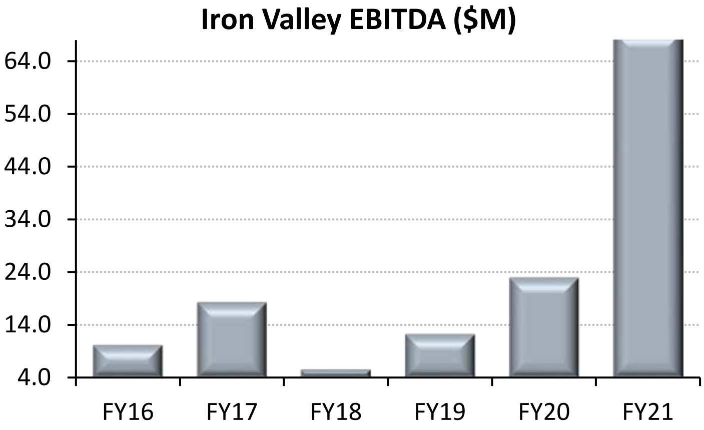
Iron Valley Iron Ore Mine

The Iron Valley Mine is operated by Mineral Resources Limited ("MIN") under an ore purchase agreement with BCI. MIN operates the mine at its cost and purchases iron ore from BCI at the mine gate at a price linked to MIN's received sales price. BCI is responsible for paying third party royalties and securing key approvals.

During the March 2021 quarter, BCI completed payment of the $25M rebate as per the agreement between MIN and BCI announced during the prior year. The 40% rebate represents BCI's contribution to the additional capital investment required for waste stripping and infrastructure upgrades at the Iron Valley mine that are expected to prolong the life of the mine and reduce operating costs.

During the financial year MIN shipped 6.1 million wet metric tonnes ("M wmt") (June 2020: 6.7 M wmt), which generated revenue for BCI of $160.2M (June 2020: $76.8M) and EBITDA of $69.5M (June 2020: $23.0M).





Other Assets

BCI has an interest in the Carnegie Potash Project, an SOP exploration project located approximately 220km north-east of Wiluna. BCI currently owns 30% in a joint venture with Kalium Lakes Limited ("KLL") and has rights to earn up to a 50% interest. KLL, the joint venture manager, continues to focus on securing tenure and access to all required tenements.

Environmental Regulation

BCI is committed to minimising its environmental impact, with an appropriate focus on continuous monitoring of environmental matters and compliance with environmental regulations.

BCI's exploration, mining and development activities are the subject of various State and Commonwealth environmental regulations. Compliance with these environmental regulations is managed through the Environment and Social Management System ("ESMS") and a series of other tools used to identify, analyse and control key risks associated with the environmental impact from the Company's activities. A compliance program is implemented on an annual basis to ensure appropriate records are being maintained and periodic reviews (inspections and audits) are conducted to assess performance against regulatory conditions and the requirements of the ESMS.

During the year, BCI submitted a number of reports and compliance statements to State regulatory bodies detailing BCI's performance against granted approvals. This includes all Annual Environmental Reports and Annual Compliance Reports, which were all submitted on time and endorsed by the regulators.

There have been no material breaches of the Company's licences, permits and approvals during the financial year.

REVIEW OF RESULTS

Statement of profit or loss

The Company's profit after income tax for the financial year ended 30 June 2021 was $22.0M (June 2020: $0.4M) arising due to increased royalty returns realised from the Iron Valley Mine.

The following table provides a summary of the Company's statement of profit or loss:

	30 June 2021 $M	30 June 2020 $M
Revenue	160.5	77.2
EBITDA	28.9	8.3
Interest, tax, depreciation and amortisation	(4.7)	(2.9)
Impairment of assets	(2.2)	(5.0)
Net profit/(loss) after tax	**22.0**	**0.4**

The Company's EBITDA for the financial year ended 30 June 2021 was $28.9M (June 2020: $8.3M), which incorporates a positive EBITDA from Iron Valley of $69.5M (June 2020: $23.0M) and increased investment in the Mardie project of $34.5M.

The following table shows the EBITDA contribution for each segment of the Group:

	30 June 2021 $M	30 June 2020 $M
Iron Valley	69.5	23.0
Gains from divestments	-	10.2
Mardie	(34.5)	(18.7)
Other	(6.1)	(6.2)
Total EBITDA	**28.9**	**8.3**

Statement of cash flows

Cash and cash equivalents as at 30 June 2021 increased to $79.4M (June 2020: $41.5M) with the positive movement resulting from the $47.9M capital raising completed in the year, increased receipts from Iron Valley and inflows from divestment of assets.

Statement of financial position

Net assets increased to $172.7M (June 2020: $104.1M) primarily due to the increase in cash and receivables held by the Group from the capital raising completed and net profit achieved during the year.

Dividends

The Directors have not paid or declared any dividends since the commencement of the financial year ended 30 June 2021.

		2021	2020
(a)	out of the profits for the year ended 30 June 2020 and retained earnings on fully paid ordinary shares	Nil	Nil
(b)	out of the profits for the year ended 30 June 2021 and retained earnings on fully paid ordinary shares.	Nil	Nil

Corporate

Annual General Meeting

The Company's annual general meeting was held in Perth on 26 November 2020. All ten resolutions considered at the meeting were passed.

PERFORMANCE RIGHTS AND SHARE RIGHTS

As at the date of this report, there were 13,253,241 Performance Rights and 2,456,005 Share Rights on issue to Directors and Employees under the Performance Right Plan and Share Right Plan, both approved at the November 2019 AGM (30 June 2020: Performance Rights 11,000,000 and Share Rights 1,445,348). During the financial year, 2,805,000 performance rights vested while 2,695,000 performance rights lapsed. Subsequent to the year end, a total of 2,301,146 share rights vested. Refer to the Remuneration Report for further details of Performance Rights and Share Rights outstanding.

No Performance Right or Share Right holder has any right to be provided with any other share issue of the Company by virtue of their Performance Rights or Share Rights holding.

None of the Performance Rights or Share Rights are listed on the ASX.

Shares issued as a result of conversion of performance rights and share rights

During the financial year, 816,000 ordinary shares were issued following conversion of performance rights that vested during the year. Subsequent to year end, the Company has issued 361,337 ordinary shares following the conversion of share rights. Since the end of the financial year, the Company has not issued any ordinary shares following conversion of performance rights.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company will continue enabling works at Mardie with a Final Investment Decision expected in the second half of 2021, triggering the finalisation of funding arrangements and the commencement of main construction.

BCI expects ongoing revenue and EBITDA from Iron Valley during the 2022 financial year. The Company may also receive residual compensation and royalties following the divestment of assets last financial year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the Company's state of affairs not otherwise included in this report.

MATTERS SUBSEQUENT TO THE REPORTING DATE

Other than disclosed above, no matter or circumstance has arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in financial periods subsequent to the financial year ended 30 June 2021.

AUDIT INDEPENDENCE AND NON-AUDIT SERVICES

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is attached to the independent auditor's report and forms part of the Directors' Report.

Non-audit services

For the year ended 30 June 2021 the Board of Directors is satisfied that the auditor, BDO Audit (WA) Pty Ltd, did not provide any non-audit services to the Company, as set out in Note 25 to the Financial Statements, that compromised the auditor independence requirements of the *Corporations Act 2001*.

Signed in accordance with a resolution by the Directors.

Brian O'Donnell
Chairman
Perth, Western Australia
19 August 2021

Alwyn Vorster
Managing Director
Perth, Western Australia
19 August 2021

REMUNERATION REPORT

The Remuneration Report outlines the remuneration arrangements in place for Directors and other Key Management Personnel ("KMP") of the Company in accordance with section 308 (3c) of the *Corporations Act 2001*.

For the purpose of this report the KMP are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any directors of the Company.

Directors	
B O'Donnell	Non-executive Chair
M Blakiston	Non-executive Director
J Bloom	Non-executive Director
G Dixon	Non-executive Director
R Court	Non-executive Director (Appointed 28 January 2021)
C Salisbury	Non-executive Director (Appointed 28 May 2021)
Executive Directors and Executives	
A Vorster	Managing Director
S Hodge	Chief Financial Officer
S Bennett	Project Director (Appointed 16 November 2020)

REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee ("RNC") is a committee of the Board comprised of two independent Non-Executive Directors, being Ms Bloom (Chair) and Mr Dixon. On 1 July 2021, Mr Vorster was appointed to the committee.

The role of the RNC is to assist the Board to fulfil its responsibilities with respect to employee and director remuneration, and board composition and diversity, by making recommendations to the Board on:

- The Company's People Policy which sets out the Company's approach to Remuneration, Diversity and Privacy;
- A Remuneration Framework which enables the Company to attract, retain and motivate high quality senior executives who create value for shareholders; and
- The selection, composition, performance and appointment of members of the Board so that it is effective and able to operate in the best interests of shareholders.

REMUNERATION FRAMEWORK

The Remuneration Framework of the Company aims to:

- Reward employees fairly and responsibly in accordance with the Australian market;
- Provide competitive performance based rewards that attract, retain and motivate employees;
- Ensure incentives provide fair reward in line with company and individual performance to deliver on the current and long term strategic objectives; and
- Ensure a level of equity and parity across BCI and alignment with BCI's culture while providing opportunity to recognise expertise and individual performance.

NON-EXECUTIVE DIRECTOR REMUNERATION

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors and are reviewed annually by the Board. The Chairman is not present at any discussions relating to determination of his own remuneration.

Directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at $900,000 in aggregate and was approved by shareholders at the annual general meeting on 19 November 2014. This amount is separate from any specific tasks the directors or their related entities may take on for the Company.

Fixed Remuneration

Non-Executive Directors' fixed remuneration comprise the following:

- Cash remuneration; and
- Superannuation.

EXECUTIVE REMUNERATION

The objective of the Company's executive remuneration is to ensure reward for performance is market competitive and appropriate for the results delivered. The executive remuneration is aligned with achievement of strategic and project objectives and the creation of value for shareholders.

The Board ensures that executive reward satisfies the following key criteria in line with appropriate corporate governance practices:

- Competitiveness and reasonableness;
- Acceptability to shareholders;
- Performance linkage/alignment of executive compensation;
- Transparency; and
- Prudent capital management.

Fixed Remuneration

The components of executives' fixed remuneration are determined individually and may include:

- Base Salary;
- Superannuation; and
- Insurances, parking, professional development support and other benefits.

Variable Remuneration

Short-term Incentives

Executives listed in this report may receive a short-term incentive ("STI") of up to 50 - 70% of their annual fixed remuneration. The STI is an "at risk" component of remuneration and payment may, at the Board's discretion, be in cash and/or equity. Measurement is based on performance against annually agreed key performance indicators ("KPIs"). These KPIs will typically be aligned to achievement of specific project and corporate objectives in relation to each financial year.

For the 2021 financial year, the Board exercised its discretion to award an STI based on the KPIs achieved during the year. Executive KMP were in aggregate awarded an STI cash incentive of $242,326 (21% of their aggregate annual salary) with an additional award of Share Rights valued at $242,326 (21% of aggregate annual salary). The STI cash incentive is recorded as an expense incurred by the Company during the financial year ended 30 June 2021 with the cash payment to Executives occurring post year-end in the 2022 financial year. Subsequent to year end, a total of 249,677 share rights were granted to KMP under the approved Share Right Plan and a further 262,431 Share Rights may be granted subject to approval at the next AGM of the Group. Rights granted are subject to a vesting period over which the fair value of such rights will be expensed.

For the 2020 financial year, the Board exercised its discretion to award an STI based on the KPIs achieved during year. Executives listed in this report were, in aggregate, awarded an STI cash incentive of $260,182 (21% of their aggregate annual salary) with an additional award of Share Rights valued at $261,000 (21% of aggregate annual salary). The STI cash incentive was recorded as an expense incurred by the Company during the financial year ended 30 June 2020 with the payment to Executives occurring during the 2021 financial year. Subsequent to the 2020 financial year end, a total of 1,654,543 Share Rights were granted to KMP under the approved Share Right Plan. Rights granted are subject to a vesting period over which the fair value of such rights will be expensed.

Long-term Incentives

Longer term incentive awards occur through the Performance Rights Plan ("PRP") and the Share Rights Plan ("SRP") which both form part of an "at risk" component of remuneration. Performance Rights generally have a vesting period longer than one year. Performance hurdles are primarily based on company share price and/or other relevant shareholder return measures. The PRP and SRP operate entirely at the discretion of the Company's Board and may be terminated, suspended or amended at any time, or from time to time, in their entirety or in part in relation to any or all employees (except where contractual rights have been created).

During the year ended 30 June 2021 the Company granted Performance Rights and Share Rights to Directors and Employees subject to the following performance and vesting conditions:

	Share Rights	Performance Rights
Test Date	n/a	1 July 2022
Vesting Date	4 August 2021	1 July 2023
Performance Period	n/a	1 July 2020 to 1 July 2022 plus an additional 1 year tenure period.
Vesting or Performance Conditions	Vesting of the Share Rights is subject to the continuation of employment until 30 June 2021.	Performance conditions are: a) Total shareholder return (TSR) over the period (50% weighting): • Below 10% annual TSR, zero PRs vest. • From 10% up to 20% annual TSR, proportionate vesting of 0% to 100%. • 20% and above TSR, 100% vest. b) Relative TSR to peer group over the period (50% weighting): • Below 50th percentile, zero PRs vest. • Between 50th and 75th percentile, proportionate vesting from 50% to 100%. • Equal to or above 75th percentile, 100% vest.
Conversion Period	Vested Share Rights must be converted on or before 4 August 2023. Shares issued upon conversion of the Share Rights are subject to a 12 month hold lock from the vesting date.	Vested Performance Rights must be converted on or before 30 June 2025. Shares issued upon conversion of Performance Rights are subject to a 12 month hold lock from vesting date.

Subsequent to year end, a total of 868,188 Performance Rights were granted to KMP under the approved Performance Right Plan and 1,110,118 Performance Rights may be granted to Directors subject to approval at the next AGM of the Group. Rights granted are subject to a vesting period over which the fair value of such rights will be expensed.

USE OF REMUNERATION CONSULTANTS

The Board and Remuneration Committee ("RNC") reviews executive remuneration annually, including assessment of:

- Individual and business performance measurement against both internal targets and appropriate external comparatives; and
- General remuneration advice from both internal and independent external sources.

In the relevant financial year, the Board engaged BDO Reward (WA) Pty Ltd (BDO) as an external remuneration consultant to provide a comprehensive benchmarking review of Board fees, Managing Director and Executive Remuneration. This review included an analysis of market remuneration in comparison to a relevant peer and competitor group and assistance with the development of company specific pay scales, including executive remuneration.

BDO was paid or accrued $37,500 for these services.

An agreed set of protocols were established to ensure that the remuneration recommendations would be free from undue influence by key management personnel. These protocols include requiring that the consultant not provide any information relating to the outcome of the engagement to the affected key management personnel. In addition, the consultant provided separate reports covering each element of the review, to ensure RNC discussion of recommendations could be made in the absence of the affected key management personnel. The Board was required to make inquiries of the consultant's processes at the conclusion of the engagement to ensure that it is satisfied that any recommendations made have been free from undue influence. The Board is satisfied that these protocols were followed and as such there was no undue influence.

Findings from the review were developed for implementation in FY22. Industry remuneration data has been sourced through Remsmart for the benchmarking of new positions and projected industry market movements.

SHARE TRADING POLICY

The trading of shares by all employees is subject to, and conditional upon, compliance with the Company's share trading policy which is available on the Company's website: www.bciminerals.com.au. Directors and employees may not engage in short-term or speculative trading of the Company's securities and are prohibited from trading in financial products issued or created over, or in respect of the Company's securities during a non-trading period.

SERVICE AGREEMENTS

The remuneration and other terms of employment for executive KMP are covered in formal employment contracts. The key terms of their employment contracts, at the date of release of this report, are shown in the table below.

Name	Terms/Notice periods/Termination payment
A Vorster (Managing Director)	Base salary inclusive of superannuation of $671,000 reviewed at intervals to be determined by the Company. Employment can be terminated at three months' notice by Mr Vorster or by the Company. If the Company elects to terminate the employment agreement for reasons other than Mr Vorster's gross misconduct or default, Mr Vorster will be entitled to a payment equal to six months' total fixed remuneration. Certain agreed trigger events will lead to Mr Vorster having the option to terminate the contract and receive a payment equal to twelve months' total fixed remuneration.
S Hodge (Chief Financial Officer)	Base salary inclusive of superannuation $359,889 reviewed at intervals to be determined by the Company. Employment can be terminated at twelve weeks' notice by Mr Hodge or by the Company. Certain agreed trigger events will lead to Mr Hodge having the option to terminate the contract and receive a payment equal to six months' total fixed remuneration.
S Bennett (Project Director)	Base salary inclusive of superannuation $504,999 reviewed at intervals to be determined by the Company. Employment can be terminated at three months' notice by Mr Bennett or by the Company. Certain agreed trigger events will lead to Mr Bennett having the option to terminate the contract and receive a payment equal to six months' fixed remuneration

REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL FOR THE YEAR ENDED 30 JUNE 2021

The remuneration table below sets out the remuneration information for the directors and executives, which includes the managing director, who are considered to be KMP of the Company.

	Short Term			Post Employment	Share Based Payments			
	Salary and fees	Incentives (a)	Other benefits (b)	Super-annuation	Performance & Share Rights (c)	Termination Payment	Total	Performance Related (d)
	$	$	$	$	$	$	$	%
Directors								
B O'Donnell	141,750	-	-	-	8,631	-	150,381	6
M Blakiston	73,973	-	-	7,027	4,932	-	85,932	6
J Bloom	73,973	-	-	7,027	4,932	-	85,932	6
G Dixon	80,456	-	-	7,643	5,206	-	93,305	6
R Court [e]	23,288	-	-	2,212	-	-	25,500	0
C Salisbury [f]	6,554	-	-	623	-	-	7,177	0
	399,994	**-**	**-**	**24,532**	**23,701**	**-**	**448,227**	**5**
Executives								
A Vorster	499,300	134,018	16,399	25,000	284,818	-	959,535	44
S Hodge	313,836	65,028	12,443	25,000	110,453	-	526,760	33
A Chamberlain[g]	321,570	116,966	9,343	22,917	81,309	133,366	685,471	29
S Bennett[h]	285,725	-	5,214	14,583	29,226	-	334,748	9
	1,420,431	**316,012**	**43,399**	**87,500**	**505,806**	**133,366**	**2,506,514**	**33**
TOTAL	**1,820,425**	**316,012**	**43,399**	**112,032**	**529,507**	**133,366**	**2,954,741**	**29**

(a) Short term incentives paid during the financial year relate to performance in the previous financial year. Please refer to section on short-term incentive payments above.

(b) Other benefits include fuel, parking and insurances. Directors' and Officers' liability premiums have not been allocated to individual directors.

(c) Share-based payments represent the accounting expense incurred by the Company for the stated financial period, reflecting the terms of the Performance Rights as valued using a Monte Carlo simulation and Share Rights valued using market pricing at time of issue.

(d) Percentage performance related is the sum of short-term incentives and share based payments divided by total remuneration, reflecting the actual percentage of remuneration at risk for the year. Note that short-term incentives are reported in the year in which they are paid but relate to performance in previous reporting periods.

(e) Appointed 28 January 2021.

(f) Appointed 28 May 2021.

(g) Resigned 31 May 2021.

(h) Appointed 16 November 2020.

REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL FOR THE YEAR ENDED 30 JUNE 2020

The remuneration table below sets out the remuneration information for the directors and executives, which includes the managing director, who are considered to be KMP of the Company.

	Short Term			Post Employment	Share Based Payments			
	Salary and fees	Incentives (a)	Other benefits (b)	Super-annuation	Performance Rights (c)	Termination Payment	Total	Performance Related (d)
	$	$	$	$	$	$	$	%
Directors								
B O'Donnell	132,527	-	-	9,223	-	-	141,750	0
M Blakiston	82,192	-	-	7,808	-	-	90,000	0
J Bloom	69,863	-	-	6,637	-	-	76,500	0
G Dixon [(e)]	-	-	-	-	-	-	-	-
	284,582	**-**	**-**	**23,668**	**-**	**-**	**308,250**	**0**
Executives								
A Vorster	512,387	119,832	13,395	21,003	46,775	-	713,392	23
S Hodge	321,897	63,931	13,346	21,003	16,839	-	437,016	18
A Chamberlain	354,492	43,362[(f)]	8,394	21,003	18,710	-	445,961	14
	1,188,776	**227,125**	**35,135**	**63,009**	**82,324**	**-**	**1,596,369**	**19**
TOTAL	**1,473,358**	**227,125**	**35,135**	**86,677**	**82,324**	**-**	**1,904,619**	**16**

(a) Short term incentives paid during the financial year relate to performance in the previous financial year. Please refer to section on short-term incentive payments above.

(b) Other benefits include fuel, parking and insurances. Directors' and Officers' liability premiums have not been allocated to individual directors.

(c) Share-based payments represent the accounting expense incurred by the Company for the stated financial period, reflecting the terms of the Performance Rights as valued using a Monte Carlo simulation.

(d) Percentage performance related is the sum of short-term incentives and share based payments divided by total remuneration, reflecting the actual percentage of remuneration at risk for the year. Note that short-term incentives are reported in the year in which they are paid but relate to performance in previous reporting periods.

(e) Appointed 18 June 2020.

(f) Appointed 31 January 2019 – STI amount prorated.

PERFORMANCE RIGHTS ON ISSUE

The terms and conditions of Performance Rights granted to KMP affecting remuneration in the current or future reporting periods are set out in the following table.

	Grant date	Date to vest	Expiry date	Risk free rate at grant date	Value per right at grant date	Number granted at grant date	Value at grant date	Number vested	Number lapsed
Directors									
B O'Donnell	26/11/2020	30/06/2023	30/06/2025	0.07%	0.128	295,313	37,800	-	-
M Blakiston	26/11/2020	30/06/2023	30/06/2025	0.07%	0.128	168,750	21,600	-	-
J Bloom	26/11/2020	30/06/2023	30/06/2025	0.07%	0.128	168,750	21,600	-	-
G Dixon	26/11/2020	30/06/2023	30/06/2025	0.07%	0.128	178,125	22,800	-	-
Executives									
A Vorster	27/11/2019	30/11/2020	30/11/2022	0.68%	0.0186	2,500,000	46,500	1,275,000	(1,225,000)
A Vorster	27/11/2019	30/11/2022	30/11/2024	0.68%	0.0398	2,500,000	99,500	-	-
A Vorster	26/11/2020	30/06/2023	30/06/2025	0.07%	0.128	1,529,209	195,739	-	-
S Hodge	27/11/2019	30/11/2020	30/11/2022	0.68%	0.0186	900,000	16,740	459,000	(441,000)
S Hodge	27/11/2019	30/11/2022	30/11/2024	0.68%	0.0398	900,000	35,820	-	-
S Hodge	26/11/2020	30/06/2023	30/06/2025	0.07%	0.128	705,906	90,356	-	-
A Chamberlain*	27/11/2019	30/11/2020	30/11/2022	0.68%	0.0186	1,000,000	18,600	510,000	(490,000)
A Chamberlain*	27/11/2019	30/11/2022	30/11/2024	0.68%	0.0398	1,000,000	39,800	-	(1,000,000)
A Chamberlain*	26/11/2020	30/06/2023	30/06/2025	0.07%	0.128	782,925	100,214	-	(782,925)
S Bennett	26/11/2020	30/06/2023	30/06/2025	0.07%	0.128	1,000,000	128,000	-	-

A Monte Carlo simulation is used to value all Performance Rights granted by the Company. The Monte Carlo valuation simulates the Company's share price and depending on the hurdle, arrives at a value based on the number of Performance Rights that are likely to vest. The risk-free rate of the Performance Rights on the date granted is shown in the table above.

SHARE RIGHTS ON ISSUE

The terms and conditions of Share Rights granted to KMP affecting remuneration in the current or future reporting periods are set out in the following table.

	Grant date	Test date	Vesting date	Final conversion date	Value per right at grant date	Number granted at grant date	Value at grant date	Number vested	Number lapsed
Executives									
A Vorster	26/11/2020	02/08/2021	04/08/2021	04/08/2023	0.2550	855,798	218,228	855,798	-
S Hodge	31/07/2020	02/08/2021	04/08/2021	04/08/2023	0.1903	412,051	78,423	422,051	-
A Chamberlain*	31/07/2020	02/08/2021	30/09/2021	04/08/2023	0.1903	386,694	73,597	-	-

** A. Chamberlain resigned on 31 May 2021.*

EQUITY INSTRUMENT DISCLOSURES

The interests of Directors and Executives in Shares at the end of the financial year 2021 are as follows:

	Balance at 1 July 2020	Acquired during year	Performance Rights converted during year	Disposed during the year	Other changes	Balance at 30 June 2021
Directors						
B O'Donnell	676,322	338,161	-	-	-	1,014,483
M Blakiston	-	-	-	-	-	-
J Bloom	60,000	30,000	-	-	-	90,000
G Dixon	-	-	-	-	-	-
R Court	-	750,000	-	-	-	750,000
C Salisbury	-	-	-	-	-	-
Executives						
A Vorster	5,305,645	-	-	-	-	5,305,645
S Hodge	462,000	-	-	-	-	462,000
A Chamberlain*	-	-	510,000	-	-	510,000
Total	**6,503,967**	**1,118,161**	**510,000**	**-**	**-**	**8,132,128**

The interests of Directors and Executives in Performance Rights at the end of the financial year are as follows.

	Balance at 1 July 2020	Granted as compensation	Converted to shares	Rights lapsed/ cancelled	Balance at 30 June 2021
Directors					
B O'Donnell	-	295,313	-	-	295,313
M Blakiston	-	168,750	-	-	168,750
J Bloom	-	168,750	-	-	168,750
G Dixon	-	178,125	-	-	178,125
Executives					
A Vorster	5,000,000	1,529,209	-	(1,225,000)	5,304,209
S Hodge	1,800,000	705,906	-	(441,000)	2,064,906
A Chamberlain*	2,000,000	782,925	(510,000)	(2,272,925)	-
S Bennett	-	1,000,000	-	-	1,000,000
Total	**8,800,000**	**4,828,978**	**(510,000)**	**(3,938,925)**	**9,180,053**

The interests of Executives in Share Rights at the end of the financial year are as follows.

	Balance at 1 July 2020	Granted as compensation	Converted to shares	Rights lapsed/ cancelled	Balance at 30 June 2021
Executives					
A Vorster	-	855,978	-	-	855,978
S Hodge	-	412,051	-	-	412,051
A Chamberlain*	-	386,694	-	-	386,694
Total	**-**	**1,654,543**	**-**	**-**	**1,654,543**

** A. Chamberlain resigned on 31 May 2021.*

COMPANY PERFORMANCE

The table below shows key financial measures of company performance over the past five years.

		2021	2020	2019	2018	2017
Continuing operations						
Revenue	$million	160.2	77.3	54.8	33.4	64.0
Net profit/(loss) after tax	$million	22.0	0.4	12.9	(16.9)	7.1
Basic earnings/(loss) per share	Cents	4.02	0.09	3.26	(4.29)	2.2
Dividends paid per share	Cents	-	-	-	-	-
Share price (last trade day of financial year)	A$	0.55	0.17	0.18	0.14	0.14

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

On 1 March 2017, Michael Blakiston was appointed as a Non-Executive Director of the Company. Mr Blakiston is a partner in the legal firm Gilbert + Tobin. During the current financial year, the Company made legal fee payments to Gilbert + Tobin of $720K (2020: $511K). All transactions were on normal commercial terms and conditions.

Refer to Note 26 for further detail on Related Party transactions.

VOTING AND COMMENTS MADE AT THE COMPANY'S 2020 ANNUAL GENERAL MEETING

The Company received 99.57% of 'yes' votes cast on its remuneration report for the 2020 financial year.

OTHER INFORMATION

Insurance of officers

During the financial period, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No liability has arisen under this indemnity as at the date of this report.

The Company has entered into indemnity deeds with each director and officer. Under the deeds, the Company indemnifies each director and officer to the maximum extent permitted by law against legal proceedings or claims made against or incurred by the directors or officers in connection with being a director or officer of the Company, or breach by the Company of its obligations under the deed.

INDEPENDENT AUDIT OF REMUNERATION REPORT

The Remuneration Report has been audited by BDO. Please see page 46 of this report for BDO's report on the Remuneration Report.

Signed in accordance with a resolution by the Directors.

Brian O'Donnell
Chairman
Perth, Western Australia
19 August 2021

Alwyn Vorster
Managing Director
Perth, Western Australia
19 August 2021

DIRECTORS' DECLARATION

In the opinion of the Directors of BCI Minerals Limited:

a. the financial statements comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes are in accordance with the *Corporations Act 2001* including:

   i. giving a true and fair view of the financial position of the Consolidated Entity as at 30 June 2021 and of its performance for the financial year ended 30 June 2021; and

   ii. complying with Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements.

b. there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

c. the Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001 (Cth)*.

This declaration is made in accordance with a resolution of the Directors and is signed on their behalf by:

Brian O'Donnell
Chairman
Perth, Western Australia
19 August 2021

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	Notes	2021 $000's	2020 $000's
Revenue from continuing operations			
Sale of goods		**160,156**	76,793
Other revenue		**326**	466
Total revenue from continuing operations	1	**160,482**	77,259
Cost of sales	2	**(93,630)**	(56,231)
Administration expenses	2	**(8,120)**	(6,432)
Project development and evaluation expenditure		**(34,487)**	(19,342)
Loss on sale of asset		**-**	-
Profit on sale of exploration tenements	8,9	**22**	10,190
Impairment on sale of exploration and intangible assets	8,9	**(2,255)**	(5,030)
Profit / (loss) before finance cost and income tax		**22,012**	414
Finance costs	10	**(40)**	(37)
Profit / (loss) before income tax		**21,972**	377
Income tax benefit / (expense)	4	**-**	-
Profit / (loss) after income tax from continuing operations attributable to owners of BCI Minerals Limited		**21,972**	377
		Cents	Cents
Basic earnings / (loss) per share from continuing operations	17	**4.02**	0.09
Diluted earnings / (loss) per share from continuing operations	17	**4.01**	0.09

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

	Notes	2021 $000's	2020 $000's
Current assets			
Cash and cash equivalents	5	**79,435**	41,548
Short term investments		**681**	552
Trade and other receivables	6	**56,435**	16,205
Total current assets		**136,551**	58,305
Non-current assets			
Receivables	6	**15,816**	12,295
Property, plant and equipment	7	**49,384**	39,848
Exploration and evaluation assets	8	**9,728**	6,425
Intangibles	9	**15,502**	18,502
Right of use assets	10	**827**	745
Total non-current assets		**91,257**	77,815
Total assets		**227,808**	136,120
Current liabilities			
Trade and other payables	11	**37,548**	18,345
Lease liability	10	**395**	231
Provisions	12	**791**	591
Total current liabilities		**38,734**	19,167
Non-current liabilities			
Lease liability	10	**478**	541
Provisions	12	**15,932**	12,295
Total non-current liabilities		**16,410**	12,836
Total liabilities		**55,144**	32,003
Net assets		**172,664**	104,117
Shareholders' equity			
Contributed equity	14	**313,190**	267,303
Reserves	15	**6,143**	5,455
Accumulated losses	16	**(146,669)**	(168,641)
Total shareholders' equity		**172,664**	104,117

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

	Contributed equity $000's	Accumulated losses $000's	Reserves $000's	Total $000's
Balance at 1 July 2019	267,212	(169,018)	5,418	103,612
Profit for the year	-	377	-	377
Total comprehensive income	**-**	**377**	**-**	**377**
Transactions with equity holders in their capacity as equity holders				
Performance Rights converted	91	-	(91)	-
Share based payments	-	-	128	128
Balance at 30 June 2020	**267,303**	**(168,641)**	**5,455**	**104,117**
Profit for the year	**-**	**21,972**	**-**	**21,972**
Total comprehensive income	**-**	**21,972**	**-**	**21,972**
Transactions with equity holders in their capacity as equity holders				
Shares issued net of transaction costs	**45,872**	**-**	**-**	**45,872**
Performance Rights converted	**15**	**-**	**(15)**	**-**
Share based payments	**-**	**-**	**703**	**703**
Balance at 30 June 2021	**313,190**	**(146,669)**	**6,143**	**172,664**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	Notes	2021 $000's	2020 $000's
Cash flows from operating activities			
Receipts from customers		**120,822**	82,329
Payments to suppliers and employees		**(111,915)**	(78,412)
Interest received		**320**	466
Income tax refund		**0**	0
Net cash flows provided by / (used) in operating activities	5	**9,227**	4,383
Cash flows from investing activities			
Proceeds from disposal of exploration tenements		**0**	10,814
Proceeds from disposal of plant and equipment		**301**	0
Payments for short term investments		**(166)**	(189)
Payments for plant and equipment		**(14,185)**	(3,312)
Payments for exploration and evaluation assets		**(2,834)**	(3,850)
Net cash flows from/ (used in) investing activities		**(16,884)**	3,463
Cash flows from financing activities			
Proceeds from issue of shares net of costs		**45,872**	0
Repayment of lease liabilities		**(327)**	0
Net cash flows from financing activities		**45,545**	0
Net increase / (decrease) in cash and cash equivalents		**37,887**	7,846
Cash and cash equivalents at beginning of year		**41,548**	33,702
Cash and cash equivalents at end of year	5	**79,435**	41,548

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

PREFACE TO THE NOTES

The notes include information which is required to understand the financial statements and is material and relevant to the operations and the financial position and performance of the Company. Information is considered relevant and material if:

- The amount is significant due to its size or nature;
- The amount is important in understanding the results of the Company;
- It helps to explain the impact of significant changes in the Company's business; or
- It relates to an aspect of the Company's operations that is important to its future performance.

The notes are organised into the following sections:

- Basis of preparation;
- Key numbers;
- Capital;
- Risk management;
- Group structure;
- Unrecognised items; and
- Other notes.

BASIS OF PREPARATION

Corporate information

The financial statements for BCI Minerals Limited for the year ended 30 June 2021 were authorised for issue in accordance with a resolution of the Directors on 19 August 2021. BCI Minerals Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. BCI Minerals Limited and its subsidiaries together are referred to in these financial statements as the 'Company' or the 'Consolidated Entity'.

The principal activities of the Company during the financial year were the development of assets in the Pilbara region of Western Australia, including the Mardie Salt & Potash Project. The Company also receives revenue from the Iron Valley Iron Ore Mine under the terms of an Iron Ore Sale and Purchase Agreement.

Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out in the notes to the accounts. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB"), and the Corporations Act 2001. BCI Minerals Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements are presented in Australian dollars. The Company is of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, and in accordance with that Corporations Instrument amounts in the directors' report and annual financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Compliance with IFRS

The consolidated financial statements of BCI Minerals Limited comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and cash flow hedges at fair value through other comprehensive income.

New, revised or amending Accounting Standards and Interpretations adopted

New and amended standards adopted by the group

There are no new or amended standards adopted by the group during the interim reporting period.

Impact of standards issued but not yet applied by the entity

There are no new standards yet to be applied by the Group.

Changes in accounting policy, estimates disclosures, standards and interpretations

Except for matters relating to the adoption of new Australian Accounting Standards referred to above, the accounting policies adopted and estimates made are consistent with those of the previous financial year.

Foreign currency

The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Comparatives

Where applicable, comparatives have been adjusted to conform with current year presentation.

Key estimates and judgements

In the process of applying the Company's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates which are material to the financial report are found in the following notes:

Note 3: Impairment of non-financial assets
Note 4: Income taxes
Note 7: Property, plant and equipment
Note 8: Exploration and evaluation
Note 9: Intangibles
Note 12: Provisions
Note 27: Share based payments

KEY NUMBERS

NOTE 1 – REVENUE

	2021 $000's	2020 $000's
Sales – Iron Valley	**184,659**	80,283
Net gain / (loss) on pricing changes	**(2,300)**	(700)
Rebate – Iron Valley	**(22,203)**	(2,790)
Sale of Goods	**160,156**	76,793
Interest revenue	**320**	466
Other income	**6**	0
Total	**160,482**	77,259

Accounting policy

Revenue is recognised if it meets the criteria outlined below.

Sales – Iron Valley

Revenue from contracts with customers for the sale of goods is recognised when persuasive evidence, usually in the form of an executed sales agreement, or an arrangement exists, indicating there has been a transfer of control to the customer, no further work or processing is required by the Company, the quantity and quality of the goods has been determined with reasonable accuracy, the price can be reasonably estimated, and collectability is reasonably assured.

The Company receives revenue from Mineral Resources Limited ("MIN") based on a mine gate sale agreement based on MIN's realised price. The Company recognises revenue when the ore passes over the ships rail which is typically at the bill of lading. MIN send monthly shipping information on either a provisional basis at the date of shipment or the subsequent final pricing, which is typically once the vessel has arrived at its destination and quotation pricing has been determined. BCI recognises revenue on provisionally priced sales based on the estimated fair value of the total consideration, adjusted for any changes when pricing is finalised. Provisionally priced sales for which price finalisation is referenced to the relevant metal price index have an embedded commodity derivative. The embedded derivative is carried at fair value through profit or loss as part of trade receivables. The period between provisional pricing and final invoices is typically 30 to 90 days. As announced in the prior year, the Company entered into a rebate agreement with MIN to rebate 40% of net royalties to MIN, up to a total value of $25M. This value has been reached and the rebate no longer applies.

Interest revenue

Interest revenue is recognised on a time proportionate basis using the effective interest method.

NOTE 2 – EXPENSES

	2021 $000's	2020 $000's
Amortisation of mine properties	**3,006**	2,493
Royalties	**90,624**	53,738
Cost of sales	**93,630**	56,231
Employee benefits expense	**2,593**	3,112
Depreciation and amortisation	**1,967**	872
Share based payments	**703**	128
Non-executive directors' fees	**510**	390
Occupancy related expenses	**237**	414
Consultant and legal fees	**993**	454
Other	**1,117**	1,062
Administration expenses	**8,120**	6,432

NOTE 3 – IMPAIRMENT OF NON-FINANCIAL ASSETS

Accounting policy

Assets are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount.

The valuation used by BCI to determine recoverable amount is the higher of an asset's fair value less costs of disposal ("FVLCD") and value in use ("VIU").

Accounting standards require that the valuation technique used be consistent with one of three commonly accepted approaches outlined below:

- Level 1 Market - The market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business. Examples relevant to BCI include earnings multiples or JORC reserve/resource multiples;
- Level 2 Cost - The cost approach reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost); and
- Level 3 Income - The income approach converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts. Examples include Net Present Value ("NPV") techniques.

FVLCD is an NPV calculation which is consistent with the Level 3 income approach.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash flows from other assets or groups of assets (cash-generating units).

An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. Non-financial assets other than goodwill that have been impaired are reviewed for possible reversal of impairment at each reporting period.

Impairment assessment

The Company has completed its annual review of its assets for impairment. Based on these assessments, the Company has concluded that impairment of assets was not required, with the exception of impairment recognised on assets sold, refer to note 8 and 9 for further detail.

Revenue assumptions

Cash flow projections used to estimate recoverable amounts include assumptions on revenue. The assumptions used for revenue in impairment testing are summarised below:

	2021	2020
CFR 62% Fe iron ore price (USD/dmt, nominal)		
Years 1-5	**106-161**	79-81
Years 6-10	**112-121**	80-81
Years 11-20	**123-145**	82-85
Foreign exchange rate (AUD:USD, nominal)		
Years 1-5	**0.77-0.78**	0.68-0.71
Years 6-10	**0.78**	0.69
Years 11-20	**0.78**	0.69
Inflation (% per annum)		
USD inflation rate	**1.9**	0.5

Key estimates and judgements

The recoverable amount of mine property, plant and equipment and intangible assets is estimated on the basis of the discounted value of future cash flows. The estimates of future cash flows are based on significant assumptions including:

- estimates of the quantities of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction and the timing of access to these reserves and resources;
- future iron ore prices and exchange rates based on forecasts by a range of recognised economic forecasters as well as recent spot prices and rates;
- production rates, production costs and capital expenditure based on approved budgets and projections including inflation factors;
- the timing of when production will commence from projects for which royalties are payable to the Company; and
- the asset specific discount rate applicable to the cash generating unit.

NOTE 4 – INCOME TAXES

	2021 $000's	2020 $000's
Current tax expense/(benefit)		
Current period	-	-
Adjustments for prior periods	-	-
	-	-
Deferred tax expense/(benefit)		
Origination and reversal of temporary differences	(1,387)	(127)
Equity deferred tax movement	(396)	(80)
De-recognition of deferred tax assets	-	152
Utilisation of carried forward tax losses now recognised	8,171	-
Recognition of deferred tax asset on losses and temporary adjustments now realised	(6,388)	-
Adjustments for prior periods	-	55
	-	-
Income tax (expense)/benefit reported in the Consolidated statement of profit or loss and other comprehensive income	-	-
Reconciliation of effective tax rate		
Profit / (loss) before tax	21,972	377
Income tax at the statutory rate of 30 per cent (2020: 30 per cent)	6,591	113
Non-deductible expenses	213	39
Other temporary differences derecognised	(20)	-
Equity deferred tax movement	(396)	(80)
Recognition of carried forward tax losses previously unrecognised	8,171	-
Utilisation of carried forward tax losses now recognised	(8,171)	-
Temporary differences derecognised	(6,388)	(127)
Under/(over) provided in prior periods and other	-	55
Income tax (expense)/benefit reported in the Consolidated statement of profit or loss and other comprehensive income	-	-

Accounting policy

The income tax expense on income for the financial year is the tax payable on the current financial period's taxable income based on the national income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Significant judgement

The Company is subject to income taxes in Australia. Significant judgement is required in determining the provisions for income taxes. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination may be subject to change. The Company estimates its tax liabilities based on the Company's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

The Company recognises deferred tax assets relating to carried forward tax losses to the extent they can be utilised. The utilisation of the tax losses depends on the ability of the entities to generate sufficient future taxable profits. At 30 June 2021, the Company had unrecognised deferred tax assets relating to tax losses of $67.2M (2020: $73.9M). The Company has utilised all available R&D off-sets (2020 $1.48M).

Deferred tax assets not recognised

	2021 $000's	2020 $000's
Temporary differences	**(2,439)**	(4,063)
Income Tax losses	**67,215**	73,902
Capital losses	**-**	-

Deferred tax assets and liabilities

	Assets		Liabilities		Net	
	2021 $000's	2020 $000's	**2021 $000's**	2020 $000's	**2021 $000's**	2020 $000's
Amounts recognised in Profit or Loss:						
Mine property, plant and development	**-**	-	**(3,960)**	(3,535)	**(3,960)**	(3,535)
Provisions	**962**	177	**-**	-	**962**	177
Intangibles	**-**	-	**-**	(900)	**-**	(900)
Exploration	**-**	-	**(487)**	(282)	**(487)**	(282)
Other items	**1,064**	802	**(493)**	(484)	**571**	318
Amounts recognised directly in equity:						
Share issue costs in equity	**475**	159	**-**	-	**475**	159
	2,501	1,138	**(4,940)**	(5,201)	**(2,439)**	(4,063)
Temporary differences derecognised	**-**	-	**2,439**	4,063	**2,439**	4,063
Tax assets/(liabilities)	**2,501**	1,138	**(2,501)**	(1,138)	**-**	-

Movements in deferred tax assets

	Provisions $000's	Share issue costs $000's	Mine property $000's	Other $000's	Temporary differences derecognised$ 000's	Total $000's
At 1 July 2019	113	160	-	529	-	802
(Charged)/credited						
to profit or loss	64	(1)	-	273	-	336
to (under)/over prior period			-	-	-	-
At 30 June 2020	177	159	-	802	-	1,138
(Charged)/credited						
to profit or loss	**785**	**316**	**-**	**262**	**-**	**1,363**
to (under)/over prior period			**-**	**-**	**-**	
At 30 June 2021	**962**	**475**	**-**	**1,064**	**-**	**2,501**

Movement in deferred tax liabilities

	Intangibles $000's	Mine property $000's	Exploration $000's	Other $000's	Temporary differences derecognised $000's	Total $000's
At 1 July 2019	(2,409)	(3,296)	(591)	(381)	5,875	(802)
(Charged)/credited						
to profit or loss	1,509	(239)	309	(103)	(1,812)	(336)
to (under)/over prior period	-	-	-	-	-	-
At 30 June 2020	(900)	(3,535)	(282)	(484)	4,063	(1,138)
(Charged)/credited						
to profit or loss	**900**	**(425)**	**(205)**	**(9)**	**(1,624)**	**(1,363)**
to (under)/over prior period	**-**	**-**	**-**	**-**	**-**	**-**
At 30 June 2021	**-**	**(3,960)**	**(487)**	**(493)**	**2,439**	**(2,501)**

NOTE 5 – CASH AND CASH EQUIVALENTS

	2021 $000's	2020 $000's
Cash at bank	**27,221**	9,711
Cash on deposit	**52,214**	31,837
Total	**79,435**	41,548
Reconciliation of profit / (loss) after income tax to net cash flows from operating activities		
Net Profit / (loss)	**21,972**	377
Depreciation and amortisation	**4,973**	3,147
Impairment on sale of exploration and intangible assets	**2,255**	5,000
Share based payments	**703**	128
Gain on disposal of exploration tenements	**(22)**	(10,161)
Gain on disposal of plant and equipment	**0**	(1)
Other	**40**	30
(Increase)/decrease in assets		
Trade and other receivables	**(43,802)**	5,805
Increase/(decrease) in liabilities		
Trade and other payables	**22,630**	(262)
Provisions	**478**	320
Net cash inflow / (outflow) from operating activities	**9,227**	4,383

Cash on deposit relates to 31-day term deposits held with financial institutions. See Note 18 – Financial risk management note for further details.

Accounting policy

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. There are no non-cash investing or financing activities.

NOTE 6 – TRADE AND OTHER RECEIVABLES

	2021 $000'S	2020 $000'S
Current		
Trade receivables and prepayments	**56,435**	16,205
Total current	**56,435**	16,205
Non-current		
Other receivables	**15,816**	12,295
Total non-current	**15,816**	12,295
Total trade and other receivables	**72,251**	28,500

Due to the short-term nature of current receivables, their carrying amount is approximate to their fair value.

As at 30 June 2021 no receivables were past due or impaired (2020: Nil).

Other non-current receivables represent an estimate of the amount payable by the operator of the Iron Valley operation for fulfilment of rehabilitation obligations at the end of operations.

Refer to Note 18 for information on the financial risk management policy of the Company.

Accounting policy

Trade receivables are amounts due from customers for commodities sold in the ordinary course of business.

Trade Receivables that are Provisionally Priced

Trade receivables that contain an embedded derivative relating to the provisional pricing of iron ore are measured at fair value. At each reporting date the provisional priced receivable is marked to market based on the forward selling price for the quotation period stipulated in the contract until the quotation period expires and the change in value is recognised in the profit or loss.

Other Trade Receivables

Trade receivables that do not contain an embedded derivative are measured at the amount of consideration that is unconditional. The Group holds trade receivables with the objective to collect the contractual cash flows and measures them at amortised cost.

The Group applies the simplified impairment methodology permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

NOTE 7 – PROPERTY, PLANT AND EQUIPMENT

	Mine Properties $000's	Plant and equipment $000's	Office furniture, equipment and IT $000's	Development $000's	Total $000's
Year ended 30 June 2020					
Opening net book value	39,502	140	41	-	39,683
Additions	-	2,979	335	-	3,314
Disposals	-	(1)	-	-	(1)
Reclassification of assets	-	5	(5)	-	-
Depreciation and amortisation expense	(2,492)	(597)	(59)	-	(3,148)
Closing net book value	**37,010**	**2,526**	**312**	**-**	**39,848**
At 30 June 2020					
Cost	51,658	3,853	957	-	56,468
Accumulated depreciation and amortisation	(14,648)	(1,327)	(645)	-	(16,620)
Net carrying amount	**37,010**	**2,526**	**312**	**-**	**39,848**

	Mine Properties	Plant and equipment	Office furniture, equipment and IT	Development	Total
	$000's	$000's	$000's	$000's	$000's
Year ended 30 June 2021					
Opening net book value	37,010	2,526	312	-	39,848
Additions	-	255	937	12,993	14,185
Disposals	-	(4)	-	-	(4)
Reclassification of assets	-	-	(157)	157	-
Depreciation and amortisation expense	(3,006)	(1,464)	(175)		(4,645)
Closing net book value	**34,004**	**1,313**	**917**	**13,150**	**49,384**
At 30 June 2021					
Cost	51,658	4,093	2,821	13,150	71,722
Accumulated depreciation and amortisation	(17,654)	(2,780)	(1904)	-	(22,338)
Net carrying amount	**34,004**	**1,313**	**917**	**13,150**	**49,384**

Accounting policy

Mine Properties

Once a mining project has been established as commercially viable and technically feasible, expenditure other than that on land, buildings, plant and equipment is transferred and capitalised as mine property. Mine property costs include past capitalised exploration and evaluation costs, pre-production development costs, development excavation, development studies and other subsurface and permanent installation expenditure pertaining to that area of interest.

Mine property costs are accumulated in respect of each separate area of interest. Costs associated with commissioning new assets in the period before they are capable of operating in the manner intended by management, are capitalised. Mine property costs incurred after the commencement of production are capitalised to the extent they are expected to give rise to a future economic benefit.

When an area of interest is abandoned, or the Directors decide that it is not commercial or technically feasible, any accumulated cost in respect of that area is written off in the financial period the decision is made. Each area of interest is reviewed at the end of each accounting period and accumulated costs written off to the profit or loss to the extent that they will not be recoverable in the future.

Amortisation of mine property costs is charged on a unit of production basis over the life of economically recoverable reserves once production commences.

Mine property assets are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, mine property is allocated to cash-generating units to which the development activity relates. The cash generating unit shall not be larger than the area of interest.

Plant and equipment

Plant and equipment, including mechanical, electrical, field and computer equipment as well as furniture, fixtures and fittings, is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight-line basis so as to write off the net cost of each asset over either its expected useful life of 2.5 to 5 years for furniture, computers and equipment, or the life of the mine for plant and equipment.

Spare parts, stand-by equipment and servicing equipment is classified as property, plant and equipment if they are expected to be used during more than one period. Otherwise they are classified as inventory.

Assets acquired as part of the early construction at the Mardie project site will be depreciated on a straight line basis over 2 to 3 years depending on the useful life of the assets.

Development

Development represents expenditure necessarily incurred during establishment and construction of a mining project that is in progress but yet to be complete. This expenditure includes the cost associated with studies and evaluation through to early construction cost of assets or infrastructure yet to be fully formed or ready for use. As tangible assets in the form of buildings or plant and equipment are completed, they will be transferred to the relevant classification and depreciated over their useful life. Other expenditure on project development that is not capitalised as plant or equipment will be capitalised as mine properties and amortised on a units of production basis over the expected life of the project.

Key judgement – ore reserves and mineral resources

Amortisation of mine property assets is based on the depletion of economically recoverable reserves. The rate of amortisation is re-assessed on a prospective basis when ore reserves are changed for the appropriate ore body in accordance with the JORC 2012 Guidelines.

NOTE 8 – EXPLORATION AND EVALUATION

	2021 $000's	2020 $000's
Opening balance	**6,425**	2,575
Carrying value of tenements sold	**(275)**	-
Write down of tenements to recoverable value	**-**	-
Exploration earn-in	**-**	200
Exploration tenements acquisition	**3,578**	3,650
Unsuccessful exploration expenditure derecognised	**-**	-
Net carrying amount	**9,728**	6,425

Accounting policy

The Company accounts for exploration and evaluation activities as follows:

Acquisition and Exploration earn-in

Exploration and evaluation costs arising from acquisitions and earn-ins are carried forward where exploration and evaluation activities have not, at reporting date, reached a stage to allow a reasonable assessment of economically recoverable reserves otherwise they are written down to their recoverable amount.

As announced during the prior year, the Group has secured rights to additional tenement areas adjacent to the Mardie Salt and Potash project tenement parcel. During the year ended 30 June 2021, the Group exercised its option to acquire the remaining northern tenement area for a cash cost of $2.5M plus duties and taxes. In addition, during the financial year the Group secured rights to a third tenement area adjacent to the Mardie project and acquired the additional tenement area via an asset transfer agreement with a value of $0.74M recognised for the exploration asset received. The additional tenement areas acquired during the year provide optionality for future layout optimisation and expansion of the Mardie project.

Exploration and evaluation costs

Costs arising from on-going exploration and evaluation activities are expensed as incurred.

Disposal of tenements

During the financial year, the Group disposed of iron ore tenements with a carrying value of $0.27M under normal terms and conditions.

Key judgement – Capitalisation of exploration and evaluation expenditure

The Company has capitalised acquired exploration and evaluation expenditure and earn-in expenditure on the basis that either it is expected to be recouped through future successful development (or alternatively sale) of the areas of interest concerned or on the basis that it is not yet possible to assess whether it will be recouped. The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental rehabilitation obligations) and changes to commodity prices.

BCI currently holds a 30% interest in the Carnegie Potash in a joint venture with ASX-listed potash development company, Kalium Lakes Limited ("KLL"), who is the joint venture manager. BCI has rights to earn up to a 50% interest through sole-funding the Pre-Feasibility Study and Feasibility Study phases.

NOTE 9 – INTANGIBLES

	2021 $000's	2020 $000's
Net carrying value of intangibles:		
Royalties	**15,502**	15,502
Cape Preston East Port rights	**-**	3,000
Net carrying amount	**15,502**	18,502

The intangible assets were acquired through Iron Ore Holdings Limited as follows:

Royalties

The Company holds royalties over the Koodaideri South and North Marillana Extension tenements. The assets have a finite life reflecting the underlying resource and will be amortised as the resource is depleted. Production has not commenced at either Koodaideri South or North Marillana and hence the assets remain unamortised.

The Koodaideri South royalty asset has been tested for impairment with the recoverable amount assessed by reference to the FVLCD, in line the policy in note 3 and classified as level 3 under the fair value hierarchy. FVLCD was determined using an income approach based on the net present value of future cash flows projected over the estimated mine life of 32 years. The post-tax nominal discount rate used in determining FVLCD was 8.2%. Forecast iron ore price, foreign exchange and inflation assumptions used in the calculation of FVLCD are summarised in Note 3.

The North Marillana Extension royalty asset has been tested for impairment with the recoverable amount assessed by reference to the FVLCD, in line with the policy in note 3 and classified as level 3 under the fair value hierarchy. FVLCD was determined using an income approach based on the net present value of future cash flows projected over the estimated mine life of 10 years. The post-tax nominal discount rate used in determining FVLCD was 8.2%. Forecast iron ore price, foreign exchange and inflation assumptions used in the calculation of FVLCD are summarised in Note 3.

The recoverable amounts were determined to be in excess of carrying values, and there are no probable changes to key assumptions that would cause the asset to be impaired. Refer to Note 3 for details of the key estimates and judgements applied in determining the recoverable amount.

Cape Preston East Port Rights

As disclosed at Note 8 above, during the year the Group entered into an Asset Transfer Agreement whereby the Group received rights to certain tenements adjacent to the Mardie Project and in return, disposed of the intangible assets associated with the Cape Preston East Port. The net loss to the group arising from this transaction of $2.26M has been recognised in the statement of comprehensive income.

NOTE 10 – LEASES

Lease liabilities have been measured at amounts equal to the net present value of remaining lease payments over the remaining term of the lease, discounted at the Group's incremental borrowing rate. The weighted average interest rate applied was 4.7%. The discount rate used in calculating the carrying amount of lease liabilities considers the circumstances applicable over the underlying leased assets, in particular the lease value, the term and economic environment.

Right of use assets were measured at amounts equal to the carrying value of their respective lease liabilities on the adoption date, adjusted for incentives, accruals and prepayments relating to the contractual agreement. Right of use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. There are no onerous lease contracts that would require adjustment to the right of use assets on the adoption date.

Lease liabilities	June 2021 $000's	June 2020 $000's
Lease liability at 30 June 2020	772	
Additional lease contracts entered into during the period	408	962
Add: Borrowing costs	40	37
Less: Payments	(347)	(227)
Lease liabilities as at 30 June 2021	**873**	**772**
Disclosure in Statement of Financial Position		
Current lease liability	395	231
Non-current lease liability	478	541
Total Lease liability	**873**	**772**

Right of use assets	June 2021 $000's	June 2020 $000's
Right of use assets at 30 June 2020	745	
Additional right of use assets recognised	409	964
Accumulated amortisation	(327)	(219)
Right of use assets as at 30 June 2021	**827**	**745**

NOTE 11 – TRADE AND OTHER PAYABLES

	2021 $000's	2020 $000's
Current		
Trade payables and accruals	**37,548**	18,345
Total	**37,548**	18,345

Accounting policy

These amounts represent liabilities for goods and services provided to the Company and royalty obligations, prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe (refer to Note 18).

NOTE 12 – PROVISIONS

	2021 $000's	2020 $000's
Current		
Employee benefits	**791**	591
Total current	**791**	591
Non-current		
Rehabilitation	**15,932**	12,295
Total non-current	**15,932**	12,295
Total	**16,723**	12,886

Movement in Provisions in 2021

	Rehabilitation and site closure $000's	Employee benefits $000's	Total $000's
Opening balance 1 July 2020	12,295	591	12,886
Additional provision recognised	600	200	800
Changes in rehabilitation estimate	3,377	-	3,377
Unwinding of discount (non-cash expense)	144	-	144
Amounts used during the year	(484)	-	(484)
Closing balance	**15,932**	**791**	**16,723**

Accounting policy

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Employee benefits, salaries and annual leave

Liabilities for salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employee's services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Employee benefits – long service leave

The liability for long service leave is recognised and measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Rehabilitation

The Company has obligations to dismantle and remove certain items of property, plant and equipment and to restore and rehabilitate the land on which they are situated.

A provision is raised for the estimated cost of settling the rehabilitation and restoration obligations existing at reporting date, discounted to present value using an appropriate discount rate. When provisions for rehabilitation are initially recognised, the corresponding cost is capitalised as an asset within mine properties and amortised accordingly.

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, costs are charged to the profit or loss in the period in which the work is undertaken.

At each reporting date the rehabilitation liability is re-measured to account for any new disturbance, updated cost estimates, changes to the estimated lives of operations, new regulatory requirements and revisions to discount rates. Changes to the rehabilitation liability are added to or deducted from the related rehabilitation asset and amortised accordingly.

Key estimate – Rehabilitation

The Company’s accounting policy for the recognition of rehabilitation provisions requires significant estimates in determining the estimated cost for the rehabilitation of disturbed areas, removal of infrastructure and site closure at a point in the future. These uncertainties may result in future expenditure differing from the amounts currently provided.

A provision is made for the estimated cost to rehabilitate the Iron Valley site, which is offset by a receivable from Mineral Resources Limited recognising the contractual requirement to rehabilitate the site.

NOTE 13 – CAPITAL RISK MANAGEMENT

The Company’s objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company defines capital as equity and net debt. Net debt is defined as borrowings less cash and cash equivalents, and equity as the sum of share capital, reserves and accumulated losses/retained earnings. The Company had no debt as at the end of the financial year (2020: Nil).

NOTE 14 – CONTRIBUTED EQUITY

	2021		2020	
	Number	**$000's**	Number	$000's
Share capital				
Ordinary shares - fully paid	**599,209,833**	**313,190**	398,928,910	267,303
Movements in ordinary share capital				
Opening balance	**398,928,910**	**267,303**	397,608,910	267,212
Issue of shares under Employee Performance Rights Plan	**816,000**	**15**	1,320,000	91
Rights Issue Net of Costs	**199,464,923**	**45,872**	-	-
Closing balance	**599,209,833**	**313,190**	398,928,910	267,303

Accounting policy

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are recorded in equity as a deduction, net of tax, from the proceeds.

Terms and conditions of ordinary shares

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors are fully entitled to any proceeds of liquidations.

NOTE 15 – RESERVES

	2021 $000's	2020 $000's
Share based payments reserve		
Balance as at 1 July	**10,677**	10,640
Share based payments expense	**703**	128
Issue of shares under Employee Performance Rights Plan	**(15)**	(91)
Balance as at 30 June	**11,365**	10,677
Financial assets at fair value through other comprehensive income		
Balance as at 1 July	**(9,009)**	(9,009)
Balance as at 30 June	**(9,009)**	(9,009)
Options exercised reserve		
Balance as at 1 July	**3,787**	3,787
Balance as at 30 June	**3,787**	3,787
Total reserves	**6,143**	5,455

Nature and purpose of reserves

The share based payments reserve is used to recognise the fair value of options (not exercised), Performance Rights and equity-settled benefits issued in settlement of share issue costs.

Changes in the fair value of investments such as equities measured at fair value through other comprehensive income, are recognised in other comprehensive income and accumulated in a separate reserve within equity. On adoption of AASB 9 *Financial Instruments* investments in listed shares previously classified as available-for-sale were reclassified as financial assets at fair value through other comprehensive income.

The options exercised reserve is used to recognise the fair value of options exercised.

NOTE 16 – ACCUMULATED LOSSES

	2021 $000's	2020 $000's
Balance as at 1 July	**(168,641)**	(169,018)
Net profit / (loss)	**21,972**	377
Balance as at 30 June	**(146,669)**	(168,641)

NOTE 17 – EARNINGS PER SHARE

	2021 $000's	2020 $000's
Earnings per share from continuing operations		
Profit / (loss) after income tax from continuing operations	**21,972**	377
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	**546,393,720**	398,712,517
Adjustments for calculation of diluted earnings per share:		
Vested Performance Rights outstanding at year end	**1,989,000**	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	**548,382,720**	398,712,517
Earnings per share attributable to the ordinary equity holders of the company	**Cents**	Cents
Basic earnings / (loss) per share	**4.02**	0.09
Diluted earnings / (loss) per share	**4.01**	0.09

Accounting policy

Basic earnings per share is calculated by dividing net profit after income tax attributable to equity holders of the Company by the weighted average number of ordinary shares on issue during the financial year.

Diluted earnings per share is calculated using net profit after income tax attributable to equity holders of the Company adjusted for the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

RISK MANAGEMENT

NOTE 18 – FINANCIAL RISK MANAGEMENT

The Company holds the following financial instruments:

	2021 $000's	2020 $000's
Financial assets		
Cash and cash equivalents	**79,435**	41,548
Short term investments	**681**	553
Trade and other receivables	**72,251**	28,500
	152,367	70,601
Financial liabilities		
Trade and other payables	**37,548**	18,345
	37,548	18,345

Market (including foreign exchange, commodity price and interest rate risk), credit and liquidity risks arise in the normal course of the Company's business. Primary responsibility for identification and control of financial risk rests with senior management under directives approved by the Board.

a. Market risk

i. Foreign exchange risk

Foreign exchange risk arises from future commitments, assets and liabilities that are denominated in a currency that is not the functional currency in which they are measured. The Company is not exposed to foreign exchange risk on trade receivables.

ii. Commodity price risk

The Company's revenue is exposed to commodity price fluctuations, specifically iron ore prices. The Company measures exposure to commodity price risk by monitoring and stress testing the Company's forecast financial position to sustained periods of low iron ore prices on a regular basis.

Trade receivables outstanding at year end are subject to potential changes in future iron ore prices.

b. Credit risk

Credit risk arises from cash and cash equivalents and deposits with financial institutions, and from receivables from customers for iron ore sales. For banks and financial institutions, only independently rated parties with a minimum rating of “A” are accepted in accordance with ratings guidelines of major global credit rating agencies. For customers, credit reference checks are undertaken. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company’s maximum exposure to credit risk without taking account of the fair value of any collateral or other security obtained.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised at the beginning of this note.

The credit quality of financial assets that are neither past due nor impaired can be summarised as follows:

- Cash and cash equivalents $79.4M (2020: $41.5M) held with banks with minimum long term external credit rating of AA-.
- Short term investments $0.7M (2020: $0.5M) held with banks with a minimum long term external credit rating of AA-
- Current trade and other receivables $56.4M (2020: $16.2M) due from existing customers are backed by an agreement with quarterly invoices paid within 5 working days. There has been no history of default in the past.
- Non-current receivables $15.8M (2020: $12.3M) due from Mineral Resources Limited under a contractual arrangement as described in Note 6. No default is expected.

c. Liquidity risk

Prudent liquidity management involves the maintenance of sufficient cash and access to capital markets. It is the policy of the Board to ensure that the Company is able to meet its financial obligations and maintain the flexibility to pursue attractive investment opportunities through keeping committed credit lines available where possible, ensuring the Company has sufficient working capital and preserving the 15% share issue limit available to the Company under the ASX Listing Rules.

Maturity analysis of financial assets and liabilities

Financial liabilities comprise trade and other payables which have a maturity of less than six months and lease liabilities with a fixed payment commitment of up to 4 years.

GROUP STRUCTURE

NOTE 19 – SUBSIDIARIES

The consolidated financial statements include the financial statements of BCI Minerals Limited and the subsidiaries listed in the following table.

	Country of incorporation	Functional currency	Beneficial interest	
			2021 %	2020 %
BC Iron Nullagine Pty Ltd	Australia	AUD	**100**	100
BCI (SA) Pty Ltd	Australia	AUD	**100**	100
BC Potash Pty Ltd	Australia	AUD	**100**	100
BC Gold Pty Ltd	Australia	AUD	**100**	100
BC Pilbara Iron Ore Pty Ltd	Australia	AUD	**100**	100
PEL Iron Ore Pty Ltd	Australia	AUD	**100**	100
Mardie Minerals Pty Ltd	Australia	AUD	**100**	100
Iron Valley Pty Ltd	Australia	AUD	**100**	100
Mal's Ridge Pty Ltd	Australia	AUD	**100**	100
Maitland River Pty Ltd	Australia	AUD	**100**	100
BCI Exploration Pty Ltd	Australia	AUD	**100**	100

Accounting policy

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of BCI Minerals Limited as at 30 June 2021, and the results of all subsidiaries for the year then ended.

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of an asset transferred. Accounting policies of subsidiaries are consistent with the policies adopted by the Consolidated Entity.

NOTE 20 – SEGMENT INFORMATION

2021 SEGMENT INFORMATION

	Iron Valley	Mardie	Buckland	Other	Consolidated
	$000's	$000's	$000's	$000's	$000's
Segment revenue					
Sales revenue	160,156	-	-	-	160,156
Other revenue	-	-	-	326	326
Total	**160,156**	**-**	**-**	**326**	**160,482**
Segment results					
EBITDA	69,490	(34,419)	(2,233)	(6,173)	26,665
Interest revenue	-	-	-	320	320
Finance costs	-	-	-	(40)	(40)
Depreciation and amortisation	(3,006)	(1,547)	-	(420)	(4,973)
Impairment of assets	-	-	-	-	-
Profit / (loss) before income tax	**66,484**	**(35,966)**	**(2,233)**	**(6,313)**	**21,972**
Segment assets	105,021	24,312	-	98,475	227,808
Segment liabilities	41,924	11,032	-	2,188	55,144

2020 SEGMENT INFORMATION

	Iron Valley	Mardie	Buckland	Other	Consolidated
	$000's	$000's	$000's	$000's	$000's
Segment revenue					
Sales revenue	76,793	-	-	-	76,793
Other revenue	-	-	-	466	466
Total	**76,793**	**-**	**-**	**466**	**77,259**
Segment results					
EBITDA	22,968	(18,722)	9,950	(5,853)	8,343
Interest revenue	-	-	-	466	466
Finance costs	-	-	-	(37)	(37)
Depreciation and amortisation	(2,493)	(577)	-	(295)	(3,365)
Impairment of assets	-	-	(5,030)	-	(5,030)
Profit / (loss) before income tax	**20,475**	**(19,299)**	**4,920**	**(5,719)**	**377**
Segment assets	65,162	7,533	-	63,425	136,120
Segment liabilities	26,817	2,042	-	3,144	32,003

Management has determined that the Company has four reportable segments, being Iron Valley, Mardie, Buckland and Other (Corporate and other assets).

Sales revenue comprises iron ore sales from a single location to a single customer in Australia.

Accounting policy

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Company's Board. Internal reporting is provided to the Board on a consolidated basis.

UNRECOGNISED ITEMS

NOTE 21 – COMMITMENTS

The Company has two property leases and a lease for vehicles at the Mardie project site. Future lease commitments are now disclosed as per AASB 16 – Leases, refer to note 10 for further detail.

NOTE 22 – CONTINGENT LIABILITIES AND ASSETS

As at 30 June 2021, the Company has no contingent liabilities or assets other than additional cash payments it may receive in respect of the sale of the Buckland project and Kumina tenements disclosed in prior years.

NOTE 23 – EVENTS OCCURRING AFTER THE REPORTING PERIOD

Other than disclosed above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in financial periods subsequent to the year ended 30 June 2021.

OTHER NOTES

NOTE 24 – PARENT ENTITY

The following details information related to the parent entity, BCI Minerals Limited, as at 30 June 2021. The information presented here has been prepared using accounting policies consistent with those presented in the notes to the accounts.

	2021	2020
	$000's	$000's
Statement of Financial Position		
Current assets	**78,787**	39,261
Total assets	**188,806**	172,319
Current liabilities	**1,757**	2,587
Total liabilities	**67,217**	13,390
Shareholders' equity		
Issued capital	**313,190**	267,303
Reserves	**6,271**	5,583
Accumulated losses	**(191,641)**	(193,155)
Total shareholders' equity	**127,820**	79,731
Profit / (Loss) for the year	**(6,231)**	(7,898)
Total comprehensive income / (loss) for the year	**(6,231)**	(7,898)

Included in note 21 are commitments incurred by the parent entity relating to the lease of offices.

NOTE 25 – AUDITOR'S REMUNERATION

The auditor of BCI Minerals Limited is BDO Audit (WA) Pty Ltd

	2021	2020
	$	$
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:		
Audit or review of financial reports for the Company	**62,000**	61,000
Non-audit services – tax and remuneration advisory services	**91,100**	20,350
Total	**153,100**	81,350

NOTE 26 – RELATED PARTY TRANSACTIONS

a. Parent entity

BCI Minerals Limited is the parent entity.

b. Subsidiaries

Interests in subsidiaries are set out in note 19.

c. Key management personnel

Disclosures relating to Key Management Personnel are set out in the Audited Remuneration Report.

	2021	2020
	$	$
Short-term employee benefits	**2,179,836**	1,735,618
Termination payments	**133,366**	-
Share based payments	**529,507**	82,324
Post-employment benefits	**112,032**	86,677
Total	**2,954,741**	1,904,619

d. Transactions with related parties

	2021	2020
	$	$
Payment for services made to other related entities	**1,338,221**	1,133,863

On 1 March 2017, Michael Blakiston was appointed as a Non-Executive Director of the Company. Mr Blakiston is a partner in the legal firm Gilbert + Tobin. During the current financial year, the Company made legal fee payments to Gilbert + Tobin of $720K (2020: $511K). All transactions were on normal commercial terms and conditions.

During the year, a company within the same consolidated group as Wroxby Pty Ltd, a substantial shareholder of the Company, provided the Company with rental premises for which payments were made in the amount of $618K (2020: $623K). All transactions were on normal terms and conditions.

NOTE 27 – SHARE BASED PAYMENTS

During the current and prior financial years, the Company has provided share based payments to employees. An Employee Performance Right Plan was initially approved at the shareholder's annual general meeting of 19 November 2010 and a revised Performance Right Plan and a Share Right Plan were approved at the Company's annual general meeting held on 26 November 2019.

Under the terms of these plans, the Board may offer Performance Rights or Share Rights at no more than nominal consideration to employees or directors (the latter subject to shareholder approval) based on a number of criteria, including contribution to the Company, period of employment, potential contribution to the Company in the future and other factors the Board considers relevant. These long-term incentives are provided to certain employees at the discretion of the Board to deliver long-term shareholder returns. Set out below is a summary of the Performance Rights granted by the Company during the financial year.

Employee Performance Rights

During the year the Company issued share based payments in the form of Performance Rights to directors and employees as per below. Refer to the Remuneration Report in the Directors' Report for more information.

2021 – Performance Rights

Grant date	Granted during the year	Vesting date	Fair value per right at grant date	Share price on grant date*	Expected dividends
26/11/2020	7,152,888	30/06/2023	$0.128	$0.26	0%
31/05/2021	620,000	30/06/2023	$0.285	$0.40	0%

*Source: www.asx.com.au

The fair value per Performance Right on grant date was determined as follows:

Grant date	26/11/2020 Tranche 1	31/05/2021 Tranche 2
Vesting date	30/06/2023	30/06/2023
Grant date share price	$0.26	$0.40
Volatility (per cent)	60.0	47.5
Dividend yield (per cent)	0	0
Risk free rate (per cent)	0.07	0.06

2020 – Performance Rights

Grant date	Granted during the year	Vesting date	Fair value per right at grant date	Share price on grant date*	Expected dividends
27/11/2019 – Tranche 1	5,500,000	30/11/2020	$0.0186	$0.18	0%
27/11/2019 – Tranche 2	5,500,000	30/11/2022	$0.0398	$0.18	0%

*Source: www.asx.com.au

The fair value per Performance Right on grant date was determined as follows:

Grant date	27/11/2019 Tranche 1	27/11/2019 Tranche 2
Vesting date	30/11/2020	30/11/2022
Grant date share price	$0.18	$0.18
Volatility (per cent)	48.0	60.1
Dividend yield (per cent)	0	0
Risk free rate (per cent)	0.68	0.68

Summary of Performance Rights on issue

Vesting date	Opening balance at 1 July 2020	Rights granted during the year	Rights cancelled /lapsed during the year	Rights converted to shares during the year	Closing balance at 30 June 2021	Rights vested since 30 June 2021
30/11/2020	5,500,000	-	(2,695,000)	(816,000)	1,989,000	-
30/11/2022	5,500,000	-	(1,600,000)	-	3,900,000	-
30/06/2023	-	7,772,888	(1,276,835)	-	6,496,053	-
Total	**11,000,000**	**7,772,888**	**(5,571,835)**	**(816,000)**	**12,385,053**	**-**

Employee Share Rights

During the year the Company issued share based payments in the form of Share Rights to employees as per below. Refer to the Remuneration Report in the Directors' Report for more information.

2021 – Share Rights

Grant date	Granted during the year	Vesting date	Fair value per right at grant date	Share price on grant date*	Expected dividends
31/07/2020	1,445,348	04/08/2021	$0.190	$0.190	0%
26/11//2020	855,798	04/08/2021	$0.255	$0.255	0%

*Source: www.asx.com.au

The fair value per Share Right on grant date was determined as follows:

Grant date	31/07/2020 Tranche 1	26/11/2020 Tranche 2
Vesting date	04/08/2021	04/08/2021
Grant date share price	$0.190	$0.255
Volatility (per cent)	60.0	60.0
Dividend yield (per cent)	0	0
Risk free rate (per cent)	0.07	0.07

Summary of Share Rights on issue

Vesting date	Opening balance at 1 July 2020	Rights granted during the year	Rights cancelled /lapsed during the year	Rights converted to shares during the year	Closing balance at 30 June 2021	Rights vested since 30 June 2021
04/08/2021	-	2,301,146	-	-	2,301,146	2,301,146
Total	**-**	**2,301,146**	**-**	**-**	**2,301,146**	**2,301,146**

a. Expenses arising from share-based payment transactions

Total expenses arising from share based payments recognised during the financial period as part of employee benefits expense were as follows. Where Performance Rights are forfeited or cancelled due to a non-market vesting condition not being satisfied, the previously recognised cumulative share based payment expense is reversed.

	2021 $	2020 $
Director benefits	**529,507**	82,324
Employee benefits	**173,603**	45,675
Total	**703,110**	127,999

Accounting policy

The fair value of share based payments granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options or Performance Rights.

A Monte Carlo simulation is used to value Performance Rights. The Monte Carlo calculation simulates the Company's share price and depending on the hurdle arrives at a value based on the number of Performance Rights that are likely to vest.

The employee benefit expense recognised each period takes into account the most recent estimate of the options and Performance Rights. The impact of revision to original estimates, if any, is recognised in the profit or loss with a corresponding adjustment to equity.

Key estimate: Share-based payment valuation

The value of share-based payments to financiers is measured by reference to the difference between the nominal value and net present value of the finance facility provided. The net present value is determined based upon a market comparable discount rate applicable to similar size companies within the mining sector.

A Monte Carlo simulation has been used to value Performance Rights. The Monte Carlo calculation simulates the returns of the Company in relation to the peer group and arrives at a value based on the number of Performance Rights that are likely to vest.

NOTE 28 – OTHER ACCOUNTING POLICIES

Summary of other significant accounting policies

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, except where the GST incurred is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated inclusive of the amount of GST receivable or payable, where an invoice has been issued. The net amount of GST recoverable from, or payable to, the taxation authority is included within receivables or payables in the statement of financial position.

The GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from or payable to the taxation authority.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the presumption that the transaction takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market. The principal or most advantageous market must be accessible to, or by, the Company. Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset at its highest and best use.

In measuring fair value, the Company uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

Tax consolidation legislation

BCI Minerals Limited and its wholly owned Australian controlled entities have entered into the tax consolidation legislation. On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, limits the joint and several liability of the wholly owned entities in the case of a default by the head entity, BCI Minerals Limited.

The entities entered into a tax funding agreement under which the wholly owned entities fully compensate BCI Minerals Limited for any current tax payable assumed and are compensated by BCI Minerals Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to BCI Minerals Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements.

The amounts receivable or payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which where appropriate, is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as current intercompany receivables or payables.

New, revised or amending Accounting Standards and Interpretations adopted

There are no new accounting standards, amendment of standards or interpretations that are yet to be implemented by the Group.

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INDEPENDENT AUDITOR'S REPORT

To the members of BCI Minerals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of BCI Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying Value of Intangible Assets

Key audit matter	*How the matter was addressed in our audit*
At 30 June 2021, we note that the carrying values of Intangible Assets are significant to the financial statements, as disclosed in Note 9. An annual impairment test is required for Intangible Assets not being amortised under the Australian Accounting Standards. The assessment of the carrying values of Intangible Assets requires management to make significant accounting judgements and estimates to determine whether the assets require impairment. Due to the significance of the estimates and assumptions in these assessments, we have identified this as a key audit matter. Refer to Note 3 and Note 9 for detailed disclosures, which include the related accounting policies and critical accounting judgements and estimates.	Our procedures included, but were not limited to the following: • Analysing management's key assumptions used in the discounted cash flow models against external data and market information to determine their reasonableness; • Challenging the appropriateness of management's discount rates used in the discounted cash flow models in conjunction with our internal valuation experts; • Challenging assumptions in relation to the timing of future cash flows; • Testing the mathematical accuracy of the discounted cash flow models; • Performing sensitivity analysis on key assumptions to determine if there would be a significant change to the carrying value of the assets; and • Assessing the adequacy of the Groups' disclosure in respect of impairment assessment assumptions as disclosed in Note 3 and Note 9 of the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon, which we obtained prior to the date of this auditor's report, and the mineral resources and ore reserves information, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the mineral resources and ore reserves information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 18 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of BCI Minerals Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth, 19 August 2021

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DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF BCI MINERALS LIMITED

As lead auditor of BCI Minerals Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of BCI Minerals Limited and the entities it controlled during the period.

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 19 August 2021