

MARCH 2022 QUARTERLY RESULTS

MARDIE CONSTRUCTION COMMENCED

DESIGN AND COST REVIEW UNDERWAY

- **Zero recordable injuries during the quarter and more than six years without a lost time injury (LTI)**
- **Mardie Mining Leases granted and secondary approvals for construction secured**
- **Main construction commenced with seawater intake structure, Pond 0 and accommodation village approaching 70% completion**
- **Delays to statutory approvals, contractor mobilisation and labour shortages during the Covid period likely to impact overall project schedule**
- **BCI review and design development process indicates high likelihood of material increase to 4-year capital cost estimates**
- **Current spot salt prices 20% above BCI estimate, and record high SOP prices (100% above BCI estimate)**
- **Iron Valley EBITDA to BCI of \$3.5M for Mar-22 Quarter**
- **Cash balance of \$301M and zero net debt at 31 March 2022, with debt commitments of \$740M for the Mardie project at detailed documentation stage**

BCI Minerals Limited (ASX:BCI) ('BCI' or the 'Company') is pleased to present its quarterly activities report for the period ended 31 March 2022.

MARDIE SALT & POTASH PROJECT

Approvals and Access

Mining Leases for the Mardie Salt & Potash Project were granted by the Department of Mines, Industry, Regulation and Safety (DMIRS) during the quarter. Secondary approvals were also obtained during the period which allowed main construction of the definitive feasibility study footprint to commence.

As outlined in BCI's Optimised Feasibility Study (OFS) announcement on 21 April 2021, additional tenements acquired by the Company allow for project layout optimisation and will be subject to further environmental assessment, secondary approvals, and an additional Mining Lease (M08/539) application over the next 12-months. The OFS proposal was referred to the Environmental Protection Authority (EPA) on 18 February 2022.

During the period, the National Native Title Tribunal approved the Indigenous Land Use Agreement (ILUA) registration of the Cape Preston West Export Facility, paving the way toward proclamation of the Cape Preston West Port. The Mardie port facilities will be located within and adjacent to the Cape Preston West

Port land. The Pilbara Ports Authority (PPA) has approved the Development Application (DA) for these facilities.

Following the execution of the Access Agreements with Santos WA Northwest Pty Ltd as operator of the Varanus Island Gas Pipelines and Chevron Australia Pty Ltd as operator of the Gorgon Domestic Gas Pipeline, updates to the relevant gas pipeline regulatory safety cases have been formally approved and approval from the gas pipeline owners to commence works in the affected area was granted.

Mardie Site Activities

During the quarter, BCI celebrated the official commencement of construction at the Mardie Project where the Premier of Western Australia, the Honourable Mark McGowan MLA, joined members of the BCI Board, leadership team and local stakeholders to acknowledge the construction milestone.

Figure 1: Mardie Construction Ceremony



(L) BCI Managing Director, Alwyn Vorster and Premier of Western Australia, Mark McGowan, (R) Ground breaking ceremony

The construction of Pond 0 is approximately 70% complete and the installation of the main seawater pump structure has progressed with two pumps delivered to site and the remaining four pumps due in May 2022.

Figure 2: Main Seawater Pumps



Two of six primary seawater intake pumps arriving at Mardie Site

Construction of Ponds 1 and 2 commenced in late February with two crews working through to March and an additional crew being added in April.

Figure 3: Main Seawater Intake Station: Construction progress



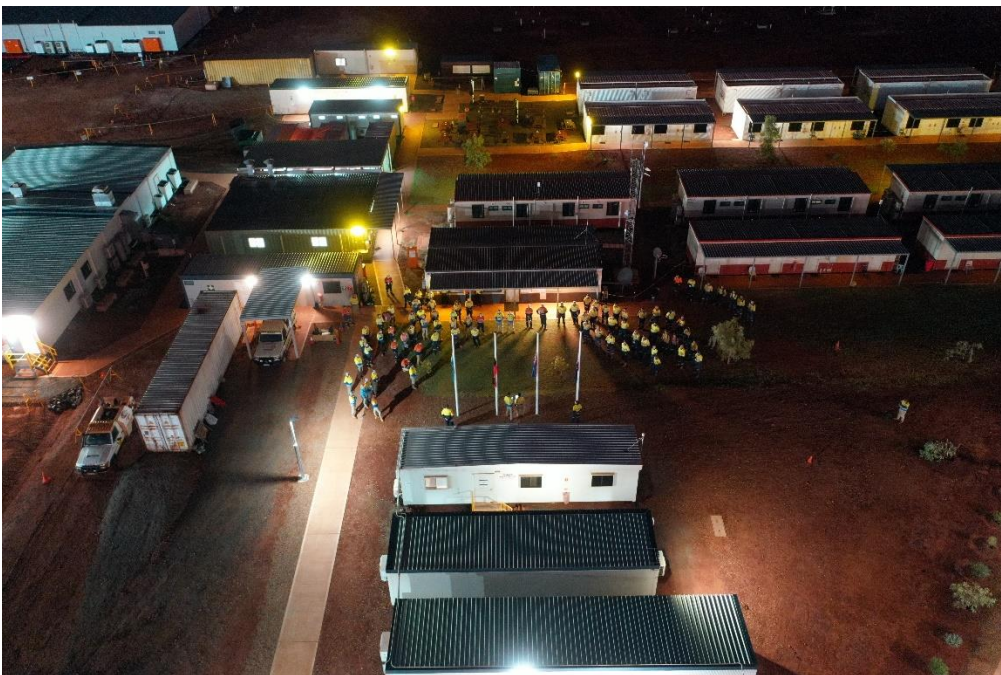
(L) Access levee to seawater structure; (R) Construction of seawater structure

Activity ramp-up in the coming months is expected to result in full utilisation of the recently expanded 200-bed Mardie Accommodation Village with McNally Group to double the capacity over the next few months to create a 400-bed facility. Installation of central facility buildings continued during the quarter with earthworks for the additional 200 rooms nearing completion.

Figure 4: Mardie Accommodation Village Expansion



Construction progress from 200 to 400 beds



ANZAC Day ceremony at Mardie Accommodation Village on 25th April 2022

Mardie Cost & Value Review and Design Development

As foreshadowed in previous market updates (28 January 2022, 25 February 2022 and 7 April 2022), the total cost of the Mardie Project is likely to exceed previous estimates and the construction schedule is likely to be extended.

From a schedule perspective, availability of labour resources during the Covid period have impacted all sectors of the industry, and delayed regulatory approvals and slower contractor ramp-up to maximum crew capacity further impacting the Mardie schedule. The Pond 1 Fill target date is likely to move from Q3 to Q4 2022, with likely consequential impact on the full project schedule, including the first salt on ship date.

From a cost perspective, three main factors are contributing to increases: (i) Market conditions whereby tight labour conditions, high fuel prices, supply chain delays, COVID 19 requirements, insurance market pressures and rising equipment costs have produced major cost inflation for Pilbara businesses, particularly construction projects; (ii) Important design changes made in the last few months, including following improved hydrology information and pond wall design, will improve the long-term resilience and functionality of the Project with the extra cost of these changes considered worthwhile; and (iii) Requirements imposed on the Project through the regulatory and third party approvals processes have resulted in unavoidable additional costs to those assumed since material components of the previous project cost estimate were determined in Q1 2021 and at the time of the final investment decision. These changes are also likely to improve the long-term operating robustness of the Project.

BCI is currently undertaking a formal internal review process, with external independent assistance, to minimise the inflationary and schedule delay impacts on the overall four-year Mardie construction cost estimate, while seeking to retain many of the design improvements and de-risking elements which have been identified since material components of the previous project cost estimate were determined in Q1 2021. As part of this review, BCI is also seeking to identify components of the original project budget which can be reconfigured, to offset the impact of cost pressures and design changes.

These reviews are not sufficiently advanced for BCI to confidently estimate the net impact of potential changes and cost pressures on the project cost or schedule, although preliminary workings indicate that the net effect could be material. As previously announced (7 April 2022), BCI expects to complete this process by 30 June 2022 to quantify the impact of these changes and advise how they will be funded. Funding options including equity, debt and asset sales will be considered.

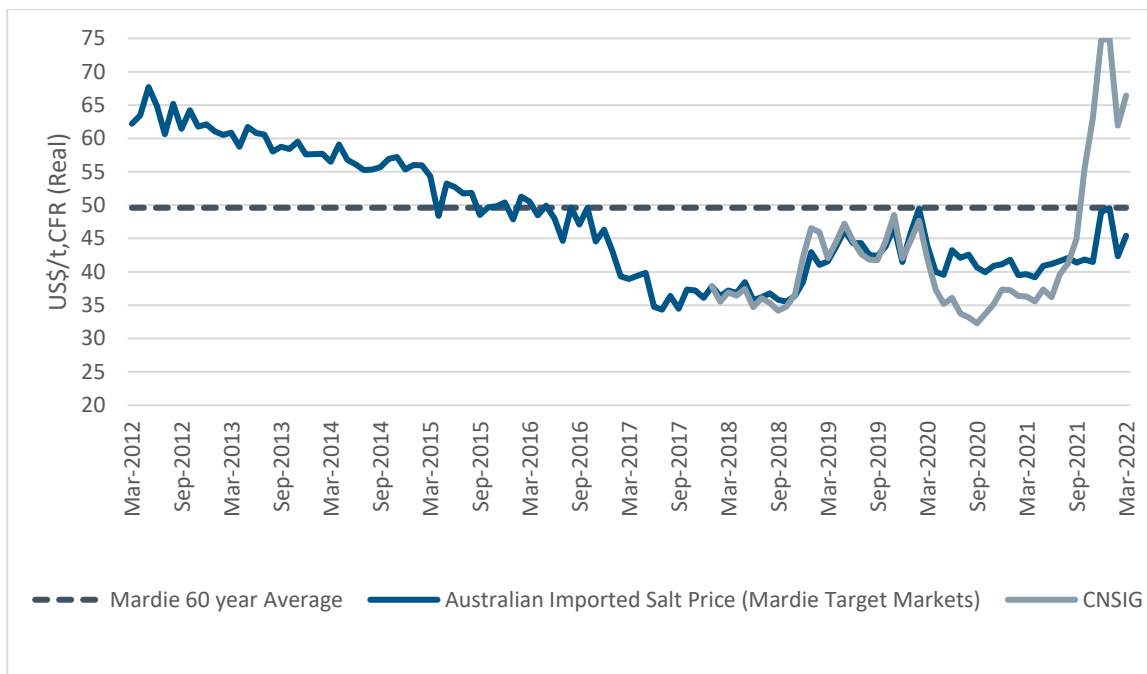
Positive Salt and SOP Price Movements

BCI is pleased to observe substantial increases in the prices of salt and sulphate of potash (SOP) since completion of the optimised Mardie feasibility study in April-2021. The average contract price of Australian salt imported into Asia (based on government trade information) has increased by more than 20% to approximately US\$50/t (CIF) from July 2021, and the SOP price has more than doubled to around US\$1150/t (FOB Europe) in this period. The long-term Mardie commodity price assumptions will be reviewed in conjunction with cost increases. If higher salt and SOP prices are considered sustainable, the impact of cost increases on projected investment returns may be offset to a degree.

Salt Market

The salt market remained robust through the first quarter of 2022 with strong downstream demand for derivative products such as alumina (from caustic soda) and PVC (from chlorine). Supply was somewhat restricted by COVID-19 related logistics disruptions in China during the period, however this appears to be stabilising. The average contract price of Australian salt imported into Asia (based on government export trade information) is currently around US\$50/t (CIF), with substantially higher spot prices realised in China, as reported by the China National Salt Industry Group (CNSIG) Index. The CNSIG Index was established in 2018 and is constructed from domestic salt prices across provincial China reflecting the price against which imported salt must compete.

Figure 5: Australian Exported Salt Price to Asia v CNSIG Index

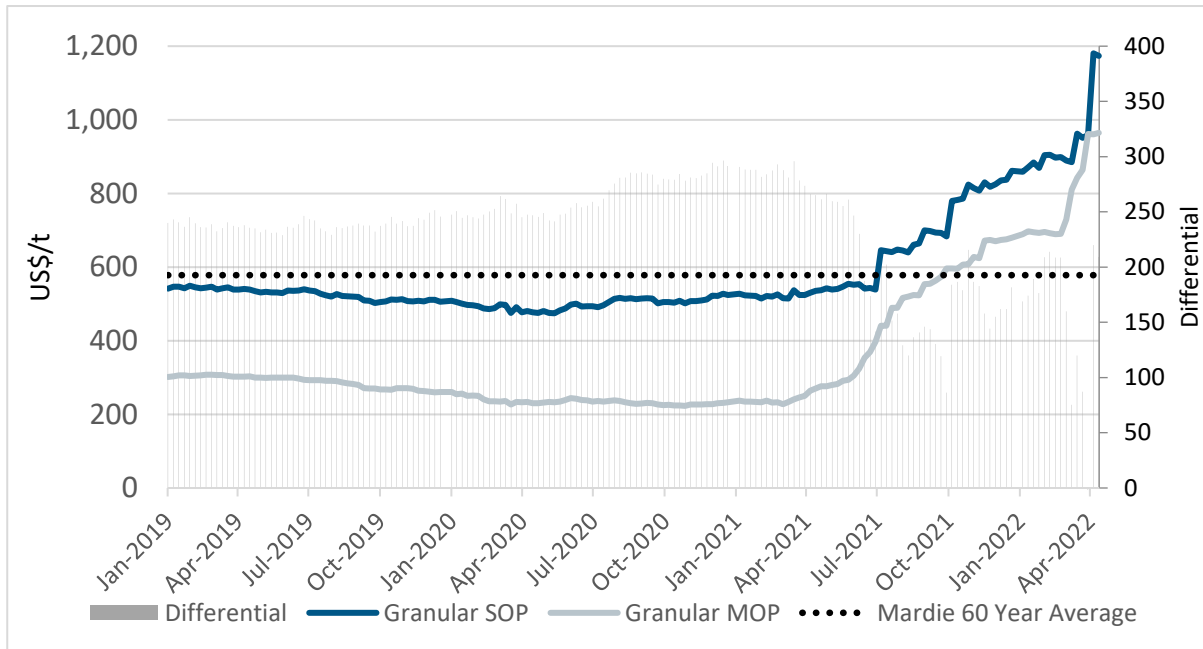


Source: Global Trade Tracker (GTT), Xinhua, April 2022; CNSIG index commenced in 2018 and adjusted to common base; March 2022

SOP Market

COVID lockdowns affecting Chinese customs and the Russia-Ukraine war caused significant supply shortages of Muriate of Potash (MOP) with the price of MOP currently US\$965/t (NW Europe, bulk, granular) and the SOP price now US\$1173/t (NW Europe, bulk, granular).

Figure 6: MOP Granular v SOP Granular, FOB



Source: Argus Direct, April 2022

Offtake Progress

A number of non-binding salt Offtake Terms Sheets were executed in the quarter, as a next interim step in progressing towards binding offtake agreements later in 2022. BCI also executed two confidential non-binding SOP Terms Sheets with south-east Asian and Chinese fertiliser companies in the period.

IRON VALLEY MINE

BCI EBITDA from Iron Valley for the March 2022 quarter result reflects the rise in headline 62% Fe iron ore prices, which averaged US\$141/t in the quarter compared with the US\$109/t in the December 2021 quarter. EBITDA from the March 2022 quarter shipments was A\$3.5M from 1.0Mt shipped. Since 1 January 2022 the iron ore headline price has recovered to the current level of >US\$150/t, which is having a positive impact on the Iron Valley realised prices this period.

Figure 7: Iron Valley Quarterly Shipments (M wmt)

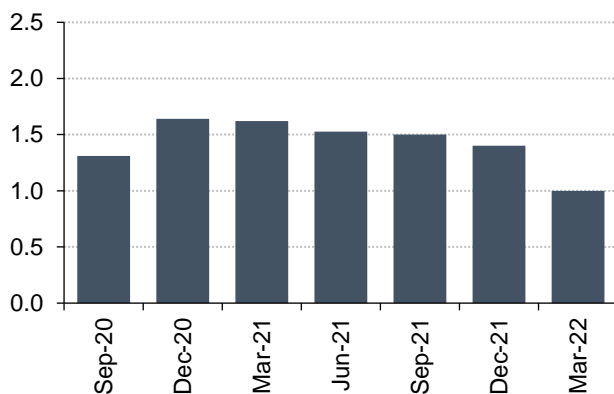
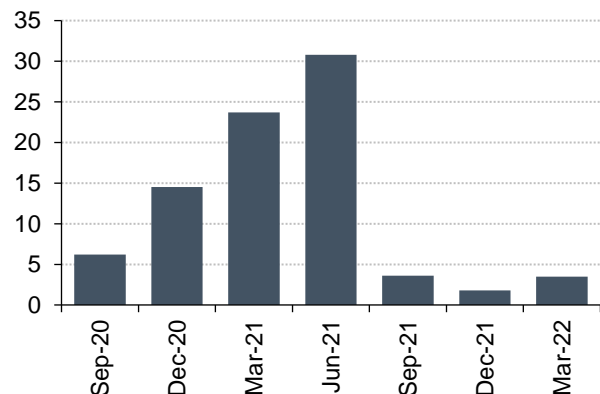


Figure 8: Iron Valley Quarterly EBITDA¹ (A\$M)



CORPORATE

Health, Safety, People and Culture

BCI has an excellent safety record and remains focused on maintaining a safe working environment for its employees and contractors. There were no recordable injuries during the quarter and BCI has recorded more than six years without a lost time injury (LTI). Over the quarter, BCI launched a Health and Safety survey targeting feedback from the BCI workforce and contracting partners to help inform the development of strategic health and safety initiatives, so that BCI's safety record is maintained as the Project workforce and site activities increase.

BCI recognises that its people are at the heart of the business, and the strong correlation between employee engagement and productivity. BCI has embarked on a cultural transformation initiative during the quarter which will embrace the strengths of the existing culture while transforming it into a high performing and positive workplace.

¹ Historic quarterly EBITDA results have been restated to illustrate the contribution of shipments in each quarter incorporating final pricing adjustments in the relevant quarter.

Agrimin and Highfield Shares

BCI acquired 26.3M shares in Highfield Resources Limited (HFR) and 31.1M shares in Agrimin Ltd (AMN) from AustralianSuper Pty Ltd (as trustee for AustralianSuper) in December 2021, funded by the issue to AustralianSuper of Series 1 convertible notes with a total face value of \$29M. A further 6.2M bonus AMN shares were issued to BCI in March. As at 31 March 2022, the market value of the HFR and AMN shares were \$25.8M and \$15.3M respectively, for a total value of \$41.1M.

Cash and Debt Position

BCI's cash balance at 31 March 2022 was \$301M (31 December 2021: \$334.1M) and the Company's net debt remains zero. Previously announced project finance commitments from NAIF (\$490M), EFA (\$110M) and a commercial bank syndicate led by Westpac and ICBC (\$140M) remain in place and are at the detailed documentation stage. BCI is also progressing discussions with another bank in relation to a corporate debt facility secured by Iron Valley revenue.

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

For further information:

Rebecca Thompson
BCI Minerals – Investor Relations (Sydney)
T: +61 416 079 329
E: rebecca.thompson@bciminerals.com.au

Camille Henderson
BCI Minerals – Communications Manager
T: +61 449 513 163
E: camille.henderson@bciminerals.com.au

FORWARD LOOKING STATEMENTS

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

ABOUT BCI MINERALS

BCI Minerals Limited (ASX:BCI) is an Australian-based mineral resources company which is developing an industrial minerals business, with salt and potash as its initial focus.

BCI is rapidly advancing its 100% owned Mardie Salt & Potash Project, a potential Tier One project located on the Pilbara coast in the centre of Western Australia's key salt production region. Mardie has been designed to produce 5.35Mtpa of high-purity salt (>99.5% NaCl) and 140ktpa of Sulphate of Potash (SOP) (>52% K₂O) via solar evaporation of seawater. Using an inexhaustible seawater resource and a production process driven mainly by natural solar and wind energy, Mardie will be a sustainable supplier to the global salt and potash growth markets, delivering benefits to BCI stakeholders over many decades. Main construction of the Mardie Project commenced in early 2022.

BCI receives quarterly royalty earnings from Iron Valley, an iron ore mine located in the Central Pilbara region of Western Australia which is operated by Mineral Resources Limited (ASX:MIN). BCI's other assets include substantial shareholdings in Agrimin Limited (ASX:AMN) and Highfield Resources Ltd (ASX:HFR) and potential royalties and/or deferred payments from iron ore projects at Koodaideri South, Bungaroo South, Kumina and Nullagine.

KEY STATISTICS

Shares on issue	1,206.2 million	
Cash in bank	\$301 million	as at 31 March 2022
Board	Brian O'Donnell	Non-Executive Chairman
	Alwyn Vorster	Managing Director
	Michael Blakiston	Non-Executive Director
	Garret Dixon	Non-Executive Director
	Richard Court	Non-Executive Director
	Chris Salisbury	Non-Executive Director
Major shareholders	Wroxby Pty Ltd	39.5%
	AustralianSuper Pty Ltd	14.8%
	Ryder Capital Ltd (and related)	9.2%
Website:	www.bciminerals.com.au	