BCI MINERALS

Annual Report 2022

the story of salt

the mother of nature

Salt is a life-sustaining mineral.

The mother of nature.

Animals roam to find earth rich with salt, consuming deposits and eating the clay to preserve their existence.

animals roam to find earth rich with salt

For human beings, salt is an endless fountain of rejuvenation, vital beyond the function of nerves, muscles, and system regulation. **It exists as the oldest and most ubiquitous source of food seasoning and preservation.** So, while most associate salt with their evening meal, this mineral made famous by taste is also used in ritual, purification, and production - a key input to thousands of industrial and manufacturing processes. Our relationship with salt can be traced back to ancient texts and abiding art.

Here in Australia, we say that salt is the great healer; pain alchemised via sweat, tears, and a swim in the sea.

It's the hidden lifeblood of entire civilizations, a mineral that transforms and chemically combines to produce potash. This potassium compound, originating from a centuries-old recipe, quickly became one of humanity's most important chemicals.

The essential ingredient in fertiliser, potash grew hungry crops larger and more drought resistant. Each harvest showing the spoils of stronger root systems, amplified water retention, and remarkable disease resistance.

The agricultural revolution asked for innovation to sustain the life we now enjoy. And salt emerged as an unlikely saviour; its unique properties becoming the sustainable solution in the production of this essential global resource.

unique properties

Now, harvested from sea water with the aid of solar energy, potash-infused fertiliser supports half of the world's population, as well as the soil from which all life emerges.

Salt and potash are the sustenance of life and life lived well. The two resources the world needs for generations to come.

resources the world needs for generations to come

BCI Minerals acknowledges and has a deep respect for the ongoing physical and spiritual connection Aboriginal people have to the land associated with our projects. BCI acknowledges the Traditional Custodians of country throughout Australia and pays respect to the Whadjuk people of the Noongar nation as the Perth Traditional Owners, the Mardie Traditional Owners the Yaburara and Mardudhunera people and also the Robe River Kuruma people and the Iron Valley Traditional Owners the Nyiyaparli people and their connections to land, sea and community. We pay our respects to Elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Contents

Who We Are

BCI's **vision** is to be a globally significant, sustainable industrial minerals business, with salt and potash as the initial focus.

Our **purpose** is to create sustainable value for stakeholders, by providing resources the world needs for generations to come.

Our Values

People and Assets

Environment and Community

Integrity

Performance

Accountability

Teamwork

What the Report Covers

This annual report is a summary of BCI Minerals Limited's project and financial results for the financial year ended 30 June 2022. All references to 'BCI Minerals', 'BCI', 'the Company', 'we', 'us' and 'our' refer to BCI Minerals Limited (ABN 21 120 646 924). References in this report to a 'year' are to the financial year ended 30 June 2022 unless otherwise stated. All dollar figures are expressed in Australian dollars (AUD) unless otherwise stated. All references to 'Indigenous' people are intended to include Aboriginal and/or Torres Strait Islander people.

01

BCI has achieved a series of key milestones in the development of our world-scale Mardie Salt & Potash Project.

Chair's Letter

DEAR STAKEHOLDERS,

WELCOME TO BCI'S ANNUAL REPORT FOR THE 2022 FINANCIAL YEAR, A YEAR MARKED BY MAJOR ACHIEVEMENTS FOR OUR COMPANY, BUT ALSO THE NEED TO NAVIGATE ONGOING CHALLENGES CONFRONTING THE GLOBAL RESOURCES SECTOR, ESPECIALLY THOSE SECTOR PARTICIPANTS WHICH, LIKE BCI, ARE ENGAGED IN BUILDING A LARGE GREENFIELD PROJECT.

BCI is not alone in having to adapt to the ongoing supply chain disruption which began with the COVID-19 pandemic, and the inflationary pressures that have beset economies across the world.

Despite these challenges, BCI has achieved a series of key milestones in the development of our world-scale Mardie Salt & Potash Project. A key pillar of the project is its sustainability through the use of seawater, solar and wind to deliver the primary product, combined with our determination to protect the balance of the surrounding ecosystems, respect and involve local communities, and implement work practices to keep our people safe.

This was recognised during the year, with both the Western Australian and Federal governments providing regulatory environmental approvals for Mardie. Combined with sign off on a new port reserve, these approvals, together with the Board's Final Investment Decision and the subsequent equity issue, paved the way for main construction at Mardie to begin.

This major milestone was celebrated by a ceremony at the Mardie site attended by the Premier of Western Australia, Mark McGowan. We are very appreciative of the support shown to Mardie by our Premier, other State and Federal Ministers, and their departments. With $384 million of contracts awarded and around $140 million of construction spend this financial year, the Project is well under way. Large sections of Mardie's first two evaporation ponds have been completed, work on the main seawater intake station is well advanced, and our 400-room Mardie accommodation village is also almost complete.

Prudently, in response to the cost pressures and supply constraints confronting projects like ours, we have embarked on a comprehensive review of the design, cost and delivery method for Mardie, including obtaining further design maturity, progressing approvals required for completion of the project, and reviewing prices and quantities of all key inputs.

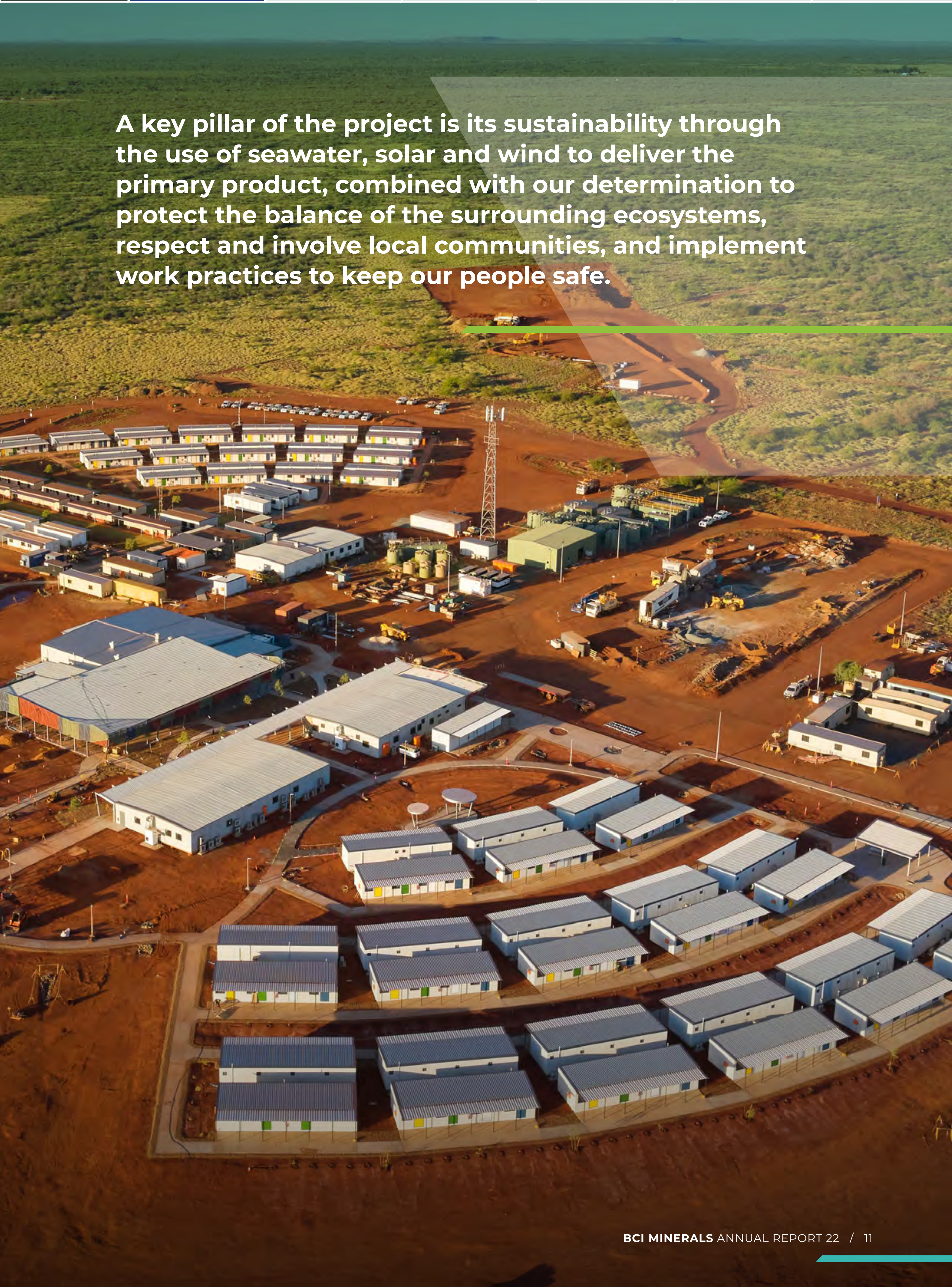
While these reviews and other work streams are progressing, we continue to progress construction, with work ongoing on Ponds 1 to 5, the main seawater intake, the accommodation village, ancillary works, and front-end engineering design on several important project elements. We are proud of the efforts of all of our employees and contractors on this important work.

We have embarked on a comprehensive review of the design, cost and delivery method for Mardie

As noted above, the 2022 financial year also included completion of our $260 million share issue, to help fund Mardie construction. We acknowledge the strong support of the Australian Capital Equity Group, AustralianSuper, Ryder and all other participants in this equity raising. We also obtained $100 million of convertible note commitments from AustralianSuper, and $740 million of in principle debt commitments from Northern Australia Infrastructure Facility (NAIF), Export Finance Australia, and two lead participants in a proposed commercial bank syndicate.

We thank our prospective debt partners for their interest and support, and look forward to closing the debt financing during the current financial year.

A key pillar of the project is its sustainability through the use of seawater, solar and wind to deliver the primary product, combined with our determination to protect the balance of the surrounding ecosystems, respect and involve local communities, and implement work practices to keep our people safe.



Our priority in the next six months is to complete the current review and approvals work, and then progress discussions with our equity and debt partners in relation to the additional funding we expect to be required to complete the project. We will provide further advice on this work when it is sufficiently advanced.

We are encouraged that market prices for salt and sulphate of potash are much higher than they were at the time of our Final Investment Decision, potentially supporting a total project cost higher than previously estimated.

While our core focus is completion of the Mardie Project, we also acknowledge the ongoing contribution from the Iron Valley mine. Our arrangement with Mineral Resources Limited (ASX: MIN) generated revenue of $65.2 million in FY22, and EBITDA of $27.8 million. We thank MIN for its ongoing contribution to our group.

The underlying asset strength of our business is matched by the strength and diversity of our people. Resilience and adaptability are key traits required in the resources sector and the BCI team continue to demonstrate these every day.

We have established a strong leadership team, critical in the current conditions, and its depth has been highlighted by the appointment of our Chief Financial Officer Kerryl Bradshaw as interim Chief Executive Officer following the resignation of Alwyn Vorster.

Kerryl's appointment reflects her broad and diverse experience in senior resources sector roles, as well as her knowledge of BCI developed during Kerryl's time as our Chief Financial Officer.

We thank Alwyn for his vision, commitment and contribution to BCI.

Finally, I would also like to thank my fellow Board members for their support and diligent application to the task of continuing to unlock the clear and demonstrated potential of our Company and the Mardie project.

BRIAN O'DONNELL
CHAIR

The underlying asset strength of our business is matched by the strength and diversity of our people.

Our priority in the next six months is to complete the current review and approvals work.

Interim CEO's Letter

DEAR BCI STAKEHOLDERS,

IT IS A PRIVILEGE TO BE PROVIDING THIS UPDATE TO YOU AS THE INTERIM CHIEF EXECUTIVE OFFICER OF BCI MINERALS. I AM PROUD TO BE LEADING A TEAM WITH SUCH A HIGH LEVEL OF CAPABILITY, WHO ARE DEDICATED TO OUR VALUES, AND HAVE A STRONG COMMITMENT TO AND BELIEF IN OUR COMPANY.

Rightly, the Mardie Project is dominating our thinking given its scale and where we sit on the project timeline, but it is literally being built on a diverse and strong company foundation. Before I dig deeper into Mardie, I want to share with you some insights that I believe demonstrate the undeniable long-term strength of BCI.

People and Safety

BCI is committed to retaining and attracting a diverse workforce and has made significant progress on its diversity achievements during the year. We have a female participation rate of 42%, with females representing 39% of those in leadership roles and have increased our Indigenous participation at Mardie.

The wellbeing of our workforce is a continued focus for our business, and we strive for improved safety outcomes for all stakeholders.

BCI's Total Recordable Injury Frequency Rate (TRIFR) at June 2022 was 4.1 compared to 7.3 at June 2021. The 40% improvement in the TRIFR is particularly pleasing given the 260% increase of hours worked since commencement of construction.

I strongly believe the improvement in safety outcomes reflect the underlying culture within BCI, which is centred on teamwork and accountability. Our culture has at its core the care, commitment and respect in everything that we do – whether it be for the environment, each other, our investors and valued stakeholders including the traditional owners of the land upon which we are building Mardie.

02

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Mardie Salt & Potash Project

Mardie is a future Tier One project, which will produce over 5 million tonnes per annum of salt and will be the first salt operation in Australia to produce high value sulphate of potash fertiliser as a by-product. The feedstock is inexhaustible seawater, from the Indian Ocean and 99% of the required project energy comes from natural sun and wind for evaporation, making Mardie a multi-generational sustainable opportunity.

Main construction commenced in February 2022 after the overarching environmental approvals were granted. We all know that project development is not easy in the current climate and at BCI we are adapting to address that. Whilst we have recognised both some design changes due to imposed conditions and design development, and higher costs on our project, we are currently seeking to mitigate those through our value engineering program. This is resulting in some wins and alternate development pathways.

Despite these challenges, on-site activity has advanced well, and key contracts have been awarded. Pond 0, the settling pond, has been completed by SRG Global, who are now in the latter construction stages of the Ponds 1 and 2 wall and levee system. Further north on the Project, the earthworks contract for Ponds 3, 4 and 5 has been awarded to Australian construction company, QH&M Birt, who have commenced work on Pond 3 and made solid progress.

The seawater intake station is also well advanced, with commissioning anticipated this calendar year. The largest direct capital works contract for Mardie was awarded during the year to McConnell Dowell Constructors (Australia) Pty Ltd for the marine structures package – a fixed price contract which includes the jetty structure, transhipper mooring equipment, material handling system and navigation aids.

The award and delivery of these contracts is a significant undertaking, both in terms of work on the ground and the financial commitment. With $360 million of capital raised in December 2021, and continued revenue contribution from the Iron Valley mine, BCI's cash position remains strong and our construction program is well-funded for the 2023 financial year.

Outlook

BCI has a solid base with strong support. We are developing a Project of which the potential continues to be recognised even in today's economic turbulence. Demand for the commodities that we will ship from Mardie to Asian markets continues to be strong with salt prices up by at least 25% in the last 12 months and sulphate of potash increasing by approximately 85%.

In closing, I would like to thank all our valued employees and contracting partners for their contributions this year. I would also like to acknowledge the Board of Directors and my fellow Executive Leadership Team for their commitment and support.

It is an exciting time and we remain focused on delivering positive outcomes and a great project.

KERRYL BRADSHAW
INTERIM CHIEF EXECUTIVE OFFICER

Our Year in Review

Secured Mardie approvals and tenure

Main construction milestone achieved, and advanced progress made at site

$65.2M
revenue from Iron Valley

$27.8M
Iron Valley EBITDA

Cultural transformation program to attract and retain skilled workforce

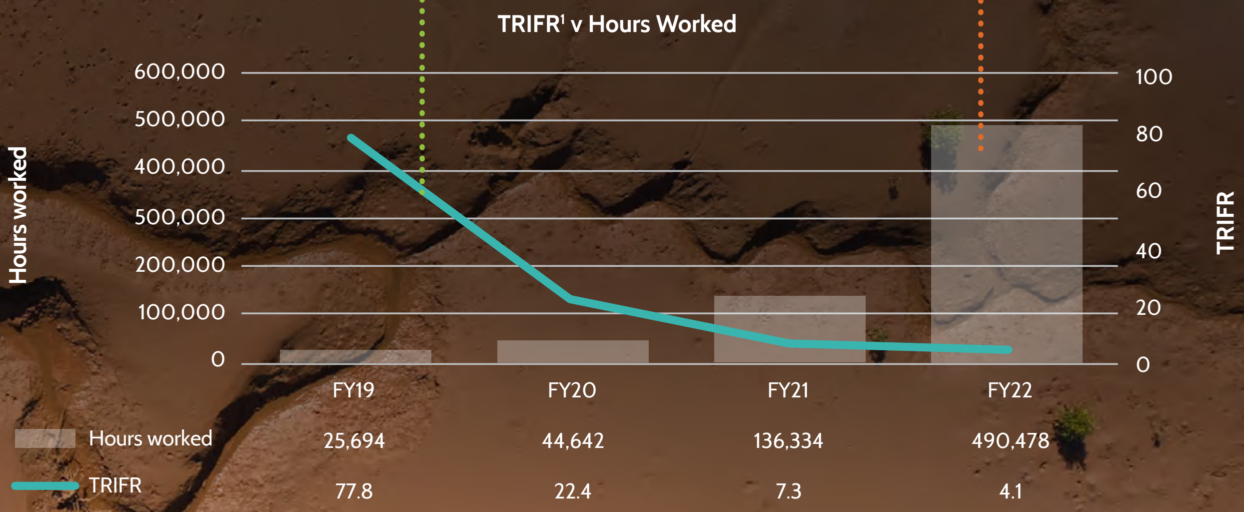
$360M
capital raise following Final Investment Decision

$384M
of contracts awarded

$142M
construction spend

260%
increase in hours worked

44%
improvement in safety performance



1 TRIFR – Total Recordable Injury Frequency Rate: total number of injuries including medical treatment injuries (MTI), restricted work injuries (RWI) and lost time injuries (LTI) per million hours worked (includes BCI employees and contractors).

BCI Minerals is a Western Australian company that is developing an industrial minerals business, with the Mardie Salt & Potash Project as the initial focus.

Mardie Salt & Potash Project

THE MARDIE SALT & POTASH PROJECT IS LOCATED APPROXIMATELY 80KM FROM KARRATHA, ON THE PILBARA COAST OF WESTERN AUSTRALIA (WA).

The Mardie Salt & Potash Project is on track to become the first new solar salt operation in Western Australia in over 25 years, and the first to produce salt and sulphate of potash (SOP) from seawater. The Project has strong green credentials with the Indian Ocean providing an inexhaustible feedstock, and natural solar and wind energy providing 99% of the energy required to produce salt and SOP.

The Pilbara coast is one of the world's premier regions for solar salt production. Five existing solar evaporation salt projects have been operating successfully in this region for up to fifty years, producing a quality, reliable salt product which is consistently in high demand in the chemical and other industries.

Mardie's site has all the critical characteristics for establishing a large-scale solar evaporation operation, including: optimum climate conditions (high temperatures, low rainfall, low humidity, and high windspeeds); a large area (~100km2) of impermeable mudflats as an ideal floor for evaporation ponds; minimal environmental and heritage sensitivities; and a coastal location for low cost shipping to Asian markets.

At Mardie, an inexhaustible seawater resource will be concentrated through solar and wind evaporation to sustainably produce 5.35 million tonnes per annum (Mtpa) of high purity sodium chloride (NaCl) salt and 140 thousand tonnes per annum (ktpa) of sulphate of potash (SOP or K2SO4) fertiliser and supply the growing chemical and agricultural industries over an operating life of at least 60 years.

The 2022 financial year was marked by the clear transition from the feasibility stage to the construction phase of the Mardie Salt & Potash Project.

Progress Update

Rapid progress was made on site following milestone events in the first half of the financial year. The BCI Board reached a Final Investment Decision for the Mardie Project in October 2021 and a month later, the Western Australian Minister for Environment approved the proposed development of Mardie's Definitive Feasibility Study (DFS) footprint with conditions.

Early in the new year, the required Commonwealth environmental approval was obtained from the Department of Water, Agriculture and Environment, now known as the Department for Climate Change, Energy, the Environment and Water, and Project mining leases were granted by the Department of Mines, Industry, Regulation and Safety shortly thereafter.

Another important achievement included recognition of Mardie as a future export hub with an Indigenous Land Use Agreement (ILUA) executed between the Wirrawandi Aboriginal Corporation (WAC) representing the Mardie Traditional Owners, the Western Australian Government and BCI to allow the creation of a port reserve at Cape Preston West. The ILUA is a critical step in developing the infrastructure needed to directly deliver salt and sulphate of potash into Asian markets.

The culmination of these approvals and agreements was an on-site construction ceremony on 25 March 2022 where Western Australian Premier Mark McGowan joined BCI Minerals' Board, leadership team, Mardie Traditional Owner representatives and community stakeholders to officially launch the Mardie Project. Since that time considerable progress has been made on core Project components and supporting infrastructure.

MARDIE ACCOMMODATION VILLAGE

With construction ramping up, a key focus at Mardie during the year was the expansion of the accommodation village, with works undertaken by contracting partner McNally Group. The village has expanded from 80 to 400 rooms, with central facility buildings fitted out and landscaping works progressed. In conjunction with WAC, the combination mess facility has been named "Yawan" (hot cooking stones). The village is expected to be fully operational by the end of calendar year 2022.

POND CONSTRUCTION

Integral to the eventual move from development into production at Mardie are the ponds which will produce 5.35Mtpa of high-purity salt. During the year, the northern embankment trial and Pond 0 were completed, with contractor SRG Global progressing large sections of the Ponds 1 and 2 wall and levee system.

The earthworks contract for Ponds 3, 4 and 5 was awarded to Australian construction company, QH&M Birt (Q-Birt) in the latter half of the year, with the contractor mobilised to site and Pond 3 construction works underway. The contract also includes the earthworks required for transfer pump stations 3 to 4 and 5 to 6 and the installation and commissioning of groundwater monitoring wells parallel to the gas pipeline corridor.

SEAWATER INTAKE

The seawater intake pump structure will maintain the inflow of seawater to the pond system. The main pump structure includes six 3,000 -litres-per-second pumps, which will pump 160 gigalitres of water into the evaporation ponds each year – equivalent to approximately 70,000 Olympic swimming pools.

The pumps have been procured by BCI, and the design, procurement, construction, and commissioning of the primary seawater intake structure was awarded to engineering group Ertech Geomarine in the first half of the financial year.

All piling has now been installed, with concrete and steel structural elements underway. Subsequent to the period, installation of the pumps has begun, and commissioning activities are anticipated to commence before the end of the calendar year.

MARINE STRUCTURES PACKAGE

The largest direct capital works contract for the Project was awarded during the period to McConnell Dowell Constructors (Aust) Pty Ltd for the ~$190 million marine structures package.

The design and construct package includes the jetty structure, transhipper mooring equipment, material handling system and navigation aids.

The marine structures package is on track, with 100% of jetty design received and 60% of mechanical designs completed. Onsite construction for the marine structures is expected to commence following the completion of the jetty causeway.

DESIGN OPTIMISATION

While solid progress has been made on site, the current inflationary economic climate has necessitated a design optimisation and cost review. Cost increases across Mardie construction packages became evident in the second half of the year with market inflation across labour, materials, equipment, and consumables impacting prices.

Combined with design changes, which were necessary to comply with third party approvals, and development of designs across the Project, BCI is undertaking a detailed cost and design review, with the objective of strengthening design maturity and price confidence. BCI will provide a further update following the conclusion of these assessments.

Iron Valley Mine

IRON VALLEY IS A MINE LOCATED IN THE CENTRAL PILBARA, WHICH IS BEING OPERATED BY MINERAL RESOURCES LIMITED (ASX:MIN) UNDER A ROYALTY-TYPE AGREEMENT.

As at 30 June 2022, Iron Valley's Mineral Resource was 167.2Mt at 58% Fe and its Ore Reserve was 54.5Mt at 58.2% Fe.

Iron Valley commenced exports in October 2014 and is generating royalty-type earnings for BCI. It is a relatively simple Direct Shipping Ore (DSO) operation that produces both lump and fines, which are hauled to Port Hedland utilising road trains and exported via Utah Point. It has a potential mine life of around 10 years based on current ore reserves and the current production rate of approximately 6Mtpa.

MIN operates the mine entirely at its cost and purchases Iron Valley product from BCI at a price linked to MIN's realised sale price. BCI retains ownership of the tenements and certain statutory obligations, including payment of royalties. BCI's EBITDA from Iron Valley was A$27.8M in FY22.

03

FIGURE 1: BCI'S SUSTAINABILITY PRINCIPLES AND PILLARS

Sustainability

BCI'S PRIMARY FOCUS IS TO BUILD A COMMERCIALLY SUSTAINABLE BUSINESS BY DEVELOPING THE MARDIE SALT & POTASH PROJECT, AND THE PRIMARY PURPOSE OF THE PROJECT IS TO HARNESS RENEWABLE NATURAL RESOURCES TO PRODUCE QUALITY PRODUCTS TO SUSTAIN AND IMPROVE LIFE ON EARTH.

Salt and sulphate of potash (SOP) will be the principal products harvested at Mardie. Salt is an essential chemical input for more than 10,000 products including glass (a key input for solar panels), PVC, soaps and pharmaceuticals and is also used for water treatment, de-icing and in the food industry. SOP is a high value fertiliser that improves crop quality and yield.

Sustainability is central to Mardie's production process with seawater the inexhaustible feedstock for salt and SOP production and 99% of the energy required to drive the evaporation process coming from clean, natural solar and wind sources.

In its 2021 Annual Report, BCI outlined its priorities to develop a robust emissions reduction strategy, to ensure environmental commitments are met or exceeded during construction of the Mardie Project and to ensure BCI continues to build respectful relationships with Indigenous and other community stakeholders. Since then, a Sustainability Strategy has been developed which brings together the sustainable practices and activities undertaken across the organisation, providing structure and clarity as to how initiatives relate to objectives, related targets and governance. With the benefit of this strategy, targets have been set and outputs are being monitored and measured in anticipation of reporting.

As part of this strategy, sustainability pillars were established that align with the priorities identified by the BCI Sustainability Committee and Board in the 2021 Annual Report and provide structure for BCI's Sustainability Principles. This framework is depicted in Figure 1.

During the year a Sustainability Steering Group was established with the purpose of developing and implementing BCI's strategy by defining what sustainability means for BCI, setting sustainability objectives and targets for the business and developing initiatives and action plans for short, medium and long-term outputs.

BCI further developed its Project Environmental and Social Management System (ESMS) which identifies the environmental and social management framework of the Mardie Project. It is an overarching roadmap accompanied by a document register which seeks to ensure environmental and social compliance with identified obligations and legislation. The ESMS lists all applicable legislation and identifies the required approvals and management plans relevant to the Mardie Project, including the full suite of project standards.

This section of BCI's Annual Report details the sustainable activities and practices undertaken across the business over the year and follows the Global Reporting Initiative (GRI) framework regarding the selection process for material topics, paving the way to produce a Sustainability Report with reference to the GRI standards in 2023.

Stakeholder Engagement

BCI engages with key stakeholders in a regular, structured and culturally sensitive manner including affected communities, employees and other stakeholders. This includes engagement as part of the Mardie Project impact assessment and approvals processes. The Project has developed a Stakeholder Engagement Management Plan (SEMP), an Annual Stakeholder Engagement Procedure (Procedure), and an Indigenous Engagement Strategy (IES).

The SEMP describes how stakeholder communication will be managed by the Mardie Project and the general approach to engagement and grievance management. The Procedure operationalises the SEMP, identifying and characterising key stakeholders and outlining the tools and tactics for communication with different groups.

The SEMP identifies the following groups as key stakeholders for the Mardie Project:

- Landholders and Native Title parties
- Community groups
- Industry and local businesses
- Government agencies/regulators
- Conservation groups
- Development agencies/groups

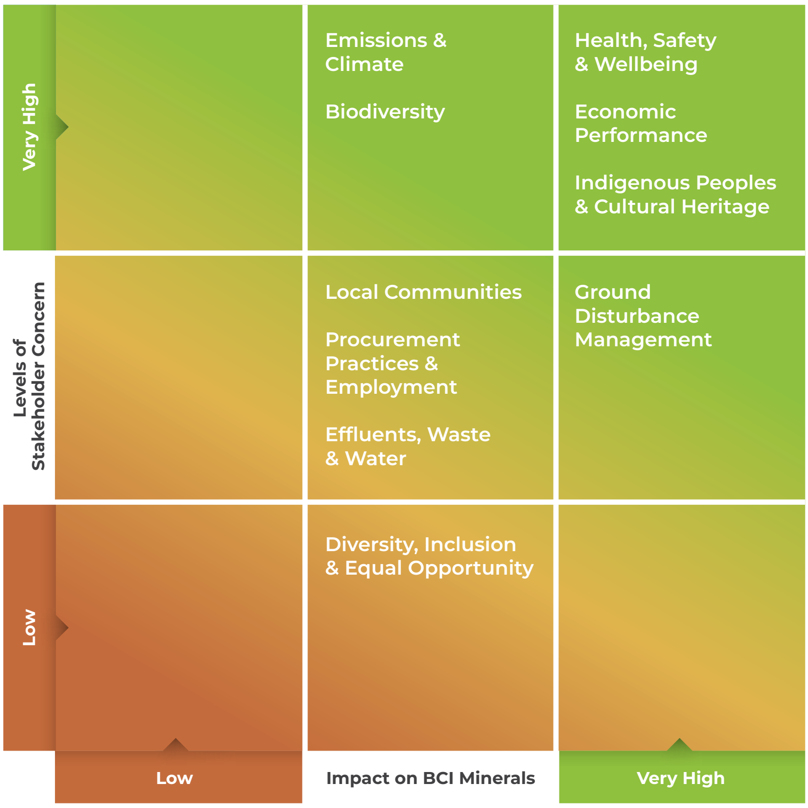
And as an ASX-listed company developing a salt and potash operation, BCI has additional key stakeholders:

- Shareholders
- Employees/Board/Contractors/Unions
- Customers/Offtake partners
- Lenders
- Media

BCI applied a materiality process to inform the scope and level of disclosures identified in the report. Material topics were selected by considering feedback from stakeholders, BCI's leadership team, subject matter experts and an examination of industry benchmarks. Topics were evaluated and prioritised to ensure the Company's purpose and strategic focus areas were considered and are presented in Figure 2.

Activities undertaken by BCI during the year and covered by the topics highlighted in the Materiality Matrix are outlined in the following section of this report with reference to the BCI Sustainability Pillars, Principles, objectives, targets and the related United Nations Sustainable Development Goals (SDG).

FIGURE 2: MATERIALITY MATRIX



MATERIAL TOPIC INDEX

1. Health, Safety & Wellbeing
2. Diversity, Inclusion & Equal Opportunity
3. Economic Performance
4. Emissions & Climate
5. Biodiversity
6. Effluents, Waste & Water
7. Ground Disturbance Management
8. Local Communities
9. Indigenous Peoples & Cultural Heritage
10. Procurement Practices & Employment


BCI
MINERALS

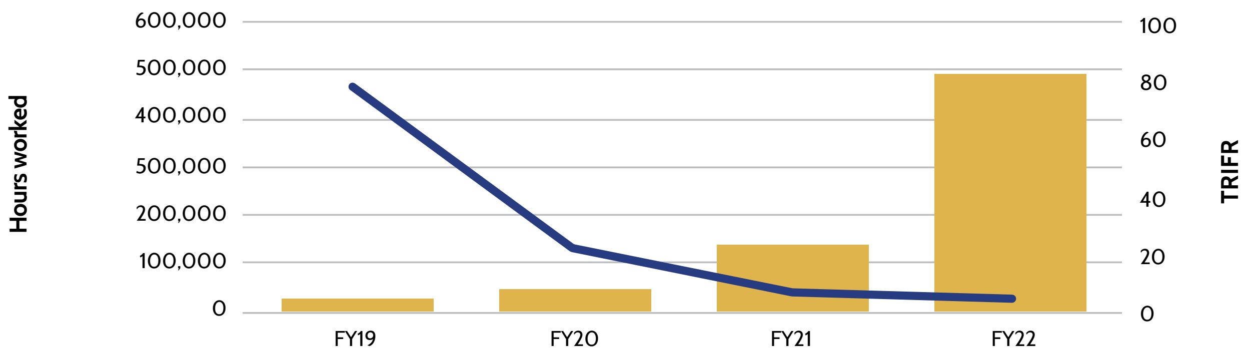
1. Health, Safety & Wellbeing

3 GOOD HEALTH AND WELL-BEING

PILLAR: SOCIAL EQUITY	
PRINCIPLE: Provide a Safe Environment	**OBJECTIVE:** Ensure BCI employees, contractors and visitors come home safely
	TARGETS: • Zero fatalities; • TRIFR<15

BCI has a proud safety record of seven years without a lost time injury (LTI). The Total Recordable Injury Frequency Rate (TRIFR[1]) improved by 44% over the year to 4.1, a pleasing result given the 260% increase in hours worked as construction activities ramped up over the period.

TRIFR[1] v Hours Worked



	FY19	FY20	FY21	FY22
Hours worked	25,694	44,642	136,334	490,478
TRIFR	77.8	22.4	7.3	4.1

To ensure safety performance continues to improve, all BCI employees have safety as a KPI, and seven staff members, or 8% of the workforce, have safety as the primary purpose of their role.

BCI has a documented Health and Safety Policy which commits to the provision of a safe, productive and healthy work environment for all workers, contractors and visitors. This is supported by BCI's Health and Safety Management System which documents the minimum expectations for work which is to be performed on the Project.

The general induction pack provided to all employees and contractors who work on site includes health and safety content and important information on BCI's Licence to Operate including work undertaken near the gas pipeline easements and requirements for access through the pastoral lease. BCI uses an Authority to Work permit for all non-routine or high-risk tasks, including access within the gas pipeline easement. It is required to be used by all employees and contractors prior to the commencement of the task.

BCI implements a Job Hazard Analysis (JHA) for all tasks on site at Mardie. The JHA form includes consideration of environmental hazards where applicable and the risks and controls associated with the task. Contractors also employ their own JHA process through completion of safety processes such as Safe Work Method Statements, pre-start meetings and Take 5 assessments.

1 TRIFR – Total Recordable Injury Frequency Rate: total number of injuries including medical treatment injuries (MTI), restricted work injuries (RWI) and lost time injuries (LTI) per million hours worked (includes BCI employees and contractors).

The incidence of sexual harassment in the Australian resources sector, particularly within site accommodation villages, remains a disturbing issue. BCI acknowledges and supports all the recommendations arising from the *National Parliamentary Inquiry into sexual harassment against women in the FIFO mining industry.*

BCI has zero tolerance for sexual harassment and has undertaken a review of its Code of Conduct, People Policy, and Diversity, Equity and Inclusion Policy, and implemented associated strategies, and action plans to ensure that this position is captured and conveyed.

With regard to the Mardie Village accommodation design, a BCI female committee was involved which considered physical and social safety measures. Consultation with the Chamber of Minerals and Energy WA (CMEWA) Safe and Respectful Working Group Committee and recommendations from the *National Parliamentary Inquiry into sexual harassment against women in the FIFO mining industry* were also key inputs to the village design.

BCI's pandemic protocols continued to be tested throughout the year. The flexibility to respond to the WA Government health advice for BCI's head office and Mardie site were key to ensuring the health and safety of BCI's workforce. BCI's COVID Management Plan was continually reviewed and updated, and key controls included reviewing essential workers for site-based travel and conducting pre-entry COVID declarations and temperature testing. During outbreak periods, additional risk mitigations controls were implemented such as BCI participating in the FIFO DETECT program prior to site entry. Working from home was a key requirement during lockdown periods whilst still keeping teams socially connected to one another.

The health, safety and wellbeing of BCI's workforce was the focus of training provided over the course of 2022, including Unconscious Bias Training, Cultural Awareness Training, Leadership Training on Changes to Work, Health & Safety laws in WA, 4-Wheel Drive and All-Terrain Vehicle training for site-based employees, and the implementation of BCI Online Learning to build soft skills.

BCI has reviewed its internal and external grievance mechanisms to ensure that they are visible, accessible and embedded within Company processes, allowing all stakeholders to engage and communicate with BCI.

The health, safety and wellbeing of BCI's workforce was the focus of training provided over the course of 2022.

2. Diversity, Inclusion & Equal Opportunity

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

PILLAR: SOCIAL EQUITY

PRINCIPLE:

Provide a Safe Environment

OBJECTIVE:

Foster and promote a culture of diversity and inclusion across the organisation

TARGETS:

- 5% Indigenous Australian employment;
- 20% female directors;
- 40% females in management positions;
- 43% female employment;
- 30% females on site in FY23;

BCI has proactively addressed issues of gender and workplace discrimination and harassment in mining environments, which has been a key issue in the Australian mining industry, and a key component of labour and human rights considerations. BCI ensured that senior leaders in the business attended an externally facilitated day-long training course on bullying and harassment and that a leaders' guide to delivering diversity moments and creating psychological safety was developed. In addition, all employees attended a purpose-built unconscious bias training program and had access to rapid-learning sessions to foster a more inclusive work environment. BCI also continues to regularly survey the workforce regarding BCI practices and to assess culture.

BCI is committed to establishing a safe, respectful and inclusive culture where diverse experiences, perspectives, backgrounds and ideas are valued and utilised at every level of its corporate and site workplaces. BCI believes this will lead to alternative ways to approach challenges, solve problems, and identify growth opportunities, which will result in a work environment where better decisions are made.

To demonstrate this commitment, during the reporting period BCI prepared and implemented a Diversity, Equity and Inclusion (DEI) Strategy and Plan together with its first Diversity, Equity and Inclusion Policy, which further articulates BCI's commitment towards fostering, promoting and establishing a culture of diversity and inclusion at every level of its corporate and site culture, including its relationship with stakeholders.

The BCI Board believes that the setting of DEI measurable objectives and reporting performance against these objectives is an enabler of corporate strategy. To support the achievement of the proposed measurable objectives, BCI's strategy includes the following three areas for action:

1. Raise awareness through training, education and communications highlighting BCI expectations and increasing two-way feedback, enhancing BCI's inclusive culture both internally and externally, with a focus on encouraging psychological safety and alignment with BCI values and obligations.
2. Equal opportunities for females to access training, and to support female representation on the Board, a commitment to continue to increase female director representation.
3. Indigenous engagement through collaboration with suppliers to increase indigenous employment and partnering with the local community to support key activities including BCI's Reconciliation Action Plan, cross-cultural training and recruitment to provide entry-level programs and pathways to long-term employment.

Gender diversity is already a key feature of BCI's workforce with female employment of 42% across the organisation and female representation of 29% at Mardie site, 39% in management positions and 14% holding directorships at the end of the 2022 financial year.

BCI is committed to ensuring that employees with similar skills, knowledge, qualifications, experience and performance are paid equally for the same or comparable work. BCI will remain focussed on pay equity and improving female representation at all levels.

BCI's workforce is predominantly located in Perth, however now that construction has commenced, recruitment will focus on Pilbara local and Indigenous communities to support the operation, with two key appointments made at Mardie site in 2022.

3. Economic Performance

8 DECENT WORK AND ECONOMIC GROWTH

PILLAR: ECONOMIC VIABILITY + SOCIAL EQUITY

PRINCIPLE:	
Promote Community Prosperity Maximise Value, Minimise Waste	**OBJECTIVE:** Build beneficial and respectful relationships with the community and all other stakeholders **TARGET:** Steady state annual production of 5.35Mtpa of salt and 140ktpa of SOP to deliver annuity style returns to BCI shareholders, Traditional Owners, State and Federal Governments

At Mardie, an inexhaustible seawater resource will be concentrated through solar and wind evaporation to sustainably produce 5.35 million tonnes per annum (Mtpa) of high purity sodium chloride salt and 140 thousand tonnes per annum (ktpa) of sulphate of potash (SOP) fertiliser to supply the growing chemical and agricultural industries in Asia over an operating life of at least 60 years.

BCI commenced the four-year construction phase of the Mardie Project in February 2022. Once completed and fully operational, and in addition to annuity-style returns to BCI's shareholders, the Project is expected to generate approximately $8 billion in corporate taxes, $800 million in state government royalties and more than $200 million in native title payments over its 60+ year life.

Mardie will use an inexhaustible seawater resource, concentrated through solar and wind evaporation, to sustainably produce salt.

In the meantime, the direct economic value generated and distributed by BCI in the financial year to 30 June 2022 involved:

- $65.2 million in revenue from Iron Valley mine with $27.8 million EBITDA from its operation. The royalty-style earnings from Iron Valley support BCI's operating costs while the Mardie Project is built
- $37.4 million in royalties distributed to third parties from Iron Valley
- $162.7 million of expenditure to construct Mardie Village and substantial components of the seawater intake station, Ponds 0, 1 and 2 and supporting infrastructure for the Mardie Project
- $12.1 million paid to employees
- $10 million spent with approximately 40 local Pilbara suppliers

The financial implications and other risks and opportunities due to climate change are covered in the Emissions and Climate topic where the outcomes of the Mardie Project's Climate Change Risk Assessment are outlined. Potential Project design changes are being considered to improve the long-term resilience of the Project to extreme weather events.

4. Emissions & Climate

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

PILLAR: ENVIRONMENTAL PROTECTION + ECONOMIC VIABILITY

PRINCIPLE:

Harness Renewable Resources

Mitigate Climate Change

OBJECTIVE:

Reduce carbon emissions

TARGETS:

- 99% of energy to be derived from solar and wind
- Production of salt via energy efficient solar evaporation of seawater rather than more emissions intensive rock salt and solution mining techniques used elsewhere
- Production of SOP via more energy efficient flotation/schoenite process than the Mannheim process used by global peers
- Develop emission reduction strategy

BCI developed a standalone Environment Policy during the year which outlines the Company's goal to minimise impacts to the environment from its activities and highlights its commitment to the sustainable management and efficient use of natural resources. Key features of the policy include the development and implementation of strategies to reduce carbon emissions from BCI's activities as well as a commitment to the sustainable reduction of waste through elimination, reduction, recycling and re-use.

Mardie will be an energy efficient SOP fertiliser producer using a flotation/schoenite process which produces 50% less emissions.

When the current construction phase concludes and production commences at Mardie, the energy required to process 5.35Mtpa of salt and 140ktpa of SOP is approximately 1,075 gigawatt hours per annum (GWhpa). More than 99% of this energy requirement relates to the evaporation process which is driven by natural sun and wind energy. The remaining expected 1% of energy demand represents 76.6kt CO_2 equivalent and is largely associated with the SOP and salt processing plants, desalination plant, jetty, brine distribution and to a lesser extent with harvesting, haulage, and transhipping equipment. BCI is developing a strategy to reduce emissions by using renewables, diesel substitution and self-generated offsets.

In addition, BCI aims to contribute to climate change mitigation by producing salt and SOP via lower energy and emissions intensive processes than used in industrial production elsewhere. More than 50% of global salt is produced by energy and emissions intensive rock salt mining (21% of global capacity) and solution mining (32% of global capacity). Mardie aims to contribute to global salt supply with salt produced by solar evaporation of seawater, a process that emits 95% less CO2 than solution mining/processing and 70% less CO2 than rock salt mining.

Similarly, approximately 50% of the global SOP market is supplied by producers using the energy intensive Mannheim process. Mardie will be an energy efficient SOP fertiliser producer using a flotation/schoenite process which produces approximately 50% less emissions than the Mannheim process. Mardie's port location has the additional environmental benefit of reduced freight haulage-related emissions compared with landlocked domestic and international peers that require trucking of SOP to markets.

Climate change is a key consideration for the Mardie Project and during the year an independent expert was engaged to conduct a Climate Change Risk Assessment (CCRA). This involved a high-level evaluation of natural hazards which are likely to affect the Project under baseline and climate change scenario timeframes of 2030 and 2050 and used projections from the Intergovernmental Panel on Climate Change (IPCC).

Several physical risks were noted as increasing under various climate change scenarios with the highest risk rated hazards being water stress, wildfire and floods. Some of the key actions recommended by the assessment and being addressed by BCI relate to:

- Infrastructure designs being cognisant of the potential impacts from increasing cyclone intensity
- Project design already considers flooding and maintenance of water flows, however BCI is investigating further options to mitigate the potential for flood impacts
- Bushfire risk assessment to determine vulnerabilities and appropriate bushfire risk management strategies
- Water availability is addressed through the construction of a desalination plant

The design basis for the jetty is to withstand a 1 in 500-year event and considers increased cyclonic activity. An additional Project impact was considered whereby winds create wave sets within the ponds. To accommodate this, pond walls are designed with a margin protecting against internal storm surges with levees spaced far enough apart to reduce wave fetch and size within the ponds.

The risk of flood is already high under baseline scenarios, and the Project design accommodates extreme weather events. Extreme precipitation events are not projected to increase significantly in terms of volume of water under the climate change scenarios. Baseline one-day maximum rainfall is currently 364mm, with projected increase up to a maximum of 384mm under the 2050 worst case scenario. Accordingly, BCI has already undertaken numerous hydrology studies including hinterland surface water flow modelling, which have informed the design. The greatest hazard from flood risk is the risk of floodwater entering the ponds or crystallisers. Project location has been selected to minimise surface water flows from land to sea and the design includes an elevated access road which acts as a diversion bund to direct water flow through drainage channels to push the water away from ponds and roads.

Other existing freshwater flood mitigation factors include embankments on the upstream side of ponds aligned with the road network to help protect the ponds from freshwater flooding from the Fortescue River as well as the potential to siphon or pump away freshwater which is expected to remain on top of the brine.

Notwithstanding these measures, flooding remains a challenge that will require ongoing monitoring and review of pond wall design. Future mitigations that could be implemented if flood risk increases over time include increasing embankment heights, and improving drainage to the upstream side of the embankment by increasing depth of channels in front of pond walls. This would divert water more efficiently to the south and north of the site and through flood channels.

5. Biodiversity

14 LIFE BELOW WATER

15 LIFE ON LAND

PILLAR: ENVIRONMENTAL PROTECTION

PRINCIPLE:

Maximise Value, Minimise Waste

OBJECTIVE:

Environmental constraints should be the primary input into the design

TARGETS:

- Reduce design footprint in the Robe River Delta Mangrove Management Area to <20%
- Minimise impact on Short Range Endemic (SRE) habitat; impact target of <10% (<100ha) of habitat area
- Reduce mesquite weed in project footprint by a minimum 5% per annum during the construction phase through active management actions

The preservation of natural habitats is a primary input in the design of the Mardie Project. To that end, BCI commissioned several environmental studies over the course of the year to ensure the protection of biodiversity which included:

- Development of a groundwater monitoring network in landward areas of the Project
- Tecticornia (shrubland vegetation) pre-clearance surveys
- Impact assessment for ponds in the Robe River Delta Mangrove Management Area
- Pre-clearance turtle monitoring surveys and development of a marine turtle monitoring program

Data was collected via groundwater surveys and studies to enable development of a groundwater management plan for the Project. Various survey techniques were employed in this process which are outlined in the Effluents, Waste and Water topic.

The benthic zone is the ecological region at the lowest level of a body of water. As part of BCI's benthic communities and habitat monitoring and management plan, a commitment was made to conduct pre-clearance surveys of Tecticornia communities, or samphire vegetation, to minimise the residual impacts of the Project. The pre-clearance surveys established that less than 6% of recorded Tecticornia species at Mardie will be impacted by construction.

An impact assessment was conducted in the Robe River Delta Mangrove Management Area of the Project to ensure that best practice design, management, monitoring, and contingency measures are being employed to avoid significant adverse impact on the ecological function or processes that sustain mangrove habitats. BCI is working with the regulators and is targeting a reduction of the Project's footprint in the Robe River Delta Mangrove Management Area to less than 20%.

BCI has a target to minimise the Project's impact on the habitat of Short-Range Endemic (SRE) fauna. Species considered to be SRE are those with very localised ranges, generally defined as having a range <10,000 km^2. At Mardie, spinifex grassland found on mudflat islands was identified by fauna consultants as being possible habitat for some invertebrate SRE. This target has been built into the design footprint.

During the construction phase, BCI has a target to reduce mesquite weed in the project footprint by a minimum 5% per annum through active management actions. Mesquite is an introduced and invasive species, considered by the World Conservation Union as one of the world's most problematic invasive species which impacts the hydrological, energy, and nutrient cycling of ecosystems and has adverse consequences for biodiversity and primary production. BCI is working with the Pilbara Mesquite Management Committee to finalise a Mesquite Management Plan which will include how mesquite can be removed from the Project footprint.

A milestone was reached during the year when environmental approvals were gained from state and federal governments for Project implementation as proposed in the Definitive Feasibility Study. Conditions associated with the Western Australian approval, and outlined in Ministerial Statement 1175, included the requirement for financial offsets for marine and intertidal research. The offsets are based on the residual impacts and risks of the proposal to intertidal benthic communities and habitat, namely mangroves, algal mat and coastal samphire. The offsets were put in place for the purpose of guiding the strategic protection and management of the ecological values of these habitats on the west Pilbara coast.

This offset package takes the form of a research program that will be undertaken by an independent body, the Western Australian Marine Science Institution (WAMSI), for regional understanding of the Pilbara coastal environments to inform future decision-making, management and conservation.

The research program includes:

- Mapping of the current extent and distribution of samphire and algal mat on the west Pilbara Coast to complement the existing mangrove mapping. Gaining an understanding of how these habitats have changed over time will also inform their response to anthropogenic and natural events.
- Identifying and quantifying the potential effects of sea level rise on mangroves, samphire and algal mat on the west Pilbara Coast given the potential for the Mardie Project (or other salt proposals) to reduce the capacity of some intertidal benthic communities and habitat to adapt to climate change.
- Identifying the ecological roles, values and functions of algal mat on the west Pilbara coast. The highest priority habitat is algal mat as it is the least understood of the intertidal benthic coastal habitats. In particular, very little is known about its contribution to nutrient and energy flow in the intertidal to subtidal system and how this varies spatially and temporally.

A milestone was reached during the year when environmental approvals were gained from state and federal governments.

Another approval condition associated with Ministerial Statement 1175 pertained to the protection of marine turtles given the island chain from Mangrove Islands to Cape Preston is recognised as foraging habitat for green, hawksbill and flatback turtles. In response, BCI has developed and implemented a Marine Turtle Monitoring Program to collect pre-construction baseline data of marine turtle nesting and hatching activity in the Mardie Region, to further describe the nesting population and habitat. An assessment will be conducted to determine any impacts the Project's artificial light emissions may have on nesting and hatching marine turtles which have the potential to cause the mis-orientation and/or disorientation of marine turtles. In addition, BCI has sponsored the Annual International Sea Turtle Symposium to be held in Colombia in March 2023 which will bring together more than 600 people from 70 countries, including technical experts, researchers, government entities, and research institutes to exchange knowledge and propose measures to protect sea turtles.

6. Effluents, Waste & Water

PILLAR: ENVIRONMENTAL PROTECTION + ECONOMIC VIABILITY	
PRINCIPLE: Maximise Value, Minimise Waste	**OBJECTIVE:** Environmental constraints should be the primary input into the design; Meet or exceed environmental commitments during construction and operation
	TARGET: Further reduce waste by commercialising or utilising additional byproducts

Sustainability is considered at every stage of the production process by minimising the requirement to produce energy (by harnessing solar and wind power) and reprocessing to extract maximum value and minimise waste (eg: the SOP byproduct from salt waste).

There are five existing solar salt operations on the Western Australian coast, but only Mardie will reprocess salt bitterns to produce SOP. Mardie will also recycle brine from its salt wash plant, desalination plant and secondary crystallisers, and is investigating further ways to minimise bitterns discharge. These design elements assist Mardie to maximise economic benefits and minimise waste while at the same time preserving ecological integrity.

These design elements assist Mardie to maximise economic benefits and minimise waste while at the same time preserving ecological integrity.

In the Australian SOP production context Mardie is unique, not just for its coastal location, but because it will be the only SOP producer to use renewable, sustainable seawater as feedstock, whereas domestic peers rely on the finite resources of inland lakes and aquifers. Mardie will also be the only domestic SOP producer to commercialise salt (whereas peers will generate ~2.5Mtpa of waste salt on an equivalent SOP production rate). BCI is investigating further waste reduction opportunities including the reprocessing of spent brine (bitterns) to produce magnesium and bromine.

When undertaking groundwater studies surrounding Mardie Pool, an area of significant heritage value to the Mardudhunera people, BCI used a non-invasive technology to avoid drilling traditional monitoring bores.

It is not just in the production process where BCI is looking to minimise its impact on the environment. Groundwater management is a focus area for the environmental regulator and forms part of BCI's Environmental Management Plan. When undertaking groundwater studies surrounding Mardie Pool, an area of significant heritage value to the Mardudhunera people, BCI used a non-invasive technology to avoid drilling traditional monitoring bores. The survey was conducted with the benefit of a Transient Electromagnetic system, a process which involved two people spaced 10 metres apart with backpack-mounted transmitter and receiver units. The system measured the conductivity of the subsurface material to a depth of about 25 metres with the resulting data allowing the freshwater lens above the more conductive saline groundwater to be defined.

7. Ground Disturbance Management

15 LIFE ON LAND

PILLAR: ENVIRONMENTAL PROTECTION + SOCIAL EQUITY	
PRINCIPLE: Mitigate Climate Change	OBJECTIVE: Comply with social and environmental obligations
	TARGET: No breaches

A Ground Disturbance Permitting (GDP) system is in place at Mardie which requires all ground disturbing works to be assessed and approved. As part of the system, all ground disturbing works are matched against agreed project footprints, relevant consents and any heritage and environmental management requirements. If the ground disturbing works will affect an Aboriginal site, senior BCI management is required to review the status of all heritage consents, approvals and correspondence from Traditional Owners confirming their non-opposition to ensure that works are only undertaken with the support of the Traditional Owners and compliant with heritage legislation or avoided.

BCI has a ground disturbance procedure which outlines the minimum requirements for obtaining and implementing a GDP for all BCI projects and operations. It is a critical process in relation to BCI's ability to maintain compliance obligations throughout the life of the Project. It specifies the requirements for the approval, management, monitoring and auditing of ground disturbance activities across all BCI sites and activities and is a key controlling document within the ESMS.

The objective of the ground disturbance procedure is to outline a process designed to:

- Minimise ground disturbance to the extent possible
- Manage ground disturbance activities in compliance with all relevant legislative and legal obligations
- Manage ground disturbance activities within approved boundaries
- Identify all known culturally and environmentally sensitive areas to prevent unauthorised disturbance
- Identify all available topsoil for recovery and stockpiling for later use in rehabilitation works
- Ensure all completed ground disturbance is surveyed, recorded, and reported

Management of the GDP process involves the use of a Geographic Information System (GIS) platform, which tracks approved and active disturbance against Project clearing limits imposed by the conditions in environmental and other approvals. Quarterly flyovers to map ground disturbance are undertaken and real time location data is provided to employees and contractors on site via tablet computers to ensure adherence to environmental and heritage clearing limits.

There were no known material breaches of ground disturbance outside permitted areas, however some minor incidents during the period have provided input to a strengthened set of procedures. The general induction pack provided to all employees and contractors who work on site includes content that clearly references the GDP process as being a key environmental and social control in use on the Project.

8. Local Communities

10 REDUCED INEQUALITIES

PILLAR: SOCIAL EQUITY

PRINCIPLE:	OBJECTIVE:
Promote Community Prosperity	Strengthen and maintain BCI's Licence to Operate; Ensure local spend; Encourage regional living; Promote local and Indigenous contracting
	TARGET:
	During the construction phase, award >$10M in contracts to Pilbara businesses

Mardie will be a multi-generational asset for northern Australia, delivering new multi-user export infrastructure, tax and royalty revenues, local jobs and contracts, and Indigenous engagement. BCI's sustainability pillar is focused on promoting prosperity in our communities through employment, procurement spend, support programs, government taxes and royalties, and native title payments. To that end, BCI implemented a new Community Policy with the objective of securing community support by conducting activities in a manner that considers community issues, needs and priorities to achieve mutually beneficial outcomes.

Having established a Pilbara office in Karratha's CBD in early 2021, BCI further strengthened its ties with the community by entering into a partnership agreement with the City of Karratha. BCI established its Partnerships and Sponsorships Program during the year and through this inaugural partnership BCI will support critical services and community events in the city, provide necessary funding to the arts, youth and Indigenous community, and help to attract skilled workers to the region.

Community events and programs supported in 2022 include sponsorships of the FeNaClNG Festival and Cossack Art Awards, grants targeting sporting activities for youth and capacity building in Indigenous communities, and the Medical Services Housing Subsidy scheme. The housing scheme is designed to remove the barrier of high rental costs which deter health professionals considering employment in Karratha.

BCI also sponsors and is present at local community events such as Community Business Breakfasts, Business Afterhours events, Grow Local events and Indigenous Business Networking events run by the City of Karratha, the Karratha and Districts Chamber of Commerce and Industry (KDCCI) and the Onslow Chamber of Commerce and Industry. In addition, BCI has aided sponsorship of the training and establishment of two rangers as part of its Wirrawandi Aboriginal Corporation Ranger Program Partnership.

With BCI's sustainability pillars of minimising waste, promoting community prosperity and providing a safe environment in mind, BCI's team at the Mardie Village has partnered with Containers for Change and to date have diverted more than 30,000 containers from landfill. For every eligible container recycled at Mardie Village during the year, 10 cents was donated to Beyond Blue to help fund their work providing anxiety, depression and suicide prevention support.


GIANTS

9. Indigenous Peoples & Cultural Heritage

10 REDUCED INEQUALITIES

PILLAR: SOCIAL EQUITY

PRINCIPLE:	OBJECTIVE:
Promote Community Prosperity	Strengthen relationships with Indigenous people
	TARGETS: • No heritage breaches; • 5% Indigenous employment in FY23

A significant occasion was marked in October 2021 when the official Welcome to Country ceremony for the Mardie Salt & Potash Project took place on site. The ceremony was led by four elders of the Yaburara and Mardudhunera People and represents an essential step toward the implementation of the Project.

BCI's relationship with the Wirrawandi Aboriginal Corporation (WAC), the prescribed body corporate of the Traditional Owners of Mardie, was further strengthened during the year through its Ranger Program Partnership.

BCI's relationship with the Wirrawandi Aboriginal Corporation (WAC), the prescribed body corporate of the Traditional Owners of Mardie, was further strengthened during the year through its Ranger Program Partnership. The partnership will see BCI become one of the sponsors of two full-time Aboriginal rangers, employed by WAC, and provide them with formal qualifications over a minimum of four years as well as assistance in establishing, coordinating and developing the program. The rangers will educate young people in their communities about natural resource management, traditional ecological knowledge, the importance of caring for country, and will encourage relationships with community elders. The program is also designed to provide health and well-being, economic, cultural and educational outcomes for the individual rangers.

Collaboration between WAC and BCI was instrumental in Mardie being the sole project proponent for the proposed Port of Cape Preston West. This is the result of the Port of Cape Preston West Indigenous Land Use Agreement (ILUA), a tripartite agreement between WAC, the Western Australian Government and BCI which provides the necessary native title consents to allow the WA government to formally create a port reserve at Cape Preston West. Importantly, WAC's agreement to the creation of the port reserve at Cape Preston West is based on the non-extinguishment principle which suppresses rather than extinguishes native title – a positive result for all parties and one that is welcomed by the Yaburara and Mardudhunera people.

The strong relationship BCI has with the Traditional Owners of Mardie was enhanced by its decision to amend the design of the Mardie Access Road to avoid and preserve an Aboriginal heritage site. The heritage site is now a striking feature of what would otherwise have been a straight road and symbolises the respect BCI has for Aboriginal culture and heritage.

BCI has comprehensive native title and heritage agreements in place with its two native title holder stakeholders, the Yaburara and Mardudhunera People via the Wirrawandi Aboriginal Corporation (WAC) and the Kuruma Mardudhunera People via the Robe River Kuruma Aboriginal Corporation (RRKAC).

Consultation with Mardie's Traditional Owners was key to the development of BCI's new Cultural Heritage Policy, Cultural Heritage Management Plan, Cultural Awareness training and Reconciliation Action Plan (Reflect) during the period. These, together with BCI's Indigenous Engagement Strategy, formalise and document the relationships BCI has forged with Indigenous people and outlines the aspirations it has for the future.

10. Procurement Practices & Employment

PILLAR: SOCIAL EQUITY + ECONOMIC VIABILITY

PRINCIPLE:

Promote Community Prosperity

Provide a Safe Environment

OBJECTIVE:

Ensure local spend; Encourage regional living; Promote local and indigenous contracting

TARGETS:

- During the construction phase, award >$10M to Pilbara businesses with >$2M in contracts to registered Traditional Owner groups annually;
- 5% employment of Indigenous Australians in FY23

The Mardie Project's Australian Industry Participation (AIP) Plan is considered when awarding all contracts, particularly contracts less than $1 million where local contractors and suppliers are given a local price preference. A hierarchy prioritising Traditional Owner, Pilbara Indigenous and Pilbara contractors and suppliers is in place for like-for-like tender and cost estimate submissions. Over the course of the 2022 financial year, BCI spent more than $10 million with approximately 40 different Pilbara suppliers, meeting its target in this regard.

BCI incorporates Aboriginal employment and contracting considerations as part of the selection criteria in competitive tender processes.

BCI incorporates Aboriginal employment and contracting considerations as part of the selection criteria in competitive tender processes. The engagement of Aboriginal and local sub-contractors and individuals is weighted in tender selection criteria to advantage contractors with Aboriginal and local engagement strategies and a history of Aboriginal and local sub-contractor engagement.

Communication of BCI opportunities and Project updates for those considered to be vulnerable persons are also conducted through engagement with various Pilbara organisations that provide jobs, training, support and operation of social initiatives for vulnerable persons within the Pilbara community. As part of BCI's Indigenous Engagement Strategy, as positions become available at Mardie, BCI will provide notice to the Yaburara and Mardudhunera and Kuruma Marthudunera People through the Implementation Committees or alternate means.

The attraction and retention of talent is critical to BCI's ongoing success, and during the year BCI commenced a cultural transformation program to enable its business strategy and the delivery of the Mardie Project through an engaged and productive workforce. Significant employment opportunities associated with the Mardie Project include approximately 500 construction jobs, 220 ongoing operating jobs at the conclusion of the construction phase, and indirect jobs in the region.

In response to the requirements of the *Modern Slavery Act 2018* (Cth), BCI released its inaugural Modern Slavery Statement in December 2021. The statement details the steps BCI has taken to identify key risks across its supply chain, operations and investments and the actions being taken to help manage these risks. As part of the assessment, BCI undertook a Human Rights Impact Assessment (HRIA) to identify potential salient human rights risks and impacts associated with the Mardie Project. The assessment was guided by the United Nation Guiding Principles (UNGPs) on Business and Human Rights, and the requirements set out in the Equator Principles.

The HRIA identifies actual and potential human rights risks and impacts, including vulnerable people/groups that may be at risk. Existing Company practices and management measures in relation to human rights risks and impacts are clearly identified, and specific recommendations are listed in the HRIA as to actions that BCI should take to further mitigate potential human rights impacts and risks.

Some of the key existing measures that are identified as already in place or planned, and which the HRIA notes should involve ongoing monitoring and evaluation include:

- Engagement with key stakeholders throughout the life of the Project
- Active management of agreements with Traditional Owners and pastoralists
- Security management measures, particularly at the port
- Cultural Heritage Management Plan and Policy
- Water management measures.

Subsequently, BCI has commenced using a self-assessment questionnaire as part of its procurement process. The use of the questionnaire has assisted BCI in understanding the stage of development of the proposed contractors' modern slavery risk management systems, and BCI will use this information to tailor BCI's approach to managing modern slavery risk with selected contractors. The BCI Board approved a new Human Rights Policy in August 2022 and training for the workforce in Human Rights issues will take place in the 2023 financial year.

Corporate Governance

BCI MINERALS HAS ADOPTED A CORPORATE GOVERNANCE FRAMEWORK WHICH FORMS THE BASIS OF A COMPREHENSIVE SYSTEM OF CONTROL AND ACCOUNTABILITY FOR THE ADMINISTRATION OF CORPORATE GOVERNANCE, THROUGH ITS BOARD, ITS SUBCOMMITTEES AND THE EXECUTIVES.

The BCI Board is committed to fostering an appropriate culture through administering the policies and procedures with openness and integrity and pursuing the true spirit of corporate governance commensurate with the Company's needs.

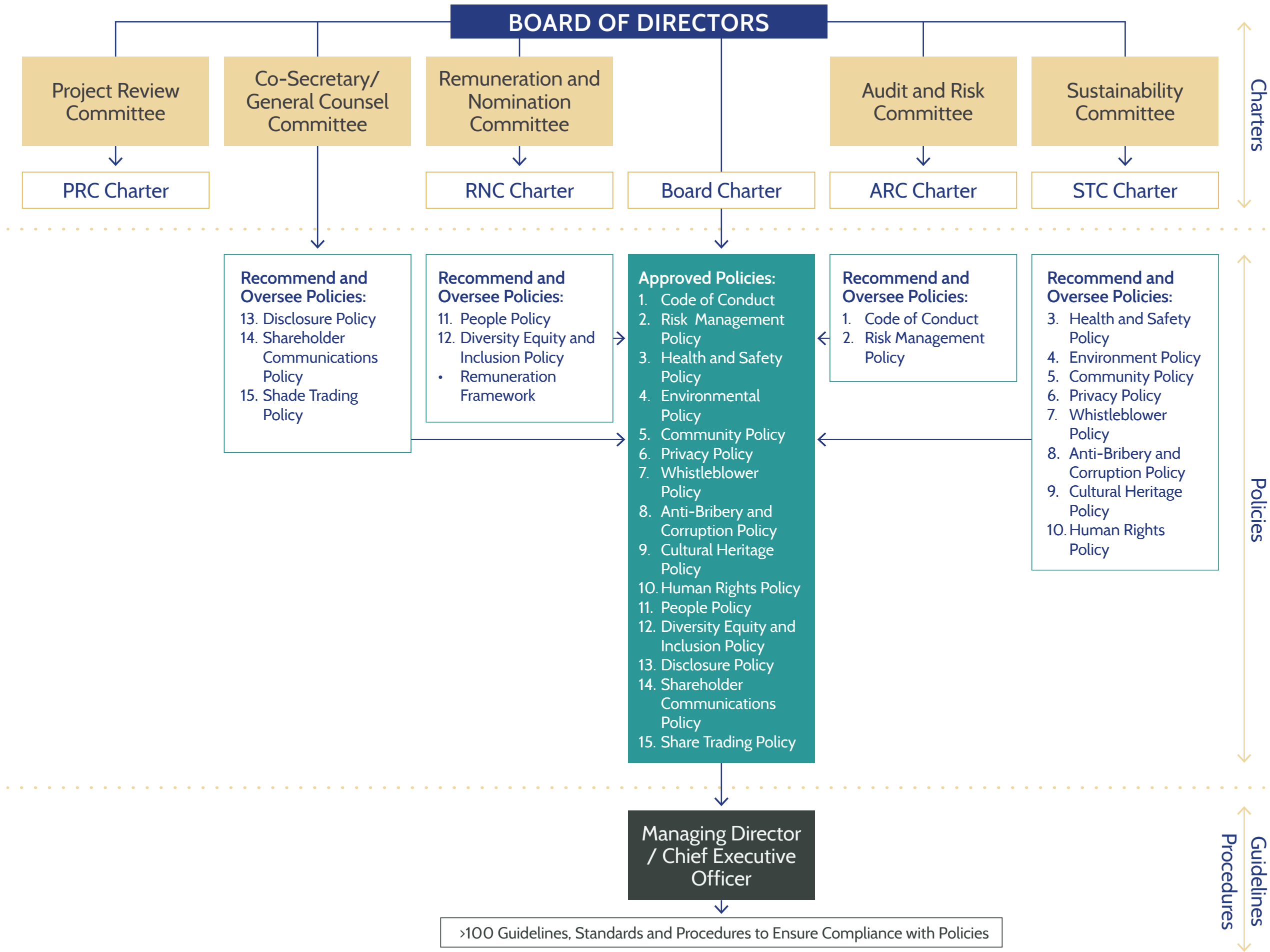
To the extent they are applicable to the Company, the Board has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition).

BCI's Corporate Governance Statement is available on the corporate website together with the Company's:

- Code of Conduct
- Charters
- Policies

The Company reviews its Corporate Governance Framework and policies annually to ensure they reflect any changes within the Company, or accepted principles and good practice.

Corporate Governance Framework



	Project Review Committee	Remuneration and Nomination Committee	Audit and Risk Committee	Sustainability Committee
Chair	Garrett Dixon	Garrett Dixon	Michael Blakiston	Chris Salisbury
Members	Chris Salisbury Miriam Stanborough	Michael Blakiston Brian O'Donnell	Brian O'Donnell Richard Court	Richard Court Mirian Stanborough

Risk Management

BCI's Risk Management Policy is enabled through its Risk Management Framework which is aligned to the International Standard for risk management, ISO 31000. BCI manages its activities within budgets and operational and strategic plans. BCI acknowledges that there is risk associated with all business activity and the Board works with senior management to safeguard assets, protect the health and safety of its workforce, maintain budgets and access to funds, maintain its licence to operate through upholding environmental, community and social obligations and ensuring regulatory compliance.

The Risk Management Framework aims to drive an effective risk management culture by establishing a process for regular review of business activities to objectively identify, evaluate, monitor, review and report risks.

The Audit and Risk Committee assists the Board with oversight of BCI's risk management activities and reviews key corporate risks at least annually.

BCI has established a cyclical risk review and reporting process and has embedded an integrated risk model. The integrated risk model considers vertical risk integration of risks within a department and horizontal integration where risks integrate across departments. BCI's risk profile is actively managed by undertaking:

- Monthly Risk & Compliance Summary prepared by BCI's Risk and Compliance Manager and reported to the Managing Director and Board
- Monthly executive review of BCI's top risks with a residual risk rating of high and very high
- Quarterly risk reviews undertaken by departmental teams and monthly project risk reviews
- Quarterly executive team risk alignment and integration workshops
- Regular review of the risk registers and risk management activities by the Audit & Risk Committee and the Board

Licence to Operate

BCI's commitment to sustainable business practices are imbedded through its values and founded in the various legislative requirements, approvals held or to be held by BCI, and contractual rights and benefits granted to BCI under agreements with third parties.

BCI is committed to preserving its licence to operate and ensuring compliance with the licence to operate obligations relating to matters such as:

- land access and native title
- Heritage protection
- tenure compliance
- environmental compliance
- pastoral access
- community engagement
- stakeholder engagement
- other legislative requirements relevant to BCI's business and the Project.

A culture of care and high-quality performance is the goal, with a target of zero material breaches of BCI policies and its licence to operate obligations.

Monthly compliance reviews are carried out against BCI's licence to operate with the obligation owner and any breaches are then reported in the Risk & Compliance Summary which is then incorporated into the monthly Managing Director's Report and reported to the Board.

There were no material breaches of BCI's licence to operate during the reporting period.

A culture of care and high-quality performance is the goal, with a target of zero material breaches of BCI policies and its licence to operate obligations.


04

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 2022.

Principal Activity

The principal activities of the Company during the course of the financial year were the development and operation of assets in the Pilbara region of Western Australia, primarily focused on the Mardie Salt & 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) [a]
Michael Blakiston	Director (Non-Executive)
Garret Dixon	Director (Non-Executive)
Richard Court	Director (Non-Executive)
Chris Salisbury	Director (Non-Executive)
Miriam Stanborough	Director (Non-Executive) [b]
Jenny Bloom	Director (Non-Executive) [c]

(a) Mr Alwyn Vorster gave notice of his resignation to the Company on 15 July 2022.

(b) Ms Miriam Stanborough was appointed as a Director of the Company on 14 June 2022.

(c) Ms Jenny Bloom resigned as a Director of the Company on 20 December 2021

Directors' Qualifications, Experience And Special Responsibilities

MR BRIAN O'DONNELL

B COM, FCA, MAICD

Chair (Non-Executive) appointed as a Director October 2014

Period of office at August 2022 – 7 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, food, agricultural 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), 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, SocietyOne Holdings Pty Ltd and Fremantle Football Club Ltd. He is a Fellow of the Institute of Chartered Accountants and has 37 years' experience in the finance and investment industry.

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

MR ALWYN VORSTER

BSC (HONS) GEOLOGY, MSC (MINERAL ECONOMICS) AND MBA

Managing Director appointed 22 September 2016, notice of resignation provided on 15 July 2022

Period of office at August 2022 – 5 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 Chief Executive Officer of API Management and Managing Director of Iron Ore Holdings Ltd.

MS JENNY BLOOM

GRAD. DIP BUSINESS ADMINISTRATION, GAICD

Director (Non-Executive) appointed March 2017, resigned 20 December 2021

Period of office – 4 years and 9 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 also held the role of Chair of the Remuneration and Nomination Committee until her resignation.

MR MICHAEL BLAKISTON

B. JURIS LLB

Director (Non-Executive) appointed March 2017

Period of office at August 2022 – 5 years and 5 months

Mr Blakiston is a partner in Gilbert + Tobin's Energy and Resources group. He has over 35 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 Develop Global Limited and Precision Opportunities Fund Ltd, an unlisted specialist small to medium cap fund.

Mr Blakiston is the Chair of the Audit and Risk Committee, and is a member of the Remuneration and Nomination Committee.

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MR GARRET DIXON

Director (Non-Executive) appointed 18 June 2020

Period of office at August 2022 – 2 years 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 the Chair 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 2022 – 19 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.

Mr Court is 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 2022 – 15 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.

Mr Salisbury is the Chair of the Sustainability Committee and a member of the Project Review Committee.

MS MIRIAM STANBOROUGH

BA(HONS), BE(HONS), MSC, MAUSIMM, GAICD

Director (Non-Executive) appointed 14 June 2022

Period of office at August 2022 – 2 months

Ms Stanborough is a chemical engineer with more than 20 years' experience in the mineral processing industry across various commodities including copper, uranium, gold, silver, alumina, mineral sands and lithium. She has previously held senior roles at Monadelphous, Iluka Resources, Alcoa and WMC Resources across innovation and technology, technical development, production management, project management, business improvement, and human resources portfolios.

Ms Stanborough is currently a Non-Executive Director of Pilbara Minerals Limited (ASX:PLS), the Chair of the Minerals Research Institute of Western Australia (MRIWA), Director of ChemCentre, Deputy Chair of the Northern Agricultural Catchments Council (NACC NRM), and the Deputy Chair of Scouts WA.

Ms Stanborough was appointed as a member of the Sustainability Committee and as 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 25 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	13	13	4	4	-	-	-	-	-	-
A Vorster	13	13	-	-	3	3	6	6	3	3
M Blakiston	13	13	4	4	1	1	-	-	-	-
J Bloom [5]	8	8	-	-	2	2	-	-	-	-
G Dixon	13	12	-	-	3	3	6	6	-	-
R Court	13	12	4	4	-	-	-	-	3	3
C Salisbury	13	13	-	-	-	-	6	6	3	3
M Stanborough [6]	1	1	-	-	-	-	-	-	-	-

[1] *Members of the Audit and Risk Committee during the financial year ended 30 June 2022 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 2022 were J Bloom (Chair) until her resignation, G Dixon (Chair) appointed to the Chair position on 31st December, A Vorster (Member).*

[3] *Members of the Project Review Committee during the financial year end 30 June 2022 were G. Dixon (Chair), A. Vorster (Member) and C. Salisbury (Member) from date of appointment.*

[4] *Members of the Sustainability Committee during the financial year 30 June 2022 were C. Salisbury (Chair), R. Court (Member) and A. Vorster (Member).*

[5] *J Bloom resigned from the company on 20th December 2021.*

[6] *M Stanborough was appointed as an independent Non-executive Director of the Company on 14 June 2022.*

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	-	1,156,254	-	112,219	-	-
A Vorster	-	7,768,642	-	4,024,082	-	-
M Blakiston	-	-	-	64,125	-	-
J Bloom [1]	159,768	-	-	-	-	-
G Dixon	-	-	-	67,688	-	-
R Court	-	819,768	-	81,309	-	-
C Salisbury	-	-	-	85,826	-	-
M Stanborough	5,896	-	-	-	-	-
Total	165,664	9,744,664	-	4,435,249	-	-

[1] *J Bloom resigned from the company on 20th December 2021.*

Dividends

No dividends have been declared in relation to the year ended 30 June 2022 (June 2021: 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 is committed to providing a safe working environment for all staff and contractors and has been focused on incident prevention programs including critical control implementation. No lost time injuries (LTIs) have been recorded for more than seven years and the lost time injury frequency rate (LTIFR) at 30 June 2022 was zero (June 2021: 0.0). During the year, there was 1 recordable injury and the total recordable injury frequency rate (TRIFR) for the year is 4.1 (June 2021: 7.3).

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

BCI made significant progress on its 100% owned Mardie Salt & Potash Project during the year with key environmental approvals attained and funding secured to enable main construction to commence in February 2022.

Mardie approval and tenure targets were achieved during the period including environmental approvals gained from both the State and Federal Governments for the Definitive Feasibility Study (DFS) development footprint. In November 2021 the Western Australian Minister for Environment approved the implementation of the Mardie Project which was supported by the environmental approval notice issued by the Commonwealth Government's Department of Water, Agriculture and Environment (DAWE) in January 2022.

The Port of Cape Preston West Indigenous Land Use Agreement (ILUA) was executed during the period allowing the creation of a new port reserve. The ILUA is a tripartite agreement between the Wirrawandi Aboriginal Corporation (WAC), the Western Australian Government and BCI. The Mardie port facilities will be located within and adjacent to the Cape Preston West port land and the Pilbara Ports Authority (PPA) has approved the Development Application for these facilities.

Access agreements were executed in December 2021 with gas pipeline operators Santos and Chevron whose Varanus Island Gas Pipeline and Gorgon Domestic Gas Pipeline cross the southern area of the Project. These agreements lifted the objections to Mining Leases after which all secondary approvals required for construction to commence were granted, namely the Mardie Mining Proposal, the Part V Works Approval and consents under Section 18 of the Aboriginal Heritage Act 1972.

Additional Mardie tenements acquired after the DFS-based Environmental Review Document (ERD) submission will allow for a layout optimisation and expansion of production. This optimisation and expansion area outlined in the Optimised Feasibility Study (OFS) will be subject to further environmental assessment and approvals, which are expected to be received over the next 6-12 months.

On site at Mardie, construction of the 400-bed accommodation village is nearing completion, with all accommodation rooms in place, occupation certificates in hand for 300 rooms and internal fit-out of the central facility buildings underway. It is anticipated that the village will be operating at full capacity by the December quarter of FY23.

The base structure of the seawater intake station is substantially complete, with all piling installed, concrete and steel structural elements underway and the installation of six pumps with 3,000 litres/second capacity scheduled in the first half of FY23. Commissioning of the seawater intake station is anticipated in December 2022, a notable milestone which will enable these components of the Mardie Project to transition from construction to operation in CY23.

Large sections of the Pond 1 and Pond 2 levee system have been completed, with a contract extension awarded to SRG Global to construct the remaining walls and levees.

The earthworks contract for Ponds 3, 4 and 5 has been awarded to QH&M Birt (Q-Birt), an Australian company with a 40-year history in the construction industry. The contract includes the construction of evaporation ponds 3, 4 and 5, the earthworks required for transfer pump stations 3 to 4 and 5 to 6 and the installation and commissioning of groundwater monitoring wells parallel to the gas pipeline corridor. Q-Birt has mobilised to site and has commenced construction.

The largest direct capital works contract for the Project was awarded during the period to McConnell Dowell Constructors (Australia) Pty Ltd for the ~$190M marine structures package. The design and construct package includes jetty structure, transhipper mooring equipment, material handling system and navigation aids. The marine structures are on track against plan with 100% of jetty design received and 60% of mechanical designs completed.

On the funding front, in the first half of FY22 BCI raised $360M of equity via a strongly supported $240M placement of new shares to institutional investors, an oversubscribed share purchase plan raising $20.6m and the provision of up to $100M in convertible notes by AustralianSuper.

The first half of FY22 also saw BCI receive commitments for commercial debt facilities totalling $310M (including a $140M construction loan facility and $170M facilities for cost overruns and guarantee requirements from lead financiers. Establishment of these facilities, together with the project finance commitments obtained from the Northern Australia Infrastructure Facility ($490M) and Export Finance Australia ($110M), will be progressed in line with finalisation of the current design and cost review.

As the second half of FY22 progressed, considerable cost increases became evident across the Mardie construction packages. Market rate inflation has seen labour, materials, equipment and consumables prices significantly impacted over the last 12 months. In addition, BCI expects increased costs associated with Project design changes required to comply with third party approvals and is considering other design changes to improve the long-term resilience of the Project to extreme weather events.

All package designs have been significantly developed, and numerous packages have been market tested or tendered as at the date of this report. While some of the larger fixed price packages have been awarded within Final Investment Decision (FID) budget, such as the marine contract with McConnell Dowell, market pricing for fuel and labour-intensive civil work has increased substantially in the last 12 months, and ongoing design development is also expected to result in increased costs.

Given ongoing market volatility, BCI is assessing the appropriate design, delivery method and timeframe of Project Mardie. Until this assessment is completed, BCI has decided to defer the award of selected new contracts at Mardie, while continuing to construct existing awarded contracts.

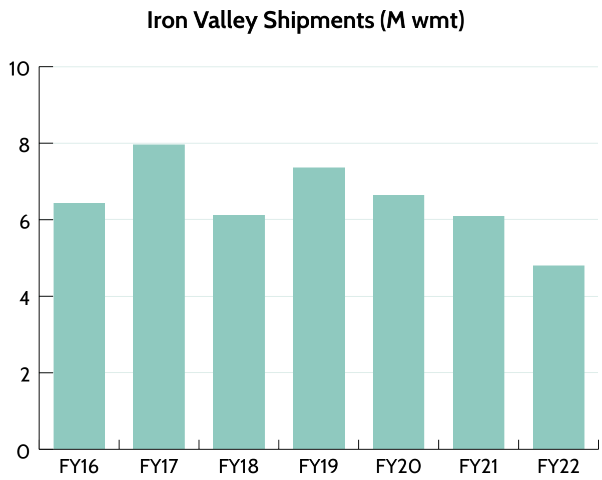
These awarded contracts include the seawater intake station, Ponds 1 to 5, Mardie Village and supporting infrastructure, as well as important ongoing front end engineering design on key project components to improve design maturity and price confidence.

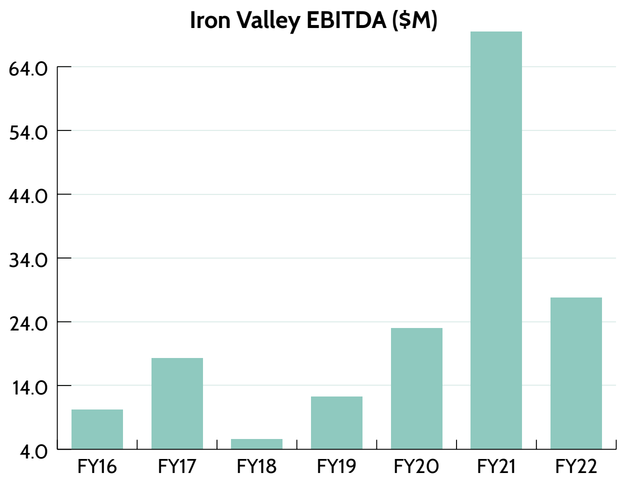
BCI will provide a further update following conclusion of these assessments.

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 financial year MIN shipped 4.8 million wet metric tonnes ("M wmt") (June 2021: 6.1M wmt), which generated revenue for BCI of $65.2M (June 2021: $160.2M) and EBITDA of $27.8M (June 2021: $69.5M).





Other Assets

BCI owns 7% of Highfield Resources Limited and 13% of Agrimin Limited shares, with a combined market value of $38.7M as at 30 June 2022, as well as deferred consideration and royalties receivable from Bungaroo South, Kumina and other iron ore assets. BCI also owns an interest in the Carnegie Potash Project, an SOP exploration project located approximately 220km north-east of Wiluna. BCI currently owns 30% in this joint venture with Kalium Lakes Limited ("KLL") and has rights to earn up to a 50% interest. KLL, the joint venture manager, recently validated the design process after successfully producing commercially saleable SOP, and continues to progress the production output.

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.

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Review of Results

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The Company's loss after income tax for the financial year ended 30 June 2022 was ($15.5M) (profit June 2021: $22.0M) arising due to an increase in the development of the Mardie Project and reduced royalty returns realised from the Iron Valley Mine.

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

	30 June 2022 $M	30 June 2021 $M
Revenue	65.2	160.2
EBITDA	(10.4)	28.9
Interest, tax, depreciation and amortisation	(5.1)	(4.7)
Impairment of assets	-	(2.2)
Net (loss) / profit after tax	**(15.5)**	**22.0**

The Company's EBITDA for the financial year ended 30 June 2022 was ($10.4M) (June 2021: $28.9M), which incorporates a positive EBITDA from Iron Valley of $27.8M (June 2021: $69.5M) and increased investment in the Mardie project of $20.6M (June 2021: $34.4M).

The following table shows the EBITDA contribution for each segment (Note 22) of the Group:

	30 June 2022 $M	30 June 2021 $M
Iron Valley	27.8	69.5
Gains from divestments	-	-
Mardie	(20.6)	(34.4)
Other	(17.6)	(6.2)
Total EBITDA	**(10.4)**	**28.9**

CONSOLIDATED STATEMENT OF CASH FLOWS

Cash and cash equivalents as at 30 June 2022 increased to $232.0M (June 2021: $79.4M) with the positive movement resulting from the $260M (June 2021: $47.9M) capital raising completed in the year and receipts from Iron Valley.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Net assets increased to $434.2M (June 2021: $172.7M) primarily due to the increase in cash and receivables held by the Group from the capital raising completed.

DIVIDENDS

The Directors have not paid or declared any dividends since the commencement of the financial year ended 30 June 2022.

	2022	2021
(a) out of the profits for the year ended 30 June 2022 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 25 November 2021. All ten resolutions considered at the meeting were passed.

Successful Completion of Capital Raising

On the 18th of November 2021, the Company announced a $360M capital raising to develop the 100% owned Mardie Salt and Potash Project. The equity raising was successfully completed in December 2021.

Executive Team Appointments in FY22

BCI appointed Kerryl Bradshaw as Chief Financial Officer, and Kim Boekeman as Head of People and Culture in the March Quarter of FY22.

Performance Rights and Share Rights

As at the date of this report, there were 12,885,203 Performance Rights and 2,342,335 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 2021: Performance Rights 13,253,241 and Share Rights 2,456,005). During the financial year, no performance rights vested while 1,300,000 performance rights were either cancelled or lapsed. During the financial year 2,402,911 share rights vested. Subsequent to the year end, a total of 1,910,375 performance rights vested and 3,116,928 were cancelled. 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, 849,796 ordinary shares were issued following conversion of share rights that vested during the year. Subsequent to year end, the Company has issued 2,780,337 ordinary shares following the conversion of performance and share rights.

Likely Developments and Expected Results

The Company will continue construction works at Mardie, and aims to finalise funding arrangements for the Mardie Project following completion of the current cost and design reviews.

BCI expects to generate ongoing revenue and EBITDA from Iron Valley during the 2023 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

PERFORMANCE RIGHTS AND SHARE RIGHTS

On 8 August 2022, a total of 1,600,253 Performance Rights were granted to KMP under the approved Performance Rights Plan. Rights granted are subject to a vesting period over which the fair value of such rights will be expensed. On 26 July 2022, a total of 2,393,229 vested Performance and Share Rights were converted to ordinary shares by a KMP.

CONTRACTOR CLAIMS

Subsequent to year end, the Company notified a contractor that the contractor's site access would be delayed (due to a delay in the approvals required to construct a lay down area, and road leading to the contractor's site). The contractor has issued a claim under the contract for an extension of time and delay costs. The claim is currently being assessed in accordance with the terms of the contact. Any amounts expected to be payable to the contractor will be taken into account in the current cost and design review.

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 2022.

MANAGEMENT TRANSITION

In conjunction with the release of this report, the Company will announce the appointment of Kerryl Bradshaw as Interim CEO, with Alwyn Vorster to conclude his employment with the company. The company is also progressing a search for a permanent CEO.

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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 2022 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 27 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
CHAIR
Perth, Western Australia
24 August 2022

ALWYN VORSTER
MANAGING DIRECTOR
Perth, Western Australia
24 August 2022

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.

Non-Executive Directors	
B O'Donnell	Non-executive Chair
M Blakiston	Non-executive Director
M Stanborough	Non-executive Director (Appointed 14 June 2022)
G Dixon	Non-executive Director
R Court	Non-executive Director
C Salisbury	Non-executive Director
J Bloom	Non-executive Director (resigned 20 December 2021)
Executive Directors and Executives	
A Vorster	Managing Director
S Hodge [(b)]	Chief Financial Officer (ceased 9 January 2022)
K Bradshaw	Chief Financial Officer (Appointed 10 January 2022)
S Bennett [(a)]	Chief Development Officer (Appointed 28 February 2022)

(a) Prior to his appointment as Chief Development Officer, Mr Bennett was Project Director
(b) Mr Hodge was transferred to Head of Commercial position on 9 January 2022

Remuneration Governance

The roles and responsibilities of the Board, Remuneration & Nomination Committee ("RNC"), management and external advisors in relation to remuneration for Executive KMP and employees at BCI Minerals are outlined in the table below.

The RNC is a committee of the Board comprised of three Non-Executive Directors, two of whom are independent.

The Company received 99.4% support for its Remuneration Report for the 2021 financial year.

The roles and responsibilities of our Board, Remuneration Committee, management and external advisors in relation to remuneration for Executive KMP and employees at BCI Minerals are outlined below.

Remuneration Governance at BCI Minerals

Board of Directors

- Approves the Company's Remuneration Framework and satisfies itself that the Company's remuneration policies are aligned with the Company's vision, values, strategic objectives and risk appetite;
- Approves the remuneration arrangements for the Non-Executive Directors, approves the appointment and remuneration of the Managing Director and Senior Executives on recommendation from the RNC; and
- Approves the appointment of an External Remuneration Consultant.

Remuneration & Nomination Committee (RNC)

Established by the Board and operating under its own Charter to develop, review and make recommendations to the Board on matters such as:

- Remuneration strategy, framework and policies;
- Non-Executive Director, Managing Director and Senior Executive remuneration arrangements;
- Incentive plans including eligibility, performance measures and outcomes for the Managing Director and Senior Executives;
- Retirement and other employee benefits; and
- Remuneration Reporting and disclosures.

The Committee may take input from other Board Committees, such as Audit and Risk Committees in discharging its duties and no member is able to deliberate or consider any aspect of their own remuneration.

The RNC reviews executive remuneration annually, including assessment of:

- The remuneration outcomes for Non-Executive Directors and Executive KMP;
- Individual and business performance measurement against both internal targets and appropriate external comparatives.

MD & Management

- Implementation of BCI's remuneration strategy, policy and practices;
- Provide information and recommendations to the RNC for consideration, including trends and market insights;
- The Managing Director may make recommendations to the RNC in relation to the performance and reward of the Managing Director's direct reports.

Remuneration Consultants

Remuneration Consultants were engaged through management for the purpose of providing information on remuneration-related issues, including benchmarking information and market data.

If a Remuneration recommendation is made, it must be provided directly to a Non-Executive Director, and shall be free of any management influence and must be disclosed in the Remuneration Report.

No remuneration recommendations were received by the Remuneration Committee in relation to Executive KMP in FY22.

Components of Executive Remuneration

The Company's Remuneration Framework relating to Executives, enables the Board to find the right balance between remuneration outcomes that reward and incentivise our Executives, while also reflecting overall business performance and the shareholder experience. Details are set out in the table below. The Company will administer vesting decisions in relation to all relevant incentives for executives, including performance rights issued in 2021 and 2022, in accordance with this methodology.

<table>
<tr><th rowspan="2"></th><th rowspan="2">Fixed Remuneration</th><th colspan="2">Variable Pay (at risk)</th></tr>
<tr><th>Short-Term Incentive</th><th>Long-Term Incentive</th></tr>
<tr><td>Why</td><td>Fixed Remuneration is set with reference to our competitor market and reflects size of role and each Executive's responsibilities, skills and experience.</td><td>Focusses effort on the key priorities for the year and reflects outcomes that are generally within management's control</td><td>Aligned to the experience of our shareholders over the longer-term and designed to drive long-term performance and ownership behaviours.</td></tr>
<tr><td>Structure</td><td>Includes base salary and superannuation.

Fringe benefits such as insurance, parking and professional development support may also be provided.</td><td>Key Performance Indicators (KPIs) are selected each year to focuses efforts on our key priorities to ensure success in the financial year and into the future. These may be made up of a combination of Financial, Project, Strategic or other measures.

The maximum STI opportunity for Executive KMP is between 50% and 80% of Fixed Remuneration.

The STI payment may, at the Board's discretion, be in cash and/or equity.</td><td>The LTI opportunity for Executive KMP is up to 70% of Fixed Remuneration for the MD and up to 50% for other Executives.

Performance hurdles are primarily based on company share price and/ or other relevant Total Shareholder Return ("TSR") measures.

Performance is measured over a two-year period with Vested Rights subject to an additional 12-month holding lock post-vesting.</td></tr>
<tr><td>Our approach in FY22</td><td>We benchmark Fixed Remuneration against appropriate competitor groups that reflect the market in which we operate.</td><td>For FY22, half the STI outcome will be paid in cash following the end of the financial year with the other half being provided in Share Rights with a 12-month service period for vesting and subject to an additional 12-month holding lock post-vesting.

Vested Share Rights must be exercised within two years of vesting.</td><td>The LTI is provided in Rights to BCI Minerals Limited shares, with a performance period from July 2021 to June 2023 with vesting from July 2024.

Performance conditions:

Absolute TSR (50% weighting):<table><tr><th>Annual TSR</th><th>Vesting</th></tr><tr><td>< 10%</td><td>Zero</td></tr><tr><td>10% to 20%</td><td>Vesting from 0% to 100%</td></tr><tr><td>>20%</td><td>100% vesting</td></tr></table>
TSR relative to the ASX All Ords Index materials class peer group (50% weighting):<table><tr><th>TSR Performance</th><th>Vesting</th></tr><tr><td>< 50th percentile</td><td>Zero</td></tr><tr><td>Between 50th and 75th percentile</td><td>Proportionate vesting from 50% to 100%</td></tr><tr><td>>75th percentile</td><td>100% vesting</td></tr></table>
Vested Performance Rights must be exercised within two years of vesting.</td></tr>
</table>

Company Performance

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

		2022	2021	2020	2019	2018
Continuing operations						
Revenue	$million	65.2	160.2	77.3	54.8	33.4
Net profit/(loss) after tax	$million	(15.5)	22.0	0.4	12.9	(16.9)
Basic earnings/(loss) per share	Cents	(1.7)	4.02	0.09	3.26	(4.29)
Dividends paid per share	Cents	-	-	-	-	-
Share price (last trade day of financial year)	A$	0.27	0.55	0.17	0.18	0.14

FY22 Remuneration – Fixed Remuneration

A review of remuneration of Executive KMP is undertaken each year to ensure that:

- reward levels are fair and responsible in accordance with the Australian market;
- BCI offers competitive, performance-based rewards that attract, retain and motivate; and
- incentives provide fair reward in line with company and individual performance to deliver on the current and long term strategic objectives.

This review includes an analysis of market remuneration in comparison to a relevant peer and competitor group and development of company specific pay scales, including for Executives.

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.

The KPIs for FY22 were based on:

- key project milestones for the Mardie Project including (but not limited to) funding, schedule and budget, offtake agreements, development progress, approvals and safety, sustainability and community measures;
- safety and wellbeing, including compliance with licence to operate;
- financial measures and systems; and
- Individual performance targets.

Based on performance in the 2022 financial year relative to these KPIs, the Board assessed outcomes and exercised its discretion to award STI payments for Executive KMP. The STI outcomes ranged between 75% and 81% of maximum opportunity with the Managing Director being awarded 79% of maximum opportunity or a total of $374,880.

Long-Term Incentives - Vested

Based on the two TSR performance metrics for the 2020 LTI, for the two-year performance period to 30 June 2022, the Board assessed the vesting outcome to be 38% of the Performance Rights granted. The remainder of the rights have been lapsed.

aTSR (50% Weighting)	Value
BCI PR Issue Price (Sep-20 Entitlement Issue Price)	0.240
BCI 30-day VWAP @ 30 Jun-22	0.316
BCI TSR (2 years)	31.8%
BCI CAGR (1 Jul-20 to 30 Jun-22)	14.8%
Vesting % - Proportionate	**48%**

rTSR (50% Weighting)	Value
BCI Total Return	31.8%
Peer Rank	40th out of 93 companies
BCI's percentile ranking	57%
Vesting % - Proportionate	28%
Total Vesting (50% aTSR + 50% rTSR)	**38%**

Vested Rights are subject to a minimum 12 month holding lock from the vesting date in July 2022 and must be exercised by July 2024.

Long-Term Incentives - Granted

2022 Performance Rights ("PR") were granted according to the Remuneration Framework, using the 30-day VWAP as of 30 June 2022 at the commencement of the applicable grant year, which was 31.62 cents, and the Fixed Remuneration as was applicable at the time.

Name	Fixed Remuneration	% of Fixed Remuneration	$ Value of Grant	Number of Rights Granted
A Vorster	$671,000	70%	$469,700	1,485,452
K Bradshaw	$462,000	50%	$231,000	730,550
S Bennett	$550,000	50%	$275,000	869,703

These rights will be subject to performance hurdles, with half based on Absolute TSR and half on Relative TSR, tested over the two-year performance period from 1 July 2022 to 30 June 2024. Any Rights that vest will be subject to a minimum 12 month holding lock from the vesting date of 1 July 2025.

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 Chair 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.

Non-Executive Directors' remuneration is comprised of cash fees and superannuation. At the discretion of the Board, a portion of the remuneration may be delivered in share-based remuneration.

Remuneration of Directors and Key Management Personnel for the Year Ended 30 June 2022

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	151,820	-	-	3,463	14,585	-	169,868	9
M Blakiston	83,243	-	-	8,334	8,334	-	99,911	8
M Stanborough [e]	4,229	-	-	423	-	-	4,652	-
J Bloom [f]	36,818	-	-	3,682	-	-	40,500	-
G Dixon	88,350	-	-	8,835	8,787	-	105,972	8
R Court	81,000	-	-	8,100	5,306	-	94,406	6
C Salisbury	85,500	-	-	8,550	5,601	-	99,651	6
	530,960	-	-	**41,387**	**42,613**	-	**614,960**	**7**
Executives								
A Vorster	591,787	112,891	19,194	27,500	329,052	-	1,080,424	41
S Hodge [g]	182,140	50,575	7,499	14,896	85,760	-	340,870	40
K Bradshaw [h]	200,987	-	1,650	20,085	-	-	222,722	-
S Bennett [i]	468,801	56,830	5,064	27,500	173,519	-	731,714	24
	1,443,715	**220,296**	**33,407**	**89,981**	**588,331**	-	**2,375,730**	**32**
TOTAL	**1,974,675**	**220,296**	**33,407**	**131,368**	**630,944**	-	**2,990,690**	**27**

(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 14 June 2022.*
(f) *Ceased role 20 December 2021.*
(g) *Ceased role 9 January 2022 as transferred to Head of Commercial role.*
(h) *Appointed 10 January 2022.*
(i) *Appointed 28 February 2022, previously held the role of Project Director.*

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.*

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 as at the end of the financial reporting period.

	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	-	-
C Salisbury	25/11/2021	02/07/2024	03/07/2026	0.68%	0.287	85,826	24,632	-	-
R Court	25/11/2021	02/07/2024	03/07/2026	0.68%	0.287	81,309	23,336	-	-
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	-	-
A Vorster	25/11/2021	02/07/2024	03/07/2026	0.68%	0.287	942,983	270,636		
S Hodge [(a)]	27/11/2019	30/11/2020	30/11/2022	0.68%	0.0186	900,000	16,740	459,000	(441,000)
S Hodge [(a)]	27/11/2019	30/11/2022	30/11/2024	0.68%	0.0398	900,000	35,820	-	-
S Hodge [(a)]	26/11/2020	30/06/2023	30/06/2025	0.07%	0.128	705,906	90,356	-	-
S Hodge [(a)]	30/07/2021	03/07/2024	03/07/2025	0.03%	0.341	361,262	123,190		
S Bennett	26/11/2020	30/06/2023	30/06/2025	0.07%	0.128	1,000,000	128,000	-	-
S Bennett	30/07/2021	02/07/2024	03/07/2026	0.03%	0.341	506,926	123,190		

(a) S Hodge was the Chief Financial Officer and a KMP until his change of role on 9 January 2022.

Subsequent to the year end, a portion of the PR 2020 performance rights were cancelled when the vesting formula was applied.

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 as at the end of the financial reporting period.

	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	-
A Vorster	25/11/2021	01/07/2022	04/07/2022	04/07/2024	0.4988	262,431	130.887	-	
S Hodge [(a)]	31/07/2020	02/08/2021	04/08/2021	04/08/2023	0.1903	412,051	78,423	422,051	-
S Hodge [(a)]	31/07/2021	01/07/2022	04/07/2022	04/07/2024	0.5368	117,569	63,105	-	-
S Bennett	30/07/2021	01/07/2022	04/07/2022	04/07/2024	0.5368	132,108	70,909	-	-

(a) S Hodge was the Chief Financial Officer and KMP until his change of role on 9th January 2022.

Equity Instrument Disclosures

The interests of Directors and Executives in Shares at the end of the financial year 2022 are as follows:

	Balance at 1 July 2021	Acquired during year	Performance Rights converted during year	Disposed during the year	Other changes	Balance at 30 June 2022
Directors						
B O'Donnell	1,014,483	141,771	-	-	-	1,156,254
M Blakiston	-	-	-	-	-	-
M Stanborough	-	5,896	-	-	-	5,896
G Dixon	-	-	-	-	-	-
R Court	750,000	69,768	-	-	-	819,768
C Salisbury	-	-	-	-	-	-
Executives						
A Vorster	5,305,645	69,768	-	-	-	5,375,413
S Hodge	462,000	-	-	(130,000)	-	332,000
Total	**7,532,128**	**287,203**	-	**(130,000)**	-	**7,689,331**

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

	Balance at 1 July 2021	Granted as compensation	Converted to shares	Rights lapsed/ cancelled	Balance at 30 June 2022
Directors					
B O'Donnell	295,313	-	-	-	295,313
M Blakiston	168,750	-	-	-	168,750
R Court	-	81,309[(a)]	-	-	81,309
C Salisbury	-	85,826[(a)]			85,826
G Dixon	178,125	-	-	-	178,125
Executives					
A Vorster	5,304,209	942,983[(a)]	-	-	6,247,192
S Hodge	2,064,906	361,262	-	-	2,426,168
K Bradshaw	-	-	-	-	-
S Bennett	1,000,000	506,926	-	-	1,506,926
Total	**9,011,303**	**1,978,306**	-	-	**10,989,609**

Subsequent to the year end, a portion of the PR 2020 performance rights were cancelled when the vesting formula was applied.

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

	Balance at 1 July 2021	Granted as compensation	Converted to shares	Rights lapsed/ cancelled	Balance at 30 June 2022
Executives					
A Vorster	855,978	262,431[(a)]	-	-	1,118,229
S Hodge*	412,051	117,569	-	-	529,620
S Bennett	-	132,108	-	-	132,108
Total	**1,268,029**	**512,108**	-	-	**1,779,957**

** S Hodge was the Chief Financial Officer until 9 January 2022.*
(a) Shareholder approval for the issue of these securities was obtained under ASX listing rule 10.14 on 25 November 2021.

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 [(a)] (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.
K Bradshaw (Chief Financial Officer)	Base salary inclusive of superannuation $480,344 reviewed at intervals to be determined by the Company. Employment can be terminated at twelve weeks' notice by Ms Bradshaw or by the Company. Certain agreed trigger events will lead to Ms Bradshaw having the option to terminate the contract and receive a payment equal to six months' total fixed remuneration.
S Bennett (Chief Development Officer, previously Project Director)	Base salary inclusive of superannuation $571,838 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

(a) Mr Alwyn Vorster gave notice of resignation to the Company on 15 July 2022, with a transition period of up to 6 months post resignation.

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 $483K (2021: $720K). All transactions were on normal commercial terms and conditions.

Refer to Note 28 for further detail on Related Party transactions.

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 112 of this report for BDO's report on the Remuneration Report.

Signed in accordance with a resolution by the Directors.

BRIAN O'DONNELL
CHAIR
Perth, Western Australia
24 August 2022

ALWYN VORSTER
MANAGING DIRECTOR
Perth, Western Australia
24 August 2022

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 Company as at 30 June 2022 and of its performance for the financial year ended 30 June 2022 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 Company 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
CHAIR
Perth, Western Australia
24 August 2022

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Annual Financial Report

For the Year Ended 30 June 2022

Financial Statement Contents

Consolidated Statement of Profit or Loss and Other Comprehensive Income

BCI Minerals Limited and its controlled entities for the year ended 30 June 2022

	Notes	2022	2021
		$000's	$000's
Revenue from continuing operations			
Sale of goods		**65,198**	160,156
Other revenue		**600**	326
Total revenue from continuing operations	**1**	**65,798**	**160,482**
Cost of sales	2	**(39,661)**	(93,630)
Administration expenses	2	**(20,952)**	(8,120)
Project development and evaluation expenditure		**(20,616)**	(34,487)
Profit on sale of exploration tenements	8	**-**	22
Impairment on sale of exploration and intangible assets	9	**-**	(2,255)
(Loss) / profit before finance cost and income tax		**(15,431)**	22,012
Finance costs		**(54)**	(40)
(Loss) / profit before income tax		**(15,485)**	21,972
Income tax benefit / (expense)	4	**-**	-
(Loss) / Profit after income tax from continuing operations attributable to owners of BCI Minerals Limited		**(15,485)**	21,972

	Notes	2022	2021
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Net change in fair value of financial assets at fair value through other comprehensive income		14,385	-
Total items that will not be reclassified subsequently to profit or loss		14,385	-
Total comprehensive (loss) / income for the year		**(1,100)**	**21,972**
Statutory earnings per share (EPS)		**Cents**	Cents
Basic earnings / (loss) per share from continuing operations	19	**(1.70)**	4.02
Diluted earnings / (loss) per share from continuing operations	19	**(1.69)**	4.01

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

Consolidated Statement of Financial Position

BCI Minerals Limited and its controlled entities for the year ended 30 June 2022

	Notes	2022	2021
		$000's	$000's
Current assets			
Cash and cash equivalents	5	**232,021**	79,435
Short term investments		**657**	681
Trade and other receivables	6	**21,484**	56,435
Other financial assets	10	**38,666**	-
Total current assets		**292,828**	**136,551**
Non-current assets			
Receivables	6	**32,705**	15,816
Property, plant and equipment	7	**194,920**	49,384
Exploration and evaluation assets	8	**1,754**	9,728
Intangibles	9	**15,502**	15,502
Right of use assets	11	**684**	827
Total non-current assets		**245,565**	91,257
Total assets		**538,393**	227,808
Current liabilities			
Trade and other payables	12	**56,983**	37,548
Lease liability	11	**501**	395
Provisions	13	**1,274**	791
Total current liabilities		**58,758**	38,734
Non-current liabilities			
Trade and other payables	12	**8,048**	-
Lease liability	11	**276**	478
Loans and borrowings	14	**19,718**	-
Provisions	13	**17,357**	15,932
Total non-current liabilities		**45,399**	16,410
Total liabilities		**104,157**	55,144
Net assets		**434,236**	172,664
Shareholders' equity			
Contributed equity	16	**569,345**	313,190
Reserves	17	**27,045**	6,143
Accumulated losses	18	**(162,154)**	(146,669)
Total shareholders' equity		**434,236**	172,664

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

Consolidated Statement of Changes in Equity

BCI Minerals Limited and its controlled entities for the year ended 30 June 2022

	Contributed equity	Accumulated losses	Reserves	Total
	$000's	$000's	$000's	$000's
Balance at 1 July 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**
Loss for the year	-	**(15,485)**	-	**(15,485)**
Other comprehensive income	-	-	**14,385**	**14,385**
Total comprehensive income	-	**(15,485)**	**14,385**	**(1,100)**
Transactions with equity holders in their capacity as equity holders				
Shares issued net of transaction costs	**255,958**	-	-	**255,958**
Performance Rights converted	**197**	-	**(197)**	-
Share based payments	-	-	**932**	**932**
Financial instruments recognised in equity	-	-	**5,782**	**5,782**
Balance at 30 June 2022	**569,345**	**(162,154)**	**27,045**	**434,236**

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

Consolidated Statement of Cash Flows

BCI Minerals Limited and its controlled entities for the year ended 30 June 2022

	Notes	2022	2021
		$000's	$000's
Cash flows from operating activities			
Receipts from customers		102,940	120,822
Payments to suppliers and employees		(62,046)	(111,870)
Interest received		600	320
Borrowing costs		(1,886)	(46)
Income tax refund		0	0
Net cash flows provided by operating activities	5	39,608	9,226
Cash flows from investing activities			
Proceeds from disposal of exploration tenements		0	0
Proceeds from disposal of plant and equipment		36	301
Payments for short term investments		-	(166)
Payments for plant and equipment, IT and development	7	(142,715)	(14,185)
Payments for exploration and evaluation assets		-	(2,834)
Net cash flows used in investing activities		(142,679)	(16,884)
Cash flows from financing activities			
Proceeds from issue of shares net of costs		256,155	45,872
Repayment of lease liabilities		(498)	(327)
Net cash flows from financing activities		255,657	45,545
Net increase in cash and cash equivalents		152,586	37,887
Cash and cash equivalents at beginning of year		79,435	41,548
Cash and cash equivalents at end of year	5	232,021	79,435

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

Notes to the Consolidated Financial Statements

BCI Minerals Limited and its controlled entities for the year ended 30 June 2022

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 2022 were authorised for issue in accordance with a resolution of the Directors on 24 August 2022. 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 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 13: Provisions
Note 14: Borrowings
Note 29: Share based payments

Key Numbers

NOTE 1 – REVENUE

	2022 $000's	2021 $000's
Sales – Iron Valley	**62,998**	184,659
Net gain / (loss) on pricing changes	**2,200**	(2,300)
Rebate – Iron Valley	**-**	(22,203)
Sale of Goods	**65,198**	160,156
Interest revenue	**600**	320
Other income	**-**	6
Total	**65,798**	160,482

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. In the prior year, the Company provided rebates from an 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

	2022	2021
	$000's	$000's
Amortisation of mine properties	**2,278**	3,006
Royalties	**37,383**	90,624
Cost of sales	**39,661**	93,630
Employee benefits expense	**12,120**	2,593
Depreciation and amortisation	**3,396**	1,967
Share based payments	**932**	703
Non-executive directors' fees	**679**	510
Occupancy related expenses	**141**	237
Consultant and legal fees	**1,342**	993
Other	**2,342**	1,117
Administration expenses	**20,952**	8,120

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.

Assets subject to impairment indicator assessment

The following assets have been assessed for indicators of impairment

- Mine properties (Iron Valley Iron Ore Royalty Rights);
- Intangible assets (Koodaideri South Royalty and North Marillana Iron Ore Royalty);
- Project Development Assets (Mardie Salt & SOP); and
- Other Exploration asset (Carnegie JV).

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. In the prior year, impairment was 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:

	2022	2021
CFR 62% Fe iron ore price (USD/dmt, nominal)		
Years 1-5	**84-99**	106-161
Years 6-10	**93-103**	112-121
Years 11-20	**106-133**	123-145
Foreign exchange rate (AUD:USD, nominal)		
Years 1-5	**0.76-0.80**	0.77-0.78
Years 6-10	**0.80**	0.78
Years 11-20	**0.80**	0.78
Inflation (% per annum)		
AUD 5-yr inflation rate	**2.5**	1.9

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

	2022 $000's	2021 $000's
Current tax expense/(benefit)		
Current period	-	-
Adjustments for prior periods	-	-
	-	-
Deferred tax expense/(benefit)		
Origination and reversal of temporary differences	**1,606**	(1,387)
Equity deferred tax movement	**(1,410)**	(396)
De-recognition of deferred tax assets	-	-
Utilisation of carried forward tax losses now recognised	**(5,877)**	8,171
Recognition of deferred tax asset on losses and temporary adjustments now realised	**5,681**	(6,388)
Adjustments for prior periods	-	-
	-	-
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	**(15,485)**	21,972
Income tax / (benefit) at the statutory rate of 30 per cent (2021: 30 per cent)	**(4,645)**	6,591
Non-deductible expenses	**499**	213
Other temporary differences derecognised	**(125)**	(20)
Equity deferred tax movement	**(1,410)**	(396)
Recognition of carried forward tax losses previously unrecognised	-	8,171
Utilisation of carried forward tax losses now recognised	-	(8,171)
Temporary differences (recognised)/derecognised	**5,681**	(6,388)
Under/(over) provided in prior periods and other	-	-
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 2022, the Company had unrecognised deferred tax assets relating to tax losses of $60.4M (2021: $67.2M). The Company has utilised all available R&D off-sets (2021: $Nil).

Deferred tax assets not recognised

	2022	2021
	$000's	$000's
Temporary differences	**(2,636)**	(2,439)
Income Tax losses	**60,443**	67,215
Capital losses	**-**	-

Deferred tax assets and liabilities

	Assets		Liabilities		Net	
	2022	2021	2022	2021	2022	2021
	$000's	$000's	$000's	$000's	$000's	$000's
Amounts recognised in Profit or Loss:						
Mine property, plant and development	**-**	-	**(4,699)**	(3,960)	**(4,699)**	(3,960)
Provisions	**423**	962	**-**	-	**423**	962
Intangibles	**-**	-	**-**	-	**-**	-
Exploration	**-**	-	**(743)**	(487)	**(743)**	(487)
Other items	**1,016**	1,064	**(517)**	(493)	**499**	571
Amounts recognised directly in equity:						
Share issue costs in equity	**1,884**	475	**-**	-	**1,884**	475
	3,323	2,501	**(5,959)**	(4,940)	**(2,636)**	(2,439)
Temporary differences derecognised	**-**	-	**2,636**	2,439	**2,636**	2,439
Tax assets/(liabilities)	**3,323**	2,501	**(3,323)**	(2,501)	**-**	-

Movements in deferred tax assets

	Provisions	Share issue costs	Mine property	Other	Temporary differences derecognised	Total
	$000's	$000's	$000's	$000's	$000's	$000's
At 1 July 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
(Charged)/credited						
to profit or loss	**(540)**	**1,409**	-	**(47)**	-	**822**
to (under)/over prior period			-	-	-	
At 30 June 2022	**422**	**1,884**	-	**1,017**	-	**3,323**

Movements in deferred tax liabilities

	Intangibles	Mine property	Exploration	Other	Temporary differences derecognised	Total
	$000's	$000's	$000's	$000's	$000's	$000's
At 1 July 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)
(Charged)/credited						
to profit or loss	-	**(739)**	**(256)**	**(24)**	**197**	**(822)**
to (under)/over prior period	-	-	-	-	-	-
At 30 June 2022	-	**(4,699)**	**(743)**	**(517)**	**2,636**	**(3,323)**

NOTE 5 – CASH AND CASH EQUIVALENTS

	2022	2021
	$000's	$000's
Cash at bank and short term deposits	210,021	27,221
Cash on deposit	22,000	52,214
Total	232,021	79,435
Reconciliation of (loss) / profit after income tax to net cash flows from operating activities		
Net (loss) / profit	(15,485)	21,972
Depreciation and amortisation	5,674	4,973
Impairment on sale of exploration and intangible assets	-	2,255
Share based payments	951	703
Gain on disposal of exploration tenements	-	(22)
Other	(268)	40
(Increase)/decrease in assets		
Trade and other receivables	17,756	(43,802)
Increase/(decrease) in liabilities		
Trade and other payables	28,743	22,630
Provisions	3,977	478
Capitalised interest and borrowing costs	(1,740)	-
Net cash inflow / (outflow) from operating activities	39,608	9,227

Cash on deposit relates to 31 to 90 day term deposits held with financial institutions. See Note 20 – Financial risk management note for further details.

Accounting policy

For consolidated 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.

NOTE 6 – TRADE AND OTHER RECEIVABLES

	2022 $000's	2021 $000's
Current		
Trade receivables	**18,893**	55,856
Prepayments	**2,591**	579
Total current	**21,484**	56,435
Non-current		
Other receivables	**17,321**	15,816
Prepayments	**15,384**	-
Total non-current	**32,705**	15,816
Total trade and other receivables	**54,189**	72,251

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

As at 30 June 2022 no receivables were past due or impaired (2021: 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 20 for information on the financial risk management policy of the Company.

Prepayments represent insurances and advance payments for contracts and facilities.

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	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)	(1,904)	-	(22,338)
Net carrying amount	**34,004**	**1,313**	**917**	**13,150**	**49,384**

	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 2022					
Opening net book value	34,004	1,313	917	13,150	49,384
Additions	-	18,496	437	123,859	142,792
Disposals	-	(107)	-	-	(107)
Reclassification of assets	-	-	-	8,028	8,028
Depreciation and amortisation expense	(2,278)	(2,438)	(461)		(5,177)
Closing net book value	**31,726**	**17,264**	**893**	**145,037**	**194,920**
At 30 June 2022					
Cost	51,658	21,733	3,258	145,037	221,686
Accumulated depreciation and amortisation	(19,932)	(4,469)	(2,365)	-	(26,766)
Net carrying amount	**31,726**	**17,264**	**893**	**145,037**	**194,920**

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

	2022	2021
	$000's	$000's
Opening balance	**9,728**	6,425
Carrying value of tenements sold	-	(275)
Reclassification to Mine Development	**(8,028)**	-
Exploration tenements acquisition	-	3,578
Unsuccessful exploration expenditure derecognised	**54**	-
Net carrying amount	**1,754**	9,728

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 prior year, 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 prior 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

	2022 $000's	2021 $000's
Net carrying value of intangibles:		
Royalties	**15,502**	15,502
Net carrying amount	**15,502**	15,502

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 8.8%. 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 8.8%. 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.

NOTE 10 – OTHER FINANCIAL ASSETS

	2022 $000's	2021 $000's
Financial assets at fair value through other comprehensive income		
Shares in listed Company A [(a)]	23,715	-
Shares in listed Company B [(a)]	14,951	
Total other financial assets	**38,666**	-

(a) On initial recognition election was made to recognise changes in fair value through Other Comprehensive Income

Investments in the equity of other listed entities are recognised on trade date and initially measured at fair value, net of transaction costs. Subsequent changes in the fair value of the equity investments will be recognised through other comprehensive income. The fair value of investments that are actively traded in an organised financial market is determined by reference to quoted market price on reporting date. Recognition of the financial asset in this manner is considered a Level 1 measurement of fair value.

Financial assets that are expected to be held for a period greater than 12 months are classified as a non-current asset.

Movement in other financial assets

	2022 $000's	2021 $000's
Fair value at acquisition	29,093	-
Gain / (Loss) on fair value of asset through other comprehensive income (Refer Note 17)	9,573	-
Closing balance	**38,666**	-

NOTE 11 – 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 2022	June 2021
	$000's	$000's
Lease liability at 30 June	873	772
Additional lease contracts entered into during the period	354	408
Add: Borrowing costs	45	40
Less: Payments	(495)	(347)
Lease liabilities as at 30 June	**777**	873
Disclosure in Consolidated Statement of Financial Position		
Current lease liability	501	395
Non-current lease liability	276	478
Total Lease liability	**777**	873

Right of use assets

	June 2022	June 2021
	$000's	$000's
Right of use assets at 30 June	827	745
Additional right of use assets recognised	354	409
Accumulated amortisation	(497)	(327)
Right of use assets as at 30 June	**684**	**827**

NOTE 12 – TRADE AND OTHER PAYABLES

	2022	2021
	$000's	$000's
Current		
Trade payables and accruals	**56,983**	37,548
Total	**56,983**	37,548
Non-Current		
Trade payables	**8,048**	-
Total	**8,048**	-

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 20).

NOTE 13 – PROVISIONS

	2022 $000's	2021 $000's
Current		
Employee benefits	**1,274**	791
Total current	**1,274**	791
Non-current		
Rehabilitation	**17,357**	15,932
Total non-current	**17,357**	15,932
Total	**18,631**	16,723

Movement in Provisions in 2022

	Rehabilitation and site closure $000's	Employee benefits $000's	Total $000's
Opening balance 1 July 2021	15,932	791	16,723
Additional provision recognised	757	706	1,463
Changes in rehabilitation estimate	3,313	-	3,313
Unwinding of discount (non-cash expense)	(2,564)	-	(2,564)
Amounts used during the year	(81)	(223)	(304)
Closing balance	**17,357**	**1,274**	**18,631**

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 Consolidated 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 14 – BORROWINGS

	June 2022	June 2021
	$000's	$000's
Non-current borrowings		
Convertible Note	19,718	-
Net carrying amount	**19,718**	-

On 17 November 2021, the Group entered into a Convertible Note agreement with AustralianSuper Pty Ltd as trustee for AustralianSuper. The agreement comprises 3 series of Convertible Notes and during the interim period, the Company issued the Series 1 Notes to AustralianSuper with a face value of $29.1M. The Series 1 note has been issued as consideration for the Equity Investments acquired from AustralianSuper, as set out at Note 10. The transaction had no cash component, and the key terms of the Series 1 Note are as follows:

Series 1 Convertible Note

- Non-interest-bearing note
- 10-year term
- Convertible at the election of AustralianSuper any time between 3.5 years from issue to final repayment date
- Note is convertible to ordinary shares of the Company at a 45% premium and conversion price per ordinary share of $0.6235
- The conversion to ordinary shares is subject to certain anti-dilution clauses that may alter the conversion ratio in certain circumstances

A reconciliation of the Convertible Note facility at inception is as follows;

	At inception
	$000's
Convertible note recognised as borrowings	18,499
Conversion option valued as equity (refer note 17)	5,782
Day one gain on inception	4,812
Value recognised on inception	**29,093**

The initial fair value of the liability portion of the convertible note was determined using an implied market rate of interest for an equivalent non-convertible liability at inception date. The liability, minus any transaction costs, will subsequently be recognised on an amortised cost basis until conversion or maturity of the note.

The fair value of the conversion option has been determined using a Black Scholes option pricing model. The conversion option is recognised in shareholders equity at inception and not subsequently remeasured. The key inputs used to value the option are set out in the table below.

The day one gain on inception is calculated as the difference arising between the fair value of the liability portion of the convertible note, the fair value of the conversion option and the fair value of the financial asset acquired. The gain has been recognised in other comprehensive income as a day one gain on acquisition of the financial asset.

The debt element of the convertible notes is measured at amortised cost. An 'effective interest rate' has been determined for the debt component based on the fair value interest rate adjusted for any debt issuance costs. Interest is recognized by applying this rate to the carrying amount (including accrued interest) in each period and is capitalised when funds are used for capital works or otherwise charged to the profit and loss.

When the fair value of financial assets or liabilities recorded in the financial statements cannot be derived from active markets, the fair value is determined using valuation techniques such as Black-Scholes option pricing models and discounted cash flow models. The inputs to these models are taken from observable markets where possible but where that is not feasible, a degree of judgement is required to establish fair value. These judgements include consideration of inputs such as market price volatility and risk-free interest rates. Changes in these assumptions may affect the fair value of financial instruments.

Key judgement

Convertible notes that have been determined to contain a debt and equity component are accounted for as a compound financial instrument with the debt component recognised at fair value on inception then at amortised cost through profit and loss while the equity component has been measured at fair value and recorded in reserves. In assessing the terms of the convertible note and the requirements for a conversion option to qualify as equity, the group has considered the conversion terms and anti-dilution clauses contained in the contractual agreement. Management have concluded that the anti-dilution clauses do not lead to a breach of the fixed-for-fixed criteria as the clauses simply maintain the relative rights of the Noteholders and shareholders.

Key inputs to valuation of conversion option

Term to conversion	3.5 Years
Underlying share price	$0.455
Strike price	$0.62
Volatility	50.0%
Risk free rate	0.86%
Number of convertible notes	46,672,013

NOTE 15 – 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.

NOTE 16 – CONTRIBUTED EQUITY

	2022		2021	
	Number	$000's	Number	$000's
Share capital				
Ordinary shares - fully paid	**1,206,200,521**	**569,345**	599,209,833	313,190
Movements in ordinary share capital				
Opening balance	**599,209,833**	**313,190**	398,928,910	267,303
Issue of shares under Employee Performance Rights Plan	**849,796**	**197**	816,000	15
Placement and SPP Net of Costs	**606,140,892**	**255,958**	199,464,923	45,872
Closing balance	**1,206,200,521**	**569,345**	599,209,833	313,190

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 17 – RESERVES

	2022 $000's	2021 $000's
Share based payments reserve		
Balance as at 1 July	**11,365**	10,677
Share based payments expense	**932**	703
Issue of shares under Employee Performance Rights Plan	**(197)**	(15)
Balance as at 30 June	**12,100**	11,365
Financial assets at fair value through other comprehensive income		
Balance as at 1 July	**(9,009)**	(9,009)
Day one gain on recognition of a financial asset (refer note 14)	**4,812**	-
Change in fair value of financial assets at balance date (refer note 10)	**9,573**	-
Balance as at 30 June	**5,376**	(9,009)
Equity reserve		
Balance as at 1 July	**-**	-
Financial instruments recognised in equity	**5,782**	-
Balance at the end of the period	**5,782**	-
Options exercised reserve		
Balance as at 1 July	**3,787**	3,787
Balance as at 30 June	**3,787**	3,787
Total reserves	**27,045**	6,143

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.

The equity reserve holds the equity component of the convertible notes and is not remeasured from inception. This value will remain in the reserve until the convertible notes are converted or repaid.

NOTE 18 – ACCUMULATED LOSSES

	2022 $000's	2021 $000's
Balance as at 1 July	**(146,669)**	(168,641)
Net (loss) / profit	**(15,485)**	21,972
Balance as at 30 June	**(162,154)**	(146,669)

NOTE 19 – EARNINGS PER SHARE

	2022	2021
	$000's	$000's
Earnings per share from continuing operations		
(Loss) / profit after income tax from continuing operations	**(15,485)**	21,972
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	**913,341,044**	546,393,720
Adjustments for calculation of diluted earnings per share:		
Vested Performance Rights outstanding at year end	**1,989,000**	1,989,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	**915,330,044**	548,382,720
Earnings per share attributable to the ordinary equity holders of the company	**Cents**	Cents
Basic (loss)/earnings per share	**(1.70)**	4.02
Diluted (loss)/earnings per share	**(1.69)**	4.01

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 20 – FINANCIAL RISK MANAGEMENT

The Company holds the following financial instruments:

	2022	2021
	$000's	$000's
Financial assets		
Cash and cash equivalents	**232,021**	79,435
Short term investments	**657**	681
Shares in listed entities	**38,666**	-
Trade and other receivables	**36,214**	71,672
	307,558	151,788
Financial liabilities		
Trade and other payables	**65,031**	37,548
Loans and borrowings	**17,978**	-
	83,009	37,548

Market (including foreign exchange, commodity price, security price risk 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 $232.0M (2021: $79.4M) held with banks with minimum long term external credit rating of AA-.
- Short term investments $0.7M (2021: $0.7M) held with banks with a minimum long term external credit rating of AA-.
- Current trade and other receivables $18.8M (2021: $56.4M) 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 $17.4M (2021: $15.8M) 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 liabilities

The table below analyses the Company's financial liabilities which 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. Loans and borrowings consist of equity conversion instruments which do not have any contractual cashflows associated with them.

Year ended 30 June 2022

	Carrying amount	Within 1 yr	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cashflows
	$000's	$000's	$000's	$000's	$000's	$000's
Financial liabilities						
Trade and other payables	**65,031**	56,983	8,048	-	-	65,031
Loans and borrowings	**19,718**	-	-	-	19,718	-
	84,749	56,983	8,048	-	19,718	65,031

Year ended 30 June 2021

	Carrying amount	Within 1 yr	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cashflows
	$000's	$000's	$000's	$000's	$000's	$000's
Financial liabilities						
Trade and other payables	**37,548**	37,548	-	-	-	37,548
	37,548	37,548	-	-	-	37,548

d. Equity price risk

Equity price risk refers to the risk that the value of a financial instrument or its associated cash flows will fluctuate due to changes in the underlying share prices. The Group has exposure to equity price risk arising from its holding of listed equity securities.

Group Structure

NOTE 21 – 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	
			2022	2021
			%	%
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
Mardie Holdings Pty Ltd	Australia	AUD	**100**	-
Mardie Project Company Pty Ltd	Australia	AUD	**100**	-
Mardie Mine Holdings Pty Ltd	Australia	AUD	**100**	-
Mardie Port Pty Ltd	Australia	AUD	**100**	-

Accounting policy

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of BCI Minerals Limited as at 30 June 2022, 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 Company 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 Company.

NOTE 22 – SEGMENT INFORMATION

2022 Segment Information

	Iron Valley $000's	Mardie $000's	Buckland $000's	Other $000's	Consolidated $000's
Segment revenue					
Sales revenue	65,198	-	-	-	65,198
Other revenue	-	-	-	598	598
Total	**65,198**	-	-	**598**	**65,796**
Segment results					
EBITDA	27,782	(20,574)	-	(17,564)	(10,356)
Interest revenue	-	-	-	599	599
Finance costs	-	-	-	(54)	(54)
Depreciation and amortisation	(2,278)	(2,847)	-	(549)	(5,674)
Impairment of assets	-	-	-	-	-
Profit / (loss) before income tax	**25,504**	**(23,421)**	-	**(17,568)**	**(15,485)**
Segment assets	65,265	202,025	-	269,374	536,664
Segment liabilities	16,114	62,248	-	25,810	104,172

2022 Segment Information

	Iron Valley $000's	Mardie $000's	Buckland $000's	Other $000's	Consolidated $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)	-	(6,173)	28,898
Interest revenue	-	-	-	320	320
Finance costs	-	-	-	(40)	(40)
Depreciation and amortisation	(3,006)	(1,547)	-	(420)	(4,973)
Impairment of assets	-	-	(2,233)	-	(2,233)
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

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 23 – COMMITMENTS

The Company has property leases and vehicle leases. Future lease commitments are now disclosed as per AASB 16 – Leases, refer to note 11 for further detail.

The Company has contracts with contractors for the progression of the Mardie Project that predominately rely on works to be completed within contractual terms prior to payment. Contracts may contain clauses that in the event of a default a claim can be raised to finalise works early. The total value remaining of contracts currently awarded is $282,090,000.

NOTE 24 – CONTINGENT LIABILITIES AND ASSETS

There are contractual claims for extensions of time and associated delay costs, relating to approvals and weather events at Mardie resulting in access for the contractors to certain parts of the site. These claims are being assessed in accordance with the usual contract management processes.

Aside from the above disclosure, the Company has no further 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 25 – EVENTS OCCURRING AFTER THE REPORTING PERIOD

Performance Rights and Share Rights

On 8 August 2022, a total of 1,600,253 Performance Rights were granted to KMP under the approved Performance Rights Plan. Rights granted are subject to a vesting period over which the fair value of such rights will be expensed. On 26 July 2022, a total of 2,393,229 vested Performance and Share rights were converted to ordinary shares by a KMP.

Contractor Claims

Subsequent to year end, the Company notified a contractor that the contractor's site access would be delayed due to a delay in the construction of the road leading to the contractor's site. The contractor has issued a claim under the contract for an extension of time and delay costs. The claim is currently being assessed in accordance with the terms of the contact.

Other than disclosed above and throughout the report, 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 2022.

Other Notes

NOTE 26 – PARENT ENTITY

The following details information related to the parent entity, BCI Minerals Limited, as at 30 June 2022. The information presented here has been prepared using accounting policies consistent with those presented in the notes to the accounts.

	2022 $000's	2021 $000's
Statement of Financial Position		
Current assets	**210,801**	78,787
Total assets	**358,718**	188,806
Current liabilities	**6,048**	1,757
Total liabilities	**21,123**	67,217
Shareholders' equity		
Issued capital	**569,345**	313,190
Reserves	**27,173**	6,271
Accumulated losses	**(197,872)**	(191,641)
Total shareholders' equity	**398,646**	127,820
(Loss) / Profit for the year	**(17,528)**	(6,231)
Total comprehensive (loss) / income for the year	**(3,143)**	(6,231)

Included in note 23 are commitments incurred by the parent entity relating to the lease of offices.

PARENT COMPANY GUARANTEES

BCI has provided guarantees in respect of Group companies, as per the following:

A Parent Company Guarantee ("PCG") granted by BCI in favour of Chevron Australia Pty Ltd (as the Gorgon Operator and agent for and on behalf of each of the Gorgon Joint Interest Owners) dated 23 December 2021 (guaranteeing the obligations of Mardie Minerals Pty Ltd under the Chevron Pipeline Access Agreement).

PCG granted by BCI in favour of Santos WA Northwest Pty Ltd (as the Varanus Operator and agent for and on behalf of each of the Santos Owners) dated 23 December 2021 (guaranteeing the obligations of Mardie Minerals Pty Ltd under the Chevron Pipeline Access Agreement).

PCG granted by BCI in favour of McConnell Dowell Constructors (Aust) Pty Ltd dated 10 February 2022 (guaranteeing the obligations of Mardie Minerals Pty Ltd under the Port Marine Structures – Design and Construct Contract dated on or about 21 December 2021.

NOTE 27 – AUDITOR'S REMUNERATION

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

	2022 $	2021 $
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:		
Audit or review of financial reports for the Company	**77,320**	62,000
Non-audit services – tax and remuneration advisory services	**7,382**	91,100
Total	**84,702**	153,100

NOTE 28 – RELATED PARTY TRANSACTIONS

a. Parent entity

BCI Minerals Limited is the parent entity.

b. Subsidiaries

Interests in subsidiaries are set out in note 21.

c. Key management personnel

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

	2022 $	2021 $
Short-term employee benefits	**2,228,378**	2,179,836
Termination payments	-	133,366
Share based payments	**630,944**	529,507
Post-employment benefits	**131,368**	112,032
Total	**2,990,690**	2,954,741

d. Transactions with related parties

	2022 $	2021 $
Payment for services made to other related entities	**1,164,079**	1,338,221

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 $483K (2021: $720K). 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 $681K (2021: $618K). All transactions were on normal terms and conditions.

NOTE 29 – 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.

2022 – Performance Rights

Grant date	Granted during the year	Vesting date	Fair value per right at grant date	Share price on grant date*	Expected dividends
25/11/2021	1,110,118	3/07/2024	$0.287	$0.53	0%
30/07/2021	868,188	3/07/2024	$0.341	$0.57	0%

**Source: www.asx.com.au*

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

Grant date	25/11/2021 Tranche 1	30/07/2021 Tranche 2
Vesting date	03/07/2024	03/07/2024
Grant date share price	$0.53	$0.57
Volatility (per cent)	50.0	47.5
Dividend yield (per cent)	0	0
Risk free rate (per cent)	0.07	0.03

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

Summary of Performance Rights on issue

Vesting date	Opening balance at 1 July 2021	Rights granted during the year	Rights cancelled/ lapsed during the year	Rights converted to shares during the year	Closing balance at 30 June 2022	Rights vested since 30 June 2022
30/11/2020	1,989,000	-	-	-	1,989,000	(1,275,000)
30/11/2022	3,900,000	-	-	-	3,900,000	-
30/06/2023	6,496,053	-	(1,468,750)	-	5,027,303	-
03/07/2024	-	1,978,306	-	-	1,978,306	-
Total	**12,385,053**	**1,978,306**	**(1,468,750)**	-	**12,894,609**	**(1,275,000)**

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.

2022 – Share Rights

Grant date	Granted during the year	Vesting date	Fair value per right at grant date	Share price on grant date*	Expected dividends
31/07/2021	516,196	04/07/2022	$0.537	$0.57	0%
25/11/2021	262,431	04/07/2022	$0.499	$0.53	0%

**Source: www.asx.com.au*

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

Grant date	31/07/2021 Tranche 1	25/11/2021 Tranche 2
Vesting date	04/07/2022	04/07/2022
Grant date share price	$0.57	$0.53
Volatility (per cent)	47.50	50.0
Dividend yield (per cent)	0	0
Risk free rate (per cent)	0.03	0.2

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	25/11/2020 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 2021	Rights granted during the year	Rights cancelled/ lapsed during the year	Rights converted to shares during the year	Closing balance at 30 June 2022	Rights vested since 30 June 2022
04/08/2021	2,301,146	-	-	(748,031)	1,553,115	(855,798)
04/07/2022	-	778,627		(101,765)	676,862	(262,431)
Total	**2,301,146**	**778,627**	-	**(849,796)**	**2,229,977**	**(1,118,229)**

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.

	2022	2021
	$	$
Director benefits	**371,665**	**308,519**
Employee benefits	**539,176**	**394,591**
Total	**910,841**	**703,110**

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 30 – 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.

Independent Auditor's Report

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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 2022, 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 2022 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.

Accounting for convertible notes

Key audit matter	*How the matter was addressed in our audit*
During the year, BCI Minerals Limited ("the Company") entered into a convertible note arrangement with AustralianSuper Pty Ltd as trustee for Australian Super. The agreement comprises of 3 series of convertible notes with the Company issuing the first series during the period with a face value of $29.1m. The company received listed investments as consideration for the convertible note. Refer to Note 14 for further details. We have identified the accounting and valuation of the convertible notes as a key audit matter due to the complexity and judgements involved in determining the various conversion features which can have a significant effect on the classification of the components of this instrument together with complexities as to the initial and subsequent measurement of the identified components.	Our audit procedures in this area included, but were not limited to: • Reviewing the convertible note agreements to understand the key terms and conditions of the arrangement; • Assessing whether management's assessment of the classification of the components contained within the instrument was in accordance with accounting standards; • Reviewing management's independent expert valuation of the instrument, including assessing the methodology used; • Consulting with our internal accounting specialists on the accounting treatment adopted, specifically on the treatment of anti-dilution features on the notes issued; • Recalculating the fair value of the liability component; and • Assessing the adequacy of the related disclosures at Note 14 in the financial report.

Mardie development expenditure

Key audit matter	*How the matter was addressed in our audit*
The Group has significantly increased its development expenditure on the Mardie Salt and Potash project during the year as reflected in Note 7. This represents a significant increase in the volume, quantum and complexity of transactions for the Group. Due to the significance of the costs incurred during the period and level of transactional activity we have identified the accounting for development expenditure as a key audit matter.	Our audit procedures in this area included, but were not limited to: • Reviewing Board minutes and ASX announcements to understand the operational activity relating to the project; • Reviewing significant contracts to understand the key terms and conditions and evaluating any associated accounting impacts; • Understanding the process for project cost allocation and recording of expenditure relating to various components of the project development; • Obtaining an understanding of and testing key controls in relation to capital expenditure during the year; • Obtaining the year end reconciliation of capital work in progress and agreeing a sample of items to supporting source documentation; • Assessing the appropriateness of the classification of expenditure as either operating or capital; and • Reviewing the related disclosures in the year-end financial statements

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 2022, 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 Annual Report, 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 Annual Report, 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 11 to 21 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of BCI Minerals Limited, for the year ended 30 June 2022, 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, 24 August 2022

Auditor's Independence Declaration

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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 2022, 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, 24 August 2022

Additional ASX Information

(as at 16 September 2022)

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders as disclosed in substantial notices given to the Company are as follows:

Rank	Shareholder	Date of notice	Shares held	% of issued capital
1	Wroxby Pty Ltd	14 October 2020	236,750,238	39.56
2	AustralianSuper Pty Ltd	24 December 2021	168,914,852	14.01
3	Ryder Capital Limited	24 December 2021	119,814,614	9.93

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholding	Number of holders	Number of shares	% of issued capital
1 - 1,000	1,246	557,954	0.05
1,001 - 5,000	2,613	7,247,688	0.60
5,001 - 10,000	1,171	9,233,575	0.76
10,001 - 100,000	2,619	90,676,787	7.49
100,001 Over	616	1,103,305,403	91.11
Total	**8,265**	**1,211,021,407**	**100.00**

UNMARKETABLE PARCELS

There were 1,972 members holding less than a marketable parcel of shares in the Company at $0.250 per share.

TWENTY LARGEST SHAREHOLDERS

Rank	Shareholder	Shares held	% of issued capital
1	Wroxby Pty Ltd	476,285,122	39.33
2	J P Morgan Nominees Australia Pty Limited	214,897,918	17.75
3	Ryder Capital Management Pty Ltd <BCI A/C>	79,839,119	6.59
4	Citicorp Nominees Pty Limited	23,236,619	1.92
5	Norfolk Enchants Pty Ltd <Trojan Retirement Fund A/C>	19,500,000	1.61
6	One Managed Invt Funds Ltd <Sandon Capital Inv Ltd A/C>	14,204,263	1.17
7	One Fund Services Ltd <Sandon Capital Activist A/C>	12,331,114	1.02
8	BNP Paribas Noms Pty Ltd <Global Markets Drp>	12,021,425	0.99
9	HSBC Custody Nominees (Australia) Limited - A/C 2	10,787,705	0.89
10	HSBC Custody Nominees (Australia) Limited	8,157,834	0.67
11	Mr Alwyn Petrus Vorster <The Vorster Family A/C A/C>	7,768,642	0.64
12	Mineralogy Pty Ltd	6,090,000	0.50
13	One Managed Invt Funds Ltd <1 A/C>	6,069,768	0.50
14	BNP Paribas Nominees Pty Ltd <Ib Au Noms Retailclient Drp>	4,527,359	0.37
15	BNP Paribas Noms Pty Ltd <Drp>	4,409,059	0.36
16	Mr Dennis Jonathan Kar Que Lum <Dennis J K Q Lum A/C>	4,034,407	0.33
17	Ms Karen Anne Davies + Mr Bruce Donald Maclean <Maclean Super Fund A/C>	3,345,636	0.28
18	Heagra Pty Limited <Gs & Hr Campbell Sf A/C>	3,045,000	0.25
19	Bond Street Custodians Limited <Timhar - D65988 A/C>	2,500,000	0.21
20	Barolo Investments Company #1 Pty Ltd	2,325,582	0.19
Total		**915,376,572**	**75.59**

VOTING RIGHTS

All issued shares carry voting rights on a one for one basis.

Security Type	Number	Number of holders
Performance Rights	8,861,120	21
Share Rights	2,342,335	11
Voluntary Escrowed Shares (until 04/07/23)	132,108	1

CONVERTIBLE NOTES

Security Type	Number	Number of holders
Convertible Notes Series 1 [a]	46,662,048	1

(a) All Convertible Notes Series 1 held by AustralianSuper Pty Ltd.

In accordance with ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82, BCI provides the following information in relation to the convertible notes which it currently has on issue:

BCI issued 46,662,048 Series 1 Convertible Notes on 24 December 2021, which have an aggregate face value of $29,093,787.

The maturity date of the Series 1 Convertible Notes is 10 years after date of issuance (unless all Series 1 Convertible Notes are redeemed or converted earlier).

The Company must repay the face value of the Series 1 Convertible Notes at maturity, or earlier on demand by the holder in the event of default by BCI.

The holder may elect to convert the Series 1 Convertible Notes into Shares at any time from 3.5 years after issue and prior to maturity. The holder may also elect to convert earlier in the event of default or change of control of BCI.

Upon conversion of the Series 1 Convertible Notes, the number of Shares to be issued to the holder will be calculated on the following basis:

"Principal Outstanding / Conversion Price"

The "Principal Outstanding" is the face value of the Series 1 Convertible Notes. The Series 1 Convertible Notes do not bear any interest.

The "Conversion Price" is the initial conversion price of A$0.6235 adjusted for certain corporate actions of the Company during the term of the Series 1 Convertible Notes.

Assuming that no adjustments are made to the Conversion Price, a total of 46,662,048 Shares would be issued on conversion of the Series 1 Convertible Notes.

Mineral Resources and Ore Reserves

BCI's Mineral Resources and Ore Reserves are at the Iron Valley iron ore mine. The Iron Valley tenements are 100% owned by BCI and are being operated by Mineral Resources Limited (MIN) under a royalty-type agreement. MIN operates the mine at its cost and purchases Iron Valley product from BCI at a price linked to MIN's realised sale price.

Estimates for Iron Valley as at 30 June 2022 are set out below, with a comparison to 30 June 2021 figures. Mineral Resources reduced by 6.1Mt during the year due to mining depletion and stockpile reduction. Ore Reserves reduced by 13.8Mt due to production shipments, stockpile adjustments and re-optimisation based on updated price and cost assumptions.

IRON VALLEY MINERAL RESOURCE ESTIMATE (100% BCI, SUBJECT TO IRON ORE SALE AGREEMENT WITH MIN)

	Cut-off	Tonnes	Fe	CaFe	SiO_2	Al_2O_3	P	LOI
Classification	(% Fe)	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)
Measured – In-situ	50	74.6	57.7	62.7	5.2	3.2	0.19	7.9
Measured – Stockpiles	50	1.2	55.2	60.2	7.3	4.3	0.20	8.4
Indicated – In-situ	50	65.4	58.6	63.0	5.2	3.2	0.17	7.1
Inferred – In-situ	50	26.0	57.8	61.3	6.7	3.9	0.14	5.6
Total at 30 June 2022	**50**	**167.2**	**58.0**	**62.6**	**5.4**	**3.3**	**0.17**	**7.2**
Total at 30 June 2021	50	173.3	58.0	62.6	5.4	3.3	0.17	7.3

IRON VALLEY ORE RESERVE ESTIMATE (100% BCI, SUBJECT TO IRON ORE SALE AGREEMENT WITH MIN)

	Cut-off	Tonnes	Fe	CaFe	SiO_2	Al_2O_3	P	LOI
Classification	(% Fe)	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)
Proved – In-situ	54	38.7	58.1	63.1	4.6	3.2	0.19	7.9
Proved – Stockpiles	54	1.2	55.2	60.3	7.3	4.3	0.17	8.4
Probable – In-situ	54	14.6	58.7	63.2	4.9	3.1	0.16	7.1
Total at 30 June 2022	**54**	**54.5**	**58.2**	**63.1**	**4.7**	**3.2**	**0.18**	**7.7**
Total at 30 June 2021	54	68.3	58.2	63.1	4.9	3.2	0.18	7.7

Notes:

- *Tonnages are dry metric tonnes and have been rounded. Any small differences in totals are due to rounding.*
- *CaFe% is calcined Fe% calculated using the following formula: Fe% / (100% - LOI%) * 100.*
- *Stockpiles have been converted to dry tonnes based on an average moisture content of 7.0%.*
- *Stockpiles include 0.3Mt of post-process lump and fines products and 0.9Mt of pre-process ore.*

MINERAL RESOURCES AND ORE RESERVES GOVERNANCE

Iron Valley Mineral Resource and Ore Reserve estimates are completed by or under the guidance of a suitably qualified MIN or independent Competent Person in accordance with JORC (2012) guidelines. BCI is satisfied with the procedures MIN has advised it has in place for Mineral Resource and Ore Reserve estimation. BCI personnel have also reviewed the documentation and are comfortable with the methodologies used by MIN.

The Mineral Resource and Ore Reserves statement included in the Annual Report is reviewed and approved by a suitably qualified Competent Person prior to its inclusion.

COMPETENT PERSON'S STATEMENTS

The information in this report that relates to the Mineral Resource estimate at Iron Valley is based on, and fairly represents, information that has been compiled by Mr Ashok Doorgapershad, who is a full-time employee of Mineral Resources Limited and a Member of the Australasian Institute of Mining and Metallurgy. Mr Doorgapershad has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Doorgapershad consents to the inclusion in this report on the matters based on his information in the form and context in which they appear.

The information in this report that relates to the Ore Reserve estimate at Iron Valley is based on, and fairly represents, information that has been compiled by Mr Guy Davies, who is a full-time employee of Mineral Resources Limited and a Member of the Australasian Institute of Mining and Metallurgy. Mr Davies has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Davies consents to the inclusion in this report on the matters based on his information in the form and context in which they appear.

The Mineral Resources and Ore Reserves statement in this report has been approved by Mr Guy Davies, who is a full-time employee of Mineral Resources Limited and a Member of the Australasian Institute of Mining and Metallurgy. Mr Davies consents to the inclusion in this report of the Mineral Resources and Ore Reserves statement in the form and context in which it appears.

Corporate Directory

BCI Minerals Limited

ABN 21 120 646 924

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Level 1, 1 Altona Street
West Perth, Western Australia 6005, Australia

Telephone: +61 (08) 6311 3400
Website: www.bciminerals.com.au
Email: info@bciminerals.com.au

POSTAL ADDRESS

GPO Box 2811
Perth, Western Australia 6001, Australia

NON-EXECUTIVE DIRECTORS

Brian O'Donnell – Chair
Michael Blakiston
Richard Court
Garret Dixon
Chris Salisbury
Miriam Stanborough

JOINT COMPANY SECRETARIES

Susan Park
Stephanie Majteles

SHARE REGISTRY

Investors seeking information about their shareholdings should contact the company's share registry:

Computershare Investor Services Pty Limited

Level 11, 172 St Georges Terrace

Perth, Western Australia 6000

Postal address: GPO Box 2975, Melbourne Victoria 3001

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

Facsimile: (03) 9473 2500 (within Australia)
+61 3 9473 2500 (outside Australia)

Email: web.queries@computershare.com.au

Website: www.investorcentre.com/contact

The share registry can assist with queries on share transfers, dividend payments and changes of name, address or bank account details.

For security reasons, you will need your Security Reference Number (SRN) or Holder Identification Number (HIN) when communicating with the share registry.

AUSTRALIAN SECURITIES EXCHANGE LISTING

BCI Minerals Limited securities are listed on the Australian Securities Exchange (ASX) under the code BCI.

BCI MINERALS

www.bciminerals.com.au

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