

ASX Release

24 NOVEMBER 2022

2022 ANNUAL GENERAL MEETING CHAIRMAN'S & MANAGING DIRECTOR'S ADDRESS

Welcome everyone and thank you for attending. I am Brian O'Donnell, Chairman of BCI Minerals Limited (BCI or the Company) (ASX:BCI).

I would like to start by acknowledging the traditional custodians of the land on which we are gathered here today, the Whadjuk Noongar people, the traditional custodians of the lands and waters at Mardie the Yaburara and Mardudhunera people and also the Robe River Kuruma people, the Ngarluma people as the traditional owners of where our Karratha Office is located and also the Iron Valley traditional owners the Nyiyaparli people, and pay my respects to all traditional owner elder's past, present and emerging.

For those of you who are not familiar with the other members of the Board, I would like to introduce our new Managing Director, David Boshoff and Non-Executive Directors Chris Salisbury, the Honourable Richard Court AC, Garret Dixon, Miriam Stanborough and Michael Blakiston. Miriam was appointed to the board in June of this year, and David Boshoff commenced just this week. David is a great addition to the team, a trusted, respected and highly qualified chief executive with extensive experience in delivering capital projects. We welcome him as the right leader to guide BCI during this stage of Mardie's development and we look forward to working with him.

I also welcome our Executive Leadership team to the AGM. This is the first AGM for our CFO Kerryl Bradshaw. Kerryl joined us in January and led BCI with great distinction as Interim CEO since 1 September. I would like to thank Kerryl especially for stepping up to this role and performing it so well. Today is also Kim Boekeman's first AGM since joining BCI as head of people and culture – welcome Kim.

I also welcome our co-Company Secretary Susan Park and Phil Murdoch from our auditors, BDO.

BCI is building what will be one of the most sustainable, long life and naturally renewable resource projects in the world – our Tier 1 Mardie salt and potash project. We are committed to high standards of environmental, social and governance standards, and of course to keeping our people safe. In the next six months, we aim to continue to build Mardie, finalise and fund our updated business case, obtain all final approvals needed to construct and operate the optimised feasibility study project layout, and progress meaningful offtake negotiations.

2022 has been marked by major achievements for our company, including another strong earnings contribution from our Iron Valley iron ore mine. We have made positive progress with Mardie, including our Final Investment Decision, a \$360 million capital raising, and obtaining Ministerial

Approval to construct our Definitive Feasibility Study project layout, as well as Government approval for the creation of a new port reserve for our Mardie jetty and shiploader.

We acknowledge the strong support of the Australian Capital Equity Group, AustralianSuper, Ryder Capital and all other participants in the 2021 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.

Commencement of construction was celebrated with 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 during the financial year ended 30 June 2022, and a further \$75M invested to 31 October 2023, the Project is well under way.

We have also significantly developed our people and culture systems to attract and retain the best workforce we can.

We are very proud of our safety performance, and our progress in achieving gender diversity across our workforce.

Sustainability is at the core of everything we do. As mentioned above, Mardie is a green project, powered by sun and wind, drawing on an inexhaustible seawater resource, designed to minimise social, heritage and biodiversity impacts, while encouraging regional communities and prioritising local engagement.

The Mardudhunera people welcomed BCI to Mardie prior to construction starting, and we are grateful for their good wishes to keep our people safe on Country. We value our strong traditional owner and community relationships and partnerships. These provide support for Mardie, and help enable our community events, ranger programs and social initiatives.

In terms of the 2022 financial year, we generated lower Iron Valley earnings, but were able to control costs to ensure the loss for the year was minimised. Our balance sheet movements were dominated by the receipt of \$260m in share capital, and investment of over \$160m in Mardie development costs.

Iron Valley has been a very important contributor to our cash flow over the years.

Our arrangement with Mineral Resources Limited generated revenue of \$65.2 million in FY22, and EBITDA of \$27.8 million. We thank Mineral Resources for its ongoing contribution to our group. Current year performance has slipped below the FY22 run rate, and our expectations based on contract terms, and we are monitoring this with Mineral Resources.

By the end of March 2023, our cumulative expenditure on Mardie is expected to approach \$200 million. We are proud of the efforts of all of our employees and contractors on this important work.

The Mardie village, seawater intake and first ponds contract expenditure is expected to reach \$160 million by completion, which compares to an initial cost estimate of \$110 million. The incremental cost reflects a combination of factors, including design improvements to increase project resilience, and the well-publicised cost increases which are affecting all projects in WA. We are encouraged that more recent months have seen a reduction in the level of variance to FID estimates. The project budget included contingency of \$76M nominal.

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

Our priority now is to complete this review, release our updated business case, progress approvals work, and progress discussions with our equity and debt partners in relation to the additional funding we expect to be required to complete the Mardie Project.

We are encouraged that market prices for salt and sulphate of potash are higher than they were at the time of our Final Investment Decision. This helps supports project economics, in light of total project cost being likely to be higher than expected at FID.

In conclusion, I would like to thank everyone who has assisted BCI's progress over the past year, including my fellow Directors, all BCI employees, and our consultants and contractors. These commitments are much appreciated.

As previously announced, David Boshoff has commenced this week, as our new Managing Director. The Board is delighted to have been able to attract David to BCI, and we believe his energy and experience will be of great value to the company, as we progress Mardie construction and development of the updated business case for the project. I'm sure all shareholders join with me in wishing David every success.

I am pleased now to introduce David, to present his first address as BCI's Managing Director.

-----**DAVID BOSHOFF: MANAGING DIRECTOR**-----

Thank you, Brian, and also a warm welcome to everyone, thank you for attending.

It may only be day 4, but I can see that BCI Minerals is a dynamic company that is committed to excellence. I have been to Karratha, Mardie Project site, and am getting to know the team in Perth. I am excited about what's ahead of us and pleased to be here today.

To share a little about myself, prior to this appointment, I have been in many mining operation leadership roles across various commodities with P&L accountability and have executed a number of large capital projects with full safety, schedule, scope and capital cost accountability.

From a leadership perspective, I like to align a strong leadership group around a clear objective(s) that is directly linked to the value drivers for the business. I measure performance with visible metrics and clear accountability and ensure that the team celebrates the small wins. It is 1000 small, good leadership decisions that will deliver the outcome

It was great to visit site on Tuesday, to see the progress that has been made this year in the construction of the Mardie Project, and to understand the immensity of its size.

Significant progress has been made this year.

The 400-person accommodation village is complete and ready for full construction to commence, with the final occupancy certificate issued in September this year. I was able to view the camp and meet with the BCI staff and contractors from SRG Global, and Ertech Marine and witnessed the Q-Birt operations who are currently occupying 45% of the village. Full occupancy is expected in 2023 calendar year when further pond construction and marine structures packages are underway concurrently with operations.

The Marine Structure package is progressing with overall design development 84% complete as at the end of October.

The access roads and telecommunications to site have also been upgraded for improved access and connectivity to allow safe and efficient operations.

With the final pump now installed, the primary seawater intake station is nearing completion. The station includes generators, fuel tanks and switch rooms, which together will be dry commissioned by this year end, with wet commissioning expected in Half 1 of CY 2023.

To give you some perspective, when the station is operating, the pumps with a capacity of 3,000 litres per second, could fill a standard size backyard pool in just 10 seconds.

Pond Zero is complete, and the construction of Ponds 1 & 2 are nearing completion, with 97% of the bulk earthworks for pond walls complete, and rock armour of the sea walls the next step.

Q-Birt, the earthworks contractor for Ponds 3, 4 & 5, commenced work in July, and work is progressing well to plan, with Pond 3 expected to be complete by year end. The earthworks for the transfer station between Ponds 2 and 3, and the permanent road crossing over the Santos and Chevron Pipelines, were also commenced in the last quarter.

My focus is to deliver the most cost-effective Mardie in a safe manner. Key elements of this include ensuring the delivery of the current awarded contracts.

At the Northern end of the Mardie Site, we are focussing on working closely with Local, State and Federal government authorities to gain the remaining project footprint environmental approvals. We recognise that the relevant state departments are challenged with labour shortages and many approval requests but are closely monitoring this and we look forward to achieving a result as soon as possible.

I am also keenly focussed on the optimisation of the remainder of the Mardie Project. This is my focus in the near term, to finalise the cost and design review, supporting our CFO Kerryl Bradshaw to secure full funding for the project before the end of this financial year.

This work includes reviewing the cost, design and delivery methodology of the remaining construction works. My initial focus is on critical path packages, including contracts such as:

- The causeway and jetty pad; and
- Roads and intersection upgrades to improve access to site, protection of the ponds from inland flooding, and enable improved mobility during wet season.

Discussions will recommence by December with our debt and equity providers and potential new investors in relation to the additional funding requirements to complete the Mardie. Offtake discussions are ongoing for both salt and potash products.

I'm excited to have joined BCI at this key stage of Mardie development and am encouraged by what I've seen so far. I look forward to leading the team and BCI through the delivery of key milestones, the next stage of construction at Mardie, and the challenges ahead.

-END-

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

For further information:

Kerryl Bradshaw, CFO

BCI Minerals

T: +61 8 6311 3400

E: kerryl.bradshaw@bciminerals.com.au

ABOUT BCI MINERALS

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

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

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

KEY STATISTICS

Shares on issue	1,211.0 million	
Cash in bank	\$140.8 million	as at 31 October 2022
Board	Brian O'Donnell David Boshoff Michael Blakiston Garret Dixon Richard Court Chris Salisbury Miriam Stanborough	Non-Executive Chairman Managing Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
CFO	Kerryl Bradshaw	
Major shareholders	Wroxby Pty Ltd AustralianSuper Pty Ltd Ryder Capital Ltd (and related)	39.5% 14.8% 9.2%
Website	www.bciminerals.com.au	