

## MARCH 2023 QUARTERLY REPORT

- **Significant support from major shareholders announced with the signing of agreements to secure A\$60M via the issue of convertible notes.**
- **McConnell Dowell has mobilised to commence construction of the Mardie jetty. Additional civil works contracts have been awarded.**
- **BCI continues to develop the updated base case financial model for Mardie in conjunction with independent technical experts advising the Company and the project financiers.**
- **BCI is progressing towards credit approval of debt finance facilities for completion of Mardie, targeting approval by end of June 2023.**
- **Group EBITDA of \$7.0M for the quarter; improved Iron Valley royalty earnings, gain on sale of shares.**
- **Cash balance of A\$163.8M at 31 March 2023.**

BCI Minerals Ltd (BCI or the Company) presents its quarterly activities report for the period ended 31 March 2023.

## MARDIE SALT AND POTASH PROJECT

### Mardie Project

BCI is pleased with the continued support from its shareholders. See the announcement '[BCI Secures \\$60M of Convertible Notes to Fund Mardie](#)' shared today, which outlines the execution of two agreements to secure \$60M via the issue of convertible notes to AustralianSuper Pty Ltd as trustee for AustralianSuper (AustralianSuper) and Wroxby Pty Ltd (Wroxby). The execution of the agreements enables the Company to progress critical path packages for Mardie including design development and award of further civil and structural works packages. The remainder of the existing works continue, as outlined below.

The Mardie Project cost and design review is in its final stage of independent technical expert review. Discussions continue with project financiers and lenders to finalise an agreed base case financial model, which will confirm total project cost and the full funding needs of the Mardie Project. The outcome will be announced as soon as possible.

At the time of the Company's Annual General Meeting in November 2022, BCI announced the expected total capital cost of the first four major packages was projected to be approximately \$160M, compared to a 2021 Final Investment Decision (FID) estimate of \$110M (out of a total FID capital cost estimate of \$1,015M). The Company is pleased to advise that the updated total projected capital cost of these packages came down to \$151M, of which \$142M has been incurred and only \$9M is outstanding. These packages comprised the Mardie accommodation village, the primary seawater intake station, Ponds 1 and 2, and Ponds 3 to 5. Of these contracts, only Ponds 3 to 5 remain to be completed (85% completed as at 31 March 2023).

The positive outcome compared to the November 2022 estimate can be attributed to a number of key factors, including:

- an ongoing focus on ensuring package scope is tight and fit for purpose.
- close collaboration with key contractors, enabling direct input into best practice and innovation in scope delivery.
- a sustained focus on controlling costs post the award of contracts.

The necessary approvals to finalise the construction of the Project are progressing well, including the additional approvals required for the expansion to the Optimised Feasibility Study (OFS) footprint, which are due by Q4, CY2023.

BCI Managing Director, David Boshoff, said: *“I am pleased with the progress the team has made in reducing risk and improving design; delivering a more robust project. I have been encouraged by the quality of delivery of the construction to date and seeing these cost saving results coming to fruition on the recently awarded civils works”.*

## Site Activities

The marine structures work package remains on track with earned value at 32%, and the second shipment of materials for the construction of the Mardie jetty was delivered during the quarter. Marine structures design and construction contractor, McDonnell Dowell, mobilised to site during the quarter to commence construction activities. McDonnell Dowell’s scope of work includes the design, supply, fabrication, construction, installation, testing and commissioning of:

- a piled 2.4 km jetty structure with head-end platform, berthing and mooring dolphins.
- materials handling conveying system including ship loader.
- non-process infrastructure comprising fire suppression equipment, employee amenities, fixed crane, channel markers and other navigation aids.
- ancillary equipment, including security gates, CCTV, lighting, outfall pipe on jetty, diffuser, and emergency boat launcher.

Construction of the causeway to jetty island also commenced during the period and progressed to 25% completion at quarter end.

The primary seawater intake stations were completed, with all pumps tested. Control systems commissioning has progressed to completion. BCI anticipates that the primary seawater intake stations will commence operation, filling Ponds 1 and 2, in Q3 CY2023.

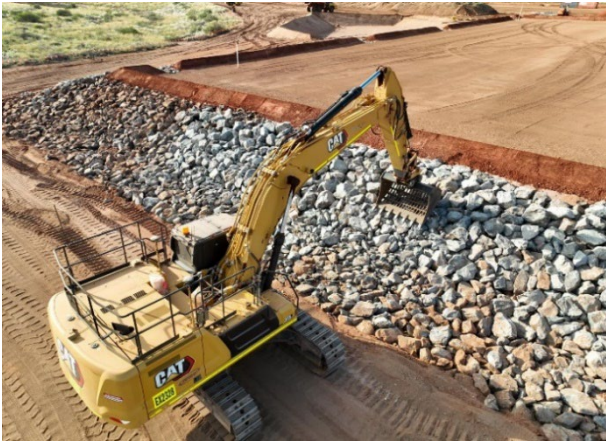
Construction on Ponds 3 to 5 progressed well throughout the quarter. This package is now substantially complete (85%) and transfer station 2/3 is well underway, with the earthworks 75% complete and the structural (SMP/EI) installation to commence shortly.



**Figure 1: Construction commenced on causeway and jetty laydown area**



**Figure 2: Causeway culvert infills**



**Figure 3: Front wall at jetty island**



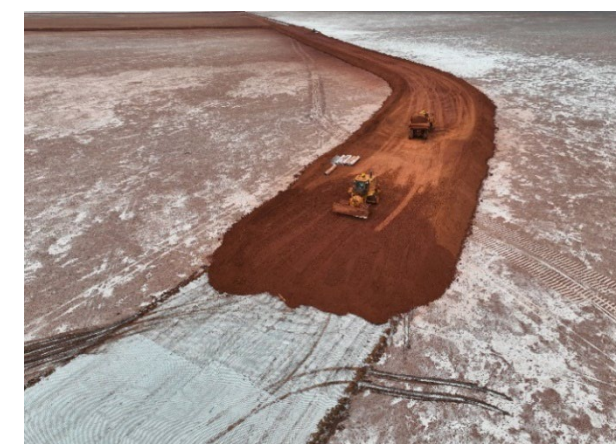
**Figure 4: Assembly pad at jetty island**



**Figure 5. & 6: Primary seawater intake station completed**



**Figure 7: Works continue on the North South Road**



**Figure 8: Ponds 3-5 at 85% completion**

## Sustainability

Sustainability is an essential business activity in supporting BCI's vision of becoming a globally significant and sustainable industrial minerals business. To that end, BCI has commissioned environmental studies to ensure monitoring and management to protect biodiversity at Mardie.

BCI has implemented a marine turtle monitoring survey to collect baseline data of marine turtle nesting and hatching activity in the Mardie and surrounding regions, to further understand the nesting population and habitat. In the March 2023 quarter, a 14-day survey of the peak Green and Flatback Turtle hatching season was conducted.

The Traditional Owners of the land and waters upon which the Mardie Project is being constructed, the Yaburara and Mardudhunera People, observed and provided traditional ecological knowledge for these turtle surveys. The Traditional Owners also continued to support the Mardie Project through the March quarter with cultural heritage monitoring in accordance with the Land Access Deed Heritage Protocol and the endorsed Aboriginal Cultural Heritage Management Plan.

## Salt and SOP market conditions

The start of 2023 has remained strong for salt imports into China with an average imported price of US\$57.19/t CIF for February 2023, an increase of US\$2.75/t compared to December 2022, which compares to FID (2021) forecast of US\$49.6/t CIF.

After the initial spike following the start of the Russia-Ukraine conflict, the Granular Sulphate of Potash (SOP) price has declined over Q1 2023 to US\$955/t compared to US\$1047/t for the December 2022 quarter. The differential between Muriate of Potash (MOP) and SOP has further increased by US\$326, with SOP prices higher than MOP, due to higher conversion costs, which compares to FID (2021) forecast of US\$573/t FOB.

Offtake negotiations continue with a number of companies in Asia for both salt and SOP.

## Executive appointments

BCI is pleased to announce the appointment of Tim Deighton as Project Director, commencing in April 2023. Mr Deighton will be leading the overall management and delivery of the Mardie Salt and Potash Project and brings more than 25 years' experience in construction, engineering and project management.

The Company has also appointed Arron Minchin as Head of External Relations, commencing in May 2023. Mr Minchin brings more than 20 years' experience across the Private, State and Local Government sectors with exposure to Government, Mining, Sport and Recreation and Community Safety industries.

## Health and safety

BCI has maintained its safety performance over the quarter and remains focused on maintaining a safe and healthy working environment for its employees and contractors. During the March quarter BCI has been focused on incident prevention programs including review of critical controls for fatality risks, and identification of psychosocial hazards and associated controls. Pleasingly, the total recordable injury frequency rate (TRIFR) for the March quarter was zero and as at 31 March 2023 BCI's TRIFR on a rolling 12-month basis was 2.8.

## Cash and debt position

BCI's cash balance at 31 March 2023 was \$163.8M (31 December 2022: \$201M). With ongoing Iron Valley royalty earnings and cash at bank, BCI has sufficient funding to cover all current contracted works for the full financial year to June 2023 without requiring further capital. In addition, as per the separate announcement, BCI has entered into agreements with AustralianSuper and Wroxby to secure A\$60M via the issue of convertible notes, to provide funding for the early part of FY2024.

## Iron Valley

BCI EBITDA from Iron Valley for the March 2023 quarter was \$7.0M, comprising \$7.6M from 0.8M Mt shipped iron ore and adjusted for finalisation of prior period provisional pricing. The March 2023 quarter result reflects provisional FOB prices based on an average headline 62% Fe iron ore price of US\$125/t, an improvement against the prior quarter's US\$98/t.

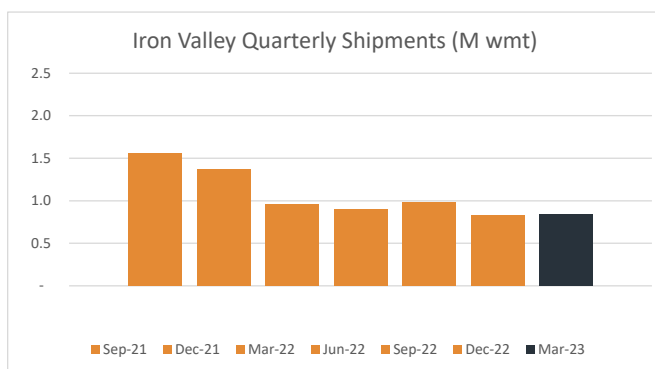


Figure 9: Iron Valley Quarterly Shipments (M wmt)

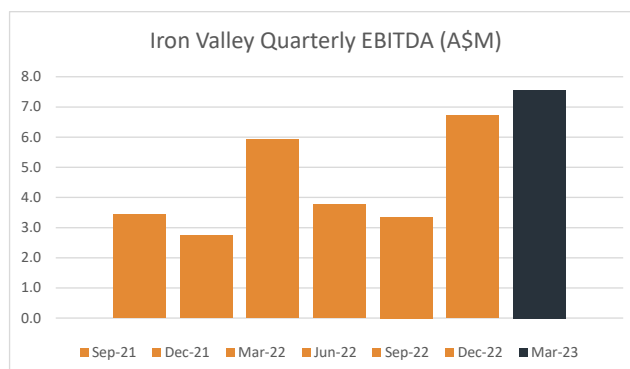


Figure 10: Iron Valley Quarterly EBITDA (A\$M)

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

For further information:

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## 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 developing 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 approximately 5Mtpa of high-purity salt (>99.5% NaCl) and 140ktpa of Sulphate of Potash (SOP) (>52% K<sub>2</sub>O) via solar evaporation of seawater. 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 potential royalties and/or deferred payments from iron ore projects at Koodaideri South, Bungaro South, Kumina and Nullagine.

## KEY STATISTICS

<b>Shares on issue:</b>	1,211.5 million	
<b>Cash in bank:</b>	\$163.8 million	As at 31 March 2023
<b>Board:</b>	Brian O'Donnell	Non-Executive Chairman
	David Boshoff	Managing Director
	Gabrielle Bell	Non-Executive Director
	Richard Court	Non-Executive Director
	Garret Dixon	Non-Executive Director
	Chris Salisbury	Non-Executive Director
	Miriam Stanborough	Non-Executive Director
	Stephanie Majteles	Joint Company Secretary
	Susan Park	Joint Company Secretary
<b>Major shareholders:</b>	Wroxby Pty Ltd	39.5%
	AustralianSuper Pty Ltd	14.8%
	Ryder Capital Ltd (and related)	9.1%
<b>Website:</b>	<a href="http://www.bciminerals.com.au">www.bciminerals.com.au</a>	