ASX Release
18 August 2023

BCI MINERALS

APPENDIX 4E
FOR THE FULL-YEAR ENDED 30 JUNE 2023

This information should be read in conjunction with BCI Minerals Limited's Financial Report for the year ended 30 June 2023.

Company Details

Name of entity: BCI Minerals Limited

ABN: 21 120 646 924

Results for announcement to the market

	June 2023 $000	June 2022 $000	Up / Down	% Movement
Revenue from continuing operations	60,959	65,198	Down	(6%)
Profit /(loss) after income tax from continuing operations	9,375	(15,485)	Up	161%
Other comprehensive income	826	-	Up	100+%
Net profit/(loss) attributable to members	10,201	(15,485)	Up	166%

Dividends

No dividends have been declared for the full-year ended 30 June 2023 (June 2022: nil).

Net tangible asset backing

Net tangible asset backing per ordinary share: $0.34 (2022: $0.35).

Previous corresponding period

The previous corresponding period is the full-year ended 30 June 2022.

Audit

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

Commentary on results for the period

The Company's profit after income tax from continuing operations for the full-year ended 30 June 2023 was $9.4M, which is a result of positive earnings from Iron Valley, interest earned offset by the development and construction of the Mardie Salt and Potash Project. A gain on share sales in the period was included in other comprehensive income, increasing the profit attributable to members to $10.2M.

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

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

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DIRECTORS' REPORT

The Directors present their report on the results of the Consolidated Entity (referred to hereafter as the Company) consisting of BCI Minerals Limited ("BCI") and the entities it controlled at the end of, or during the year ended 30 June 2023.

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 and Potash Project and Iron Valley Iron Ore Mine.

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

DIRECTORS

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

Brian O'Donnell	Chair (Non-Executive)
David Boshoff	Managing Director [(a)]
Alwyn Vorster	Managing Director [(b)]
Michael Blakiston	Director (Non-Executive) [(c)]
Garret Dixon	Director (Non-Executive)
Richard Court	Director (Non-Executive)
Chris Salisbury	Director (Non-Executive)
Miriam Stanborough	Director (Non-Executive)
Gabrielle Bell	Director (Non-Executive) [(d)]

(a) Mr David Boshoff was appointed as Managing Director to the Company on 21 November 2022.
(b) Mr Alwyn Vorster resigned from the Company on 1 September 2022.
(c) Mr Michael Blakiston resigned as a Director of the Company on 18 January 2023.
(d) Ms Gabrielle Bell was appointed as a Director of the Company on 18 January 2023.

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 2023 – 8 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 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 38 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 David Boshoff Masters Mining Eng, GAICD, Exec MBA

Managing Director appointed 21 November 2022
Period of office at August 2023 – 9 months

Mr Boshoff commenced as Managing Director of BCI in November 2022. He has more than 20 years' leadership experience in the mining industry including delivery of large capital project.

Recent roles include Chief Executive Officer of Bravus Mining and Resources and General Manager of Mt Arthur Coal and Daunia mines (BHP).

Ms Gabrielle Bell *B. Juris LLB, B Chem Eng*, GAICD

Director (Non-Executive) appointed January 2023
Period of office – 7 months

Ms Bell is a corporate lawyer and company director with broad experience working in Australia and South East Asia. Ms Bell is experienced in corporate governance, risk identification and legal transactions. Ms Bell serves as a non-executive director in the Australian property sector and the Victorian water sector and has previously held director roles in the Australian superannuation and public transport sectors.

Ms Bell is currently a non-executive director of South East Water Corporation, the chair of iota Services Pty Ltd and a non-executive director of Aware Real Estate Management Pty Ltd.

Ms Bell is a member of the Audit and Risk Committee and the Sustainability Committee.

Mr Michael Blakiston *B. Juris LLB*

Director (Non-Executive) appointed March 2017
Period of office – 5 years and 10 months, resigned 18 January 2023

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 Garret Dixon

Director (Non-Executive) appointed 18 June 2020
Period of office at August 2023 – 3 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.

Hon. Mr Richard Court

Director (Non-Executive) appointed 28 January 2021
Period of office at August 2023 – 2 years and 7 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 2023 – 2 years and 3 months

Mr Salisbury is a metallurgical engineer with more than 30 years' 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 Audit and Risk Committee and a member of the Sustainability Committee.

Ms Miriam Stanborough AM *BA(Hons), BE(Hons), MSc, MAusIMM, GAICD*

Director (Non-Executive) appointed 14 June 2022
Period of office at August 2023 – 14 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), Non-Executive Director of Australian Vanadium (ASX:AVL), 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 is the Chair of the Sustainability Committee and member of the Remuneration and Nomination Committee.

COMPANY SECRETARY

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

Joint Company Secretary appointed July 2018, resigned 30 June 2023

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, Company Secretary from 1 July 2023

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. Ms Majteles has been Company Secretary of the BCI subsidiaries for 5 years, joint Company Secretary for 2 years and is responsible for the Company's legal, risk and compliance functions.

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 [5]	12	11	4	4	3	3	–	–	–	–
A Vorster [6]	3	3	–	–	–	–	–	–	–	–
M Blakiston [7]	5	5	2	2	1	1	–	–	–	–
D Boshoff [8]	8	8	–	–	–	–	–	–	–	–
G Dixon	12	11	–	–	3	3	1	1	–	–
R Court	12	12	4	4	–	–	–	–	5	5
C Salisbury	12	11	2	2	–	–	1	1	5	5
M Stanborough	12	12	–	–	2	2	1	1	5	5
G Bell [9]	7	7	2	2	–	–	–	–	2	2

[1] *Members of the Audit and Risk Committee during the financial year ended 30 June 2023 were M. Blakiston (Chair until 18 January 2023), C Salisbury (Chair from 18 January 2023), B. O'Donnell (Member) and R. Court (Member) and G Bell (Member) from date of appointment.*

[2] *Members of the Remuneration and Nomination Committee during the financial year ended 30 June 2023 were, G Dixon (Chair), A Vorster (Member) until his resignation on 1 September 2022, B O'Donnell (Member) from 18 January 2023 and M Stanborough (Member) from 18 January 2023.*

[3] *Members of the Project Review Committee during the financial year ended 30 June 2023 were G Dixon (Chair), C Salisbury (member) and M Stanborough (member)*

[4] *Members of the Sustainability Committee during the financial year 30 June 2023 were C. Salisbury (Chair until 18 January 2023 and became a Member), M Stanborough (Chair from 18 January 2023), R. Court (Member), G Bell (Member from 18 January 2023), and A. Vorster (Member) until he resigned on 1 September 2022.*

[5] *The meeting not attended was an out of session meeting to ratify decisions made at a Committee meeting that was attended by all Directors.*

[6] *A Vorster resigned from the company on 1 September 2022.*

[7] *M Blakiston resigned from the company on 18 January 2023*

[8] *D Boshoff was appointed as the Managing Director of the Company on 21 November 2022.*

[9] *G Bell was appointed as a Non-Executive director on 18 January 2023*

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 majority of 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	-	-
D Boshoff[(1)]	-	-	-	2,152,816	-	-
G Dixon	-	-	-	67,687	-	-
R Court	-	819,768	-	81,309	-	-
C Salisbury	-	-	-	85,826	-	-
M Stanborough	-	5,896	136,622	136,622	-	-
G Bell	-	-	-	-	-	-
Total	**-**	**1,981,918**	**136,622**	**2,499,857**	**-**	**-**

[1] *D Boshoff was appointed as Managing Director on 21 November 2022.*

DIVIDENDS

No dividends have been declared in relation to the year ended 30 June 2023 (June 2022: 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.

OPERATING AND FINANCIAL REVIEW

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

Safety performance

BCI places a high priority on facilitating a safe working environment for all staff and contractors. The total recordable injury frequency rate (TRIFR) on a rolling 12-month basis was 4.1 at end of June 2023 (June 2022:6.1). 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.

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 Project

During the financial year, BCI continued to progress the 100% owned Mardie Project (Project or Mardie Project). The focus has been on advancing construction, completing the cost and design review, progressing funding and offtake negotiations and progressing approvals needed to complete the project.

As at 30 June 2023, $369M has been spent on the construction of Mardie Project. Progress on evaporation ponds continues to make headway, with the completion of the primary seawater intake station, ponds one to four, and pond five at 95% marking a significant milestone at the end of the year, with only rock protection to be applied.

Bulk earthworks for transfer stations 2/3 and 3/4 have been successfully completed and civil works are well advanced. Installation of the pumps at transfer station 2/3 has commenced, which upon completion will allow brine to be pumped from pond two to three.

The road construction packages are on track with the North South Road and Mardie Road reaching 70% completion at the financial year end. The Northwest Coastal Highway Intersection is now 100% complete, staying within the scheduled timeline and allocated budget.

Significant progress has been made on the marine structure package by design and construction (D&C) contractor, McConnell Dowell (MCD), with 35% complete at 30 June 2023. Activity in May saw the installation of the first pile at jetty island, signalling the commencement of the 2.4 km purpose-built jetty. Since then, MCD have installed a transporter and crawler crane that enabled further piling activities to continue.

The 400-bed accommodation village was also completed early in the year, and the final occupancy certificates have been received in September 2022. BCI staff and contractors are currently occupying the village.

More than half of the design and engineering stands at >95% complete. The optimised design of transfer stations 5/6 and 6/7 has been finalised, while the design process for crystalliser lift stations and the secondary seawater distribution system is set to commence. Notably, the design of primary and secondary crystallisers has been completed, and the issued for construction drawings have been released. The design for KTMS crystallisers is scheduled for completion in Q1 FY2024.

Moving forward, the focus will primarily be on advancing the construction of several essential facilities in accordance with critical path activities.

The gazettal and proclamation by the Western Australian Government of the Port of Cape Preston West also occurred during the year. The Port Reserve is now vested in the Pilbara Ports Authority (PPA) for the new multi-user port, and the proclamation of the Port Reserve land and waters provides the PPA the authority to enter into the Port lease documents with Mardie Port Pty Ltd as the foundation proponent.

Following a robust process on its cost and design review, BCI delivered an update to the market on 20 June 2023 of the Mardie Project, including an outcome of the review, improved level of design and base case cost estimate.

BCI has focused the project delivery plan initially on salt production, while progressing SOP plant design. This project phasing is supported by the prospective financiers, and we are progressing approvals for project finance based on salt only revenues. The financial model demonstrates that salt earnings are projected to deliver an attractive investment and debt profile. The case does include costs for progressing SOP plant design, as well as construction of SOP crystallisers.

Over the past 12 months, many elements of the Project have been reviewed by BCI's Project Team with the assistance of external experts to optimise the design, cost and development schedule. The review process has increased the robustness of the Project's design and confidence in the cost forecast, supported by quantitative risk assessments by external experts.

The base case retains First Salt on Ship targeted for mid-2026. This delivery lines up well with the salt marketing regimes in the Asian markets and allows trial cargoes to be conducted for the Mardie product during the first year of production to BCI's key customers.

BCI successfully progressed offtake relationships with international parties during the year, for the supply of high purity Mardie salt into Asian markets.

BCI executed an offtake term sheet with Itochu Corporation on 27 June 2023, and the parties are working towards negotiating a formal binding salt offtake agreement by 31 December 2023. The relationship is expected to see Itochu purchase salt as Mardie's salt production ramps up to steady state with 500kt of salt in each of years 1 and 2, 600 kt in year 3, and 1000 kt in each of years 4 and 5. Itochu is one of the largest Japanese trading and investment companies, operating a diverse portfolio of businesses including a division involved in trading industrial chemicals. BCI intends to appoint Itochu as its preferred trading partner for Japan, Korea and Taiwan, subject to the execution of a formal offtake agreement.

As announced on 4 July 2023, BCI Minerals has also entered a non-binding Memorandum of Understanding (MOU) with PT Mineral Industri Indonesia (MIND ID) in relation to a potential offtake of up to 1mt per annum solar salt and a potential equity investment in BCI of up to A$100M for up to 9.9% of the shares in the company.

MIND ID is a State-Owned Enterprise (SOE) of the Indonesian Government and acts as the holding company for the Indonesian government's investment in the mining industry in Indonesia. The MOU contemplates a potential offtake agreement with an initial term of 5 years from supply commencement with the option to extend the term for a further 5-year period. The MOU provides a framework for further good faith negotiations with a view to entering into the formal binding documentation for the potential offtake and equity investment by December 2023.

The necessary approvals to finalise the construction of the Project continue to progress.

BCI presented an update to the WA Environmental Protection Authority Board for consideration in late April 2023 on the Optimised Mardie Project. The EPA draft conditions were released on 11 May 2023 for review, before publishing their final report on 19 June 2023 for public comment. The EPA's assessment forms part of the process for BCI to obtain the environmental approval needed to finalise construction of the Mardie Project. Open and consistent engagement with the EPA and Government has been vitally important during this process.

BCI continues work on obtaining finalised conditions from the Federal Government in accordance with the Environmental Protection and Biodiversity Conservation Act. Both State and Federal finalised conditions are forecast to be provided in Q4, CY 2023.

Additionally, a thorough review of all Heritage processes was conducted as part of the planned legislative changes and BCI remain confident that the work and systems are robust and will ensure the ongoing protection of key sites. Throughout this process, Traditional Owners of the land and waters upon which the Mardie Project is being constructed, the Yaburara and Mardudhunera People, have remained engaged in the Project.

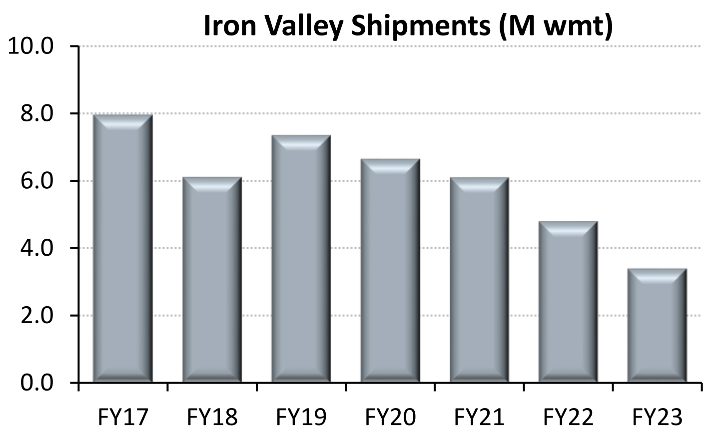
BCI is pleased to have the continued support from its shareholders. In December 2022, shareholders approved the issue of a $100M convertible note by AustralianSuper, and a further $60M convertible notes committed by Wroxby and AustralianSuper in June 2023. These commitments have allowed BCI to award further contracts and support the ongoing construction activities. Drawdown of these convertible notes occurred in July, raising a total of $60M. BCI is progressing discussions with financiers regarding the full funding of the Project.

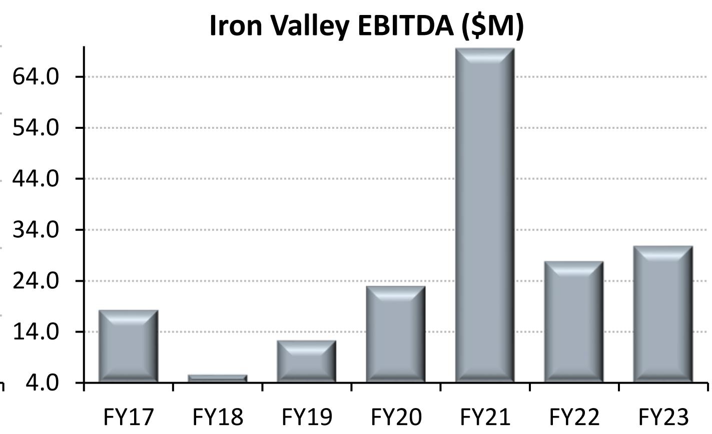
Project financing discussions are well advanced, with external firms engaged to support the equity funding process.

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 3.4 million wet metric tonnes ("M wmt") (June 2022: 4.8M wmt), which generated revenue for BCI of $61M (June 2022: $65.2M) and EBITDA of $30.7M (June 2022: $27.8M).





Other Assets

BCI owns 2.78% of Highfield Resources Limited and 13% of Agrimin Limited shares, with a combined market value of $11.9M as at 30 June 2023, as well as deferred consideration and royalties receivable from Bungaroo South, Kumina and other iron ore assets. During the year, BCI received net proceeds of $9.3M from the sale of 15.58M shares in Highfield Resources Limited.

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. During the year, BCI submitted all compliance reports required under its approved conditions and licences.

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.

REVIEW OF RESULTS

Consolidated statement of profit or loss

The Company's profit after income tax for the financial year ended 30 June 2023 was $9.4M (loss June 2022: $15.5M). The improvement of $24.9M arose mainly from a fair value gain on financial instruments, increased EBITDA from Iron Valley and increased interest income, offset by impairment of a joint venture.

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

	30 June 2023 $M	30 June 2022 $M
Revenue – sale of goods	61.0	65.2
EBITDA	12.6	(10.4)
Net finance costs, tax, depreciation and amortisation	(1.5)	(5.1)
Impairment of assets	(1.7)	-
Net profit / (loss) after tax	**9.4**	**(15.5)**

The Company's EBITDA for the financial year ended 30 June 2023 was $12.6M (June 2022: ($10.4M)), which incorporates a positive EBITDA from Iron Valley of $30.7M (June 2022: $27.8M), expenditure of $19.2M (June 2022: ($20.6M)) on the Mardie Project, and $1.1M from Other operations which includes a $19.2M gain on financial instruments.

The following table shows the EBITDA contribution for each segment (Note 20) of the Group:

	30 June 2023 $M	30 June 2022 $M
Iron Valley	30.7	27.8
Mardie	(19.2)	(20.6)
Other [(a)]	1.1	(17.6)
Total EBITDA	**12.6**	**(10.4)**

(a) Other includes a non-cash fair value gain on financial instruments (refer Note 12 and 20).

Consolidated statement of other comprehensive income

Other comprehensive income includes the impact in the change in the fair value of listed shares that have been designated as fair value through other comprehensive income. The loss for the year on the fair value recognition is ($18.3M), which is reversing the gain recognised in FY22 of $14.4M. Other comprehensive income also includes a gain on the sale of listed shares of $0.8M.

Consolidated statement of cash flows

Cash and cash equivalents as at 30 June 2023 decreased to $109.5M (June 2022: $232.0M) as the increased construction activity for Mardie progressed.

Consolidated statement of financial position

Total assets increased to $614.9M (June 2022: $538.4M) as the Mardie project construction progress increased across the period. Net assets decreased to $431.5M (June 2022: $434.2M).

Dividends

The Directors have not paid or declared any dividends since the commencement of the financial year ended 30 June 2023.

		2023	2022
(a)	out of the profits for the year ended 30 June 2023 and retained earnings on fully paid ordinary shares	Nil	Nil
(b)	out of the profits for the year ended 30 June 2022 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 24 November 2022. All fourteen resolutions considered at the meeting were passed.

PERFORMANCE RIGHTS AND SHARE RIGHTS

As at the date of this report, there were 6,218,946 Performance Rights and 532,304 Share Rights on issue to Directors and Employees under the Performance Right Plan and Share Right Plan (30 June 2022: Performance Rights 12,885,203 and Share Rights 2,342,335). During the financial year, 5,248,763 performance rights vested while 9,861,497 performance rights were either cancelled or lapsed. During the financial year 1,429,675 share rights vested, of which 1,250,337 were converted to ordinary shares. Subsequent to the year end, a total of 1,328,254 share rights were exercised and 960,346 performance rights lapsed, and 731,307 performance rights were exercised. 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, 5,279,887 ordinary shares were issued following conversion of performance and share rights that were vested. Subsequent to year end, the Company has issued 2,059,561 ordinary shares following the conversion of performance and share rights.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

BCI is engaged with debt and equity providers to obtain commitments to fund completion of the project. These activities are expected to advance materially during the first half of FY 2024.

During FY 2024, BCI will continue with award and construction of critical path contacts. BCI expects continued advancement of the McConnell Dowell jetty construction, the award and commencement of Ponds 6&7, the Salt Wash Plant and the commencement of the Crystallisers.

BCI anticipate the receipt of the approval of the EPA and EPBC for the northern tenements during the period and the commencement of operations with the filling of Ponds 1 & 2 commencing.

BCI expects to continue to receive revenue from Iron Valley.

The Company may also receive income from divestment of exploration tenements or other assets.

RISK MANAGEMENT

BCI has a Risk Management Policy which is enabled through its Risk Management Framework which is aligned to the International Standard for risk management, ISO 31000. There is risk associated with all business activities and the Board works with senior management to safeguard assets, maintain our license to operate through upholding environmental, community and social obligation 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 evaluate, monitor, review and report risks.

BCI's commitment to sustainable business practices are embedded 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.

There are a number of potential known and unknown risks which may impact BCI's ability to develop and operate the Project, some of which are beyond the control of BCI. BCI applies the risk framework to identify relevant risks and ensure appropriate controls are developed. Key risks are identified below:

Funding Risk

There is a risk that BCI is unable to secure (or there is a delay in securing) the required levels of debt or equity funding, or investors or lenders require additional significant contingencies or conditions, which could impact BCI's ability to complete the Project. Debt facilities will be subject to BCI meeting certain conditions (including obtaining minimum offtake commitments, financial metrics and approvals) prior to debt draw down, and any delay or inability to meet these conditions may result in delay or indefinite postponement of BCI's activities.

Project Cost

Actual capital and operating costs may be higher than assumed. Capital costs and operating costs could be materially higher than estimated when the Project is implemented due to market and inflationary pressures on inputs such as fuel, labour, transport, and equipment, ocean freight, industrial disputes or suspension of operations.

Site incident

A serious incident onsite could result in significant penalties and delays and BCI may be liable for compensation.

Offtake

There is no certainty that BCI will be able to obtain acceptable binding offtake agreements (based on counterparty, tonnage or price). Offtake agreements may be entered into at a lower price than estimated and are subject to counterparty risk. Deterioration in Australia's trading relationships with potential offtake countries may adversely affect BCI's prospects for securing offtake agreements.

Commodity price and exchange rate risk

The future sale revenues are exposed to potentially unfavourable changes in commodity prices and exchange rates. Product prices are commonly expressed in US dollars, whereas the income of BCI is taken into account in Australian dollars. Adverse fluctuations in exchange rates may negatively impact the Australian dollar revenue received by BCI from sales.

Design changes

Design changes may result in increased Project cost or delays.

Key people retention

Loss of critical staff and high turnover could result in loss of knowledge, expertise and reduced productivity, which may have a detrimental impact on the Project.

Licence to operate (LTO) and environmental breach

Significant breach of environmental obligations, tenure, access or heritage approvals or conditions could result in significant penalties, suspension of construction or operating activities, or loss of tenure and ability to operate under the Project.

Tenure

Whilst BCI expects that it will be able to satisfy the conditions for renewal of granted mining leases, there is no guarantee that granted mining leases will be extended or renewed further than 42 years. The Cape Preston West Port lease has not yet been executed and terms may vary from those assumed.

Traditional Owner and community relationships

Material breakdown in community and Traditional Owner relationships could negatively impact BCI's reputation and business, and damage to heritage sites could result in penalties, delay, or revocation of BCI's licence to operate the Project.

Gas pipeline breach

Failure to comply with obligations under pipeline owner agreements could result in potential forfeiture of tenure along the gas pipelines or damage to the pipelines resulting in remediation costs, potential loss of gas supply and temporary suspension of works.

Environmental approvals

Failure to obtain environmental approvals or the imposition of conditions not favourable to BCI, or a delay in the grant of approvals may negatively impact Project implementation and BCI's ability to secure funding.

Wall failure

Evaporation pond wall failure has multiple potential consequences including vehicle roll overs, cost over runs, schedule and ramp-up delays and production interruption.

Extreme weather and other events

Extreme events such as cyclones, excessive rain, flooding and fires may cause damage to the Project which may result in additional costs or delays.

Production rates

Targeted production rates are based on assumptions including average weather conditions for rainfall and evaporation and observed seawater intake salinity levels. Production rates may differ if different conditions prevail.

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

After year end, a total of 2,059,561 vested Performance and Share Rights were converted to ordinary shares.

Convertible notes

Subsequent to year end, the Company completed the issue of the $30 million in convertible notes to its two largest shareholders, Wroxby Pty Ltd (ACN 061 621 921) (Wroxby) and AustralianSuper Pty Ltd as trustee for AustralianSuper (ABN 65 714 394 898) (AustralianSuper) to raise a total of $60 million.

Contractor Claims

Subsequent to year end, the Company notified a contractor that the contractor's site access may be delayed for certain areas of the 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, 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 2023.

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.

Signed in accordance with a resolution by the Directors.

Brian O'Donnell
Chairman
Perth, Western Australia
18 August 2023

David Boshoff
Managing Director
Perth, Western Australia
18 August 2023

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 (resigned 18 January 2023)
M Stanborough	Non-executive Director
G Dixon	Non-executive Director
R Court	Non-executive Director
C Salisbury	Non-executive Director
G Bell	Non-executive Director (appointed 18 January 2023)
Executive Directors and Executives	
D Boshoff	Managing Director (appointed 21 November 2022)
A Vorster	Managing Director (resigned 1 September 2022)
K Bradshaw	Chief Financial Officer
S Bennett	Chief Development Officer (resigned 2 December 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 RNC Chair is an independent director.

The Company received 97.3% support for its Remuneration Report for the 2022 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;
- The selection process for placement of Directors and senior management appointments;
- 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 FY23.

COMPONENTS OF EXECUTIVE REMUNERATION

The Company's Remuneration Framework relating to Executives listed in this report, 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 the relevant year, in accordance with the methodology prescribed for that year.

<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>Focuses 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 focus 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 STI opportunity for Executive KMP is between 100% 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 125% of Fixed Remuneration for the MD and up to 60% 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</td><td>We benchmark Fixed Remuneration against appropriate competitor groups that reflect the market in which we operate.</td><td>For the relevant financial year, 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 two year performance period commencing from the beginning of the relevant financial year with vesting commencing after the two year performance period.
Performance conditions:

TSR relative to an ASX All Ords Index Peer Group from the Material sector for like sized companies:
<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.

		2023	2022	2021	2020	2019
Continuing operations						
Revenue – sale of goods	$million	61.0	65.2	160.2	77.3	54.8
Net profit/(loss) after tax	$million	9.4	(15.5)	22.0	0.4	12.9
Basic earnings/(loss) per share	Cents	0.84	(1.7)	4.02	0.09	3.26
Dividends paid per share	Cents	-	-	-	-	-
Share price (last trade day of financial year)	A$	0.24	0.27	0.55	0.17	0.18

FY23 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 125% of their STI if performance exceeds expectations. 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 FY23 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 range between 10%-20%

Based on performance in the 2023 financial year relative to these KPIs, the Board assessed outcomes and exercised its discretion to award STI payments for Executive KMP. The STI outcomes for FY23 ranged between 80% and 95% with the Managing Director being awarded a 95% STI performance.

LONG-TERM INCENTIVES - VESTED

Based on the two TSR performance metrics for the 2021 LTI, for the two-year performance period to 30 June 2023, the Board assessed the vesting outcome to be 0%, and the Performance Rights have lapsed.

NON-EXECUTIVE DIRECTOR REMUNERATION

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

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

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 2023

The remuneration table below sets out the remuneration information for the directors and key management personnel, 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)	Termin-ation Payment	Total	Performance Related (d)
	$	$	$	$	$	$	$	%
Directors								
B O'Donnell	164,888	-	-	4,012	5,092	-	173,992	3
M Blakiston [(e)]	54,163	-	-	5,687	-	-	59,850	-
M Stanborough	90,185	-	-	9,469	4,597	-	104,251	4
G Bell [(f)]	40,035	-	-	4,204	-	-	44,239	-
G Dixon	93,666	-	-	9,835	3,071	-	106,571	3
R Court	87,964	-	-	9,236	8,966	-	106,166	8
C Salisbury	92,851	-	-	9,749	9,464	-	112,064	8
	623,752	**-**	**-**	**52,192**	**31,190**	**-**	**707,134**	**4**
Executives								
A Vorster [(g)]	113,350	281,161	250,622	6,875	104,207	-	756,215	51
D Boshoff [(h)]	470,657	-	3,355	18,381	79,831	-	572,224	14
K Bradshaw	558,089	56,880	4,404	41,089	113,036	-	773,498	22
S Bennett [(i)]	451,375	111,114	2,259	13,750	5,470	285,919	869,887	13
	1,593,471	**449,155**	**12,190**	**80,095**	**302,544**	**285,919**	**2,971,824**	**23**
TOTAL	**2,217,222**	**449,155**	**12,190**	**132,287**	**333,734**	**285,919**	**3,678,958**	**19**

(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) *M Blakiston resigned from the company on 18 January 2023.*
(f) *G Bell was appointed as a Non-executive Director of the company on 18 January 2023*
(g) *A Vorster resigned from the company on 1 September 2022. Employee entitlements paid on resignation are included in other short-term benefits.*
(h) *D Boshoff was appointed Managing Director of the company on 21 November 2022*
(i) *S Bennett resigned from the company on 2 December 2022.*

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 key management personnel, 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 (j)	Other benefits (k)	Super-annuation	Performance & Share Rights (l)	Termin-ation Payment	Total	Performance Related (m)
	$	$	$	$	$	$	$	%
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 (n)	4,229	-	-	423	-	-	4,652	-
J Bloom(o)	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(p)	182,140	50,575	7,499	14,896	85,760	-	340,870	40
K Bradshaw(q)	200,987	-	1,650	20,085	-	-	222,722	-
S Bennett(r)	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**

(j) *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.*
(k) *Other benefits include fuel, parking and insurances. Directors' and Officers' liability premiums have not been allocated to individual directors.*
(l) *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.*
(m) *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.*
(n) *Appointed 14 June 2022.*
(o) *Ceased role 20 December 2021*
(p) *Ceased role 9 January 2022 as transferred to Head of Commercial role*
(q) *Appointed to the Chief Financial Officer role on 10 January 2022.*
(r) *Appointed 28 February 2022, previously held the role of Project Director.*

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	-	(183,094)
M Blakiston	26/11/2020	30/06/2023	30/06/2025	0.07%	0.128	168,750	21,600	-	(168,750)
G Dixon	26/11/2020	30/06/2023	30/06/2025	0.07%	0.128	178,125	22,800	-	(110,439)
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	-	-
M Stanborough	25/11/2022	01/07/2025	01/07/2027	3.19%	0.147	136,622	20,083	-	-
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	1,750,000	(750,000)
A Vorster	26/11/2020	30/06/2023	30/06/2025	0.07%	0.128	1,529,209	195,739	290,550	(1,238,660)
A Vorster	25/11/2021	02/07/2024	03/07/2026	0.68%	0.287	942,983	270,636	-	(942,983)
D Boshoff	25/11/2022	01/07/2025	03/07/2027	3.19%	0.162	2,152,816	348,756	-	-
K Bradshaw	08/08/2022	01/07/2025	01/07/2026	3.31%	0.171	730,550	124,559	-	-
K Bradshaw	15/08/2022	03/07/2025	03/07/2025	3.31%	0.018	570,000	10,260	-	-
K Bradshaw	25/11/2022	01/07/2025	03/07/2027	3.19%	0.162	626,389	101,475	-	-
S Bennett	26/11/2020	30/06/2023	30/06/2025	0.07%	0.128	1,000,000	128,000	-	(1,000,000)
S Bennett	30/07/2021	02/07/2024	03/07/2026	0.03%	0.341	506,926	172,862	-	(506,926)

Subsequent to the year end, a portion of the PR 2021 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									
K Bradshaw	08/08/2022	01/07/2023	01/07/2023	01/07/2025	0.247	189,354	46,770	-	-
S Bennett	08/08/2022	01/07/2023	01/07/2023	01/07/2025	0.247	369,899	91,365	-	(369,899)

(a) S Bennett was the Chief Development Officer and KMP until his resignation on 2 December 2022.

EQUITY INSTRUMENT DISCLOSURES

The interests of Directors and Executives in Shares at the end of the financial year 2023 are as follows:

	Balance at 1 July 2022	Acquired during year	Performance and Share Rights converted during year	Disposed during the year	Other changes	Balance at 30 June 2023
Directors						
B O'Donnell	1,156,254	-	-	-	-	1,156,254
M Blakiston	-	-	-	-	-	-
M Stanborough	5,896	-	-	-	-	5,896
G Dixon	-	-	-	-	-	-
R Court	819,768	-	-	-	-	819,768
C Salisbury	-	-	-	-	-	-
G Bell	-	-	-	-	-	-
Executives						
A Vorster	5,375,413	-	4,433,779	(2,903,989)	-	6,905,203
D Boshoff	-	-	-	-	-	-
K Bradshaw	-	-	-	-	-	-
Total	**7,357,331**	**-**	**4,433,779**	**(2,903,989)**	**-**	**8,887,121**

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

	Balance at 1 July 2022	Granted as compensation	Converted to shares	Rights lapsed/ cancelled	Balance at 30 June 2023
Directors					
B O'Donnell	295,313	-	-	(183,094)	112,219
M Blakiston	168,750	-	-	(168,750)	-
R Court	81,309	-	-	-	81,309
C Salisbury	85,826	-	-	-	85,826
G Dixon	178,125	-	-	(110,439)	67,686
M Stanborough	-	136,622	-	-	136,622
G Bell	-	-	-	-	-
Executives					
A Vorster	6,247,192	-	(3,315,550)	(2,931,643)	-
D Boshoff	-	2,152,816	-	-	2,152,816
K Bradshaw	-	1,926,939	-	-	1,926,939
S Bennett	1,506,926	1,049,703	-	(2,556,629)	-
Total	**8,563,441**	**5,266,080**	**(3,315,550)**	**(5,488,272)**	**4,563,417**

Subsequent to the year end, a portion of the PR 2021 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 2022	Granted as compensation	Converted to shares	Rights lapsed/ cancelled	Balance at 30 June 2023
Executives					
A Vorster	1,118,228	-	(1,118,229)	-	-
K Bradshaw	-	189,354	-	-	189,354
S Bennett [(a)]	132,108	369,899	(132,108)	(369,899)	-
Total	**1,268,029**	**512,108**	**(1,250,337)**	**(369,899)**	**189,354**

(a) S Bennet was the Chief Development Officer until his resignation on 2 December 2022.

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 are shown in the table below.

Name	Terms/Notice periods/Termination payment
D Boshoff [(a)] (Managing Director)	Base salary inclusive of superannuation of $800,000 effective 21 November 2022 – 30 June 2023 ($836,000 effective 1 July 2023) reviewed at intervals to be determined by the Company. Employment can be terminated at six months' notice by Mr Boshoff or by the Company. If the Company elects to terminate the employment agreement for reasons other than Mr Boshoff's gross misconduct or default, Mr Boshoff will be entitled to a payment equal to six months' total fixed remuneration. Certain agreed trigger events will lead to Mr Boshoff having the option to terminate the contract and receive a payment equal to six months' total fixed remuneration.
A Vorster [(b)] (Managing Director)	Base salary inclusive of superannuation of $671,000 effective 1 July 2022 to 1 September 2022, until Mr Vorster's resignation.
K Bradshaw (Chief Financial Officer)	Base salary inclusive of superannuation $622,944 effective 1 July 2022 to-30 June 2023 ($625,763 effective 1 July 2023) reviewed at intervals to be determined by the Company. Employment can be terminated at three months' 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 [(c)] (Chief Development Officer)	Base salary inclusive of superannuation $571,838 effective 1 July 2022 to 2 December 2022, until Mr Bennett's resignation.

(a) Mr David Boshoff was appointed Managing Director to the Company on 21 November 2022.
(b) Mr Alwyn Vorster resigned from the Company on 1 September 2022.
(c) Mr S Bennett resigned from the Company on 2 December 2022.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

On 1 March 2017, Michael Blakiston was appointed as a Non-Executive Director of the Company until his resignation on 18 January 2023. 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 $195K (2022: $483K). All transactions were on normal commercial terms and conditions.

Refer to Note 26 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 62 of this report for BDO's report on the Remuneration Report.

Signed in accordance with a resolution by the Directors.

Brian O'Donnell
Chairman
Perth, Western Australia
18 August 2023

David Boshoff
Managing Director
Perth, Western Australia
18 August 2023

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 2023 and of its performance for the financial year ended 30 June 2023; 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
Chairman
Perth, Western Australia
18 August 2023

	Notes	2023 $000's	2022 $000's
Revenue from continuing operations			
Sale of goods		**60,959**	65,198
Other revenue		**5,449**	600
Total revenue from continuing operations	1	**66,408**	65,798
Other income	1,12	**19,212**	-
Cost of sales	2	**(32,440)**	(39,661)
Administration expenses	2	**(22,806)**	(20,952)
Project development and evaluation expenditure		**(19,231)**	(20,616)
Impairment of investments	3	**(1,700)**	-
Profit / (loss) before finance cost and income tax		**9,443**	(15,431)
Finance costs		**(68)**	(54)
Profit / (loss) before income tax		**9,375**	(15,485)
Income tax benefit / (expense)	4	**-**	-
Profit / (loss) after income tax from continuing operations attributable to owners of BCI Minerals Limited		**9,375**	(15,485)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain in disposal of equity investment at fair value through other comprehensive income, net of tax		826	-
Changes in the fair value of equity investments at fair value through other comprehensive income, net of tax	9,15	(18,257)	14,385
Total items that will not be reclassified subsequently to profit or loss		(17,431)	14,385
Total comprehensive (loss) / income for the year		**(8,056)**	(1,100)
Statutory earnings per share (EPS)		**Cents**	**Cents**
Basic earnings / (loss) per share from continuing operations	17	**0.84**	(1.70)
Diluted earnings / (loss) per share from continuing operations	17	**0.84**	(1.69)

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

	Notes	2023 $000's	2022 $000's
Current assets			
Cash and cash equivalents	5	**109,470**	232,021
Short-term investments		**317**	657
Trade and other receivables	6	**16,661**	21,484
Derivative financial instruments		**26**	-
Other financial assets	9	**11,906**	38,666
Total current assets		**138,380**	292,828
Non-current assets			
Receivables	6	**30,388**	32,705
Property, plant and equipment	7	**429,142**	194,920
Exploration and evaluation assets		**54**	1,754
Intangibles	8	**15,502**	15,502
Right of use assets		**1,453**	684
Total non-current assets		**476,539**	245,565
Total assets		**614,919**	538,393
Current liabilities			
Trade and other payables	10	**60,892**	56,983
Lease liability		**657**	501
Provisions	11	**673**	1,274
Total current liabilities		**62,222**	58,758
Non-current liabilities			
Trade and other payables	10	**613**	8,048
Lease liability		**875**	276
Loans and borrowings	12	**102,462**	19,718
Provisions	11	**17,286**	17,357
Total non-current liabilities		**121,236**	45,399
Total liabilities		**183,458**	104,157
Net assets		**431,461**	434,236
Shareholders' equity			
Contributed equity	14	**569,754**	569,345
Reserves	15	**13,660**	27,045
Accumulated losses	16	**(151,953)**	(162,154)
Total shareholders' equity		**431,461**	434,236

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

	Contributed equity $000's	Accumulated losses $000's	Reserves $000's	Total $000's
Balance at 1 July 2021	313,190	(146,669)	6,143	172,664
Loss for the year	-	(15,485)	-	(15,485)
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**
Profit for the year	**-**	**9,375**	**-**	**9,375**
Other comprehensive income	**-**	**826**	**(18,257)**	**(17,431)**
Total comprehensive income	**-**	**10,201**	**(18,257)**	**(8,056)**
Transactions with equity holders in their capacity as equity holders				
Shares transaction costs	**(182)**	**-**	**-**	**(182)**
Performance Rights converted	**591**	**-**	**(591)**	**-**
Share based payments	**-**	**-**	**697**	**697**
Financial instruments recognised in equity	**-**	**-**	**4,766**	**4,766**
Balance at 30 June 2023	**569,754**	**(151,953)**	**13,660**	**431,461**

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

	Notes	2023 $000's	2022 $000's
Cash flows from operating activities			
Receipts from customers		**70,242**	102,940
Payments to suppliers and employees		**(77,494)**	(62,046)
Interest received		**5,745**	600
Borrowing costs		**(406)**	(1,886)
Income tax refund		**0**	0
Net cash flows (used in) / provided by operating activities	5	**(1,913)**	39,608
Cash flows from investing activities			
Proceeds from sale of assets held at fair value		**9,337**	-
Proceeds from disposal of plant and equipment		**4**	36
Proceeds from short-term investments		**340**	-
Payments for project development, plant and equipment	7	**(229,351)**	(142,715)
Payments for other plant and equipment	7	**(231)**	-
Net cash flows used in investing activities		**(219,901)**	(142,679)
Cash flows from financing activities			
(Costs) proceeds from issue of shares net of costs		**(182)**	256,155
Proceeds from borrowings	12	**100,000**	-
Repayment of lease liabilities		**(555)**	(498)
Net cash flows provided by financing activities		**99,263**	255,657
Net increase in cash and cash equivalents		**(122,551)**	152,586
Cash and cash equivalents at beginning of year		**232,021**	79,435
Cash and cash equivalents at end of year	5	**109,470**	232,021

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

PREFACE TO THE NOTES

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

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

The notes are organised into the following sections:

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

BASIS OF PREPARATION

Corporate information

The financial statements for BCI Minerals Limited for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the Directors on 18 August 2023. 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: Intangibles
Note 11: Provisions
Note 12: Borrowings
Note 27: Share-based payments

KEY NUMBERS

NOTE 1 – REVENUE

	2023 $000's	2022 $000's
Sales – Iron Valley	**60,159**	62,998
Net gain / (loss) on pricing changes	**800**	2,200
Sale of Goods	**60,959**	65,198
Interest revenue	**5,449**	600
Total revenue	**66,408**	65,798
Other income (refer Note 12)	**19,212**	-

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.

Interest revenue

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

Other income

Other income recognises a gain arising from a loan commitment option reflecting a respective decline in the fair value of a debt and conversion feature owing to an increase in market interest rates and reduction in the share price respectively.

NOTE 2 – EXPENSES

	2023 $000's	2022 $000's
Amortisation of mine properties	**2,198**	2,278
Royalties	**30,242**	37,383
Cost of sales	**32,440**	39,661
Employee benefits expense	**13,740**	12,120
Depreciation and amortisation	**4,706**	3,396
Share-based payments	**697**	932
Non-executive directors' fees	**676**	679
Occupancy related expenses	**287**	141
Consultant and legal fees	**859**	1,342
Other	**1,841**	2,342
Administration expenses	**22,806**	20,952

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. A provision for impairment has been recognised for the Carnegie JV as the Project Manager Kalium Lakes has suspended trading. Aside from this provision, based on the other asset assessments, the Company has concluded that no impairment indicators have been identified.

Revenue assumptions

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

	2023	2022
CFR 62% Fe iron ore price (USD/dmt, nominal)		
Years 1-5	**98-90**	84-99
Years 6-10	**90**	93-103
Years 11-20	**90**	106-133
Foreign exchange rate (AUD:USD, nominal)		
Years 1-5	**0.68-0.75**	0.76-0.80
Years 6-10	**0.75**	0.80
Years 11-20	**0.70**	0.80
Inflation (% per annum)		
AUD 5-yr inflation rate	**2.5**	2.5

Key estimates and judgements

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

- estimates of the quantities of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction and the timing of access to these reserves and resources;
- future commodity prices and exchange rates;
- production rates, production costs and capital expenditure including inflation factors;
- the timing of when production will commence-including 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

	2023 $000's	2022 $000's
Current tax expense/(benefit)		
Current period	-	-
Adjustments for prior periods	-	-
	-	-
Deferred tax expense/(benefit)		
Origination and reversal of temporary differences	428	1,606
Equity deferred tax movement	(1,410)	(1,410)
Utilisation of carried forward tax losses now recognised	(3,990)	(5,877)
Recognition of deferred tax asset on losses and temporary adjustments now realised	4,972	5,681
	-	-
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	9,375	(15,485)
Income tax / (benefit) at the statutory rate of 30 per cent (2022: 30 per cent)	2,812	(4,645)
Non-deductible income and expenses	216	499
Other temporary differences derecognised	(6,591)	(125)
Equity deferred tax movement	(1,410)	(1,410)
Temporary differences (recognised)/derecognised	4,972	5,681
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 2023, the Company had unrecognised deferred tax assets relating to tax losses of $72.6M (2022: $68.5M). The Company has utilised all available R&D off-sets (2022: $Nil).

Deferred tax assets not recognised

	2023 $000's	2022 $000's
Temporary differences	**(3,564)**	(2,636)
Income Tax losses	**72,550**	68,510
Capital losses	**-**	-

Deferred tax assets and liabilities

	Assets		Liabilities		Net	
	2023 $000's	2022 $000's	**2023 $000's**	2022 $000's	**2023 $000's**	2022 $000's
Amounts recognised in Profit or Loss:						
Mine property, plant and development	**-**	-	**(4,828)**	(4,699)	**(4,828)**	(4,699)
Provisions	**235**	423	**-**	-	**235**	423
Intangibles	**-**	-	**-**	-	**-**	-
Exploration	**-**	-	**(941)**	(743)	**(941)**	(743)
Other items	**612**	1,016	**(526)**	(517)	**86**	499
Amounts recognised directly in equity:						
Share issue costs in equity	**1,884**	1,884	**-**	-	**1,884**	1,884
	2,731	3,323	**(6,295)**	(5,959)	**(3,564)**	(2,636)
Temporary differences derecognised	**-**	-	**3,564**	2,636	**3,564**	2,636
Tax assets/(liabilities)	**2,731**	3,323	**(2,731)**	(3,323)	**-**	-

Movements in deferred tax assets

	Provisions $000's	Share issue costs $000's	Mine property $000's	Other $000's	Temporary differences derecognised $000's	Total $000's
At 1 July 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
(Charged)/credited						
to profit or loss	**(187)**	**(500)**	**-**	**95**	**-**	**(592)**
to (under)/over prior period			**-**	**-**	**-**	
At 30 June 2023	**235**	**1,384**	**-**	**1,112**	**-**	**2,731**

Movement in deferred tax liabilities

	Intangibles $000's	Mine property $000's	Exploration $000's	Other $000's	Temporary differences derecognised $000's	Total $000's
At 1 July 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)
(Charged)/credited						
to profit or loss	**-**	**(129)**	**(198)**	**(9)**	**928**	**592**
to (under)/over prior period	**-**	**-**	**-**	**-**	**(3,564)**	**(3,564)**
At 30 June 2023	**-**	**(4,828)**	**(941)**	**(526)**	**-**	**(2,731)**

NOTE 5 – CASH AND CASH EQUIVALENTS

	2023 $000's	2022 $000's
Cash at bank and short-term deposits	**84,110**	210,021
Cash on deposit	**25,360**	22,000
Total	**109,470**	232,021
Reconciliation of profit / (loss) after income tax to net cash flows from operating activities		
Net profit / (loss)	**9,375**	(15,485)
Depreciation and amortisation	**6,904**	5,674
Provision for impairment	**1,700**	-
Fair value gain	**(19,212)**	
Share based payments	**697**	951
Other	**466**	(268)
Decrease in assets		
Trade and other receivables	**10,889**	17,756
(Decrease) / increase/ in liabilities		
Trade and other payables	**(14,472)**	28,743
Provisions	**569**	3,977
Capitalised interest and borrowing costs	**1,171**	(1,740)
Net cash (outflow) / inflow from operating activities	**(1,913)**	39,608

Cash on deposit relates to 31-to-90-day term deposits held with financial institutions. See Note 18 – 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

	2023 $000'S	2022 $000'S
Current		
Trade receivables	**15,810**	18,893
Prepayments	**851**	2,591
Total current	**16,661**	21,484
Non-current		
Other receivables	**17,252**	17,321
Prepayments	**13,136**	15,384
Total non-current	**30,388**	32,705
Total trade and other receivables	**47,049**	54,189

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

As at 30 June 2023 no receivables were past due or impaired (2022: Nil).

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

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

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 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**

	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 2023					
Opening net book value	31,726	17,264	893	145,037	194,920
Additions	-	4,466	490	235,584	240,540
Transfer	-	29,231	-	(29,231)	-
Depreciation and amortisation expense	(2,198)	(3,463)	(657)	-	(6,318)
Closing net book value	**29,528**	**47,498**	**726**	**351,390**	**429,142**
At 30 June 2023					
Cost	51,658	55,430	2,664	351,390	461,142
Accumulated depreciation and amortisation	(22,130)	(7,932)	(1,938)	-	(32,000)
Net carrying amount	**29,528**	**47,498**	**726**	**351,390**	**429,142**

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 – INTANGIBLES

	2023 $000's	2023 $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 8.4% (2022:8.8%). 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 8.4% (2022: 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 9 – OTHER FINANCIAL ASSETS

	June 2023 $000's	June 2022 $000's
Financial assets at fair value through other comprehensive income		
Shares in listed Company A [a]	5,926	23,715
Shares in listed Company B [a]	5,980	14,951
Total other financial assets	**11,906**	**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	June 2023 $000's	June 2022 $000's
Opening balance as at 1 July	38,666	**29,093**
Changes due to disposal	(8,503)	**-**
(Loss) / gain on fair value of asset through other comprehensive income (Refer Note 15)	(18,257)	9,573
Closing balance	**11,906**	**38,666**

NOTE 10 – TRADE AND OTHER PAYABLES

	2023 $000's	2022 $000's
Current		
Trade payables and accruals	**60,892**	56,983
Total	**60,892**	56,983
Non-Current		
Trade payables	**613**	8,048
Total	**613**	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 18).

NOTE 11 – PROVISIONS

	2023 $000's	2022 $000's
Current		
Employee benefits	**673**	1,274
Total current	**673**	1,274
Non-current		
Rehabilitation	**17,286**	17,357
Total non-current	**17,286**	17,357
Total	**17,959**	18,631

Movement in Provisions in 2023

	Rehabilitation and site closure $000's	Employee benefits $000's	Total $000's
Opening balance	17,357	1,274	18,631
Additional provision recognised	606	-	606
Changes in rehabilitation estimate	-	-	-
Unwinding of discount (non-cash expense)	(677)	-	(677)
Amounts used during the year	-	(601)	(601)
Closing balance	**17,286**	**673**	**17,959**

Movement in Provisions in 2022

	Rehabilitation and site closure $000's	Employee benefits $000's	Total $000's
Opening balance	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 12 – BORROWINGS

	June 2023 $000's	June 2022 $000's
Non-current borrowings		
Convertible Note Series 1	22,445	19,718
Convertible Note Series 3	80,017	-
Net carrying amount	**102,462**	**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 three series of Convertible Notes with conversion features and interest rates fixed at the agreement date. The Series 2 and 3 Notes are issuable at BCI's option and represent a derivative asset under the arrangement (the "loan commitment option").

During the interim period, the Series 2 and Series 3 were amalgamated, and the Company issued the Series 3 Notes to AustralianSuper with a face value of $100M. The Series 3 note has been issued in consideration for funds received. On the issuance of the Series 3 note, the loan commitment option was derecognised. The transaction was cash based and the key terms of the Series 3 Note are as follows:

Series 3 Convertible Note

- 5% interest bearing note
- 8 year term
- Convertible at the election of AustralianSuper any time between 3.0 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 Series 3 Convertible Note facility at inception is as follows;

	At inception $000's
Fair value of debt instrument	76,022
Fair value of conversion feature (refer note 15)	4,766
Settlement of the loan commitment option (refer note 1)	19,212
Value recognised on inception	**100,000**

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 fair value gain on loan commitment option is calculated as the difference arising between the face value of the note and the fair value of the liability portion of the convertible note and the fair value of the conversion option. The gain has been recognised in the profit and loss as a gain on a financial instrument. The gain arising from the loan commitment option reflects the respective decline in the fair value of the debt and conversion feature owing to increases in market interest rates and reduction in the share price respectively, relative to the terms of the convertible note at the date of the agreement.

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 recognised by applying this rate to the carrying amount (including accrued interest) in each period and is capitalised when funds are used for qualifying assets in accordance with Accounting Standards or otherwise charged to the profit and loss.

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.

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.

The Notes include a Prepayment Option as the Company has the right to redeem the Notes early. The valuation is based on the earlier potential repayment/redemption option of three years.

Key inputs to valuation of conversion option

	Series 3	**Series 1**
Term to conversion	3.0 Years	3.5 years
Underlying share price	$0.255	$0.455
Conversion price	$0.6235	$0.6235
Volatility	50.0%	50.0%
Risk free rate	3.09%	0.86%
Number of convertible notes	160,384,924	46,672,013

Movement in borrowings 2023	Convertible Note Series 3 $'000	Convertible Note Series 1 $000's
Opening balance	**-**	**19,718**
Addition of debt instrument	76,022	-
Interest accretion	3,995	2,727
Closing balance	**80,017**	22,445

NOTE 13 – CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company defines capital as equity and net debt. Net debt is defined as borrowings less cash and cash equivalents, and equity as the sum of share capital, reserves and accumulated losses/retained earnings.

NOTE 14 – CONTRIBUTED EQUITY

	2023		2022	
	Number	**$000's**	Number	$000's
Share capital				
Ordinary shares - fully paid	**1,206,200,521**	**569,345**	1,206,200,521	569,345
Movements in ordinary share capital				
Opening balance	**1,206,200,521**	**569,345**	599,209,833	313,190
Issue of shares under Employee Performance Rights Plan	**5,279,887**	**591**	849,796	197
Placement and SPP Net of Costs	**-**	**(182)**	606,140,892	255,958
Closing balance	**1,211,480,408**	**569,754**	1,206,200,521	569,345

Accounting policy

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

Terms and conditions of ordinary shares

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

NOTE 15 – RESERVES

	2023 $000's	2022 $000's
Share-based payments reserve		
Balance as at 1 July	**12,100**	11,365
Share-based payments expense	**697**	932
Issue of shares under Employee Performance Rights Plan	**(591)**	(197)
Balance as at 30 June	**12,206**	12,100
Financial assets at fair value through other comprehensive income		
Balance as at 1 July	**5,376**	(9,009)
Day one gain on recognition of a financial asset	**-**	4,812
Change in fair value of financial assets at balance date (refer note 9)	**(18,257)**	9,573
Balance as at 30 June	**(12,881)**	5,376
Equity reserve		
Balance as at 1 July	**5,782**	-
Financial instruments recognised in equity	**4,766**	5,782
Balance at the end of the period	**10,548**	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	**13,660**	27,045

Nature and purpose of reserves

The share-based payments reserve is used to recognise the fair value of incentives (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 16 – ACCUMULATED LOSSES

	2023 $000's	2022 $000's
Balance as at 1 July	**(162,154)**	(146,669)
Net profit / (loss)	**9,375**	(15,485)
Other comprehensive income	**826**	-
Balance as at 30 June	**(151,953)**	(162,154)

NOTE 17 – EARNINGS PER SHARE

	2023 $000's	2022 $000's
Earnings per share from continuing operations		
Profit / (loss) after income tax from continuing operations and other comprehensive income	**10,201**	**(15,485)**
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	**1,210,697,842**	913,341,044
Adjustments for calculation of diluted earnings per share:		
Vested Performance Rights outstanding at year end	**830,307**	1,989,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	**1,211,528,149**	915,330,044
Earnings per share attributable to the ordinary equity holders of the company	**Cents**	Cents
Basic earnings/(loss) per share	**0.84**	(1.70)
Diluted earnings/(loss) per share	**0.84**	(1.69)

Accounting policy

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

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

RISK MANAGEMENT

NOTE 18 – FINANCIAL RISK MANAGEMENT

The Company holds the following financial instruments:

	2023 $000's	2022 $000's
Financial assets		
Cash and cash equivalents	**109,470**	232,021
Short-term investments	**317**	657
Shares in listed entities	**11,906**	38,666
Trade and other receivables	**33,062**	36,214
	154,755	307,558
Financial liabilities		
Trade and other payables	**61,505**	65,031
Loans and borrowings	**102,462**	17,978
	163,967	83,009

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 $109.5M (2022: $232.0M) held with banks with minimum long term external credit rating of AA-.
- Short-term investments $0.3M (2022: $0.7M) held with banks with a minimum long term external credit rating of AA-
- Current trade and other receivables $15.8M (2022: $18.9M) 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 $17.3M (2022: $17.3M) due from Mineral Resources Limited under a contractual arrangement as described in Note 11. 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 2023

	Carrying amount $000's	Within 1 yr $000's	Between 1 and 2 years $000's	Between 2 and 5 years $000's	Over 5 years $000's	Total contractual cashflows $000's
Financial liabilities						
Trade and other payables	**61,505**	60,892	613	-	-	61,505
Loans and borrowings	**102,462**	-	-	102,462	-	102,462
	163,967	60,892	613	102,462	-	163,967

Year ended 30 June 2022

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

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 19 – SUBSIDIARIES

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

	Country of incorporation	Functional currency	Beneficial interest	
			2023	2022
			%	%
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**	100
Mardie Project Company Pty Ltd	Australia	AUD	**100**	100
Mardie Mine Holdings Pty Ltd	Australia	AUD	**100**	100
Mardie Port Holdings Pty Ltd	Australia	AUD	**100**	100
Mardie Port Pty Ltd	Australia	AUD	**100**	100

Accounting policy

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of BCI Minerals Limited as at 30 June 2023, 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 20 – SEGMENT INFORMATION

2023 SEGMENT INFORMATION

	Iron Valley $000's	Mardie $000's	Other $000's	Consolidated $000's
Segment revenue				
Sales revenue	60,959	-	-	60,959
Other revenue	-	-	34	34
Other income	-	-	19,212	19,212
Total	**60,959**	**-**	**24,661**	**80,205**
Segment results				
EBITDA	30,678	(19,198)	1,152	12,632
Interest revenue	-	-	5,415	5,415
Finance costs	-	-	(68)	(68)
Depreciation and amortisation	(2,198)	(3,880)	(826)	(6,904)
Impairment of assets	-	-	(1,700)	(1,700)
Profit / (loss) before income tax	**28,479**	**(23,078)**	**3,973**	**9,375**
Segment assets	60,847	419,124	125,663	605,634
Segment liabilities	17,286	45,414	111,465	174,165

2022 SEGMENT INFORMATION

	Iron Valley $000's	Mardie $000's	Other $000's	Consolidated $000's
Segment revenue				
Sales revenue	65,198	-	-	65,198
Other revenue	-	-	600	600
Total	**65,198**	**-**	**600**	**65,798**
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

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

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

Accounting policy

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

UNRECOGNISED ITEMS

NOTE 21 – COMMITMENTS

The Company has property leases and vehicle leases. Future lease commitments are now disclosed as per AASB 16 – Leases.

	2023 $000's	2022 $000's
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:	**134,800**	282,090
Balance as at 30 June	**134,800**	282,090

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 $134,800,000 (2022: 282,090,000). Activities are required to be undertaken before these commitments become due and payable.

NOTE 22 – CONTINGENT LIABILITIES AND ASSETS

There are contractual claims for extensions of time and associated delay costs, relating to approvals at Mardie resulting in access for the contractors to commence works at 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 23 – EVENTS OCCURRING AFTER THE REPORTING PERIOD

Performance Rights and Share Rights

After year end, a total of 2,059,561 vested Performance and Share Rights were converted to ordinary shares.

Convertible notes

Subsequent to year end, the Company completed the issue of the $30million in convertible notes to its two largest shareholders, Wroxby Pty Ltd (ACN 061 621 921) (Wroxby) and AustralianSuper Pty Ltd as trustee for AustralianSuper (ABN 65 714 394 898) (AustralianSuper) to raise a total of $60 million.

Contractor Claims

Subsequent to year end, the Company notified a contractor that the contractor's site access may be delayed for certain areas of the 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 2023.

OTHER NOTES

NOTE 24 – PARENT ENTITY

The following details information related to the parent entity, BCI Minerals Limited, as at 30 June 2023. The information presented here has been prepared using accounting policies consistent with those presented in the notes to the accounts.

	2023 $000's	2022 $000's
Statement of Financial Position		
Current assets	97,123	210,801
Total assets	524,151	358,718
Current liabilities	8,277	6,048
Total liabilities	45,799	21,123
Shareholders' equity		
Issued capital	569,754	569,345
Reserves	13,787	27,173
Accumulated losses	(201,015)	(197,872)
Total shareholders' equity	382,526	398,646
Profit / (loss) for the year	4,913	(15,485)
Total comprehensive (loss) / income for the year	(17,431)	(1,100)

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 25 – AUDITOR'S REMUNERATION

The auditor of BCI Minerals Limited is BDO Audit Pty Ltd

	2023 $	2022 $
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:		
Audit or review of financial reports for the Company	**79,500**	77,320
Non-audit services – tax and remuneration advisory services	**-**	7,382
Total	**79,500**	84,702

NOTE 26 – RELATED PARTY TRANSACTIONS

a. Parent entity

BCI Minerals Limited is the parent entity.

b. Subsidiaries

Interests in subsidiaries are set out in note 19.

c. Key management personnel

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

	2023 $	2022 $
Short-term employee benefits	**2,927,018**	**2,228,378**
Termination payments	**285,919**	**-**
Share-based payments	**333,734**	**630,944**
Post-employment benefits	**132,287**	**131,368**
Total	**3,678,958**	**2,990,690**

d. Transactions with related parties

	2023 $	2022 $
Payment for services made to other related entities	**1,204,404**	1,164,079

On 1 March 2017, Michael Blakiston was appointed as a Non-Executive Director of the Company until his resignation on 18 January 2023. 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 $195,000 (2022: $483,000). 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 $1,009,000 (2022: $681,000). All transactions were on normal terms and conditions.

NOTE 27 – SHARE-BASED PAYMENTS

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

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

Employee Performance Rights

During the year the Company issued share-based payments in the form of Performance Rights to directors and employees as per below. Performance conditions are required to be achieved that will determine the percentage of rights that are able to vest. These hurdles are primarily based on company share price as the relevant Total Shareholder Return ("TSR") (50% weighting) and the TSR relative to an appropriate peer group from the ASX All Ords index materials class (50% weighting). The performance rights are subject to a two-year performance period with vested rights subject to an additional twelve month holding lock post vesting.

2023 – Performance Rights

Grant date	Granted during the year	Vesting date	Fair value per right at grant date	Share price on grant date*	Expected dividends
08/08/2022	3,677,829	1/07/2025	$0.171	$0.26	0%
15/08/2022	959,693	03/07/2024	$0.018	$0.25	0%
25/11/2022	514,063	30/06/2023	$0.26	$0.26	0%
25/11/2022	2,915,827	01/07/2025	$0.162	$0.26	0%
19/05/2023	809,625	3/07/2026	$0.162	$0.23	0%

*Source: www.asx.com.au

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

Grant date	08/08/2022 Tranche 1	15/08/2022 Tranche 2	25/11/2022 Tranche 3	25/11/2022 Tranche 4	19/05/2023 Tranche 5
Vesting date	1/07/2025	03/07/2024	30/06/2023	1/07/2025	03/07/2026
Grant date share price	$0.26	$0.25	$0.26	$0.26	$0.23
Volatility (per cent)	50.0	50.0	50.0	50.0	50.0
Dividend yield (per cent)	0	0	0	0	0
Risk free rate (per cent)	2.70	2.76	3.19	3.19	4.5

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

Summary of Performance Rights on issue

Vesting date	Opening balance at 1 July 2022	Rights granted during the year	Rights cancelled /lapsed during the year	Rights converted to shares during the year	Closing balance at 30 June 2023	Rights vested since 30 June 2023
21/12/2020	1,989,000	-	-	(1,989,000)	-	-
21/12/2022	3,900,000	-	(2,150,000)	(1,750,000)	-	-
30/06/2023	5,027,303	514,063	(4,031,603)	(290,550)	1,219,213	(395,307)
03/07/2024	1,978,306	959,693	(1,839,602)	-	1,098,397	-
01/07/2025	-	6,593,656	(1,840,292)	-	4,753,364	-
03/07/2026	-	809,625	-	-	809,625	
Total	**12,894,609**	**8,877,037**	**(9,861,497)**	**(4,029,550)**	**7,880,599**	**(395,307)**

Employee Share Rights

During the year the Company issued share-based payments in the form of Share Rights to employees as per below. The share rights are subject to a twelve month service period for vesting and subject to an additional twelve month holding lock post vesting.

2023 – Share Rights

Grant date	Granted during the year	Vesting date	Fair value per right at grant date	Share price on grant date*	Expected dividends
08/08/2022	1,362,695	01/07/2023	$0.247	$0.26	0%

*Source: www.asx.com.au

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

Grant date	8/08/2022 Tranche 1
Vesting date	01/07/2023
Grant date share price	$0.26
Volatility (per cent)	50.0
Dividend yield (per cent)	0
Risk free rate (per cent)	2.65%

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

Summary of Share Rights on issue

Vesting date	Opening balance at 1 July 2022	Rights granted during the year	Rights cancelled /lapsed during the year	Rights converted to shares during the year	Closing balance at 30 June 2023	Rights vested since 30 June 2023
04/08/2021	1,553,115	-	-	(855,798)	697,317	-
04/07/2022	676,862	-	-	(410,682)	282,323	-
01/07/2023	-	1,362,695	(481,777)	-	880,918	(880,918)
Total	**2,229,977**	**1,362,695**	**(481,777)**	**(1,266,480)**	**1,860,558**	**(880,918)**

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.

	2023 $	2022 $
Director benefits	**215,228**	**371,665**
Employee benefits	**481,676**	**539,176**
Total	**696,904**	**910,841**

Accounting policy

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

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

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

Key estimate: Share-based payment valuation

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

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

NOTE 28 – OTHER ACCOUNTING POLICIES

Summary of other significant accounting policies

Goods and services tax (GST)

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

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

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

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

Fair value

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

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

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

Tax consolidation legislation

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

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

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

New, revised or amending Accounting Standards and Interpretations adopted

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

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INDEPENDENT AUDITOR'S REPORT

To the members of BCI Minerals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of BCI Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, 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 2023 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.

Mardie development expenditure

Key audit matter	*How the matter was addressed in our audit*
As disclosed in note 7, the Group recognised $351 million of Development expenditure as at 30 June 2023, relating to the Mardie Salt and Potash project within Property, plant and equipment, on the consolidated financial position. This represents a significant asset that includes a large volume of transactions on a long-term construction program. Due to the quantum of the costs incurred during the period and the significant increase in the operations of the Group we have identified the accounting for the Development expenditure as a key audit matter. The impairment of the project requires management to make significant accounting judgements and estimates. This is a key audit matter due to the quantum of the assets and the significant judgement involved in management's assessment of the recoverable amount.	Our audit procedures in this area included, but were not limited to: • Reviewing Board minutes and ASX announcements to understand the operational activity during the year; • Obtaining an understanding and testing of key transaction controls in place in relation to the capitalisation of development expenditure; • Understanding the process for project cost allocation and recording of expenditure relating to the various component of the project development; • Testing a sample of transactions to confirm whether they are capital in nature; • Obtaining the year end reconciliation of capital work in progress and testing a sample of items to supporting documentation to test the validity of expenditure; • Evaluating management's assessment of impairment indicators by reviewing key assumptions used including reviewing the updated mine model and financial base case; • Reviewing key contracts to understand the terms and conditions, comparing the accounting applied; 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 2023, but does not include the financial report and the auditor's report thereon.

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.

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**

Auditor's responsibilities for the audit of the Financial Report

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 14 to 24 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of BCI Minerals Limited, for the year ended 30 June 2023, 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,

18 August 2023

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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 2023, 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,

18 August 2023

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