

APPENDIX 4D FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

This information should be read in conjunction with BCI Minerals Limited's Interim Financial Report for the half-year ended 31 December 2023.

Company Details

Name of entity: BCI Minerals Limited
ABN: 21 120 646 924

Results for announcement to the market

	December 2023 \$000	December 2022 \$000	Up / Down	% Movement
Revenue from continuing operations	47,123	19,868	Up	137%
Profit /(loss) after income tax from continuing operations	(742)	3,204	Down	(123%)
Other comprehensive income	(501)	(11,422)	Up	96%
Net profit/(loss) attributable to members	(1,243)	(8,218)	Up	85%

Dividends

No dividends have been declared for the half-year ended 31 December 2023 (December 2022: nil).

Net tangible asset backing

Net tangible asset backing per ordinary share: \$0.35 (2022: \$0.36).

Previous corresponding period

The previous corresponding period is the half-year ended 31 December 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 for the half-year ended 31 December 2023 was (\$0.7M), which is the result of improved earnings from Iron Valley and ongoing expenditure to progress and develop the Mardie Project.

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



FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

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DIRECTORS' REPORT

The Directors present their report on the results of the Consolidated Entity (referred to hereafter as 'BCI' or the 'Company') consisting of BCI Minerals Limited and the entities it controlled at the end of, or during the half-year ended 31 December 2023.

PRINCIPAL ACTIVITY

The principal activities of the Company during the course of the half-year were the development of assets in the Pilbara region of Western Australia, including the Mardie Project. The Company also receives iron ore royalty earnings from the Iron Valley Mine.

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

DIRECTORS

The names of directors of the Company in office during the half-year and up to the date of this report unless otherwise stated are:

Brian O'Donnell	Chair (Non-Executive)
David Boshoff	Managing Director (Executive)
Gabrielle Bell	Director (Non-Executive)
Garret Dixon	Director (Non-Executive)
Richard Court	Director (Non-Executive)
Chris Salisbury	Director (Non-Executive)
Miriam Stanborough	Director (Non-Executive)

DIVIDENDS

No dividends have been declared in relation to the half-year ended 31 December 2023 (June 2023: Nil).

ROUNDING OF AMOUNTS

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 half-year report are rounded off to the nearest thousand dollars, unless otherwise indicated.

REVIEW OF OPERATIONS

BCI is an Australian-based resources company that is developing the Mardie Project which will produce salt and potash. Additionally, BCI is currently supported by iron ore royalty earnings.

The operations and results of the Company for the half-year ended 31 December 2023 are reviewed below. This review includes information on the financial position of the Company, its business strategies and prospects for the remainder of the current financial year and for future financial years. It is recommended that this report is read in conjunction with the annual report for the year ended 30 June 2023 and considered together with any public announcements made by the Company during or since the half-year ended 31 December 2023 in accordance with the continuous disclosure requirements of the Australian Securities Exchange ('ASX') Listing Rules.

The previous corresponding period for profit or loss and cash flow is the half-year ended 31 December 2022.

Safety performance

BCI is committed to providing a safe working environment for all staff and contractors and has been focused on incident prevention programs including critical control implementation and prevention of psychosocial hazards. The total recordable injury frequency rate (TRIFR) was 8.8 at December 2023 (June 2023: 4.1), with no recordable injuries in the past quarter.

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.

Mardie Project

During the half year, the continued development on the 100% owned Mardie Project achieved significant progress with 30.9% completion recorded for the salt and potash components. The focus for the period has been on establishing infrastructure, continuing Project approvals and advancing construction works.

The marine structures work package reached 47% completion at the end of the period, with progress on the jetty to the 25th set of piles out of a total of 91 sets of piles, contributing to an overall jetty completion of 14.75%.

Significant milestones have been achieved in the development of the project's road infrastructure during the period, including the completion of the North-West Coastal Highway intersection, the North-South Road and Mardie Road. These roadways ensure safe access to the site throughout its lifetime and serve as crucial levee protection barriers, safeguarding the evaporation ponds from potential upstream flood events. The completion of Mardie Road facilitated another significant achievement, enabling the delivery of the rock armour for the rock embankment construction to strengthen the project's pond walls. Rock placement has been completed on ponds 1 and 2, while pond 3 reached 94% completion at the end of December. Further, civil works for ponds 6 to 9 have commenced, including topsoil stripping, access road establishment, and borrow pit development.

Transfer station 2-3's major civil works were completed including the installation of generators, pumps mounts, handrails and structural steelwork. The remaining tasks include minor earthworks and electrical cable work.

The salt wash plant FEED is underway with 30% design review completed in this reporting period, based on layout, positioning and initial quantities.

Progress on the Transshipment vessel (TSV) package was made during the quarter with a delegation from preferred tenderer Canadian Shipping Lines (CSL) attending a Mardie site visit. CSL is continuing to seek deliverable proposals from shipyards for construction of the Mardie TSV and will provide an existing repurposed TSV as the first phase during the initial ramp-up salt export period.

In another major milestone, State approval for the Optimised Mardie Project (OMP) was granted on October 19, 2023, under Section 45(3) of the *Environmental Protection Act 1986 (WA)*. This milestone initiated the Commonwealth approvals process, and BCI is currently engaged in finalising this phase in close coordination with the relevant Government department personnel. BCI also received approval from the Federal regulators on our Benthic Communities Habitat Monitoring and Management Plan and the Illumination Management Plan, both key milestones towards the commencement of operations.

The Infrastructure Delivery Agreement (IDA) was signed with Pilbara Ports during the period and is an important milestone in the development of the Mardie Project as it provides the terms under which the Port infrastructure will be developed and is a key component in the successful delivery of the Mardie Project. Under the IDA, BCI through its subsidiary, has acquired rights of access from Pilbara Ports to complete all the marine and land side infrastructure for the Port.

As part of our ongoing commitment to environmental stewardship, BCI conducted baseline monitoring of algal mats and samphire communities near the Mardie Project. The surveys fulfilled commitments to the Wirrawandi Aboriginal Corporation and Robe River Kuruma Aboriginal Corporation, as well as the environmental monitoring program outlined in the Benthic Communities and Habitats Monitoring and Management Plan. Traditional Owners actively participated in the surveys, contributing traditional ecological knowledge.

Motion sensor cameras were installed at 20 sites across the Project to establish a baseline for introduced fauna, enabling BCI to conduct long-term monitoring and assess changes in population dynamics.

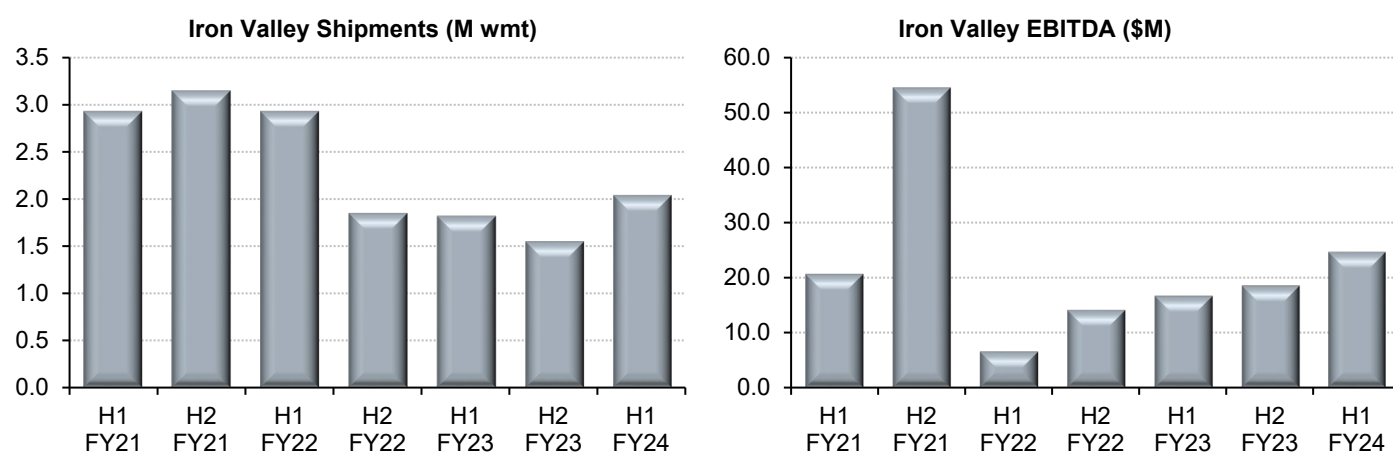
Iron Valley Mine

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 half MIN shipped 2.04 million wet metric tonnes (Mwmt) (HY23: 1.82Mwmt), generating revenue for BCI of \$44.1M (HY23: \$17.4M) and EBITDA of \$22.3M (HY23: \$5.4M). The result for the half year reflects the improved iron ore market pricing applied to product shipped during the period.

BCI's Iron Valley EBITDA is impacted by volumes shipped, movements in Platts CFR 62% iron ore pricing, lump premiums, product discounts, product sales terms including quotation periods, freight rates, AUD:USD foreign exchange rates and state and private royalties payable on ore sales.

As disclosed in the December Quarterly activities report, while the central pit is nearing completion, BCI is in discussions with MinRes in relation to mine plannings and timing for the development of the northern pit. Since the timing of commencement of northern pit operations is uncertain, BCI is considering monetising the asset. The ore purchase agreement with MinRes remains binding notwithstanding these ongoing discussions.



Other Assets

BCI currently owns shares in Highfield Resources Limited and Agrimin Limited shares, which had combined market value of \$11.4M as at 31 December 2023, as well as deferred consideration and royalties receivable from Bungaroo South, Kumina and other iron ore assets.

REVIEW OF RESULTS

Consolidated statement of profit or loss

The Statutory EBITDA for HY24 was \$0.5M compared to \$4.2M in HY23. The Statutory EBITDA for HY23 included a \$19.2M non-cash fair value adjustment for the Series 3 Convertible Notes. On an underlying basis, the EBITDA for HY24 was \$0.5M compared to a loss of (\$15.0M) in HY23. The strong increase in the underlying HY24 EBITDA is attributable to higher iron ore prices realised by Iron Valley and a lower AUD exchange rate. Part of this increase was offset with the ongoing expenditure to progress and develop the Mardie Project.

BCI Results (\$M)	HY24	HY23	Change %
Statutory Revenue	47.1	39.1	20
Statutory EBITDA	0.5	4.2	(88)
Statutory Profit/(loss) from continuing operations	(0.7)	3.2	(122)
Underlying EBITDA	0.5	(15.0)	103
Underlying Profit from continuing operations	(0.7)	(16.0)	96
Cumulative Mardie Project Expenditure	511.9	279.5	83

BCI recorded underlying EBITDA contribution from each segment is shown below:

Segment (\$M) (underlying)	HY24	HY23	Change %
Iron Valley	22.3	5.4	311%
Mardie	(12.8)	(11.3)	13%
Other	(9.1)	(9.2)	1%
Total EBITDA	0.5	(15.0)	103%

Consolidated statement of cash flows

Cash and cash equivalents as at 31 December 2023 decreased by \$9.9M to \$99.6M. The operating cash flow for the half was a net outflow of (\$9.4M) which was impacted by higher receivables which have been subsequently received. The construction costs for the period of \$85.3M were offset by the \$85.0M received from the issue of convertible notes.

Consolidated statement of financial position

Total assets increased to \$709.8M (June 2023: \$614.9M) as the Mardie project construction progress increased across the period. Net assets decreased to \$430.7M (June 2023: \$431.5M).

The Company's gross debt position has increased during the period following the issue of Convertible Notes to Australian Super, Wroxby Pty Ltd, Ryder Capital Management Ltd and Ryder Capital Ltd.

Dividends

The Company has not paid or declared any dividends since the commencement of the half-year ended 31 December 2023.

	2023	2022
a) out of the profits for the year ended 30 June and retained earnings on fully paid ordinary shares.	Nil	Nil
b) out of the profits for the half-year ended 31 December and retained earnings on fully paid ordinary shares.	Nil	Nil

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The continued construction activities for the next period include the development of the causeway, Additionally, BCI will continue construction of ponds and crystallisers and anticipates filling of Ponds 1 and 2 to commence, subject to receipt of outstanding environmental approvals.

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

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the Company's state of affairs.

EVENTS SINCE THE END OF THE REPORTING PERIOD

The Company announced the undertaking of a fully underwritten \$315M equity raising on 1 February 2024, with the proceeds expected to form the final component of the equity funding for the Salt First Mardie Project. The institutional component of the entitlement offer, and Tranche 1 of the share placement successfully completed on 5 February 2024 for a total of \$188.4M which resulted in the issue of 753,668,463 fully paid ordinary shares ("Shares") in BCI.

The retail offer and the Tranche 2 share placement are anticipated to complete in March 2024.

The commencement of the equity raising announced on 1 February 2024 satisfied the conversion condition on the Convertible Notes issued in 2023 to Australian Super, Wroxby Pty Ltd, Ryder Capital Management Ltd and Ryder Capital Ltd. On 8 February 2024, each of the Convertible Notes were converted into 409,657,457 Shares.

The company continues to work with State and Federal environmental regulators to obtain outstanding approvals needed to commence operations and complete construction.

No other matters or circumstances have arisen since the end of the financial period 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 half-year ended 31 December 2023.

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.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the Company's state of affairs not otherwise included in this report.

AUDIT 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.

A handwritten signature in blue ink, appearing to read "B O'Donnell", with a large, stylized flourish at the end.

Brian O'Donnell
Chair
Perth, Western Australia
21 February 2024

A handwritten signature in black ink, appearing to read "D Boshoff", with a large, stylized flourish at the end.

David Boshoff
Managing Director
Perth, Western Australia
21 February 2024

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 Consolidated Entity as at 31 December 2023 and of its performance for the half-year ended on that date; 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 Consolidated Entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

A handwritten signature in blue ink, appearing to read "B O'Donnell", with a stylized flourish at the end.

Brian O'Donnell

Chair

Perth, Western Australia

21 February 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
BCI MINERALS LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31
DECEMBER 2023

	Notes	December 2023 \$000's	December 2022 \$000's
Continuing operations			
Sale of goods	1	44,146	17,438
Other revenue	1	2,977	2,430
Other income	1	5	19,212
Cost of sales	2	(22,979)	(13,161)
Administration expenses	2	(12,039)	(11,350)
Pre-production expenditure		(12,816)	(11,324)
Foreign Exchange (loss)		-	(16)
(Loss) / gain before finance costs and income tax		(706)	3,229
Finance costs		(36)	(25)
(Loss) / gain before income tax		(742)	3,204
Income tax benefit / (expense)		-	-
(Loss) / gain after income tax from continuing operations		(742)	3,204
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss			
Changes in the fair value of equity investments at fair value through other comprehensive income, net of tax	5	(501)	(11,422)
(Loss) and Other Comprehensive Income		(1,243)	(8,218)
		Cents	Cents
Basic profit / (loss) per share from continuing operations		(0.06)	0.27
Diluted earnings / (loss) per share from continuing operations		(0.06)	0.26

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

BCI MINERALS LIMITED AND ITS CONTROLLED ENTITIES AS AT 31 DECEMBER 2023

	Notes	December 2023 \$000's	June 2023 \$000's
Current assets			
Cash and cash equivalents		99,588	109,470
Short term investments		317	317
Trade and other receivables		41,050	16,661
Derivative financial instruments		5	26
Other financial assets		11,405	11,906
Total current assets		152,365	138,380
Non-current assets			
Receivables		27,815	30,388
Property, plant and equipment	3	513,121	429,142
Exploration and evaluation assets		59	54
Intangibles		15,502	15,502
Right of use assets		962	1,453
Total non-current assets		557,459	476,539
Total assets		709,824	614,919
Current liabilities			
Trade and other payables		63,844	60,892
Lease liabilities		565	657
Borrowings	4	84,808	-
Derivative financial instruments		293	-
Provisions		720	673
Total current liabilities		150,230	62,222
Non-current liabilities			
Trade and other payables		-	613
Borrowings	4	107,467	102,462
Lease liabilities		447	875
Provisions		20,986	17,286
Total non-current liabilities		128,900	121,236
Total liabilities		279,130	183,458
Net assets		430,694	431,461
Shareholders' equity			
Contributed equity		569,632	569,754
Reserves	5	1,089	13,660
Accumulated losses		(140,027)	(151,953)
Total shareholders' equity		430,694	431,461

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

BCI MINERALS LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	Contributed equity \$000's	Accumulated losses \$000's	Reserves \$000's	Total \$000's
Balance at 1 July 2022		569,345	(162,154)	27,045	434,236
Profit for the year		-	3,204	-	3,204
Other comprehensive income		-	-	(11,422)	(11,422)
Total comprehensive profit / (loss)		-	3,204	(11,422)	(8,218)
Transactions with equity holders in their capacity as equity holders					
Contribution of equity net of transaction costs		(66)	-	-	(66)
Performance and share rights converted		591	-	(591)	-
Share based payments	2	-	-	378	378
Financial Instruments recognised in equity		-	-	4,766	4,766
Balance at 31 December 2022		569,870	(158,950)	20,176	431,096
Balance at 1 July 2023		569,754	(151,953)	13,660	431,461
Loss for the period		-	(742)	-	(742)
Other comprehensive income		-	-	(501)	(501)
Total comprehensive (loss) profit		-	(742)	(501)	(1,243)
Transactions with equity holders in their capacity as equity holders					
Contribution of equity net of transaction costs	-	(122)	-	-	(122)
Performance and share rights converted		-	-	-	-
Reserves settled to retained earnings	5	-	12,668	(12,668)	-
Share based payments	2	-	-	673	673
Financial Instruments recognised in equity	5	-	-	(75)	(75)
Balance at 31 December 2023		569,632	(140,027)	1,089	430,694

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

CONSOLIDATED STATEMENT OF CASH FLOWS

BCI MINERALS LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	December 2023 \$000's	December 2022 \$000's
Cash flows from operating activities		
Receipts from customers	33,213	29,686
Payments to suppliers and employees	(45,410)	(25,091)
Interest received	2,971	2,437
Interest paid	(136)	(194)
Net cash (outflow) / inflow from operating activities	(9,362)	6,838
Cash flows from investing activities		
Proceeds from disposal of property plant and equipment	-	4
Payments for project development, plant and equipment	(85,247)	(137,106)
Payments for other plant and equipment	-	(216)
Payments/receipt of investments	-	340
Net cash flow from investing activities	(85,247)	(136,978)
Cash flows from financing activities		
Proceeds from issue of shares net of costs	-	(65)
Proceeds from borrowings	4 85,000	100,000
Payment of lease liabilities	(273)	(357)
Net cash flow from financing activities	84,727	99,578
Net decrease in cash and cash equivalents	(9,882)	(30,562)
Cash and cash equivalents at beginning of the year	109,470	232,021
Cash and cash equivalents at end of the period	99,588	201,459

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

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.

Basis of preparation

1. Corporate information

The financial statements for BCI Minerals Limited for the half-year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 21 February 2024. 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 course of the half-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.

2. Basis of preparation

These interim financial statements for the half-year ended 31 December 2023 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The half-year financial statements do not include all the notes of the type normally included in an annual financial report, and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial statements be read in conjunction with the annual financial report for the year ended 30 June 2023 and considered together with any public announcements made by the Company during the half-year ended 31 December 2023 in

accordance with the continuous disclosure requirements of the ASX Listing Rules.

The half-year 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 half-year report are rounded off to the nearest thousand dollars, unless otherwise indicated.

3. New, revised or amending Accounting Standards and Interpretations adopted

3.1 New and amended standards adopted by the group

There are no new or amended standards adopted by the group during the interim reporting period.

3.2 Impact of standards issued but not yet applied by the entity

There are no new standards yet to be applied by the Group.

4. Changes in accounting policy, estimates disclosures, standards and interpretations

The accounting estimates and policies remain consistent with those disclosed in the previous financial year.

5. 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.

6. Significant accounting estimates and judgements

In the process of applying the group's accounting policies, management has made significant accounting judgements that will affect the amounts recognised in the financial statements.

KEY NUMBERS

NOTE 1 – REVENUE AND OTHER INCOME

	December 2023	December 2022
	\$000's	\$000's
Sales – Iron Valley	44,146	16,638
Release of provision for pricing changes	-	800
Interest revenue	2,977	2,430
Gain on sale of asset	5	-
Fair value gain	-	19,212
Total	47,128	39,080

NOTE 2 – EXPENSES

	December 2023	December 2022
	\$000's	\$000's
Cost of sales		
Amortisation of mine properties	1,187	1,149
Royalties	21,792	12,012
Cost of sales	22,979	13,161
Administration expenses		
Employee benefits expense	6,310	6,972
Depreciation and amortisation	2,958	2,220
Share based payments	673	378
Non-executive directors' fees	387	357
Occupancy related expenses	556	199
Consultant and legal fees	766	385
Other	389	839
Administration expenses	12,039	11,350

NOTE 3 – PROPERTY, PLANT AND EQUIPMENT

	Mine Properties \$000's	Plant and equipment \$000's	Office furniture and IT \$000's	Mine Development \$000's	Total \$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
Transfers	-	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

	Mine Properties \$000's	Buildings \$000's	Plant and equipment \$000's	Office furniture and IT \$000's	Mine Development \$000's	Total \$000's
Half-year ended 31 December 2023						
Opening net book value	29,528	-	47,498	726	351,390	429,142
Additions	-	-	-	-	85,247	85,247
Disposals	-	-	-	(31)	-	(31)
Transfers	-	47,426	(47,426)	-	(9,307)	(9,307)
Capitalised interest	-	-	-	-	11,892	11,892
Depreciation and amortisation expense	(1,187)	(2,323)	(12)	(300)	-	(3,822)
Closing net book value	28,341	45,103	60	395	439,222	513,121
At 31 December 2023						
Cost	51,658	54,946	561	2,309	439,222	548,696
Accumulated depreciation and amortisation	(23,317)	(9,843)	(501)	(1,914)	-	(35,575)
Net carrying amount	28,341	45,103	60	395	439,222	513,121

The interest on debt that is attributable to the qualifying assets is treated as eligible cost of borrowings and has been recognised in property plant and equipment Dec 23 \$22,869 (June 23: \$10,977).

NOTE 3 – PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Accounting policy

Plant and equipment, including mechanical, electrical, field and computer equipment as well as buildings, 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, 10-20 years for buildings, 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.

NOTE 4 – BORROWINGS

	December 2023 \$000's	June 2023 \$000's
Current borrowings		
Convertible Note Series \$60M	59,808	-
Convertible Note Series \$25M	25,000	-
Current borrowings total	84,808	-
Non-current borrowings		
Convertible Note Series 1	23,932	22,445
Convertible Note Series 3	83,535	80,017
Non-current borrowings total	107,467	102,462
Net carrying amount	192,275	102,462

On 28 April 2023, the Group entered into a Convertible Note agreement with AustralianSuper

Pty Ltd as trustee for AustralianSuper and Wroxby Pty Ltd. The agreement comprises two series of Convertible Notes with conversion features and interest rates fixed at the agreement date. The Notes are issuable at BCI's option.

The 2023 Series Notes to AustralianSuper for \$30M and Wroxby Pty Ltd for \$30M have a combined face value of \$60M. The 2023 Series notes have been issued in consideration for funds received. The transaction was cash based and the key terms of the 2023 Series Note are as follows:

2023 Series \$60M Convertible Note

- 10% interest bearing note until 30 January 2024, and then 13% interest bearing note until maturity
- 8 month term, with an extension to the maturity date of a further six months
- Convertible at the election of AustralianSuper and Wroxby respectively any time from issue until maturity, or a Qualifying Offer event
- Note is convertible to ordinary shares of the Company at an 87% premium and conversion price per ordinary share of \$0.43
- The conversion to ordinary shares is subject to certain anti-dilution clauses that may alter the conversion ratio in certain circumstances.

NOTE 4 – BORROWINGS (CONTINUED)

On 19 October 2023, the Group entered into a Convertible Note agreement with Ryder Capital Limited and Ryder Capital Management Pty Ltd. The agreement comprises one series of Convertible Notes with conversion features and interest rates fixed at the agreement date.

The \$25M Series Notes to Ryder Capital Limited and Ryder Capital Management ('Ryder Capital') have a face value of \$25M. The \$25M Series notes have been issued in consideration for funds received. The transaction was cash based and the key terms of the \$25M Series Notes are as follows:

\$25M Series Convertible Note

- 10% interest bearing note until 30 January 2024, and then 13% interest bearing note until maturity
- 4.5 month term, with an extension to the maturity date of a further six months
- Convertible at the election of Ryder Capital any time from issue until maturity, or a Qualifying Offer event
- Note is convertible to ordinary shares of the Company at a 62% premium and conversion price per ordinary share of \$0.43
- 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 2023 Series (\$60M) and \$25M Series Convertible Note facilities at inception are as follows;

	\$60M	\$25M
	At inception	At inception
	\$000's	\$000's
Fair value of debt instrument	59,760	24,930
Fair value of conversion feature (refer note 6)	240	70
Value recognised on inception	60,000	25,000

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.

Key inputs to valuation of conversion option	\$60M Series	\$25M Series
Term to conversion	8 months	4.5 months
Underlying share price	\$0.255	\$0.270
Strike price	\$0.43	\$0.430
Volatility	50.0%	50.0%
Risk free rate	4.30%	4.20%
Number of convertible notes	132,932,588	58,139,535

NOTE 4 – BORROWINGS (CONTINUED)

The commencement of the equity raising announced on 1 February 2024 satisfied the conversion condition on the Convertible Note Series \$60M and Convertible Note Series \$25M issued to Australian Super, Wroxy Pty Ltd, Ryder Capital Management Ltd and Ryder Capital Ltd. On 8 February 2024, each of the Convertible Note Series \$60M and Convertible Note Series \$25M were converted into a total of 409,657,457 new fully paid ordinary shares in BCI.

NOTE 5 – RESERVES

	December 2023 \$000's	June 2023 \$000's
Share based payments reserve		
Balance as at 1 July	12,206	12,100
Share based payments expense (Refer to Note 2)	673	697
Issue of shares under Employee Performance Rights Plan	-	(591)
Options closed to retained earnings	(8,881)	-
Balance at the end of the period	3,998	12,206
Financial instruments at fair value through other comprehensive income		
Balance as at 1 July	(12,881)	5,376
Day one gain on recognition of a financial asset	-	-
Change in fair value of financial assets at balance date	(501)	(18,257)
Balance at the end of the period	(13,382)	(12,881)
Equity reserve		
Balance as at 1 July	10,548	5,782
Financial instruments recognised in equity (Refer to Note 4)	240	4,766
Balance at the end of the period	10,788	10,548
Options exercised reserve		
Balance as at 1 July	3,787	3,787
Options closed to retained earnings	(3,787)	-
Balance at the end of the period	-	3,787
Derivatives reserve		
Balance as at 1 July	-	-
Movement in cashflow hedge instruments	(315)	-
Balance at end of period	(315)	-
Total Reserves	1,089	13,660

NOTE 6 – DIVIDENDS

During the half-year ended 31 December 2023, no dividends have been paid (June 23: Nil) and no dividends have been declared (June 23: Nil).

NOTE 7 – SEGMENT INFORMATION

	Iron Valley	Mardie	Other	Total
	\$000's	\$000's	\$000's	\$000's
Segment Earnings				
Half-year ended December 2023				
Sales of goods	44,146	-	-	44,146
Other income	-	-	2,982	2,982
EBITDA	22,311	(12,794)	(9,054)	463
Profit/(loss) before income tax	21,125	(15,326)	(6,540)	(741)
Half-year ended December 2022				
Sales of goods	17,438	-	-	17,438
Other income	-	-	21,642	21,642
EBITDA	5,426	(11,280)	10,037	4,184
Profit/(loss) before income tax	4,276	(13,176)	12,104	3,204
Segment Assets and Liabilities				
As at 31 December 2023				
Segment assets	60,453	480,782	150,337	691,572
Segment liabilities	20,985	36,882	203,057	260,922
As at 30 June 2023				
Segment assets	60,847	419,124	125,663	605,634
Segment liabilities	17,286	45,414	111,465	174,165

Management has determined that the Company has three reportable segments, being Iron Valley, Mardie and Other activities. All segments have been aggregated to form the consolidated information presented in the financial statements.

Revenue derived from iron ore sales is derived from customers located in Australia 100%.

NOTE 7 – SEGMENT INFORMATION (CONTINUED)

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.

NOTE 8 – COMMITMENTS

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.

NOTE 9 – CONTINGENT LIABILITIES AND ASSETS

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

Aside from the above disclosure, the Company has no further contingent liabilities or assets other than additional cash payments it may receive in respect of the sale of the Buckland project and Kumina tenements disclosed in prior years.

NOTE 10 – RELATED PARTY TRANSACTIONS

Arrangements with related parties continue to be in place. For details of these arrangements refer to the Remuneration Report and Note 27 in the 2023 Annual Report. During the half year ended 31 December 2023 the Company granted 1,100,948 Share Rights and 3,960,361 Performance Rights to Directors.

Type	Grant date	Granted during the period	Vesting date	Fair value per right at grant date	Share price on grant date*	Expected dividends
Share Rights	22/11/2023	1,100,948	1/07/2024	\$0.257	\$0.270	0%
Performance Rights	22/11/2023	3,960,361	1/07/2025	\$0.222	\$0.270	0%

*Source: www.asx.com.au

NOTE 11 – EVENTS OCCURRING AFTER THE REPORTING PERIOD

The Company announced the undertaking of a fully underwritten \$315M equity raising on 1 February 2024, with the proceeds expected to form the final component of the equity funding for the Salt First Mardie Project. The institutional component of the entitlement offer, and Tranche 1 of the share placement successfully completed on 5 February 2024 for a total of \$188.4M which resulted in the issue of 753,668,463 fully paid ordinary shares ("Shares") in BCI.

The retail offer and the Tranche 2 share placement are anticipated to complete in March 2024.

The commencement of the equity raising announced on 1 February 2024 satisfied the conversion condition on the Convertible Notes issued in 2023 to Australian Super, Wroxby Pty Ltd, Ryder Capital Management Ltd and Ryder Capital Ltd. On 8 February 2024, the Convertible Notes were converted into 409,657,457 Shares.

The company continues to work with State and Federal environmental regulators to obtain outstanding environmental approvals needed to commence operations and complete construction.

Other than already disclosed above, no other matters or circumstances have arisen since the end of the financial period 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 half-year ended 31 December 2023.

NOTE 12 – OTHER ACCOUNTING POLICIES

Summary of other significant accounting policies

Fair value

The carrying amount of financial assets and liabilities measured at fair value is principally calculated based on inputs other than quoted prices that are observable for these financial assets or liabilities, either directly (i.e. as unquoted prices) or indirectly (i.e. derived from prices). Where no price information is available from a quoted market source, alternative market mechanisms or recent comparable transactions, fair value is estimated based on the Group's views on relevant future prices, net of valuation allowances to accommodate liquidity, modelling and other risks implicit in such estimates.

The inputs used in fair value calculations are determined by the relevant segment or function. The functions support the assets and operate under a defined set of accountabilities authorised by the Executive Leadership Team. Movements in the fair value of financial assets and liabilities may be recognised through the income statement or in other comprehensive income according to the designation of the underlying instrument.

For financial assets and liabilities carried at fair value, the Group uses the following to categorise the inputs to the valuation method used based on the lowest level input that is significant to the fair value measurement as a whole:

The Group has an established control framework with respect to the measurement of fair values. Significant valuation matters are reported to the Group Audit & Risk Committee.

The Group uses various methods in estimating the fair value of a financial instrument. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- | | |
|---------|--|
| Level 1 | Fair value is calculated using quoted prices in active markets for identical financial assets and liabilities. |
| Level 2 | Fair value is based on inputs other than quoted prices included within Level 1 that are observable for the financial asset or liability, either directly (i.e. as unquoted prices) or indirectly (i.e. derived from prices). |
| Level 3 | Fair value is based on inputs not observable in the market using appropriate valuation models, including discounted cash flow modelling for the asset or liability. |

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of BCI Minerals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of BCI Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 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 half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

BDO
A handwritten signature in black ink, appearing to read 'Phillip Murdoch', is written over a horizontal line. The signature is stylized and cursive.

Phillip Murdoch

Director

Perth, 21 February 2024

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF BCI MINERALS LIMITED

As lead auditor for the review of BCI Minerals Limited for the half-year ended 31 December 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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,

21 February 2024



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