

APPENDIX 4D FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

This information should be read in conjunction with BCI Minerals Limited's Interim Financial Report for the half-year ended 31 December 2024.

Company Details

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

Results for announcement to the market

	December 2024 \$000	December 2023 \$000	% Movement
Revenue from continuing operations	3,917	2,977	32%
Revenue from discontinued operations	-	44,146	(100%)
(Loss) after income tax from continuing operations	(9,586)	(742)	(1,192)%
Other comprehensive income	(1,874)	(501)	(274)%
Net (Loss) attributable to members	(11,460)	(1,243)	(822)%

Dividends

No dividends have been declared for the half-year ended 31 December 2024 (December 2023: nil).

Net tangible asset backing

Net tangible asset backing per ordinary share: \$0.27 (2023: \$0.34).

Previous corresponding period

The previous corresponding period is the half-year ended 31 December 2023.

Audit

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

Commentary on results for the period

The Company's loss after income tax for the half-year ended 31 December 2024 was \$9.6M, which is the result of ongoing expenditure to progress and develop the Mardie Project.



Commentary on discontinued operations

In the half-year ended 31 December 2023, the company reported revenue from discontinued operations amounting to \$44.1M. This revenue was derived from Iron Valley operations. BCI divested its Iron Valley assets on 2 July 2024.

As of the half-year ended 31 December 2024, BCI no longer has any ongoing operations related to these activities, and hence no revenue was recorded from discontinued operations.

This aligns with the Company's strategic objective to develop an industrial minerals business with salt and SOP.

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 2024



Acknowledgement of Country

BCI Minerals acknowledges the Traditional Custodians of the country throughout Australia and their connections to land, sea, and community.

We respect the Yaburara, Mardudhunera and Robe River Kuruma People as the Mardie Traditional Owners, and the Whadjuk People of the Noongar Nation in Perth.

We honour the past and present Custodians of the lands where we operate, and support the ongoing cultural, spiritual, and educational practices of First Nations People.





FINANCIAL REPORT

For the half-year ended 31 December 2024

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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 2024.

Principal Activity

The principal activity of the Company during the course of the half-year was developing its Mardie Salt and Potash Project in the Pilbara region of Western Australia.

In July 2024, the Company completed the sale of its Iron Valley assets to Polaris Metals Pty Ltd, a wholly owned subsidiary of Mineral Resources Limited. This enables the Company to primarily focus on the Mardie Project.

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)
Garret Dixon	Director (Non-Executive) ^(a)
Gabrielle Bell	Director (Non-Executive)
Richard Court	Director (Non-Executive)
Chris Salisbury	Director (Non-Executive)
Miriam Stanborough	Director (Non-Executive)

(a) Mr Garret Dixon resigned as a Director of the Company on 11 October 2024.

Dividends

No dividends have been declared in relation to the half-year ended 31 December 2024 (December 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 which is constructing the Mardie salt and sulphate of potash (SOP) project located in the Pilbara. Construction of the salt-first phase of the Mardie Project is 56 percent complete with forecast construction costs remaining in line with the June 2023 base case of \$1,443 million.

The operations and results of the Company for the half-year ended 31 December 2024 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 2024 and considered together with any public announcements made by the Company during or since the half-year ended 31 December 2024 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 2023.

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 4.4 at December 2024 (June 2024: 6.4), with no recordable injuries in the past quarter.

Mardie Project

During the six months to 31 December 2024, BCI made significant progress on the Mardie Project, which remains on track to become Australia's largest salt project and the third largest globally.

A key milestone was the receipt of Commonwealth Government environmental approval for the Optimised Mardie Project (OMP). Following this approval, BCI commenced operations on 10 September 2024 by filling evaporation ponds 1, 2, and 3 with seawater. Since commencing operations, the Company updated its Groundwater Monitoring and Management Plan (GMMP) using real-time data from its monitoring network and submitted the revised GMMP to WA and Federal environmental regulators on 15 January 2025. Approval of the updated plan is required before proceeding with the filling of evaporation ponds 4 through 9.

By the end of the period, the salt-first phase of the project was 56 per cent complete. In the first half of FY25, BCI invested \$168.8 million in construction, bringing total capital expenditure to \$757.5 million. Importantly, forecast construction costs for this phase remain in line with the June 2023 base case of \$1,443 million.

BCI advanced the construction of key infrastructure, including completion of twelve out of thirty-six cells within the crystalliser area. The Primary crystallisers are essential for holding brine during the salt precipitation process to produce high-quality industrial salt.

Construction of evaporation ponds 6-9 progressed to 97.4 per cent completion at the end of the period. Ponds 6 to 8 were completed, as well as the installation of brine transfer culverts at the transfer point between pond 7 and pond 8.

Construction commenced on the secondary seawater intake. Transfer stations 2-3, 3-4, 5-6 and 6-7 are all complete.

The marine package reached 75.4 per cent completion, and the jetty progressed to its full 2.4km length. Additionally, conveyor infrastructure is progressively being installed.

The Company continued engineering and design works, focusing on the brine circuit. Specifically, it completed pilot testing and front-end engineering design for the salt-wash plant and stockyards. BCI also completed work to optimise the secondary sea water intake and pump station design to reduce capital costs and enhance constructability.

The Company acknowledges the engagement with all levels of Government to support the delivery of this Project, which will generate substantial tax, royalty, and industry development benefits for Australia for generations.

Project Funding

In October 2024, BCI finalised all Conditions Precedent required to achieve Financial Close of the Syndicated Facility Agreement (SFA). The SFA delivers a total of \$981.0 million of project debt finance. The syndicate includes Northern Australia Infrastructure Facility (NAIF), Export Finance Australia (EFA), Export Development Canada (EDC), Westpac Banking Corporation (Westpac) and Industrial and Commercial Bank of China Limited (ICBC) to fund the salt-first component of the Mardie Project. Funding for the SOP plant will be progressed following the completion of further design and cost development studies, subject to several provisions in the SFA, including lender approval. A decision on the SOP plant is expected to be made during FY2026.

Offtake Agreements

During the period, BCI completed binding offtake agreements with key customers that cover the China, Japan, Korea and Taiwan markets. When combined with the offtake agreement for Indonesia, BCI has contracted binding volumes for the first three years representing approximately 62 per cent of Mardie's expected production in that period. These agreements are for the first three years of production with options to extend for either a further three or five years. Pricing for these Offtake Agreements will be set in the calendar year either preceding delivery or biannually, with reference to market pricing.

Sustainability

Through FY25 BCI remains focused on enhancing its sustainability practices and achieving its targets. The Company is committed to transparency and accountability in its reporting, ensuring that all stakeholders are well-informed of progress.

BCI's ongoing commitment to environmental stewardship is demonstrated through rigorous environmental monitoring aligned with the requirements of the Global Biodiversity Information

Facility. During half-year ended 31 December 2024, BCI conducted several monitoring surveys in collaboration with environmental consultants and Traditional Owners, including:

- Annual turtle monitoring and illumination survey as part of the Marine Turtle Monitoring and Management Plan;
- Annual feral fauna monitoring;
- Quarterly monitoring of mangroves, samphire and algal mats under the Benthic Communities and Habitat Monitoring and Management Plan; and
- Installation of telemetered surface water flow meters along the drainage corridors as required in approval conditions

A significant ecological challenge to be addressed by BCI is the management of mesquite, a non-native invasive plant species. The Company's mesquite clearing strategy has previously been endorsed by the WA Department of Primary Industries and Regional Development and the Pilbara Mesquite Management Committee. During the period, the clearing of mesquite continued with approximately 1,249 hectares cleared and BCI launched its dedicated mesquite management program.

During the period, BCI achieved 5.6 per cent Aboriginal and Torres Strait Islander employment at Mardie, reflecting the Company's commitment to fostering a diverse and inclusive workplace.

Community

BCI continues to maintain initiatives that foster strong relationships and drive positive outcomes in the communities in which it operates. The Company continued its support for the local business community by sponsoring the Karratha and Districts Chamber of Commerce and Industry's Business Excellence Awards.

In September 2024, BCI sponsored scholarships, in partnership with the Pilbara Kimberley University Centre, to three local recipients to support their pursuit of tertiary education. The School Leavers Scholarship provides financial support for recent high school graduates in their transition to higher education, and the Allied Health Scholarship was designed for students currently enrolled in allied health programs to support them pursue careers in health services and enhance community wellbeing.

In November 2024, BCI facilitated a Sustainability Materiality Assessment Influence survey and discussion directly with community stakeholders, enhancing the quality of data and depth of feedback collected.

Environmental Management

BCI is committed to minimising its environmental impact, with an appropriate focus on continuous monitoring of environmental matters and compliance with environmental regulations.

The Company'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 of the Company's activities. Our compliance program has been designed to inform our regulatory, compliance and corporate reporting. This program is implemented on an ongoing 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.

BCI also remains committed to ensuring the long-term environmental sustainability of the project through delivery of our comprehensive approach to researching and monitoring the status of key ecological species and habitats. These monitoring and research initiatives, conducted in partnership with the Western Australian Marine Science Institute, Curtin University, the University of Adelaide, O2 Marine, Hydrobiology and others, will collect ecological data that will pre-emptively manage potential environmental impacts resulting from the project, and also inform strategic conservation efforts in the region.

Annually, the Mardie Project expenditure on environmental monitoring and research across terrestrial, intertidal and marine environments is approximately \$6.0 million.

A strong collaborative relationship with the Mardie Traditional Owners continues as the Company remains committed to maximising Indigenous employment and contracting opportunities through its Land Access Agreements.

Iron Valley

BCI divested its Iron Valley assets in the period. As announced in June 2024, the Company entered into a binding agreement with Polaris Metals Pty Ltd (Polaris), a wholly owned subsidiary of Mineral Resources Limited, to sell its Iron Valley assets, for a total maximum potential consideration of \$72.6 million. The sale completed on 2 July 2024 and BCI received \$26.0 million. A deferred payment of \$34.1 million is to be paid during July 2025. Additionally, BCI will receive a \$12.5 million contingent payment on Polaris (or a successor in title) commencing mining at the Iron Valley North Pit.

This transaction is aligned with the Company's strategic objective to develop an industrial minerals business with salt and SOP as our initial focus and creates value for shareholders, simplifies operations, and strengthens the focus on the Mardie Project.

Other Investments

BCI owns 11 per cent of Agrimin Limited shares, with a market value of \$4.9 million as at 31 December 2024, and Koodaideri South and Marillana potential future royalties valued at \$15.5 million as at 31 December 2024.



Review of Results

Consolidated statement of profit or loss

Following the sale of the Iron Valley Assets, BCI's principal activity is the construction of the Mardie Project. Consequently, apart from interest the Company accrues on its cash balances, it is not expecting to generate revenue from the Mardie Project until the second quarter of FY26.

The Company's net loss after income tax for the half-year ended 31 December 2024 was \$22.7 million (December 2023: \$21.9 million) from continuing operations and net profit \$13.1 million (December 2023: \$21.2 million) from discontinued operations. The half-year net loss position for the continuing operations is the result of the ongoing expenditure to develop the Mardie Project.

EBITDA contribution from Iron Valley resulted from the sale of Iron Valley Assets to Polaris Metals Pty Ltd, a wholly owned subsidiary of Mineral Resources Limited. Refer to Iron Valley transaction in review of operations section.

BCI Results (\$ million) – Continuing operations	6 months to 31 December 2024	6 months to 31 December 2023	Change %
Revenue	3.9	3.0	30%
EBITDA	(20.3)	(21.9)	7%
Loss attributable to shareholders	(22.7)	(21.9)	(4%)

BCI Results (\$ million) – Discontinued operations	6 months to 31 December 2024	6 months to 31 December 2023	Change %
Revenue	-	44.1	(100%)
EBITDA	13.1	22.3	(41%)
Profit attributable to shareholders	13.1	21.1	(38%)

BCI recorded EBITDA contribution from each segment is shown below:

Segment (\$ million)	6 months to 31 December 2024	6 months to 31 December 2023	Change %
Iron Valley (Discontinued operations)	13.1	22.3	(41%)
Mardie	(12.9)	(12.8)	(1%)
Other	(7.4)	(9.1)	19%
Total EBITDA	(7.2)	0.4	(1,900%)

Liquidity and Balance Sheet

Cash and cash equivalents as at 31 December 2024 decreased by \$193.6 million to \$65.3 million. The operating cash flow for the period was a net outflow of \$30.4 million which was impacted by discontinued Iron Valley operations. The construction costs for the period of \$168.8 million supported the continued development of the Mardie Project. During the period \$19.1 million of Syndicated Facility transactional costs were incurred. Transactional costs were one off costs associated with the establishment of the \$981.0 million Project Debt Facilities.

In October 2024, BCI finalised all Conditions Precedent required to achieve Financial Close of the Syndicated Facility Agreement which provides Project Debt Facilities of \$981.0 million.

On 17 January 2025, the Company received confirmation from its Lenders that all conditions to enable the first draw down of \$66.4 million from its \$981.0 million Project Debt Facilities had been met. BCI received these funds on 3 February 2025.

Subsequent drawdowns remain subject to customary closing conditions, including lender approvals and documentation. Management has a reasonable expectation that the necessary funds will be available to support the timely continuation and completion of the project. The Company will continue to monitor developments and assess any potential financial statement implications as the financing progresses.

Dividends

The Company has not paid or declared any dividends since the commencement of the half-year ended 31 December 2024.

	Cents Per Share	6 months to 31 December 2024	Cents Per Share	6 months to 31 December 2023
Final dividend for FY24/FY23	Nil	Nil	Nil	Nil

Likely developments and expected results

Mardie activities for the next period will include completion of evaporation ponds, continued construction of primary, secondary and KTMS crystallisers, secondary seawater intake, marine structure, salt wash plant design and continued ramp up of operations.

Significant changes in state of affairs

In July 2024, the Company completed the sale of its Iron Valley assets to Polaris Metals Pty Ltd, a wholly owned subsidiary of Mineral Resources Limited. This enables the Company to primarily focus on the Mardie Project.

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

Events since the end of the reporting period

Following BCI's announcement on 10 September 2024 that the Commonwealth Government has granted environmental approval for the Optimised Mardie Project, BCI submitted an update of its Groundwater Monitoring Management Plan (GMMP) on 15 January 2025 to Commonwealth regulators for approval. Since September 2024, BCI has successfully filled Ponds 1 to 3 and captured the necessary data to validate its original GMMP submission. Once the updated GMMP is approved, BCI will be able to commence filling the remaining evaporation ponds 4 – 9, and the crystalliser ponds.

On 17 January 2025, the Company received confirmation from its Lenders that all conditions to enable the first draw down of \$66.4 million from its \$981.0 million Project Debt Facilities had been met. BCI received these funds on 3 February 2025.

Stephanie Majteles resigned as Company Secretary. Effective 20 January 2025, Robert Mancini, Chief Legal and Commercial Officer, was appointed Company Secretary. Mr Mancini is now responsible for communication with the ASX in relation to Listing Rule matters. 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 2024.

Risk management

The Company's Risk Management Policy is enabled through its Risk Management Framework which is aligned to the International Standard for risk management, ISO 31000. BCI manages its activities within budgets and operational and strategic plans.

There is risk associated with all business activities and the Board works with senior management to protect the health and safety of its workforce, safeguard assets, maintain our licence to operate through upholding environmental, community and social obligations, ensuring regulatory compliance, maintain budgets and access funds.

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.

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 Director's Report.

Signed in accordance with a resolution by the Directors.

Brian O'Donnell
Chair
Perth, Western Australia
21 February 2025



David Boshoff
Managing Director
Perth, Western Australia
21 February 2025



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 2024 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.

Brian O'Donnell
Chairman
Perth, Western Australia
21 February 2025



Consolidated statement of profit or loss and other comprehensive income

	Notes	6 months to December 2024 \$000's	6 months to December 2023 \$000's
Continuing operations			
Interest income	1	3,917	2,977
Other income	1	221	5
Administration expense	2	(9,416)	(9,081)
Project development and evaluation expenditure	2	(15,050)	(12,816)
Depreciation and amortisation		(2,357)	(2,958)
(Loss) before finance cost and income tax		(22,685)	(21,873)
Finance costs		(22)	(36)
(Loss) before income tax		(22,707)	(21,909)
Income tax benefit / (expense)		-	-
(Loss) for the period from continuing operations		(22,707)	(21,909)
Discontinued operations			
Profit from discontinued operations	10	13,121	21,167
(Loss) for the period		(9,586)	(742)
Other comprehensive income/(expense)			
Items that will not be reclassified subsequently to profit or loss			
Changes in the fair value of equity investments at fair value through other comprehensive income, net of tax		(1,874)	(501)
Total Comprehensive (Loss) for the period		(11,460)	(1,243)
Basic earnings per share		Cents	Cents
Basic (loss) per share from continuing operations		(0.79)	(1.80)
Basic earnings per share from discontinued operations		0.46	1.74
		(0.33)	(0.06)
Diluted earnings per share			
Diluted (loss) per share from continuing operations		(0.79)	(1.80)
Diluted earnings per share from discontinued operations		0.46	1.74
		(0.33)	(0.06)

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

	Notes	December 2024 \$000's	June 2024 \$000's
Current assets			
Cash and cash equivalents		65,277	258,915
Trade and other receivables		39,485	5,024
Investments in listed entities		4,859	6,728
Other assets		16,245	15,647
Subtotal		125,866	286,314
Assets held for sale		-	49,795
Total current assets		125,866	336,109
Non-current assets			
Trade and other receivables		-	20,272
Property, plant and equipment	3	801,331	647,641
Intangibles		15,502	15,502
Right of use assets		408	680
Other assets		32,007	1,235
Total non-current assets		849,248	685,330
Total assets		975,114	1,021,439
Current liabilities			
Trade and other payables		43,722	77,352
Derivatives		-	28
Lease liability		320	584
Provisions		1,059	1,092
Subtotal		45,101	79,056
Liabilities directly associated with assets classified as held for sale		-	23,902
Total current liabilities		45,101	102,958
Non-current liabilities			
Lease liabilities		-	142
Borrowings	4	130,039	113,118
Total non-current liabilities		130,039	113,260
Total liabilities		175,140	216,218
Net assets		799,974	805,221
Shareholders' equity			
Contributed equity		965,276	959,946
Reserves	5	(1,106)	(115)
Accumulated losses		(164,196)	(154,610)
Total shareholders' equity		799,974	805,221

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

Consolidated statement of changes in equity

	Note	Contributed Equity \$000's	Accumulated losses \$000's	Reserves \$000's	Total \$000's
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		-	(742)	(501)	(1,243)
Transactions with equity holders in their capacity as equity holders					
Contribution of equity net of transaction costs	-	(122)	-	-	(122)
Reserves settled to retained earnings		-	12,668	(12,668)	-
Share based payments	2	-	-	673	673
Financial Instruments recognised in equity		-	-	(75)	(75)
Balance at 31 December 2023		569,632	(140,027)	1,089	430,694
Balance at 1 July 2024		959,946	(154,610)	(115)	805,221
Loss for the period		-	(9,586)	-	(9,586)
Other comprehensive income		-	-	(1,874)	(1,874)
Total comprehensive loss		-	(9,586)	(1,874)	(11,460)
Transactions with equity holders in their capacity as equity holders					
Reclassification of Convertible Notes interest expense settled via equity issuance		5,047	-	-	5,047
Issue of shares under Employee Rights Plan	5	283	-	(283)	-
Share based payments	2	-	-	1,166	1,166
Balance at 31 December 2024		965,276	(164,196)	(1,106)	799,974

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

Consolidated statement of cash flows

	6 months to December 2024 \$000's	6 months to December 2023 \$000's
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	-	33,213
Payments to suppliers and employees (inclusive of GST)	(34,224)	(45,410)
Interest received	3,811	2,971
Interest paid	-	(136)
Net cash outflow from operating activities	(30,413)	(9,362)
Cash flows from investing activities		
Receipt from sale of Iron Valley assets	26,000	-
Payments for project development, plant and equipment	(169,712)	(85,247)
Borrowing cost relating to investing activities	(19,105)	-
Payments for other plant and equipment	(389)	-
Bonds and Guarantees costs relating to investing activities	(19)	-
Net cash outflow from investing activities	(163,225)	(85,247)
Cash flows from financing activities		
Proceeds from convertible notes	-	85,000
Repayment of lease liabilities	-	(273)
Net cash flow from financing activities	-	84,727
Net decrease in cash and cash equivalents	(193,638)	(9,882)
Cash and cash equivalents at beginning of the period	258,915	109,470
Cash and cash equivalents at end of the period	65,277	99,588

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



Notes to the consolidated Financial Statements

General 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.

Corporate information

BCI Minerals Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. BCI 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 half-year were the development of the Mardie Salt and Potash Project in the Pilbara region of Western Australia.

On 14 June 2024, Iron Valley Pty Ltd, a wholly owned subsidiary of BCI Minerals Limited entered into a binding agreement to sell its Iron Valley iron ore assets to Polaris Metals Pty Ltd (Polaris), a wholly owned subsidiary of Mineral Resources Limited. Transaction was completed 2 July 2024.

Aligned with the Company's strategic objective to develop an industrial minerals business with salt as its initial focus, this divestment creates value for shareholders, simplifies our operations, and strengthens our focus on the Mardie Project.

BCI's registered office is at 1 Altona Street, West Perth WA 6005, Australia.

About the presentation of our financial statements

Our financial statements for the half-year ended 31 December 2024 were authorised for issue in accordance with a Directors' resolution on 21 February 2025.

Basis of preparation

These interim financial statements for the half-year ended 31 December 2024 have been prepared and are in compliance 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 of 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 2024 and considered together with any public announcements made by the Company during the half-year ended 31 December 2024 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.

New, revised or amending Accounting Standards and Interpretations adopted

New and amended standards adopted by the group

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Note 1 – Revenue and other income

	Note	6 months to December 2024 \$000's	6 months to December 2023 \$000's
Continuing operations			
Interest income		3,917	2,977
Other income		221	5
		4,138	2,982
Revenue from discontinued operations			
Revenue – Iron Valley		-	44,146
Other income - gain on sale of assets	10	12,149	-
		12,149	44,146

Note 2 – Expenses

		6 months to December 2024 \$000's	6 months to December 2023 \$000's
Administration expense			
Employee benefits expense		6,740	6,310
Share-based payments		1,166	673
Non-executive Directors' Fees		426	387
Occupancy related expenses		30	556
Consultant and legal fees		336	766
Other		718	389
		9,416	9,081
Project development and evaluation expenditure			
Salaries and contract labour expense		5,605	2,899
Consultant and legal fees		1,382	2,321
Licence and levy fees		891	1,275
Environmental monitoring expenses		3,029	2,193
Studies and piloting expense		896	226
Maintenance expense		2,457	1,303
Other		790	2,599
		15,050	12,816

Note 3 – Property, Plant and Equipment

	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
Year ended 30 June 2024						
Opening net book value	29,528	-	47,498	726	351,390	429,142
Additions	-	-	178	1,447	214,728	216,353
Disposals	-	-	-	(355)	-	(355)
Capitalised borrowing costs	-	-	-	-	46,133	46,133
Transfers	-	47,425	(47,425)	-	(9,300)	(9,300)
Depreciation and amortisation expense	(1,027)	(4,501)	(40)	(263)	-	(5,831)
Reclassification to assets held for sale	(28,501)	-	-	-	-	(28,501)
Closing net book value	-	42,924	211	1,555	602,951	647,641
At 30 June 2024						
Cost	-	54,946	734	3,754	602,951	662,385
Accumulated depreciation and amortisation	-	(12,022)	(523)	(2,199)	-	(14,744)
Net carrying amount	-	42,924	211	1,555	602,951	647,641

	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 2024					
Opening net book value	42,924	211	1,555	602,950	647,640
Additions	181	78	322	170,776	171,357
Capitalised interest ⁽¹⁾	-	-	-	9,695	9,695
Transfer of Syndicated Facility Transactional Fees to Other Assets ⁽²⁾	-	-	-	(25,004)	(25,004)
Depreciation and amortisation expense	(2,078)	(21)	(258)	-	(2,357)
Closing net book value	41,027	268	1,619	758,417	801,331
At 31 December 2024					
Cost	55,126	813	4,076	758,417	818,432
Accumulated depreciation and amortisation	(14,099)	(545)	(2,457)	-	(17,101)
Net carrying amount	41,027	268	1,619	758,417	801,331

(1) Capitalised interest includes interest expense on Convertible Notes using the effective interest method. Calculated interest includes both the accretion of discounts and the interest on the nominal balance.

(2) Previously capitalised upfront Syndicated facility fees have been transferred to Other Assets. Upfront facility fees are accounted as a deferred asset and amortised over the life of the facilities using the effective interest rate method.

Mine Development

BCI advanced the construction of key infrastructure, including completion of twelve out of thirty-six cells within the crystalliser area. The Primary crystallisers are essential for holding brine during the salt precipitation process to produce high-quality industrial salt.

Construction of evaporation ponds 6 to 9 progressed to 97.4 per cent completion at the end of the period. Ponds 6 to 8 were completed, as well as the installation of brine transfer culverts at the transfer point between pond 7 and pond 8.

Construction has commenced on the secondary seawater intake. Transfer stations 2-3, 3-4, 5-6 and 6-7 are all complete.

The marine package has reached 75.4 per cent completion, and the jetty has progressed to its full 2.4km length. Conveyor infrastructure is progressively being installed.

Borrowing costs on debt that is attributable to the qualifying assets is treated as eligible cost of borrowings and has been recognised in Mine Development at \$41.7 million as at 31 December 2024 (June 2024: \$33.2 million). Borrowing costs include interest accretion on Convertible Notes.

Note 4 – Borrowings

	December 2024 \$000's	June 2024 \$000's
Non-current borrowings		
Convertible Note Series 1	27,246	25,588
Convertible Note Series 3	102,793	87,530
Net carrying amount	130,039	113,118

	December 2024 \$000's	June 2024 \$000's
Movement in borrowings:		
Opening balance	113,118	102,462
Reclassification of compounded interest to borrowings	8,447	-
Interest accretion for the period	8,474	10,656
Closing balance	130,039	113,118

A reconciliation of the Australian Super Series 1 and Series 3 Convertible Note facilities at inception are as follows:

	Series 1 At inception \$000's	Series 3 At inception \$000's
Convertible note agreement date	17 November 2021	17 November 2021
Issue date	24 December 2021	1 December 2022
Fair value of debt instrument	18,499	76,022
Fair value of conversion feature	5,782	4,766
Day one gain on acquisition of financial asset	4,812	19,212
Value recognised on inception	29,093	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 day one gain on inception is calculated as the difference arising between the fair value of the liability portion of the convertible note, the fair value of the conversion option and the fair value of the financial asset acquired.

The corporate convertible notes are classified as Level 2 in the fair value hierarchy. Their fair value is determined using market-observable inputs, including interest rate yield curves based on market data.

The valuation is performed using a discounted cash flow (DCF) model, incorporating observed market interest rates and credit risk adjustments. There were no significant transfers between levels during the reporting period.

Note 5 – Reserves

	December 2024 \$000's	June 2024 \$000's
Share-based payments reserve		
Opening balance	3,536	12,206
Share based payments expense (Note 2)	1,166	933
Issue of shares under Employee Performance Rights Plan	(283)	(722)
Transfer of expired share options to retained earnings	-	(8,881)
Balance at the end of the period	4,419	3,536
Financial assets at fair value through other comprehensive income		
Opening balance	(14,199)	(12,881)
Loss on disposal of a financial asset	-	(2,009)
Change in fair value of financial assets at balance date	(1,874)	691
Balance at the end of the period	(16,073)	(14,199)
Equity reserve		
Opening balance	10,548	10,548
Financial instruments recognised in equity	-	-
Balance at the end of the period	10,548	10,548
Options exercised reserve		
Opening balance	-	3,787
Transfer of expired share options to retained earnings	-	(3,787)
Balance at the end of the period	-	-
Cash flow hedge reserve		
Opening balance	(6)	-
Gains and losses on cash flow hedges	6	-
Balance at the end of the period	-	-
Total Reserves	(1,106)	(115)

Note 6 – Dividends

During the half-year ended 31 December 2024, no dividends have been paid (December 2023: nil) and no dividends have been declared.

Note 7 – Segment Information

Half-year ended December 2024	Mardie \$000's	Corporate/Other \$000's	Continuing operations \$000's	Discontinued operations \$000's	Total \$000's
Segment income					
Interest revenue	2,921	996	3,917	-	3,917
Gain on sale of Iron Valley assets	-	-	-	12,149	12,149
Total	2,921	996	3,917	12,149	16,066

Segment results					
EBITDA	(12,949)	(7,375)	(20,324)	13,095	(7,229)
Depreciation and amortisation	(2,218)	(139)	(2,357)	-	(2,357)
Profit/(loss) before income tax	(15,167)	(7,514)	(22,681)	13,095	(9,586)

Segment Assets and Liabilities As at 31 December 2024

Segment assets	806,275	134,739	941,014	34,100	975,114
Segment liabilities	41,217	133,923	175,140	-	175,140

EBITDA contribution from discontinued operations resulted from the sale of Iron Valley Assets to Polaris Metals Pty Ltd, a wholly owned subsidiary of Mineral Resources Limited. Transaction was completed on 2 July 2024, consequently, there will be no further contribution from Iron Valley segment other than a deferred cash payment of \$34.1 million to be paid during July 2025 and \$12.5 million contingent payment on Polaris (or a successor in title) commencing mining at the Iron Valley North Pit.

For further information on discontinued operations refer to Note 10.

Half-year ended December 2023	Mardie \$000's	Corporate/Other \$000's	Continuing operations \$000's	Discontinued operations \$000's	Total \$000's
Segment revenue					
Sales revenue	-	-	-	44,146	44,146
Other revenue	-	2,982	2,982	-	2,982
Total	-	2,982	2,982	44,146	47,128

Segment results					
EBITDA	(12,794)	(9,054)	(21,848)	22,311	463
Finance costs	-	2,897	2,897	40	2,937
Depreciation and amortisation	(2,531)	(427)	(2,958)	(1,184)	(4,142)
Profit/(loss) before income tax	(15,325)	(6,584)	(21,909)	21,167	(742)

Segment Assets and Liabilities As at 30 June 2024

Segment assets	868,505	82,867	951,372	70,067	1,021,439
Segment liabilities	57,656	134,661	192,317	23,901	216,218

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. The total value remaining of contracts currently awarded is \$176.2 million (June 2024: \$137.1 million). Activities are required to be undertaken before these commitments become due and payable.

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. These claims are being assessed in accordance with Company's usual contract management processes.

The Company is involved in a legal proceeding commenced by a former contractor. The claim alleges that the Company is required to pay a \$7.0 million termination payment following the termination of a letter of intent in December 2023. The Company is defending the proceedings. At this stage, it is not possible to reliably estimate the potential financial impact of the claim, if any, on the Company's financial position. The proceedings remain at a relatively early stage and no trial dates have yet been listed. The Company will continue to monitor developments in the matter and reassess the need for further disclosure or recognition in future reporting periods based on any material changes in facts or circumstances.

The Company and various controlled entities have in the normal course of business issued \$67.7million of guarantees to certain customers and suppliers to guarantee the performance obligations of a controlled entity.

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 and the contingent Iron Valley payments as disclosed within Note 10.

Note 10 – Discontinued Operations

On 14 June 2024, BCI's wholly owned subsidiary Iron Valley Pty Ltd (IVPL) entered into a binding agreement with Polaris for the sale of the Iron Valley iron ore assets and termination of Iron Ore Sale and Purchase Agreement. The sale was completed on 2 July 2024. Key terms of the transaction:

- The existing Iron Ore Sale and Purchase Agreement (IOSPA) with Mineral Resources Ltd has been terminated.
- IVPL has received \$26.0 million at completion of the transaction (2 July 2024).
- BCI is to receive a final deferred payment of \$34.1 million in July 2025 in settlement of all outstanding amounts under the IOSPA (including for the period from 1 January 2024) and in consideration for terminating the IOSPA.
- IVPL will receive a further payment of \$12.5 million contingent on commencement of mining at the Iron Valley North Pit by Polaris (or a successor in title).
- Polaris will assume responsibility for payment of state and third-party royalties and rehabilitation obligations in relation to the Iron Valley mine with effect from 1 May 2024.

Financial performance relating to the discontinued operation for the period is set out below.

	6 months to December 2024 \$000's	6 months to December 2023 \$000's
Revenue	-	44,146
Gain on sale of assets	12,149	-
Net gain on pricing changes	972	-
Amortisation of mine properties	-	(1,187)
Royalties	-	(21,792)
Profit before income tax	13,121	21,167

Note 10 – Discontinued Operations *continued...*

Details of the transaction	AUD \$000's
Iron Valley Assets	
Trade and other receivables	20,073
Rehabilitation receivables	21,294
Property plant and equipment	28,501
Total assets	69,868
Liabilities associated with the sale	
Rehabilitation provision	21,328
Accruals	589
Total liabilities	21,917
Net assets	47,951
Consideration received or receivable	
Cash	26,000
Deferred cash	34,100
Contingent consideration*	-
Total consideration recognised	60,100
Gain on sale of assets	12,149

*Contingent consideration of \$12.5 million is subject to commencement of mining at the Iron Valley North Pit. For accounting purposes contingent consideration was not brought to account. BCI will reassess the recognition of the variable consideration at year-end.

Note 11 – Related Party Transactions

Appropriate arrangements with Directors and other members of Key Management Personnel of the Group continue to be in place. For details of these arrangements refer to the Remuneration Report and Note 25 in the 2024 Annual Report.

Garret Dixon resigned from the Board of Directors as at 11 October 2024.

Note 12 – Share-based Payments

During the period, 3,999,997 of share rights and 7,174,496 of performance rights were granted to senior executives under the Share Based Remuneration Framework.

Type	Grant date	Granted during the period	Vesting date	Fair value per right at grant date	Fair Value \$
Share Rights	13/09/2024	2,055,472	1/07/2025	\$0.257	\$528,256
Share Rights	22/11/2024	1,944,525	1/07/2025	\$0.266	\$517,244
Total		3,999,997			\$1,045,500
Performance Rights	23/09/2024	3,349,153	1/07/2027	\$0.234	\$783,702
Performance Rights	22/11/2024	3,825,343	1/07/2027	\$0.229	\$876,004
Total		7,174,496			\$1,659,706

The fair value of employee rights granted during the six months ended 31 December 2024 was estimated on the date of grant using the following assumptions:

Grant Date	Share Rights 13/09/2024	Share Rights 22/11/2024	Performance Rights 23/09/2024	Performance Rights 22/11/2024
Rights Granted	2,055,472	1,944,525	3,349,153	3,825,343
Grant Date	13 Sep 24	22 Nov 24	23 Sep 24	22 Nov 24
Share Price at Grant Date	\$0.270	\$0.280	\$0.280	\$0.280
Volatility	45.00%	45.00%	45.00%	45.00%
Risk Free Rate	4.18%	4.25%	3.79%	4.11%
Dividend Yield	0.00%	0.00%	0.00%	0.00%
Effective life (years)	0.80	0.61	1.77	1.61
Discount for lack of marketability	5.00%	5.00%	5.00%	5.00%
Discounted value per right	\$0.257	\$0.266	\$0.234	\$0.229

For the six months ended 31 December 2024, the Group has recognised \$1,166,143 of share-based payment expense in the statement of profit or loss (31 December 2023: \$673,000).

Note 13 – Events Occurring After the Reporting Period

Following BCI's announcement on 10 September 2024, that the Commonwealth Government has granted environmental approval for the Optimised Mardie Project, BCI submitted an update of its Groundwater Monitoring Management Plan (GMMP) on 15 January 2025 to Commonwealth regulators for approval. Once the updated GMMP is approved, BCI will be able to commence filling the remaining evaporation ponds 4 – 9, and the crystalliser ponds.

On 17 January 2025, the Company received confirmation from its Lenders that all conditions to enable the first draw down of \$66.4 million from its \$981.0 million Project Debt Facilities had been met. BCI received these funds on 3 February 2025.

Stephanie Majteles resigned as Company Secretary. Effective 20 January 2025, Robert Mancini, Chief Legal and Commercial Officer, was appointed Company Secretary. Mr Mancini is now responsible for communication with the ASX in relation to Listing Rule matters.

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 2024.

Independent Auditor's Review Report



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

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 2024, 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, material accounting policy information 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 2024 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.

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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 2024 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 Pty Ltd

BDO


Phillip Murdoch
Director

Perth, 21 February 2025

Auditor Declaration of Independence



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

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 2024, 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.

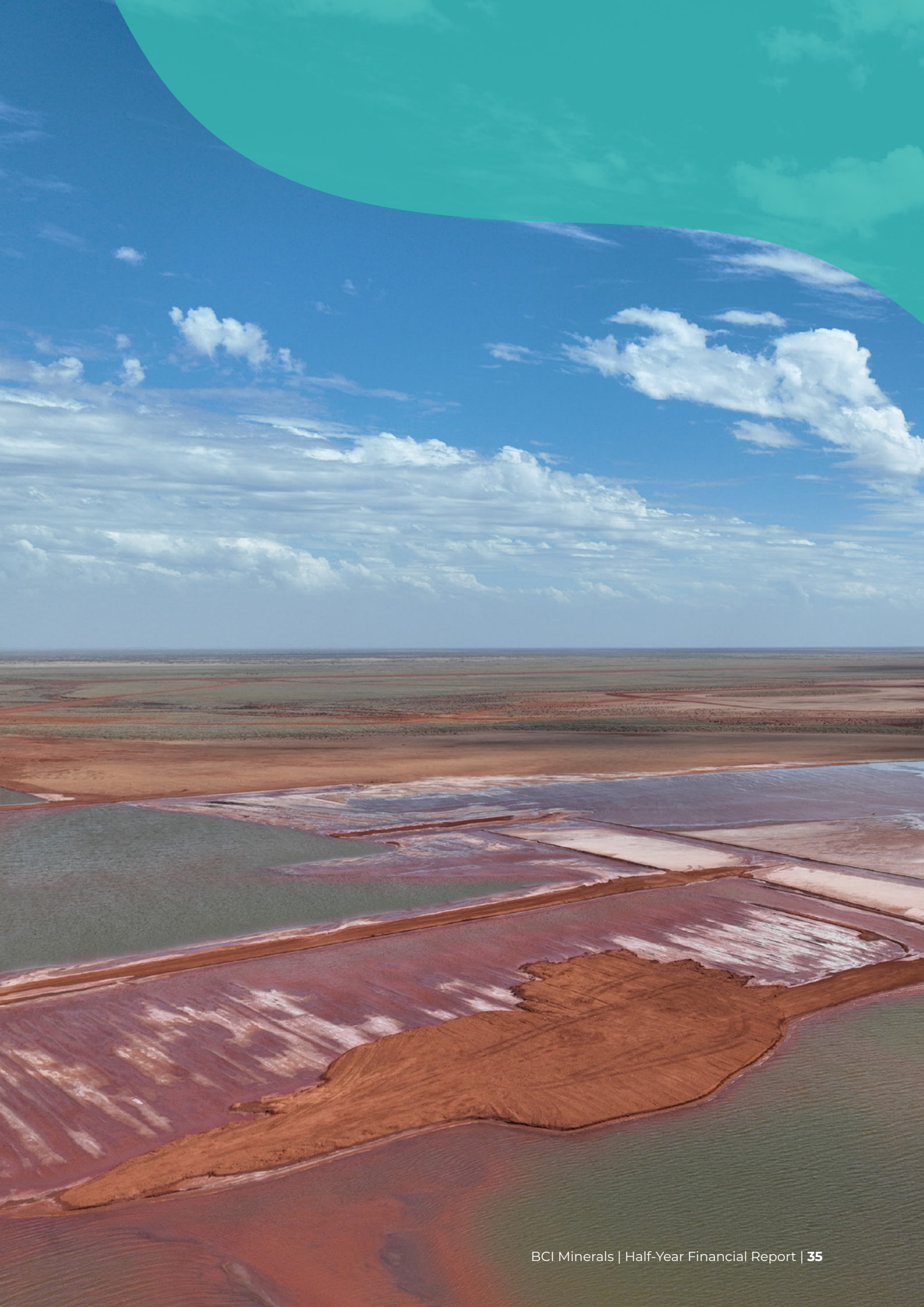
This declaration is in respect of BCI Minerals Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'P. Murdoch', with a long horizontal flourish extending to the right.

Phillip Murdoch
Director

BDO Audit Pty Ltd
Perth
21 February 2025

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www.bciminerals.com.au

Level 2, 1 Altona Street,
West Perth WA 6005, Australia

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

