ASX Release
1 June 2018

MARDIE SALT & SULPHATE OF POTASH PROJECT – POSITIVE PRE-FEASIBILITY STUDY COMPLETED

BCI Minerals Limited (ASX: BCI) is pleased to report the key results of the Pre-Feasibility Study ("PFS") completed on the Company's 100% owned Mardie Salt & Sulphate of Potash ("SOP") Project. This announcement should be read in light of the cautionary statement on page 30.

HIGHLIGHTS

- PFS confirms the technical and financial viability of the Mardie Project
- Positive business case established for production of 3.5Mtpa of high purity industrial salt and 75ktpa of fertiliser grade SOP
- Project design maximises the unique attributes of Mardie's coastal location and large area of flat land with low permeability, whilst minimising its impact on the coastal environment
- Industrial salt has an attractive long-term demand outlook in Asia, driven by expected growth in the chlor-alkali industry, with a net supply gap equal to approximately seven Mardie-sized projects anticipated to emerge over the next decade
- SOP fertiliser also has a strong demand outlook linked to an increasing Asian population driving food demand, lifestyle changes requiring high quality food, and the requirement for environmentally friendly fertilisers delivering high crop yields
- Mardie PFS demonstrates a pre-tax NPV_{10} of A$335M, IRR of 20% and annual EBITDA of >A$100M, based on a salt price of US$30/t FOB and SOP price of US$500/t FOB
- Total capex of A$335M to reach full production of both salt and SOP, comprising A$248M for salt plus incremental capex of A$87M for SOP
- Salt cash cost[1] of A$19.7/t FOB is highly competitive with existing Western Australian salt operations and SOP cash cost[1] of A$250/t places Mardie in lowest quartile of the SOP cost curve for Asian suppliers
- Mardie's key competitive advantages to all other Australian SOP projects include location close to key infrastructure (e.g. ports), infinite resource from stable quality seawater and the low incremental cost of SOP production compared to standalone SOP projects
- BCI now intends to conduct a Definitive Feasibility Study ("DFS"), targeting completion during 2019

[1] Cash costs include all costs associated with production, site management, logistics, contingency, marketing costs and royalties, but excluding sustaining capex. Cash costs are in Australian dollars and no escalation or inflation is included.

DIRECTOR COMMENTARY

Commenting on the PFS, BCI's Managing Director, Alwyn Vorster, said: *"BCI gained ownership of the Mardie tenements at minimal cost in 2012 (as Iron Ore Holdings Ltd) and the team has now delivered an innovative and attractive project solution through the PFS at relatively low expenditure.*

"*The attractive projected investment returns of >A$300M pre-tax NPV_{10}, EBITDA of A$100M per annum, and potential to be a low-cost salt and SOP producer, make Mardie a compelling project for BCI to advance through the final feasibility study phase towards development.*

"Availability of large areas of suitable land and securing environmental approvals are key barriers to entry in this industry, and BCI is confident that, through our positive engagement with authorities and our approvals track record, Mardie is well placed to secure key development approvals by the end of 2019."

BCI's Chairman, Brian O'Donnell, said: *"The BCI Board considers the Mardie Project a compelling value proposition for the Company. Salt and SOP supply and demand projections are attractive, and the Board believes this project can deliver significant benefits to all BCI stakeholders and the Pilbara region. It is located in a proven salt production region, and the ability to engineer a SOP component during the design phase adds significantly to potential project returns. The Company looks forward to completion of the DFS, and progressing discussions with potential funding partners and other market participants."*

PRE-FEASIBILITY STUDY SUMMARY

1. Project Overview and Regional Context

Mardie is a salt and sulphate of potash ("SOP") project 100% owned by Mardie Minerals Pty Ltd, a wholly owned subsidiary of BCI.

The Project is located in one of the world's premium locations for solar evaporation operations on the northwest coast of Western Australia, which also places it in an ideal location to access key markets in Asia.

The Pilbara coast is Australia's major solar salt production region, where five existing operations (Shark Bay, Onslow, Lake Macleod, Dampier and Port Hedland) are situated. The Project is located in the centre of this salt producing region. The total current production capacity of these existing operations is approximately 14 million tonnes per annum ("Mtpa"). Figure 1 illustrates the location of existing and proposed salt operations in Australia (including Mardie). Proposed Western Australian SOP operations are shown in Figure 2.

Figure 1: Location of Mardie and Other Australian Salt Operations / Projects

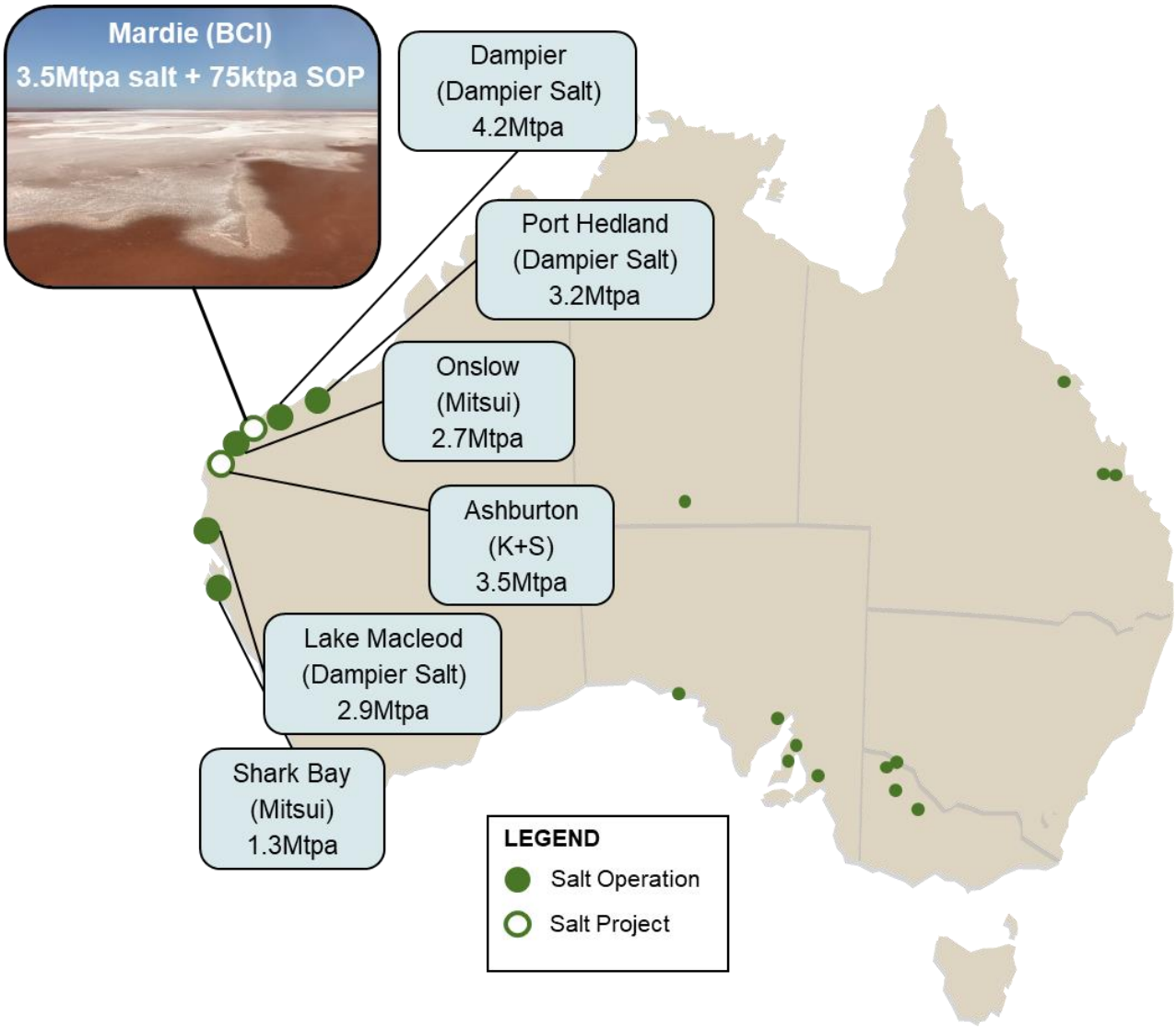
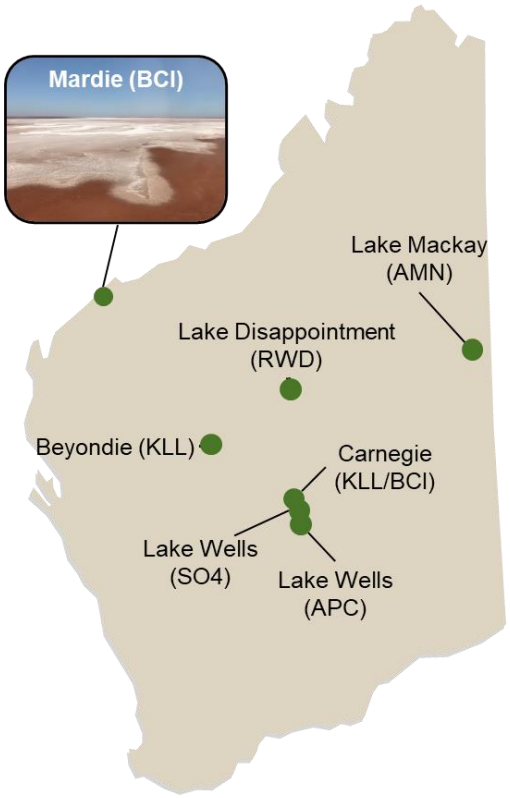


Figure 2: Location of Mardie and Other Western Australian SOP Projects



2. Background and Scope

The Project aims to produce 3.5Mtpa of high purity industrial grade sodium chloride salt from seawater via solar evaporation, crystallisation and raw salt purification. Through the crystallisation and processing of the remaining brine, known as 'bitterns', the Project will also aim to produce at least 75 thousand tonnes per annum ("ktpa") of fertiliser grade SOP.

The Mardie site has all of the natural hydrological, climatic, topographical and geotechnical prerequisites for production of salt and SOP from solar evaporation, including:

- channels feeding a brine source (seawater) into the Project area;
- a hot dry and windy climate with a long and predictable dry season;
- a large area of flat land with low permeability that is suitable for the construction of evaporation ponds; and
- construction materials available on site for the construction of the pond walls.

Salt is proposed to be exported via a purpose-built transhipping operation at BCI's planned Cape Preston East Port ("CPE Port") with SOP to be exported from the existing general cargo wharf at Dampier. An alternative for a salt export facility at the Mardie site has been scoped, and design and evaluation of this independent port solution will continue during the DFS.

The Project is also located in close proximity to existing infrastructure including the North-West Coastal Highway ("NWCH") and various gas pipelines, which run through or adjacent to the tenement area (as opposed to other Australian SOP projects which are located as far as 400km from existing gas pipelines and 1,000km or more from compatible port infrastructure). The location of the Project relative to the Western Australian coastline, existing and proposed infrastructure (including the CPE Port and BCI's proposed private haul road) is shown in Figure 3.

Figure 3: Mardie Project Location and Local Context

The objectives of the PFS were to improve the Scoping Study design footprint, reduce technical and approvals risks, and evaluate the viability of a salt and SOP processing flowsheet. A range of field studies, sampling and test work programmes and surveys were undertaken regionally and locally to define design criteria. The PFS has developed the operating and capital costs to an accuracy level of between -15% to +25% and determined the financial parameters of the Project through detailed financial and cash flow analysis.

Compilation of the PFS was managed by BCI and included expert input from various consultants, as shown in Table 1 below:

Table 1: PFS Contributors

Contributor	Contribution	Background
BCI	Study management/coordination, marketing strategy, environmental inputs, stakeholder information, capex and opex estimation and financial modelling.	BCI has a track record in proving up and commercialising resource assets.
Salt Partners Limited ("Salt Partners")	Salt processing and purification, salt purification plant design.	Internationally recognised Swiss-based expert in the field of salt and chlor-alkali production, processing and hypersaline biotechnology. 45 years' experience in salt and chlor-alkali projects successfully completed on all continents.
K-UTEC AG Salt Technologies ("K-UTEC")	SOP production including bitterns evaporation and crystallisation flows, SOP processing plant design.	Germany-based engineering and research company with 60 years' global experience in the exploration of salt deposits, and extraction and treatment of brines.
K Wellisch & Associates Pty Ltd	Seawater evaporation and crystallisation flows, concentrator and crystalliser pond design.	Experienced solar salt field manager and process metallurgist with more than 30 years' experience in all aspects of salt production and processing in Australia and overseas, including in relation to existing operations and proposed developments.
Roskill Information Services Limited	Salt market and pricing information including from *Salt: Global Industry, Markets & Outlook to 2026, 16th Edition*.	Leader in international metals, minerals, carbon and chemical research.
Integer Research	SOP market and pricing information including from *the SOP Outlook, October 2017*.	Specialist provider of research, data, analysis and consultancy services across a range of global commodity markets, including SOP.
O2 Marine	Environmental: Benthic communities and habitat surveys, marine fauna and surface hydrology.	Marine ecologists serving the Australian harbour, port, mining and gas sectors.
Stantec	Environmental: Mangal, algal matt and acid sulphate soil studies.	Leading international environmental consultant.
RPS Group	Environmental: Storm surge and surface hydrology analysis.	Multinational energy, resource and environmental consulting company.
Phoenix Environmental Sciences Pty Ltd	Environmental: Flora and fauna surveys.	WA-based flora, fauna and vegetation specialists.
Pendoley Environmental Pty Ltd	Environmental: Marine turtle survey and assessment.	Marine conservation biology consultancy.
Land and Marine Geological Services Pty Ltd	Strategic planning and analysis of geotechnical test work.	Specialists in civil engineering and environmental geology.
Amberley Management	Earthworks construction methodology and cost estimates.	Specialists in earthworks projects with difficult (soft) underfoot conditions.
Drake-Brockman Geoinfo	Geological photo interpretation for identification of construction materials.	Specialists in geological mapping and field evaluations.
Cardno Limited	Port and civil design.	Leaders in delivering process plant design, infrastructure and engineering projects.
Braemar Shipping Services plc	Freight rate estimates.	One of the largest chartering and shipbroking companies in the world.
Clarkson plc	Freight rate estimates.	Global provider of integrated shipping services.
Jebsens Australia	Freight rate estimates.	Global shipping company.
Dalesford	Review of capex and opex estimates.	Cost estimators.

3. *Industry Analysis and Marketing Strategy*

Salt Introduction

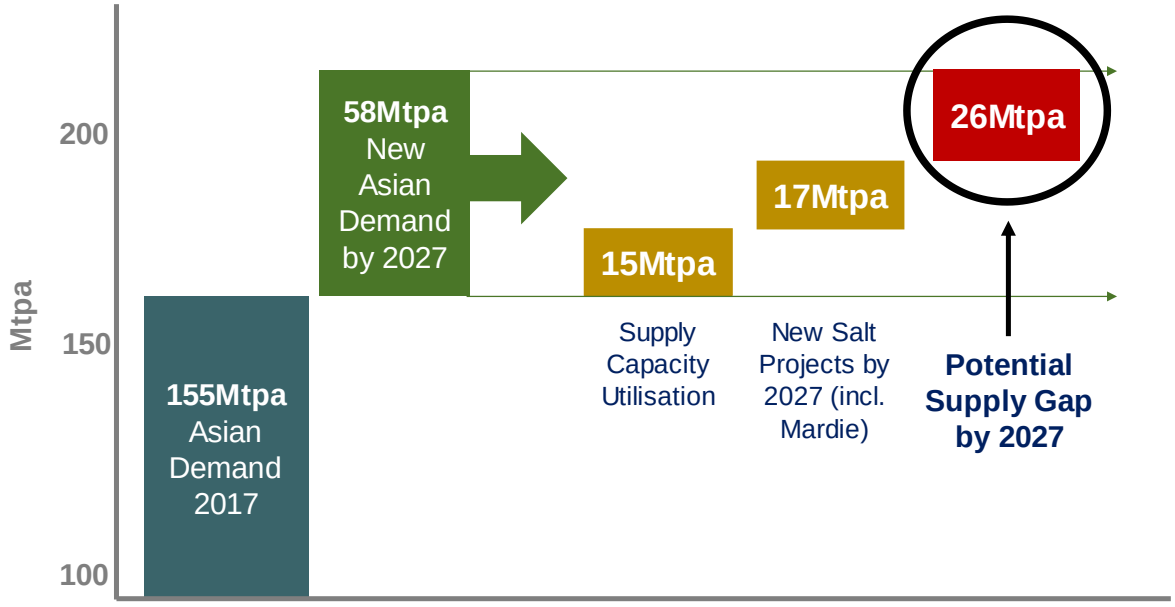
Salt is a mineral composed primarily of sodium chloride (NaCl). Its major industrial uses are in the production of soda ash, caustic soda and chlorine; which are then used in various industrial processes including the manufacture of polyvinyl chloride, plastics, paper pulp and many other products. It is also essential for life and is consumed as part of the human diet and food preservation. In the northern hemisphere, it is extensively used in road de-icing.

Salt Supply and Demand[2]

The global salt market is large, with 2017 consumption totaling an estimated 339Mt. According to Roskill, the demand outlook for salt over the next 10 years is positive, particularly in Asia. Chlor-alkali production will be the main driver of salt demand growth in Asia, including a projected increase in chlorine production from 28Mtpa to over 42Mtpa in China. Soda ash production is also forecast to rise by 8Mtpa over the same period. This will in turn drive salt demand from 155Mtpa in 2017 to 213Mtpa by 2027 (an increase of 58Mtpa).

There is additional global salt supply capacity of approximately 34Mtpa forecast by 2026, of which 17Mtpa from six credible projects (including Mardie) is economically positioned to supply Asian markets. It is estimated that, with increased capacity utilisation at existing salt operations and commencement of planned new salt operations in the Asian salt trading region, a supply shortfall of approximately 26Mtpa will develop over the next decade (refer to Figure 4 below). This is equivalent to at least seven additional new large-scale salt projects and is expected to create upward pressure on prices.

Figure 4: Estimated Asian Salt Supply/Demand Balance in 2027



Source: Roskill's *Salt: Global Industry, Markets & Outlook to 2026, 16th Edition*, BCI analysis.

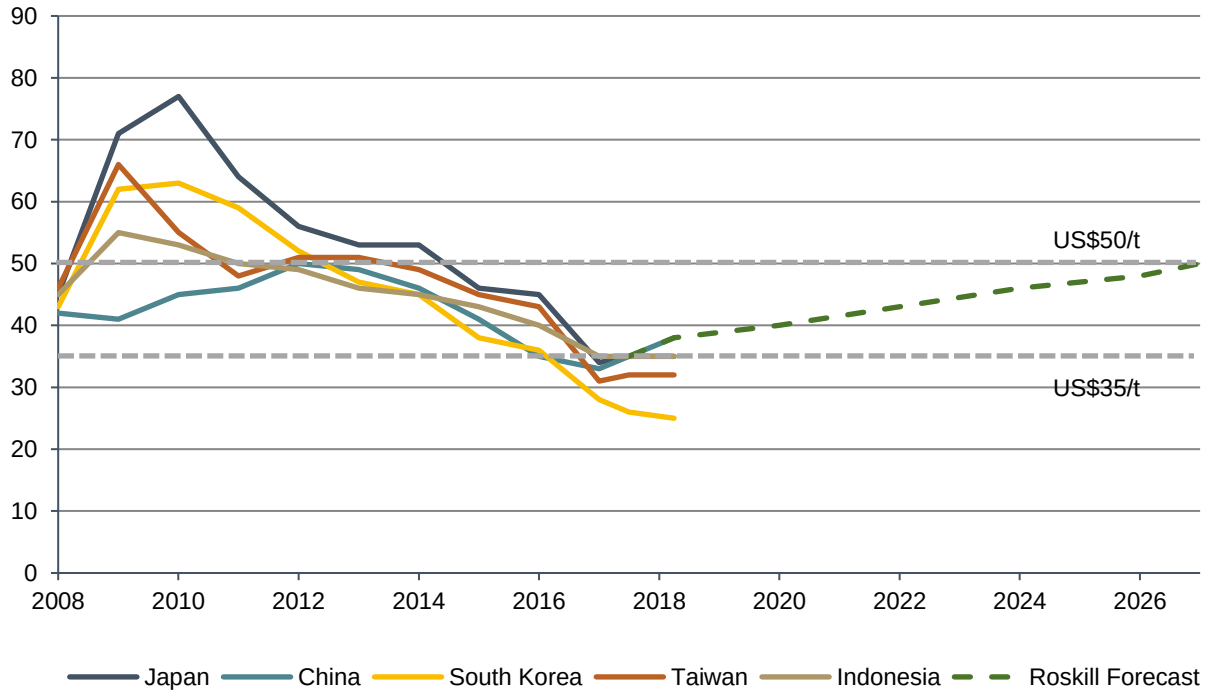
[2] Based on information provided by Roskill Information Services Limited ("Roskill").

Salt Marketing

Mardie will aim to produce a high-purity salt (>99.7% NaCl, <0.04% Ca, <0.02% Mg, <0.12% SO_4 and <0.01% insolubles, dry basis) which will be an ideal feedstock for Asian chlor-alkali plants that use membrane cells which are particularly sensitive to impurities. The higher purity Mardie salt product will also be suitable for food applications and use in the soda ash industry.

Although the market is opaque to price specifics, historical and forecast import values of Australian salt provide price markers to guide the forward price assumption for Mardie products (refer to Figure 5). BCI proposes that the 5-year historical average of US$43/t CIF is a credible marker of long-term price, as it eliminates short term supply and demand inconsistencies and spans a more complete price cycle. This is also conservatively below Roskill's forecast value of >US$45/t CIF China for when Mardie is in operation.

Figure 5: Annual Value of Imports of Australian Salt, 2008 to 2027 (US$/t CIF)



Source: Roskill, GTT, Roskill Consultancy Group.

Forecast freight rates for Handymax and Panamax vessels indicate that Mardie can assume a realistic average longer-term freight rate of US$13/t (applying 60% Handymax and 40% Panamax vessels on the Dampier/Qingdao route).[3]

Based on the above, BCI has assumed a long term salt price of US$30/t FOB CPE Port.

The initial placement strategy is to target the Asian chlor-alkali industry that requires high purity salt and has the highest growth potential. The food processing industry offers market diversification as it is not dependent on the chemical industry and, within Asia, is a large consumer of salt. The soda ash industry will not be a key target due to historically lower realised prices in this lower grade sector.

[3] Based on freight rates provided by Braemar Shipping Services plc, Clarkson plc and Jebsens Australia.

BCI's marketing strategy during the DFS and construction phases will aim to secure placement of 80% or more of annual production through long term contracts, with the balance reserved for opportunistic spot sales in a rising market. Although China will be the main target market for Mardie's salt products, BCI will also pursue a diversification strategy whereby placement to Japan, Taiwan, Korea and South East Asia will be pursued.

SOP Introduction

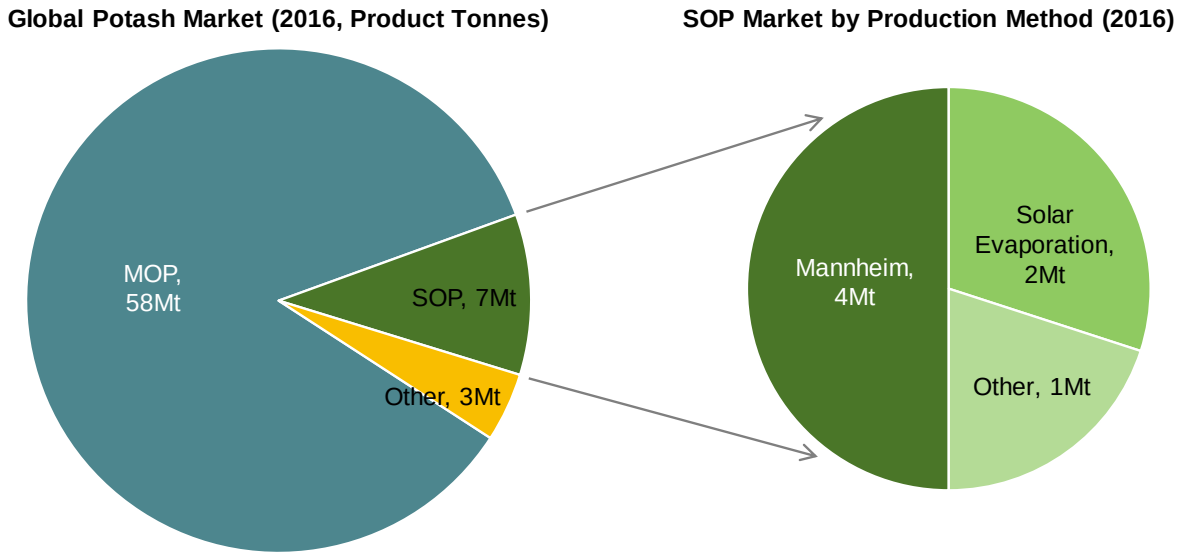
Potassium is one of the three essential nutrients required for plant growth (nitrogen and phosphorous are the other two). Potassium improves crop yield and quality as well as improving resistance to drought and disease. Potash minerals are the main sources of potassium and come in varying forms including SOP and Muriate of Potash ("MOP"), the most commonly used potash fertiliser. SOP is a premium fertiliser and is primarily used as a source of potassium for high value crops and crops that are intolerant of the chloride containing fertilisers such as MOP. SOP also has the dual benefit of contributing potassium and sulphur (a key macronutrient) to the plant.

The main processes by which SOP can be produced include: evaporation and crystallisation of brines from natural salt lakes and seawater or; by chemically converting MOP in the Mannheim process (reaction of MOP with sulphuric acid at elevated temperatures). The Mannheim process has higher opex than the solar evaporation process and is also less environmentally friendly.

SOP Supply and Demand

The total potash market in 2016 was approximately 68Mt, predominantly comprising 58Mt of MOP, 7Mt of SOP and 3Mt of other products. In relation to SOP, the higher cost Mannheim process accounts for approximately 50% of global production, with approximately 30% from solar evaporation and 20% from other methods. Figure 6 below illustrates the potassium fertiliser market by type and the SOP market by production method.

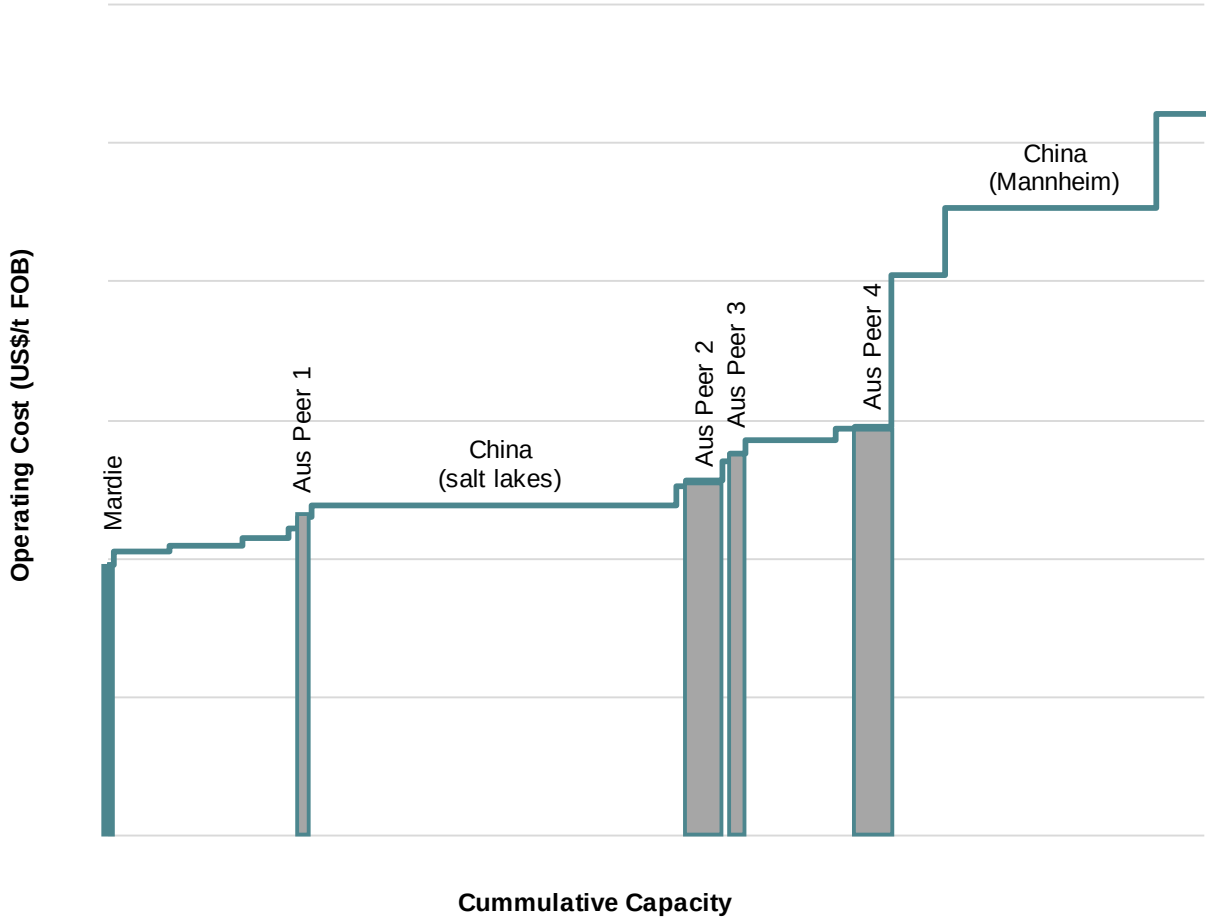
Figure 6: Potassium Fertiliser and SOP Market Landscape



Source: Integer Research, BCI analysis. Note: MOP tonnage excludes MOP used in secondary production of SOP.

Figure 7 shows the SOP cost curve, highlighting the higher cost nature of Mannheim production relative to solar evaporation production. Mannheim producers are the marginal SOP producers but, as noted above, account for approximately 50% of all SOP production. The Mardie Project, as shown below, is expected to be globally competitive, mainly due to its coastal location (reducing transport costs) and the greenfield design of the SOP circuit as part of a large salt project.

Figure 7: SOP Cost Curve

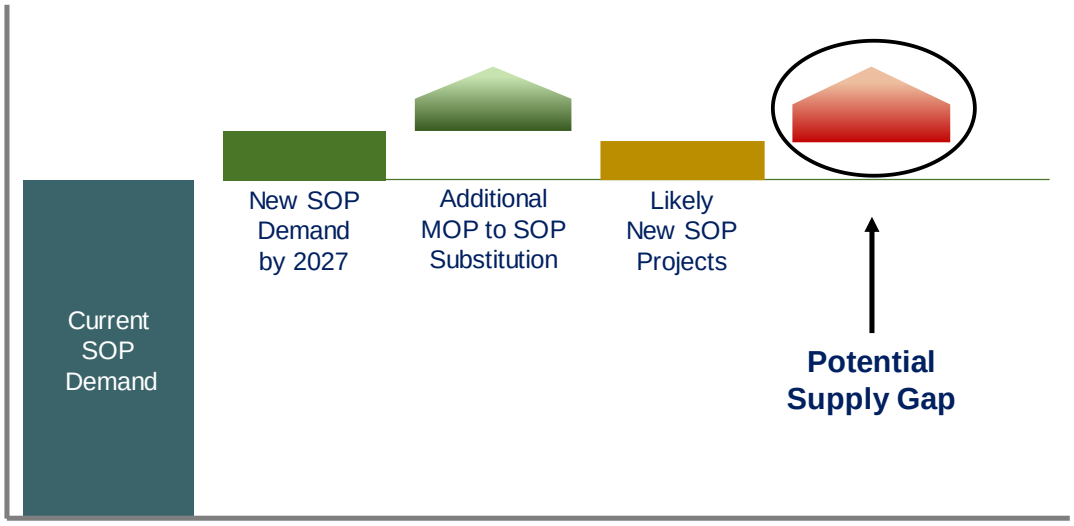


Source: Integer Research, BCI analysis.

BCI considers the key drivers in the increasing demand for SOP include the urbanisation of many developing countries with an increasing middle-class population which consumes greater quantities of specialty crops, decreasing arable land per capita and increased agricultural land at risk of high soil salinity.

Integer Research estimates that global SOP demand is expected to grow from 7.1Mtpa in 2016 to 7.9Mtpa in 2027. South Asia demand is forecast to substantially grow over this period, with Integer Research forecasting an 11.9% per annum growth in SOP demand in this region primarily driven by India. BCI believes there is likely to be growing momentum for the substitution of MOP with SOP fertiliser, which could result in higher demand growth for SOP, potentially leading to a future supply gap as shown in Figure 8.

Figure 8: Potential SOP Supply/Demand by 2027



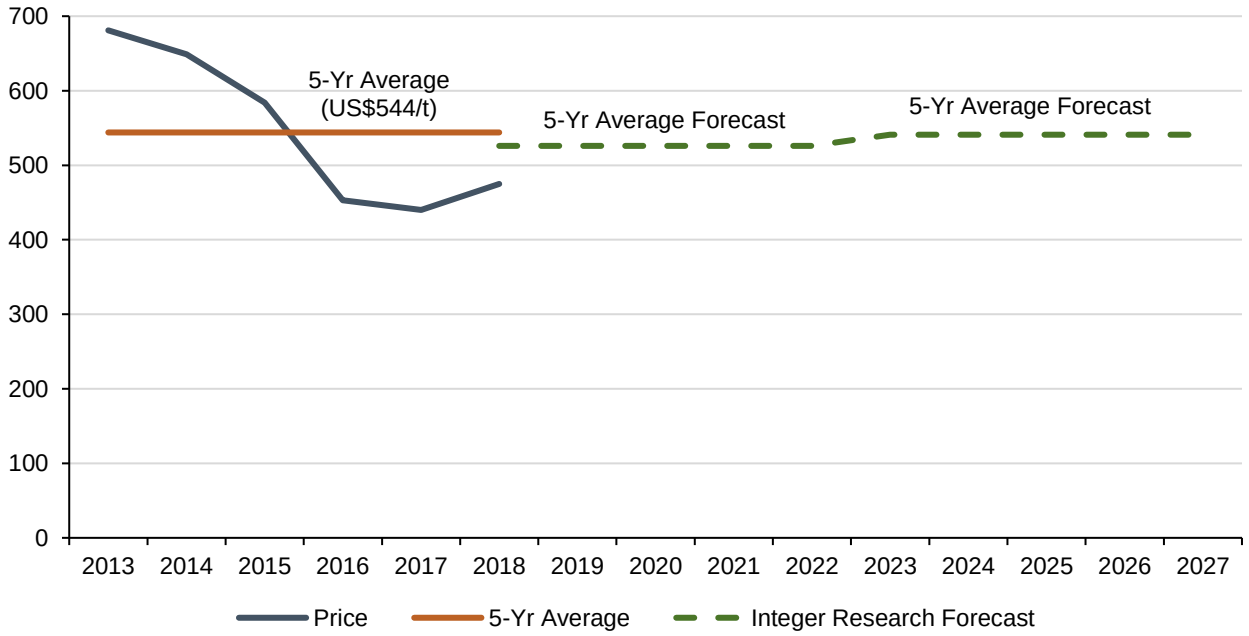
Source: BCI analysis.

SOP Marketing

SOP is sold at a premium price to MOP. This is due to SOP's suitability for use on higher value crops and the higher cost of the marginal SOP suppliers which use the Mannheim process. There are a number of price markers in relation to price forecasts (i.e. Europe, USA, China, Taiwan) which are reported on a FOB basis. The reported Taiwan FOB price has been used by BCI as a price proxy for internationally traded SOP in the Asian region. BCI proposes to market SOP to domestic buyers and regionally to primarily Southeast Asia.

Figure 9 illustrates the recent prices, the historical average and the price forecast for SOP (FOB Taiwan) to 2027, which indicates that prices will increase or at a minimum remain steady over the next decade. BCI has adopted a Mardie PFS SOP price assumption of US$500/t FOB (Dampier).

Figure 9: Historical and Forecast SOP Prices to 2022 (US$/t FOB Taiwan)



Source: Integer Research.

4. Geotechnical

The Mardie Project requires the construction of 89km^2 of concentrator and crystalliser ponds. Geotechnical investigations conducted as part of the PFS confirmed the Mardie site has the two critical geotechnical requirements for a solar evaporation project. These requirements, which will facilitate cost effective construction of the concentrator and crystalliser ponds and low product losses during operations, are:

- The presence of a low permeability clay layer that extends across the proposed pond footprint, which reduces product losses and eliminates the need for costly lining of ponds; and

- the availability of suitable material for the construction of low permeability walls which eliminates the need to source and transport suitable materials to site.

Geotechnical investigations have been completed utilising multiple methods to validate previous test work and increase the geotechnical understanding of the 89km^2 mudflat area to be used for pond construction. This suite of tests provides a comprehensive analysis of the permeability of the proposed pond area and allows BCI to conclude that the low permeability layer is extensive across the proposed pond footprint which will eliminate the need to line the ponds with low permeability sheeting. The studies completed during the PFS quantified the potential loss of 100,000 tonnes of salt through the eight concentrator ponds. A salt floor will be established in the crystalliser ponds during the first year of operations, effectively eliminating seepage and loss of product.

In addition, regional photo interpretation of geology along with on ground reconnaissance has been completed to identify potential borrow materials for construction. These investigations confirm that construction materials for pond walls are available.

5. Climate and Hydrology

The regional climate of the Mardie site is classed by the Bureau of Meteorology ("BOM") as 'Grassland' which is characterised by hot weather year-round with a summer drought. The nearest meteorological station is located at Mardie Station homestead less than 5km from the eastern boundary of the Project. The PFS is primarily based on data from this weather station, which records temperature, rainfall, wind speed and direction, daily solar exposure, relative humidity and cloud cover. Weather stations at Dampier Salt (71.2km north east) and Learmonth (239.9km south west) measure evaporation data, and an average of the two sites has been used in the assessment for the Project. Site dataloggers have been used for over 12 months to validate the BOM datasets.

Based on analysis of the monthly evaporation and rainfall data and mean temperatures and wind speed, the climate conditions are optimum for a solar evaporation operation and result in an overall net evaporation rate of approximately 2,970mm per annum.

Hydrological studies undertaken as part of the PFS, including storm surge level analysis, hinterland surface water flow modelling and inundation modelling, have shown that the Mardie site is ideally located from a hydrological perspective.

The Mardie site is conveniently located between the Fortescue and Robe river systems and catchment areas, which means that surface water flows from land to sea through the Project area are minimal. The water flows that do occur from the relatively minor catchments are accommodated by three sets of diversion bunds and three diversion channels through the Project area to ensure water flows are managed effectively without impacting ponds or Project infrastructure.

The Project is also protected from potentially damaging sea to land water movements (i.e. storm or cyclone induced surges and waves) by the island system directly adjacent to the coast and the mangrove forests lining the coast adjacent to the Project area. These two lines of defence in addition to the Project ponds being located 2-3km from the coast ensure that the Project has a high level of natural protection.

6. Project Approvals

BCI has identified all approvals necessary for the construction and operation of the Project and developed a strategy to secure these approvals by 31 December 2019. Various approvals will be required from a range of both State and Federal government departments including the Department of the Environment and Energy ("DOTEE", Federal), Department of Water and Environmental Regulation ("DWER", State), Department of Mines, Industry Regulation and Safety (State) and Department of Planning, Land and Heritage (State).

To enable a full environmental impact assessment to be completed for the Project, a range of studies and surveys are required to gain a full understanding of the local and regional ecosystem the Project potentially impacts. Many of these studies were completed during the PFS (refer to Table 2), greatly improving BCI's understanding of the local and regional environment, informing Project optimisation work and contributing to de-risking the development case by establishing environmental design criteria for the Project.

Table 2: PFS Environmental Studies

Study Completed	Consultant
Subtidal Benthic Communities and Habitat Surveys	O2 Marine
Intertidal Benthic Communities and Habitat Survey	O2 Marine
Mangal and Algal Matt Desktop and Reconnaissance Survey	Stantec
Inundation Modelling	RPS
Storm Surge Analysis	RPS
Acid Sulphate Soil Assessment	Stantec
Desktop Marine Fauna Survey	O2 Marine
Marine Turtle Desktop and Reconnaissance Survey	Pendoley
Conservation Significant Migratory Shorebird Survey	Phoenix
Targeted Flora and Vegetation Survey – Level 2	Phoenix
Targeted Terrestrial Fauna and SRE Survey – Level 1	Phoenix
Hydrological Surface Water Assessment	O2 Marine
Surface Hydrology Assessment	RPS
Subterranean Fauna - Intertidal Zone Groundwater Sampling Program	BCI

The following key modifications have been incorporated into the PFS Project design as a result of the completed studies:

- A substantial reduction in the size of the Project area through the surrender of tenement E08/2399 (4,808ha or 30% of tenure under lease at the time) to avoid mangroves in the Robe River Delta.

- A further reduction in the Project area (3,000ha or 29%) to avoid algal mats.
- Minimisation of clearing, dredging or other maritime disturbance associated with the Project.
- Re-location of the western pond walls landward, with a 300m buffer between these walls and the mangrove and algal mats, to minimise direct and secondary in-direct impacts to the ecosystem.
- Relocation of western pond walls to allow algal mats to migrate landwards towards the seawall and along corridors, in response to predicted sea level rise over the life of the Project (0.2m over 50 years).
- Installation of drainage corridors (300m wide channels), designed to maintain hinterland and tidal creek flows and connectivity.

BCI referred the Project to the DOTEE and DWER in April 2018, with an outcome on the assessment process and timeline through to environmental approval expected to be confirmed by mid-2018. BCI is confident it is well placed to secure environmental and other primary project approvals by December 2019.

7. Land Access, Native Title and Heritage

The Project comprises four granted exploration licences covering 272km^2 and one exploration license application covering 640km^2. Relevant areas of the exploration licences will be converted to mining leases prior to a final investment decision being made. In addition, BCI will apply for a miscellaneous license for the haul road which will connect the Project to BCI's existing miscellaneous license for the proposed haul road to CPE Port and to the NWCH.

The Mardie exploration licences are situated with the claim areas of the Yaburara Mardudhunera ("YM") and Kuruma Marthudunera ("KM") Native Title claim groups. BCI has long standing and strong relationships with both groups and existing Land Access Deeds.

A detailed heritage survey was completed during the PFS and the results have been taken into account in the project design, to ensure maximum avoidance of any heritage values.

BCI has identified key other parties that BCI will need to enter into access arrangements with, including pastoralists and gas pipeline operators. Discussions have been initiated and agreements are expected to be finalised prior to a final investment decision.

8. Production

The Project will produce salt via solar evaporation of seawater and crystallisation of raw salt, which is dry harvested and purified to produce a high purity product (>99.7% NaCl dry basis). The bitterns extracted from the primary salt crystalliser ponds will be subject to further evaporation, crystallisation and processing to produce a fertiliser grade SOP (>50% K_2O).

The project layout is shown in Figure 10 below, and the simplified production process is shown in Figure 11 and explained in further detail below.

Figure 10: Project Layout

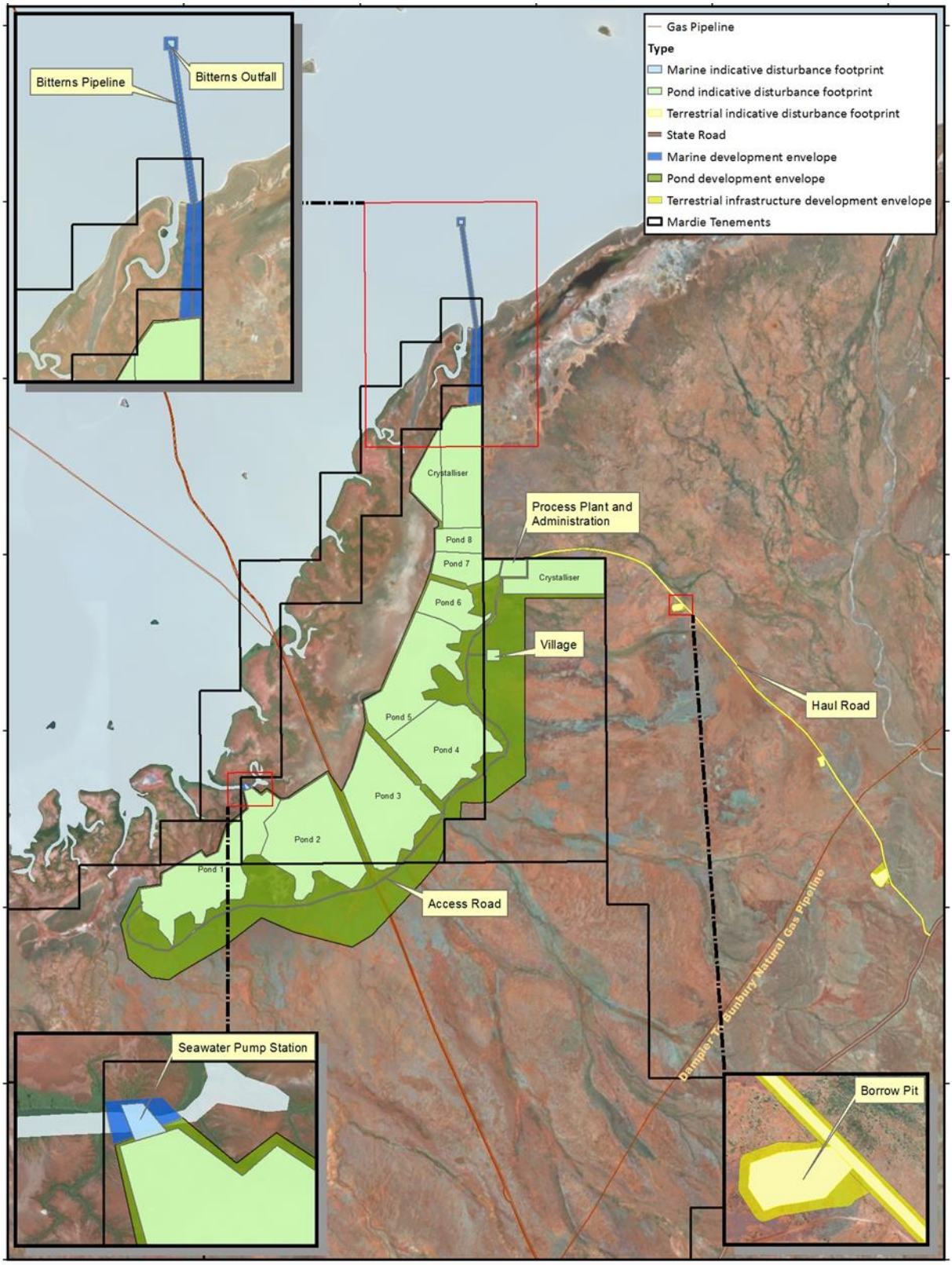
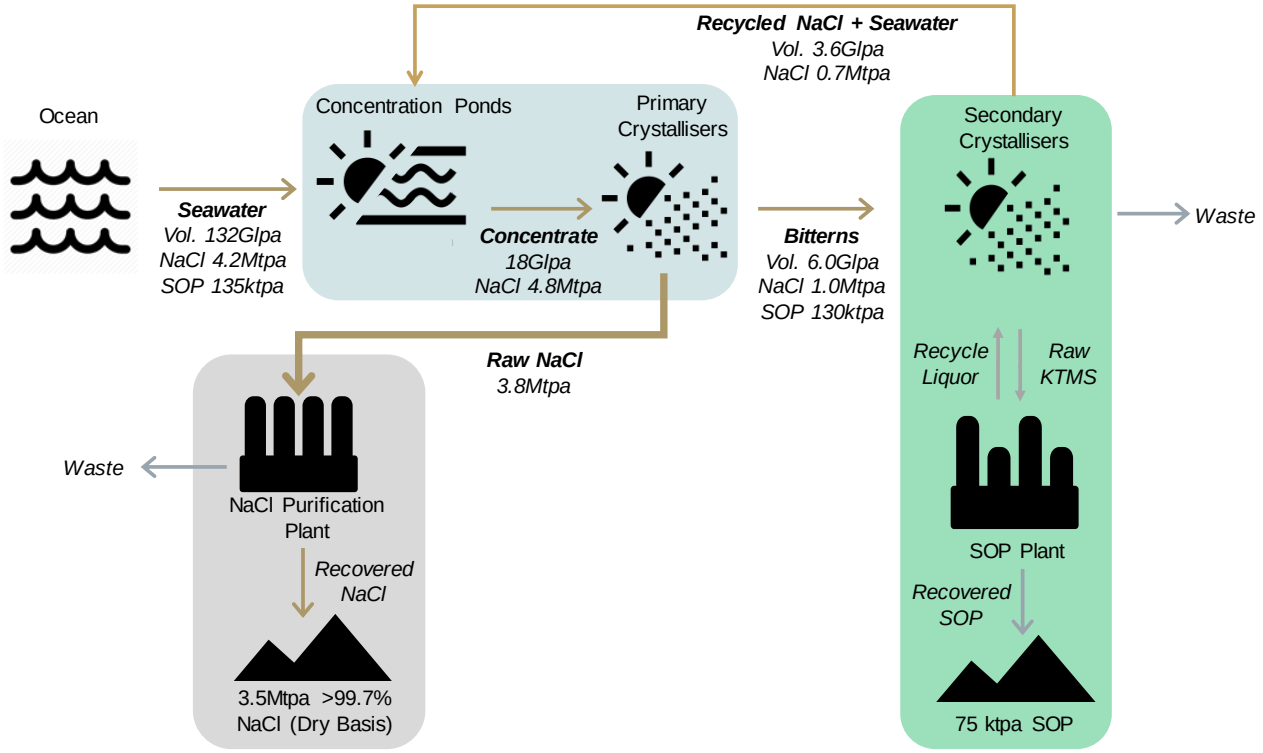


Figure 11: Simplified Production Process



Seawater Intake and Concentrator Ponds

A seawater pump station will extract 132 gigalitres per annum ("GLpa") of seawater from the ocean and transfer it to the first of eight concentrator ponds. Analysis of seawater from the proposed pump station location indicates that the volume extracted will contain total salts of 5.4Mtpa, including 4.2Mt of NaCl and 135ktpa of SOP equivalent.

Seawater progresses from Pond 1 to Pond 8 over a period of approximately one year, over which time the volume is reduced to 12% of its original volume and the specific gravity ("SG") is increased from 1.029 to 1.216, close the NaCl point of crystallisation. The majority of the volume reduction is due to solar evaporation, with approximately 1% lost from seepage. Pond 7 receives an additional 0.7Mtpa of NaCl recovered from the SOP production circuit and re-dissolved in approximately 3.6GLpa of seawater.

Flow rates into and between the concentrator ponds will vary through the year to correlate with monthly net evaporation rates, managed through a combination of de-energising individual pumps and variable speed drives.

Crystalliser Ponds

18GLpa of concentrated seawater containing 4.8Mtpa of NaCl is deposited from Pond 8 into a series of 12 crystalliser ponds, where further evaporation crystallises 3.8Mtpa of raw NaCl at SGs of between 1.227 and 1.25. At a SG of 1.25 the crystallisers are drained and raw NaCl is dry-harvested for treatment in the salt purification plant.

The bitterns drained from the crystallisers totals 6.0GLpa and contains 1.0Mtpa of NaCl and 130ktpa of SOP equivalent.

Salt Purification

The dry-harvested raw salt is hauled to a 700 tonne per hour ("tph") purification plant, which has been designed by Salt Partners using its proprietary HYDROSAL-XP salt purification process. The HYDROSAL-XP purification process is extremely efficient in comparison to standard wash plants, with low product losses (2-3%) and a high rejection rate for contaminants resulting in a high product purity of 99.7% NaCl on a dry basis.

Product is then stockpiled at the Mardie site for up to six months to assist with dewatering and product quality. Total product losses of 7% are assumed from harvesting through to export, resulting in saleable production of 3.5Mtpa.

At 700tph, the plant is sized for the maximum seasonal flow rate and therefore has significant annual spare capacity.

SOP Production

The process for producing SOP from primary crystalliser bitterns was developed by K-UTEC.

Approximately 6.0GLpa of primary crystalliser bitterns containing 1.0Mtpa of NaCl and 130ktpa of SOP equivalent (equal to a SOP equivalent grade of approximately 22kg/m^3) is pumped to the secondary crystallisers, which will be configured in four parallel streams of nine sequential crystallisers. The first four of nine crystallisers will precipitate mainly NaCl with sufficient contaminants to make it unsuitable for immediate purification. These crystallisers will be dry-harvested and dissolved in seawater before introduction back into Concentrator Pond 7 for re-concentration, re-crystallisation and purification. Crystallisers 5 and 6 will crystallise a mixed salt with a low potassium content that is considered waste. Kainite-type mixed salts ("KTMS") will form in Crystallisers 7 and 8, with the final crystalliser (9) allowed to hold surplus liquor. Different KTMS salts are dry harvested from each crystalliser and hauled to a stockyard and stockpiled separately.

KTMS salts are blended from stockpiles to provide a consistent feed into the SOP plant. The first stage is crushing, screening and dissolution in process water. The liquor proceeds through a solids/liquid separation plant to remove the majority of NaCl. The process results in a Schoenite mother liquor with the majority of NaCl returning to the crystallisers and the primary Schoenite proceeding to decomposition, washing, concentration and drying to become SOP product.

The K-UTEC study indicates that up to 91ktpa of SOP is recoverable through this process. BCI has adopted a conservative production rate of 75ktpa for the PFS.

Waste Disposal

Waste is produced at various points in the overall production process, with the main sources being waste bitterns from the salt purification plant, low potassium mixed salts harvested from secondary crystallisers 5 and 6, and waste bitterns drained from the secondary crystallisers. The waste streams are transferred to a holding pond for dilution in seawater and mixing, prior to pumping via pipeline over the tidal flats into deeper water where the waste liquid is released through a purpose designed diffuser.

9. Supporting Infrastructure

Site Access and Security

A 26km site access road will connect the process plants and infrastructure to the NWCH and BCI's proposed private haul road to the CPE Port. This will provide entry for all labour, goods and services. Security for site access will be located at the intersection of the site access road and BCI's private haul road.

Administration Facilities

Administration facilities will be centrally located near the process plant and will be prefabricated modular buildings serviced with power, communications, IT infrastructure, water and sewerage.

Maintenance Workshops and Stores/Laydown

Maintenance workshops will undertake regular servicing of mobile equipment and operate two mobile maintenance trucks for servicing remote fixed plant. Maintenance facilities will be suitable for general work while major repair work will be completed off-site in specialised workshops. The workshop will also serve as cyclone protection for key mobile equipment including salt harvesters.

Laboratory

A laboratory will provide a number of services, including concentrator pond management to ensure biological stability, crystalliser (raw salt) quality and condition, NaCl product quality and SOP product quality.

Accommodation Village

A village with a nominal 100 accommodation units, mess, wet mess, laundry, office, and entertainment facilities will be located within 2km of the process plant and supporting central infrastructure.

Boat Launching Ramp

A launching ramp constructed from precast concrete panels will be situated adjacent to the southern seawater pump station and designed for trailer vessels up to 7m in length and for the deployment and retrieval of floating pump stations. Vessels will be used for inspection of pumps and environmental monitoring.

Electrical Power Generation and Distribution

The PFS assumes electrical power will be supplied by diesel fuelled generators. The process plants and major infrastructure loads are located in close proximity allowing efficient use of a central power station and buried high voltage cabling, reducing the potential risk associated with overhead power lines in a cyclonic region. Local diesel generation is proposed for the seawater pump station. Natural gas and solar options will be further assessed during the DFS.

Mobile Vehicles and Equipment

The Project has a range of mobile vehicle and equipment requirements. In addition to general requirements, there will be a range of Project specific requirements including raw salt harvesters, graders, raw salt haul trucks, vessels for pump maintenance and environmental monitoring, and product loading equipment.

Water Supply and Distribution

The Project requires both clean seawater and freshwater for various applications. Local groundwater has been assessed in terms of both quality and quantity and is insufficient for long term use as plant and village water supply. An additional seawater pump station in the northern part of the Project will be used to the Project's water requirements. Raw seawater will supply pump desalting water and bitterns dilution feed water. Filtered and desalinated water will be used at the village, process plants and maintenance facilities. Desalinated water will be further treated to the Australian Drinking Water Guidelines at the village and workshop area, by packaged reverse osmosis plants consisting of fine filtration followed by chlorine dosing and UV treatment.

Waste Water Treatment

The accommodation village will be provided with a proprietary package waste water treatment plant ("WWTP"). Other areas will use underground sullage tanks which will be pumped out and transferred to the village for treatment. The WWTP discharge water will create effluent meeting medium "Exposure Risk Level" quality standards as specified by the Department of Health guidelines. Treated waste water will be applied to a designated irrigation area.

Communications

Major communications systems infrastructure runs along NWCH from Karratha to Onslow and is connected to operations in the area including Citic Pacific's iron ore operations and local gas hubs. The Mardie site has an existing Telstra tower with links to offshore oil & gas islands and mobile phone coverage, albeit limited in bandwidth. Landside communications for the initial development phase (construction and initial seawater concentration) would be provided via a microwave link. Ultimately the site would be connected by a fibre to the NBN backhaul network.

Weighbridge

A 4-deck weighbridge will be installed that is suitable to measure four sets of axles at one time and report the measurement in aggregate with the axle set to ensure that it complies with Main Roads WA axle load limitations. The weighbridge will be situated on the exit road and be complete with a return loop should the truck be overloaded or significantly underloaded.

Waste Management

A fenced landfill site will be located on the Mardie site to dispose of non-hazardous solid waste. The fenced landfill site will meet the requirements of the *Environmental Protection Act 1986* and the *Environmental Protection (Rural Landfill) Regulations 2002*.

10. Product Logistics

Salt

The PFS base case assumes that the proposed CPE Port, to be constructed by the leaseholder and BCI subsidiary, Cape Preston Logistics Pty Ltd ("CPL"), is to be expanded for salt export. CPL is in the process of negotiating with the Pilbara Ports Authority to allow salt export facilities to be integrated with iron ore facilities and operations.

Product stockpiles at the Mardie site will be connected to CPE Port via a 19km sealed private project access road which connects with a 48km section of BCI's proposed sealed private road to CPE Port.

At CPE Port, salt export infrastructure will be integrated with proposed iron ore infrastructure including the main jetty, access road, central control and utilities, maintenance facilities and accommodation facilities.

Salt export facilities will include:

- a dedicated truck underloading station and receival conveying systems;
- a two-product storage shed;
- a dedicated salt export conveyor system; and
- a dedicated salt shiploader.

Salt will be loaded onto a self-propelled and self-unloading transshipment vessel and transported approximately 5 nautical miles to either Handymax or Panamax vessels at anchorage or 12 nautical miles to Capesize vessels. The PFS is based on the use of one dedicated 12kt transhipment vessel which would allow it to sail loaded at mean tide. The transhipment vessel will be contracted from a service provider on a build, own operate basis and will be sufficient to facilitate exports of 3.5Mtpa.

Key advantages of utilising an integrated salt/iron ore facility at the Cape Preston East Port include:

- existing Federal and State environmental approvals would need only minor modifications to include construction of salt infrastructure and the export of salt; and
- sharing of the central utilities, access road, administration and 65% of the jetty structure with the proposed iron ore operation, thus reducing the overall capital cost and providing operating efficiencies.

A potential dedicated salt port at Mardie North has also been scoped. This would potentially reduce haulage costs and project risk, and mitigate the requirement for the iron ore facilities to be in place at Cape Preston East. This independent port would also have a significant positive impact on operating cost and operational efficiency. The Mardie North port will be designed and costed further during the DFS.

SOP

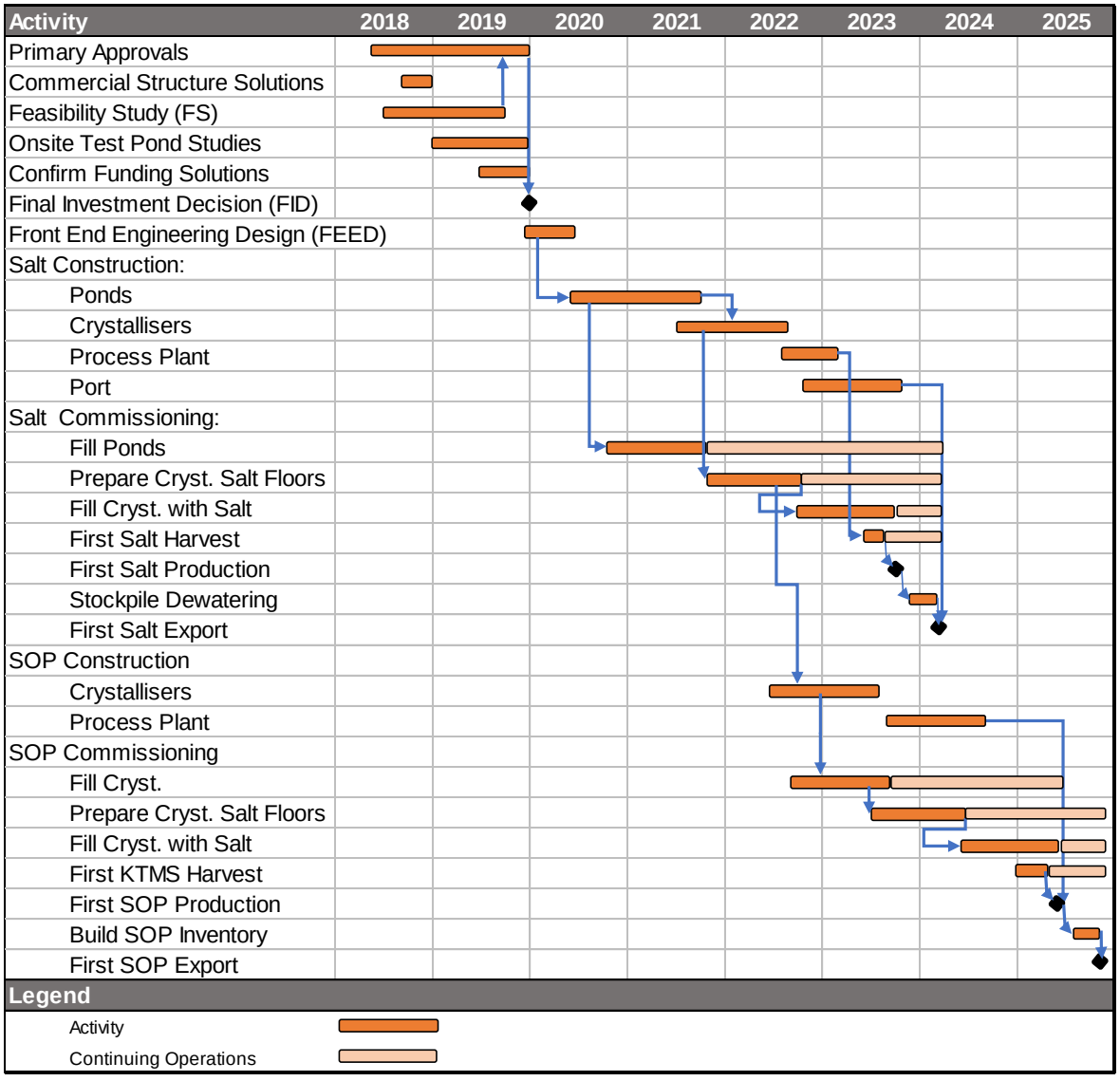
SOP destined for export markets will be bulk packaged at site and trucked via the site access road and NWCH to Dampier Port, where the General Cargo Wharf will be utilised to export product in sea-containers to overseas markets.

Sales into the Australian market could occur via road transport and/or coastal shipping. The CPE Port will also have the capability to load bulk cargos of around 10kt onto coastal ships for distribution to distant Western Australian regional ports such as Albany and Esperance, interstate and overseas.

11. Project Implementation and Operations

The Project has a five-year development timeline from the completion of the PFS to first production of salt in 2023 as shown in Figure 12. During the DFS, BCI plans to optimise the development timeline and explore opportunities to bring forward the schedule.

Figure 12: Project Development Timeline



The Project execution phase is planned to occur on a "just in time" basis, commencing in early 2020 with construction of the key infrastructure (i.e. accommodation village, power, water, wastewater), concentrator pond 1 and the seawater pump station. Once completed, concentrator pond 1 and the seawater pump station will be transferred to operations for the introduction of seawater. The following key schedule milestones would occur:

- Beginning in April 2020, over the first 18 months of construction, the concentration ponds will be completed in sequence and progressively transferred to operations, with brine progressively concentrated, ready for crystallisation.

- By month 15 (June 2021), the first primary crystallisers will be ready for service and nominal 400mm thick salt floors will be prepared by the operations team over the next 12 months, with the first raw salt harvest another six months later (June 2023).

- The salt purification plant will be constructed ready in time to achieve first production of salt in 2H 2023.

- Secondary crystallisers for SOP production will be constructed in 2022/23 and salt floors will be prepared in 2023/24. Recycled NaCl will be harvested from the secondary crystallisers, along with KTMS salts, for feed into the SOP plant in 2025. First SOP will be produced in 1H 2025.

The development strategy best suited to this style of project includes an early operations focus with a small Construction Project Management Team, which will be a combination of the Owners Team and various contracting services.

In developing the contract packaging strategy, it is recognised that there are large single discipline packages (i.e. earthworks & steel fabrication) and complex multi-discipline packages (i.e. processing plants, accommodation village, water treatment package). Major contracts provided in the examples above, will require the application of the appropriate pricing methodology. The contracting strategy has been developed to ensure that BCI has adequate control over the key production processes but has contracted out the non-production activities.

The operations structure is based on a small Perth head office covering corporate and administrative services including: human resources; legal; accounting; and marketing. The site-based operations personnel will be structured into four teams to provide the following services:

- Production – focused on operations from the introduction of seawater through to product custody being transferred to the Port and Haulage Team (see below).

- HSEC – focused on providing training, first aid, community consultation, media interaction and quality audits.

- Port and haulage – focused on haulage from the plant stockpile to the port, port management and transhipment to ocean going vessels (OGV), and export clearance.

- Facilities – focused on management and maintenance of accommodation village, site utilities (power, water, wastewater) and other non-process operations.

The core operational function of salt and SOP production will be managed by BCI. Functional areas where others (contractors) have expertise such as the road haulage, accommodation village, power supply and transhipment, will be contracted out with BCI providing high level management of that contractor.

The operations workforce would be sourced from local communities with a focus on Indigenous employment supplemented by fly-in fly-out (FIFO) personnel from Perth. FIFO personnel would fly to Karratha or Citic Pacific's Airport and a bus would transport them to site. The CPE port would be operated independently with its operations crew accommodated at the port. Corporate services would be provided by BCI from Perth.

12. Capex Estimate

The capex estimate has been developed for the pre-production expenditure required to produce and export 3.5Mtpa of salt and 75ktpa of SOP. The capex estimate has an overall level of accuracy between -15% to +25% and is equal to or better than an AACE Class 4 estimate as defined under AACE Recommended Practice No 18R-97. An independent review of the accuracy of the capex estimate has been undertaken by Dalesford. BCI and the appointed consultants have determined current pricing for items within this estimate based on a combination of vendor data, quotations and the experience of BCI and its consultants from previous projects and studies.

The capex required for the salt production circuit is $248M and for SOP $87M, resulting in a total capex of $335M. A breakdown of capex to full production by project component is provided in Table 3 below:

Table 3: Capex Estimate by Project Component

WBS Area	Area Description	Salt Capex (A$M)	SOP Capex (A$M)	Total Capex (A$M)
1000	Concentrator and Crystalliser Ponds	62	15	77
2000	Processing	25	46	71
3000	Supporting Infrastructure	14	4	18
4000	Accommodation Village	1	-	1
5000	Port – CPE	73	-	73
6000	Temporary Construction Services	10	4	15
7000	Project Management	14	7	21
8000	Owners Costs	28	4	32
9000	Contingency	21	7	28
Total		**248**	**87**	**335**

Capex for the concentrator ponds, primary crystallisers, salt purification plant, site infrastructure and salt export facilities at Cape Preston East has been allocated to salt production. Capex for the secondary crystallisers, bitterns treatment, SOP processing plant and incremental site infrastructure has been allocated to SOP production.

The capex estimate excludes the capital costs for components of the infrastructure which are to be provided by contractors or service providers including the salt and SOP haulage fleet, the accommodation village, power supply and transhipment vessels. Recovery of the capex for these elements is included in the opex estimate.

13. Opex Estimate

The opex estimate has been developed to produce and export 3.5Mtpa of salt and 75ktpa of SOP. The opex estimate has an overall level of accuracy between -15% to +25% and is equal to or better than an AACE Class 4 estimate as defined under AACE Recommended Practice No 18R-97. An independent review of the accuracy of the opex estimate has been undertaken by Dalesford. BCI and the appointed consultants have determined current pricing for items within this estimate based on a combination of vendor data, quotations and the experience of BCI and its consultants from previous projects and studies.

The free-on-board ("FOB") cash costs in Australian dollars have been calculated for 3.5Mtpa salt as A$19.7/t and for SOP as $250/t. Including sustaining capex, the all-in sustaining costs ("AISC") have been calculated as A$19.9/t for salt and A$260/t for SOP.

The salt opex covers:

- extraction of seawater;
- concentration of seawater into a brine solution;
- crystallisation of brine solution for high purity salt, harvesting and transport of salt to the purification plant;
- purification of raw salt into product and product stockpiling;
- transport of product to port, storage at port, transhipment and loading onto ocean going vessels; and
- marketing charges, State Government royalties and Native Title royalties.

The SOP opex covers:

- treatment of salt bitterns to produce salt for recycling into the high purity salt production;
- primary separation of mixed salts to waste;
- production of KTMS for harvest and processing,
- processing of KTMS into SOP;
- return of waste bitterns to the ocean;
- packaging and storage of product;
- transport of product to the port of Dampier for export or supply to fertiliser wholesalers and retailers in Australia; and
- marketing charges, State Government royalties and Native Title royalties.

As noted previously, the opex estimate includes recovery of capital costs for components of the infrastructure which are to be provided and funded by contractors or service providers including the salt and SOP haulage fleet, the accommodation village, power supply and transhipment vessels.

Table 4: Opex Estimate for Salt

Area Description	Annual Opex (A$M)	Unit Opex (A$/t)
Production (Mardie Site)	20.4	5.8
Haulage	11.5	3.3
Port Handling and Transhipment (CPE)	18.5	5.3
Corporate and Overheads	6.7	1.9
Contingency	5.7	1.6
C1 Cash Costs (FOB)	**62.8**	**17.9**
Marketing (2% of Revenue)	2.8	0.8
State Government Royalty (A$0.73/t)	2.6	0.7
Native Title Royalty (0.5% of Revenue)	0.7	0.2
Cash Costs (FOB)	**68.8**	**19.7**
Sustaining Capex	0.9	0.3
AISC (FOB)	**69.7**	**19.9**

Table 5: Opex Estimate for SOP

Area Description	Annual Opex (A$M)	Unit Opex (A$/t)
Production (Mardie Site)	12.9	171.4
Haulage	0.5	7.1
Port Handling (Dampier)	1.5	20.0
Corporate and Overheads	-	-
Contingency	1.5	19.9
C1 Cash Costs (FOB)	**16.4**	**218.4**
Marketing (2% of Revenue)	1.0	12.8
State Government Royalty (2.5% of Revenue)	1.2	16.0
Native Title Royalty (0.5% of Revenue)	0.2	3.2
Cash Costs (FOB)	**18.8**	**250.4**
Sustaining Capex	0.8	10.0
AISC (FOB)	**19.5**	**260.4**

14. Financial Evaluation

Overview

A financial evaluation has been undertaken using discounted cash flow ("DCF") modelling to calculate key project economic indicators including net present value ("NPV") and internal rate of return ("IRR").

The Project has been assessed on an unleveraged and pre-tax basis to provide a Project NPV. The discount rate used for the NPV calculation was 10% real. Cash flows were modelled on an annual basis in real terms referenced to 1 July 2018 in Australian dollars.

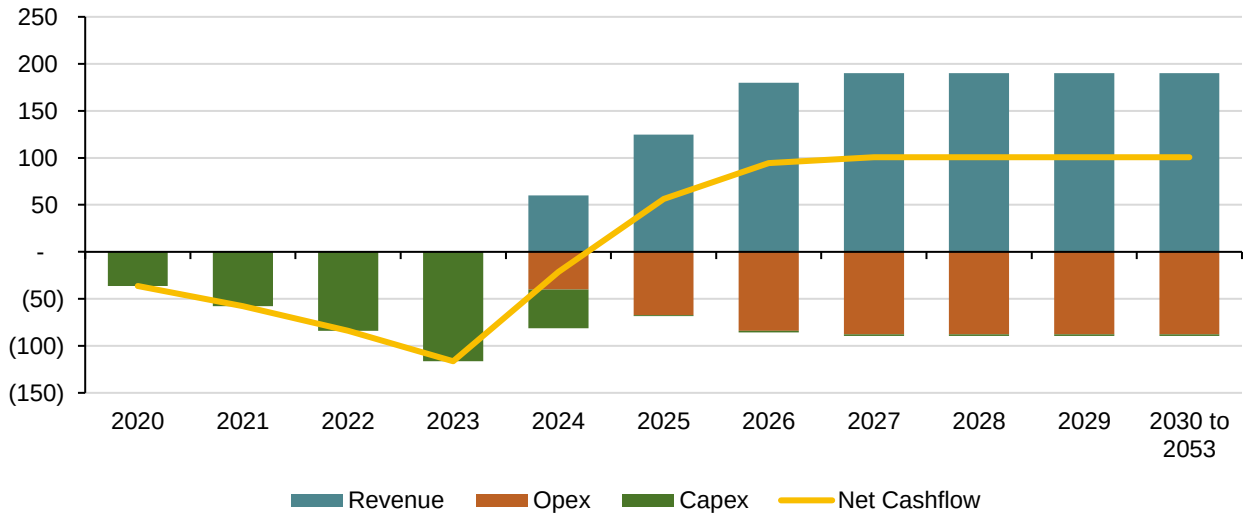
Summary of Financial Evaluation

The PFS presents an attractive investment case, with a pre-tax NPV10 of A$335M, IRR of 20% and annual EBITDA at full production of A$102M. Key financial metrics are shown in Table 6 and pre-tax Project cash flows are shown in Figure 13:

Table 6: Key Financial Metrics

Item	Salt	SOP
Production Rate	3.5Mtpa	75ktpa
Capex	A$248M	A$87M
	(Total A$335M)	
Opex	A$20/t FOB	A$250/t FOB
Product Price	US$30/t FOB	US$500/t FOB
Exchange Rate	0.75 US$ / A$	
Project Life (Production)	30 years	
Annual EBITDA	A$102M	
Pre-tax NPV_{10}	A$335M	
Pre-tax IRR	20%	
Payback	5 years post production start	

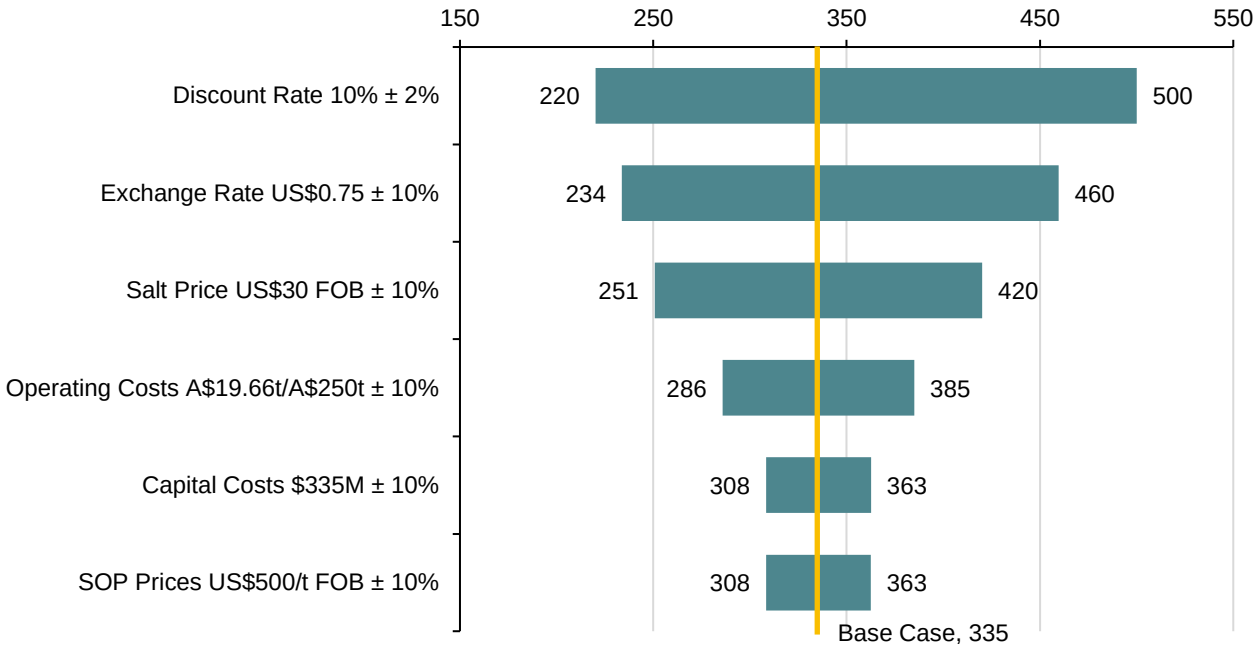
Figure 13: Mardie Project Pre-Tax Cashflows (A$M)



While the Project value has been assessed over 30-years of production, the Project life could be considerably longer given the feedstock is seawater. Other solar evaporation salt projects in the region which have already been in operation for more than 40 years are still operating profitably.

Sensitivity of the pre-tax NPV to changes in key assumptions is set out in Figure 14 below. The Mardie Project is most sensitive to changes in discount rate, exchange rate and salt price assumptions, followed by changes in operating costs and then capital costs. The Project is least sensitive to SOP prices due to the lower production tonnages.

Figure 14: Pre-tax NPV Sensitivity Analysis (A$M)



Funding

BCI will advance development funding options and ownership structures for the Project in detail during preparation of the DFS. The Project development capex estimated in the PFS at A$335M is likely to be funded from a combination of project debt, equity, product offtake pre-commitments and via build-own-operate (or similar) models where feasible.

BCI has initiated discussions with potential marketing offtake partners and strategic investors which will be progressed during the DFS. The Company will expand its discussions with potential strategic industry partners, financial investors including traditional banks, private equity funds, institutional and private investors, as well as contractors during the next phase.

The Company will consider all feasible funding structures for the equity component including raising equity in BCI for investment into the Project, or raising direct equity into the Project. Direct investment into the project by a third party(s) would reduce BCI's interest in the project and its direct funding requirement.

The strong cash flows estimated in the PFS demonstrates the Project's potential to support debt as a component of the development funding solution. Debt capacity will be refined following discussions with potential financiers during the DFS phase.

The Company, its Board and management team have a strong track record of securing partners and funding for resource projects, and successfully bringing projects into production. Its shareholder base has also demonstrated strong support for past equity raisings. These factors, together with the Project's positive PFS results provide the Company with a reasonable basis to expect that the Project's capital cost can be funded on completion of a positive DFS.

15. Risks and Opportunities

During the PFS, the project team has gained a comprehensive understanding of the risks associated with the Project and explored the key opportunities to be pursued during the DFS.

The key risks associated with the Project are presented in Table 7. It is concluded that all risks can be reduced and mitigated effectively through further studies and appropriate design and management practices.

Table 7: PFS Risk Review Outcomes

Risk Issue and Cause	Inherent Risk	Controls	PFS Stage Residual Risk
Operations stage: Market price assumptions are not realised.	Very High	▪ Secure offtake partners; ▪ Secure long term contracts with premium pricing based on quality and reliability; and ▪ Minimise operating costs.	Moderate
FS stage: Environmental approvals are not secured on time.	Very High	▪ Actively continue positive engagement with EPA; and ▪ Modify project design to protect key environmental values.	Moderate
Operations stage: Storm or cyclone leading to major pond wall breach.	High	▪ Storm surge modelling completed to understand impacts to sea walls; ▪ Sea walls designed to withstand 1:100 ARI event; and ▪ Sea walls located 2km to 3km inland from the coast.	Moderate
Operations stage: Product quality deteriorates, or low yields achieved due to poor operation of ponds and plant or cross contamination.	High	▪ Concentration and crystalliser pond mass balance model developed; ▪ Salt and SOP plants designed by industry experts; ▪ Hiring of appropriately skilled and qualified personnel; and ▪ Covered stockpiles and conveyors at CPE export facility.	Moderate
FS stage: Further geotechnical surveys in untested areas indicate that geotechnical characteristics of the land are not suitable for pond construction or operation.	High	▪ Geotechnical mapping completed across the pond areas; ▪ Construction methodology created; ▪ Pond lining can be considered if required; and ▪ Location of construction materials defined.	Moderate
FS stage: CPE iron ore (and integrated salt) port is not developed	High	▪ Decouple port solution from CPE and develop stand-alone port at Mardie.	Moderate
FS stage: Capex and/or opex increases materially due to additional definition during DFS and design; exchange rate changes; and construction costs increase.	High	▪ PFS independent peer reviewed costs between 15% and 25% accuracy; ▪ Further DFS design work scoped to narrow accuracy further; and ▪ Credible industry engineers to be involved in DFS	Moderate

A number of key value add opportunities have been identified, as described in Table 8 below. These opportunities will be assessed in detail during the DFS and could potentially enhance project economics.

Table 8: PFS Summary of Key Opportunities

Opportunity	Benefits
Extend Project footprint to allow increased production.	▪ Increase concentrator and crystalliser pond capacity and salt and SOP production by an additional 0.5Mtpa NaCl. ▪ Additional revenue A$20Mtpa. ▪ Assumed additional CAPEX $30M. ▪ NPV increase of $100M.
Assume higher SOP recovery estimate.	▪ The PFS assumed a conservative annual production rate of 75ktpa; however, the KUTEC study indicated a production rate of 91ktpa is achievable. ▪ The production rate of 91ktpa could be adopted without any increase in capex or opex, resulting in a revenue increase of approximately A$10M per annum. ▪ NPV increase of A$52M.
Develop alternative port solution at Mardie North.	▪ De-couples Project from CPE's iron ore facilities associated with BCI's Buckland Project (and is therefore not dependent on the viability of the Buckland Project). ▪ Net capex increases by A$77M. ▪ Net opex decreases by A$3.80 (i.e. haul road: A$2.94/t and capital charges: A$0.86/t). ▪ NPV increase of A$30M.
Recover by-products from the salt and SOP bitterns.	▪ Additional by-products produced to add additional NPV (i.e. bromine, epsomite, gypsum and other magnesium compounds). ▪ Reduce bitterns output into the ocean. ▪ The business case for recovery of additional by products will be investigated as part of the DFS.
Power generation innovation to reduce opex and CO_2 emissions.	▪ Investigate the use of natural gas for the generation of power across the site. ▪ Investigate the further use of solar power to supplement fossil fuel generated power. ▪ The ability to improve the business case via the use of gas-fired power infrastructure or solar power generation will be assessed as part of the DFS.

16. Project Status and Forward Work Plan

The Mardie Project has reached the level of definition required to conclude a PFS. The PFS has defined a Base Case for the Mardie Project which will be further defined in the DFS. The forward work plan is focused on completing the DFS in preparation for a final investment decision by mid-2019. The forward work plan also addresses the environmental and heritage approvals process which requires upfront works to enable approval objectives to be achieved. Work has been planned to de-risk and provide improved certainty of outcome, optimise capital and operating costs, and to improve the Project's economics.

CAUTIONARY STATEMENT

The Project is proposing to produce salt and SOP from seawater. The JORC Code is not applicable to such a project and accordingly Ore Reserves and Mineral Resources are not reported. However, the input resource, seawater from the ocean, is abundant and has a known and consistent chemical composition. The PFS is based on material assumptions outlined throughout this announcement, including as to the availability of funding. While BCI considers all material assumptions to be based on reasonable grounds, there is no certainty that they will prove correct or the outcomes will be achieved.

This PFS contains prospective financial material which is predictive in nature and may be affected by inaccurate assumptions, known or unknown risks and uncertainties and may differ materially from results ultimately achieved. The PFS contains “forward-looking statements”. All statements other than those of historical facts included in the PFS are forward-looking statements. Where BCI expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, commodity price volatility, currency fluctuations, increased production costs and variances in production rates, as well as political and operational risks and governmental regulation and judicial outcomes. BCI does not undertake any obligation to release publicly any revisions to any “forward-looking statement” other than as required by law relating to any material changes in assumptions.

-END-

For further information:

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Managing Director	Chief Financial Officer	Investor Relations Manager

ABOUT BCI MINERALS

BCI Minerals Limited (ASX:BCI) ("BCI") is an Australian-based resources company that is developing an iron ore and industrial minerals business.

Iron Valley is an operating iron ore mine located in the Central Pilbara region of Western Australia, which is operated by Mineral Resources Limited (ASX:MIN). Iron Valley is generating quarterly royalty earnings for BCI.

BCI is currently focused on advancing two 100% owned projects, Buckland Iron Ore and Mardie Salt, which are both proposed to export product through BCI's planned 20Mtpa Cape Preston East Port facility.

Buckland is an iron ore development project located in the West Pilbara region of Western Australia, comprising potential mines at Bungaroo South and Kumina. BCI is currently conducting a large exploration programme targeting higher grade ore from the Kumina tenements, and is progressing studies to determine the feasibility of developing a 15Mtpa operation from both mentioned deposits, or a standalone 8-12Mtpa operation at Kumina.

Mardie is a salt and sulphate of potash ("SOP") project located on the West Pilbara coast in the centre of Australia's key salt production region. BCI has completed a Pre-Feasibility Study on a solar evaporation operation producing 3.5Mtpa salt and 75ktpa SOP. The Company intends to complete a Definitive Feasibility Study in 2019.

In addition to these focus projects, BCI is a joint venture partner of Kalium Lakes Limited (ASX:KLL) in the Carnegie Potash Project, which is currently at a Scoping Study stage.

BCI owns gold and base metals prospective tenements at Marble Bar & Black Hills in the Pilbara, Peak Hill in WA's Midwest region, and graphite prospective tenements at Munglinup southern WA.

The Company's portfolio also includes potential iron ore royalties over the Nullagine, Koodaideri South and Extension tenements.

KEY STATISTICS

Shares on issue:	395.0 million	
Cash and cash equivalents:	$17.5 million	as at 31 March 2018
Board:	Brian O'Donnell	Non-Executive Chairman
	Alwyn Vorster	Managing Director
	Michael Blakiston	Non-Executive Director
	Jenny Bloom	Non-Executive Director
	Martin Bryant	Non-Executive Director
	Andy Haslam	Non-Executive Director
Major shareholders:	Wroxby Pty Ltd	27.7%
Website:	www.bciminerals.com.au	