



Driving the Mardie Project Towards Development

Corporate Presentation

About BCI Minerals

- Based in Perth, Australia (ASX: BCI)
- Market cap of ~A\$55M
- A\$36M¹ cash and zero debt
- Building a new **Salt** and **Potash** business supported by **Iron Ore** cash flow:
 - **Mardie Salt & SOP Project:** Pre-development studies and early site works being undertaken
 - **Iron Valley Mine:** Royalty earnings from the 6-8Mtpa operation (A\$6-15M pa)
 - Divestment process of other assets continues



BCI Investment History

BCI has a track record of funding, developing and operating mining projects



1. Nullagine Joint Venture – Iron Ore:

- Developed from greenfields and operated from 2010-2015
- Dividends paid to shareholders: A\$100M



2. Iron Valley – Iron Ore:

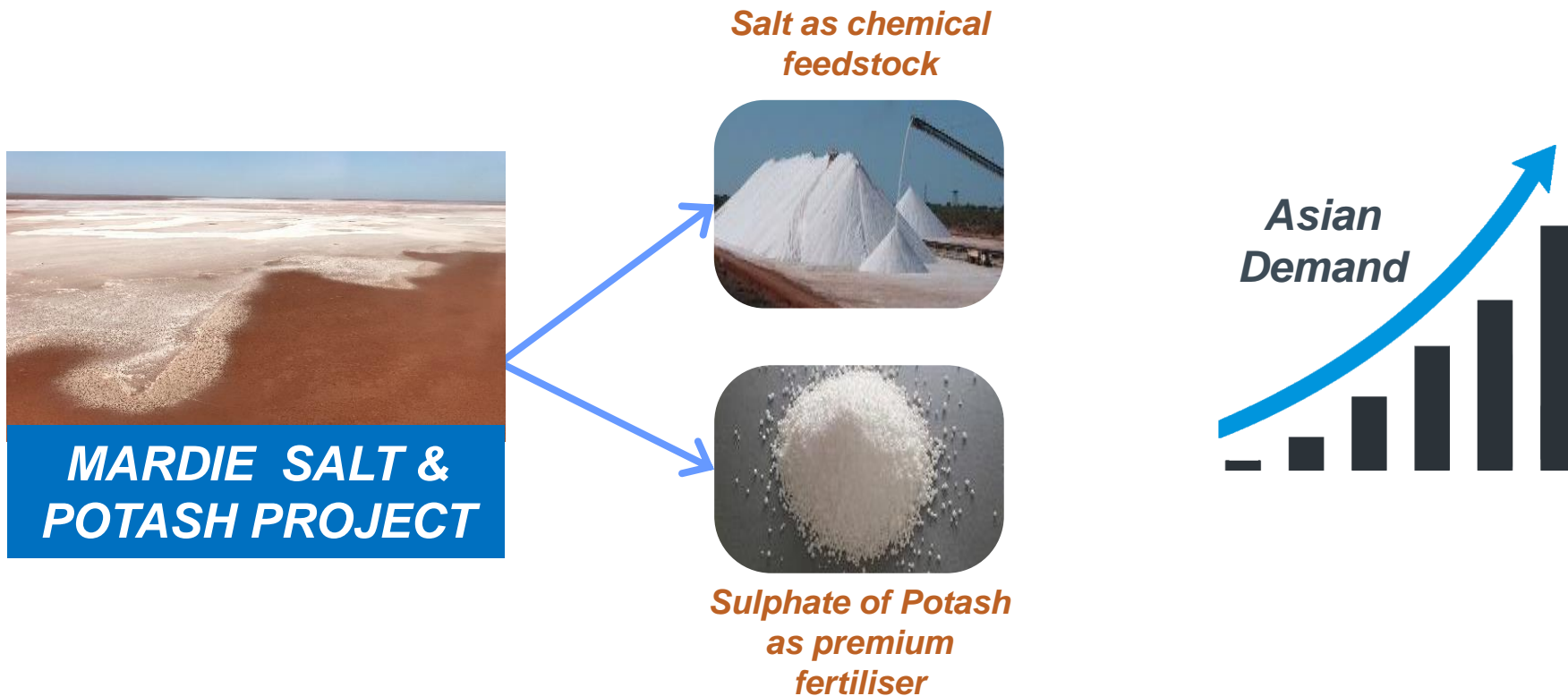
- Developed in partnership with Mineral Resources Ltd
- Operations from 2014 to current
- BCI royalties to date: A\$170M revenue and A\$40M EBITDA



3. BCI is now focused on developing the 100% owned Mardie Salt & Potash Project

The Mardie Opportunity

Mardie is a Tier 1 long life project that can supply the Salt and Potash growth markets in Asia



BCI believes rapidly developing its 100% owned Mardie Project will create substantial value for all stakeholders

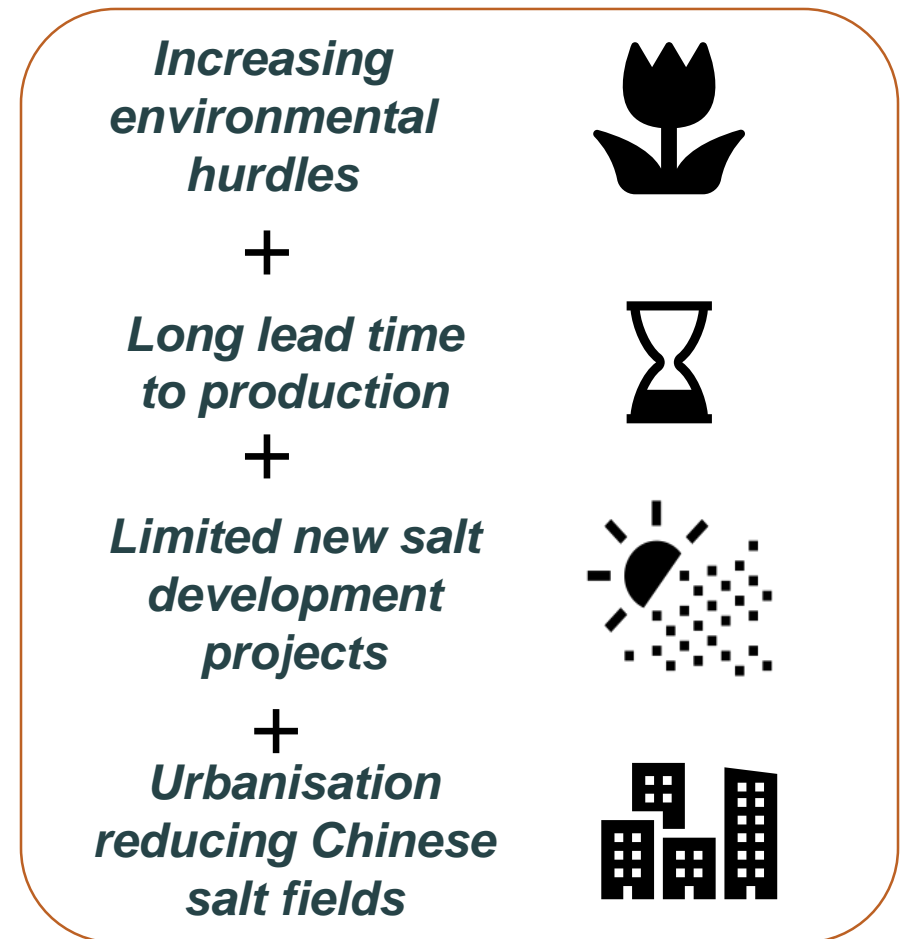
Positive Salt (NaCl) Market Dynamics

Supply deficit of >20Mtpa forecast in next decade (~5 Mardie sized projects)

SALT DEMAND INCREASING



SALT SUPPLY CONSTRAINTS



Positive SOP (K_2SO_4) Market Dynamics

Feeding the increasing Asian population

SOP DEMAND INCREASING

SOP is a premium fertiliser for higher value crops



SOP contains no chlorine (soil friendly)



Arable land reducing at alarming rate



Increasing Asian middle class needing more and better quality food



SOP SUPPLY CONSTRAINTS

Most SOP projects located in remote areas far from ports



No current Australian Production



MOP is a cheaper alternative to SOP (but contains chlorine)



Australian Salt & SOP Landscape

- Five large existing evaporative **Salt** operations in the Pilbara region of WA
 - Total production capacity of 14Mtpa
 - Up to 5 decades old
- No existing **SOP** production in Australia with all planned projects based on extraction of brines from inland salt lakes
- **Mardie Project** is located on the coast in the centre of Australia's salt production region
- Mardie will produce from an inexhaustible seawater resource:
 - **Salt** as primary product; and
 - **SOP** as by-product



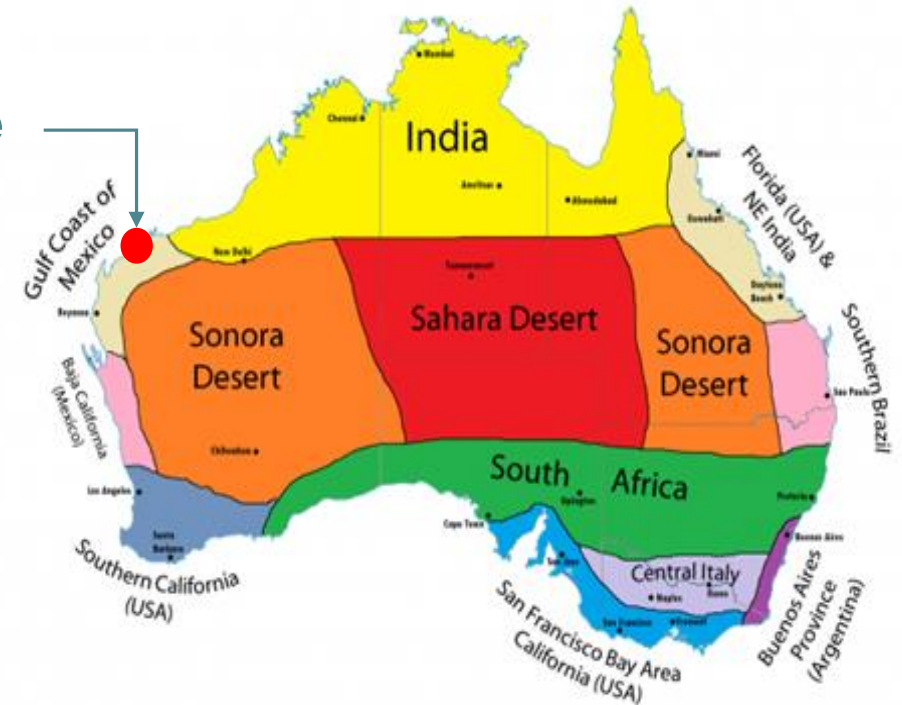
Mardie – Ideal Location

Large landholding in hottest part of Australia

- Vast area of impermeable clay soils
- High temperature and high winds (= high evaporation)
- Low average rainfall
- Suitable marine area for export jetty

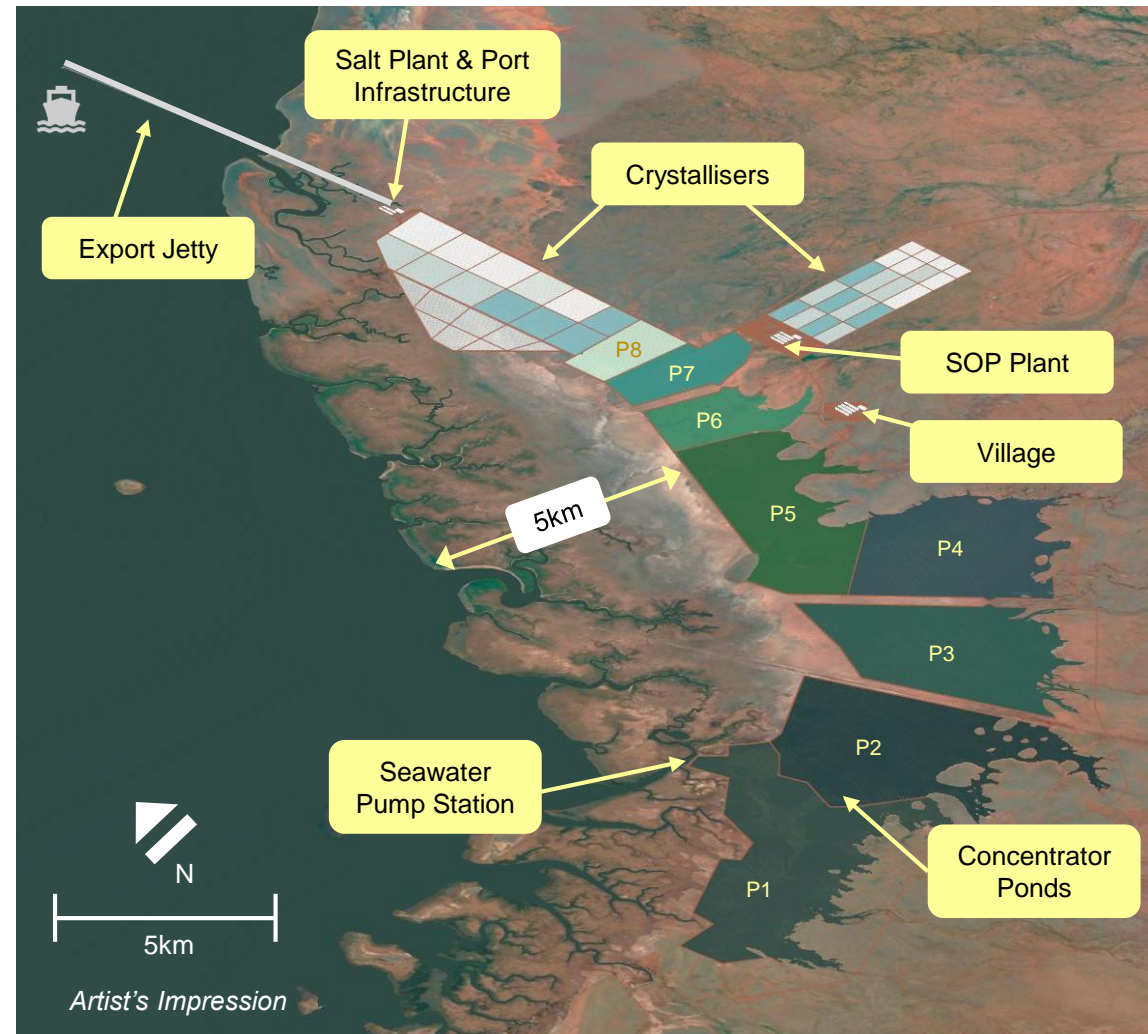


Mardie



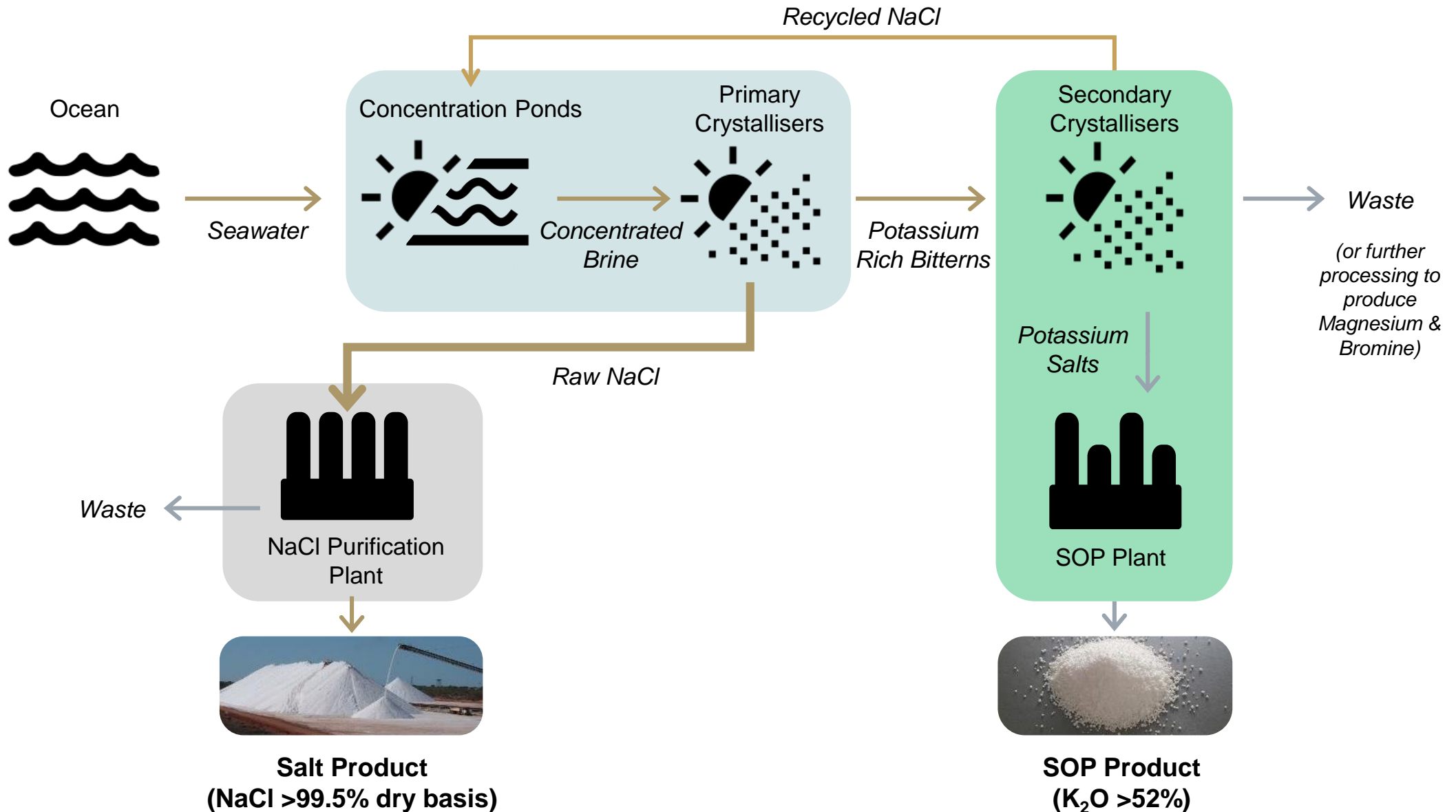
Mardie Project Layout

- Mardie Project footprint designed 3-5km inland to limit disturbance of coastal ecosystem
- 6 pumps on floating pontoons with 10,000l/s capacity
- 8 large ponds and 36 crystallisers over a 20km x 5km area
- Salt Plant and SOP Plant with modern technology
- Salt export jetty to reach 5m water depth
- Transshipping to large vessels anchored offshore



Simplified Process Flow

Applying latest processing technology to produce high purity products



Attractive PFS Economics to Improve in DFS

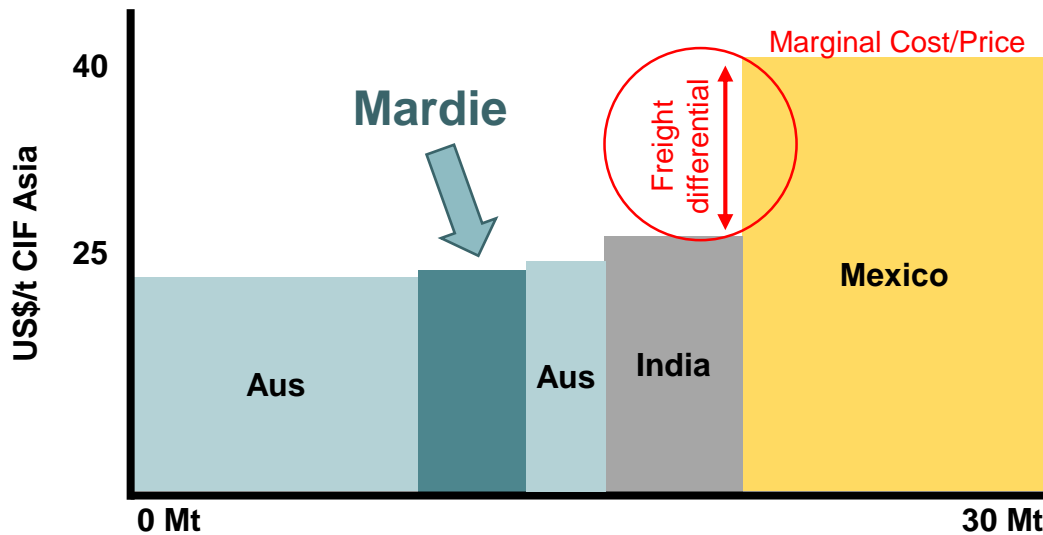
	<i>PFS¹</i>	<i>DFS OBJECTIVES¹</i>
Production	<ul style="list-style-type: none"> Salt: 3.5Mtpa SOP: 75ktpa 	<ul style="list-style-type: none"> Salt: 4.0Mtpa SOP: 100ktpa
Capex (Direct)	<ul style="list-style-type: none"> Salt: A\$175M SOP: A\$65M 	<ul style="list-style-type: none"> Salt: A\$240M SOP: A\$75M
Opex (FOB all-in cash cost basis)	<ul style="list-style-type: none"> Salt: A\$20/t SOP: A\$250/t 	<ul style="list-style-type: none"> Salt: A\$16/t SOP: A\$250/t
Financials²	<ul style="list-style-type: none"> NPV₁₀: A\$335M EBITDA: A\$102M pa 	<ul style="list-style-type: none"> NPV₁₀: A\$450M EBITDA: A\$130M pa

1. Refer to BCI's PFS release dated 1 June 2018. All material assumptions and technical parameters underpinning the production target and forecast financial information derived from the production target continue to apply and have not materially changed. DFS numbers are aspirational aims

2. Financials based on a 30-year operating life; pre-tax basis; salt price of US\$30/t FOB; SOP price of US\$500/t FOB; AUD exchange rate of 0.75.

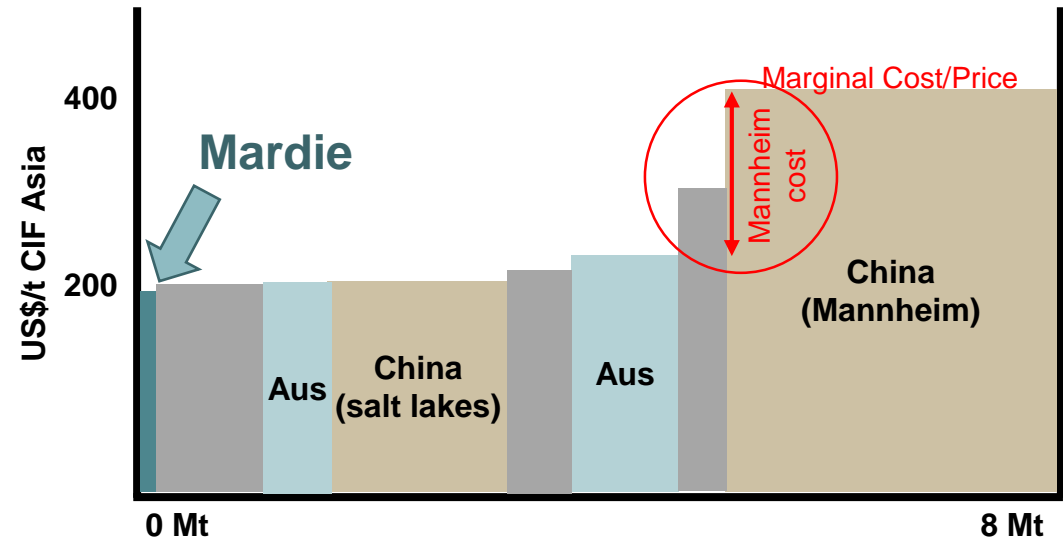
Mardie's Competitive Positioning

Seaborne High Purity Salt Cost Curve



- Australian freight advantage compared to Mexico (displace some Mexican supply)
- Mardie to blend latest technologies with proven production processes
- Mardie will be cost competitive with existing Australian operations

Simplified SOP Cost Curve



- Large volume of high-cost Mannheim production underpins SOP pricing
- Mardie SOP as by-product, with large proportion of capex & opex “sunk” against salt production
- Mardie is 10x closer to port than inland brine SOP projects, minimising transport costs

Approvals & Tenure Well Defined

Environmental



- Significant surveys completed and no material issues identified
- Environmental approvals on track for late 2019 (EPA endorsed timeline)

Heritage



- Land access agreements with Native Title claim groups secured
- Heritage surveys for majority of project area successfully completed

Tenure



- Seeking State Agreement or equivalent terms with other WA salt projects
- Progressing approvals for export facility at Mardie

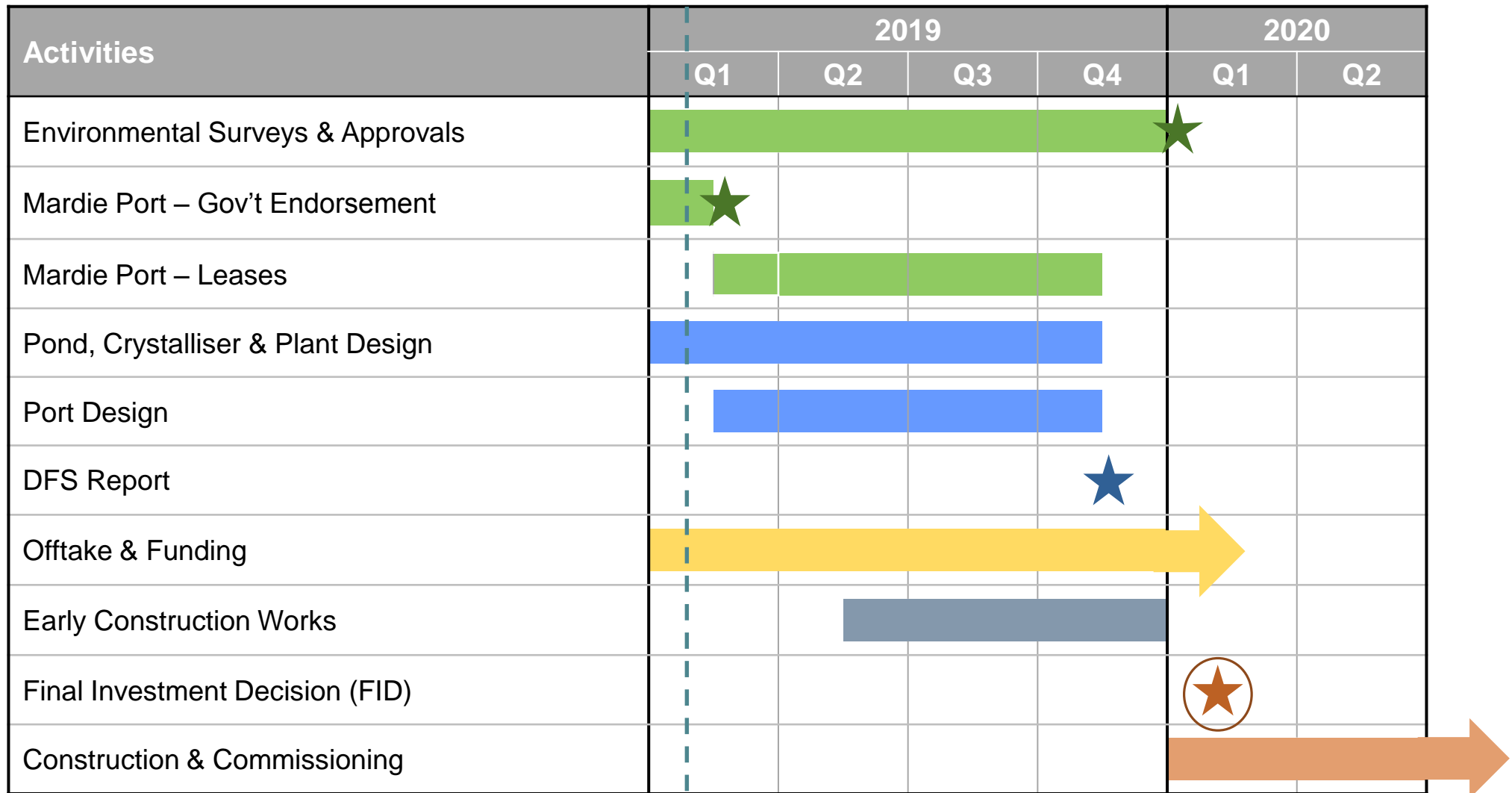
Stakeholder Benefits



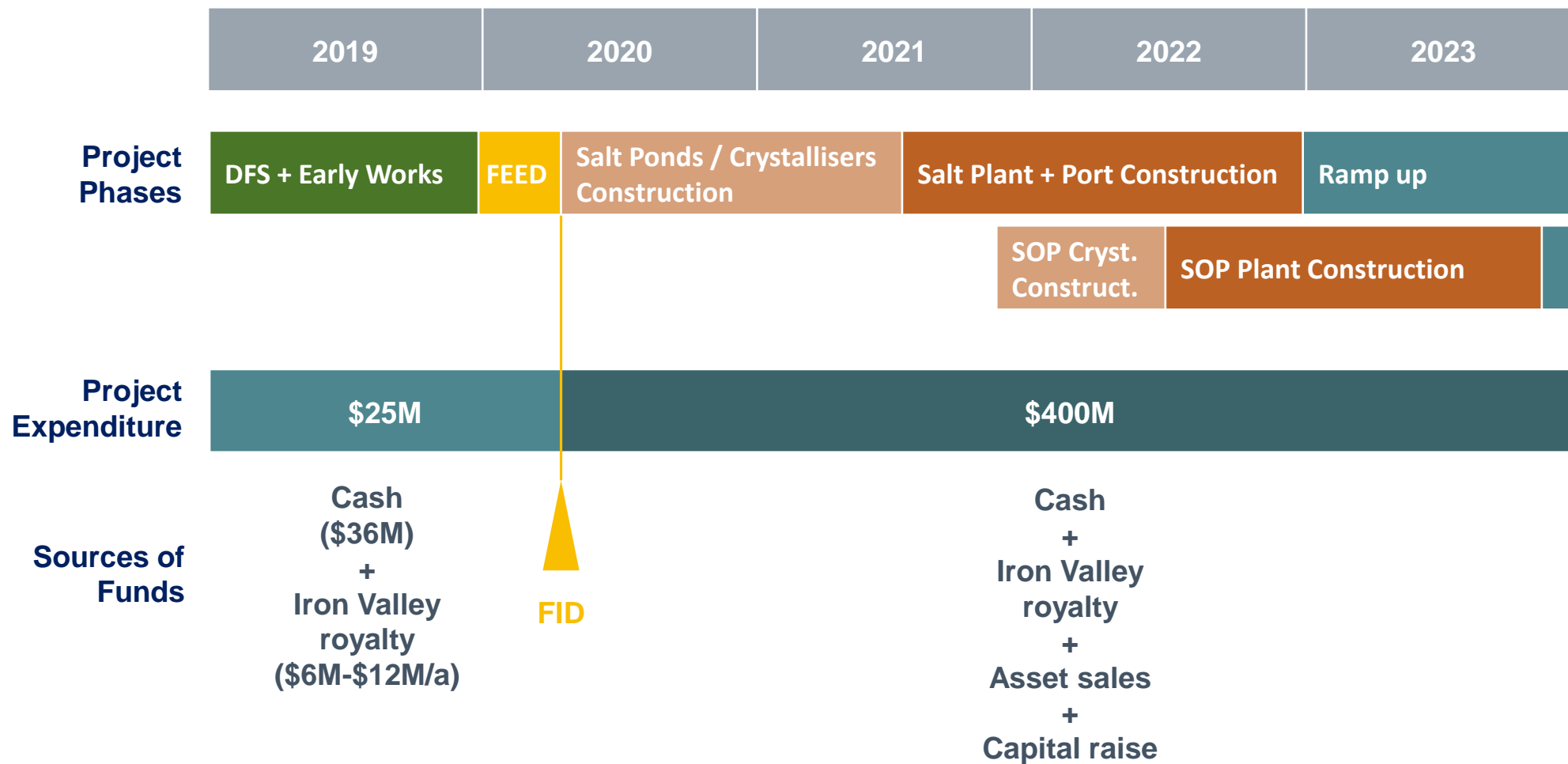
- ~\$1.5b corporate tax, ~\$250M State royalties, ~\$50M Native Title payments
- ~200 peak workforce and ~100 sustained workforce – significant regional and indigenous employment opportunities

Mardie Timeline

Final investment decision targeted by Q1-20, allowing first salt sales in early 2023



BCI is Well Funded to FID in Early 2020



Mardie – Unique Project Opportunity



1. **Market:** Strong market outlook for salt & SOP
2. **Project:** Tier 1 asset – ideal location, long life, large scale & low costs
3. **Sustainability:** Inexhaustible seawater resource and production utilising ~95% solar and wind energy
4. **Company:** BCI has a positive development track record and is well funded and supported to accelerate Mardie's development

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Appendix



Corporate Information



Capital Structure

Ordinary Shares	397.6M
Share Price (25-Jan-19)	\$0.135
Market Capitalisation	\$53.7M
Cash (31-Dec-18)	\$36.6M
Debt (31-Dec-18)	Nil

Shareholding and Trading

Wroxby Pty Ltd	27.6%
Top 20 Shareholders	~50%
Number of Shareholders	~7,000
Ave Daily Volume (Last 6 Months)	~500,000

Board

Brian O'Donnell
(Non-Exec Chairman)

Alwyn Vorster
(Managing Director)

Jennifer Bloom
(Non-Exec Director)

Michael Blakiston
(Non-Exec Director)

Management

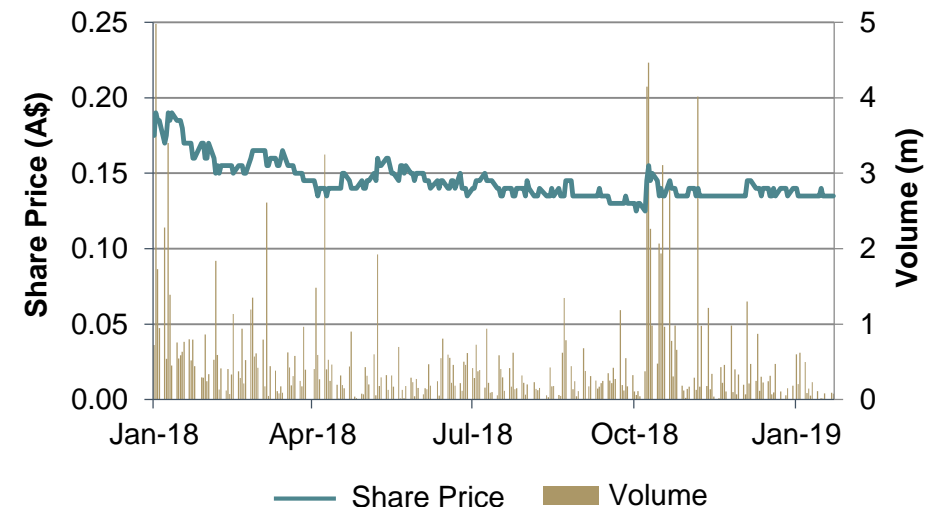
Simon Hodge
(Chief Financial Officer)

Tony Chamberlain
(Project Director)

Michael Klvac
(GM Corporate Affairs)

Stephanie Majteles
(General Counsel)

Share Price and Volume



Iron Valley Mine – Royalty Earnings

- Quarterly earnings for BCI via royalty agreement with Mineral Resources Ltd (MIN)
 - Underlying BCI EBITDA of ~A\$8M in FY18 and ~A\$16M in FY17
- 6-8Mtpa iron ore operation; 50% lump production; potential mine life of ~15 years
- Average ore grade: Lump 60% Fe; Fines 58% Fe
- Upside for BCI from MIN's Bulk Ore Shuttle System (BOSS)¹
 - Lightweight, narrow gauge rail system with fully autonomous operation
 - Lower opex improves financial viability
 - Potential construction start in 1H CY19
 - Potential to double production rates to 15Mtpa (**higher royalty payment to BCI**)

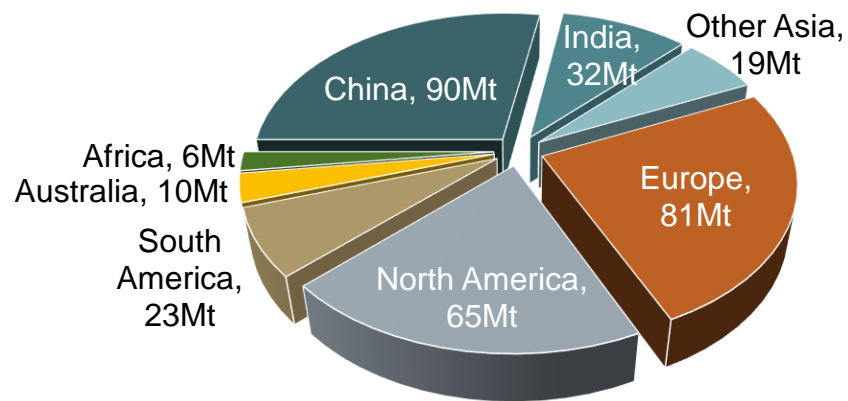


1. Refer to MIN announcement dated 8-Jun-18, page 9 of MIN's Macquarie Australia Conference Presentation (2-May-18) page 11 of MIN's FY18 Half-Year Results Presentation (8-Feb-18) for further details

What is Salt?

- Salt (NaCl) is 40% sodium (Na) and 60% chlorine (Cl)
- Essential for many aspects of modern living
- >300Mtpa of Salt produced and consumed globally

Global Salt Production



Source: Roskill 2017 Salt Market Report.

- Salt is extracted via two main methods:
 1. Solar evaporation of seawater or inland lakes
 2. Mining of rock salt deposits via hard rock or solution mining methods

Solar Evaporation

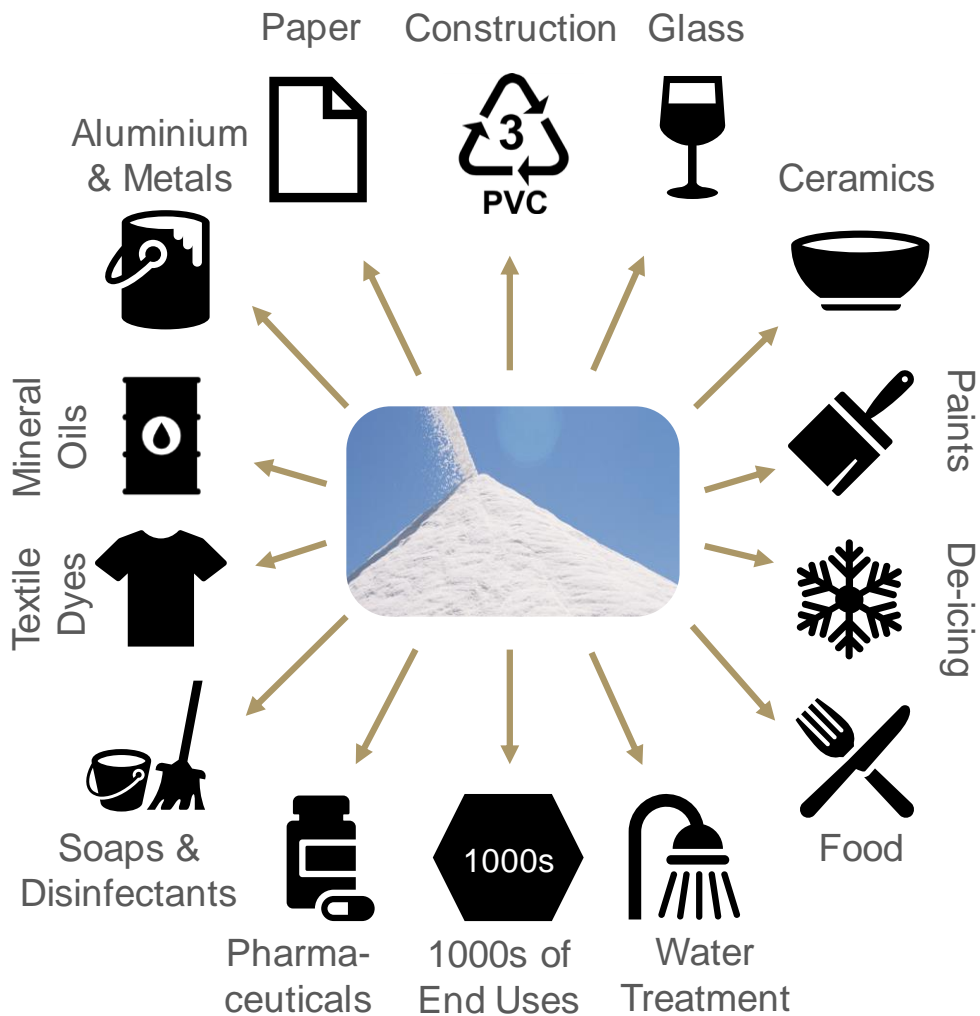


Hard Rock Mining



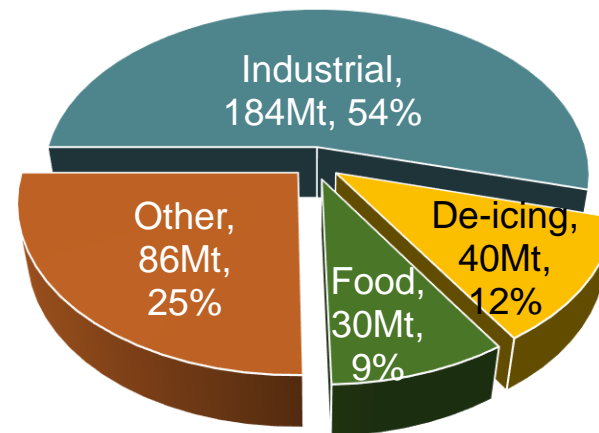
Salt Uses

Salt is an essential feedstock for thousands of products



- **Industrial/chemical/pharmaceutical:** including glass, PVC, paper, textiles, medicines, oils etc.
- **Water treatment:** increases purity and removes elements harmful to equipment
- **Food & Feed:** preserves & flavours human food; essential element of animal nutrition
- **De-icing:** improves road transport safety in winter

Mardie Target Markets



Global Salt Market

Source: Roskill 2017 Salt Market Report.

Positive Asian Salt Market Dynamics

Supply deficit of ~20Mtpa forecast in next decade (~5 Mardie sized projects)

SALT DEMAND DRIVERS

Increasing Asian middle class



Increasing demand for consumer & industrial products

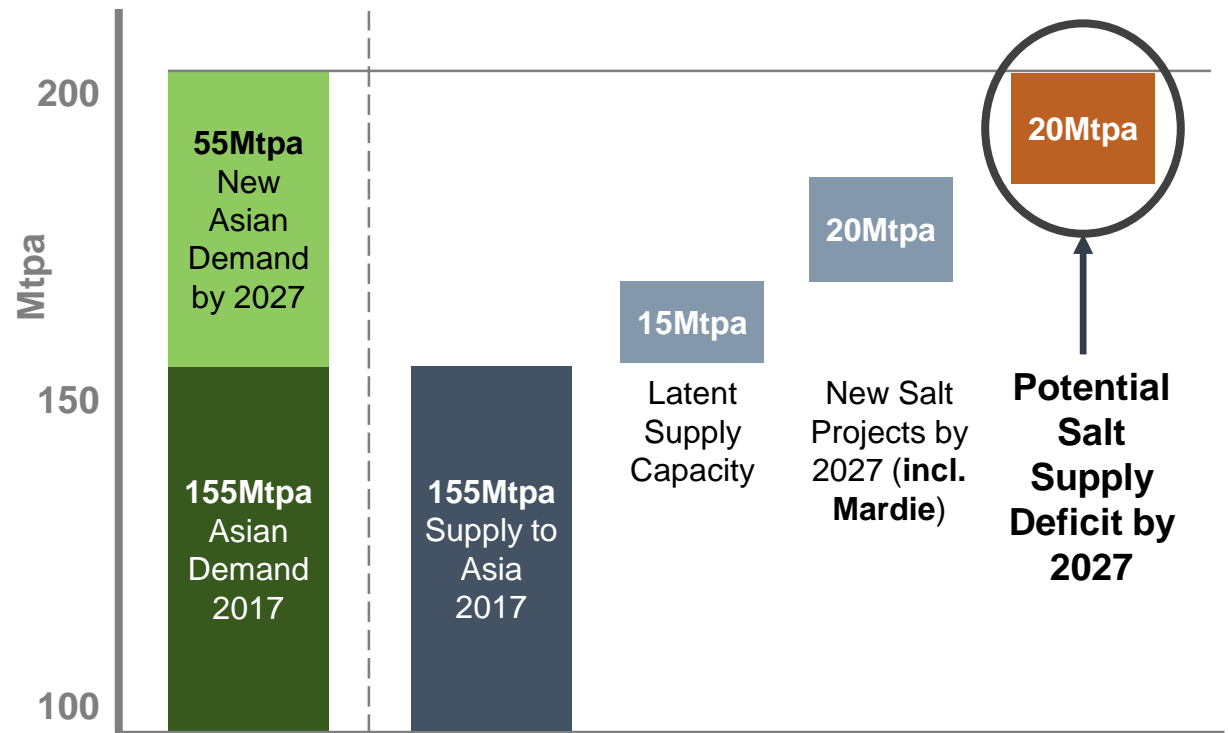


SALT SUPPLY DRIVERS

Urbanisation reducing Chinese salt fields



Limited new salt development projects



Source: Roskill 2017 Salt Market Report, BCI analysis.

- Price range of US\$33/t to US\$70/t (CIF) over last decade
- Current Asian salt market value: **US\$6 billion per year**
- 2027 Asian salt market value: **US\$8 billion per year**

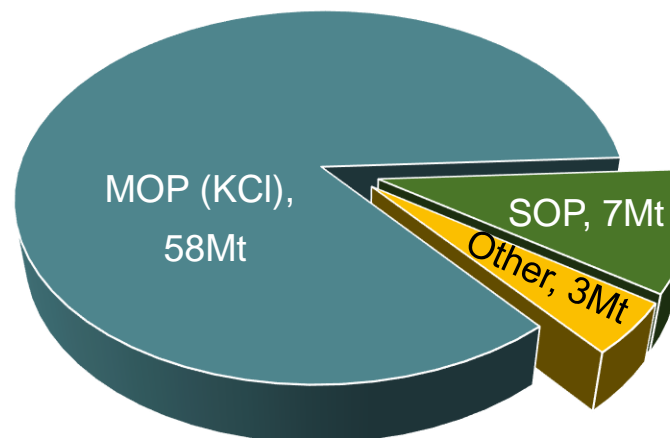
What is Sulphate of Potash (SOP)?

- Global agricultural industry depends on three primary fertilisers – Nitrogen (N) Phosphate (P), and Potassium (K)

- Potassium improves crop yield & quality, and increases resistance to diseases
- Two main types of potassium fertilisers:
 - Muriate of Potash (MOP) – KCl
 - Sulphate of Potash (SOP) – K_2SO_4



Global Potash Market (Product Tonnes)



Source: Integer Research 2017, BCI analysis.

- SOP is a premium fertiliser used on higher value crops (fruits, berries, vegetables)
- SOP (US\$500-600/t) has large price premium over MOP (US\$200-300/t)

Positive SOP Market Dynamics

More food needed from less land..... increases need for premium quality fertilisers

SOP DEMAND DRIVERS

Increasing Asian middle class



Needing more and better quality food



Reducing arable land



Crop yield increase required



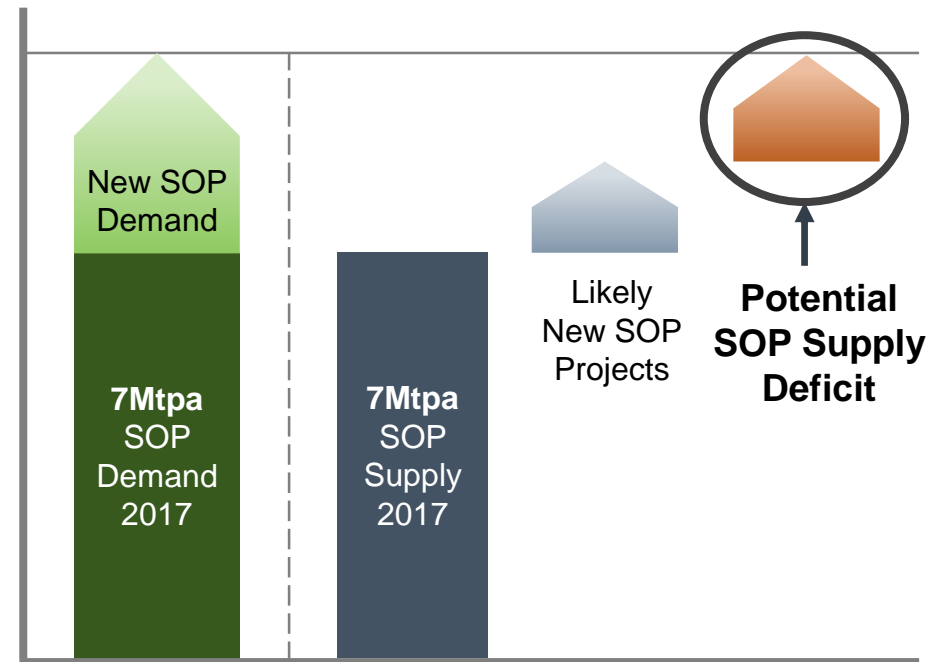
SOP SUPPLY DRIVERS



No existing Australian production



Australian SOP projects far inland



Source: BCI analysis.

- Price range of US\$450/t to US\$1,000/t over last decade
- Current SOP market value: **US\$4 billion per year**
- Future SOP market value: **US\$5 billion per year**



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