ASX Release
22 February 2019

APPENDIX 4D
For the half-year ended 31 December 2018

This information should be read in conjunction with BCI Minerals Limited's Financial Report for the half-year ended 31 December 2018.

Company Details

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

Results for announcement to the market

	December 2018 $000's	December 2017 $000's	Up / Down	% Movement
Revenue from continuing operations	19,765	17,558	Up	12.6%
Profit /(loss) after income tax from continuing operations	15,598	(6,081)	Up	-
Net profit/(loss) attributable to members	15,598	(6,081)	Up	-

Dividends

No dividends have been declared for the half-year ended 31 December 2018 (31 December 2017: nil).

Net tangible asset backing

Net tangible asset backing per ordinary share: $0.21 (June 2018: $0.17).

Previous corresponding period

The previous corresponding period is the half-year ended 31 December 2017.

Auditor's review

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

Commentary on results for the period

The Company's net profit after income tax for the half-year ended 31 December 2018 was $15.6M, which is a result of earnings from Iron Valley, a profit from the disposal of Kumina and increased expenditure on progressing and developing the Mardie Salt Project and other exploration activities.

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

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FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

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 2018.

PRINCIPAL ACTIVITY

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

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

DIRECTORS

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

Brian O'Donnell	Chairman (Non-Executive)
Alwyn Vorster	Managing Director (Executive)
Michael Blakiston	Director (Non-Executive)
Jenny Bloom	Director (Non-Executive)
Martin Bryant	Director (Non-Executive) - resigned 30 November 2018
Andrew Haslam	Director (Non-Executive) - resigned 30 November 2018

DIVIDENDS

No dividends have been declared in relation to the half-year ended 31 December 2018 (June 2018: 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

The operations and results of the Company for the half-year ended 31 December 2018 are reviewed below. This review includes information on the financial position of the Company, and 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 2018 and considered together with any public announcements made by the Company during or since the half-year ended 31 December 2018 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 2017.

BCI is an Australian-based resources company that is developing an industrial minerals business (initially comprising salt and potash) supported by iron ore royalty earnings and divestment proceeds.

Safety performance

BCI places a high priority on facilitating a safe working environment for all staff and contractors. No lost time injuries ("LTIs") have been recorded for more than 3.5 years and the lost time injury frequency rate ("LTIFR") at 31 December 2018 was zero (December 2017: 0.0).

Mineral Resources Limited ("MIN") is responsible for Occupational Health and Safety matters at Iron Valley and therefore BCI does not report safety performance for the Iron Valley Mine.

Mardie Salt & Potash Project

The 100% owned Mardie Project is located on the northwest coast of Western Australia in one of the world's premium locations for solar evaporation operations. Mardie has the potential to be a large scale, long life and low cost operation utilising an inexhaustible seawater resource and mostly natural energy from the sun and wind to produce high purity salt and sulphate of potash ("SOP").

BCI completed a Pre-Feasibility Study ("PFS") during June 2018, which established a positive business case for producing 3.5Mtpa salt and 75ktpa SOP. A Definitive Feasibility Study ("DFS") is currently underway and BCI is aiming to improve the business case in a number of areas, including increasing salt and SOP production to 4Mtpa and 100ktpa respectively, establishing a salt export facility at the Mardie site and enhancing the project economics via reduced operating costs.

During the half-year, BCI commenced site-based DFS activities, including establishment of access tracks and preparation for small-scale site evaporation trials. A final geotechnical program is underway to confirm mudflat soil composition and permeability characteristics across the entire planned evaporation pond footprint and inform optimal locations for pond walls and port infrastructure.

BCI made good progress in relation to environmental, heritage and approvals during the half-year. Extensive further marine and land environmental surveys were completed and the Environmental Protection Authority ("EPA") approved the Mardie Project's Environmental Scoping Document ("ESD"), which sets out the scope and content of the Environmental Review Document ("ERD") required to be submitted as part of the approvals process. On the basis that the ERD is submitted by April 2019, the EPA has endorsed a timeline whereby the EPA's assessment report is released by the end of 2019 allowing full Ministerial approval by early 2020.

BCI completed a heritage survey with the Yaburara & Mardudhunera ("YM") people during the half-year over 90% of the project footprint. The outcome of this survey is that BCI has now received the required heritage-related consents to proceed with construction and operation activity in these areas, subject to relocation of some artefacts and preservation of a heritage site which does not impact the planned project footprint. BCI plans to complete a heritage survey with the Kuruma Marthudunera ("KM") people in the March 2019 quarter to clear the remaining 10% of the project footprint area.

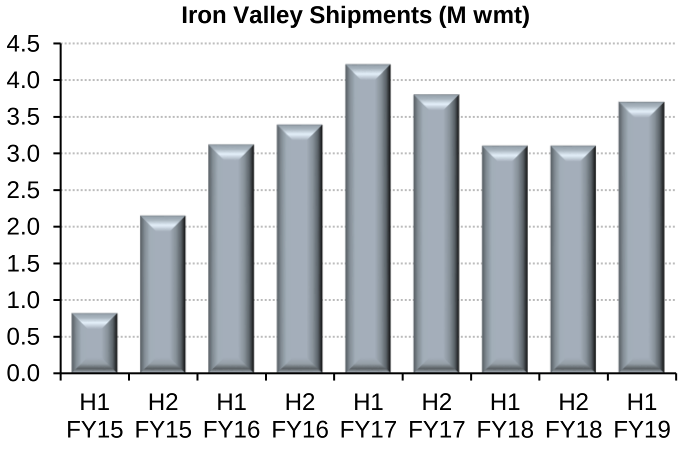
BCI held positive discussions with the State Government regarding the potential for a port facility at the Mardie site and is aiming to secure support for the port facility in the near future.

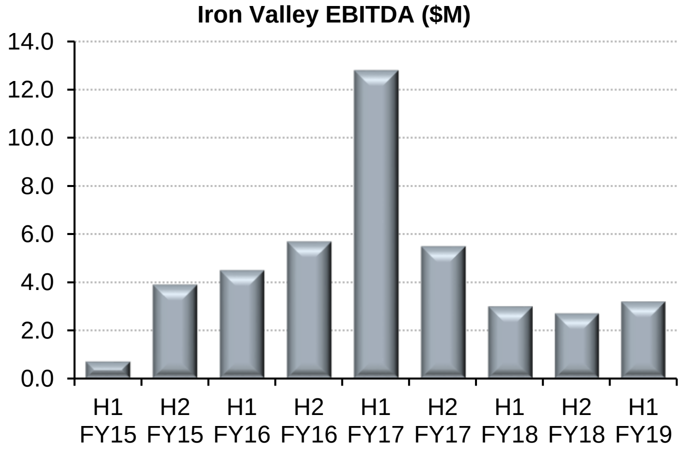
Iron Valley Mine

The Iron Valley Mine is operated by MIN under an ore purchase agreement with BCI. MIN operates the mine at its cost and purchases iron ore from BCI at a price linked to MIN's received sales price. BCI is responsible for paying royalties related to the project and securing key approvals.

MIN shipped 3.7 million wet metric tonnes ("M wmt") (December 2017: 3.1M wmt), with approximately half being lump.

Iron Valley generated revenue for BCI of $20.2M (December 2017: $17.2M) and EBITDA of $3.2M, which comprised $3.8M from shipments during the half-year less a $0.6M adjustment due to the finalisation of pricing for certain FY2018 shipments (December 2017: $2.3M).





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

Other assets

BCI has commenced a process to divest its other iron ore assets and exploration tenements, with the aim of providing additional funding and management time to advance the Mardie Salt & Potash Project.

In October 2018, BCI entered into an agreement to sell the Kumina Iron Ore Project to MIN for total cash consideration of A$35M. The transaction completed in December 2018 and BCI received the first cash payment of A$27M from MIN. A further two cash payments of A$4M each are due upon first export of iron ore from Kumina and 12 months after first export.

Discussions are ongoing about potential transactions in relation to its other assets, which include:

- Bungaroo South tenements and the Cape Preston East (CPE) port rights – 283Mt JORC Mineral Resource with a Feasibility Study and all required primary approvals in place;
- Other iron ore exploration assets including the Maitland River Magnetite Project, a 1.1Bt JORC Mineral Resource located 20km from CPE; and
- BCI's Western Australian exploration tenements, including Marble Bar (lithium and gold), Black Hills (base metals and gold) and Peak Hill (base metals and gold).

BCI also has an interest in the Carnegie Potash Project, an SOP exploration project located approximately 220km north-east of Wiluna. BCI currently holds a 30% interest in a joint venture with Kalium Lakes Limited ("Kalium") and has rights to earn up to a 50% interest. Kalium, the joint venture manager, completed a Scoping Study in July 2018 and is proceeding with a staged Pre-Feasibility Study, with the current focus on securing tenure and access to all required tenements.

Corporate

Annual General Meeting

The Company's annual general meeting was held in Perth on 22 November 2018. All four resolutions considered at the meeting were passed.

REVIEW OF RESULTS

Statement of profit or loss

The Company's net profit after income tax for the half-year ended 31 December 2018 was $15.6M (December 2017: loss $6.1M), which is a result of earnings from Iron Valley, a profit from the disposal of Kumina and increased expenditure on progressing and developing the Mardie Salt Project and other exploration activities.

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

	December 2018 A$M	December 2017 A$M
Continuing operations		
Net Revenue	19.8	17.6
Net profit/(loss) after tax	**15.6**	**(6.1)**

The Company's EBITDA for the half-year ended 31 December 2018 was a profit of $15.3M (December 2017: loss $4.9M). Iron Valley contributed a positive EBITDA of $3.2M, which was made up of $3.8M from shipments during the half-year less a $0.6M adjustment from finalisation of pricing for certain FY2018 shipments. The Company achieved a positive EBITDA of $0.6M excluding project exploration, gain on disposal of exploration tenement, evaluation and business development related expenses (i.e. Iron Valley EBITDA less corporate costs).

The following table shows the EBITDA contribution for each segment of the Group:

	December 2018 A$M	December 2017 A$M
Continuing operations		
Iron Valley	3.2	3.0
Buckland	16.6	(2.7)
Mardie	(1.9)	-
Other	(2.6)	(5.2)
Total EBITDA	**15.3**	**(4.9)**

Statement of cash flows

Cash and cash equivalents as at 31 December 2018 of $36.6M (June 2018: $13.0M), increased due to proceeds received on the disposal of the Kumina exploration tenement as announced in December 2018.

Statement of financial position

Net assets increased to $106.3M (June 2018: $90.6M) primarily as a result of the increased cash from the disposal of the Kumina tenement.

The Company's gross debt position remained nil (June 2018: Nil).

At 31 December 2018, cash and cash equivalents exceeded debt by $36.6M (June 2018: $13.0M).

Dividends

The Directors have not paid or declared any dividends since the commencement of the half-year ended 31 December 2018.

		2018	2017
a)	out of the profits for the year ended 30 June 2018 and retained earnings on fully paid ordinary shares (2017: nil).	Nil	Nil
b)	out of the profits for the half-year ended 31 December 2018 and retained earnings on fully paid ordinary shares.	Nil	Nil

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

MIN is expected to continue operating Iron Valley, generating ongoing revenues and profits for BCI from the operation.

BCI intends to continue advancing the Mardie Salt & Potash Project towards development. During the second half of FY2018, BCI will progress the Mardie DFS and key approval and tenure related matters with the aim of completing a DFS during the fourth quarter of 2019 and securing environmental approval by the first quarter of 2020. BCI is aiming to make a final development decision on Mardie by the first quarter of 2020.

BCI is considering the divestment of its other iron ore assets and exploration tenements, which would provide additional funding and management time to progress Mardie towards a final investment decision.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

EVENTS SINCE THE END OF THE REPORTING PERIOD

No 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 2018.

AUDIT INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is attached to the independent auditor's report and forms part of the Directors' Report.

Signed in accordance with a resolution by the Directors.

Brian O'Donnell	Alwyn Vorster
Chairman	Managing Director
Perth, Western Australia	Perth, Western Australia
22 February 2019	22 February 2019

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 2018 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

22 February 2019

	Notes	December 2018 $000's	December 2017 $000's
Revenue from continuing operations			
Sale of goods		20,222	17,192
Other revenue		(457)	366
Total revenue from continuing operations	1	19,765	17,558
Cost of sales	2	(17,712)	(15,604)
Administration expenses	2	(2,409)	(3,698)
Exploration and evaluation expenditure		(3,374)	(4,310)
Loss on sale of asset		(3)	-
Profit on sale of exploration tenement	5	17,821	-
Profit / (loss) before finance costs and income tax		14,088	(6,054)
Finance costs		-	(27)
Profit / (loss) before income tax		14,088	(6,081)
Income tax benefit / (expense)	3	1,510	-
Profit / (loss) after income tax from continuing operations		**15,598**	**(6,081)**
Other comprehensive income/(expense)			
Items that may be reclassified to profit or loss			
Changes in the fair value of cash flow hedges		-	-
Profit / (loss) for the year attributable to owners of BCI Minerals Limited		**15,598**	**(6,081)**
		Cents	Cents
Basic / (loss) per share from continuing operations		3.92	(1.54)
Diluted earnings / (loss) per share from continuing operations		3.93	(1.54)

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

	Notes	December 2018 $000's	June 2018 $000's
Current assets			
Cash and cash equivalents		36,609	13,057
Trade and other receivables		11,565	7,213
Total current assets		48,174	20,270
Non-current assets			
Receivables		5,663	5,583
Property, plant and equipment	4	40,695	42,153
Exploration and evaluation assets	5	5,600	14,500
Intangibles	6	23,532	23,532
Total non-current assets		75,490	85,768
Total assets		123,664	106,038
Current liabilities			
Trade and other payables		11,486	9,373
Provisions	7	259	471
Total current liabilities		11,745	9,844
Non-current liabilities			
Provisions	7	5,663	5,583
Total non-current liabilities		5,663	5,583
Total liabilities		17,408	15,427
Net assets		106,256	90,611
Shareholders' equity			
Contributed equity	8	267,212	266,984
Reserves	9	5,361	5,542
Accumulated losses	10	(166,317)	(181,915)
Total shareholders' equity		106,256	90,611

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

	Contributed equity $000's	Accumulated losses $000's	Reserves $000's	Total $000's
Balance at 1 July 2017	266,735	(165,005)	5,426	107,156
Loss for the year	-	(16,910)	-	(16,910)
Reclassification to profit or loss	-	-	-	-
Total comprehensive loss	-	(16,910)	-	(16,910)
Transactions with equity holders in their capacity as equity holders				
Performance Rights converted	249	-	(249)	-
Share based payments	-	-	365	365
Balance at 30 June 2018	266,984	(181,915)	5,542	90,611
Profit for the period	-	15,598	-	15,598
Reclassification to profit or loss	-	-	-	-
Total comprehensive income	-	15,598	-	15,598
Transactions with equity holders in their capacity as equity holders				
Performance Rights converted	228	-	(228)	-
Share based payments	-	-	47	47
Balance at 31 December 2018	**267,212**	**(166,317)**	**5,361**	**106,256**

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

	December 2018 $000's	December 2017 $000's
Cash flows used in operating activities		
Receipts from customers	15,082	16,780
Payments to suppliers and employees	(20,236)	(23,732)
Income tax refund	1,510	-
Interest received	259	308
Interest paid	-	(27)
Net cash flows used in operating activities	(3,385)	(6,671)
Cash flows from/(used in) investing activities		
Proceeds from disposal of exploration tenement	27,000	-
Proceeds from disposal of plant and equipment	1	-
Payments for plant and equipment	(64)	(60)
Payments for exploration acquisition and project earn-ins	-	(9,500)
Net cash flows from/(used in) investing activities	26,937	(9,560)
Cash flows used in financing activities		
Repayment of Royalty Rebate	-	(1,288)
Net cash flows used in financing activities	-	(1,288)
Net increase / (decrease) in cash and cash equivalents	23,552	(17,519)
Cash and cash equivalents at beginning of the year	13,057	36,376
Cash and cash equivalents at end of the period	**36,609**	**18,857**

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

NOTES TO THE FINANCIAL STATEMENTS

Preface to the notes

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

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

The notes are organised into the following sections:

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

Basis of preparation

1. Corporate information

The financial statements for BCI Minerals Limited for the half-year ended 31 December 2018 were authorised for issue in accordance with a resolution of the directors on 22 February 2019. BCI Minerals Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. BCI Minerals Limited and its subsidiaries together are referred to in these financial statements as the 'Company' or the 'Consolidated Entity'.

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

2. Basis of preparation

These interim financial statements for the half-year ended 31 December 2018 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

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

It is recommended that the half-year financial statements be read in conjunction with the annual financial report for the year ended 30 June 2018 and considered together with any public announcements made by the Company during the half-year ended 31 December 2018 in accordance with the continuous disclosure requirements of the ASX Listing Rules.

The half-year financial statements are presented in Australian dollars.

The Company is of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, and in accordance with that Corporations Instrument amounts in the directors' report and half-year report are rounded off to the nearest thousand dollars, unless otherwise indicated.

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

3.1 New and amended standards adopted by the group

A number of new or amended standards become applicable for the current reporting period and the group had to change its accounting policies as a result of adopting the following standards:

- AASB 9 Financial Instruments; and
- AASB 15 Revenue from Contract with Customers.

The impact of the adoption of these standards did not have any material impact on the group's accounting policies and did not require retrospective adjustments.

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

AABB 16 was issued in February 2016 and will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The standard will primarily affect the accounting for the group's operating leases.

As at the reporting date, the group has non-cancellable operating lease commitments of $0.23M. However, the group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the group's profit and classification of cash flows. Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under AASB 16.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The group does not intend to adopt the standard before its effective date

NOTES TO THE FINANCIAL STATEMENTS

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

The accounting policies except for the adoption of AASB 9 and AASB 15 adopted, and estimates made are consistent with those of the previous financial year.

Accounting Policy from 1 July 2018

Sales – Iron Valley

Revenue from the sale of goods and disposal of other assets is recognised when persuasive evidence, usually in the form of an executed sales agreement, or an arrangement exists, indicating there has been a transfer of control to the customer, no further work or processing is required by the Company, the quantity and quality of the goods has been determined with reasonable accuracy, the price can be reasonably estimated, and collectability is reasonably assured.

The Company receives revenue from Mineral Resources Limited ("MIN") based on a mine gate sale agreement based on MIN's realised price. The Company recognises revenue when the ore passes over the ships rail which is typically at the bill of lading. MIN send monthly shipping information based on either a provisional basis at the date of shipment or the subsequent final pricing, which is typically once the vessel has arrived at its destination and quotation pricing has been determined. BCI recognises revenue on provisionally priced sales based on the estimated fair value of the total consideration, which is adjusted for any changes when pricing is finalised. Provisionally priced sales for which price finalisation is referenced to the relevant metal price index have an embedded commodity derivative. The embedded derivative is carried at fair value through profit and loss as part of trade receivables. The period between provisional pricing and final invoices is typically approximately 30 to 90 days.

Trade Receivables

Trade receivables are amounts due from customers for commodities sold in the ordinary course of business.

Trade Receivables that are Provisionally Priced

Trade receivables that contain an embedded derivative relating to the provisional pricing of iron ore are measured at fair value. At each reporting date the provisional priced receivable is marked to market based on the forward selling price for the quotation period stipulated in the contract until the quotation period expires and the change in value is recognised in the profit or loss.

Other Trade Receivables

Trade receivables that do not contain an embedded derivative are measured at the amount of consideration that is unconditional. The Group holds trade receivables with the objective to collect the contractual cash flows and measures them at amortised cost.

The Group will apply the simplified impairment methodology permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

5. Foreign currency

The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

KEY NUMBERS

NOTE 1 – REVENUE

	December 2018 $000's	December 2017 $000's
Sales – Iron Valley	20,222	17,192
Net gain/(loss) on pricing changes	(716)	-
Interest revenue	259	308
Other income	-	58
Total	**19,765**	**17,558**

NOTE 2 – EXPENSES

	December 2018 $000's	December 2017 $000's
Cost of sales		
Amortisation of mine properties	1,484	1,438
Royalties	16,228	14,166
Cost of sales	**17,712**	**15,604**
Administration expenses		
Employee benefits expense	1,242	1,437
Depreciation and amortisation	35	36
Share based payments	47	207
Non-executive directors' fees	272	241
Occupancy related expenses	147	115
Consultant and legal fees	89	981
Other	577	681
Administration expenses	**2,409**	**3,698**

NOTE 3 – INCOME TAXES

	December 2018 $000's	December 2017 $000's
Reconciliation of effective tax rate		
Profit / (loss) before tax	**14,088**	**(6,081)**
Income tax at the statutory rate of 30 per cent (2017: 30 per cent)	4,226	(1,824)
Non-deductible expenses	14	62
Temporary differences derecognised	(501)	(251)
Tax losses not recognised/(utilised)	(3,525)	2,013
Tax refund from prior years	1,510	-
Under/(over) provided in prior periods and other	(214)	-
Income tax benefit reported in the Consolidated statement of profit or loss and other comprehensive income	**1,510**	**-**

During the financial period, the Company received a tax refund of $1.5M relating to prior financial years.

The Company recognises deferred tax assets relating to carried forward tax losses to the extent they can be utilised. The utilisation of the tax losses depends on the ability of the entities to generate sufficient future taxable profits. At 31 December 2018, the Company had unrecognised deferred tax assets relating to tax losses of $70.5M (June 2018: $76.0M). The Company also has an R&D off-set available of $5.8M (June 2017 $5.7M).

NOTE 4 – PROPERTY, PLANT AND EQUIPMENT

	Mine Properties $000's	Plant and equipment $000's	Office furniture, equipment and IT $000's	Total $000's
Year ended 30 June 2018				
Opening net book value	44,887	61	48	44,996
Additions	-	19	55	74
Reclassification of assets	-	(50)	50	-
Depreciation and amortisation expense	(2,838)	(5)	(74)	(2,917)
Closing net book value	**42,049**	**25**	**79**	**42,153**
At 30 June 2018				
Cost	51,658	753	1,695	54,106
Accumulated depreciation and amortisation	(9,609)	(728)	(1,616)	(11,953)
Net carrying amount	**42,049**	**25**	**79**	**42,153**

NOTE 4 – PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Mine Properties	Plant and equipment	Office furniture, equipment and IT	Total
	$000's	$000's	$000's	$000's
Half-year ended 31 December 2018				
Opening net book value	42,049	25	79	42,153
Additions	12	52	1	65
Disposals	-	-	(4)	(4)
Depreciation and amortisation expense	(1,484)	(5)	(30)	(1,519)
Closing net book value	**40,577**	**72**	**46**	**40,695**
At 31 December 2018				
Cost	51,670	866	1,610	54,146
Accumulated depreciation and amortisation	(11,093)	(794)	(1,564)	(13,451)
Net carrying amount	**40,577**	**72**	**46**	**40,695**

NOTE 5 – EXPLORATION AND EVALUATION

	December 2018	June 2018
	$000's	$000's
Opening balance	14,500	4,600
Exploration earn-in	-	1,000
Exploration tenements acquisition	-	9,000
Exploration tenement disposal	(8,900)	-
Unsuccessful exploration expenditure derecognised	-	(100)
Net carrying amount	**5,600**	**14,500**

As announced on 29 September 2017, the Company acquired a number of prospective and underexplored West Pilbara tenements (Kumina) from Mineralogy Pty Ltd for $9.0M in cash, a potential future iron ore royalty of 2.0% of FOB revenue on the first 100Mt of iron ore mined, increasing to 3.5% of FOB revenue on any iron ore in excess of 100Mt mined, and a 3.5% royalty on the value of any other minerals sold from the tenements. As announced on 21 December 2018, the Company completed the sale of the Kumina Tenements to Mineral Resources Limited (ASX:MIN) for total consideration of A$35M cash including a first cash payment of A$27M received in December 2018, resulting in a gain of $17.8M. A further two cash payments of A$4M each are due upon first export of iron ore from Kumina and 12 months after first export.

During the half-year ended 31 December 2018, the Company has not provided further funding in the Carnegie Joint Venture (CJV) (2018: $1.0M).

NOTE 6 – INTANGIBLES

	December 2018 $000's	June 2018 $000's
Opening balance	23,532	23,532
Net carrying amount	**23,532**	**23,532**
Net carrying value of intangibles		
Royalties	15,502	15,502
Port lease rights	8,030	8,030
Net carrying amount	**23,532**	**23,532**

Royalties

The Company holds royalties over the Koodaideri South and North Marillana Extension tenements. The assets have a finite life reflecting the underlying resource and will be amortised as the resource is depleted. Production has not commenced at either Koodaideri South or North Marillana and hence the assets remain unamortised.

Port lease rights

The Company holds a lease at the Cape Preston East Port and through the purchase price allocation a value has been ascribed to the intellectual property associated with developing this port. The port is yet to be developed and the intangible asset will be amortised once the port is operational.

No impairment was recognised at 31 December 2018 as no impairment indicators were present.

NOTE 7 – PROVISIONS

Current	December 2018 $000's	June 2018 $000's
Employee benefits	259	471
Total current	259	471
Non-current		
Rehabilitation	5,663	5,583
Total non-current	5,663	5,583
Total	**5,922**	**6,054**

NOTE 7 – PROVISIONS (CONT'D)

Movement in Provisions in 2018

	Rehabilitation and site closure $000's	Employee benefits $000's	Total $000's
Opening balance 1 July 2018	5,583	471	6,054
Charged/(credited) to profit or loss:			
additional provisions recognised	80	113	193
unused amounts reversed	-	(62)	(62)
Amounts used during the year	-	(263)	(263)
Closing balance	**5,663**	**259**	**5,922**

A provision is made for the estimated cost to rehabilitate the Iron Valley site, which is offset by a receivable from Mineral Resources Limited recognising this contractual requirement to rehabilitate the site.

NOTE 8 – CONTRIBUTED EQUITY

	December 2018		June 2018	
	Number	$000's	Number	$000's
Share capital				
Ordinary shares - fully paid	397,608,910	267,212	394,968,910	266,984
Movements in ordinary share capital				
Opening balance	394,968,910	266,984	392,526,910	266,735
Issue of shares under Employee Performance Rights Plan	2,640,000	228	2,442,000	249
Closing balance	**397,608,910**	**267,212**	**394,968,910**	**266,984**

NOTE 9 – RESERVES

	December 2018 $000's	June 2018 $000's
Share based payments reserve		
Balance as at 1 July	10,764	10,648
Share based payments expense	47	365
Issue of shares under Employee Performance Rights Plan	(228)	(249)
Balance at the end of the period	10,583	10,764
Financial assets at fair value through other comprehensive income		
Balance as at 1 July	(9,009)	(9,009)
Balance at the end of the period	(9,009)	(9,009)
Options exercised reserve		
Balance as at 1 July	3,787	3,787
Balance at the end of the period	3,787	3,787
Total reserves	**5,361**	**5,542**

NOTE 10 – ACCUMULATED LOSSES

	December 2018 $000's	June 2018 $000's
Balance as at 1 July	(181,915)	(165,005)
Net profit / (loss)	15,598	(16,910)
Balance as at end of the period	**(166,317)**	**(181,915)**

NOTE 11 – DIVIDENDS

During the half-year ended 31 December 2018, no dividends have been paid (June 18: Nil) and no dividends have been declared (June 18: Nil)

NOTE 12 – SEGMENT INFORMATION

	Iron Valley $000's	Mardie $000's	Buckland $000's	Other $000's	Total $000's
Segment Earnings					
Half-year ended December 2018					
Sales of goods	20,222	-	-	-	20,222
Other revenue	(716)	-	6	253	(457)
EBITDA	3,227	(1,871)	16,606	(2,614)	15,348
Profit/(loss) before income tax	1,742	(1,871)	16,608	(2,391)	14,088
Half-year ended December 2017					
Sales of goods	17,192	-	-	-	17,192
Other revenue	-	-	-	366	366
EBITDA	2,965	-	(2,670)	(5,183)	(4,888)
Profit/(loss) before income tax	1,527	-	(2,670)	(4,938)	(6,081)
Segment Assets and Liabilities					
As at 31 December 2018					
Segment assets	57,676	800	8,030	57,157	123,663
Segment liabilities	15,041	-	-	2,367	17,408
As at 30 June 2018					
Segment assets	54,657	800	16,930	33,651	106,038
Segment liabilities	10,767	-	-	4,660	15,427

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

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

Accounting policy

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

NOTE 13 – CONTINGENT LIABILITIES AND ASSETS

As at 31 December 2018, the Company has no contingent liabilities or assets.

NOTE 14 – EVENTS OCCURRING AFTER THE REPORTING PERIOD

No 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 2018.

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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 2018, 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 then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 31 December 2018 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.

Directors' responsibility for the Half-Year 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 is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, 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 2018 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. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

BDO

Glyn O'Brien

Glyn O'Brien

Director

Perth, 22 February 2019

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DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF BCI MINERALS LIMITED

As lead auditor for the review of BCI Minerals Limited for the half-year ended 31 December 2018, 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.

Glyn O'Brien

Glyn O’Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 22 February 2019

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