

STRONG FY19 RESULT POSITIONS BCI FOR MARDIE FINAL INVESTMENT DECISION

- **Group EBITDA of A\$16.7M and net profit after tax of A\$12.9M**
- **A\$12.3M EBITDA from Iron Valley**
- **A\$19.0M gain from the sale of Kumina and other exploration tenements**
- **Cash position of A\$33.7M and zero debt**
- **Focus on reaching Mardie final investment decision by end of Q1 2020**

BCI Minerals Limited (ASX:BCI) ("BCI" or the "Company") is pleased to announce positive financial results for the full-year ended 30 June 2019, which place the Company in a strong position to advance the Mardie Salt & Potash Project to a final investment decision.

The Iron Valley mine had a solid year driven by strong production and sales tonnages, and higher iron ore prices in the second half of the year. Iron Valley operator, Mineral Resources Limited ("MIN"), shipped 7.4Mt during the year which generated revenue for BCI of A\$54.3M and EBITDA of A\$12.3M. More than half of the full-year EBITDA was from the June 2019 quarter.

BCI is in the process of divesting its other iron ore assets and exploration tenements with several transactions completed during the year. The Kumina iron ore tenements were sold to MIN for A\$35M cash, of which A\$27M has been received and a further A\$8M is payable on production milestones. The Kumina transaction contributed a profit on sale of A\$17.8M, excluding the contingent A\$8M proceeds. The Marble Bar and Munglinup exploration tenements were sold to private companies, contributing a profit on sale of A\$1.2M.

Expenditure on BCI's other iron ore assets and exploration tenements reduced materially during the year as did administration costs.

Mardie expenditure increased to A\$8.2M during the year in line with commencement of a Definitive Feasibility Study ("DFS") and an increase other pre-development activity. DFS engineering designs are 30% complete and site activities such as geotechnical drilling and construction of small-scale trial ponds were progressed. BCI continued to advance the Mardie approvals and tenure workstreams, completing additional environmental and heritage surveys, submitting its Environmental Review Document and commencing port lease negotiations with the Pilbara Ports Authority.

Overall, BCI recorded a positive net profit after tax of A\$13.3M as shown in the table below.

	30 June 2019 A\$M	30 June 2018 A\$M
Revenue	54.8	33.4
Expenditure	(59.4)	(50.4)
Profit on sale of exploration tenements	19.0	-
Write down of exploration tenements	(3.0)	-
Income tax benefit/(expense)	1.5	-
Net profit/(loss) after tax	12.9	(16.9)

BCI recorded a positive EBITDA of A\$16.7M for the year, with the contribution of each segment of the Group shown below.

	30 June 2019 A\$M	30 June 2018 A\$M
Iron Valley	12.3	5.6
Buckland (including gain on sale of Kumina)	16.5	(7.5)
Mardie	(8.2)	(2.9)
Other	(4.4)	(9.6)
Total EBITDA	16.2	(14.4)

BCI remains in a strong balance sheet position, with cash of A\$33.7M and zero debt.

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ABOUT BCI MINERALS

BCI Minerals Limited (ASX:BCI) ("BCI") is an Australian-based company that is developing a salt and potash business supported by iron ore royalty earnings.

BCI is focused on rapidly advancing its 100% owned Mardie Salt & Potash Project, a potential Tier 1 project located on the West Pilbara coast in the centre of Australia's key salt production region.

Mardie will produce high-purity salt (typically >99.5% NaCl) and sulphate of potash ("SOP") (typically >51% K₂O) via solar evaporation of seawater. Using an inexhaustible resource and a production process driven mainly by natural solar and wind energy, Mardie is a sustainable opportunity to supply the salt and potash growth markets in Asia over many decades.

The long-term demand outlook for both salt and SOP is positive. Salt, or NaCl, is an essential mineral used extensively in modern life. High purity salt produced at Mardie will be used in chemical and industrial processes that create thousands of everyday products. Demand in this market segment, particularly in Asia, is expected to grow strongly over the next decade and result in a supply deficit.

Increasing population and urbanisation requires more and better-quality food to be produced from less arable land. SOP is a premium fertiliser providing two key nutrients – potassium and sulphur – which improves plant growth and makes it drought resistant. SOP is mostly used on high value crops where yield increases deliver larger financial benefits.

Following a positive Pre-Feasibility Study in 2018, a Definitive Feasibility Study on a 4Mtpa salt and 100ktpa SOP operation is underway and due to be completed in early 2020. Key approvals are expected to be in place by early 2020 and a Final Investment Decision is targeted by the end of Q1 2020.

BCI receives quarterly royalty earnings from Iron Valley, an iron ore mine located in the Central Pilbara region of Western Australia which is operated by Mineral Resources Limited (ASX:MIN) (95Mt JORC Ore Reserve¹). BCI's EBITDA from Iron Valley has ranged from A\$5.6-18.3M per annum, with FY19 delivering A\$12.3M.

KEY STATISTICS

Shares on issue:	397.6 million	
Cash and cash equivalents:	\$33.7 million	as at 30 June 2019
Board:	Brian O'Donnell	Non-Executive Chairman
	Alwyn Vorster	Managing Director
	Michael Blakiston	Non-Executive Director
	Jenny Bloom	Non-Executive Director
Major shareholders (>5%):	Wroxby Pty Ltd	29.3%
Website:	www.bciminerals.com.au	

1: Refer to BCI's announcement "Updated Mineral Resources and Ore Reserves" dated 18 October 2018 for further details. BCI is not aware of any new information or data that materially affects the information included in that announcement.