

MARDIE TENEMENT ACQUISITION

BCI Minerals Limited (ASX:BCI) ("BCI" or the "Company") is pleased to announce it has secured rights to a large new tenement area adjacent to the Mardie Salt & Potash Project (refer to map in Appendix A).

Tenement rights have been acquired from Leichhardt Industrials Pty Ltd ("Leichhardt") for the following consideration:

- BCI will pay Leichhardt \$3.5M cash upon completion in exchange for rights to the southern tenement area, located directly adjacent to the current Mardie Project footprint;
- For a period of 12-months after completion, BCI has a call option, and Leichhardt has a put option, on rights to the remaining northern tenement area. BCI will pay \$2.5M cash to Leichhardt upon the option being exercised by either party; and
- A set of documents and reports relating to environmental and technical work undertaken by BCI in the area of the proposed Cape Preston East port will be transferred to Leichhardt at completion.

The new tenement area adds 112 square kilometres (11,200 hectares) of coastal tenements to the Mardie Project, including a significant area of mudflats suitable for evaporation ponds and crystallisers. This provides optionality for future layout optimisation and expansion to larger than 5.5Mtpa of salt and 150ktpa of sulphate of potash, which would make Mardie the largest salt operation in Australia and one of the largest evaporative salt operations globally.

BCI is continuing to progress designs and approvals for the current project footprint, and the Definitive Feasibility Study remains on schedule for completion in June 2020. Discussions on tenure and funding are progressing well with the Pilbara Ports Authority, Northern Australia Infrastructure Facility and other potential debt providers.

-END-

This ASX announcement has been authorised for release by the Board of BCI Minerals Limited.

For further information:

P: +61 8 6311 3400

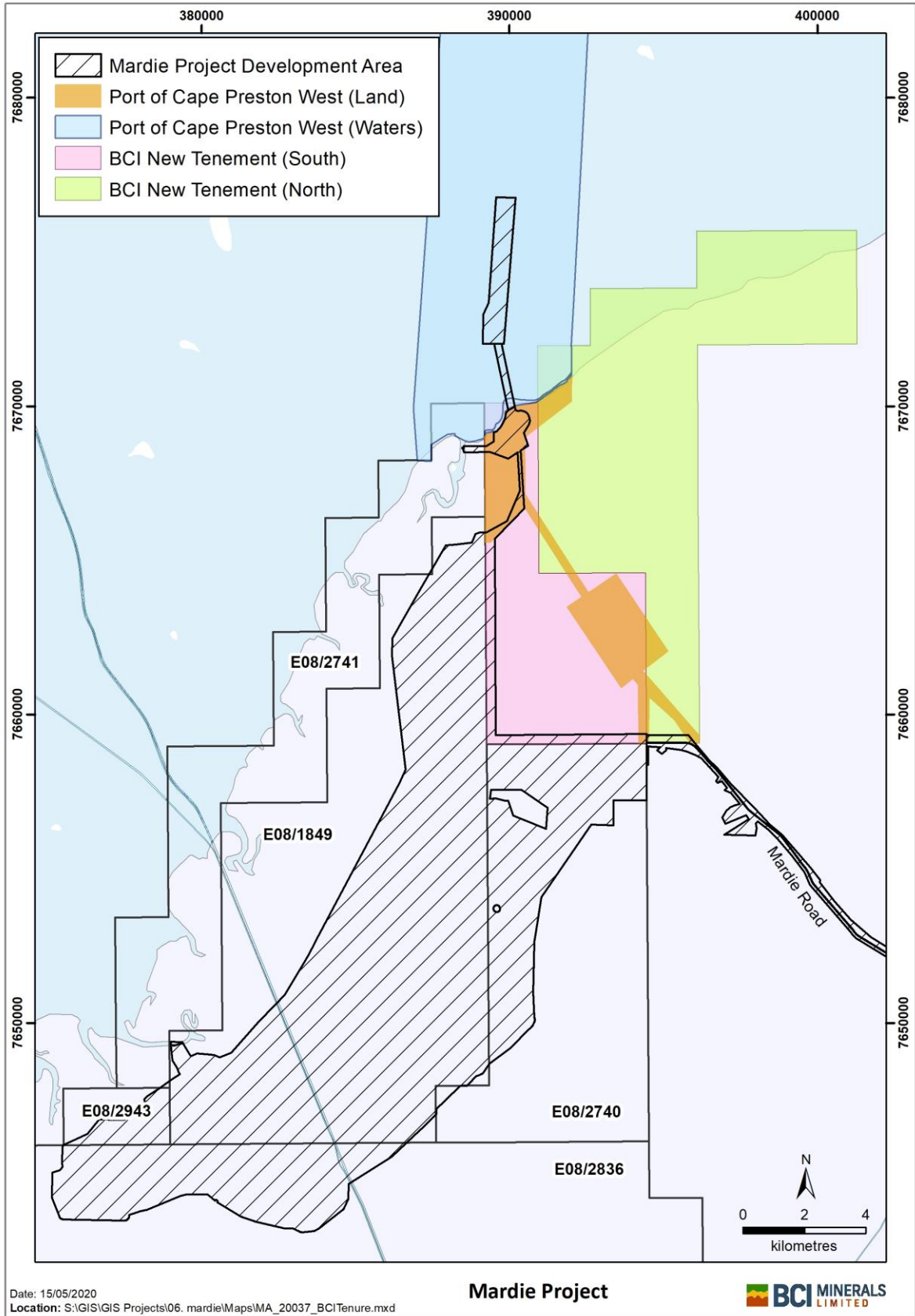
E: info@bciminerals.com.au

Alwyn Vorster
Managing Director

Simon Hodge
Chief Financial Officer

Brad Milne
Commercial Manager

APPENDIX A: NEW MARDIE TENEMENTS



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 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 Q2 2020. A Final Investment Decision is targeted H2 2020 and first construction in H1 2021.

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) (89Mt JORC Ore Reserve¹). BCI's EBITDA from Iron Valley for the first nine months of FY20 was A\$19.5M.

KEY STATISTICS

Shares on issue:	398.9 million	
Cash and cash equivalents:	A\$39.7 million	as at 31 March 2020 (pro-forma ²)
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 25 October 2019 for further details. BCI is not aware of any new information or data that materially affects the information included in that announcement.

2: Includes A\$6M Buckland sale proceeds received in early April.