

## RECORD IRON VALLEY EARNINGS SUPPORT NET PROFIT FOR FY20

- **Group EBITDA of \$8.3M and net profit after tax (NPAT) of \$0.4M**
- **Record annual Iron Valley EBITDA of \$23.0M**
- **\$10.2M gain from divestment of non-core assets**
- **Cash position of \$41.5M and zero debt**
- **Well positioned to progress the Mardie Project to FID in early 2021**

BCI Minerals Limited (ASX:BCI) ("BCI" or the "Company") is pleased to announce financial results for the full-year ended 30 June 2020.

The Iron Valley mine delivered strong earnings for BCI, driven by high iron ore prices that persisted throughout the year. Iron Valley operator, Mineral Resources Limited ("MIN"), shipped 6.7Mt during the year which generated revenue for BCI of A\$76.8M and a record full-year EBITDA of \$23.0M.

In line with its strategy to focus on development of the Mardie Salt & Potash Project, BCI continued to successfully divest its non-core iron ore assets and exploration tenements. Asset sale transactions completed during the year resulted in a \$10.2M gain for BCI. As part of a series of transactions with MIN, BCI sold the Buckland Project for up to \$20M cash (including \$6M upon completion) plus a 1% FOB revenue royalty and received a \$4M accelerated payment of deferred consideration from the Kumina transaction (completed in FY19). A non-cash impairment charge of \$5.0M was recognised upon certain rights to develop the Cape Preston East port being relinquished with the sale of the Buckland Project. BCI's non-core assets are now largely divested, with the Company retaining a portfolio of deferred payments and iron ore royalties.

BCI's focus during the financial year was on completing the Definitive Feasibility Study ("DFS") and progressing the funding, approvals, tenure and offtake aspects of the Mardie Salt & Potash Project. Mardie expenditure increased to \$18.7M during the year in line with increased activities. The DFS was announced on 1 July 2020 and demonstrates that Mardie can become a Tier 1 salt and sulphate of potash ("SOP") operation producing 4.4Mtpa of high purity salt and 120ktpa of premium SOP fertiliser, and generating a pre-tax NPV<sub>7</sub> of approximately \$1.2B and annual EBITDA of nearly \$200M.

Overall, BCI recorded a positive net profit after tax of \$0.4M as shown in the table below.

\$M	30 June 2020	30 June 2019
Revenue	77.2	54.8
EBITDA	8.3	16.4
Interest, tax, depreciation and amortisation	(2.9)	(0.5)
Impairment of assets	(5.0)	(3.0)
<b>Net profit/(loss) after tax</b>	<b>0.4</b>	<b>12.9</b>

BCI recorded a positive EBITDA of \$8.3M for the year, with the contribution of each segment of the Group shown below.

<b>\$M</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
Iron Valley	23.0	12.3
Gains from divestments	10.2	16.5
Mardie	(18.7)	(8.2)
Other	(6.2)	(4.2)
<b>Total EBITDA</b>	<b>8.3</b>	<b>16.4</b>

## Outlook

With a cash balance of \$41.5M at 30 June 2020, zero debt and ongoing Iron Valley royalty earnings, BCI is in a strong position to advance the Mardie Project to a final investment decision (“FID”) targeted by early 2021. BCI intends to continue investing its current cash reserves in the Mardie Project leading up to FID, including on construction of a large scale trial pond and front-end engineering design.

BCI’s current objective is to obtain all required funding and approvals allowing full project construction to commence by May 2021. Earlier implementation of a construction village, power station and road infrastructure will remain subject to sufficient cash reserves being available in early 2021.

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

For further information:

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## ABOUT BCI MINERALS

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

BCI is 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. A Definitive Feasibility Study (DFS) on the Mardie Project was completed in Q2 2020.

Mardie aims to produce 4.4Mtpa of high-purity salt (>99.5% NaCl) and 120ktpa of sulphate of potash (SOP) (>52% K<sub>2</sub>O) via solar evaporation of seawater. Using an inexhaustible seawater 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. BCI recently acquired adjacent tenements which provide capacity to optimise and expand the project beyond the DFS production levels.

With a Final Investment Decision targeted in early 2021 and construction start by mid-2021, first salt sales can be achieved by mid-2024 and first SOP sales by mid-2025.

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). BCI's EBITDA from Iron Valley for FY20 was A\$23.0M.

## KEY STATISTICS

<b>Shares on issue:</b>	398.9 million	
<b>Cash in bank:</b>	\$41.5 million	as at 30 June 2020
<b>Board:</b>	Brian O'Donnell	Non-Executive Chairman
	Alwyn Vorster	Managing Director
	Michael Blakiston	Non-Executive Director
	Jenny Bloom	Non-Executive Director
	Garret Dixon	Non-Executive Director
<b>Major shareholders:</b>	Wroxby Pty Ltd	29.2%
<b>Website:</b>	<a href="http://www.bciminerals.com.au">www.bciminerals.com.au</a>	