

## STRONG HALF-YEAR FINANCIAL RESULTS

- **Group EBITDA of A\$15.3M and net profit after tax of A\$15.6M**
- **Iron Valley generated revenue for BCI of A\$20.2M and EBITDA of A\$3.2M from shipments of 3.7Mt in the half-year**
- **The first A\$27M in cash received from the sale of Kumina, resulting in a gain of A\$17.8M**
- **Value-adding and de-risking expenditure of A\$1.9M incurred on the Mardie Salt & Potash Project during the half-year, primary on environmental surveys and approvals plus initial Definitive Feasibility Study engineering activities**
- **Cash position of A\$36.6M and debt free**

BCI Minerals Limited (ASX:BCI) ("BCI" or the "Company") presents its financial results for the half-year ended 31 December 2018.

### COMMENTARY

Commenting on the results, BCI's Managing Director, Alwyn Vorster, said "*The sale of Kumina during the half-year was an excellent outcome for BCI, providing a A\$27M cash injection and contributing to a positive net profit after tax of A\$15.6M.*"

*"BCI's A\$36.6M cash position plus ongoing Iron Valley royalty earnings differentiates BCI from many other junior development companies and provides a solid platform to progress the Mardie Salt & Potash Project to a final investment decision without the need for any further equity raisings."*

### FINANCIAL RESULTS SUMMARY

The Iron Valley mine, which is operated by Mineral Resources Limited ("MIN"), continues to deliver positive royalty earnings and cash flow for BCI. Iron Valley shipped 3.7Mt during the half-year, which generated revenue for BCI of A\$20.2M and EBITDA of A\$3.2M. BCI's EBITDA comprised A\$3.8M from shipments which occurred during the half-year less an adjustment of A\$0.6M relating to the finalisation of pricing for certain shipments from the previous financial year.

During the half-year, BCI commenced a process to divest its iron ore assets. In October 2018, the sale of Kumina to MIN for total cash consideration of A\$35M was announced. The sale completed in December 2018 when BCI received the first cash payment of A\$27M, delivering a gain on disposal of A\$17.8M. A further A\$8M is payable in two tranches of A\$4M each upon first export of iron ore from Kumina and 12 months after first export.

Divestment of additional iron ore assets and BCI's exploration tenements remains under consideration, and expenditure on these projects is reducing to a level required to maintain tenure.

BCI continued to invest in advancing and de-risking its Mardie Salt & Potash Project, which has the potential to generate significant shareholder value over a very long operational life. During the half-year, expenditure of A\$1.9M was incurred on environmental surveys and approval-related work and early Definitive Feasibility Study activities.

Overall, BCI recorded a positive net profit after tax of A\$15.6M. This reflects the gain on disposal of Kumina, ongoing Iron Valley earnings, project and corporate expenditure, as well as a A\$1.5M tax refund from prior years.

	December 2018 A\$M	December 2017 A\$M
<b>Continuing operations</b>		
Net revenue	19.8	17.6
Expenditure	(23.5)	(23.6)
Profit on sale of asset	17.8	-
Income tax benefit	1.5	-
<b>Net profit/(loss) after tax</b>	<b>15.6</b>	<b>(6.1)</b>

BCI recorded a positive EBITDA of A\$15.3M for the half-year, with the contribution of each segment of the Group shown below.

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

BCI is in a strong financial position, with A\$36.6M cash as at 31 December 2018 and no debt. The Company is well placed to continue to progress the Mardie Salt & Potash Project towards completed of the Definitive Feasibility Study in the December 2019 quarter and a final investment decision by the March 2020 quarter.

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## ABOUT BCI MINERALS

BCI Minerals Limited (ASX:BCI) ("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.

BCI is rapidly advancing its 100% owned Mardie Salt & Potash Project, located on the West Pilbara coast in the center of Australia's key salt production region. Following a positive Pre-Feasibility Study in 2018, a Definitive Feasibility Study is underway targeting completion of all designs and primary approvals for a 4Mtpa salt and 100ktpa sulphate of potash operation in late 2019. Selected early construction works on site infrastructure and a large-scale trial pond is planned during 2019, with a Final Investment Decision (FID) targeted by 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 Reserve<sup>1</sup>). BCI remains the tenement owner and the royalty earnings are based on realised sales prices of Iron Valley ore. BCI's EBITDA from Iron Valley was ~\$18M in FY17 and ~\$6M in FY18.

A process for the divestment of BCI's iron ore and exploration portfolio commenced in 2H 2018. The first transaction completed in December 2018, with the sale of the Kumina iron ore tenements to MIN for total consideration of A\$35M cash, of which \$8M is conditional on the commencement of mining.

Other assets being considered for divestment include the Bungaroo South iron ore tenements (134Mt JORC Ore Reserve<sup>1</sup>) together with lease and development rights for a 20Mtpa port facility at Cape Preston East; Maitland River magnetite tenements (1.1Bt JORC Mineral Resource<sup>1</sup>); and numerous exploration tenements in Western Australia that are prospective for lithium, gold and base metals.

BCI's other assets include a 30% joint venture interest with Kalium Lakes Limited (ASX:KLL) in the Carnegie Potash Project, and potential iron ore royalties over the Nullagine (FMG), Koodaideri South (Rio Tinto) and Extension (AAMC) tenements.

## KEY STATISTICS

<b>Shares on issue:</b>	397.6 million	
<b>Cash and cash equivalents:</b>	\$36.6 million	as at 31 December 2018
<b>Board:</b>	Brian O'Donnell	Non-Executive Chairman
	Alwyn Vorster	Managing Director
	Michael Blakiston	Non-Executive Director
	Jenny Bloom	Non-Executive Director
<b>Major shareholders (&gt;5%):</b>	Wroxby Pty Ltd	27.6%
<b>Website:</b>	<a href="http://www.bciminerals.com.au">www.bciminerals.com.au</a>	

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.