

MARDIE SALT & POTASH PROJECT ADVANCES TO NAIF FUNDING DUE DILIGENCE STAGE

BCI Minerals Limited (BCI) is pleased to advise that the Northern Australia Infrastructure Facility (NAIF) has completed its strategic assessment of the Mardie Salt & Potash Project (Mardie) and has advised that Mardie has proceeded to the due diligence phase of the NAIF assessment process.

NAIF is a A\$5 billion facility set up as an initiative of the Australian Government to provide loans, which may be on concessional terms, to support and encourage infrastructure development in northern Australia. NAIF has a formal staged assessment process and range of eligibility criteria that need to be satisfied before the NAIF Board will consider making an Investment Decision to grant financial assistance to any project.

BCI identified NAIF as a potential debt funding provider that could become an important part of the overall Mardie funding strategy. Mardie is located on the Pilbara coast in Western Australia, entirely within the definition of Northern Australia under the NAIF Act 2016 and involves the construction of infrastructure, including a new multi-user port facility, as well as ponds, two processing plants, accommodation and supporting infrastructure.

Following initial discussions with NAIF and BCI's provision of information on the Mardie Project and its development plans, Mardie has now been assessed by NAIF Executive as having the potential to meet NAIF's mandatory eligibility criteria, completing the Strategic Assessment Stage.

It should be noted that NAIF has not at this stage made a decision to offer a loan or provide financial assistance of any sort and there is no certainty that an agreement will be reached between the parties. BCI will continue to work closely with NAIF during the Due Diligence Stage for BCI to develop a formal Investment Proposal, which is a precondition for the NAIF Board to make an Investment Decision.

BCI's Managing Director, Alwyn Vorster, said: *"We welcome NAIF's decision to progress Mardie to the next phase of its debt funding process. BCI is actively working on funding solutions for Mardie in parallel with the Definitive Feasibility Study to allow timely development of the Project. BCI is also making solid progress in developing product offtake support, which will be an essential requirement of securing a funding solution. Non-binding MOUs have recently been entered into with several credible salt end-users in Asia, defining the engagement process to achieve offtake agreements in the future."*

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ABOUT NAIF

NAIF was established on 1 July 2016 by the Northern Australia Infrastructure Facility Act 2016 (NAIF Act) and is a corporate Commonwealth entity. The objective of the NAIF Act is to provide financial assistance to the States of Queensland, Western Australia and the Northern Territory for the construction of infrastructure to benefit northern Australia. The NAIF may approve loans to 30 June 2021 with total A\$5 billion in aggregate (with loan tenors of up to the longest term of Commonwealth borrowing).

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 99.7% 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 by late 2019. Key approvals are expected to be in place by early 2020 and a Final Investment Decision (FID) is 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 Reserve¹). BCI's EBITDA from Iron Valley has ranged from A\$5.6-18.3M per annum and is expected to range from A\$11-12M for FY19.

A process is underway for the divestment of BCI's iron ore and exploration portfolio. 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 still to be received after operations commence.

KEY STATISTICS

Shares on issue:	397.6 million	
Cash and cash equivalents:	\$34.8 million	as at 31 May 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.