

## MARDIE PROJECT UPDATE

BCI Minerals Limited (ASX:BCI) ("BCI" or the "Company") is pleased to provide an update on the Mardie Salt & Potash Project as follows:

- Construction of 36-bed accommodation village complete and construction of large-scale trial pond planned to commence in Q1 2020.
- Further progress on product marketing with nine non-binding offtake MOUs now executed for 2.6Mtpa of salt and 10ktpa of SOP.
- Official international trade data confirms improved salt market conditions and an ~20% increase in Australian salt prices during 2019, compared with 2018 information.
- Positive discussions with the Northern Australia Infrastructure Facility (NAIF) and banks regarding the potential provision of debt finance for the Mardie Project.
- Mardie Definitive Feasibility Study (DFS) well advanced:
  - All designs completed; Cost estimates & quotations being validated;
  - Whilst preliminary estimates are indicating higher capital costs than the PFS Optimisation Study, the DFS will include a final value engineering phase in Q1 2020 to optimise capital and operating costs;
  - DFS completion now expected in Q2 2020.
- Due to project footprint refinements, a revised Environmental Review Document (ERD) will be re-submitted in early 2020, with Environmental Protection Agency (EPA) endorsement targeted by late Q3 2020.
- Final investment decision (FID) scheduled for Q3 2020, and first construction by early 2021.

BCI retains a strong cash position of \$37.3 million with zero debt as at 30 November 2019 and is well placed to continue progressing the Tier 1 Mardie Salt & Potash Project towards development. A further update will be provided in BCI's quarterly report in January 2020.

-END-

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

For further information:

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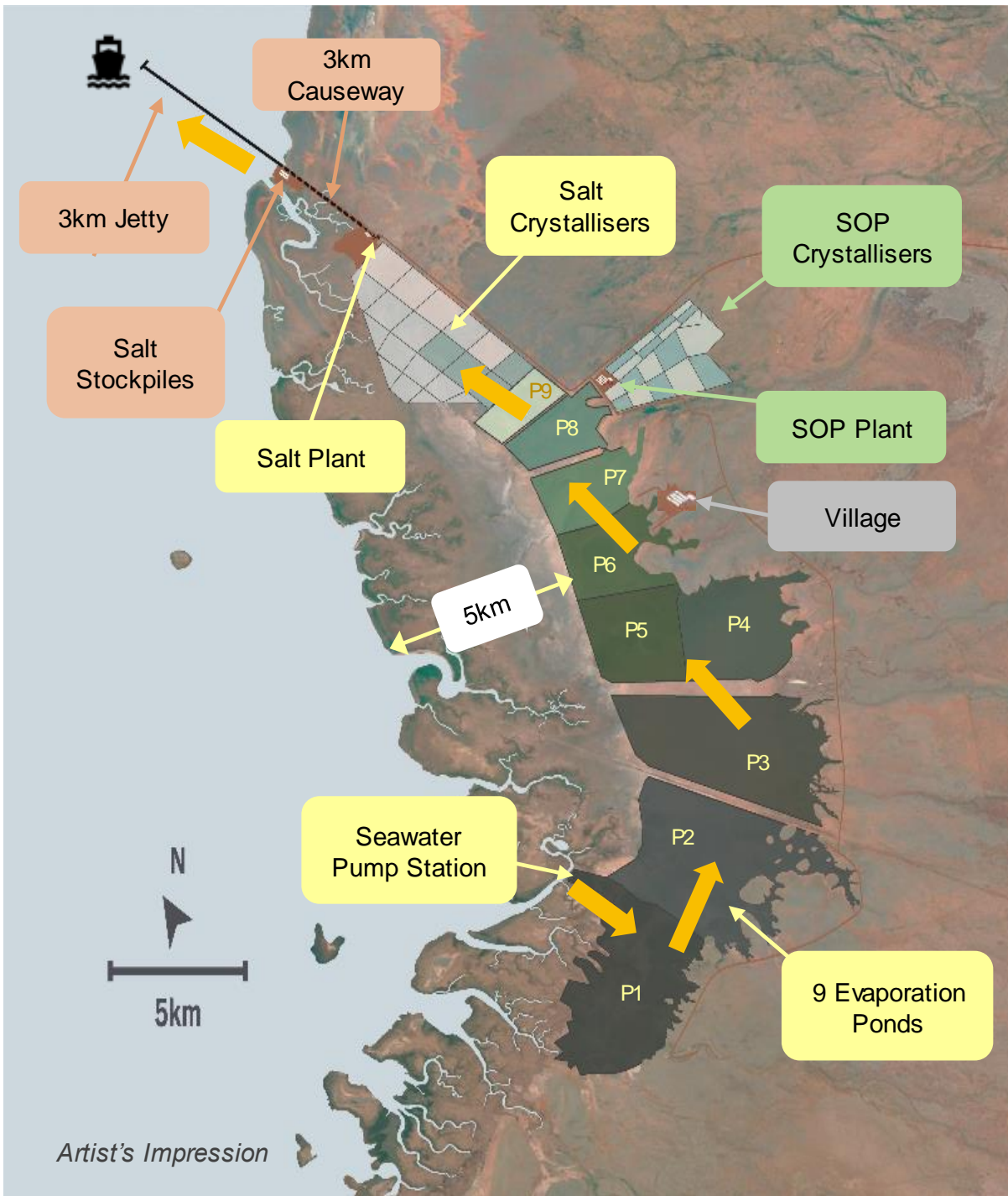
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Alwyn Vorster  
Managing Director

Simon Hodge  
Chief Financial Officer

Brad Milne  
Investor Relations Manager

# APPENDIX 1: MARDIE PROJECT LAYOUT



## 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% K<sub>2</sub>O) 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.

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 (FID) is targeted by Q3 2020, and Environmental Protection Authority (EPA) endorsement expected in late Q3 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) (89Mt JORC Ore Reserve<sup>1</sup>). BCI's EBITDA from Iron Valley has ranged from A\$5.6-18.3M per annum, with FY19 delivering A\$12.3M.

## KEY STATISTICS

<b>Shares on issue:</b>	398.9 million	
<b>Cash and cash equivalents:</b>	\$37.3 million	as at 30 November 2019
<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	29.2%
<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 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.