ASX Release

1 July 2020

BCI MINERALS LIMITED

MARDIE SALT & POTASH PROJECT

FEASIBILITY STUDY CONFIRMS WORLD CLASS OPPORTUNITY

BCI Minerals Limited (ASX: BCI) is pleased to report the key results of the Definitive Feasibility Study (DFS) on its 100% owned Mardie Salt & Potash Project. This announcement should be read together with the cautionary statements on page 3 and the attached DFS Summary.

The DFS confirms Mardie can become a globally significant Tier 1 salt and sulphate of potash (SOP) project offering attractive financial returns for more than 60 years, potentially making it one of the longest life projects developed in Australia for decades.

Based on the positive DFS results, the BCI Board has approved the Company advancing the Project towards a final investment decision by early 2021.

Key results of the DFS include:

- Positive business case established for production of 4.4Mtpa of high purity salt and 120ktpa of premium SOP fertiliser.
- DFS demonstrates NPV_7 of $1,197M (pre-tax real), annual steady state EBITDA of $197M, total revenue of $22 billion and total net cash flow of $10 billion over 60 years.
- Direct capital cost estimate of $580M for all production and port infrastructure. Additional capital cost provision for detailed design, owner's costs, project management, growth allowances and contingencies of $199M, resulting in total capital cost of $779M. Additional working capital and funding costs to be incurred during construction.
- Operating cost estimates show competitive salt costs with other Western Australian operations, and SOP operating costs in the lowest quartile globally.
- Project funding initiatives well progressed, including negotiation of indicative debt term sheets with the Australian Federal Government's Northern Australia Infrastructure Facility (NAIF) and a number of Australian and international banks. Discussions with potential cornerstone equity investors are underway and expected to gain further momentum upon completion of the DFS.
- Experts forecast attractive long-term salt and SOP prices based on strong demand growth in the Asian region.
- Thirteen non-binding salt offtake memoranda of understanding (MOUs) and two SOP non-binding offtake MOUs secured with credible Asian buyers, accounting for 100% of Mardie's three-year salt production and 75% of five-year SOP production.
- Regulatory approvals and tenure well advanced. Mardie's Environmental Review Document (ERD) endorsed by the WA Environmental Protection Agency (EPA) for public review. Native Title agreements including compensation arrangements in place, and port lease documentation being negotiated with the Pilbara Ports Authority (PPA).

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- Development schedule targeting final investment decision in Q1 2021, construction commencement in Q2 2021, first salt sales by mid-2024, and first SOP sales by mid-2025.
- DFS workstreams covering engineering, technical, commercial and approvals were managed by BCI with support from industry leading consultants including GR Engineering, Preston Consulting, RPS, Roskill, Argus, Braemar, KPMG and others.

As optimisation potential to the DFS base case, BCI will consider relocation of crystallisers to the recently acquired tenements north of Mardie, which will allow for increased production and lower operating costs. The new tenements also offer sufficient area for additional evaporation ponds which could increase production capacity to 6Mtpa salt and 160ktpa SOP production, making Mardie one of the largest solar evaporation operations globally.

Mardie's green credentials and sustainability are evidenced by its utilisation of an inexhaustible seawater resource, 99.9% of the energy requirements being derived from natural sun and wind energy, and secondary processing of excess salt brine into a high-quality SOP fertiliser.

BCI has ~$42M cash (as at 31 May 2020) and is well positioned to reach final investment decision without requiring any new capital.

DIRECTOR COMMENTARY

BCI's Managing Director, Alwyn Vorster, said: *"The DFS delivered positive outcomes in all key project areas and indicates Mardie is technically robust and financially attractive with a potential net present value of more than one billion dollars. An investment of $20M has been made over the past 18 months to deliver the high-quality DFS and we will continue to derisk and add value to the Project over the next few months. This should further increase lender and investor confidence, supporting funding solutions."*

BCI's Chairman, Brian O'Donnell, said: *"Completion of the positive DFS gives BCI the green light to progress confidently towards a final investment decision. The Board views the DFS results as confirmation that the Mardie Project is a compelling value proposition with an attractive market opportunity, green credentials and no insurmountable obstacles to development. Attractive financial returns over many decades, and expansion potential from the new tenements, should result in substantial long-term value and dividends being created for shareholders. We believe Mardie will be a multi-generational asset for northern Australia, delivering new multi-user export infrastructure, tax and royalty revenues, jobs and indigenous engagement."*

-END-

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

For further information:

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Alwyn Vorster	Simon Hodge	Brad Milne
Managing Director	Chief Financial Officer	Investor Relations Manager

IMPORTANT NOTICES

The Project aims to produce salt and SOP from a seawater resource, which is abundant, inexhaustible, readily accessible and has a known and consistent chemical composition. The JORC Code does not apply to a project of this nature and accordingly JORC Ore Reserves and Mineral Resources are not reported.

The DFS is based on material assumptions as outlined throughout this announcement and the attached DFS Summary, including as to capital and operating cost estimates, production targets, forecast financial information and the availability of funding. BCI has concluded that all material assumptions are based on reasonable grounds and there is a reasonable basis for making the forward-looking statements included in this announcement and the DFS Summary. However, there is no certainty that they will prove correct or the outcomes will be achieved.

The capital costs and operating costs reported in this announcement and the DFS Summary were prepared by GR Engineering Services Limited (GRES) based on the level of engineering and design completed during the DFS, and comply with the AACE International Class 3 to an accuracy of ±10-15%. GRES is an experienced engineering consultancy and contracting company with extensive experience in study management and cost estimation. GRES consents to the inclusion of these estimates in this announcement and the DFS Summary in the form and context in which they appear. The production rates reported in this announcement and the DFS Summary, and associated process design and mass balance were prepared by BCI. The production rates have been reviewed by GRES, who consents to the inclusion of the production rates in this announcement and the DFS Summary in the form and context in which they appear.

Braemar AMC Shipbroking (Braemar) has provided a report on seaborne freight data to BCI, from which information has been incorporated into this announcement and the DFS Summary. Braemar does not assume any liability for the use that BCI has made of its report, including in this announcement or the DFS Summary, and neither Braemar nor any of its subsidiaries or its affiliates shall have any responsibility or liability to any person whatsoever in connection with its report and/or the information contained therein and/or any information derived from it and/or any use that any person makes of this announcement or the DFS Summary.

FORWARD-LOOKING STATEMENTS

This announcement and the DFS Summary contain forward-looking statements. These forward-looking statements are based on BCI's current expectations and beliefs concerning future events at the date of this announcement, and are expressed in good faith. BCI believes it has reasonable grounds for making the forward-looking statements. However, forward-looking statements are subject to risks, uncertainties and other factors, a number of which are set out in Section 15.2 of the DFS Summary named "Risks", which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Consequently, forward-looking statements should not be relied on as a guarantee of future performance. Other than as required by law, including the ASX Listing Rules, BCI does not undertake or assume any obligation to update or revise any forward-looking statement contained in this announcement or the DFS Summary.

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.

Mardie will produce 4.4Mtpa of high-purity salt (>99.5% NaCl) and 120ktpa of sulphate of potash (SOP) (>52% K2O) 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.

A Definitive Feasibility Study (DFS) on the Mardie Project was completed in Q2 2020. A Final Investment Decision (FID) is targeted in early 2021 with first construction planned to commence by mid 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). 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 in bank:	$42.3 million	as at 31 May 2020
Board:	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
Major shareholders:	Wroxby Pty Ltd	29.2%
Website:	www.bciminerals.com.au	