

POSITIVE HALF YEAR RESULTS

RECORD ROYALTY INCOME; MARDIE PROGRESSING TOWARDS FID

- **Group EBITDA of \$2.0M for the half year**
- **Record half year Iron Valley revenue for BCI of \$53.0M and record EBITDA of \$17.1M**
- **Expenditure of \$12.6M to progress Mardie engineering, approvals and funding**
- **Mardie early works construction underway**
- **Completed \$47.9M equity raising to commence early works and accelerate development**
- **Cash balance at 31 December 2020 of \$78.5M and zero debt**

BCI Minerals Limited (ASX:BCI) ("BCI" or the "Company") presents its financial results for the half year ended 31 December 2020.

Commenting on the results, BCI's Managing Director, Alwyn Vorster, said: "BCI has delivered a solid half year result underpinned by record Iron Valley earnings. Significant Mardie Project milestones were achieved including the Australian Federal Government granting Major Project Status and approving \$450M debt funding via the Northern Australia Infrastructure Facility. With almost \$80M cash in the bank and strong forecast iron ore royalties, BCI is well positioned to progress Mardie to a final investment decision before the next financial year."

BCI recorded a net profit after tax of A\$0.03M for the half year, made-up as follows:

	December 2020 \$M	December 2019 \$M
Net Revenue	53.1	39.4
Expenditure	(53.1)	(43.5)
Net profit/(loss) after tax	0.0	(4.1)

BCI recorded EBITDA of A\$2.0M for the half year, with the contribution of each segment shown below.

	December 2020 \$M	December 2019 \$M
Iron Valley	17.1	10.9
Mardie	(12.6)	(11.2)
Tenements & Other Interests	(0.2)	(0.2)
Other	(2.3)	(2.7)
Total EBITDA	2.0	(3.2)

Mardie Salt & Potash Project

BCI continues its momentum toward Final Investment Decision (“FID”) for its 100% owned Mardie Salt & Potash Project. A Definitive Feasibility Study (“DFS”) was completed in July 2020¹ confirming Mardie’s potential as a globally significant Tier 1 salt and SOP project offering attractive financial returns for more than 60 years, making it one of the longest life projects to be developed in Australia for decades. The study outlines a positive base business case for producing 4.4Mtpa of high purity salt and 120ktpa of premium SOP fertiliser for export via a new port at the Mardie site.

The Australian Federal Government has strongly endorsed Mardie by granting it Major Project Status, one of only 20 projects nationally. Further, the Federal Government’s Northern Australia Infrastructure Facility (“NAIF”) has approved a \$450M loan to be used for construction and ramp-up of the Mardie Project with a tenor of 15 years from financial close. The NAIF loan will exist alongside other debt tranches and BCI is well advanced in due diligence with a consortium of lenders regarding project financing arrangements.

An early works construction program is underway at Mardie, which includes establishment of the accommodation village, access roads, site communications, fuel storage, water bores and initial power supply facilities. GR Engineering Services has been awarded the contract to manage the early construction activities and various other contracts have been awarded for the implementation of specific packages. Expansion of the existing accommodation village from 36 beds to 80 beds is underway.

Approvals and tenure required for full development of the Mardie Project have progressed throughout the period. The public review period for the Environmental Review Document ended in September 2020 and BCI has responded to submissions received. The Company continues to liaise with the WA Environmental Protection Authority (“EPA”) in the final stages of the environmental approvals process and is targeting final Ministerial approval by Q2 2021.

BCI continued to work closely with the Pilbara Ports Authority and the Department of Planning, Lands and Heritage to secure the tenure and agreements required to develop the Mardie Port facilities within the Cape Preston West Port area. BCI also entered into the required access agreement with the pastoral lease holder, Pastoral Management Pty Ltd. Other tenure and access arrangements required for the Project were also progressed. The final grant of Mining Leases and other Mining Act tenure remains subject to agreement of land access arrangements with the owners of gas pipelines in the south of the Mardie Project.

During the period, BCI expanded its management team through the appointment of experienced executives, including Sam Bennett as Project Director, Mark Forward as General Manager Landside Development and Rob Ernst as General Manager Port Development. BCI is also increasing its presence in the Pilbara region and engagement with the local community as the Mardie Project approaches the construction phase. Angela Glover was appointed as Head of Corporate Relations and Communities based in a new BCI office in Karratha. To lock-in BCI’s commitment to local contracting, the Company has developed an Australian Industry Participation Plan for the Mardie Project, which was approved by the Department of Industry, Science, Energy and Resources in January 2021.

¹ Refer to ASX announcement dated 1 July 2020. BCI confirms that all material assumptions underpinning the production forecast and financial information derived from the production forecast have not materially changed and continue to apply.

Iron Valley Mine

The Iron Valley Mine is operated by Mineral Resources Limited (“MIN”) under an ore purchase agreement with BCI. MIN operates the mine and BCI receives a quarterly gross royalty to purchase the iron ore. From the gross royalty, BCI pays State Government, Native Title and private royalties.

Iron Valley continues to deliver reliable royalty earnings and cash flow to BCI. MIN shipped 2.9 million wet metric tonnes (“Mt”) (December 2019: 3.5Mt), generating revenue for BCI of \$53.0M (December 2019: \$39.1M) and EBITDA of \$17.1M (December 2019: \$10.9M). The improved result during the half year was due to a continuation of strong pricing for iron ore with the average Platts CFR 62% price for the half year increasing to US\$124/dmt compared to US\$95/dmt for the same period last year. Iron ore prices have strengthened further in the current half year and are currently greater than US\$170/dmt.

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

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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.

Mardie aims to produce 4.4Mtpa of high-purity salt (>99.5% NaCl) and 120ktpa of sulphate of potash (SOP) (>52% K₂O) via solar evaporation of seawater.² 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. There is potential to optimise and expand the project beyond currently planned production levels.

With a Final Investment Decision targeted in Q2 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 was A\$23.0M for FY20 and A\$17.1M for H1 FY21.

KEY STATISTICS

Shares on issue	598.4 million	
Cash in bank	\$78.5 million	as at 31 December 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
	Richard Court	Non-Executive Director
Major shareholders	Wroxby Pty Ltd	39.6%
	Sandon Capital Pty Ltd	6.1%
Website:	www.bciminerals.com.au	

² Refer to ASX announcement dated 1 July 2020. BCI confirms that all material assumptions underpinning the production forecast and financial information derived from the production forecast have not materially changed and continue to apply.