

DECEMBER 2021 QUARTERLY RESULTS

MARDIE FUNDING SOLUTION AND APPROVALS SECURED

- **State and Federal environmental approvals received for the Mardie Salt & Potash Project**
- **\$1.2Bn funding requirement secured to develop Mardie**
- **Construction of seawater intake structure and accommodation village well advanced**
- **~\$190M marine structure contract awarded**
- **Gas Pipeline Access and Indigenous Land Use Agreements executed to support grant of key mining tenure**
- **Iron Valley EBITDA to BCI of \$1.8M for Dec-21 Quarter; negative prior quarter adjustments of \$5.3m required due to lower than forecast realised prices**
- **Cash balance of A\$334.1M and zero debt at 31 December 2021**

BCI Minerals Limited (ASX:BCI) ('BCI' or the 'Company') is pleased to present its quarterly activities report for the period ended 31 December 2021.

MARDIE SALT & POTASH PROJECT

Full Project Funding Secured

The final components of the ~\$1.2bn funding required to develop the Mardie Salt & Potash Project were secured during the period with shareholders approving the successful \$360M equity raising. Westpac Banking Corporation and Industrial and Commercial Bank of China Limited were mandated as lead arrangers for commercial debt Facilities¹ totalling \$310M (including a \$140M construction loan facility plus \$170M facilities for cost overruns and guarantee requirements).

The equity raising comprised a strongly supported \$240M placement of new shares at \$0.43 to institutional investors, an oversubscribed share purchase plan at the same price raising \$20.6m and the provision of up to \$100M in convertible notes with an exercise price of \$0.6235 by AustralianSuper, Australia's largest superannuation fund. AustralianSuper became a new and substantial shareholder of BCI by participating in the institutional placement and currently holds 14% of the Company while existing shareholder, Wroxby, maintained its 39.5% stake, via a substantial investment of \$103m in the share placement.

These funds, together with commitments from the Northern Australia Infrastructure Facility (\$490M) and Export Finance Australia (\$110M), as well as ongoing Iron Valley royalty earnings, pre-existing BCI cash

¹ The Facilities remain subject to completing detailed facility documentation and typical funding conditions including regulatory approvals.

reserves and potential corporate debt, supplemented by potential asset sales and other receipts, will be used to develop the Project to a capacity of 5.35Mtpa of salt and 140ktpa of Sulphate of Potash (SOP).

Mardie Site Activities

During the quarter, the largest direct capital works contract for the Project was awarded to McConnell Dowell Constructors (Australia) Pty Ltd for the ~\$190M marine structures package. The award followed a competitive four-month Early Contractor Involvement process with McConnell Dowell selected for its safety and environmental record, experience and capability in delivering similar packages, proposed design and construction methodology, use of local content, value improvement opportunities and pricing.

The design and construct package includes jetty structure, transhipper mooring equipment, material handling system and navigation aids. The contract was awarded on a fixed-price basis and within the Optimised Feasibility Study capital estimate. Final design and procurement have commenced, and jetty construction is scheduled from Q4 2022.

Figure 1: Marine structure

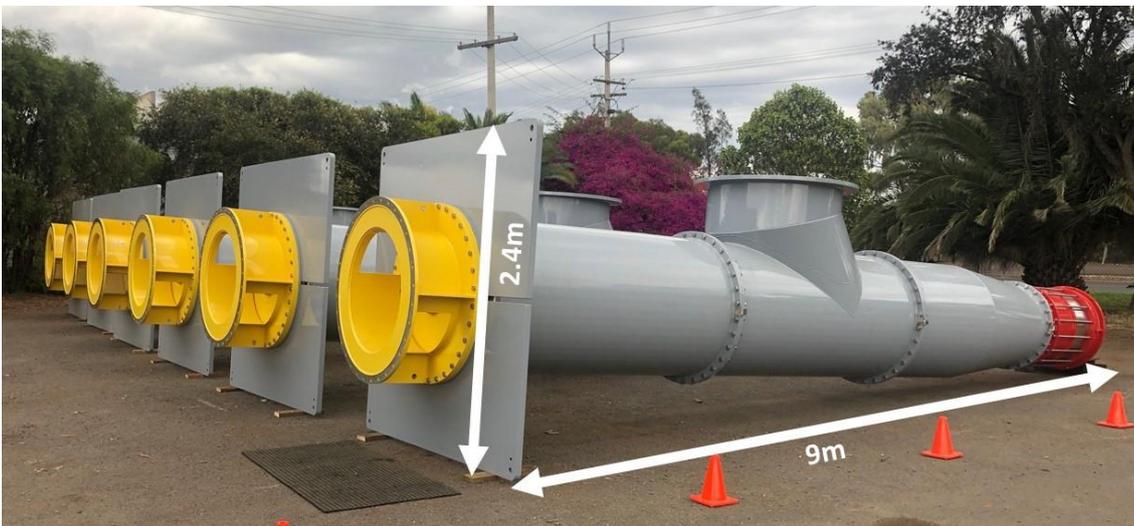


The construction of the southern trial pond continues alongside preparations for the installation of the main seawater pump structure. The contract for the seawater pump structure was awarded to Ertech Geomarine in 2H2022 and involves the design, procurement, construction, and commissioning of all the detailed earthworks, piling, structural steel, concrete, mechanical and electrical installations required to accommodate and operate six 3,000 litres per second pumps within the pump structure. Manufacturing and factory acceptance testing of the pumps is complete and delivery to site is expected in the coming weeks. Fabrication of the secondary pumps to transfer water between ponds has now commenced.

Figure 2: Construction of Primary Seawater Intake Structure



Figure 3: Primary Seawater Intake Pumps (at supplier premises)



With main construction scheduled to commence next month, commissioning of the expanded 200-bed camp is underway including a new reverse osmosis water supply and water treatment plant. A further 200 beds will be added in the coming months to accommodate peak construction workforce.

Figure 4: Mardie Accommodation Facilities Expansion



Tenure and Approvals

The Mardie Project has received environmental approval from both the State and Federal Governments. In November 2021 the Western Australian Minister for Environment approved the implementation of the Mardie Project with specific conditions. The approval conditions are expected to have no material impact on the design, costing or operations of the Project and are supported by the environmental approval notice issued by the Commonwealth Government’s Department of Water, Agriculture and Environment (DAWE) in January 2022.

Both approvals were issued for the Definitive Feasibility Study (DFS) development footprint as proposed in BCI’s Environmental Review Document (ERD), which includes all salt and SOP production facilities and associated port facilities. As outlined in BCI’s Optimised Feasibility Study announcement on 21 April 2021 and in the Ministerial Statement announcement on 25 November 2021, additional tenements acquired after the ERD submission will allow for a layout optimisation and expansion of production. This optimisation and expansion area will be subject to further environmental assessment and approvals over the next 12-months.

The Port of Cape Preston West Indigenous Land Use Agreement (ILUA) was executed during the period allowing the creation of a new port reserve. The ILUA is a tripartite agreement between the Wirrawandi Aboriginal Corporation (WAC), the Western Australian Government and BCI. The Mardie port facilities will be located within and adjacent to the Cape Preston West port land and the Pilbara Ports Authority (PPA) has approved the Development Application for these facilities.

Access Agreements have been executed with Santos WA Northwest Pty Ltd as operator of the Varanus Island Gas Pipelines (Santos) and Chevron Australia Pty Ltd as operator of the Gorgon Domestic Gas Pipeline

(Chevron). The Agreements set out the conditions for safe and sustainable interactions between the Mardie Project and the gas pipelines that intersect the project footprint. The signing of the agreements allows for the objections to be lifted which will facilitate the grant of key mining tenure by the Department of Mines Industry Regulation and Safety (DMIRS) and associated secondary approvals.

BCI expects to receive consent under Section 18 of the Aboriginal Heritage Act 1972 imminently. The application for consent has been considered by the Aboriginal Cultural Material Committee as to the importance and cultural significance of the Mardie development site and will now be determined by the Department of Planning, Lands and Heritage.

Other Mardie Factors

All required secondary approvals are expected to be secured within February 2022, allowing main construction to proceed on schedule. Port licences and approvals are expected in time for marine construction to commence in late 2022.

Evidence of cost pressures due to external market conditions are emerging across multiple project areas such as flights, accommodation, fuel, labour, steel and shipping. BCI is focused on cost reduction initiatives to ensure overall budget can be maintained and has made contingency allowances for pressure of this type. Border reopening, when it occurs, should ameliorate cost pressures across the resource sector in Western Australia.

Salt and SOP prices continue to track well above the levels assumed in the Mardie feasibility studies, providing potential upside to revenue assumptions.

IRON VALLEY MINE

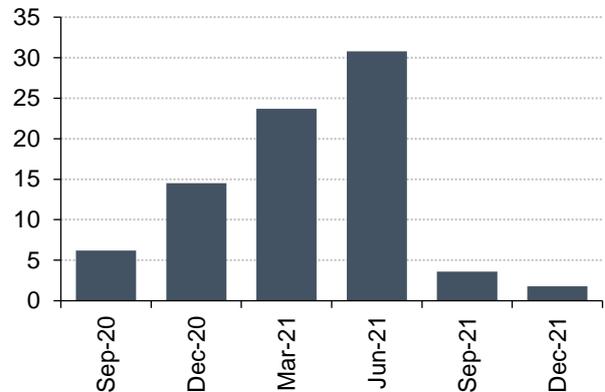
BCI EBITDA from Iron Valley in the Dec-21 result reflects the impact of significantly reduced headline 62% Fe iron ore prices, which averaged US\$109/t in the Dec-21 quarter compared with US\$199/t in the Jun-21 quarter, and increased quality discounts. EBITDA from the Dec-21 quarter shipments was A\$1.8M from 1.4Mt shipped. The EBITDA from the Sep-21 quarter shipments has been restated to \$3.5M following a significant negative adjustment relating to final realised prices for that quarter.

Since 1 January 2022 the iron ore headline price has recovered to the current level of >US\$130/t, which should have a positive impact on the Iron Valley realised prices in the next period.

Figure 5: Iron Valley Quarterly Shipments (M wmt)



Figure 6: Iron Valley Quarterly EBITDA² (A\$M)



CORPORATE

Health and Safety

BCI has an excellent safety record and remains focused on maintaining a safe working environment for its employees and contractors as site activities at the Mardie Project increase. There were no recordable injuries during the quarter and BCI has now recorded more than six years without a lost time injury (LTI).

Cash and Debt Position

Following the receipt of funds from the November 2021 equity raising, BCI's cash balance at 31 December 2021 was A\$334.1M (30 September 2021: A\$87.4M) and the Company remains debt free. The cash flow impact for the Iron Valley finalisation adjustments will be offset against future receivables.

Board and Executive Changes

As BCI continues to transition to the construction and operational phases of the Mardie Project, the following board and senior executive changes have been made:

- Jenny Bloom has resigned from the Board of Directors after five years of service. The Board will consider the appointment of an additional Director in early 2022.
- Kerryl Bradshaw commenced as **Chief Financial Officer (CFO)** in January 2022. Kerryl is responsible for all BCI finance, commercial and technology workstreams. She is a qualified chartered accountant and has extensive experience in senior leadership roles at Microsoft, Advisian and Rio Tinto.
- Kim Boekeman joins the BCI Executive Team in the new role of **Head of People and Culture**, commencing 1 February 2022. Kim will be responsible for managing the attraction, retention and cultural

² Historic quarterly EBITDA results have been restated to illustrate the contribution of shipments in each quarter incorporating final pricing adjustments in the relevant quarter.

transformation of BCI's workforce. Most recently she held senior roles at Assala Energy (London), British Petroleum (London) and ANZ Bank (Melbourne).

- Phil Alcock has been appointed as **General Manager, Landside** for the Mardie Project, reporting to the Project Director (Sam Bennett). Phil is responsible for the safe and cost-effective execution of the engineering, procurement, construction, and commissioning of all landside infrastructure. Phil has 35 years of construction experience and held senior roles Roy Hill, Orica and the KIZAD infrastructure project in Abu Dhabi.

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

For further information:

Investors:

Rebecca Thompson
BCI Minerals – Investor Relations Executive
T: +61 416 079 329
E: rebecca.thompson@bciminerals.com.au

Media:

Camille Henderson
BCI Minerals – Communications Manager
T: +61 449 513 163
E: camille.henderson@bciminerals.com.au

ABOUT BCI MINERALS

BCI Minerals Limited (ASX:BCI) is an Australian-based mineral resources company which is developing an industrial minerals business, with salt and potash as initial focus.

BCI is rapidly advancing its 100% owned Mardie Salt & Potash Project, a potential Tier One project located on the Pilbara coast in the centre of Western Australia's key salt production region. Mardie has been designed to produce 5.35Mtpa of high-purity salt (>99.5% NaCl) and 140ktpa 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 will be a sustainable supplier to the global salt and potash growth markets, delivering benefits to BCI stakeholders over many decades. Main construction of the Mardie Project is targeted to commence in early 2022, which will allow first salt sales to be achieved by Q4 2024 and first SOP sales by Q1 2026.

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 other assets include substantial shareholdings in Agrimin Limited (ASX:AMN) and Highfield Resources Ltd (ASX:HFR), potential royalties and/or deferred payments from iron ore projects at Koodaideri South, Bungaroo South, Kumina and Nullagine, and a 30% joint venture interest in the early-stage Carnegie Potash Project.

KEY STATISTICS

Shares on issue	1,206.1 million	
Cash in bank	\$334.1 million	as at 31 December 2021
Board	Brian O'Donnell	Non-Executive Chairman
	Alwyn Vorster	Managing Director
	Michael Blakiston	Non-Executive Director
	Garret Dixon	Non-Executive Director
	Richard Court	Non-Executive Director
	Chris Salisbury	Non-Executive Director
Major shareholders	Wroxby Pty Ltd	39.5%
	AustralianSuper Pty Ltd	14.0%
	Ryder Capital Ltd (and related)	9.9%
Website:	www.bciminerals.com.au	