

MARDIE PROJECT UPDATE

- Ceremony held at Mardie Project site to mark official construction commencement
- SRG Global to continue construction of initial ponds following its acquisition of WBHO Infrastructure
- Significant construction capital cost pressures experienced in Western Australia, but Mardie economics to benefit from strong salt and potash price rises since 2021 estimates

BCI Minerals Limited (ASX:BCI) ('BCI' or the 'Company') celebrated the official commencement of construction on Friday, 25th March 2022 at the Mardie Project site, 100km southwest of Karratha. Premier of Western Australian, the Honourable Mark McGowan MLA, joined members of the BCI Board, leadership team and local stakeholders to officially launch the construction milestone.

BCI's Chair, Brian O'Donnell, said at the ceremony: *'After many years of project derisking, studies and approvals, construction commencement is an exciting milestone on the path of creating Australia's largest solar salt project that will rank third in scale globally.'*

Image 1: Mardie construction ceremony



SRG Global acquisition of WBHO Infrastructure

The Western Australian headquartered engineering, mining services and construction group SRG Global (ASX:SRG) completed its acquisition of WBHO Infrastructure ('WBHO'), now called SRG Global Infrastructure, on 31 March 2022. BCI confirms that SRG will continue with the Mardie construction contract for walls and levees for Ponds 0, 1, and 2. The contractor for the seawater intake facility remains Ertech Geomarine.

Image 2: Construction activities at Pond 0 / Seawater Intake



Market outlook

BCI expects that the current inflationary pressures on construction inputs such as fuel, labour, transport, and equipment will lead to increased capital cost for particularly the civil component of the Project. At the same time, BCI notes the strong increases in salt and sulphate of potash (SOP) prices since the completion of the Mardie feasibility studies in mid-2021. Since that time, the average contract price of Australian salt imported into Asia (based on government trade information) has increased by more than 20% to approximately US\$50/t (CIF), with even higher spot prices being realised in China. In addition, the SOP price has increased in this period by more than 70% to around US\$930/t (FOB Europe).

Commenting on the construction and commodity price environment, BCI's Managing Director, Alwyn Vorster said: *"Cost pressures are evident across the mining and construction sectors in Western Australia. We are closely monitoring and managing our contracts and are reviewing the inflationary impact on the total Mardie capital cost. We are also reviewing our long-term commodity price assumptions and will advise the market when this work is complete. It is our expectation that even with these increasing cost pressures, the Mardie Project financial returns over multiple decades will remain attractive."*

An updated estimate of total project capital cost and projected financial returns is expected to be released before 30 June 2022.

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

Further Information:

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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 its 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 commenced in Q1 2022.

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.

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	14.5%
	Ryder Capital Ltd (and related)	9.2%
Website:	www.bciminerals.com.au	